

Being There

by Joe Sharkey | Nov 6 2008

Tech companies are hoping to replace business travel with "telepresence" systems that are more *Star Trek* than webcam.

Last October, [Cisco Systems](#) chairman [John Chambers](#) wowed an audience at a conference in [Bangalore](#) when he summoned to the stage Marthin De Beer, head of Cisco's emerging technologies. De Beer strode onto the platform, greeted Chambers, and said: "I'm actually in California, 14,000 miles away."

Chambers likened De Beer's full-size, 3-D hologram-like figure, similar to what CNN used in its election night coverage, to the beam-me-up transporter in *Star Trek*. It was actually a sophisticated video illusion based on a 150-year-old classic magician's mirror trick called Pepper's Ghost—and part of Cisco's TelePresence System 3000, which costs about \$300,000 a unit.

For the last decade, companies that make videoconferencing systems have touted their products as viable alternatives to corporate travel. But until recently, there wasn't persuasive evidence that videoconferencing would substantially replace getting on an airplane.

Now, the industry is betting heavily that videoconferencing—and especially its highest-end niche, telepresence—is going to gain firm traction, as companies confront soaring travel costs and tighter budgets, as the technology itself improves, and as employees become fed up with hassles on the road. In fact, in a Cisco commercial for its teleconferencing systems, showing executives mirroring flight attendants, a voice-over advocates "Business travel without the travel."

"The process of getting there absolutely is awful," Peter Handal, C.E.O. of Dale Carnegie Training, says of business travel. "I used to enjoy both being there and getting there. Now I enjoy only being there."

His productivity and management-skills company, which has offices in 70 countries, has replaced some in-person meetings with videoconference technologies—though he's still on the road domestically and internationally. "I don't fool myself into thinking that when I look at the screen I'm looking at the real world," Handal says. "I really do believe we need to get out there and press the flesh and meet our customers and meet the people running our offices."

Videoconferencing companies think that they can persuade hard-core road warriors like Handal to stay in the office more with technology that enhances the virtual-meeting experience. There are various levels of videoconferencing, starting with the simple two-way audio-video capabilities that are standard on personal computers. These work well for personal and very basic business communications where a somewhat jerky picture and imprecisely synchronized audio will suffice.

On the other end of the spectrum are sophisticated telepresencing systems that feature cinematic-quality, ultra-high-

definition picture and sound. For now, the systems—by companies such as [Polycom](#), [Hewlett-Packard](#), Teliris, and Cisco—are designed to link conference suites in different locations in such a way that participants feel they are present together in the same location. Depending on the size and the maker, prices range from around \$80,000 to \$400,000.

A typical example is Cisco's TelePresence, a self-contained conference module with a six-seat table facing three 65-inch ultra-high-definition screens. With a matching unit linked from a different location, participants at either end feel as if they are engaging in normal conversation, making eye contact, and reading one another's body language.

While most of the telepresence market so far has been for in-house use, the companies that sell the systems say they are gaining more outside customers. They're also looking for partners to develop free-standing locations in hotels and business centers where systems can be rented by the hour.

"A lot of people previously had experiences with teleconferencing in which the technology seemed quirky, but we're now able to have a telepresence room where after a few minutes you feel like you're there physically," said Caroline Japic, a spokeswoman for Polycom, which says it has sold 21,000 videoconferencing and telepresence units.

Cisco has installed about 250 of its TelePresence systems throughout its global locations, and their use has accounted for a 20 percent reduction in travel over two years, said David Hsieh, marketing director for emerging technologies. Cisco has sold more than 1,000 TelePresence units to 200 customers.

Meanwhile, some companies are rapidly filling in lower-priced market niches with systems designed for small groups and one-on-one meetings. Last spring, Teliris introduced a person-to-person system that lists for \$32,000.

Kevin Mitchell, the chairman of the Business Travel Coalition, said that the lower end of the videoconferencing market—where college students stay in touch with home, or employees meet virtually from desktop to desktop—has been driving acceptance at the higher end, where most traditional business travel is done.

"The twentysomethings in the workforce are driving this trend like crazy," he said. Mitchell said that as air service deteriorates and business travel becomes more onerous, there's growing use of videoconferencing and webcasting.

"People are using these systems to roll out new products, doing webcasts for, say, 100 people," he said. "It doesn't mean they have stopped traveling altogether, but instead of somebody traveling...four days a week, they're now in the office, or home office, for a couple of weeks, communicating with prospective customers, and then they're going out for the last five days to close deals."

Despite the progress that's being made, it's unlikely that technology will fully replace travel—unless it really does become teleporting.

"Yes, teleconferencing is great, but the reality is you still have to go and get face time," said Andrew Downs, a San Francisco lawyer who represents corporate clients in insurance litigation and whose firm, with six offices in the West, uses teleconferencing for internal meetings. "You can't go to dinner or have a drink with someone on teleconferencing. I'm in a service business where I need to maintain personal relationships.

"My colleagues who have issues with getting business? Predominately, it's because they aren't willing to get on airplanes."