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## Benefits of **Electronic Conversation Software**

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Addressing the communication needs of organizations that are not being met by IM or E-mail.

Within this document, we discuss the communication problems that are not and cannot be met by instant messenger or e-mail. We discuss how e-mail is not always the best way to communicate (in fact, sometimes it is the worst), its associated cost, along with potential litigation risk. We also evaluate the available options, costs and previous approaches to resolve this problem.

We then introduce a new category called *Electronic Conversation* software and show how it has most of the advantages of a verbal conversation, but it is more convenient, it reduces the growing expense of e-mail (up to 94% less), and how it minimizes the risk and high cost of miscommunication and litigation.

This guide is written for all organizations that use e-mails to communicate, and is especially aimed at CEOs, Presidents, CIO's, and IT directors in the private and public sector (from corporations, hospitals to the military). The problems discussed are universal and scale small and large organizations. In short, this document applies to you.

## Is there really a problem? Do I need to address this?

### Do any of the questions below apply to you?

- Want to provide private advice about how to talk to the boss, but your colleague isn't available right then to call? And you don't dare send a "documented" e-mail?
- Spent way too long composing a delicate e-mail, for fear it might come back to haunt you?
- Want to express your honest opinion, and have a good healthy debate (in writing)—without having to CYA?
- Does your organization worry about e-mail that contains "partial" information that was perfectly innocent, but could get you in trouble if used in litigation?
- Is your industry not allowed to use e-mail outside of your facility, because of HIPAA regulations?
- Is your IT department raising the flag on the increasing cost of administering, maintaining, cataloging, screening, backing up and archiving the onslaught of daily e-mail (over 10,000 e-mails per day per 500 members)?
- Has your legal department warned you about potential topics that should NOT be covered in e-mail (electronic documentation)?
- Do you wish for the day when you didn't receive hundreds of bcc and irrelevant e-mails—requiring countless hours of reading and cataloging and filing, "just in case" you need them later?
- Wonder what happened to the good old days when people actually had healthy conversations—instead of sending politically loaded e-mails, where they documented your response for possible "use" later?



## E-mail Fosters Unproductive Political Cultures

The use, misuse, or abuse of e-mail has made communicating an unhealthy political land mine where folks store and counter-store stacks of political ammunition. Instead of resolving issues and increasing communication, e-mail often fosters political wars where the “best documented” wins. We’ve all seen it.

It is important to be able to have a good healthy conversation and debate without the fear of retribution...because you didn’t coin your words exactly right and the “electronic documentation” was then used against you—either by an employee or during e-“mis”discovery because they didn’t have the entire story and made the wrong conclusions.

## E-mail is Being Mis-Used

We begin to believe that e-mail is the do all, be all of communication. But it is NOT! Nor was it ever intended to be. And, it has become a plague to productivity. It is being used in ways unintended originally. It is so common that most users don’t realize the massive cost in e-mail administration wages, hardware and software cost, and the cost for wasted employee time required to read, catalog and file an onslaught of daily e-mail.

E-mail is also not an effective format for healthy debate or conversations that cover HR, strategy, financial discussions, or even serious problems that need to be uniformly resolved and fixed (rather than documented to distribute blame at the next meeting).

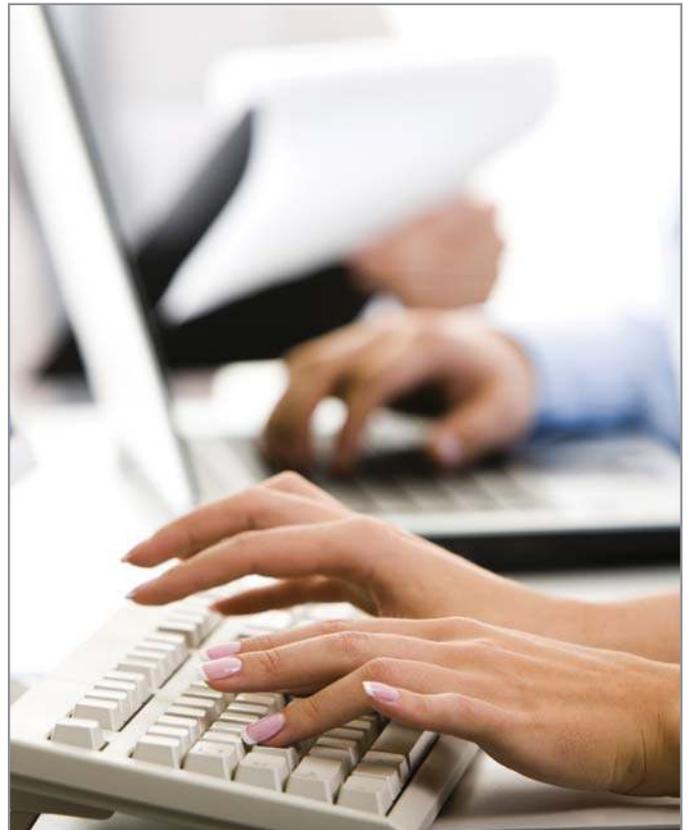
## E-mail “Has” An IT and Productivity Cost —and It Is High

E-mail expense is growing exponentially. Most people and even organizations underestimate the cost of e-mail. When you figure the labor cost of an e-mail administrator, the software and hardware (servers, cable, racks, electricity, gateways, routers, tapes and drives) to send it, clean it, block it, back it up, archive it, plus the wasted time to read it, catalog it, and file it, let alone the lost concentration throughout the day with the associated wasted productivity—the total cost per e-mail is over 2.1 cents each. It doesn’t seem like much, until you add it up.

The typical company sends and receives over 81 e-mails per day per employee (more for executives (up to 300/day), fewer for the normal user. For example: a typical MS Exchange server holds 500 users and processes over 40,500 e-mails per day. That is over 14.7 million e-mails per year per server. For a medium sized company with just 500 people, that is over \$295,650 hard cost per year for e-mail. And, e-mail use, and the associated cost is increasing, not decreasing.

## E-mail Can Be A Litigation Risk

E-mail also has inherent risk. Forty-three percent of employees do not know the rules of e-mail or don’t know if they’re compliant with organization guidelines. Nearly one in five e-mails contains content that poses a legal, financial or regulatory risk. Making all that worse, more and more employee e-mail in high profile organizations is being subpoenaed, up from 9% in 2001 to 24% in 2006...and growing. Companies try to “read and monitor” internal and external e-mails, but an inappropriately worded e-mail, many times just careless or casual, becomes critical evidence, if not now, sometime in the future.



# The Solution

## So What Do We Do?

Introducing a new category called *Electronic Conversation* software.

*Electronic Conversation* software helps solve many of the most critical communication and collaboration needs of an organization—that are not being, and CANNOT be met by e-mail. First, it has most of the advantages of a verbal conversation—but is much more convenient. Second, it reduces the growing expense of e-mail. And finally, *Electronic Conversation* software minimizes the risk and high cost of miscommunication and litigation.

### Let's Consider These Benefits:

- 1) The advantages of verbal conversation. *Electronic Conversation* software has most of the advantages of a normal conversation, while eliminating some of the disadvantages.
  - a. **It is safe and is designed not to be stored or documented.** A *Electronic Conversation* uses 256 bit encryption, resides in RAM, the head and body are split in transit, and it cannot be forwarded, printed or saved. Unlike e-mail, which is “electronic documentation,” *Electronic Conversation* software is safe, secure and intentionally not stored or documented—just like a verbal conversation, with similar advantages.
  - b. **It encourages healthy, confidential discussions, and debates.** Because it is like a verbal conversation, participants feel much more freedom to have safe, good, healthy and unrecorded conversations without worrying that every word may be forwarded or printed and counted against them if they express their frank opinion or discuss anything confidential in writing.
  - c. **It is more convenient than a verbal conversation.** Unlike a verbal conversation, *Electronic Conversation* software can be sent whenever you choose—even if the recipient is in a meeting, on the phone, or away from their computer. This eliminates one of the challenges of having to speak with someone “live.”
  - d. **And finally, it is 100% ethical.** It is no more unethical to use *Electronic Conversation* software than to have an unrecorded conversation in the hall, at lunch, or in a confidential meeting. Period. Uses include private conversations on strategy, mergers, risks and opportunities. Also, confidential discussions regarding salary, benefits, hire/fire, litigation, contracts, intellectual property, product road maps, and normal, healthy, private day-to-day conversations...electronically.
- 2) *Electronic Conversation* software reduces the expense of e-mail.
  - a. **Much less expensive IT cost.** Most organizations underestimate the cost for e-mail. When you consider the labor cost of an e-mail administrator, the software and hardware (servers, cable, racks, electricity, gateways, routers, backup tapes and hard drives) to send e-mail, clean it, screen it, block it, back it up, and transport it (for off-site archival)—the total cost per e-mail is over 2.1 cents each. It doesn't seem like much, until you add it up.
 

The typical company sends and receives over 81 e-mails per day per employee (up to 296 per day for executives, fewer for individual workers. A typical MS Exchange server holds 500 users and manages over 40,500 e-mails per day. That is over 14.7 million e-mails per year per server. For an organization with just 500 people, that is over \$295,650 hard cost per year just for e-mail. And e-mail usage, and its associated cost, is increasing, not decreasing.

In contrast, the cost to administer *Electronic Conversation* software is less than .001 cents per message (that's only \$14,700 per year)—it saves over 94.9% of the cost of e-mail! *Electronic Conversation* software will pay for itself, and save the company thousands in IT and potential e-discovery...if it is used just 20% of the time.
  - b. **Less expensive for users.** A *Electronic Conversation* does not leave a residual message and vaporizes after reading it. This eliminates the hours of reading, or later-re-reading, deleting, forwarding or cataloging and filing thousands of e-mails.

It is estimated that 17% of a user's time for e-mail is spent filing all the data. If an average employee makes \$36k per year (fully loaded), and they spend just 10 minutes per day administering their piles of e-mail, this amounts to \$3/day or \$750 per year (49 work weeks/yr), times 500 employees...equals \$375,000 in paid-for, yet potentially wasted, annual employee cost. Combine that with the admin, software and hardware costs and it adds up to over half a million dollars per year!

*Electronic Conversation* software requires less maintenance, less hassle, less time, less expense, and less required expertise.

3) It minimizes the risk of miscommunication and litigation.

a. **Reduces miscommunication.** Often a boss is copied on an e-mail response, and he sees that the originator was pretty harsh, so blame gets placed on the originator. However, he may not see all the previous "nice" e-mails that led up to it. In contrast, *Electronic Conversation* software cannot be CC'ed, so the conversation remains with the respondents and reduces the political nuance and avoids miscommunication since others don't see "part" of the conversation.

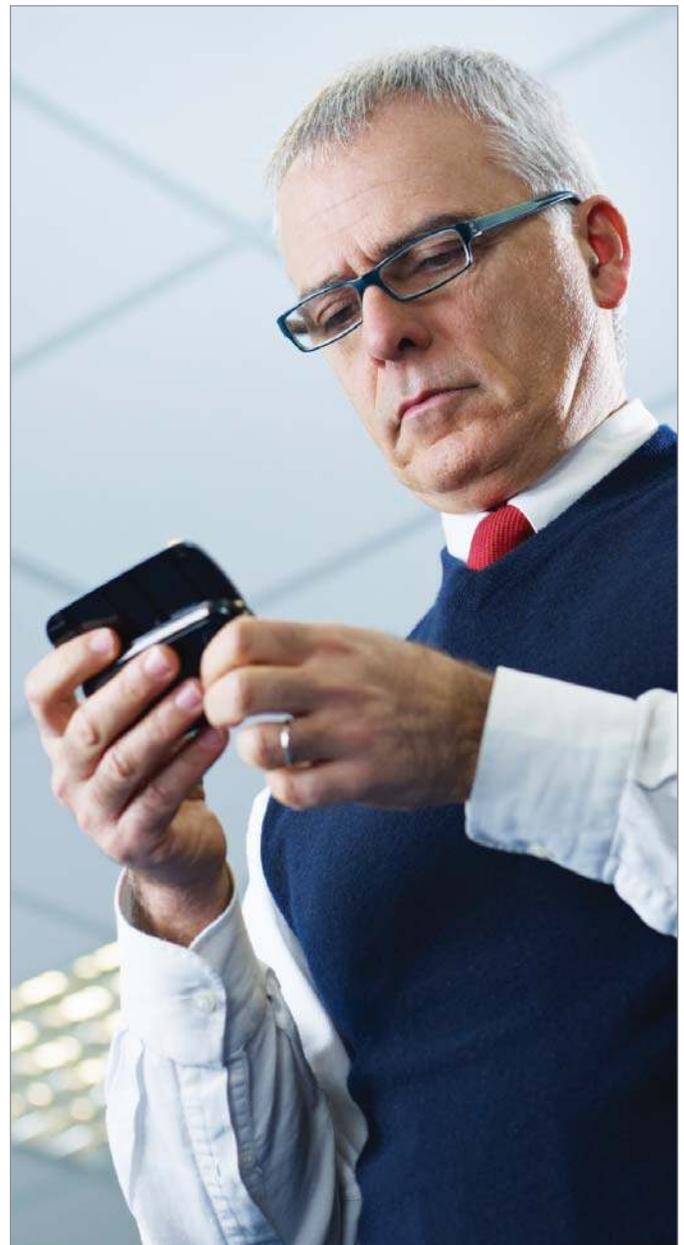
b. **Electronic Conversation software dramatically reduces the risk of litigation.** Consider these points:

- I. 43% of employees don't know or adhere to rules or know if they are compliant.
- II. 1 in 5 outgoing e-mails contain content that poses a legal, financial or regulatory risk.
- III. Employee e-mail that is being subpoenaed has increased from 9% in 2001 to 24% in 2006 from surveyed companies.
- IV. The cost for e-discovery averages \$4 per dollar spent on e-mail. A 500 person company will process over 40,500 e-mails per day or over 10.1 million e-mails per year and will spend over \$75,000 in e-mail associated cost. Multiply this times \$4 e-discovery cost and it racks up to over \$300,000. Apply these same numbers to a 5,000 person company and the cost is over \$3 million!

- V. In contrast, your cost for e-discovery with *Electronic Conversation* software = \$0. Depending on the size of your company, a 20% reduction in e-mail can save hundreds of thousands to millions of dollars!

*Electronic Conversation* software is not designed to eliminate e-mail, but to decrease the overall volume of e-mail (and it's inherent cost), plus foster better, healthier internal conversations, and reduce the potential cost for litigation.

It's actually quite simple...if you need to transfer files or document your communication...send an e-mail. For everything else...use *Electronic Conversation* software.





## What's Holding You Back?

Now that you can see some of the advantages of *Electronic Conversation* software, what's holding you back?

Following are common questions that you might consider:

### Is It Ethical To Use *Electronic Conversation* Software?

It is no more unethical to use *Electronic Conversation* software than to have an unrecorded conversation in the hall, at lunch, or in a confidential meeting. Period. *Electronic Conversation* software is optimal for private conversations on strategy, mergers, risks and opportunities. It is also effective for discussions regarding salary, benefits, hire/fire, litigation, contracts, intellectual property, product road maps, and normal, healthy, private day-to-day conversations...electronically.

### But Can't Someone Save, Forward, or Print an *Electronic Conversation*?

*Electronic Conversation* software eliminates the possibility to save, forward, or print an *Electronic Conversation*. Even though a "screen shot" or photograph may be taken of the screen, it is impossible to tie the message to the sender or recipient because the header is separated from the body of the message

### How Much Money does *Electronic Conversation* software save?

Using a sample size of just 500 employees, at the average 81 e-mails per day, a typical MS Exchange server manages 14.7 million e-mails per year per server.

E-mail costs over 2.1 cents each, or over \$295,650 per year in IT hardware and software cost alone. In contrast, *Electronic Conversation* software would cost \$14,700—a savings of over 94%. In addition, the cost in time for 500 users with an average salary of \$36k, spending just 10 minutes per day administering their piles of daily e-mail, amounts to \$3/day or \$750 per year, equaling \$375,000 in wasted time. The combined cost for e-mail is over \$670,000 per year in materials and labor.

### *Electronic Conversation* Software Saves You Over 97%.

Of course, *Electronic Conversation* software won't be used all the time—but it reduces your expense dramatically each time it is used. Now, if perchance you are subpoenaed, it cost \$4 per dollar spent on e-mail for e-discovery. In contrast, everything sent via *Electronic Conversation* software costs...\$0.

### Don't We Have To "Save" Everything?

No. In fact, routine, good faith destruction of electronic and other information under a defensible records and information management program is supported both by case law and the recent changes to the Federal Rules of Civil Procedure. Saving everything is simply not a sustainable approach, given either search costs, liabilities associated with e-mails ripped out of context or storage costs.

### Can't We Just Encrypt E-mail or IM Messages So They Will Be Considered Confidential?

Sure, but the encrypted record is still saved and you can be ordered by the courts to provide the password-so it does not provide an unrecorded message. In contrast, *Electronic Conversation* software is the only electronic communications product in existence which is recordless. All other technologies offering encryption and/or confidential messaging still create records subject to disclosure and expensive recovery and discovery.

### There Is No Internal Demand for the Product.

Those who are not demanding it are not aware of the quickly growing costs associated with records management and e-discovery. Typically, IT bears all of these costs and eventually is put in charge of electronic records management, so IT needs to implement a new strategy to manage the ever increasing amount of e-mail and IMs.

### Aren't We Already Protected If We Have an E-mail Retention Policy of X Days?

The X day retention policy has no impact whatsoever on senders or recipients outside of the company, e-mails forwarded to personal accounts and e-mails saved to any drive or device not touched by the automatic deletion. This means that there can be "underground archiving" which short circuits short e-mail retention policies.

### What If We are Under Litigation Hold?

Preservation obligations almost never apply to all of a company's or a person's communications—they only apply to communications that may be relevant to a reasonably likely dispute or investigation. Case law clearly supports reasonably focused implementation of legal holds. *Electronic Conversation* software has an optional keyword filtering system that can be turned on to help stop communications which are inappropriate during litigation holds.

### What If We Don't Trust Our Employees?

If you don't trust your employees, then you have an HR problem that is not going to be addressed by technology. Besides, you already trust your employees with the e-mail system, which is the greatest cause of e-discovery cost and risk. It is like refusing to give your child the key to the golf cart...when you have already given him the keys to the car. *Electronic Conversation* software will not prevent employees from doing anything that they cannot already do today.

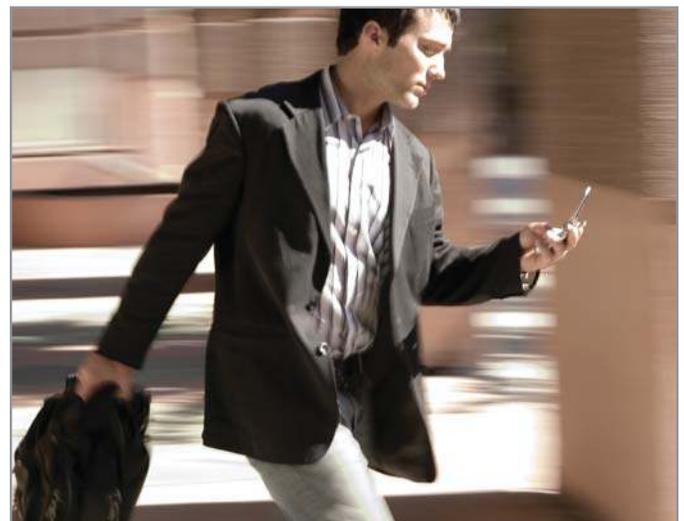
### What If We Don't Have the Time for Deployment/Change Management?

Your organization is spending enormous amounts of resources on archiving, retrieval and e-discovery. By implementing this easy-to-use system you can reduce your costs in e-mail servers and storage, archiving, e-discovery and document review.

### Can't We Use IM to Reduce Our Communications Cost?

Yes, IM can reduce some of the IT cost of e-mail, but it is not a form of recordless communication when the receiver can save everything. This produces one-sided "documentation" that is even worse than e-mail and definitely worse than *Electronic Conversation* software, which leaves no permanent record.

**If you need a permanent record, use e-mail. For everything else, use *Electronic Conversation* software.**



## Comparison

Only *Electronic Conversation* software provides most of the benefits of both e-mail and voice conversation. It has the benefits of e-mail such as delayed reception and the ability to send a “view once” attachment, but has the most similarities to an actual voice conversation. It is a new category of software called *Electronic Conversation*.

|                 | E-mail   | Voice  | Electronic Conversation  |
|-----------------|--|--|--|
| Category        | Electronic Document  | Conversation   | New Category   |
| <b>Pros</b>     | <ul style="list-style-type: none"> <li>• Leaves a document trail</li> <li>• Can add attachments</li> <li>• Is meant to be saved</li> <li>• Collaboration, can forward</li> <li>• Doesn't have to be real-time</li> <li>• Can be monitored (keyword filters)</li> <li>• Accustomed to using</li> </ul>  | <ul style="list-style-type: none"> <li>• Can have a healthy, private discussion &amp; debate</li> <li>• Excellent approach for HR, board level, strategic &amp; debatable discussions</li> <li>• Minimal litigation exposure</li> <li>• Most personal - intonation, eye contact if in person</li> <li>• No IT cost per conversation</li> </ul> | <ul style="list-style-type: none"> <li>• Can have a healthy, private discussion &amp; debate</li> <li>• Excellent approach for HR, board level, strategic &amp; debatable discussions</li> <li>• Minimal litigation exposure</li> <li>• MUCH less IT cost than e-mail (storage, plus no litigation expense)</li> <li>• Can add attachments but can't be transferred or saved</li> <li>• Doesn't have to be real-time</li> <li>• Can be monitored (keyword filters)</li> <li>• Integrates with e-mail devices</li> <li>• Does not leave a record</li> </ul> |
| <b>Cons</b>     | <ul style="list-style-type: none"> <li>• Can send permanent internal attachments outside company (company secrets, company database).</li> <li>• Cost 2 cents per e-mail (software, PC and server storage, backup, indexing, administration)</li> <li>• Requires complicated archiving, records management activities</li> <li>• VERY expensive for e-discovery</li> <li>• Maximum litigation exposure</li> <li>• Not as personable as voice conversation</li> <li>• E-mail is monitored—reduces healthy discussions and debates</li> <li>• Should NOT be used for HR, board level, strategic &amp; debatable discussions</li> </ul> | <ul style="list-style-type: none"> <li>• Has to be real-time</li> <li>• Can't document the conversation</li> </ul>   | <ul style="list-style-type: none"> <li>• Not as personal as a voice conversation</li> <li>• Can't recall the conversation details unless written</li> <li>• Requires knowledge of Information Management Rules</li> <li>• Requires user decision...save or not?</li> </ul>   |
| <b>Best Use</b> | <ul style="list-style-type: none"> <li>• General communication that must be Documented</li> </ul>  | <ul style="list-style-type: none"> <li>• Good for healthy, private discussions and debate</li> </ul>   | <ul style="list-style-type: none"> <li>• Good for healthy, private discussions and debate</li> </ul>   |

## Imagine This

Think of all the communication that can take place with *Electronic Conversation* software that simply isn't possible today with e-mail. For remote workers with "virtual" offices, now you can return to the hallway conversations that were honest and productive. For the doctor who cannot reach a patient, progress in treatment or updates are now possible. For human resource issues, *Electronic Conversation* software restores the privacy simply not possible with the written, "permanent" documentation created by e-mail. It's a new way of conducting one's work, a new category of communication...called "*Electronic Conversation*."

## What Next?

Thank you for taking time to discover the advantages of *Electronic Conversation* software. This document was created by VaporStream, The World's First *Electronic Conversation* Software.

Following are some resources to help you learn more:

- **Website** – You can find out more at [www.vaporstream.com](http://www.vaporstream.com).
- **Webinar** – You can see VaporStream in action by signing up for one of the weekly webinars.
- **PowerPoint** – You can also request the standard VaporStream PowerPoint that explains how VaporStream can help your organization.



# vaporstream

The World's *First Electronic Conversation* Software

[www.vaporstream.com](http://www.vaporstream.com)

### **VaporStream, Inc.**

10 S. Wacker Drive, Suite 1835  
Chicago, IL 60606  
T: 877.572.0628  
[sales@vaporstream.com](mailto:sales@vaporstream.com)  
[www.vaporstream.com](http://www.vaporstream.com)

Find Local Reseller:  
[sales@vaporstream.com](mailto:sales@vaporstream.com)

Support customer/ technical:  
[support@vaporstream.com](mailto:support@vaporstream.com)

Media relations:  
[pr@vaporstream.com](mailto:pr@vaporstream.com)