



HOW TO CHOOSE A BEST OF BREED NEXT GENERATION PHONE SYSTEM

Any small to mid-sized company looking for a way to improve staff productivity, foster loyal customer relationships and reduce telephone network maintenance costs needs to consider implementing a next generation phone system. Why? Because a best of breed next generation phone system, if based on an open platform, can seamlessly integrate with existing business systems to optimize their effectiveness across voice, data and media channels with little in the way of additional third-party applications or networking hardware.

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When seeking a solution that will provide these benefits, companies must remember that, above all, a next generation phone system is a phone system; various bells, whistles and enhanced features come along with that system, but unless it supports immediate, cost-effective telephone-based communications, its next generation capabilities will not be worth the investment. In fact, it is the fear that they may be purchasing more technology than they really need that often keeps companies from investing in a next generation solution. And, with many systems in the marketplace, this fear is actually well founded. Only by carefully evaluating alternatives can companies find a non-intimidating, easy-to-implement, easy-to-maintain solution that offers all the benefits of a traditional telephone environment, while also gaining the ability to add new features, if and when they are needed, at virtually no additional cost. The optimal system allows you to implement new applications, including VoIP, web interactions and email integration at your own speed and according to your budget restrictions. What you need to look for is a system that allows you to take advantage of cost savings today, yet provides the technology required to future proof your business.

At the highest level, this flexibility is the most significant differentiator of a best of breed next generation telephone system as compared to a traditional analog system provided by the legacy telecom vendors. Briefly put, next generation phone systems should give more bang for the buck, providing more functionality and features for less money. The problem companies face in making a system selection is that not all offerings can achieve this objective because of complex infrastructures, complex implementations and complex pricing schemes. In our view, systems plagued by these shortcomings should not even be considered next generation phone systems, because, as stated above, the purpose of a next generation solution is to simplify communications and lower the costs of doing so.

IP SUPPORT PUTS THE “NEXT” IN NEXT GENERATION

The common thread linking all next generation phone systems is their ability to support the IP networking protocol. As a result, they can seamlessly interface with data networks, even to the point of supporting voice calls over data networks. This convergence of voice and data traffic enables next generation phone systems to reduce transport costs and also to consolidate voice and data network management.

Convergence also allows these systems to support new services and features such as unified voice and email messaging, computer telephony applications and the ability to remotely access system features and to fully leverage Web sites with integrated capabilities such as click to talk.

One key difference among next generation phone systems is the way in which they achieve this voice/data convergence. Some systems, for example, require implementation of a specific vendor's IP infrastructure in order to function. This may mean adding Ethernet switches, DHCP servers and other expensive and complex IP devices. These data-centric systems are also likely to require vendor-specific, expensive IP phones that can cost as much as twice the price of analog phones—which may be completely adequate for a specific company's requirements. Furthermore, next generation phone systems that are dependent on a proprietary IP infrastructure may not support the analog features required by a conventional telephony environment such as fax lines, and dial-up modems, a real asset at branch offices or when network links go down.

Another downside to dedicated IP phone systems is that they are often modular, requiring additional gateway products to add features. Need email? Buy an email gateway. Insist on analog phone support? Buy an analog gateway. In addition to adding cost to an already expensive infrastructure, this modular approach makes the systems difficult and time-consuming to implement and upgrade as compared to systems that are based on a single chassis which incorporates all features—both analog and digital. With full support for all features required on a single chassis, the better next generation phone systems carry a significantly lower total cost-of-ownership, are easier and faster to implement and support the services needed today—as well as those likely to be required in the future.

Whether IP features are needed today or not, they certainly are likely to be favored because of the benefits they provide. With an IP capable next generation phone system, companies that have branch offices, for example, can link those offices over their existing IP network to provide all users, at all branch offices, with all the features of the corporate phone system. These features include three-digit dialing, messaging, call transfer, etc., and can be delivered without the need for leased lines, proprietary hardware and software or even utilization of the public network. This IP network access also enables companies to support the teleworker and remote agent business paradigms that are becoming increasingly popular—with minimal overhead investment and virtually no system training costs.

OPEN PLATFORMS PROVIDE UNPRECEDENTED FLEXIBILITY

Besides supporting IP, another differentiator between next generation phone systems and earlier technologies is their openness—and again not all systems that tout themselves as being “next generation” meet this requirement. Systems that are truly open rely on an industry standard operating system (like Microsoft Windows), can be maintained easily by end-users with a software-based GUI and interface seamlessly with industry-standard, off-the-shelf software applications without the need for complex programming. By comparison, a traditional legacy PBX offers none of these benefits. In fact, because all maintenance activities and application interfacing requires vendor involvement at an average cost of \$300 per visit, lifetime maintenance costs on a legacy PBX typically run as high as 40 percent of the system cost. In other words, that \$50,000 system will really cost you \$70,000 before you're done. Next generation phone systems,

where moves, ads and changes can be done simply with a simple standard interface, cut ongoing costs to a minimum. For example, Ameron, an industrial pipe manufacturer, uses AltiGen Communication's AltiServ IP PBX system at 13 of its 27 North American sites, and has completely eliminated telephone system maintenance charges at these locations. "The main benefit I've seen with this best of breed next generation phone system," said Ron Nelson, Ameron IT manager, "is that the costs of the proprietary purchase are just not there. As a result, we save \$8000 to \$9000 per month."

One good indicator of the openness of a next generation system is availability of a software developer's kit (SDK) and application programming interfaces (APIs) that make it easy to interface the system to standard off-the-shelf applications likely to benefit from telephony integration. These include contact management, customer relationship management and sales force automation applications. In fact, some next generation phone systems can integrate with many such applications, such as Goldmine contact management software, out-of-the-box, saving companies the \$50,000-100,000 and three to six months that might otherwise be required to create proprietary interfaces.

EMBEDDED APPLICATIONS SAVE TIME AND MONEY

For greater out-of-the-box functionality and cost-effectiveness, some next generation phone systems include a wide range of applications that otherwise would require third-party involvement. Some systems, for example, embed voicemail, messaging, automatic call distribution, operator console, call forwarding, call detail reporting, follow-me dialing and click-to-talk, thereby eliminating the need for companies to incur the costs of purchasing these applications separately, and the hassles and overhead of integrating them.

With embedded applications, as well as easy integration with core business systems, next generation phone systems should enable fast, easy and phased implementation of a contact center that improves customer communications and helps develop strong, loyal customer relationships. Most phone system vendors offer contact center applications as an add-on, added cost capability, but true next generation solutions include the features of a contact center on the platform itself. As a result, end-users can create their own customized contact centers by integrating the telephone, routing, Web click-to-talk, multimedia contact management and messaging features they want, when they want to add them.

Next generation phone systems should also include embedded productivity tools for employees such as one number access, also called follow-me dialing, a feature that facilitates call completion by directing the system to dial a list of pre-specified numbers (such as cell or home phones) until the employee is reached. Another productivity enhancing feature to look for allows employees to execute callbacks directly from the voicemail system, by pressing a single key, as messages are being reviewed. Some systems even let users listen to, and manage, their voicemails from either their telephones or PCs.

SELECTING THE RIGHT SYSTEM

Because architectures, feature sets and benefits differ so widely among next generation phone systems, it is imperative that companies learn about their options before beginning a product search (see Table I). That way, if you do not want to implement a new IP network, you can save time by ignoring vendors who require this investment. Or, if you want a system that is easy to install, you can focus your search on systems with

single chassis architecture. Similarly, if your concern is a fast payback and an ongoing return on investment you can favor systems that include a wide range of embedded applications. Or, if remote access is important for branch offices and teleworkers, be sure the systems you consider support this capability without the need for leased lines or expensive interfaces. Finally, if you want to be able to leverage your existing resources, make sure the phone system includes a software developer's kit and the application programming interfaces you need.

Next generation phone systems can streamline business operations, minimize operational costs, boost employee productivity, open new sales and marketing channels and foster long-term customer relationships. Whatever your reasons for seeking a new phone system, you should not make an investment until you completely review the possibilities of a next generation solution. The benefits are great, the payback short and the growth path is long. Just be sure that your final selection can meet today's needs as well as those of the "next generation."

TABLE I. What to look for in a best of breed next generation phone system:

Open platform

Integrated server chassis with core applications embedded, including

- Voice mail

- Automatic Call Distribution

- Auto Attendant

- Web Click-to-Talk

No obligation to conduct a significant upgrade to your IP infrastructure

Supports both analog and IP phones

Easily managed with a software-based GUI

Reliability

Integrates voice with IP data networks and the Internet

Availability of a software developer kit and APIs to standard off-the-shelf programs

User productivity tools

- PC-based message management

- One number access

- Voice mail-based callbacks

- Integrated contact center capabilities

Supports home agent

Vendor track record

Supports popular protocol IP standards such as H.323

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