

# Cisco: "Convergence Decision Zone is Now!"

## A report on Cisco's message at BuilConn Europe 2005

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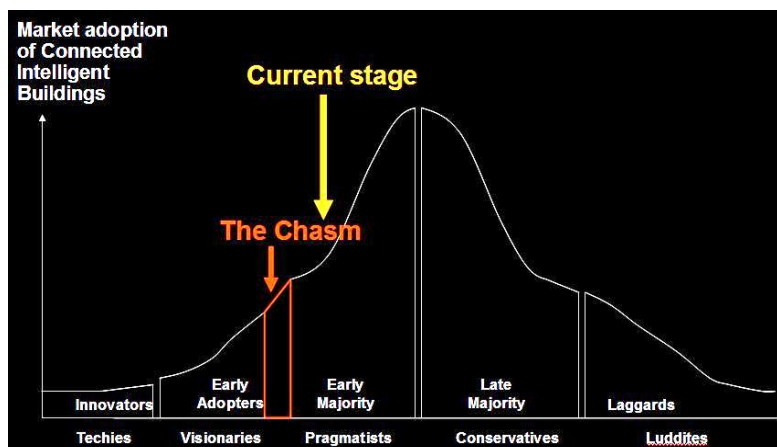
The message from Cisco at BuilConn Europe is that the building automation convergence Decision Zone is now upon us. The growth of IP controls is poised to dramatically accelerate in the next few years.

Robbert Kuppens, EMEA Managing Director of Cisco Internet Business Solutions Group, in his Keynote presentation in Amsterdam, November 9, declared that in a similar way the PBX industry reached the decision zone around 2002, the BAS market is now at this point in what they call a "Decision Zone".

Those unfamiliar with the evolution of IP-based PBX (Private Branch Exchange, commonly referred to as VoIP) will appreciate that in the 80's and 90's most PBX's used a proprietary technology called TDM (Time Division Multiplexing). PBX's these days are predominantly IP based, and Cisco was one of the leading players that enabled and grew the IP-based PBX market.



Cisco quotes ARC Advisory Group data on the above. The group states, "As BAS become part of a much larger IT infrastructure, customers are increasingly demanding a scaleable capability to connect, monitor, integrate and control functions in a single building, groups of buildings or even entire cities". The ARC Advisory Group further states, "The BAS industry has come to realize that the convergence of BAS (Building Automation System) and IT and the growing demand to share information between systems offers a tremendous opportunity, which is rapidly becoming a requirement".



Cisco goes further to say that we have now crossed the chasm in the adoption of what they call Connected Intelligent Buildings. Those familiar with Geoffrey Moore's chasm theory know that crossing the chasm is a significant indication that adoption of a new technology has reached the pragmatic mass market. The pragmatics only adopt technology if they feel comfortable that it is solving their real life problems.

### **Why does Cisco say this?**

A company like Cisco does not make such statements easily. Cisco clearly sees hard evidence that benefit-driven demand for connected buildings is happening in numerous projects they are involved with, projects that are happening globally, especially in developing markets and emerging world regions.

### **What are Cisco's expectations of the future?**

With the above optimism for convergence, Cisco clearly communicates that there are still some challenges in the deployment of connected buildings, and certain technologies such as IPv6 and wireless mesh networks like ZigBee still have to come to market to complete the picture. Cisco also views facilities as an integrated component of a single intelligent network, one that include all manner of devices and systems from the smallest field device to communication infrastructure, personal computers and enterprise systems. The key to this network is that it is inherently an IP network

### **So, how is this going to play out?**

As we come to the conclusion of 2005, it would be prudent to look at how this will roll out in 2006.

In 2006, BuilConn will continue to address the subject of Building-IT convergence. The 2006 events will continue to explore the status of convergence, the availability of products, services, techniques, best practices and solutions from existing and new vendors both from the building automation and IT industries.

BuilConn will continue to focus on the development of new technologies such as wireless, XML, Web Services, IPv6, PoE (Power over Ethernet), PLC (Power Line Carrier) and the necessary standards for this convergence to grow. On the non-technology side, we will focus on application stories and most importantly, the business issues of convergence: the roles, business strategies, skill development, sales techniques, supply chain and how we should transform and grow this space in accordance with the charts Cisco displayed in Amsterdam.

BuilConn Americas in Palm Springs in mid-May 2006 will be an important event for this subject. Expect the format to change to accommodate the needs of stakeholders in this emerging space, and also expect an updated message from IP players in the North American market and detailed success stories of the implementation of IP-centric building automation systems.

While BuilConn Europe 2006 may seem to be a long way away, we expect significant progress will be made by the end of 2006 on the evolution of this subject.