

Tandberg: Be there now

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For global videoconferencing company Tandberg, the company slogan of "Be there now" is more than just a motto -- it's almost a calling.

The company has experienced a yearly growth in revenue of from \$105 million to more than \$350 million in the last four years based on the global increase in corporate and government videoconferencing. The face-to-face interactivity of videoconferencing has become increasingly popular as the technology has become easier and much less costly to use.

"We've grown dramatically," said Tandberg President, Americas, Rick Snyder speaking to UPI via videoconference from Dallas.

The Oslo, Norway and New York City-based Tandberg manufactures and sells a variety of conferencing products that use both dedicated connections and the Internet to transmit audio and video, including a number of different video displays, cameras, audio equipment, networking equipment and software that allow Tandberg's many respective clients to weave a web of multimedia communications worldwide.

"The form factors we have span from boardroom to desktop," said Mark Dumas, Tandberg's director of sales engineering. "We believe that one size does not fit all."

The type of clients Tandberg encompasses range from a long list of business and government to lately include a growing list of telemedicine, distance education and homeland security clients.

A short list of clients includes: Ikea, Volkswagon, Cisco, Vodafone, AstraZeneca, Schlumberger, Moscow city government, the U.S. Defense Intelligence Agency, the European Organization for Nuclear Research, University of Glasgow, the Russian Telemedicine Association, Grampians Rural Health Alliance Network, the Royal Bank of Scotland, and the U.S. Department of Homeland Security, the office of Defense Preparedness.

As part of the increasing range of videoconferencing systems, Tandberg has begun to weave 3G cell phones into the standard web of conferencing. Currently an average conference might consist of boardroom executives, telecommuting workers, and also traveling corporate officers using their phone to join in while en route to an airport or meeting.

In addition to all these players appearing simultaneously on a flat panel screens a different locations, whoever is presenting (or several persons presenting) can pull in PowerPoint displays, photos or audio, or other relevant multimedia.

This model of multiple points of connectivity represents what has been a paradigm shift across the industry which has changed from large conference-room only videoconference setups to include more personal desktop systems and accessing on the go with a mobile phone.

Also, Dumas notes, the company's Expressway solution allows for firewall transversal to enable conferees easy connectivity from outside a firewall-protected corporate network. Also, the various model videoconferencing stations are "one click" using a TV-style remote to click a directory of whatever user (or users) you want to connect to.

What the company is selling, Dumas said, is essentially "video anytime, anywhere, for anyone."

One of Tandberg's more recent additions to its product line is its Tactical MXP box which can be used for everything from disaster relief and law enforcement to homeland security, but virtue of its mobility.

Tandberg's Public Safety Market Development Manager, Scott Feinberg, told UPI that a new emphasis for first responders "is on (visual) communication from the scene," of a disaster or other type of incident. A visual from a scene can be a lot more communicative many cases, noted Feinberg, and preclude having to send a full force of first responders.

These boxes are also in use in the Iraq and Afghani conflict theater of operations, Feinberg said. He added, that in addition usage by first responders and military, Tandberg is exploring how the Tactical box can fit into corporate crisis plans for communications in the event of a disaster.

The cost of the 37.5-pound Tactical MXP runs around \$16,800.

Tandberg's products have found their way into the healthcare field where a variety of different company products are used for everything from hospital administrative functions to allowing for rural hospitals to call on specialists hundreds of miles away to consult on problems ranging from cancer to neonatology.

"This is really having an impact in the way that health is doing its business," said Tandberg TeleHealth Manager Joe Diorio.

From its foundation in 1930s as a radio company (Tandbergs Radiofabrikk) the company went on during subsequent decades to develop television and data divisions which split into separate entities in 1979. In 1989 the first videoconferencing sales began in Europe and quickly grew to encompass sales in the American market. By 2002 there

were over 50,000 Tandberg videoconferencing systems installed worldwide.

For the recently completed fiscal year, the company reported revenue of \$342.2 million compared with revenue of \$305 million in 2004. Operating profit was \$85.4 million for 2005 and \$76.8 million for 2004.

In 2005, 32,618 units were sold compared with 27,532 in 2004, an 18.5 percent increase.

Key competitors to Tandberg in the videoconferencing space include Polycom Inc., and Radvision Ltd.

Tandberg estimates that an average company installing a Tandberg system will get a return on investment within a year if not sooner, based on both hard and soft cost.

In December, longtime company chief executive Andrew Miller was replaced by Chief Financial Officer Fredrik Halvorsen -- a move board chairman Jan Christian Opsahl described as a "planned strategic turning point in the development of the company's global business."

Calling for a long-term view of the evolving videoconferencing business, Halvorsen said, "As is typical in emerging technology markets, we need to take a long-term view and we cannot afford to only concentrate on our own or others' expectations on a quarterly basis," adding, "Just as you can't win a marathon with a series of short sprints from a standing start, running a market-leading company requires a long-term game plan."

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