

Microsoft and Skype - A Match Made for Lync

Written by Corey Moss
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by Corey Moss, rAVe USA Blogger

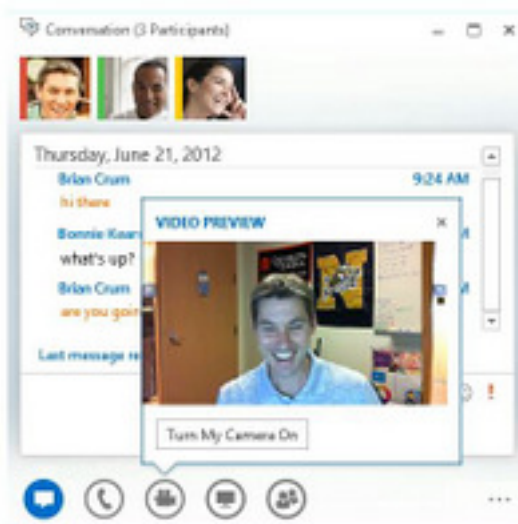
If you've ever met someone on Facebook who you've wanted to carry on an extended friendship with, the possibility of a "Skype" chat is likely to arise in conversation. Upon agreement, each party simply downloads the application on their PC or mobile device, one sends a connect request to the other, and in minutes they're video chatting. And the best thing is that they can be anywhere in the world. Of course the quality of the video/voice transmission is dependent upon the strength of the network connection they are transmitting over. If the network doesn't present a strong enough signal to carry on a video chat, a standalone voice chat may be possible. Along with this comes the added feature of instant messaging. I personally have used Skype to chat with friends as well as conference with business contacts, in the U.S. and internationally.

A little history: Skype was founded in 2003 by Estonian, Danish and Swedish developers, who also developed the KaZaA file share service (remember that one?). In 2005 it was purchased by eBay for almost \$3 billion. In September of 2009, it was announced that eBay was selling 65% of Skype for 1.9 billion to Silver Lake, valuing Skype at a total \$2.75 billion. In May 2011, Microsoft decided to acquire Skype for \$8.5 billion, their largest purchase ever at that time (which was completed in October of that year). The most compelling question most asked about the Skype purchase was in a word – Why? Microsoft made the purchase even though Skype had only generated a total revenue of \$860 million with an operating profit of \$264 million the

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year before. What was more confusing was the fact that the application overlapped their own Windows Live Messenger, which in June 2009 was reported to have attracted over 330 million active users each month placing it among the most widely used instant messaging clients in the world. The next year, Microsoft introduced a corporate-oriented software solution called Lync 2010 (formerly known as Microsoft Office Communicator), which was made generally available in January 2011. Microsoft Lync 2010 was released for Windows Phone, Android and iOS platforms in December 2011.



So just why would Microsoft purchase an application for that much money when they already had personal and business communications applications? And just where was it proven that Skype was worth this much in the first place? To begin with, Skype had integrated telephony allowing for inbound and outbound calls to be made anywhere across the globe. Calls to other users within the Skype service were (and still are) free of charge, while calls to landline telephones and mobile phones are charged via a debit-based user account system. Almost 8 million Skype users paid for the service. Talk about Windows phone application arose. It was easy to understand at this point why Microsoft would eventually phase out their Live Messenger instant messaging service in favor of Skype. And another (and possibly the biggest) answer to the one word question? Keeping it out of the hands of Facebook and Google.

Curiously, the peer to peer video chat technology was actually the story behind the name itself – the original proposed name was “Sky Peer to Peer” however it was shortened to Skyper (and finally Skype), likely for the layperson who’d probably had to have peer to peer technology explained to them. Give it a flashy name and explain that it lets you communicate over video, voice and IM online with anyone, anywhere. Simple. Skype does have a pay service for

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business for multiple users, however for the most part it's primarily used as the free peer to peer application or a debit-paid mobile/landline service. Flash forward to 2012 – not only was it reported in March that Skype had broken to over 36 million simultaneous users, in July Microsoft reported that Skype users had logged over 115 billion minutes of calls over the quarter, up 50% since the previous quarter. In October it was reported by TechCrunch that Skype reached a 45 million concurrent user peak, and what looked like a new stage of momentum. Now Lync 2013 (the recent upgrade from Lync 2010), as we all know, has fast become one of the most (if not the most) popular business Unified Communications applications in the world. Office 365, which includes Lync 2013 as one of Microsoft's Cloud Essentials, can be installed and managed over an organization's network infrastructure or accessed online over servers hosted and managed in Microsoft's own Data Centers.

Audiovisual manufacturers and solutions providers are incorporating Lync integration into everything from a Microsoft-partnered video/whiteboarding collaboration system to cloud videoconferencing applications. So where does Skype enter into the total UC picture? On May 29th of this year, Microsoft made available its first phase of its long awaited Lync/Skype integration. Now users of the two services can A) Add Skype contacts to Lync and vice versa, enabling presence sharing and B) initiate audio calling and instant messaging between Lync and Skype. Coming sometime soon will be video connectivity, however it's been reported that it won't be available until mid-2014 (yes, something else Microsoft will keep you in suspense over). Add in current connectivity with mobile clients and you have a bold interconnected UC solution.

You can ask who now owns the UC world and it's a very simple answer. Look back at 2011 and the question of "why" now in 2013 becomes "because." Microsoft, with the most powerful business productivity software package and joint UC application on the market, can now whistle all the way to the bank. As a Microsoft Partner, yes it's big news. And all I can say is: Thanks Microsoft, money well spent.

*Corey Moss is president and CEO of **DC Smart AV/IT Solutions and Consulting** in Fairfax, Virginia USA. He has worked in the AV industry for more than 20 years as a senior account manager. He founded his current company to focus on being a complete AV/IT solutions provider, especially in as it relates to Unified Communications and BYOD. His company is a Microsoft Cloud Essential Partner. Corey, a native of Queens, NY, he likes working out, the Redskins, hard rock and learning about new and cutting edge technology.*

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