

By Martha Young

DIAL UP SAVINGS



Hidden assets abound in telephone system maintenance

When was the last time anyone in your company took a close look at the phone system, its maintenance costs, and the value proposition of moving some or all of the company's employees to an Internet Protocol based system?

When was the last time anyone took a serious look at the extensive value and reduced costs of moving from a traditional time division multiplexing voice system to a true multimedia communications platform?

Businesses of all sizes have a propensity to install a telephone system and then

ignore it. If the desk phone rings, all is fine. If the voicemail system captures and stores messages, there are no concerns. What most companies don't realize is that the telephone system is a mother lode of a gold vein waiting to be mined when it comes to reducing business expenses.

If it has been more than a year since your phone system was installed, it is now out of warranty. It may be time to schedule a conversation with a third-party telephony monitoring and maintenance company such as Telizent Communications (www.telizent.com) of Greenwood Village.

Founded in 2002 by current president Charley Ellison, privately held Telizent provides monitoring, management and remote maintenance support for existing PBX systems. It also supports IP-based communication systems, allowing customers to migrate on a business-need, business-cycle basis without risking costly downtime due to interoperability issues.

Telizent's customers include Colorado household names such as Time Warner Cable, Ford Motor Credit, Comcast Cable, the state of Colorado and the city of Lakewood.



Out-of warranty telephony system monitoring and management services are a significant portion of revenue for traditional telephony vendors. The service contract is severely skewed in their favor and rarely negotiable. For example, if your telephony system has 200 ports installed but your firm reduces its work force 10 percent, only 180 of those ports would be in use. But the vendor-maintenance contract is for 200 ports, whether they are active or idle.

"The vendor maintenance model has to change," says Matthew Brunk, president of Telecomworx, a third-party telephony

services provider. "In the IP-based environment, voice isn't just an application, it's a service. But telephony manufacturers continue to focus on the hardware side of services. Their model has to change to reflect changes in the market."

Michael Bank, director, Global Solutions, Managed Services at CH2M Hill Enterprise Management Solutions, emphasized the maintenance contract elasticity only available from third-party vendors.

"CH2M Hill provides telephony support that maximizes its customers' environment and maintenance budget," Banks said. "We offer flexibility in scope of service on a per-site basis. We complement existing telephony skills at the corporate office, and offer 24/7 support for remote facilities. The variable cost model, services based on the number of actual users, not ports installed, allows our clients to more tightly control their maintenance expenses."

Other operational expenses reduced by using third-party maintenance providers include:

Reduced total cost of ownership. To obtain 24/7 remote monitoring from a vendor, a maintenance contract must also be purchased. This is a waste of money for firms that spare on site (keep an inventory of parts at their own facility) and are self-maintainers that are only seeking remote monitoring.

Reduced time spent managing multiple trouble ticket systems. Every telephony component comes with a different trouble ticketing system. Telizent, like other third-party telephony maintenance providers, supports a single portal interface for its customers to be able to aggregate all of the trouble tickets at one location.

Reduced cost of maintenance across multiple sites. Firms with multiple sites are at a disadvantage when using traditional telephony vendor-based service contracts. Each site may not have the same technical expertise, so companies are required to purchase maintenance contracts capable of supporting the lowest technical level site. Many third-party telephony providers offer flexible contracts to support the different skill levels across a firm's geographic footprint.

Reduced cost of multi-vendor support. It is not unusual to have multiple telephony vendors' equipment installed across a company's geographically distributed organization. Rather than have one vendor supporting its equipment in one part of the country and another vendor supporting its equipment in a different region, third-party providers are able to support all of the equipment across the entire firm, eliminating the need to manage multiple vendors and contracts.

Capital expense control

There are many advantages to moving to a voice-over-IP communications system, but the capital costs can be substantial. Capital expenses can do real damage to a firm's balance sheet. In addition, many work groups and employees only need the features and functionality of traditional telephony implementations. By leveraging an existing telephony system while migrating targeted workgroups that can take advantage of emerging technologies, a company can optimize all of its communication assets for the greatest impact.

Incrementalization, the idea of small, measured steps based on capturing the low-

hanging fruit first and growing from that foundation, offers companies the opportunity to maximize technology investments. Incrementalization helps a customer achieve capital expense control.

"Customers are taking an incremental approach to migrating to IPT," said Dan

daCosta, head of Telephony Solutions Marketing at Orange Business Services, a worldwide provider of IPT services to multinational enterprises. "This is because the business case for migration to IPT in and of itself is not very compelling, so customers are migrating as they

have site-by-site hard triggers like PBX capacity exhaust, office moves, and the like. This is especially true in the current market environment."

Other capital expense reductions available from third-party telephony maintenance providers include:

Squeeze existing assets. By being able to squeeze existing telephony assets, capital costs for new equipment can be deferred or delayed for as long as the business cycle requires. When the time comes to start migrating workgroups, it can be done in a measured, methodical manner.


Pay for only what is used. Firms that utilize a third-party telephony service provider are able to better manage capital expense via predictable fee structures. Fees are based on user volume, leveraging a utility-based model and paying for only the ports, licenses, applications and resources used.

Reduce risk of cutover downtime. Using Telizent's or other third-party services, firms can keep the legacy TDM PBX equipment in place as long as needed, removing the risk of downtime often experienced with weekend-based flash cutovers. The old and new communication systems can run in parallel as long as necessary, being monitored and managed by the third-party vendor.

Measured migration. Each work group has its own communication requirements. In today's virtual business world, work groups are also highly fluid and dynamic. A firm can use the enhanced communication capabilities of IP-based technology when and where it is needed, retaining the legacy equipment for less collaborative-oriented workers.

New telecommunications technology functionality can be a competitive advantage for firms when implemented under a strategic business plan. Unlike traditional telephony implementations where everyone was given the same level of functionality because they were tethered to a desk, new technology supports a blend of multimedia applications based on business needs. However, there is no need to rush into a complete rip-and-replace of existing

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TDM PBXs. Old and new telephony technologies can co-exist under the right monitoring and management service provider.

Orange Business Services' daCosta further noted, "We recommend that

customers take a long-term view of their telephony needs. They should understand user requirements and technology trends, and then use hard triggers to move them along their long term trajectory."

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The Virtual solution to telephony

The virtual solution to telephony eliminates a substantial portion of the capital investments and all of the maintenance expenses. Firms still need to purchase the handsets, which can be as simple as a mobile phone, but the rest of the equipment is rented from a hosting company at a nominal per user/per month rate. Englewood-based IP5280 offers companies this type of solution. Hosted telephony solutions are also available from Qwest and CH2M Hill.

Virtual telephony, formerly known as key systems, enables firms to leverage the embedded business value of the Internet and its global ubiquity. However, yesterday's key systems were not Internet based, limiting the functionality to voice features. Today's virtual telephony solutions are IP-based, allowing firms to add a rich array of applications that best meet business needs. For example, a hosted VoIP (voice over IP) solution offers all of the multimedia features including video, collaboration and audio conferencing at a fraction of the cost of an on premise PBX.

Two additional advantages of virtual telephony solutions include support for a company's green initiatives and support for the way the millennial generation prefers to work. Hosted VoIP allows workers to work from anywhere. There is no need for long commutes to a centralized office. In fact, there is no need to relocate out-of-state talent. A system that enables employees to work from their desired location results in greater job satisfaction and employee retention.

The millennial generation prefers to work anytime, anywhere, from any device. One-number access and simultaneous ringing breaks the traditional tether to the desk. A customer can dial the desk number and it will simultaneously ring multiple phones so critical calls are never missed or lost in voicemail. The millennials are rapidly impacting the way we think about how business is conducted. Flexibility, mobility and accessibility are part of the emerging business model, and hosted VoIP can enable these benefits. ☺

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