

Avaya Close to Buying Radvision...

Written by Bob Snyder
15 December 2011

An Israeli newspaper reports **Avaya is close to buying Radvision** in a deal for about \$200 million. That would boost Avaya's offering in videoconferencing so it could better challenge the incumbents like Cisco/Tandberg, Polycom/HP, Logitech/LifeSize and the products of other acquisitions.



Apparently Radvision, since it lost its Cisco OEM deal when Cisco bought Tandberg 2010, has been shopping for a buyer.

That Cisco deal was more than one third of Radvision's revenue. While Cisco has moved on to take more than 50% market share, Radvision tried buying Aethra's HD video endpoint business and even launched **Scopia Mobile v3**, an enterprise app that connects video and telepresence systems to iOS and Android devices.

The enterprise videoconferencing and telepresence market has grown by 20% or more for three of the last four quarters. **So why does Radvision look for a Big Brother?**

Because enterprise videoconferencing is the Land of Giants...where the big are only getting bigger. Radvision could use the more sophisticated distribution channels of Avaya. Radvision

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lost \$7.4 million in Q3, with quarterly revenues falling to \$17.3 million from \$24.5 million.

HP took a look a year ago at Radvision but couldn't settle on a price. Instead HP sold its video conferencing and telepresence business to Polycom. As part of its deal, Polycom is now HP's exclusive partner for the category.

Polycom plans to compete with Cisco through an alliance of vendors (HP, Juniper, Microsoft etc) which deliver a more open and broader unified communications solution that allows for multi-vendor solutions. Whereas Cisco wants to sell...well, more Cisco...as a total solution from a one-stop shop.

Mergers and acquisitions are the wheels of consolidation that drive videoconferencing at the moment. Probably as Avaya is inking this deal, there will be others who are throwing in last-minute bids... but Avaya needs Radvision to strengthen its Unified Communications offer. It's a good marriage waiting only for the final vows.

Go [Avaya's current video conferencing offer](#)