

This report focuses on demand drivers for IM, presence and real-time communication capabilities.

The research conducted for this report, as well as the report itself, are focused on the needs of vendors, investors and others who are interested in participating in this space. The information presented is designed to help vendors and other interested parties make informed decisions about the future opportunities available in this market. Accompanying this report is the complete data set from the primary survey that was generated for this report.

Key Findings and Trends Discussed in this Report

- **IT is now the primary driver for enterprise IM:** Three years ago, employee-deployed IM systems outstripped IT-deployed systems by two to one. Two years ago, IT- and employee-deployed IM systems were deployed about equally. Since then, IT-deployed systems have outstripped employee-deployed systems by more than two-to-one.
- **The more IT drives IM purchases, the more consumer IM services lose:** None of the major consumer IM services are being considered for organizational deployment. Among consumer IM clients, Yahoo! Messenger is the most popular, followed by AOL Instant Messenger and MSN Messenger. What's more, three out of five organizations will limit or prohibit consumer IM once IT deploys EIM. Yet one-half are willing to purchase consumer IM featuring an IM security/policy gateway.
- **Google is the one exception:** Google Talk is the only consumer IM service with a sizable mindshare among organizations. In fact, Google Talk interests as many organizations as Sametime. This foothold may stem from the Internet Wunderkind's growing emphasis on marketing to the enterprise, as evidenced by the Google Search Appliance, the Google Apps Premier edition (which delivers Google Talk and other applications to the enterprise), and enterprise versions of Google visualization tools, such as Google Earth, Google Maps, and Google Sketchup.
- **IM leads real-time, data sharing tool deployments:** The demand for real-time, data sharing tools will grow in 2008 with IM being the most popular technology (excluding VoIP), reaching 30% of email users today and 41% in 2008. Web conferencing, the adoption of corporate and wireless/mobile IM, will increase by 7%. With IT leading IM purchasing, Microsoft wins big. Just over one-quarter of organizations are considering Microsoft Office Communicator, and one-fifth, Microsoft Exchange 2000 IM Client. Microsoft Windows Messenger and MSN Messenger follow closely. Slightly more than one-tenth of organizations are investigating Lotus Instant Messaging (Sametime).
- **EIM adoption is driven by IM security problems:** Thirty-five percent of organizations have suffered from IM vulnerability and 2% have fired IM abusers. The vast majority estimate that an IM or data breach would cost at least \$10,000, and one-tenth put the damage at \$500,000 or more. Given these figures, expected value calculations suggest that IM security appliances could be priced at very high levels.
- **Organizations may lag in responding to the IM threat:** New regulations and changes in the Federal Rules of Civil Procedure (FRCP) might require

organizations to retrieve old IMs, but most enterprises cannot. About one-half have no IM policy. Of those that do, about one-half block personal email and IM, and the vast majority allow it. But that's changing: two out of five organizations will either deploy archiving systems or complete plans to do so by the end of 2008.

- **IM is expected to improve communications:** Organizations look to IM to improve communications, facilitate them with remote staff, consultants and others, and increase productivity.
- **Text messaging still dominates IM usage:** About one-third of respondents use group chat, and only one-fifth share files, but respondents valued advanced data-sharing features. Fifty-five percent of these organizations selected group chat as IM's most important capability, followed by screen sharing, whiteboarding, web conferencing and secure file sharing.
- **IM and presence budgets nearly double:** Next year, budgets for IM and presence will grow by 54% across all organizations and by 83% in those where a budget for these technologies already exists.

MAY 29, 2007 | SAN DIEGO -- Akonix Systems, Inc., provider of the most deployed instant messaging (IM) security and compliance products in the world, today introduced the Akonix A1000 IM Essentials Appliance, a simple-to-install and administer, all-in-one IM management solution designed specifically to address the risk management, archiving and compliance needs for IM use in small and medium-sized business (SMBs). The A1000 IM Essentials Appliance, priced at \$6,995, includes 100 seats and provides smaller firms an all-inclusive, complete risk management solution for instant messaging.

The SMB market faces significant demands as it has IT requirements similar to those of larger enterprises, primarily due to federal and industry regulations, but significantly fewer resources. In order to meet the financial, security and compliance obligations of smaller organizations, Akonix now offers the A1000 IM Essentials Appliance. The unit is factory-configured with Akonix's L7 Enterprise(tm), a risk management platform designed to archive, secure and control access to IM communications, and L7 Enforcer(tm), a policy enforcement platform. It is powered by AkOS(tm), Akonix's customized hardened operating system developed for secure, real-time messaging environments.

Nearly one in six organizations does not have either an email or instant messaging retention policy, according to Osterman Research(1). Akonix's new appliance archives IM conversations based on company-determined policies to ensure compliance with industry and government regulations, including newly amended federal rules on legal discovery of electronic records - a key challenge for most SMBs. The appliance also enables businesses to protect themselves from viruses, worms and other malicious IM threats, as well as manage and enforce policies for all public and private IM networks.

"Vendors have been slow to offer products that allow SMBs to meet federal and industry archiving regulations, especially when it comes to instant messaging," said Matt Anderson, senior analyst with The Radicati Group. "They need to offer the full features of an enterprise product, yet be easy to implement and manage, as well as affordable."