

IBM will buy **UStream** and with that $130 million acquisition, the company also announces it will create **a cloud video services unit**.

With operations in San Francisco and Budapest, Ustream is a leading provider of live and on-demand video solutions. They sell video streaming, enterprise-grade security and scalability to reach millions of viewers to companies who use it for internal meetings, press conferences, and worldwide entertainment events. Ustream calls itself “the platform of choice for clients including Facebook, HBO, Cisco, Sony, Intuit, NASA, Mazda and Samsung”.

The new IBM unit will be pulled together from four acquisitions: **UStream** (Video streaming), **ClearLeap**
(video management),
Cleversafe
(video storage service) and
Aspera
(large-file transfer tool).

Braxton Jarratt, who came to IBM as part of the ClearLeap deal, will run this new unit. He says UStream is the missing streaming piece that allows IBM to form this cloud unit with a full-service enterprise video offering.

“IBM doesn’t shoot from the hip. One of the things we were impressed with when we started engaging with IBM [last Fall] was there was a big master plan behind this acquisition,” Jarratt told *TechCrunch*.

IBM will also feature video in **Bluemix, the company’s Platform as a Service offering**. The new cloud unit hopes third-party developers will take the offered APIs and *create entirely new ways of delivering video.” So you could use IBM tools and PaaS to build your own offering, such as enterprise collaboration—on the IBM cloud.

IBM is also expected to soon add other pieces like Watson for Big Data analytics.

IBM did report that the cloud piece is beginning to show progress, surpassing a $10 billion revenue run rate from a unit that didn’t technically exist a little over a year ago.

“The addressable market [for video] is little over $105 billion by 2019, which is not that far away. We now think we have the most compelling set of capabilities to meet that,” Jarratt told reporters.

Ustream technology would be used to incorporate video streaming capabilities into Bluemix, IBM’s open cloud development platform. A formal acquisition may make it easier for developers to build live video streaming features—such as enterprise collaboration—on the IBM cloud. There also could be Watson applications.

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