

Small & Midsize Business Buzzwords Series:

VoIP – Big Benefits for Small & Midsize Businesses

As the first installment of our SMB Buzzwords series we decided to demystify one of our favorite buzzwords that we see in the SMB market, Voice over Internet Protocol – or VoIP for short. It never fails, when chatting with small business owners it always seems to come up. Their curiosity has been piqued by a barrage of advertising and literature on the topic; however, the business owners and managers that we have spoken with tend to be more than a little apprehensive when discussing a possible implementation for their business.

We can hardly blame them, with something as important as voice communications one can never be careful enough. The SMB market is usually a friendly place where business owners talk and share successes and failures, this means that our clients have heard both success stories and implementation nightmares. The last thing they want for their business is lost productivity and diverted energy from a VoIP implementation gone awry. However, as with most things in the technology world – change may be inevitable and implementation nightmares may be prevented.

It is our opinion that we have reached a tipping-point where the benefits of VoIP outweigh likely shortcomings. According to some researchers, by 2010 more the fifty percent of SMBs in the US will have made the jump to VoIP. And they are doing so for a variety of reasons: decreased telco costs, increased functionality, decreased network maintenance, etc.

Accompanying the many benefits of VoIP, there are still potential hurdles for a successful VoIP rollout. However, most potential risk can be mitigated with proper planning and foresight.

Read further for details on how VoIP can benefit your small or midsize business. Afterwards, be sure to read more about potential booby-traps and “gotchas” and how they can be prevented.

Buzzwords Included in This Installment:

- Voice over Internet Protocol (VoIP)
- Public Switched Telephone Network (PSTN)
- Internet Service Provider (ISP)
- VoIP Gateway Service
- Business Continuity
- Find-me/Follow-me
- Integrated Voice Response (IVR)
- Unified Communications (UC)
- Service Level Agreement (SLA)
- Quality of Service (QoS)

“According to some researchers, by 2010 more the fifty percent of SMBs in the US will have made the jump to VoIP.”

SMB Benefits

Economic & Technical Benefits

Converged Internal Networks

In the old days, your cabling infrastructure was comprised of separate voice and data networks. The installation of separate networks cost more money to install and manage.

Typically, having a cable pulled costs between \$100 and \$300 depending on the grade of cable and the length of the run. By consolidating voice and data infrastructures you normally save about half on the cost of running cables. As an added benefit, you typically save at the main and intermediate distribution points (where all those cables connect).

Also, managing and maintaining a converged network means less complexity.

Reduced Need for both Data and Telephony Professional Services

Since VoIP service runs over your data network, you may no longer need to keep employed or contracted both data and telephony professionals. The protocols and skillsets needed to implement and maintain your new VoIP environment are more or less unique to VoIP; however, due to the convergence of software applications, electronic communications, business reporting systems, etc. with telephony, your traditional data professionals are usually your best choice for achieving maximum results from integrating the solution with your existing environment (ie. increased customer service).

Reduced Telco Costs

More often than not, businesses that implement VoIP see a reduction in their monthly recurring telecommunications costs, especially if they have multiple locations. Since calls are securely routed over internet protocol you have little or no reliance on traditional telephone service providers (ie. PSTN lines). However, the myth that your ISP bill is your only monthly expense is usually wrong. You still need to pay monthly for a VoIP gateway service that provides your phone numbers – remember, you own your telephone number, and they are portable, so it does not have to change when switching to VoIP.

Also, monthly cost predictability should increase, since VoIP gateway services offer flat-rate calling plans.

Business Continuity

When your old telephone service or PBX went out of commission it was a terrible experience. When you move to VoIP you can setup a disaster preparedness plan that allows for the seamless forwarding of calls to mobile phones or an alternate location – thus no lost calls and no lost business.

Efficiency & Functionality Benefits

User Flexibility & Mobility

Traditionally, to get a call from the office you had to be there. This is a thing of the past with basic find-me/follow-me functionality. Set a mobile phone or remote location as your find-me/follow-me number and calls are seamlessly transferred from the office to that location. You can switch your location on the fly – your customers and coworkers will be none the wiser, leading to increased service both internally and externally.

Multiple Location Linkage

Disparate locations can share a direct connection to each other. Calls can be transferred and forwarded across the country as if they were across the office. Impromptu conference calls can be initiated in a snap.

Integration with Line-of-Business Applications

Since VoIP resides on your data network it can be integrated to meet your business's needs in ways that your traditional telephone system could not. The sky is the limit here but basic integration can help a small or medium business achieve huge results in customer service. For example, when a caller rings your business, your VoIP system can recognize the number from your client records and pull up important information to aid in assisting that caller with their needs.

A few examples:

A doctor's office may integrate their VoIP solution with their electronic medical records package. An inbound call may prompt the system to automatically pull up important records – this allows the office's representative to provide more value to a calling patient.

A distributor may integrate their VoIP solution with their ERP package. An inbound call may prompt the system to forward their call to the accounting department instead of to a sales representative based on an accounts aging report.

A services provider may integrate their VoIP solution with their CRM package. An inbound caller may be prompted to enter their customer number or trouble-ticket number through integrated voice response (IVR). When a caller reaches a company representative the representative will be armed with the information they need to provide the best service possible to the customer.

Unified Communications (UC)

UC refers to the convergence of voice and electronic communications. A good example is voicemail to e-mail where your voicemails are e-mailed to you and played through your computer speakers, making them accessible anywhere you have e-mail access. Other examples include presence management, text and chat features, and e-mail to voice features.

Level the Perception Playing-Field with Larger Enterprise Competitors

“Big-boy” features such as IVR, auto attendants, and UC allow small and medium businesses to act bigger than they actually are. In this day and age, perception is everything; small distributors with a professional website can look just as big as their “800 lb. gorilla” competitor. The same goes for communications systems – SMBs that look and act big can certainly impress their existing and potential clients, and it doesn’t have to cost an arm and a leg.

Booby-Traps and “Gotchas”

Technical Gotchas | **Do Not Skip Pre-Installation Assessments**

It is absolutely imperative that LAN/WAN assessments, testing, and applicable upgrades be completed before VoIP implementation. There is no greater reason for the failure of VoIP than inadequate or illogically configured network hardware and cabling.

The network requirements of VoIP require careful planning and proper configuration to ensure Quality of Service (QoS). For example, network switching equipment needs to facilitate adequate throughput and management functionality to properly prioritize data packets.

Consult with a knowledgeable network engineer for best results.

Ensure Adequate Bandwidth

Another reason for the failure of VoIP implementations is inaccurately estimating bandwidth requirements. A pre-installation assessment should resolve the issue but many businesses still underestimate their bandwidth requirements at their main and branch offices.

A few suggestions: upload speed is as important as download speeds, branch offices need adequate bandwidth as well, make sure to account for concurrent calls at peak times, consider the installation of a backup ISP with automatic failover, consider subscribing to data service with a Service Level Agreement (SLA).

Business Gotchas | **Don’t Underestimate How VoIP Can Help Your Business Succeed**

Decreased monthly telco costs are just the beginning of a successful VoIP implementation. The real benefits come when VoIP technologies are coupled with existing line-of-business applications with the goal of increasing efficiency, customer service, or both.

When planning for a VoIP rollout, many businesses seem to forget to consider the added benefits of VoIP. This is normally because small and medium businesses have never been able to take advantage of features that VoIP brings into reality. Don’t make this mistake, be sure to carefully consider where VoIP can assist your business succeed.

Learn more at our website: www.navigatingbusiness.com.