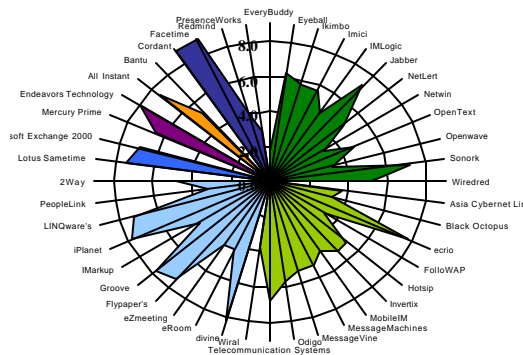


# CHELA TECHNOLOGY PARTNERS: *Trend Watch* <sup>TM</sup>

**March 2002**

Issue 1.0



## ENTERPRISE INSTANT MESSAGING

In this report we have provided an overview of the dynamics and outlook for the enterprise instant messaging industry. We have attempted to place instant messaging in its historical context and provide a case for the future growth of the industry.

We present a framework for evaluating the industry participants and their products. **This analysis offers investors and industry players the opportunity to compare and contrast platforms, features and functionality of the enterprise instant messaging industry.**

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## **Report Summary**

Instant Messaging (IM) originated as a consumer driven phenomenon but as the benefits of real time communication and collaboration begin to outweigh its respective costs, Enterprise Instant Messaging (EIM) was launched. **Given the number of vendors and growing addressable markets, we expect expenditures on Enterprise Instant Messaging (EIM) to explode over the next three years.**

Historically, growth in EIM and presence management can mainly be attributed to its addition to the feature functionality of existing enterprise collaboration and communications platforms. **Today, EIM is increasingly embedded in voice, video, and wireless applications and devices, expanding the reach beyond its original design.**

In this report we have identified four primary and nine secondary levels of feature functionality that we believe measure the robustness of an EIM solution. Specifically, the four primary criteria include: Text Messaging, Security, Archiving and Retrieval and Presence Management. The nine secondary criteria include Wireless, Customization Tools, Branding, Web Meetings, Voice over IP, Multimedia Messaging, Application Sharing, Remote Control and Email Link. (Fig. 14 on page 14 - 17 shows our sampling results.). Note that in Figure 5 we separately ranked the relevant features of the Extender IM category.

Increased focus on security has driven many enterprises to require their IM/presence management software to be located behind the firewall. In addition, corporate governance requires EIM to provide storage/retrieval, tracking and monitoring functions.

**Enterprises have also demanded that EIM function concurrently with software collaboration tools and unified messaging. Together these**

**services bring measurable value to corporations and therefore provide a basis for a variety of vendor revenue models.**

Collaboration and Communication providers have historically led EIM growth by offering the service to an existing client base. Recently, the industry has introduced web-based vendors, which offer richer, more flexible IM/presence management solutions. However without an incumbent-client base, vendors are encountering longer sales cycles and potential funding challenges. **As the degree of innovation and spending increases, we forecast web-based players to be swept-up by a wave of rationalization and consolidation.**

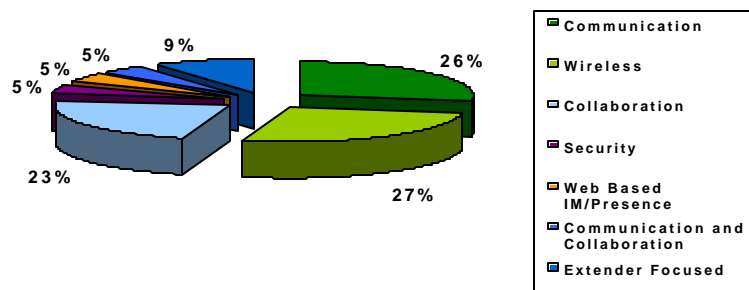
We acknowledge that Microsoft, Lotus, Sun and AOL will play major roles in the direction of EIM's future landscape. We have deliberately not focused this report on their efforts because we firmly believe that the bulk of innovation will lie with the smaller and more nimble players, which are and will continue to be the true drivers of EIM.

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## Competitive Analysis

EIM is an emerging industry. As such, financial information is not widely available and our analysis is based on a survey of the company web sites, available technology industry reports and interviews with industry participants.

Our universe of 44 EIM vendors is segmented by product focus and feature set functionality. Specifically, Communication (12), Wireless (12), Collaboration (10), Security (2), Web based IM/Presence Management (2), Communication and Collaboration (2) and Extender (4). We then identified four primary features: Text Messaging, Security, Archiving and Presence Management and nine secondary levels of functionality that we believe enhance an enterprise solution. Using these features as a template we graded and ranked the industry participants. Our grading methodology is based-on a point system. We then adjusted the scores using a proprietary model that incorporates our view of the competitive landscape.



Source: Chela Technology Partners

The results of this analysis are displayed on the graphs in the next several pages. We have a separate feature list for the Extender category.

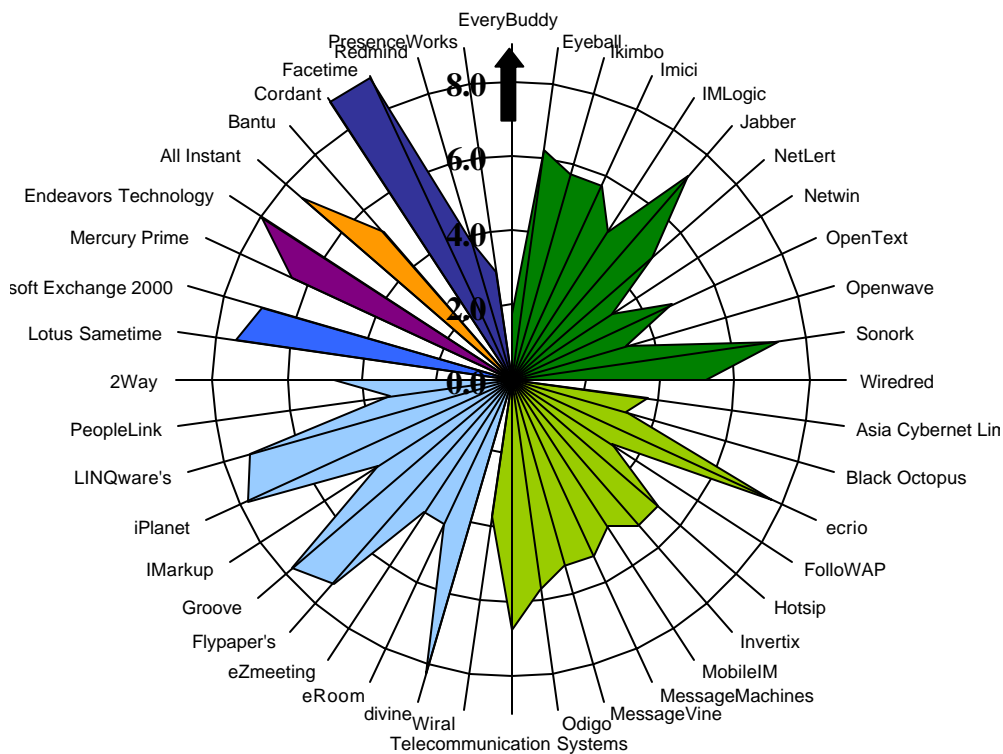
The analysis shows that the majority, or approximately 53% of EIM vendors combined IM with a Communication or Wireless based platform, 23% combined EIM with a Collaboration suite, 10% evenly divided themselves among Security or Web-based IM/Presence Management platforms and the remaining 14% lie in either the Extender category or a combination of Communication and Collaboration. These wide ranges of feature scores highlight the differences between industry players. By organizing the segments we constructed an industry pyramid (shown on page 5). This pyramid is a graphic representation of EIM vendors' vision and current addressable market.

**We conclude that well-financed, revenue generating high model scoring vendors in the communications and wireless space will take the lead in any intra-industry consolidation.** By the same token the lower score, under financed players in the communications and wireless space will fall under increasing pressure. **Additionally, a few well-financed, revenue generating, high model-scoring vendors in the collaboration space will become increasingly attractive as acquirers or targets.**

Finally, we conclude that Web-based IM/Presence Management vendors will be superior targets for acquisition, as they would add an attractive feature set to almost any existing EIM vendor.

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## Segmented Universe of EIM Vendors Ranked by Feature Functionality



### Market Segments:

	<b>Communications Focused EIM Vendors</b>
	<b>Wireless Focused EIM Vendors</b>
	<b>Collaboration Focused EIM Vendors</b>
	<b>Security Focused EIM Vendors</b>
	<b>Web Based EIM Vendors</b>
	<b>Microsoft Exchange and Lotus Sametime</b>
	<b>Extender Focused</b>

### Rank:

**0-2 = Low Feature Functionality EIM Vendors**

**2-4 = Medium Feature Functionality EIM Vendors**

**4-6 = Above Average Feature Functionality EIM Vendors**

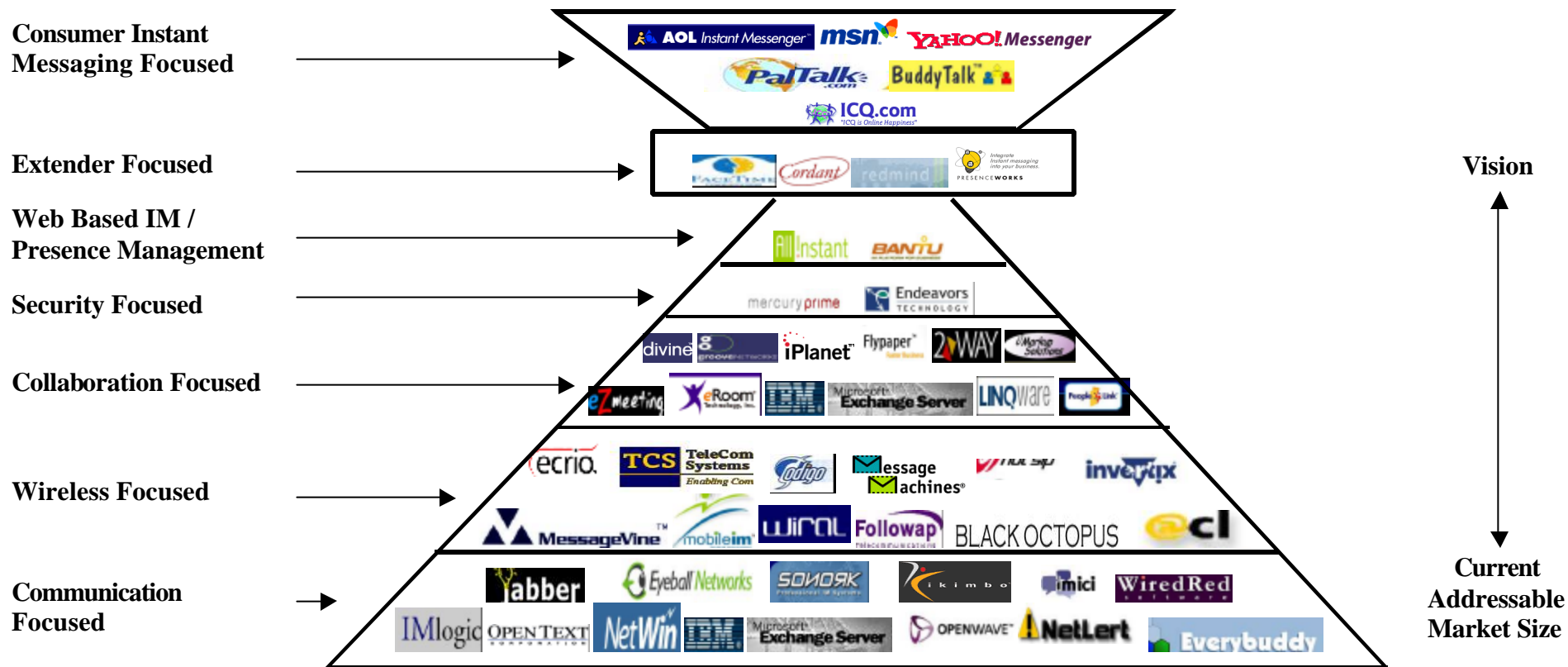
**6-8 = High Feature Functionality EIM Vendors**

Source: Chela Technology Partners (refer to page 6 for specific company feature functionality scores).

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## Enterprise Instant Messaging Hierarchy

This pyramid is a graphic representation of EIM vendors' vision and current addressable market.



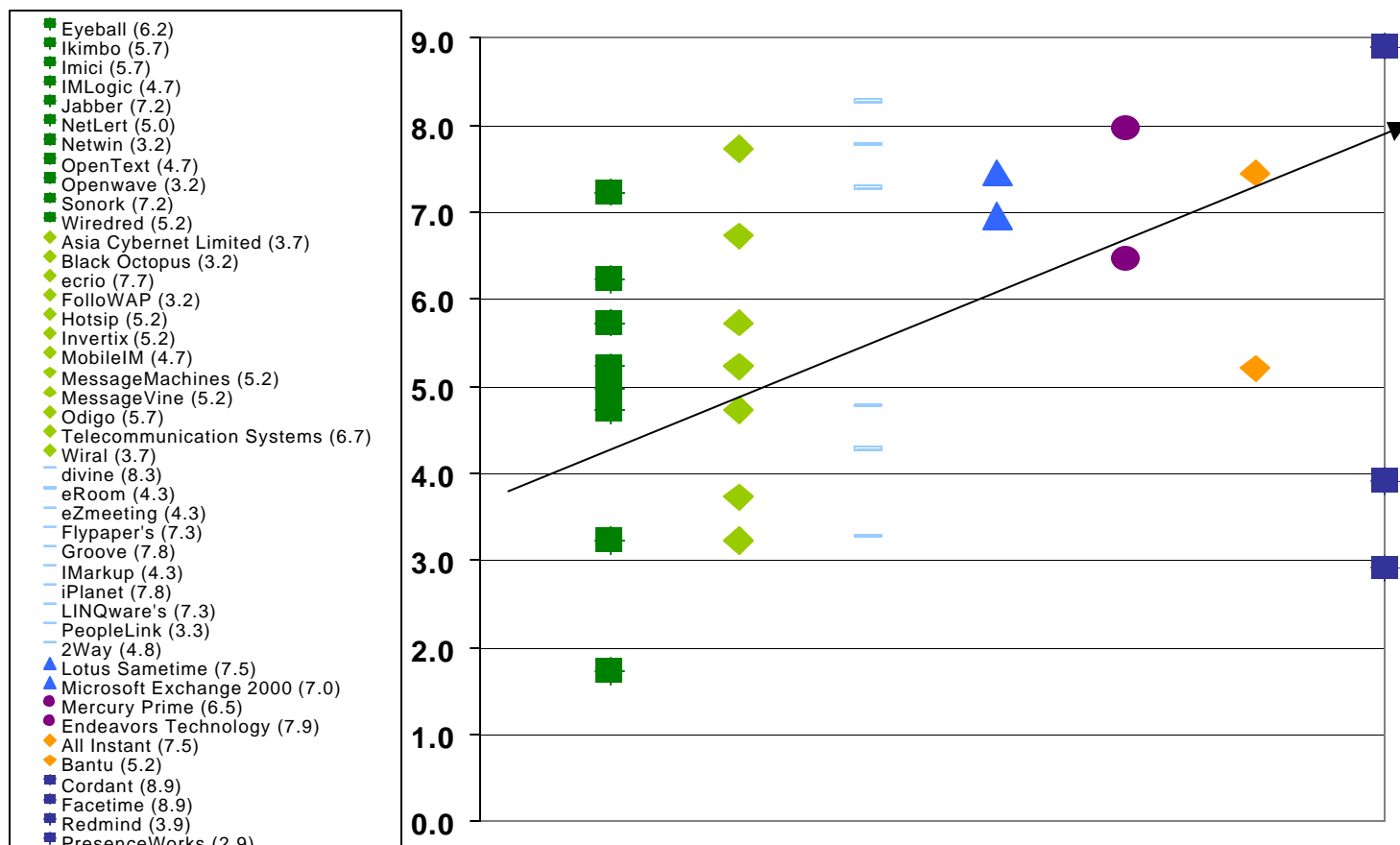
Source: Chela Technology Partners

\* - We have positioned IBM Sametime and Microsoft Exchange Server in this pyramid that best reflects their combination of its long-term vision and current addressable market size.

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## Feature/Functionality Score of EIM Universe listed by Business Approach

A positive correlation in feature set functionality exists as you move from a Communication IM focused platform to a Web Based IM platform.



Source: Chela Technology Partners

Communications Wireless Collaboration Lotus/MSFT Security Web Based Extender

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### **Our Vision**

EIM is often viewed as a form of human interaction replacement technology. Real time with multi-tasking capabilities, we believe the future of EIM will be tied with customer facing web-based applications. **Specifically, on the communication front, we foresee EIM functionality enhancing CRM / SFA / SCA applications (e.g. call centers, logistics centers).**

**On the enterprise collaboration front, data mining and intelligent analyses of enterprise instant messages will thread through to enhance real-time Knowledge Management software platforms.**

**Continued enhancement of IM, presence management and location based services software will ultimately lead to true enterprise grade BOT's capable of much more than contact management, and scheduling.**

As the Internet maxim suggests: The rate of innovation in EIM as in any communication-based application, should far exceed the utility generated by the software to date. Only strict adherence to this maxim will ensure long-term profitability for this nascent industry.

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### **Historical Perspective**

The evolution of IM can be thought of by means of the following chronology:

- 1844** Samuel B. Morse's first telegram - "What hath god wrought!"
- 1876** Graham Bell's first telephone call - "Mr. Watson, come here; I want you."
- 1895** Guglielmo Marconi's first wireless transmission. He beat Nicoli Tesla in to the record books because of a laboratory fire and prospered because of better financial backers.
- 1971** Ray Tomlinson, a computer engineer, sent the first e-mail message. "I sent a number of test messages to myself from one machine to the other," he recalls now." The test messages were entirely forgettable. . . . Most likely the first message was QWERTYIOP or something similar."

Instant messaging then evolved from the development of EMail and Electronic Bulletin Boards (EBB). EBB's can be thought of as an isolated web site where people post messages. Next came the Chat Room. In this iteration, software permitted a group of people to enter a "room", where they post and view text messages that can be seen by everyone in the room.

**1996** Consumer Instant Messaging (CIM) began about six years ago when ICQ, a free instant-messaging utility was introduced by Mirabilis, an Israeli company. ICQ is short for "I seek you" and is a real-time tool that uses a software application, called a "client", resident on your computer. The "client" alerts the ICQ server whenever you are online. The company was acquired in June 1998 by AOL and now boasts over 100 million users of AOL Instant Messenger (AIM).

**1999** Enterprise Instant Messaging (EIM) functionality was introduced.

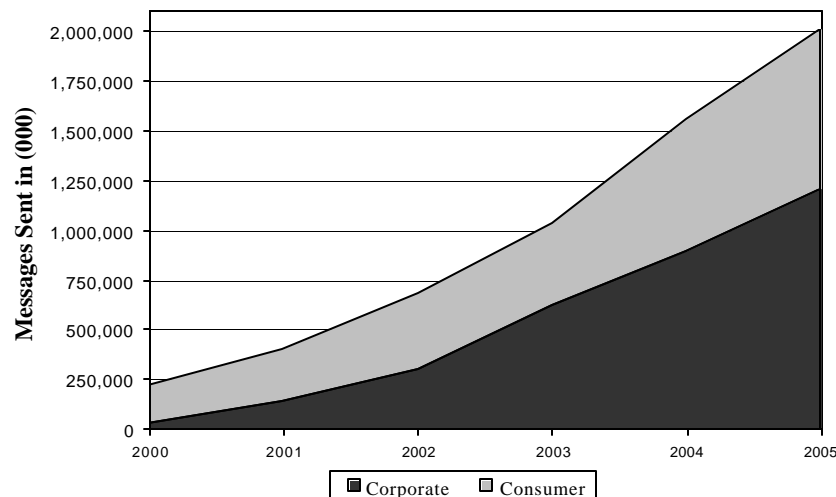
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### A Case for Growth

The desire to communicate is powerful, perhaps even overpowering. As a result, we have seen an ever-increasing demand and acceptance of all things communication. E-mail was the most rapidly adopted form of communication ever known. In less than two decades, it has gone from “nice-to-have” functionality to mainstream. According to the *Internet Society*, e-mail volumes crossed the 1 billion/month mark way back in October of 1994. In fact, *Messaging Online* reports that yearly email

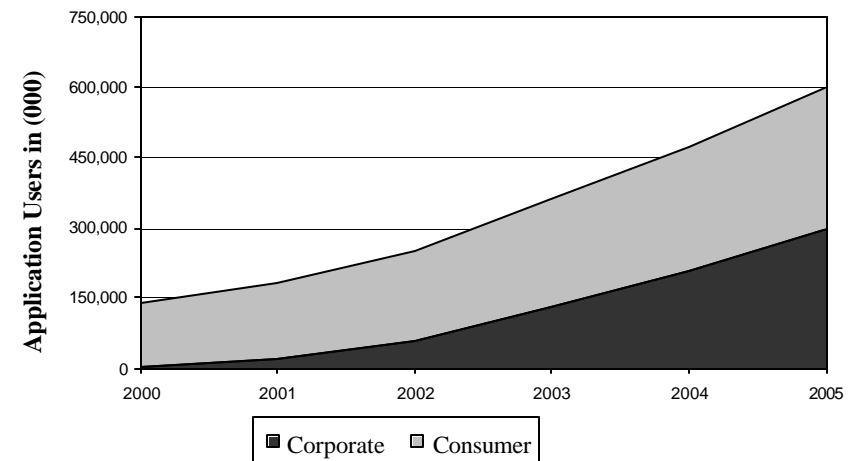
volumes have outpaced yearly postal mail deliveries since 1999. These impressive figures, however, are dwarfed by IM. IDC’s 2001 Worldwide Messaging Applications Forecast predicts corporate IM users will grow to approximately 298 million in 2005 from approximately 7 million in 2000. IDC also predicts that IM volume will top the 1 billion mark in 2003. This makes IM the fastest growing form of communications in history.

Worldwide Consumer and Corporate Messages Sent, 2000 – 2005



Source IDC, 2001

Worldwide Instant Messaging Application Users by Segment, 2000 - 2005

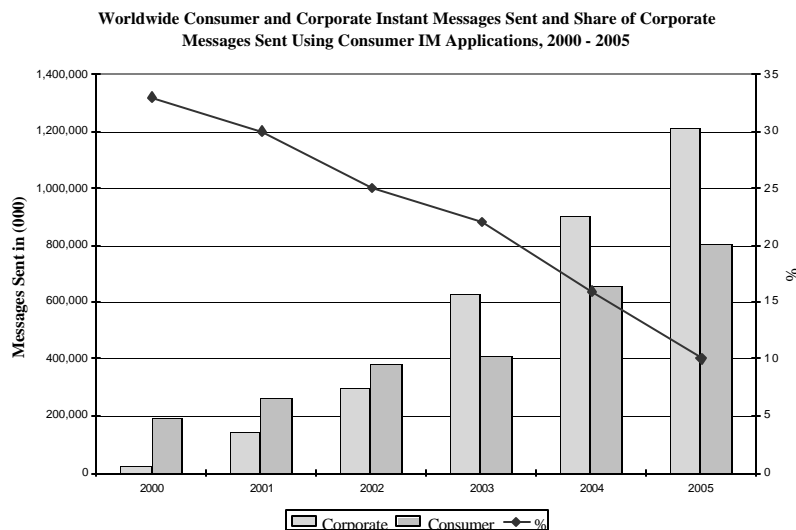


Source IDC, 2001

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### Enterprise Instant Messaging – The Next Wave

Today the EIM industry can be broken down into six basic groups. Communication focused, Wireless focused, Collaboration focused, Security focused, Web Based IM Presence Management focused and Extender Focused. Instant messaging originated as a consumer driven trend but according to IDC forecasts, Enterprise Instant Messaging (EIM) is projected to grow at a five-year CAGR of 110% (2000-2005) with 1.2 billion messages sent in 2005. Sometimes e-mail is just not fast enough. You have no way of knowing if the person you are e-mailing is online at that moment.



Source IDC, 2001

The current driver of EIM is the need to communicate in real time with multi-tasking capability in “close-to-me” intra-company groups. Business users have discovered the value of instant messaging - they are having virtual conferences, collaborating on projects and augmenting phone conversations. Other benefits of IM include cost savings, community building and collaboration between multiple corporate locations, remote employees and telecommuters.

An initial hurdle faced by vendors offering EIM solutions is that many business users are currently using AOL’s AIM, MSN Messenger or Yahoo Instant Messenger, the three standards in consumer instant messaging. Due to the current lack of interoperability between platforms, users are hesitant to switch to a more robust EIM platform. Additionally, the value of any communications-based software platform is directly proportional to its number of users (the network effect) and substitutes to existing solutions have to date been challenged in clearly defining their value proposition.

"Using a public instant messaging network for corporate collaboration is like relying on Hotmail for corporate email," says Lance Shaw, senior product manager for e-Room, a Cambridge, MA-based provider of collaboration software. "It works, but you don't get the full range of benefits of having a proper collaboration architecture."

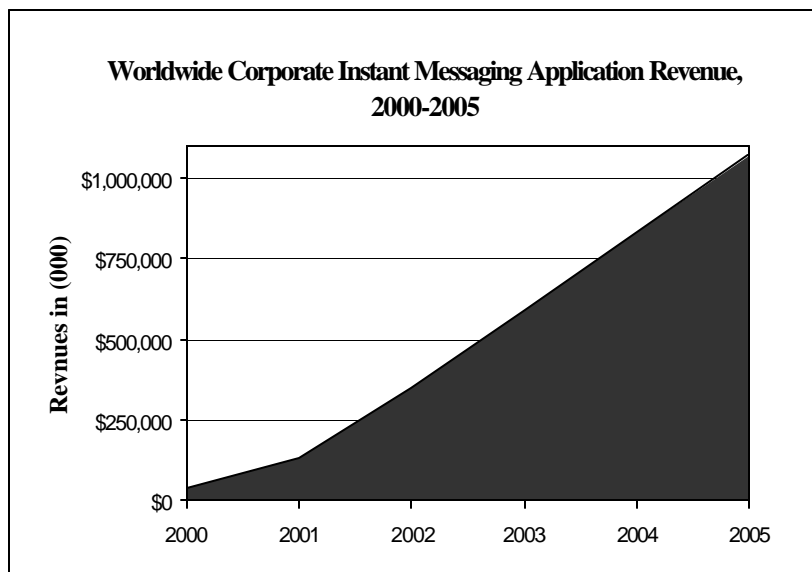
Finally, instant messaging is ‘viral’ and ‘sticky’. As one EIM vendor executive described this phenomenon, “They went to AOL for many different reasons but are staying because of instant messaging”.

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### **Enterprise Instant Messaging – The Next Wave Continued**

According to *February 2002 Issue Business 2.0*, "Some public instant messaging networks are actively courting business users, although not directly. America Online, for example, is "working in partnership with corporate instant messaging providers such as Lotus and Facetime to bring

instant messaging to the corporate market," according to Catherine Corre, communications director for Netscape, America Online's software and portal division. However, the responsibility for bringing instant messaging to business users is largely left to third-party vendors".



Source IDC, 2001

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### **Enterprise IM Drivers**

In addition to reliability, scalability, the main decision drivers for selecting an EIM solution are security, storage/retrieval, tracking and monitoring capabilities, time-to-implement, presence and collaboration tools.

#### **The Need for Security**

Usually the first and highest priority for any large corporations is security. It is a marketplace reality that behind the firewall is considered safer than outside. More often than not, large corporations with a comprehensive IM strategy are choosing to purchase a software license to bring the EIM solution behind the firewall (installed environment). This ownership structure, allows the software to be more fully integrated with the company's existing systems. For smaller mid sized companies where security is less a concern, enterprises can and are choosing hosted options. In hosted services or an ASP environment, the end users typically pay a per user monthly fee, while minimizing the upfront costs. Enterprise level IM vendors typically provide 128-bit secure socket layer (SSL) encryption on all messages, with higher levels of security available upon request.

#### **The Need to Store, Retrieve, Track and Monitor**

Though useful for corporate governance in its own right, companies are increasingly subject to rules and regulations as to the storing, retrieval, tracking and monitoring of employee-to-employee and employee to client communications. For example, financial service companies are currently required by law to store all employee electronic communications with their clients. The National Association of Securities Dealers and the Securities

and Exchange Commission mandate that all e-mail and IM traffic must be monitored and archived by companies. Unmonitored employee IM usage, without prior company approval, is considered a securities violation. We believe this type of mandate will be embraced by other information intensive industries, such as Health Care and Insurance. Robust EIM software vendors should be able to facilitate compliance and audit review in real-time to respond to this growing trend.

#### **The Need for Presence Management and other Collaboration Tools**

EIM is severely limited without presence management capabilities. We believe most individual business users will demand the option to adjust their "visibility" via presence tools. An example of what presence management can offer is the marriage of IM, web meetings and collaboration tools. **We forecast that a spectacular demand for Web based meetings and collaboration tools will provide very a fertile ground for the growth of EIM.**

#### **Time to Implement - The Importance of being Portal Friendly**

Corporations continue to invest in Internet technologies as the backbone for enterprise computing. As applications are pushed to the web, demand for secure portal software will grow. Some believe that portals will eventually take over desktop functions. (Why default to the Windows desktop, when you can create and control your own?) **If the dramatic growth in portals is evidence of such a trend, the ability to quickly integrate with them is vital for EIM vendors.**

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### **Other Considerations**

#### **Web-based versus resident client**

There are currently two methods by which EIM vendors deliver their software. Web-based solutions provided by vendors such as All Instant and Bantu or client-based solutions from vendors such as Jabber, Lotus Sametime, PeopleLink and MSN.

All IM applications except All Instant and Bantu require that users first download a “client” onto their computer. Web based IM vendors argue that this is not a cost effective or scalable solution in a corporate environment because of the time and manpower required to download the application and continually update the software releases. Added to this cost is the IT department’s time required to maintain the servers. Often, the client is included as part of a software upgrade, as is the case of, Lotus Sametime or Windows XP. On the other hand, the perceived complexities of this model could win the day for the web-based vendors.

#### **Wireless Convergence**

Wireless Instant Messaging (WIM), and presence management cannot be ignored. As EIM Short Message Service (SMS) traffic on wireless devices grows and evolves towards Multimedia Messaging Services (MMS), presence management software and other functionalities offer future growth potential. For example, advertisers would pay handsomely for user profiles, location and other presence-based information. We believe that this piece of the EIM service will be the last to fully develop. Notwithstanding the slower adoption; EIM vendors should have an agile and flexible architecture to be able to serve the wireless market.

#### **Consumer Instant Messaging versus Enterprise Instant Messaging**

CIM has been one of the most successful killer applications of all time. On the heels of Mirabilis’s introduction of ICQ in 1996, came Microsoft and Yahoo!, both with their own version of a Messenger IM service. Virtually the same, they operate on proprietary platforms, making it difficult to communicate and or collaborate with “buddies” on competing systems. Other features of CIM applications include sending limited multimedia messages, the ability to send text messages to wireless users and the ability to talk directly with another person over the phone via the Internet.

CIM user statistics are growing so rapidly that it almost defies comparison to any other medium of communication. Statistically, the Radicati Group predicts that the number of worldwide active IM accounts will grow from 141 million in 2000 to 1.38 billion in 2004. [Jupiter Media Metrix](#) also estimates that instant messaging usage has doubled in the past two years from 2.3 billion user minutes (September 1999) to 4.9 billion user minutes (September 2001).

However in conclusion, we believe that the revenue generating dynamics of the CIM market will greatly differ from the EIM market. The dynamics in CIM will be driven mainly by location-based services via wireless applications and targeted advertising. In contrast, EIM vendors serve a market that is far more encompassing and demanding of the need for real time, multiparty communication and collaboration within an enterprise. A successful solution requires a robust technological proposition and a clearly defined execution strategy. Let the consolidation of EIM begin.

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Figure 1. Consumer Instant Messaging Industry – Feature Chart

Features	AOL's AIM 4.7	Mirabilis ICQ	Innomedia BuddyTalk	Microsoft Messenger	Paltalk Instant Messenger 4.0	Yahoo Instant Messenger 5.0	Lotus' Sametime	Microsofts' Exchange 2000	Endeavors Technology Instant Messaging	Mercury Prime Instant Messaging	Bantu Instant Messaging	All Instnt Instant Messaging
Required by Enterprises	Consumer Focused						Enterprise Communication and Collaboration		Enterprise Security Focused		Web Based IM/Presence Platforms	
Text Messaging (Includes Text to one or group)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Security (Authentication, Administration, System Management, Audit and Encryption)	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Archiving and Retrieval	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Presence Management Secondary Features	Limited	Limited	Limited	Limited	Limited	Limited	Yes	Yes	Yes	Yes	Yes	Yes
Wireless (SMS-MMS)	No	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Customization Tools	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes
Branding	No	No	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes
Web Meetings	No	No	No	Yes	No	No	Yes	Yes	Yes	No	No	Yes
Voice over IP Conferencing	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
Multimedia Messaging	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Application Sharing	No	No	No	No	No	No	Yes	Yes	Yes	Yes	No	No
Remote Control	No	No	No	No	No	No	No	No	Yes	No	No	No
E-mail Link	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes

Source: Chela Technology Partners

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Figure 2. Enterprise Collaboration Instant Messaging Industry – Feature Chart

Features	divine MindAlign	eRoom's Digital Workplace	eZmeeting Collaboration software	Flypaper's Team Space	Groove Instant Messenger	IMarkup Collaboration software	iPlanet Instant Collaboration Pack	LINQware's Collabriz	PeopleLink Instant Messaging Suite	2Wag Interactive Messaging
Required by Enterprises	Enterprise Collaboration Focus									
Text Messaging (Includes Text to one or group)	Yes	Yes	Yes	Jabber Platform	Yes	Yes	Yes	Yes	Yes	Yes
Security (Authentication, Administration, System Management, Audit and Encryption)	Yes	Yes	Yes	Jabber Platform	Yes	No	Yes	Yes	Yes	Yes
Archiving and Retrieval	Yes	No	Yes	Jabber Platform	Yes	Yes	Yes	Yes	No	Yes
Presence Management Secondary Features	Yes	Yes	No	Jabber Platform	Yes	No	Yes	Yes	Yes	Yes
Wireless (SMS-MMS)	Yes	Yes	No	Jabber Platform	No	No	Yes	No	No	No
Customization Tools	Yes	Yes	No	Jabber Platform	Yes	Yes	Yes	Yes	No	Yes
Branding	Yes	No	No	Jabber Platform	Yes	Yes	Yes	Yes	Yes	No
Web Meetings	Yes	No	Yes	Jabber Platform	Yes	Yes	Yes	Yes	No	No
Voice over IP Conferencing	Yes	No	No	Jabber Platform	Yes	Yes	No	No	No	No
Multimedia Messaging	Yes	No	Yes	Jabber Platform	Yes	No	Yes	No	No	Yes
Application Sharing	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	No
Remote Control	Yes	No	No	No	Yes	No	Yes	Yes	No	No
E-mail Link	Yes	Yes	No	Jabber Platform	Yes	No	Yes	Yes	No	No

Source: Chela Technology Partners

# Trend Watch <sup>TM</sup>

Figure 3. Enterprise Communications Instant Messaging Industry – Feature Chart

Features	EvergBuddy Instant Messenger	Eyeball Video Messaging Chat	Ikimbo Omniprise	Imicj Business Messenger	IMLogic Instant Messenger	Jabber's Platform	NetLert Instant Messenger	Netwin's Dbabble	OpenText LiveLink	Openwave Instant Messenger	Sonork Instant Messenger	Viredred ePop Prof. Client
Required by Enterprises	Enterprise Communication Platforms											
Text Messaging (Includes Text to one or group)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Security (Authentication, Administration, System Management, Audit and Encryption)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Archiving and Retrieval	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Presence Management	No	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes
Secondary Features												
Wireless (SMS-MMS)	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No
Customization Tools	No	Yes	No	Yes	Yes	Yes	Limited	No	Yes	No	Yes	No
Branding	No	No	No	Yes	No	Yes	No	No	No	No	Yes	No
Web Meetings	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	Yes	No
Voice over IP Conferencing	No	Yes	No	No	No	Yes	No	No	No	No	Yes	Yes
Multimedia Messaging	No	Yes	Yes	No	No	Yes	No	No	No	Yes	No	No
Application Sharing	No	No	No	No	No	No	No	No	No	No	Yes	Yes
Remote Control	No	No	No	No	Yes	No	No	Yes	No	No	Yes	Yes
E-mail Link	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No

Source: Chela Technology Partners

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Figure 4. Enterprise Wireless Instant Messaging Industry – Feature Chart

Features	Asia Cgbernet Limited Wireless Instant Messenger	Black Octopus mParty	ecrio Rich Instant Messaging Client	FolloWAP iFollow	Hotsip IM Server	Invertix IM-Anywhere	MobileIM Instant Messenger	MessageMachines Instant Messenger	MessageVine IM Server	Odigo	Telecommunication Systems Instant Messenger	Viral
Required by Enterprises	Wireless Focused											
Text Messaging (Includes Text to one or group)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Security (Authentication, Administration, System Management, Audit and Encryption)	No	No	Yes	No	Yes	Yes	No	Limited	Yes	Yes	Yes	No
Archiving and Retrieval	No	No	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No
Presence Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Secondary Features	Wireless Focused											
Wireless (SMS-MMS)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Customization Tools	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Branding	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Web Meetings	No	No	No	No	No	No	No	No	No	No	No	No
Voice over IP Conferencing	No	No	Yes	No	No	No	No	No	No	No	No	No
Multimedia Messaging	Limited	No	Yes	No	No	No	No	No	No	No	Yes	No
Application Sharing	No	No	Yes	No	No	No	No	No	No	No	No	No
Remote Control	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
E-mail Link	No	No	Yes	No	No	No	No	Yes	No	No	Yes	No
	Wireless Focused											

Source: Chela Technology Partners

Figure 5. Enterprise Extender Focused Instant Messaging Industry – Feature Chart

Features	Cordant Enterprise IM Solution	Facetime Instant Message Director	PresenceWorks Instant Messenger	Redmind Genius Archive
Required by Enterprises	Extender Focused			
Administration Tools	Yes	Yes	No	No
Archiving and Retrieval	Yes	Yes	Yes	Yes
BOTS	Yes	Yes	No	No
Data Publishing	Yes	Yes	No	Yes
Email Connectivity	Yes	Yes	No	No
NLP Processing	Yes	Yes	No	Yes
Real-Time Alerts	Yes	Yes	Yes	Yes
Transaction Processing	Yes	Yes	No	No
Wireless Connectivity	Yes	Yes	Yes	No

Source: Chela Technology Partners

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### **Instant Messaging Industry Providers**

**All Instant** ([www.allinstant.com](http://www.allinstant.com)) All Instant provides a java-based instant messaging platform for web-based systems. All Instant integrates IM and presence systems into trading applications and content portals for private-label and bundled application solutions. It provides compliance and auditing functionality and allows for both real-time and historical review and monitoring of communications. The system provides 128-bit secure socket layer encryption with higher levels of security available. The product consists of four components. The LiveGate user interface. LiveBroadcast allows users to search for specific types of users online and also allows users to distribute messages to a list of users. The LiveStudio product allows users to customize message content using a drag and drop interface. LiveArchive allows compliance and audit personal to review communications both in real-time and from a historical database as well, while LiveTracker allows supervisors to audit and track general usage statistics.

**America Online** ([www.aol.com](http://www.aol.com)) AOL Instant Messenger is the largest instant messaging network with more than 100 million users, according to AOL. Being the largest, AOL Instant Messenger is the network with which most corporate software vendors seek compatibility. AOL licenses access to its instant messaging network to other third party vendors of instant messaging software.

**Asia Cybernet Limited** ([www.acl-india.com](http://www.acl-india.com)) ACL Wireless Instant Messenger enables mobile subscribers to exchange Instant Messages in real time with their friends, create a personal Friend List and manage Presence on the network. ACL WIM allows users ubiquitous access to the service (through SMS, WAP and PC) and interoperability with popular instant messaging, SMS and Email networks.

**Bantu** ([www.bantu.com](http://www.bantu.com)) Bantu's Java and WAP clients bring instant messaging to a wide variety of platforms and computing networks. Access to public instant messaging networks is made through Bantu's own server that acts as a proxy between Bantu Messenger clients and public instant messaging networks. Bantu's client is specifically designed to be integrated with user interface applications like Web portals and content management clients.

**Black Octopus** ([www.blackoctopus.com](http://www.blackoctopus.com)) Black Octopus is a Wireless Instant Messaging service with offices in China, Taiwan, Hong Kong and Singapore. It's wireless service, mParty, allows wireless users to extend functionality from traditional SMS and incorporate buddy lists, online alerts, and search options. Clients include China Mobile, Sunday Telecom, Mobital Communications and Far East Tone.

**Cordant** ([www.cordant.com](http://www.cordant.com)) Cordant's patent-pending technology, based on extensions of the Instant Messaging (IM) experience, enables businesses and their customers to communicate much more efficiently than existing means. Cordant's product lineup - IMScribe, IMConnect, IMWatch, and IMTransact - leverages existing Enterprise Instant Messaging deployments such as Microsoft Exchange2000 and Windows RTC IM. Our products directly translate into reduced call center volume and improved customer satisfaction across industries as diverse as brokerages, airlines, banking, logistics, and retail, and represent a paradigm shift in real-time interactive communication and transactions between companies in these industries and consumers. IMScribe is a comprehensive solution for Exchange2000 and Windows RTC IM compliance requirements, encompassing logging, archiving, reporting, and reviewing and is suitable for the demanding 24x7 environments typical of large enterprises.

**divine** ([www.divine.com](http://www.divine.com)) divine inc., (Nasdaq: DVIN) is focused on extended enterprise solutions. Through professional services, software services and managed services, divine extends business systems beyond the edge of the enterprise throughout the entire value chain, including suppliers, partners and customers. divine offers single-point accountability for end-to-end solutions that enhance profitability through increased revenue, productivity, and customer loyalty. The company provides expertise in collaboration, interaction, and knowledge solutions that enlighten, empower and extend enterprise systems. Founded in 1999, divine focuses on Global 5000 and high-growth middle market firms, government agencies, and educational institutions, and currently serves over 20,000 customers.

**ecrio** ([www.ecrio.com](http://www.ecrio.com)) The Ecrio Rich Instant Messaging Platform enables presence, availability, and location detection across all devices and platforms. Users on desktop computers can establish sessions with SMS-enabled phones. WAP and SMS phones can talk to PDAs, and know each other's whereabouts. PDAs can talk back with phones and desktops knowing device and user status.

**Endeavors Technology** ([www.endeavors.com](http://www.endeavors.com)) Endeavors Technology is a developer of peer-to-peer network infrastructure software that allow companies to access, communicate, share and process information anywhere through any web-enabled device. Endeavors Technology is a wholly owned subsidiary of mobile computing and network infrastructure vendor Tadpole Technology plc ([www.tadpole.com](http://www.tadpole.com)).

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### **Instant Messaging Industry Providers Continued**

**eRoom** ([www.eroom.com](http://www.eroom.com)) eRoom's Digital Workplace combines access to structured data (through integration with enterprise applications) and unstructured information generated via nonreal-time collaboration tools (such as email and bulletin boards) with real-time collaboration (instant messaging, shared applications and white boards).

**EveryBuddy** ([www.everybuddy.com](http://www.everybuddy.com)) Everybuddy has support for AIM, ICQ, MSN, Yahoo! and Jabber chat programs. It also has file transfer between other Everybuddy users, and planned support for file transfer to other users. The primary development platform is Linux, and the source is available.

**EyeBall** ([www.eyeball.com](http://www.eyeball.com)) EyeBall Networks' enables video IM communication over networks with dynamically changing bandwidth availability, over multiple devices with varying processor capacities. It is a video communications software infrastructure for application developers, communication service providers, enterprises and consumers.

**EZmeeting** ([www.ezmeeting.com](http://www.ezmeeting.com)) eZmeeting is collaborative software messaging platform that allows multiple users to share, view and interact with the same applications and digital graphics, at the same time. Capabilities include Whiteboard, Chat, File Sharing, Web Conferencing and 2D and 3D file viewing capabilities.

**Facetime** ([www.facetime.com](http://www.facetime.com)) FaceTime provides IM network-independent applications designed for communication on any enterprise, private, or public identity based network providing multi-network connectivity, presence, and the auditing, routing, queuing and management controls required by enterprises. FaceTime's unique authorized network access and integration partnerships with the leading IM network providers (AOL, Microsoft) enable us to offer businesses the capability required to run IM applications for:

- Business-to-Customer
- Business-to-Business
- Call Center communication
- Regulatory compliance
- Privacy audits

FaceTime IM Director applications are built on the FaceTime IM Director Development Platform, and are available for CRM (IM Call Center) Communities (IM MarketTalk) Enterprise, Regulatory Compliance, (IM Auditor) and custom Application Development. The IM Director Development Platform consists of a set of distributed modular components and services designed to develop real-time network-independent business communication

applications. Its unique distributed gateway architecture provides network virtualization hiding the complexity of different networks from the application. Key Company Core Competencies:

1. Strategic relationships with public IM network providers such as AOL. The partnership enables authorized and preferential access and integration to the network, technical support and accounting between companies.
2. Robust and scaleable IP-based platform providing presence, session management and network virtualization
3. Proven technology and applications used by over 100 Global 2000 companies.

**Flypaper** ([www.flypaper.com](http://www.flypaper.com)) Flypaper's TeamSpace is a collaboration-oriented Web content management system. It combines collaborative features such as conferencing and instant messaging with content management features such as a document repository.

**FolloWAP** ([www.followap.com](http://www.followap.com)) iFollow is an end-to-end MIM platform that enables real-time communication among mobile users, as well as interoperability across networks, devices and messengers. Followap designs, develops and markets advanced mobile messaging solutions, encompassing advanced distributed server platforms for mobile carriers and a wide range of client solutions for mobile device manufacturers.

**Groove** ([www.groove.net](http://www.groove.net)) Groove is a peer computing platform designed to host a broad range of peer-to-peer applications and business solutions, enabling new ways for individuals to communicate with others via the Internet. Groove combines software and services to enable closely-knit groups backend server systems. Hotsip develops of individuals to collaborate on a broad range of activities within secure, shared virtual spaces, in real-time, or in different places at different times.

**HotSip** ([www.hotsip.com](http://www.hotsip.com)) Hotsip is a leader in the development and delivery of SIP and Presence products: interactive applications and software products for both broadband and mobile networks and terminals.

**ICQ** ([www.icq.com](http://www.icq.com)) Founder of consumer instant messaging, Mirabilis' software ICQ was acquired by AOL in June of 1998 and currently boasts over 50 million registered users. Features include PC to PC or PC to phone calling (including wireless SMS), and integration with Microsoft Outlook.

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### **Instant Messaging Industry Providers Continued**

**Ikimibo** ([www.ikimbo.com](http://www.ikimbo.com)) Omniprise is a client-based real-time communications platform, and provides DES-3 and SSL encryption, presence detection, instant messaging, conferencing, file sharing and transfer- that operate within the enterprise and beyond its firewall. Includes archiving, retrieval and administration of real-time communications and supports various wireless devices.

**IMarkup** ([www.immarkup.com](http://www.immarkup.com)) iMarkup Solutions provides real-time, Web-based productivity tools that enable end users to communicate, annotate, organize and collaborate over the Web. The iMarkup product line includes iMarkup, iMarkup Content Review Server, iMarkup Desktop and iMarkup Document Review Server.

**Imici** ([www.imici.com](http://www.imici.com)) Imici develops secure instant messaging systems for small-to-medium sized organizations. Imici's product line includes secure hosted and server-based instant messaging solutions as well as custom private label solutions with optional Interoperable by Imici™ technology.

**IMLogic** ([www.imlogic.com](http://www.imlogic.com)) IMLogic's products - IMLog, IMGateway, IMWireless and IMLinkage - help businesses and their customers communicate more effectively with each other through the IM windows on PCs and wireless devices. IMLogic's technology gives customers an interactive, up-to-date, and constantly accessible "window" into their transactions and accounts, reducing the need for live communication allowing companies to provide a higher level of customer service while lowering call center costs.

**Innomedia's BuddyTalk** ([www.buddytalk.com](http://www.buddytalk.com)) BuddyTalk is an integrated instant messaging and multi-party VoIP conference calling service. The service includes low cost PC to phone and PC to PC calling.

**Invertix** ([www.invertix.com](http://www.invertix.com)) Invertix's IM-Anywhere, is a messaging and m-commerce platform that delivers a feature-rich messaging experience enabling instant, interactive communications between wireless and wired users across a variety of air interfaces, platforms and devices.

**IPlanet** ([www.iplanet.com](http://www.iplanet.com)) iPlanet's Portal Server's Instant Collaboration Pack enhances portals with real time communication and collaboration through instant messaging, chat, alerts, news stock ticker, and file transfer. Additional features include presence management, remote access capabilities, and security.

**Jabber** ([www.jabber.com](http://www.jabber.com)) Jabber is an instant messaging and presence management platform based on XML and open standards. Jabber, Inc. offers highly-scalable servers, tools and real-time communications solutions to software developers, carriers, and enterprises. As a founding sponsor and on-going contributor of the Jabber open source project, Jabber, Inc. is committed to open protocols, specifications and standards.

**LINQware** ([www.linqware.com](http://www.linqware.com)) Collabrix is an Enterprise Instant Messaging and collaboration product designed to offer all of the features demanded by corporations today, including presence awareness and management, end to end security, rich text messaging, archiving and retrieval of message history, and full usage reporting capabilities. Collabrix integrates instant messaging and application sharing into a seamless environment that fits naturally into existing workflows, affording rapid adoption. Collabrix allows individuals to locate others by name or type of expertise across the enterprise with LAN, WAN, or Internet connectivity in a wired or wireless environment. Collabrix is available in both hosted and private server configurations.

**Lotus** ([www.lotus.com/home.nsf/welcome/sametime](http://www.lotus.com/home.nsf/welcome/sametime)) Lotus' Sametime is the chief competitor to Microsoft Netmeeting. Sametime works with Lotus Notes servers to provide instant messaging along with video conferencing, voice communication, whiteboard and application sharing. Sametime clients can also interoperate with AOL's Instant Messenger network.

**Mercury Prime** ([www.mercuryprime.com](http://www.mercuryprime.com)) Mercury Prime's instant messaging platform enables groups and individuals to communicate, share and act upon information anywhere, wired or wireless, through secure collaboration applications. Built upon scalable, high-security encryption and robust authentication mechanisms, Mercury Prime products can be used as standalone applications or integrated into existing applications or systems.

## **Trend Watch** <sup>TM</sup>

### **Instant Messaging Industry Providers Continued**

**MessageMachines** ([www.messagemachines.com](http://www.messagemachines.com)) MessageMachines, Inc develops application servers that route messages among all types of real-time communication devices, systems and protocols, such as cell phones, pagers, PDAs, Wireless Application Protocol (WAP) applications, Session Initiation Protocol (SIP) applications, Short Messaging System (SMS) messages, e-mail and instant messaging. MessageMachines solutions are available to telephone companies, enterprises, and e-businesses via channel partners and softswitch vendors that serve the mobile workforce.

**MessageVine** ([www.messagevine.com](http://www.messagevine.com)) MessageVine is a provider of private-label Instant Messaging server products, delivering branded and customized carrier-scale wireless and wireline IM solutions to wireless carriers, telcos and ISPs. MessageVine's wireless carrier subscribers have available, real-time messaging, file transfer capabilities, email notification, interoperability with MSN Messenger and ICQ and wireless status indication.

**Microsoft** ([www.microsoft.com](http://www.microsoft.com)) Microsoft's Messenger Service is the chief rival to AOL and Yahoo's Messenger service. Microsoft's messenger service client supports instant messaging and IP telephony network using the Conference Server. Businesses using Microsoft Exchange Server can set up an independent internal instant messaging including an electronic white board, application sharing and video conferencing. Microsoft's Exchange Server is a competitor to Lotus' Sametime solution.

**MobileIM** ([www.mobileim.com](http://www.mobileim.com)) MobileIM offers solutions to the Enterprise, Carrier and Consumer markets. MobileIM's solution enables mobile instant messaging among users of different instant messaging systems, networks and wireless platforms using any text-messaging capable device e.g. cell phones, pagers, PDAs, and RIMs.

**NetLert** ([www.netlert.com](http://www.netlert.com)) NetLert is a secure (SSL encryption), real-time communication software solution providing Instant Messaging designed specifically for corporate enterprise use. NetLert delivers real-time instant and simultaneous messages in the form of chat, alerts and topics. Other productivity features include group conferencing and collaboration, file and URL swapping, graphic, photo and text collaboration using whiteboard, polling feature for quick and easy gathering of feedback, and presence indicators with status notification. Further NetLert provides historical tracking through message archiving, and is platform independent. NetLert keeps people "in-the-know" with off-line forwarding to mobile devices.

**NetWin Dbabble** ([www.netwinsite.com/dbabble](http://www.netwinsite.com/dbabble)) DBabble is Chat and Discussion Server, which allows users to send instant messages, have private conversations, and create and participate in private or public chat rooms and discussions. Users communicate with the server using either a web browser, or a client for Windows 95/98/ME/NT/2000/XP.

**Odigo** ([www.odigo.com](http://www.odigo.com)) Odigo, Inc. is a provider of Instant Messaging and Presence Solutions to wireless carriers and service providers worldwide. Odigo's products include IM Servers, SMS-IM Gateways, and Presence Management Solutions.

**OpenText** ([www.opentext.com](http://www.opentext.com)) OpenText's Livelink is a browser-oriented asynchronous environment with a broad range of shared library, discussion group, and knowledge management features. It also supports, through the MeetingZone module, real-time collaboration features such as IM, chat, whiteboarding, application sharing, and shared text pads.

**Openwave** ([www.openwave.com](http://www.openwave.com)) Openwave System's Instant Messaging (IM) offers the ability to send and receive short messages between desktop PCs, also allowing users to control their availability, notification options, presence availability, Chat conversations maintained until the chat conversation ends, and Group Chatting enabling users to view the entire messaging thread. This IM software gives mobile devices the ability to carry their buddy lists and availability for messaging anywhere. It also enables real-time interaction between mobile subscribers.

**PalTalk** ([www.paltalk.com](http://www.paltalk.com)) PalTalk is a free service that enables calls to anywhere in the world, with breakthrough sound quality. Its services also include live video calls, voice chat rooms, instant messaging and user defined community groups. Paltalk is also interoperable with AOL.

**PeopleLink** ([www.peoplelink.com](http://www.peoplelink.com)) Instant Messaging delivers one-to-one and one-to-many real time text messaging. PeopleLink offers document sharing over the Web, intranet, and extranet. While the download application is Plink compatible, has MD-5 encryption, file sharing, multi-person conferencing and text to speech conversion.

## **Trend Watch** <sup>TM</sup>

### **Instant Messaging Industry Providers Continued**

**PresenceWorks** ([www.presenceworks.com](http://www.presenceworks.com)) PresenceWorks offers an instant messaging technology that lets businesses see which of their contacts are online and available to conduct business via the major instant messaging services of AOL, ICQ, Yahoo! and Microsoft. The technology is scaled for business use, and sports easy integration into businesses' existing applications and includes communications tools.

**Redmind** ([www.redmind.com](http://www.redmind.com)) has developed Genius Archive as the first component in an open web services middleware platform that will help transform Corporate IM from a single tool to an integral part of emerging 'real-time' enterprise infrastructure. Genius Archive enables enterprises to globally monitor and store corporate Instant Messaging (IM) communications. Once Genius Archive is implemented administrators can securely: Monitor content, traffic, and usage across all IM servers. Meet SEC 17a-4 and NASD 3101 Compliance Regulations. Initiate real-time alerts and notifications about sensitive data. Extract relevant expertise via proprietary NLP technologies. Publish data to other enterprise apps via Web Service Protocols. Coming soon are new applications built on this platform that include Genius Active Content.

**Sonork** ([www.sonork.com](http://www.sonork.com)) Sonork Instant messaging offers both a server and/or client application. The client software connects to Sonork's public IM server. The server version allows companies to create and control their own EIM network. IM users can send files, leave messages and/or files to people who are off-line. Broadcasting of messages and files is also fully supported. In connection with MS NetMeeting users have access to voice, video and whiteboard functions in a peer-to-peer environment. An unlimited message history is on-screen at all times and allows for search of messages by date, content, length, type, and other options. All information is sent and stored in encrypted state.

Sonork automatically (de)compresses files before they are sent/received. Web Applications allow the interaction with the (SQL-based) Sonork server database, and as with Web Templates allow for the private IM system to be extended with custom functionality.

### **Telecommunication Systems** ([www.telecomsys.com](http://www.telecomsys.com))

Telecommunication Systems is a developer and a licensor of software products that enable the delivery of Internet content, short messages, and enhanced communication services to a wide variety of wireless devices, including phones, two-way pagers and personal digital assistants. Telecommunication Systems provides services to carriers, enterprises and the government.

**Wiral** ([www.wiral.com](http://www.wiral.com)) Wiral is a provider of presence-based wireless communications software technology. Wiral's product, Wiral Matrix Product Suite™ provides mobile operators and service providers the ability to launch advanced messaging and presence-based communications services. The core Wiral Matrix technology enables flexible creation and implementation of cross-device message routing, notification and presence services.

**Wiredred** ([www.wiredred.com](http://www.wiredred.com)) Wiredred's e/pop includes instant messaging, chat, voice-conferencing, application sharing, status messages, out-of-the-office indicators, presence, file attachments, RSA security and help desk remote control that be centrally managed using an e/pop server.

**Yahoo** ([www.yahoo.com](http://www.yahoo.com)) Yahoo's instant messenger service is tied in with the company's portal business. The new version of Messenger has improved support for sending and receiving messages from behind corporate firewalls. The typing notification will appear in the status bar before message appears. IM environments and Emoticons are messaging environments and pictographs users can employ.

**2Way** ([www.2way.com](http://www.2way.com)) 2WAY IM provides a multi-tier, secure, and fully administered instant messaging environment that lets your business professionals conduct self-documented conversations and graphic feedback polls with colleagues, partners, and clients over your private corporate network in real-time.

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### **What is Instant Messaging?**

Instant messaging lets users communicate with each other via text in real time. As one user types a message on one computer, the same message appears on a recipient's computer at the same time. Instant messaging presents the same advantage over email that email offered over conventional postal mail-namely speed. Communication is faster and dialogs between users can rapidly develop, covering a wide variety of topics and speeding the cycle of questions and responses. A user making an inquiry over an instant messaging network gets an immediate answer. Plus, instant messaging networks provide presence awareness and awareness management - information on who is online and ready to have an instant messaging session. This feedback isn't available with tools such as email or bulletin boards - or even that other real-time collaboration tool, the telephone.

Instant messaging isn't the only real-time collaboration tool available. Also emerging are online conferencing and team collaborative applications. Online conferencing combines instant messaging with presentations, file sharing and conventional voice communication over telephone networks. Team collaborative applications allow digital files such as a spreadsheets or electronic documents to be worked on by several users at once in real time.

Business-oriented instant messaging servers provide the more robust internal server architecture needed for use within an enterprise. Both

Microsoft and Lotus build instant messaging on top of their already popular collaboration environments and Lotus connects into public instant messaging networks. The only step remaining is to integrate these instant-messaging environments into the business process. When that happens, instant messaging will become an essential component for business collaboration.

With instant messaging integrated with enterprise applications, employees can initiate real-time collaboration sessions as part of a company's workflow. Integration can also give users access to corporate content and data during a collaborative session.

Integrating with front-end interfaces, such as Web portals, is generally easier and less expensive than integrating into back-end applications. In the front-end approach, instant messaging tools are presented to users like any other online service. Sessions are initiated by users rather than by the workflow, and collaboration becomes project-oriented rather than event driven. Integrating collaboration into a common-user interface encourages users to take advantage of the technology because it's in front of them alongside other applications and services they use on a regular basis.

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*According to TRANSFORM Magazine November 2001*

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### **Forecasts and Historical Statistics**

Corporate IM users are sky rocketing from a meager 5.4 Million in 2000 to an expected 180 million in 2004 (*IDC Research*)

The market for private corporate IM solutions is valued at over \$1billion by 2004 (*IDC Research*)

IM will be the primary driver of wireless data adoption, SMS will have 350 Million users in 2003 and Wireless devices will reach 2 Billion users. (*Gartner*)

#### **"Messaging Today: Worldwide Trends"**

Source: "[Messaging Online](#)," 14-Mar-2000

- ✂✂ The total number of electronic mailboxes in the world has soared 83.5 percent in the past year to 569,171,660 mailboxes;
- ✂✂ In the U.S., the number of mailboxes has jumped 73 percent to 333.5 million mailboxes since the end of 1998. In the rest of the world, the total number of mailboxes has grown 101 percent to 235.6 million mailboxes in the past year;
- ✂✂ In the U.S., the average corporate email user has around 1.5 mailboxes, and the average household using email has about 4 mailboxes.

- ✂✂ There are about 89 million Americans using email at work and roughly 50 million households using email
- ✂✂ There are probably 110 million Americans using email at home or at work, 40 percent of the population.
- ✂✂ There are fewer than one billion televisions in the world, fewer than 800 million phone lines, and 569.2 million mailboxes.

#### **"AOL Per-User Email Figures Climb 60 Percent in 1999"**

Source: "[Messaging Online](#)," 4-Feb-2000

- ✂✂ "If you believe every person in the U.S. has an email account (and it's beginning to seem that way), then you are talking 1.54 billion messages per day, or 560 billion messages per year. If you believe half the population has email, then your numbers are 770 million messages per day or 280 billion messages per year. Adjust those numbers to reflect heavier usage by the workforce email users and lighter usage by Web mail and ISP users, and you possibly could come up with a trillion messages per year."
- ✂✂ In 1999, the U.S. Postal Service delivered over 200 billion pieces of mail, so email volume now outpaces postal mail volumes;

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### **Forecasts and Historical Statistics Continued**

#### **"E-Mail Growth Hogs Enterprise Resources"**

Source: [Network World Magazine, 31-Jan-2000](#)

- ✂✂ Average number of messages received by end users is expected to jump 81% to 34 per day by the beginning of 2001;
- ✂✂ Average size of a message is expected to increase 192% to 286 Kbytes by the beginning of 2001 [with growth attributable to attachments];
- ✂✂ There are nearly 170 million corporate email boxes worldwide, more than three times the number of boxes five years ago, according to Eric Arnum, editor of "Messaging Online"; There are approximately 440 million corporate and personal mailboxes worldwide.

#### **24/7 Media: Email Facts**

Source: [24/7 Media](#)

- ✂✂ Opt-in email volume will jump 52.3% to 61.1 billion by year-end 2000, and reach 240 billion messages by 2003.
- ✂✂ By year-end 2002, there will be 135 million e-mail users, representing 59% of the overall U.S. population of adults and teens. (Source: Emarketer)

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