



Editor's Note: The following article is an excerpt from The Wainhouse Research Bulletin Vol. 15 #10. To gain access to the complete archived issue or to subscribe for free to receive future issues, visit [www.wainhouse.com/bulletin](http://www.wainhouse.com/bulletin).



## 1:1 Larry Dorie, CEO, RHUB Communications

Andy Nilssen, [andyn@wainhouse.com](mailto:andyn@wainhouse.com)



**WR:** **RHUB Communications** may not be known to many of our readers. Can you say a few words about the company's founding and first offering?

**LD:** We started RHUB as a result of working together at an incubator in 2004. We decided that the technology John Mao, our Co-Founder and CTO, had been working on was ideal as a platform for Real-Time Collaboration (RTC), the market we wanted to serve. The preferred name for the company would have included the initials RTC but virtually every reasonable use of RTC was already taken by 2004 so we truncated RTC Hub to R-HUB. The goal was to build out a full RTC platform on the web conferencing core that John had been working on. At the time, hosted web conferencing was well established. We did market research and discovered a study by Wainhouse Research that indicated there was a need for on-premises solutions but the software-only model required too much IT support. We decided that a dedicated appliance, where the vendor managed the updates, would relieve the strain of too much IT support while providing all the benefits of on-premises: security, branding, and integration.

**WR:** Why the focus on an appliance?

**LD:** The concept of the appliance was interesting because we, as a vendor, deal with all of the compatibility issues. We can upgrade the OS / database / application and any other support software at one time. We manage each upgrade component. Also, we have a very small server software footprint and could deliver the product in a very cost effective hardware platform. Flash memory was just beginning to replace disk memory at the time and offered a low power, green hardware platform that had the promise of outstanding reliability. History has proven this correct as we have consistently realized a less than 1% failure rate over the years.

**WR:** What does the appliance cost or, put differently, what makes the operating economics favorable?

**LD:** The fact that we could deliver a full-fledge application in cost-effective hardware really minimized the cost issue and clearly pointed to the software as the value driver. With this economic model, we were able to use a licensing approach that would support superior economics for the customer. Years ago, I sold

CAD/CAE systems to engineering departments and the cost per seat was always a consideration. This cost often precluded an organization from deploying productivity tools as deeply into the organization as they would like. We decided to offer a concurrent use licensing approach. We want everyone in an organization that could benefit from real-time collaboration tools to have access to them. A floating license allows customers to enable as many team members as they wish to have access to the system — the contention is concurrent usage, not seat licenses. In our case, anybody can grab an available meeting room license and grab attendee licenses for that room. When that meeting is over those licenses are immediately available to another team member.

**WR:** Tell me more about the core collaboration technology. What do you have here?

**LD:** Our software is both tightly coded and lightweight at the same time — all completely built from the ground up by us. As a result, we have complete control to extend the platform and integrate features as needed. We use a custom-build Linux as the OS and virtually everything else is RHUB technology. As we expanded beyond screen sharing, first to include audio conferencing and then to webcam-based video conferencing, we were able to use best of breed where appropriate and develop our own when we needed to. The results are an integrated product that we can extend and enhance as needed. We are continually enhancing our product, usually in response to customer direction, but in each case we have the option to quickly productize a first release of a feature and then continue to refine it over time. Each new release benefits from this approach.

**WR:** What is your “go to market” approach? Through anyone we may know?

**LD:** We use a hybrid of both direct and indirect sales. Our direct sales are typically in-bound marketing. Our indirect sales approach has three different components: reseller partners, branded hosted partners, and ISVs / OEMs.

Our reseller channel partners tend to be telephony dealers and resellers because we can provide what they are missing to offer an enhanced UC&C solution. Our branded hosted partners are organizations that have a hosted solution that can benefit from a real-time collaboration extension. Typical companies in this model include **Central Desktop** as a complement to their asynchronous collaboration, and **Maestro Conferencing**, which offers social conferencing centered on audio conferencing. Examples of OEM / ISV partners include **Zultys**, which rebrands a version of our hardware / software product that is integrated with the Zultys IP-PBX system. Hitachi is more of an example of an ISV — they extend their video conferencing system with a software version of our TurboMeeting offering.

We decided to offer a concurrent use licensing approach. We want everyone in an organization that could benefit from real-time collaboration tools to have access to them. A floating license allows customers to enable as many team members as they wish to have access to the system — the contention is concurrent usage, not seat licenses.

**WR:** This brings us around to your recent move to augment the appliance with your own RHUB-sourced audio conferencing service ... what brought that on?

**LD:** We built our own PSTN audio conferencing system for two important reasons: control and improved reliability. We needed control over the feature set to be able to provide the features users wanted, such as the ability to mute any individual user at any time. Improved reliability is a direct result of our experience of working through partnerships for audio conferencing. Our name is on the system so when a customer has a poor connection or a call is blocked or dropped, they call us. We, in turn, would contact our audio conferencing partner. Usually the answer from the partner was: “nothing wrong on our end, must have been a user issue.” Now, we control that. If our service provider does not meet our quality standards,

we switch. We pay for the terminations so the telcos cannot block the calls as they do to bridges hosted at Indian reservations, etc. Most importantly, we can provide the voice quality that makes using the system more enjoyable and productive.

**WR:** I am going to note something unusual: the web conferencing remains on-premises while the audio conferencing is a service.

**LD:** The advantages of on-premises for web conferencing are security, branding and integration. The advantage of hosting the PSTN audio conferencing is more effective use of terminations. Seldom does any one user saturate a bridge — so we can spread the cost of the termination across many customers. The customers still get the security for the data portion of the meeting and the branding is established by joining the web conference first, which minimizes the need to brand the audio conference. We do all the integration work but we do offer tools if the customer wants to do some integration. For example we offer a PBX integration option, which integrates internal PBX-based audio conferencing with our external systems (both VoIP and PSTN). This approach enables customers to expand their PBX conferencing to many outside lines by using just one SIP port.

**WR:** Are there any dialing limitations?

**LD:** We have worked hard to provide as much flexibility as we can to both the toll-based free conferencing PSTN system and the subscription-based, toll-free PSTN system by providing in-country numbers for international users. We have in-country numbers in 15 countries (plus U.S. and Canada) for the free conference system and 28 countries (plus U.S. and Canada) for the paid-for subscription. We have our own audio conferencing system in China to support that geography because we could not find a cost-effective supplier for that market.

**WR:** Has it caught on? Any indicators or key customers?

**LD:** We are in the early stages of deploying the PSTN audio conference options but the toll-based free conference usage continues to grow every month. We currently exceed 2 million minutes per month on that system. The paid subscription has just been made available to a few select customers. The initial feedback is great.

**WR:** It certainly is a different approach. So Wainhouse Research Bulletin readers run the gamut — we have end users, VARS and resellers, solution providers ... who do you sell to?

**LD:** Because the industry has grown up with pricing models based upon capacity and usage, we are able to field a product line that spans small offices through enterprises. We have customers with as few as one or two users and customers who routinely hold many meetings a day with 800 to 1,000 attendees. We have three different hardware platforms, each with a price point and capacity to address a customer size. We also have the flexibility to license the product for service providers. The hardware platforms are a great option for our reseller channel partners because usually there is a model that is sized right for the customer base they serve.

Of course, since we do have the ability to host the system ourselves, we have a hosted site — [www.gomeetnow.com](http://www.gomeetnow.com) — for partners that prefer a hosted solution.

While we have provided software-only to partners on rare occasions, this is not a preferred model for us at this time. It is something we are looking into to see if we can drive down the cost of support.

**WR:** What keeps you up at night?

**LD:** Inbound marketing and how to deal with **Google** without breaking the bank!



Anyone can sign up for a free subscription at [www.wainhouse.com/mail](http://www.wainhouse.com/mail).

© 2014 Wainhouse Research  
34 Duck Hill Terrace, Duxbury, MA 02332 USA  
Tel +1 617.500.8090

Editor: Alan D. Greenberg: [agreenberg@wainhouse.com](mailto:agreenberg@wainhouse.com)  
Comments and PR news to: [wrb@wainhouse.com](mailto:wrb@wainhouse.com)

Feel free to forward this newsletter to colleagues.  
Free subscriptions: [www.wainhouse.com/bulletin](http://www.wainhouse.com/bulletin)