



*We Share Our Knowledge*

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# **Instant Messaging**

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## 1. Introduction

Since the late 1990's, Instant Messaging (IM) has become one of the most popular channels of communication, expanding more rapidly than any other communication channel in human history.

Currently, there are about 350 million individual IM users worldwide communicating via this channel, while usage within the business sector is also becoming more and more widespread, especially in the financial sector.

The key to IM's massive popularity is the Presence Principle, i.e. users' ability to decide which other users to communicate with, know when they are available, and have immediate, interactive and informal communications with them, all in real time.

These abilities make the IM communication channel much faster and more productive than emailing, and more cost effective than phone/cellular communication channels.

## 2. The Advantages of IM Usage

IM has several prominent advantages over other communication channels:

- IM is a real-time communication channel.
- IM enables users to significantly reduce communications costs.

It enables the organization to cut down on short, redundant phone calls, because, as we know, most phone calls (both through landlines or mobile phones), are aimed towards exchanging short messages and last no longer than 1 minute. Those calls can be made using the organization's internal IM network, thus considerably reducing phone bill expenses.

- IM ensures less SPAM (as opposed to the email channel). While studies show that SPAM engages anywhere from 32% to 73% (50%-60% on average) of the daily emails sent via the Internet, the SPIM (the IM SPAM equivalent) is estimated as no more than 5% of the daily IM transport via the internet. However, we should mention that this SPIM percentage is expected to grow, as more and more organizations install internal IM networks, and as the IM usage increasingly becomes more industrial and less individual.
- IM offers new opportunities of incorporating more inexpensive communications channels, such as VOIP. For example, the Skype application, which enables combining voice calls and instant messaging via Internet, chats.
- IM enables creating new and improved voice and data services, mainly for industrial users, such as the Mobile IM.

## 3. IM Usage in the Business Sector – Planning for the Future

There are different predictions as far as the future growth of IM usage in the business sector but they all point towards a sharp increase within the next few years:

- IDC (International Data Corp.) analysts predict that in 2006-2007, there will be a 30% increase per year in the number of business and government organizations worldwide that will begin using IM, both internally (between employees), and externally (communicating with customers, business partners and suppliers). It is interesting to learn that even today, most organizations using IM networks ("attendance" networks), do it mostly for the purpose of external communications with customers, business partners and suppliers and not necessarily for internal communications.

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- Radicati Group analysts predict that the number of IM business users will reach 350 million by 2007 – the same as the number of individual IM users today.
- Gartner Group analysts predict that by the end of 2006, 50% of B2C (Business to Customer) communications, will be IM based.

## 4. Choosing the Best IM Solution

When an organization decides to implement an IM solution in its network, it should examine each solution according to its ability to meet the following 4 criteria:

### 5.1 Access Across Firewalls

Every IM solution must enable access to and from external networks, such as IM applications used by individual subscribers (ICQ, MSN Messenger, etc.), in order to enable B2C communications with existing and/or potential customers, as well as with other organizations' IM networks, so that the organization can properly communicate with external bodies such as business partners and suppliers. And this should all happen in addition to the usage of IM for internal communications purposes. Therefore, the IM solution must enable IM transport, both within the Firewall and outside of it.

### 5.2 Control and Monitoring

The IM solution must enable controlled work environment monitoring: management of access permits to and from external networks, and access permits per user (whether it be an employee or a customer), so that at any given moment, anyone logged into the organization's IM network can be monitored, as well as all regular messaging ("regular" calls) or other messages transferring of sensitive information.

### 5.3 Documentation of Business Information

Following regulations that compel financial report and business information transparency, all organizations are required to instill regulatory, monitoring, security and documentation policies for all business transactions, including those done via email and other channels (e.g. IM). Therefore, most organizations require IM solutions that will enable them to document all transactions made via this channel, including accessible Audit Trail monitoring, without losing any relevant data.

### 5.4 Information Security

The IM solution must provide high level security for the organization, in order to tackle all security threats relevant to the IM channel:

- "Physical security", i.e. information encoding and protection against viruses, worms, and any other "malicious codes". As far as "physical" threats, current IM business applications, such as Microsoft Live Communications and IBM Lotus Sametime, already offer "enriched" security capabilities, which render the IM channel much more secure than the email channel.
- Preventing any "information leaks", thus protecting internal, confidential information about customers from reaching the wrong people. This is required mainly in financial organizations such as banks and insurance companies, and service organizations such as mobile service providers, Internet service providers etc.

Information security must be applicable at all levels and against all of the abovementioned security threats, at any time, both during messaging, and during data storage (documentation).

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## 5. Conclusion

It seems that the growing popularity of IM usage in the business sector is quite understandable.

After having worked with "attendance" networks (IM networks), through which employees could exchange messages instantly, they will always wonder how they functioned without this ability in the past.

Once the decision makers in the organization realize the advantages of IM usage, the pressure they put on applying an IM solution in the organization gradually increases, until eventually recognition of IM's added value seeps through (as it did in all the world leading corporations), and even IT department heads are required to align themselves with the rest of the company and develop a strategy of applying the appropriate IM solution, despite their complaints of security risks.

In spite of the IT managers' concerns, a survey conducted a year ago with 340 IT managers of leading European corporations, showed that 81% of the participants were aware of the advantages of IM vs. other communication channels used in their organization. If the survey were to be conducted today, this percentage would probably be much higher.

## About Synergy

**Synergy** is an international consulting company, specializing in Analytical CRM solutions.

**Synergy** offers marketing oriented business ventures, formed by a team of leading local and international industry experts.

**Synergy** aims to provide its customers with the ability of acquiring commercial advantages by informative analysis of their customers' shopping data.

**Synergy** has vast experience in working with leading commercial organizations, both locally and internationally, and its clientele includes foremost industry leaders in the communications, financial and retail fields.

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