Zultys
Aim for Greater
‘Brainshare’
in UC Market

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A Pleasant Conversation about UC

by Paula Bernier

It’s kind of funny that years after the industry started talking about unified communications there is often still a disconnect about what UC is, what it involves and where it’s going. At ITEXPO East in February, Blair Pleasant, president and principal analyst for COMMiXion LLC, provided a unified communications market overview and shared her thoughts on the future of UC, in an attempt to bridge that gap.

You’ll have to touch base with her direct, and maybe ask for her ITEXPO East slides, if you want the full presentation, but I’ll review some of the high points here.

UC elements. Pleasant noted, include call control/ VoIP mobility, client access user experience, messaging (IM, e-mail, UM, chat), conferencing/collaboration (audio, video web/workspaces), business process/application integration and presence, plus rules.

While some companies talk about complete UC solutions, Pleasant said: “No one vendor does it all.”

Components of a UC solution include the telephony component, or switch. That piece is delivered by companies such as Aastra; Alcatel-Lucent, which Pleasant noted has a great reputation and is well known abroad for this, but not so much in North America (although it’s bringing its Gensys products into play on this front); Avaya, which now has the Nortel assets under its belt, and is selling Aura, and recently introduced a new messaging solution; Cisco, whose focus is clearly collaboration and video; Interactive Intelligence, which Pleasant noted is big on communications as a service; Mitel, which introduced its new Freedom architecture recently and also is focused on cloud and hosted solutions; NEC; Siemens Enterprise; and Zeevax, which primarily serves SMBs and has a nice all-in-one UC, contact center. Other key components, she noted, are IM/e-mail/presence/desktop, in which IBM and Microsoft (with Lync) are central players; app and portal vendors; voice messaging; conferencing and collaboration; and mobility solutions.

And, as Pleasant reminded ITEXPO East attendees, the drivers of UC include conferencing and collaboration, communications-enabled business processes, one-number service mobile extension, expert agent, and more.

As well all know, UC promises productivity at the individual user level, but can be hard to measure and aggregate in terms of return on investment. However, Pleasant said, UC’s impact in improving business processes for the enterprise as a whole can be significant and measurable. This, of course, is an important point that we’ve heard in the recent past before, as companies like Interactive Intelligence emphasize the benefits of computer enabled-business processes and applying social networking tools in business environments.

Forecasting what to expect for UC, she said we can look forward (meaning to the future, but not necessarily in a good way) to unified communications becoming a loss leader as suppliers aim to get their products into customer environments. She added that all PBX vendors are morphing into software vendors, so many are becoming focused on vertical solutions or systems integration. She opined that mobile devices will supplant desk phones. She talked about social media integration, how tablets are gaining traction and how video is hot, hot, hot. And she noted that Avaya, Cisco and Microsoft will battle for industry leadership, adding that Microsoft is starting to slow displace traditional PBX vendors. (For more on this subject, check out the Q&A on page 42.)

Finally, Pleasant wondered aloud whether Google will make a play into enterprise voice and UC. She said that’s the big question, but that for now, Google appears focused on the consumer.

April 2011
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COVER STORY:
Zultys Aims for Greater ‘Brainshare’ in UC Market
Avaya, Cisco, Mitel and ShoreTel are the companies that typically come to mind when you’re talking about unified communications. But if you want a true A to Z picture of UC today, another company you might want to consider is Zultys. The company is making a comeback under relatively new ownership and management, which between 2009 and 2010 was able to double sales and establish more than 100 channel partnerships in North America alone. New CEO Neil Lichtman and his long-time co-worker Steven Francis, who now serves as chief sales and marketing officer at Zultys, are now working to bring the company – which a spokeswoman says has for years been ‘fairly stealth’ – out of the shadows and on to center stage in the UC arena.

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It was back in 2007 when my fellow bloggers and journalists told me that Skype was a dog, had no future, couldn’t make money and wasn’t going anywhere. I begged to differ. The way I saw it, the company simply didn’t execute on its potential. I quickly jotted down 11 ideas the company should pursue, and I even offered myself to Meg Whitman as a consultant to help implement my ideas.

Fast forward a few years and Meg is gone, the company was sold and is now implementing the ideas – slowly but surely. But many have been implanted in the last month or so, which is why this analysis makes sense to present today.

The 11 ideas are as follows, and I analyze them inline:

**Enhance the social network capabilities**

Skype currently is in a good position to expand into social networking via Facebook-like features. It has added some community services, but not enough to be taken seriously as a real social network. Some analysts place Facebook’s value at $100 billion. This is obviously an area the company should be going after more seriously.

Wow, even today the value of Facebook is only $75 billion, but I am sure it will hit this number soon. The point here is Skype is making the right moves – you can’t take Facebook on directly. Skype has tried with a recommendation service and other enhancements, but working with Facebook is the smartest thing it could do. And their recent talks reported on video collaboration shows it has gone in the right direction – especially when you consider the announcement that you can communicate with Facebook friends from the news feed.

**Show some ads**

Let’s see if I understand the situation: You have more than 5 million users on your service almost every moment of every day. You need to increase revenue. Your answer? Show no ads. If I were eBay, I would be flashing product listings in front of Skype users as often as possible. If this doesn’t make sense, why not show Google ads like everyone else in the world? It is tough to see where this isn’t a $100 million a year revenue opportunity. This amount may seem high, but think about how long people use Skype each day and consider that you can flash new ads in front of users constantly. Moreover, probably $90 million would flow to the bottom line. eBay’s P/E ratio is currently about 40, so this amount of earnings could translate into about $3.6 billion in market capitalization. Not showing ads is something I can’t conceivably understand.

It took them four years, but finally Skype will be showing honest to goodness ads. Corporate malpractice is the only appropriate term I have for eBay not using Skype to showcase its auctions. It’s mindboggling, really.

**Enter the enterprise VoIP market**

Cbeyond has a market cap of over a billion dollars and provides hosted communications to just a few cities in the U.S. Zennstrom first told the world at Internet Telephony Conference & Expo that Skype was very popular in the business space. Why was this never monetized in a formal manner? Skype has made lots of progress here and is making real money in the enterprise. It has a long way to go, but at least it is farther along than it was in 2007.

**Provide paid recording capabilities**

With the regulatory environment forcing so many companies to record phone calls and so many Skype users in the world, you have to offer a recording service to help those companies who need to capture Skype IM and voice calls within their organizations. My revenue estimate is $25-$100 million a year. I’m not sure if <$100 million moves the needle for Skype, so we may never see this one. Besides, there are other companies that are handling this via software so it is a bit more of a competitive market. Still, $10 a month a user is likely a reasonable cost for this feature; and if my estimates are low and 5 million users out of hundreds of millions decide to pay, that is a cool $600 million in added revenue. Then there’s the Qik acquisition, which added some paid recording features to the company’s arsenal.

**Skype trunking**

This technology is one of the most intriguing around – allowing companies to communicate with branch offices, customers and home workers at a low cost. I feel going forward every company should take advantage of SIP trunking and Skype trunking. Skype knows this. So the question I feel compelled to ask is: Why would they not work more closely with partners such as VoSKY and actually market Skype trunking products to customers in a more serious way? VoSKY is doing a good job, but why isn’t there a multimillion dollar Skype ad budget behind VoSKY and others? Why
leave the success of this massive market in the hands of partners when you can ensure the rapid success of this burgeoning new space yourself? The reason may be that Skype was built as a viral platform and it excepts this as the only way to sell. Ditto for eBay. Guess what? Companies like Avaya, Cisco, Dialogic and Quintum sell telecom equipment and/or gateways, and they have to market to customers. To be serious in the business space, Skype needs to start a serious partner program where it funds the marketing of companies that helps its own paid services increase.

TMC is using Skype trunking now as a backup to its traditional IP communications, so nice job on this one Skype.

Go after the PBX vendors
If I am a PBX vendor I would be looking for Skype interoperability as a differentiator. Still, I have yet to see an ad touting a PBX vendor’s Skype interop. Why? More companies are interoperating with Skype today than at any time in the past – especially impressive is integration into phones from Grandstream and televisions from numerous vendors.

Charge for something beyond just connecting to the PSTN
Charge for conferencing, enhanced video, the ability to get new features first, for the ability to use the service without having to see ads, etc.

Recently, Skype did exactly this going head to head with WebEx and others via a partnership with Citrix and GoToMeeting.

Partner with media companies
Work with content providers and stream programming via the Skype client. Make money through subscriptions and ads.

If this is happening in a big way I haven’t noticed. But then again, do people want video streaming in their voice and video app? I’m not 100 percent sure.

Companies all over the world are integrating their customer service departments with gateways allowing callers to use Skype to call in. Isn’t it odd that PayPal doesn’t accept Skype phone calls?

Take on the world’s biggest auction houses with Skype video-enabled live auctions
If eBay can pull off selling cars, it can pull this off as well. Now that eBay and Skype have parted ways, we won’t hold our collective breath.

Embrace Skype
I have a weird question. Companies all over the world are integrating their customer service departments with gateways allowing callers to use Skype to call in. Isn’t it odd that PayPal doesn’t accept Skype phone calls? If you want companies to integrate with Skype – which will obviously increase revenue – doesn’t it make sense to lead by example? This is a head scratcher. I’m surprised this never got done.

Embrace enterprise video
Video is enjoying resurgence, and Skype has a well-known brand name and has a pretty good video solution. What about offering a video plan for businesses that is cheaper than existing solutions on the market but priced high enough to generate real revenue? Well, Cisco has recently rolled this out via its Umi product. I am not sure this will catch fire; in fact, there are ten reasons I cited why it will fail in the consumer space. But there is certainly increased high quality video adoption in the SMB space, so there could be some money here for the taking.

In the past four years, Skype has done a good job keeping Google and others in check, but the biggest threat going forward is certainly Apple FaceTime and Facebook. Apple really doesn’t need to partner with the Internet telephony software company, and I would be surprised if it doesn’t just recreate all the features of Skype and Facebook over time. This is probably why Facebook and Skype are looking to collaborate more closely.

For Skype – now that it will be showing ads on clients it can start charging a nominal fee for a non-ad version. The above improvements, although they took way too long to implement, have come before the IPO – meaning there could be much promise to investors who believe like I do that these moves will make a sustainable and lasting impact on revenue. UC
Apparently in line with this thinking – and in an effort to enable its developer community to more easily market their applications to business users – Digium has created a new Switchvox solutions category within its AsteriskExchange application store.

Digium, of course, is the creator of Asterisk, which is open source software that allows developers to create applications like ACD, IVR, PBX and VoIP gateway.

Switchvox, meanwhile, is Digium’s IP PBX/UC system, which delivers UC, presence, the ability to receive voicemail via e-mail, call forwarding and more. Switchvox, which is aimed at small and medium businesses, saw 30 percent growth last year. Recent Digium research indicates that SMBs can achieve 60 percent savings on their initial investments and as much as 80 percent on the total cost of ownership over five years with the Switchvox UC solution vs. traditional solutions.

And AsteriskExchange is a collection of applications, which includes about 120 listings today, that work with Asterisk and some of which are complementary to Switchvox as well. This online marketplace already includes IP phones and gateways, speech recognition and synthesis engines, voice prompts, video integrations, call center solutions, vertical application packages and more. In addition to a search tool to help visitors find the products they need, AsteriskExchange features user reviews, ratings and popularity rankings.

Angie Reed, product marketing manager for Switchvox, explains that Digium just added the new Switchvox listing within AsteriskExchange so that Switchvox systems integrators and other Switchvox solutions providers can better promote the applications they’ve developed for Switchvox. To add more fuel to the Switchvox solutions effort, Reed adds that Digium is waving the listing fee for Switchvox solutions on AsteriskExchange.

“An important differentiator for Switchvox is our XML-based Extend API, which makes it easy for developers to integrate Switchvox with any web application, and that ultimately benefits the customer by giving them access to a broader range of customized features and add-ons,” adds Leslie Conway, vice president of global marketing at Digium. “Adding a special Switchvox category in AsteriskExchange makes it easier for end users to find the applications they need.”

A keynote speaker at a recent event I attended rightly noted that: “The world is turning from a battle of devices to a war of ecosystems.”

Initial Switchvox applications available on the AsteriskExchange include:

- a custom Microsoft Dynamics CRM integration solution created by Stauffer Technologies Inc, a Switchvox reseller and Digium certified partner based in Cleveland;
- Connect CRM, a CRM integration solution from Dynamic Solutions Group;
- CabMate Integration, a call center system integration solution for Yellow Cab by Dynamic Solutions Group;
- Shadow CMS Enterprise, which is call accounting software from Resource Software Int., Ltd.; and
- StarCONNECT, an auto dialer/appointment reminder by Starnet Data Design Inc.
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Avaya is promoting the success of its Avaya DevConnect program and emphasizing that it is creating more choices for business customers.

Avaya DevConnect is the company’s developer and technology partner program, which provides developer-oriented resources, including access to application program interfaces, developer tools, and technical support. Membership in the program grew more than 16 percent in the last year, and 30 to 40 new solutions are added monthly.

The recently announced Avaya news includes various solutions, created by its DevConnect partners, targeting small and mid-sized businesses. In fact, there are more than 300 tested solutions from DevConnect members across all Avaya SME communications platforms. Below is a sampling of some of those solutions.

### Presence Tailored to the Small Business

AdvaTel has developed InTouch, a second generation UC application that brings together internal presence and federated presence to all of one’s external contacts via Yahoo!, Skype, MSN Lync and Outlook calendar. The solution, which does not require a server, lets users move between voice telephony, instant messaging, SMS and e-mail with just one click, helping users make the right communications choice at any time, while driving faster collaboration.

### Hospitality Applications Enhance Guest Service for Hotels

The DuVoice DV2000 is a messaging system and property management system interface for Avaya IP Office that is suited for hotels. DV2000 capabilities include everything from voicemail and wake-up call management to enabling employees to handle mini-bar inventories via phone. DuVoice also provides 911 features for Avaya IP Office that alert the front desk when emergency calls are made and pinpoint the location of the room requiring help.

Resource Software International Ltd. provides call accounting software – Shadow CMS Enterprise – which performs telecom billing functions and interfaces with a hotel’s PMS. The company interoperates with Avaya IP Office, providing a fully-scalable UC management solution that lets administrators monitor and allocate communications management expenses. Hotel-centric features include the ability for cleaning staff to enter the status of a room’s condition using a phone, wake up calls, emergency notification and features for deploying messages, menus or advertisements to phone sets.

### SIP Capabilities Bring New Value to SMEs

Optimum Voice SIP Trunking from Cablevision’s Optimum Business delivers voice service to small businesses through a converged voice and data network that can scale as needed for up to 100 employees. As a DevConnect partner, Optimum Business brings an affordable, easy-to-manage communications system to SMEs. This capability lets businesses use all of Avaya IP Office’s features, while it improves the quality and reliability of voice services, simplifies configuration, reduces equipment costs, and provides significant room for scalability at about half the cost of traditional T1 solutions.

### Contact Center Solutions for Streamlined Customer Service

KnoahSoft complements and enhances Avaya IP Office’s customer service capabilities using the KnoahSoft Harmony suite, which offers secure call recording, silent monitoring, screen capture of agent sessions, as well as extensive quality management and reporting capabilities based on search parameters. By bringing these capabilities to Avaya IP Office and providing legal compliance support for contact center recording, KnoahSoft extends customer service to the SME environment.

### Solutions for Assisted Living Facilities Improve Resident Care

The Telecor VS-600 Staff Call Station seamlessly integrates all the functions of a staff call system, and helps IP Office offer features to retirement and assisted living facilities that improve communications among residents and staff members. Telecor brings instant two-way speech communications capabilities customized for this environment, enabling residents to reach staff quickly and directly with the push of a button, increasing responsiveness, along with a resident’s comfort.
Jabber Delivers Consistent UC
Cisco has announced the release of Cisco Jabber, a unified communications application that brings together presence, instant messaging, voice and video, voice messaging, desktop sharing and conferencing into a single consistent experience across PCs, Macs, tablets and smartphones. For business workers, this application provides a simple way to find the right people, to see if and on what device they are available, and to collaborate using their preferred method or device. Since users can use this application on a variety of platforms and in the locations most convenient for them, workers can collaborate faster and more effectively, say company officials. And Jabber’s interoperability enables employees from one company to interact with employees at other companies using applications from Google, IBM, Microsoft and AOL.

Facebook Eats Beluga
Facebook has just acquired group messaging service Beluga. In a statement Facebook said, “We're psyched to confirm that we've just acquired the talent and assets of Beluga, whose simple and elegant mobile apps blew us away as a solution to help groups of friends stay in touch on the move. We're looking forward to welcoming co-founders Ben Davenport, Lucy Zhang and Jonathan Perlow, and we're excited that the team will continue their vision for groups and mobile communication as part of Facebook.” For now, Beluga will continue to function as it does today.

Microsoft Technology Centers Ride SIP Trunk
Global Crossing has been selected to provide its SIP trunking solution to support Microsoft Technology Centers throughout the United States. MTCs demonstrate how businesses can benefit from feature-rich unified communications services. They also provide a collaborative environment, offering access to innovative technologies and expertise that help businesses to envision, design and deploy UC solutions that meet their specific needs. Company officials say that SIP trunking is the “enabling technology” that network providers rely on to establish a broad range of UC tools, such as presence solutions.

How Presence Benefits Business
Like all UC applications that a business might invest in, presence provides new opportunities to improve a business’s efficiency by improving its business processes. Presence does this in two general ways. One focuses inwards and enables improved collaboration between workers allowing internal problems and issues to be resolved faster, while the other improves customer intimacy by allowing customers to reach appropriate service workers and resolve their service requests faster and more efficiently. Both work by increasing the success and timeliness of reaching a needed resource within a business by employees, customers, suppliers or partners.

Survey Examines Cloud Performance Perceptions
A Compuware Corp.-commissioned study by independent market research firm Vanson Bourne surveyed 677 businesses in North America and Europe about the impact cloud performance has on cloud application strategy and deployments. The findings of the survey reveal that the majority of organizations in both regions are greatly aware that poor performance of cloud applications has a direct impact on revenue. The survey also shows that businesses in North America are losing on average almost $1 million per year because of the poor performance of their cloud-based applications; while in Europe, the figure is more than $0.75 million.

AVST, Ditech Partner
Ditech Networks, a company specializing in voice solutions for quality and transcription, has signed a deal with Applied Voice & Speech Technologies Inc. to offer
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voicemail-to-text services to enterprises. The new partnership will allow AVST to utilize Ditech’s PhoneTag platform for automated and hybrid voicemail-to-text transcription services as part of its enterprise unified communications solution. The platform offers a simple way for users to handle voicemail and offers an array of services including fully automated, hybrid and human-assisted voicemail-to-text service. The PhoneTag solution is now available in English, French, German and Spanish.

www.ditechnetworks.com

http://tmcnet.com/58718.1

Oracle Sees the Light

Seattle City Light, one of the nation’s largest municipal-owned utilities, can now inform customers of the causes of outages and give estimated times for service restoration, thereby improving communications with customers as well as interactions between dispatchers and repair crews. This is all possible as a result of its implementation of Oracle Utilities Network Management System, which Oracle delivers together with Infosys Technologies. It predicts what customers are affected by outages, so when customers contact the call center, customer representatives will be able to share the outage restoration information as well.

www.oracle.com

http://tmcnet.com/58719.1

ShoreTel Emphasizes Simplicity

“People have been brainwashed into thinking phone systems have to be complicated – that’s simply not the case.” This comes from Bernard Gutnick, senior director of product marketing at ShoreTel. In fact, the idea of simplicity in the communications platform is what ShoreTel has brought to market, extending it now to its fixed mobile convergence offering via its recent acquisition of Agito Networks. ShoreTel will be taking the simplicity of its solutions to yet another level when it releases ShoreTel 12, which will include tools for instant sharing and collaboration, and allowing for the easy switching of communications modes – for instance, moving from chat session to voice call to a full-blown UC session.

www.shoretel.com

http://tmcnet.com/58720.1

SIP Phones Certified by Grandstream

Grandstream Networks’ SIP-based phones are now interoperable with sipgate, a VoIP service provider in Europe. Grandstream’s GXP1450 and GXP21xx series of Enterprise High Definition IP telephones were successfully tested and certified on sipgate One, a full-featured, Internet-based phone service that comes complete with a free telephone number, no set-up costs and no monthly minimums. Resellers, integrators and SMBs/SMEs worldwide can use sipgate One VoIP service and Grandstream’s SIP HD phones from anywhere in the world.

www.grandstream.com
www.sipgate.com

http://tmcnet.com/58717.1

Jobs Returns for iPad 2 Unveiling

Steve Jobs himself unveiled Apple’s new iPad 2 in San Francisco last month. The tablet is the second iteration of the incredibly successful iPad, which sold more than 15 million units in 2010. The new iPad, which sells for the same starting price as the original iPad at $499, is 15 percent lighter than the original, at 1.3 pounds as opposed to 1.5 pounds; and is 33 percent thinner, at 8.8 mm as opposed to 13.4 mm.

www.apple.com
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Is Virtualized UC in Your Future?

Many larger and mid-sized businesses are now demanding standards-based and software-based UC solutions, often running in virtual machine environments on servers in their IT infrastructure. But UC virtualization won’t be limited to use just within larger organizations. During 2011 we will start to see virtualized UC solutions become accessible to SMBs. Across the board from large to small businesses, UC virtualization is adding another migration path for unified communications, more ways to get an ROI, and more business opportunities for a wide range of vendors. Let’s see if there might be some virtualized UC in your future.

Virtualization itself is being fueled by the recent huge increases in server performance at ever-reducing cost/ performance that is being enabled by the current crop of multi-socket servers using four, six and eight core processors (10 core soon to appear) and ever-increased RAM densities and performance. UC itself can easily fit into a virtualized server using only a few threads out of the 16-64 threads that are typically available.

So what are the benefits and applications of UC virtualization for end users? Since UC is really just another LOB application, albeit a real-time one, the primary benefits are just those of virtualization itself within a data center – which are server/infrastructure consolidation, improved reliability, flexibility and agility. These provide benefits such as server cost optimization: reduced hardware maintenance; space and power consumption; reduced management; centralized data backup and restoration; and regulation and compliance benefits. So, if you have a data center and are already pursuing a virtualization program, you can now add UC into your plans. For smaller businesses, adding UC into the virtualization mix lowers the bar for virtualization by additional ROI opportunities, thus making a virtualization strategy itself more attractive for SMBs. When you consider that many SMB data centers can handle UC and LOB applications with high reliability using only two physical servers with a centralized redundant storage array, virtualization becomes an attractive SMB alternative.

UC virtualization also opens up other alternatives for end users since it enables UC to be deployed as a cloud application that can be implemented within a private cloud by larger organizations, or provided as a service to any size organization by channel partners (resellers, managed service providers) and service providers (telephony service providers, overlay service providers and cloud service providers). In short, it enables anyone that will be trying to sell you managed or cloud-based IT services to add virtualized UC into their product offering. So, not only does UC virtualization add a plethora of UC deployment possibilities for end user organizations of all sizes, it also adds virtualized UC as a new business opportunity for a wide variety of vendors through many different market channels.

So, smaller organizations can start out by using cloud services for all their IT and UC needs and have the option to migrate to an on-premises solution as they grow.

Distributed organizations with many remote locations such as retail operations now have the option to choose centralized UC for their remote locations using their own virtualized data center or use the facilities offered by a service provider or some combination of the two. Larger organizations will have the option to pick and choose any combination of locally deployed, centrally deployed or service provider deployed virtualized UC.

Another useful application for virtualized UC is disaster backup for on-premises deployed UC systems, a common requirement for small businesses with non-redundant IT infrastructure, and businesses of all types in geographic locations that are prone to natural disasters such as earthquakes, floods and hurricanes. Virtualized UC allows hosted virtual disaster recovery servers to be deployed using a service provider’s offering hosted at a secured location to provide a business continuity option for businesses of all sizes, and a new business opportunity for a wide variety of channel partners and service providers.

Of course, in all these scenarios, it is essential that your UC solution allows IT administrators to manage PBX/UC users and servers using your existing network operating system directory services such as Microsoft Active Directory. So look for virtualized UC solutions that integrate well with your directory services solution as this will ease management and save you up to another $100 per user per year in administration costs.

So, is virtualized UC in your future? If your organization is using any type of IT infrastructure, large or small, local or hosted, and you can gain an ROI by using UC, then the answer is yes. UC

David Schenkel is senior technology analyst with ADTRAN (www.adtran.com).
Bringing Real-Time Communications to the Web

by Jonathan Rosenberg

Here is a challenge: Can you name the one (and only) category of desktop applications that cannot run in the web browser without the assistance of a plugin?

Office productivity software can. Music applications can. Even 3D games can run using the latest HTML5 capabilities. What is the one application that cannot?

You guessed it: Real-time voice and video communications cannot run in a browser today without using a plugin.

This limitation has not gone unnoticed. Over the last six months the industry has been organizing to fix this problem. A workshop among industry experts was held at the end of 2010 and, based on that, standards activities were kicked off at both the W3C and the IETF. The IETF was expected to hold a birds of a feather session – also known as a pre-working group – at its meeting last month in Prague. A charter for a new W3C activity is circulating as well, with approval expected shortly.

What work needs to be done, exactly? Why is it that you cannot do real-time communications in the browser? And what needs to be enabled to make it happen?

Right now, there are several key limitations that need to be addressed:

• Browsers today lack the capabilities needed for real-time transport of audio and video. They can handle non-real-time audio and video, but not real-time.
• Browsers today lack the ability to utilize the camera and microphones attached to the computer in a way that is suitable for real-time communications.
• Browsers today lack the ability to establish a peer-to-peer session with another browser or endpoint. That is necessary for transmitting media with low delays.

To fix all of this, standards will need to be defined in several areas.

The first order of business is to specify a real-time transport stack that will go into the browser. This specification includes protocols needed to transport media on the Internet – such as the real-time protocol and the secure real-time protocol. The specification will also need to define internal software components that need to be added to the browser – jitter buffers for handling network delays, recovery components for handling loss, and noise suppression components for removing background audio noise, among others.

The specifications will also need to define the protocols needed for establishing a peer-to-peer connection to carry that media. Issues such as firewall traversal and browser security need to be solved. The most likely candidate is the interactive connectivity establishment protocol, standardized by the IETF in RFC 5245, which handily addresses both the firewall traversal and the browser security issues. However, details need to be specified on how it is utilized in the browser.

The most complex piece of standards work is around the voice and video codec. Current browsers do not support an audio codec suitable for high quality real-time speech conversations. The new Opus codec emerging from the IETF is a good candidate for that role.

The more complex situation is the video codec. HTML5 has defined a video tag for delivering streaming video to the browser. Despite much effort, the industry did not agree on a mandatory codec that everyone would implement. This disagreement is rooted in complex intellectual property issues. The industry is now splintering on this issue, with Google and Mozilla embracing VP8, and others embracing the long-established industry codec H.264. This disagreement impacts real-time communications in a serious way. Without agreement on a common video codec, browser-to-browser calling may require extremely expensive real-time video transcoding. The need for transcoding may make the service impossibly expensive to offer in many cases. The situation is different for streaming video services, where lack of a common codec among browsers adds cost, but only incrementally so. For real-time communications, it requires an entirely new set of expensive infrastructure that also happens to negatively impact the quality of the experience.

The IETF will tackle specification of these various protocols in the browser, and the W3C will then define an API that exposes services in Javascript, the programming language of the web. The APIs will allow applications to create P2P voice and video connections, select codecs, adjust behavior of the media stacks, collect statistics on their operation during and after a call, and request access to camera and microphone. The API design will also need to consider security issues – ensuring that a rogue website cannot capture the content of your camera and mic without your permission, or direct your computer to send video to the target of an attack.

Once this standards work is complete, the industry will be able to cross off the last item on the list of things you cannot do natively in the browser.

Jonathan Rosenberg is chief technology strategist at Skype (www.skype.com).
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I See, UC … The Importance of Network Visibility

With the increasing rate of global adoption of unified communications solutions for business and personal use, the importance of network quality across devices – desktops, smartphones, tablets – continues to grow.

by Bob Hockman

Consumers rely on their mobile devices for a number of activities on a daily basis, creating an explosion of additional incremental traffic on the network and presenting possible customer experience issues.

A February 2011 Harris Interactive survey (sponsored by Empirix) examined what services are utilized by smartphone users and how their experiences relate to the perceptions of their mobile network operator. Harris Interactive interviewed a total of 2,651 smartphone users in three major markets (750 in the U.S., 1,178 in the U.K., and 723 in Germany), and identified two disturbing conclusions:

1. A significant percentage of smartphone users interviewed struggle with mobile network service issues across a variety of services on a regular basis.

2. These users blame their MNO for their service issues. In fact, nearly half of all surveyed smartphone users blame their MNO for the issues they experience.

These findings clearly demonstrate the direct and negative impact network service problems have on the satisfaction and loyalty of valued smartphone subscribers.

The call to action is clear: MNOs must enhance their understanding of network performance from the customer experience perspective. How can they do this? By getting an in-depth view of the network.

MNOs frequently do not have a proper view of network performance that adequately addresses the customer’s true experience across all mobile applications and services. Measuring the complete customer experience involves different techniques and metrics, much more than what current silo-based monitoring approaches offer. As a result, end users continue to experience issues despite the seemingly acceptable network performance. If not properly addressed, repeat dissatisfaction will drive customers away.

Respondents in this recent survey illustrated just how frequently specific capabilities of smartphones are used:

• Texting: 95 percent
• Searching the Internet: 82 percent
• Downloading data: 73 percent
• Playing games: 73 percent
• More than 50 percent visit social network sites; search for and watch videos; instant message; shop and bank

According to the survey, more than two-thirds of U.S. smartphone users surveyed experienced issues with the most widely used activities: Internet searches, data downloads, searching for or watching videos, and social networking. Worth mentioning is that in addition to all of the broadband traffic generated by these smartphone activities, voice quality must remain at high levels, a challenge that MNOs should not take lightly.

To improve valued customers’ experiences, MNOs need to address network performance from the user perspective. They need an end-to-end approach to understand how the subscriber accesses the network, how a specific service is being delivered, and how successful it was from the subscriber’s viewpoint.

Current approaches to analyzing network performance typically involve the collection and measurement of data from network devices. This passive approach provides a limited view of the network and does not always account for each of the network resources needed to support new devices (e.g., iPads and tablets) and services (e.g., more video). Working with a limited set of data presents an inaccurate view that the network is performing adequately, when in reality, users experience significant issues.

To sustain positive customer experiences, MNOs need to adopt a strategy to get it right and keep it right. This means a testing and monitoring program that takes into account the complexity of the customer experience, including all of a typical user’s many activities.

Testing from the user perspective validates that changes in equipment, services and applications deliver the intended result to the end user. Successful testing replicates real-world conditions to ensure the network can handle actual user traffic patterns, providing end users with the expected performance.

The success of MNOs depends on understanding the impact of growing broadband traffic on service quality and the customer experience. This comprehension is growing in importance because competition in this market is fierce and customers are incredibly valuable.

Comprehensive end-to-end visibility is essential to identifying where customer experience problems exist in a network. Proactively understanding and correcting service problems is the key to keeping the loyalty of today’s high-value smartphone users.

Bob Hockman is director of product marketing at Empirix (www.empirix.com).
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Zultys is staging a comeback under relatively new ownership and management, which reports that between 2009 and 2010 it was able to double sales and establish more than 100 channel partnerships in North America alone.

“So we’ve been having great success,” says Chairman and CEO Neil Lichtman.

Lichtman, a 27-year veteran of the phone system and UC business, joined Zultys in November of 2009. Then, last year, Lichtman brought his long-time co-worker Steven Francis, who now serves as chief sales and marketing officer at Zultys, aboard.

The two men are now working to bring Zultys – which the company’s spokeswoman says has for years been “fairly stealth” – out of the shadows and on to center stage in the UC arena.

While Zultys is relatively well known in the industry by its competitors and the channel partner community, Francis says, it may not be as well known with those that influence the telecom buying decisions at potential customers.

“So we’re evangelizing the company at this point,” he says.

Zultys is a Sunnyvale, Calif.-based company that sells an appliance delivering IP PBX, UC and call center functionality. The company has offices in Australia, Brazil, China and Russia. A privately-held firm, it won't disclose financial details, but Lichtman says Zultys probably has one of the strongest balance sheets in the industry and has an eight-digit credit line available if needed. Currently, the company is reinvesting all of its cash into new development efforts.

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The company started life in 2001. Its original owners spent close to $100 million in research and development to build the company’s solution, according to Lichtman, but they then ran out of money. In 2006, new ownership acquired the Zultys assets and brought in new management.

Today, Lichtman is at the helm of Zultys, which prides itself on delivering what management says is a feature-rich, highly scalable and integrated solution.

Because the company’s solutions rely on “pure standards-based native SIP” they are highly efficient and offer a wide range of tightly integrated features and applications within a single appliance, according to the company. The Zultys solution does not require third-party servers or other appliances. This makes the Zultys system simple to install, maintain, upgrade and scale while reducing overall system resource and power requirements. And that provides an immediate return on investment to most companies deploying Zultys.

Avaya, Cisco, Mitel and ShoreTel are the companies that typically come to mind when you’re talking about unified communications. But if you want a true A to Z picture of UC today, another company you might want to consider is Zultys.
My name is Paul Lipscomb. I am a pediatrician and I became a doctor to help people. One of my biggest challenges is being accessible to patients not only during normal office hours but for after-hour emergencies. When an emergency call comes in it can be as simple as a concerned parent needing reassurance, or it can be something critical when seconds matter. And it’s my job to find a solution.

Today, I’m proud to say that NetVanta UC is part of my solution. When that late night emergency call comes in, a parent can leave a detailed message of their child’s situation. The NetVanta UC system immediately rolls their voice mail message to myself, or the doctor on duty. We get the message via our cell phones, text message, or email. That allows us to call right away and gives us the ability to assess their situation and provide fast, accurate feedback. The NetVanta UC system also allows me to operate without the expensive “after hours” answering service. I can now say I can save lives and save money at the same time. NetVanta UC helps me and my patients sleep better at night.

To learn how NetVanta UC can be personalized for your business, visit adtran.com/UC_DOC

- Unified Communications tailored to your business
- Integrate communications with business applications
- Increase workforce efficiency and response time
- Automate to cut cost and complexity
A single Zultys appliance can support up to 60 trunks and requires just 54 Watts of power. It is highly redundant; can be used in single or multi-site deployments; supports PSTN connectivity; and includes on-board SIP trunk resources, so businesses don’t have to use a separate gateway if they want to employ SIP trunking.

“It’s a great product, and when you show it to a channel partner, or a prospective channel partner, they just love it,” says Lichtman, noting that the channel is central to the Zultys go-to-market strategy.

The product is called the MX Unified Communications Solution. It’s a Linux-based 19-inch rack-mountable 2RU IP PBX that supports a wide array of unified communications features. That includes e-mail, fax, instant messaging, presence, SMS, voicemail and – with the new 6.0 version that was recently released – video.

“We believe we are the only company that offers an all-in-one-box phone system,” says Lichtman.

Not every customer will need all of the capabilities that the MX can deliver, adds Francis, but this large applications toolbox gives Zultys partners a broad palette from which to work.

The new MX 6.0 supports integrated point-to-point HD video. With one click users can move between IM, voice and video communications. The new release also delivers video to the desktop. It includes a Salesforce.com Integration Module as well as a higher level of integration with Microsoft Outlook, which now moves call control into the Outlook screen. And it is integrated with both BlackBerry and the iPhone, requiring only the download of an application.

Zultys Aims for Greater ‘Brainshare’ in UC Market

Neil Lichtman, Chairman and CEO

Lichtman has led both private and publicly-held companies to success by building and directing aggressive sales organizations and enhancing distribution channels to grow both sales and profits. The companies under his leadership have achieved market success and higher than expected returns (as high as 800 percent) to shareholders.

Prior to Zultys, he was the president of Vertical Communications SES business unit. Previous leadership positions include CEO of Comdial, senior vice president of Inter-Tel, and president of Claricom Holdings, a Bain Capital portfolio company, which was sold to Staples Inc., where he was retained as the president of Staples Communications.

Steve Francis, Chief Sales and Marketing Officer

Francis is a 30-year veteran sales and marketing executive in the telecommunications industry. Throughout his career he has consistently increased sales, expanded distribution channels and developed and enhanced channel partner programs.

He has held senior management positions with Comdial, Executone, Vertical Communications and Vodavi.
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Enhanced contact center support is also evident in the MX 6.0. Zultys came out with MX Report toward the middle of last year. That allows the end user to customize call detail record information. Now, with MX 6.0, call center managers can create statistical reports via a simple drag and drop effort.

“That’s one of the big pushes this year” to differentiate the Zultys product, says Lichtman.

While it’s businesses that ultimately use the Zultys product, Lichtman says the company considers channel partners to be its customers. Businesses then end up buying the product from those channel partners.

Zultys relies on distributors, including CTD, Target Distributing and various other general distributors (in Australia, New Zealand, South America and the U.K.), to bring its wares to the channel.

About two thirds of Zultys business comes out of North America, and the company is now in the process of expanding its sales and distribution efforts in Europe. The company’s plan for North America is to add at least 100 new channel partners this year and next. It’s also working to grow the channel in Europe, with the expectation that the European effort will contribute to the company’s growth starting next year.

To date, Zultys has deployments at about 10,000 end user business locations worldwide. With a focus on deployments involving 10 to 1,000 users, small and medium businesses make up the bulk of the company’s existing installations. But the Zultys system can scale to support up to 10,000 users and 128 locations, and the company does have some very large customers – and it expects to have more in the future.

That includes Allstate, which has regional franchises in the Midwest and Southeast. Other Zultys customers are Crossroads Foundation, which has a 23-building headquarters campus in Hong Kong, plus multiple overseas locations; Provident Funding, with 49 sites across the U.S., including its corporate headquarters and call center; Sonicwall, which has multiple sites in the U.S. and Taiwan; and Timex, which has multiple sites in the U.S. and India.

To attract more enterprise-level buyers, Zultys this year kicked off a national accounts program. Through this effort, Zultys at the top level plans to use direct sales to recruit Fortune 1,000-type buyers. But once corporate approves the product, channel partners will approach and support those large users at the local level.
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Zwana Unicom is a telecommunications service provider catering to small and medium businesses throughout Africa. It helps them to reduce their telecommunications costs and improve their competitiveness and internal business processes through affordable, cost effective and easily scalable unified communications, business VoIP, and SIP trunking solutions.

A distributor for CommuniGate Systems in Southern and East Africa, Zwana Unicom has a special interest in the use of unified communications in health care.

As Nigel Sinclair Thomson of Zwana Unicom notes, unified communications is particularly important for organizations that are focused on health-related issues given the collaborative and multidisciplinary nature of health care. Health care, he says, is becoming more multidisciplinary due to the increased prevalence of chronic diseases.

“We are working with health care information system vendors to embed CommuniGate Systems’ UC solutions into health care information systems such as hospital information systems, radiology information systems, and picture archiving and communications systems,” says Thomson. UC

Of course, there are many ways in which communications and collaboration technologies can be integrated with enterprise applications such as hospital or clinic information systems to improve health care business processes and patient care while reducing costs. Thomson offers the following examples:

- basic telemedicine systems that enable remote facilities to collaborate and share files (including imaging files and reports) with available medical specialists, be they at the nearest referral hospital, at an urban centre of excellence or even across the world;
- web conferences between health care workers and interpreters with patients at remote clinics, allowing for the delivery of care to the patient rather than vice versa;
- self-service patient booking systems with automatic voice or SMS reminders to patients in an effort to reduce missed appointments;
- automatic reminders to outpatients to take their medicine and automatic notification of nursing staff in the event of patient non-adherence;
- integration with medical monitoring devices and infection surveillance system monitoring of patients with high risk of surgical site infection after surgery with automatic triggering of notifications to appropriate nursing staff if thresholds are exceeded;
- interconnection of UC with nurse call systems operating over wireless LANs so that patients and doctors can call available nursing staff members, while nursing staff members can contact doctors, in the event of an emergency;
- automatic notification of case management, catering, housekeeping or portering services after a patient’s admission or discharge;
- reduction of human latency in areas such as supply chain and treasury management.

“Health care is becoming more multidisciplinary due to the increased prevalence of chronic diseases.”

Zwana Unicom Brings Integrated UC Health Care Solutions to Africa
Health Society Governing Bodies Gain Traction

Steve Donald, vice president of Deutsche Telekom-ICSS, says that the idea of creating governing bodies to oversee a group of health societies such as a cancer or diabetes society, for example, is gaining traction. "The idea of the governing body, he says, is twofold. First, a governing body would allow for a flexible, economical communications system between the governing body and the separate societies. Second, it could provide accounts of the MyCommsuite solution to individuals of the various societies so they could exchange information between patients with similar illnesses. "The patients would see MCS as a secure niche community in order to share sensitive information, develop stronger ties and have a sense of community with a person having similar challenges in illness," he says. "Sharing files of diets, suggestions of blood glucose meters, better medications, exercise regimes, etc., can all be shared among the members in a safe secure fashion." He adds that as the niche community of diabetics grows on the MCS portal, the site will become a very relevant location for which drug companies could create advertising banners, for example.

MobiSecure Platform Gets Major Upgrade

Diversinet has released what it says is a significant upgrade to its MobiSecure platform. That upgrade includes support of additional mobile devices and the introduction of more than 50 new features. Albert Wäbbe, Diversinet’s chairman and CEO, says: “Our enhanced offering also enables health care organizations to easily achieve HIPAA compliance, as well as more easily and quickly meet ‘meaningful use’ criteria.” Applications of the Diversinet solution encompass case and disease management; storing, accessing and exchanging personal health records; scheduling medical visits and treatments; and reminding patients to take medications and keep appointments.

Smart Reminders Available for Free Trial

Independa Inc. recently announced a free trial offer for Smart Reminders. The service combines patent-pending Smart Calendar, Medication Reminders and Life Stories services with a reminder system that connects caregivers with those that they care for, providing them with the knowledge that those individuals are still safe, healthy and socially engaged. The elderly interface with the system via a simple telephone-based interface. Because it’s dangerous to forget to take one’s medications as prescribed, Smart Reminders unburdens caregivers of the worry that their loved ones are doing so. According to AARP, nearly one in four older adults age 65 or older skips doses of medication or does not fill prescriptions because of cost, and suffers worse health as a result; older people who forget to take their pills or accidentally take them more than prescribed increase the risk for dangerous drug interactions; and older people who forget to take their medications have health issues and fall 50 percent more often than those who take medications as prescribed. By sending timely medication reminders to a telephone, the Independa Medication Reminders service helps reduce these risks and relieve caregiver concerns.

Report Indicates More Care is Needed to Secure Patient Records

CDW Healthcare, part of the public sector subsidiary of CDW LLC, last month announced the results of a national survey on patient perceptions of electronic health records and the security of personal health information. The report, “Elevated Heart Rates: EHR and IT Security,” found that while patients trust their doctors to protect their information, 49 percent believe that EHRs will have a negative impact on the privacy of their PHI and health data. As health care organizations transition to EHRs, they will be responsible for maintaining and protecting a significant amount of personal data electronically. According to the survey, patients not only require that PHI be held securely, but also believe that health care organizations are responsible for protecting financial information (86 percent), personally identifiable information (93 percent) and any information provided about a patient’s family (94 percent). Yet recent research from CDW Healthcare indicates that many physician practices have not yet prioritized IT security. According to CDW Healthcare’s Physician Practice EHR Price Tag, 30 percent of physician practices report that they lack basic anti-virus software and 34 percent report that they do not use network firewalls. Both elements are considered basic steps in developing a minimum IT security profile.

Patients Seek Private Cloud-Based UC

Dr. Ulrich Hammerschmidt, vice president of innovation projects at Deutsche Telekom-ICSS, says he’s seeing interest from patients’ societies in platforms that enable them to create closed communities. “The large social networks are seen as too open and too much into data mining to entrust them with sensitive information like health,” he adds. “On the other hand, using centralized UC platforms (e.g. Microsoft) for a non-profit community is not feasible. A service in a private cloud (like we are producing based on CommuniGate’s software) can be the right combination of cost efficiency and security.”
Feature Article

The Perfect Storm

Hosted Service, Microsoft and the Cloud

Everybody and their brother seems to be floating cloud and hosted services offerings, and business software giant Microsoft is among those stirring things up on this front.

“As cloud-based services are hotter than ever, the latest iteration of hype within cloud is around hosted real-time services – specifically with regards to Microsoft’s hosted communication-based solutions,” says VBrick’s Vice President of Marketing Michael Rubin. “We’re seeing a dramatic and interesting shift of replacing outdated, one-dimensional communications systems with multi-layered hybrid models operating in the cloud that not only support the usual enterprise chat and voice deployment but also rich media video streaming.

“We see serious growth in the future of hosted Microsoft-based services in the cloud including unified communications offerings – for example the ability to stream live and on-demand video for corporate broadcasts and departmental collaboration,” Rubin concludes.

Companies like Aviva, the U.K.’s large insurance company, are among the types of organizations that are implementing such hosted services.

Brent Holman is unified communications architect and Microsoft specialist at systems integrator and managed services outfit XETA Technologies Inc., which PAETEC recently announced plans to buy. He says that XETA started out with a premises-based offer that involved setting up servers at customers’ data centers.

Today XETA also sells Microsoft Office 365, the business productivity suite formerly called BPOS, Holman says. Microsoft Office 365 is what the software giant is talking about when it refers to delivering business applications from the cloud. It includes support for collaboration, e-mail, SharePoint and more – all from Microsoft’s hosted data center.

There’s a storm a-brewin’, and it’s gonna be a whopper. This famous pronouncement (or something very close to it) was made by farm worker Hunk in The Wizard of Oz. But it could just as easily be applied to the cloud and hosted services trend that is sweeping through the communications landscape.

PAETEC’s network operations center
But not everybody will want every service or feature to be hosted, or based in the cloud, says Holman, adding that Microsoft is not interested in hosted voice due to regulatory issues. So, because of regulations related to voice services, a customer with 15,000 might choose to go with a premises-based setup involving Lync for voice, but have other Microsoft-based applications accessible via the cloud, he says. XETA can help enable these mix-and-match scenarios for customers.

Whether services are enabled by on-premises infrastructure (managed by an outside entity or the organization itself) or live in the cloud, however, what’s important is that businesses offer an array of communications options that address the needs of different interest groups and requirements, adds Robert Ritchey, director of solutions engineering at XETA.

He notes that for the first time, there are now four generations in the workplace at the same time. Generation Y tends to be more comfortable with newer technologies like instant messaging and video. But members of the older generation may prefer telephone conversations. In the end, everyone needs to adapt to use whatever method of communications is available and makes the most sense for the requirement at hand.

But a wide array of communications options makes for a better experience for everyone, and the integration of these different options is necessary to deliver the most user-friendly and efficient solutions, Ritchey says, noting that Microsoft offers a wide array of applications on this front. UC

More on PAETEC and XETA
By Paula Bernier

PAETEC recently announced its plans for yet another acquisition. This time that involves the purchase of XETA Technologies Inc. for approximately $61 million.

The soon-to-be-acquired is a systems integration company that also can assist business customers by monitoring and managing their networks. Basically, the deal, which is expected to close in the next month or two, appears to be an effort to reinforce PAETEC’s position as a solutions provider (as opposed to a dumb pipe outfit). It allows PAETEC to take care of business customers from cradle to grave, as they say.

“Today’s customers have demanding needs and expect us to offer some assurance of quality and performance. XETA, a well-established solutions integrator, was the obvious choice for us. We plan to keep XETA’s brand and continue to provide the high level of service it’s known for,” says Arunas A. Chesonis, chairman and CEO of PAETEC. “This transaction highlights our strategy to increase our capabilities to service enterprise CIOs beyond traditional telecom products with advanced managed services and cloud computing solutions.”

PAETEC, which has over the years evolved from a fledgling CLEC to a FORTUNE 1000 company, delivers business communications – including IP, voice, data, and Internet services; enterprise communications management software; network security solutions; CPE; and managed services – to medium and large businesses in the United States.

A 29-year-old company with more than 16,000 U.S. customers, XETA is focused on Fortune 1000 companies. Its marquee customers include Marriott, Starwood Hotels and Time Warner Cable.

XETA got its start delivering a call accounting package to the lodging industry. It still does that today – and has a big push around not just lodging, but also government, health care and other verticals. XETA does systems integration work, customer network management and help desk services.

It has expertise with a wide array of network solutions, including those of Alcatel-Lucent, Avaya, Hitachi, HP, Juniper Networks, LifeSize, Microsoft, Mitel, Samsung and ShoreTel. But it’s not about the gear, emphasizes Robert Ritchey, director of solutions engineering at XETA.

“XETA is not a box-selling company, and we don’t want to be one,” he says. “We’re a professional services solutions provider – we’re an integrator of systems.”

The company, he adds, gives customers “one throat to choke.” XETA also offers Day 2 and beyond support. The company has its own network operations center and help desk. The NOC actively monitors customers’ network elements, if they want to offload the management of that to cut costs. And it has its own call center and data centers.
New Solutions Address UC Security

The rise of cloud-based services and of virtualization is creating new security challenges for businesses. Traditional security solutions, like packet sniffers and intrusion detection tools, are organized around physical network assets, says Adam Powers, CTO of Lancope, which sells a security monitoring appliance to large enterprises. However, he adds, the virtual assets that are now in place are much more difficult to monitor.

To address that, businesses can invest in products like the Cisco Systems Nexus 1000V Series switches, which enable what is known as NetFlow. However, Powers says many businesses don’t have a Nexus 1000V, so those organizations might want to consider using a product like Lancope’s FlowSenser, a thin, lightweight virtual host that network operators can put in the virtual machine server to monitor all communications occurring between different virtual machines.

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Feature Article

by Paula Bernier

Lancope StealthWatch 6.0 dashboard
in the enterprise cloud. FlowSenser connects to the VMware hypervisor, so it captures all traffic between different VMs, it builds NetFlow data packets, and sends those to the Lancope StealthWatch system, which can analyze up to 1.5 million flows per second.

“NetFlow is an extremely useful and underused tool for maintaining and troubleshooting enterprise networks,” says Steve McOwen, director of information security at Cisco System, which is a Lancope customer. “Lancope captures the full power of NetFlow without requiring extensive time or resources from IT teams. In-depth flow data, application analysis and an easy-to-understand, graphical user interface make StealthWatch 6.0 a versatile tool for monitoring and responding to a wide variety of incidents.”

Mark Starry, director of enterprise architecture and security at Concord Hospital, says that StealthWatch 6.0 enables the hospital’s IT staff to determine whether issues are caused by the network or by a specific application. It also helps to pinpoint exactly which application and users are responsible.

“This type of insight is extremely valuable as more and more applications find their way onto corporate networks,” Starry says.

Other outfits are addressing the security requirements of businesses via their own cloud-based solutions. For example, StillSecure, a managed network security solutions and certified compliance company, and XO Communications have joined forces to provide a suite of managed security services to business customers.

“Customers continue to struggle with securing their Internet infrastructure. XO Communications is smart to leverage their deep, trusted relationship with customers to help solve these issues with a suite of managed security services,” says David Mandell, chief marketing officer at StillSecure. “Solving security problems in the cloud – prior to them hitting a customer’s premises – is the next level for forward-thinking telcos.”

Dr. Ulrich Hammerschmidt, vice president of innovation projects for Deutsche Telekom – ICSS, the international wholesale arm of Deutsche Telekom Group, adds that the more users get comfortable with cloud services like Hotmail or Facebook, the less reluctant they are to also use cloud services for professional purposes.

“And a professional cloud service provider like Deutsche Telekom is trusted to deliver security at a higher level than most enterprises can do on their own,” he says. “Add to this the problems resulting from earthquakes, floods, etc., where enterprise IT infrastructure gets suddenly wiped out, and the acceptance of cloud services will become stronger and stronger.”

Lancope’s Powers adds that in the long run, NetFlow may also begin running in the public cloud.

“We are talking about it,” says Powers, adding that it needs to happen because the problem a lot of people are having with the cloud is lack of visibility. “So these flows restore that confidence in what is happening” within applications.

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**Key Capabilities in StealthWatch 6.0**

- application performance monitoring via behavioral analysis and deep packet inspection of flow data to ensure application delivery on time and uninterrupted
- relational flow mapping to provide real-time, graphical views of network traffic for specific segments of the network
- grouping of related hosts to analyze the traffic between them and quickly detect anomalies and assess performance
- advanced reporting capabilities enabling users to retrieve the exact and detailed information they need and simplifying the creation of high-level reports for management
Today’s global economy, advances in technology and growing environmental awareness are encouraging organizations to shift away from in-person meetings to online meetings using collaboration and conferencing services. Because of these social and economic drivers, demand for audio conferencing has grown at a steady pace, but customers are also looking to conferencing service providers for services well beyond the traditional audio conference bridge.

"Over the past several years we have seen that a struggling economy can make travel for face-to-face meetings problematic," says Marc Beattie, managing partner at Wainhouse Research. "In today’s global economy, hosted conferencing services continue to grow offering a productive and economical substitute to unproductive and costly travel."

Today’s conferencing service offerings go well beyond audio conferencing. Sharing data and presentations via web conferencing and team collaboration has grown dramatically over the past five years. "We are also seeing a jump in online events of 25 to 500 participants that comprise DIY and operator-assisted audio and web calls, and fully managed video, audio and data webcasts," says Beattie.

Though demand for conferencing services is increasing, competition among communication service providers is also pushing down price points for conferencing services, resulting in communication service provider revenues growing at a slower rate than minutes of use. These industry dynamics are placing communication service providers still running their businesses using time division multiplexing conferencing infrastructure under extreme profitability pressures. Leading communication service providers are already well on their way to responding to these challenges through the deployment of economical and flexible VoIP collaboration platforms.

Changing Technology Choices and Suppliers
In the last decade most communications service providers deployed infrastructure from a handful of TDM-based audio bridge suppliers, but in the market’s evolution toward VoIP-based conferencing platforms, many of these suppliers exited the market. The result is a situation where a number of communications service providers, even today, are risking their businesses by operating discontinued equipment.

Today, leading suppliers to the communications service provider industry all offer IP-based solutions, but in some cases, the implementation is only skin deep. Some suppliers continue to offer solutions built around traditional TDM-based audio bridge architecture, with modern refinements like VoIP interface cards and IP-based graphical user interfaces that can be used within a browser or a smartphone. While this approach enables some level of VoIP cost savings, such as SIP-based trunking, the core architecture limits feature innovation and overall platform economics.

The other supplier approach drops the ideology of the past, offering a 100 percent IP-based architecture. These IP-based integrated solutions offer similar support for SIP trunking and IP-based GUIs, along with many additional benefits and differentiators critical to the competitiveness of a modern communications service provider.

Open Standards Lead to Lower Costs
A significant difference between traditional TDM-based and newer IP-based systems is the way these modern systems are functionally partitioned. TDM-based systems tend to
be closed, proprietary solutions with limited expansion and scalability options. IP-based systems typically separate functions like application/signal processing from audio/video media processing (e.g., conference mixing), resulting in open architectures built upon scalable best-of-breed components, interconnected using open standards-based interfaces. For example, the VoIP integrated conferencing architecture illustrated in Figure 2 employs a media server (MS) and a conferencing application server (AS) that work together using open standards, including SIP for signaling, media server markup language (MSML) for media server control, and real-time protocol (RTP) for media packets.

Interconnection with IP-based devices using a VoIP conferencing solution is relatively straightforward. Using SIP trunking and session border controllers, the VoIP integrated conferencing platform can natively deliver direct SIP and RTP interconnection with IP devices, including IP phones, mobile smartphones and softphones.

But what about the majority of the conferencing subscriber base that still uses traditional phones or 2G mobile devices? For those customers, a media gateway (MGW) is added to the architecture. The voice circuits originating from conventional desk phones or 2G mobile phones are switched through the PSTN to a MGW in the network, where the circuit is converted and separated into SIP call control packets for the application server, and RTP media stream packets terminate on the IP media server. Today, many leading communications service providers have in production extensive global audio conferencing networks based on this cost-efficient infrastructure, transparently delivering high-quality conferencing services to their PSTN subscriber base.

An IP-based integrated conferencing solution delivers benefits and differentiation against TDM-based solutions across many dimensions – including cost, integration, scalability and reliability – feature compatibility with older conferencing systems, plus the flexibility of integrating custom applications and services like telephony and graphical interfaces unique to a service provider, voice quality enhancement, videoconferencing and support for hybrid service models.

Cost
Many legacy conference bridges are relatively expensive, single-purpose TDM-based solutions, whereas next-generation conferencing solutions are based on open systems and IP technology standards. Compared to TDM-based solutions, open IP-based systems often cost less, save space, consume less power and require less maintenance for dramatically lower operations costs and compliance with green initiatives.

Integration
Next-generation VoIP architectures, including the latest IMS standards, are based on open decomposed architecture that breaks down the various functions found in monolithic TDM-based proprietary systems into separate, specialized functional components. The interconnection of these components is based on open IP interface standards.

IP architectures also facilitate integration with other collaboration tools and back-office systems, such as Web 2.0 interfaces for web-based GUI integration; integration with leading web conferencing tools and systems; conference moderator GUIs for smartphones or desktop browsers, along with back-office customer care and billing systems. This allows for additional communications service provider differentiation through collaboration application integration with other services and service customization.

Broad acceptance of open architectures, along with open interconnection standards, has created an ecosystem of multiple vendors that can interoperate together, while at the same time compete in similar equipment categories.
Scalability
One of the key benefits of the decomposed architecture is its scalability. An entry-level all-IP based solution, consisting of a SIP conferencing AS and a software-based MS, could all be hosted on a single COTS server. Fault-resilience and further scalability is achieved through redundant system configurations, redundant hardware features and geographically redundant conferencing data centers supporting hundreds of thousands of conference ports.

Feature Compatibility with Older Conferencing Systems
For communications service providers still operating their businesses using older manufacturer-discontinued TDM audio bridge equipment, one barrier to change is that their customers are already accustomed to using certain feature keys and commands. These new IP systems are a seamless form, fit and function replacement, including full emulation of commonly used telephone user interfaces, to provide a seamless transition for the communications service providers’ teams and the existing subscriber base.

VQE
While VoIP technology offers proven cost savings, the audio quality in some conferencing service offerings has suffered, particularly service offerings running over the Internet. Leading conferencing platforms today offer comprehensive VQE features, including VoIP noise reduction, packet loss and echo cancellation.

Multimedia Conferencing
Another differentiation is multimedia conferencing. In the past, communications service providers that wanted to offer both audio and videoconferencing typically had to deploy audio bridges and video multimedia conferencing unit equipment from different vendors using incompatible technology. An IP-based collaboration platform supports audio and videoconferencing in the exact same way. Hence, adding multimedia conferencing services can often be achieved through a software upgrade.

Support for Hybrid Collaboration Service Models
Enterprise customers have increasing choice in the tools and services available for collaboration. Some enterprises might purchase their own unified communications or IP PBX platform with integrated conferencing capabilities. Others might instead use hosted collaboration services offered by a communications service provider, but in between is a growing variety of hybrid service offerings, including the communications service provider managing the enterprise UC platforms, possibly integrated with IP VPN and SIP trunking, to offer a comprehensive full-featured hosted service. IP-based integrated conferencing solutions, built around decomposed architectures, are the key ingredients that facilitate this growing variety of service offerings.

In summary, TDM conferencing solutions provide less agility for introducing new services, are more expensive, often encounter performance degradation and integration issues, and support limited scalability options. Compared to TDM conferencing solutions, IP-based integrated conferencing solutions cost less, require less space and energy, and offer more integration flexibility and scalability options.

Untapped Opportunities
The conferencing scene is rapidly changing as users demand enhanced collaboration tools and the economy continues to place pressure on company travel budgets. As shown in Figure 3, there remains immense opportunity for CSPs across a variety of collaboration service offerings.

Mobile users are one segment that will especially benefit from collaboration service innovations. As of mid-2010, there were more than five billion mobile phone connections. With telecommunications on the rise and mobile phone use increasing daily, VoIP platforms provide the flexibility and scalability for future mobile collaboration integration using SMS notifications, HD codecs, and easy integration with mobile device applications and GUIs. Along with increasing smartphone usage, more users are connecting through networking sites Facebook and LinkedIn — with more than 500 and 60 million users respectively — also driving new methods of collaboration and opportunities for IP-based CSPs.

“Today, audio conferencing is an assumed service for CSPs, but the future of collaborative conferencing will expand on the existing demand for voice, video and web services and holds tremendous growth opportunity for current and emerging CSPs,” says Beattie. “As users become increasingly mobile and continue to connect using VoIP services, more exciting trends will emerge. An IP-based architecture is both the smart choice for today and a future-proof investment for tomorrow.”

Al Balasco is director of product management for conferencing solutions at RadiSys (www.radisys.com).
The Hosted VoIP Supplement

Strategic Solutions Series

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Enabling Whole Enterprise IP Communications
Demand for hosted VoIP services remains on the upswing as businesses continue to see the appeal of outsourcing their communications in an effort to drive down costs and allow them to focus on their core competencies rather than on managing infrastructure and applications.

“From our IP PBX survey, it appears that businesses are increasingly embracing a hosted services model, as their capacity needs will depend on how robust the economic recovery is, and hosted services allow them to more easily ramp their capacity needs up and down without a huge cash layout for equipment,” noted Infonetics Research analyst Matthias Machowinski in releasing a study on the market at this time last year.

According to some estimates, hosted IP communications can be deployed at a 30 percent lower cost of ownership than an on-site IP PBX solution and can increase enterprise productivity by $500 per employee, per year.

Competition in the hosted VoIP and UC market is intense, according to ABI Research, but service providers are differentiating themselves by building on their service provisioning and integration capabilities, quality of service, service bundling, and price.

The firm in September forecast that the VoIP services space – which it categorizes as including VoIP integrated access, SIP trunking, hosted IP PBX/IP Centrex and managed IP PBX services – will double within five years. If that happens as expected, this market opportunity will surmount $20 billion by 2015.

What’s more, forecasts point to a 13 percent compound annual growth rate in revenues and a 19.6 percent CAGR in lines between 2010 and 2015. This is despite growing competition from low-cost providers and market price pressures.

Meanwhile, Infonetics Research reports that service provider revenue from residential/SOHO and business VoIP services increased 20 percent between 2008 and 2009, to $41.6 billion, IP connectivity services are the fastest growing segment of the business VoIP services market, followed by hosted VoIP and unified communication services and managed IP PBX services, according to the research house.

“The trend of companies outsourcing their communications infrastructure has taken off in earnest, as enterprise decision-makers look for cost savings without having to compromise on features and functionality,” says ABI Research senior analyst Subha Rama.

The move by businesses to replace legacy phone systems is driving much of the growth in hosted VoIP. And it’s not just small and medium businesses that are embracing hosted VoIP. Organizations adopting this outsourced model run the gamut from very small businesses to very large, multi-location organizations.

“Even large businesses that traditionally shied away from hosted services for mission-critical communications are deploying hybrid models, [and] experimenting with hosted services in smaller doses,” says Rama of ABI Research.

Indeed, because large companies also tend to be widely distributed – with several branch offices and sometimes telecommuters – hosted VoIP makes perfect sense. That’s because it can enable all those locations to be served from the cloud easily, affordably and consistently.

To elaborate on that last point, hosted VoIP solutions can enable employees to work remotely and still have the same calling functionality (including the ability to transfer calls between extensions, for example) and business caller ID appearances as they would were they all in the same physical location.

“Hosted IP telephony platforms have come a long way over the past 10 years and can provide flexibility, risk avoidance and economic scalability for enterprises looking to implement advanced IP communications capabilities,” says Elka Popova of Frost & Sullivan. “According to our research, hosted IP telecommunications deployments have been embraced most by enterprises with a variety of geographically-dispersed locations such as government, education and retail organizations.”
Unified Communications as a Service

Whether replacing an aging communications system or purchasing a new one, businesses need and want a communications system that does everything their current PBX does, while also delivering the cost savings, productivity improvement and future applications support of voice over IP. However, the complexity and costs required to build and maintain a VoIP communications system, particularly one that supports SIP trunking, are leading an increasing number of organizations to completely outsource their communications services to technology service providers such as Cypress Communications and Internet telephony service providers such as Broadvox.

The outsourced solutions that technology service providers and Internet telephony service providers offer range from basic, shrink-wrapped hosted VoIP solutions to full unified communications-as-a-service solutions. UCaaS solutions extend hosted VoIP by including unified communications functionality such as Outlook integration, collaboration, instant messaging, videoconferencing, HD voice, softphones and real-time presence. As an outsourced solution, UCaaS requires little oversight from an IT management team and therefore enables reallocation of IT budget and personnel resources to create the greatest business growth and value. With a UCaaS solution, an SMB or enterprise can leverage world class, state of the art communication services without the complex implementation effort required to build a premises-based solution.

In contracting for a UCaaS solution, users lease the communications services and some or all of the equipment, avoiding paying upfront capital expenses. While frequent acquisitions of upgrades and replacements may be acceptable for lower cost items like laptops, cell phones or even SIP phones, this approach is not practical for the capital intensive technology of VoIP/IP PBX infrastructures. The concern over such a large expenditure can make many SMBs and enterprises cautious about making communications capital investments. However, UCaaS customized solutions allow businesses to shift the technology risk to the technology service provider (whose business model spreads the risk across its customer base and time) while still being able to enjoy the productivity and efficiency benefits of unified communications.

Hosted VoIP services remove the need for equipment from the business site and the day-to-day management responsibilities, which are handled by the vendor (in some cases MAC activity is shared between the client and the technology service provider). UCaaS, similar in concept to software as a service, or SaaS, represents the virtualization of the IP PBX. As the newest and most innovative of the hosted applications solutions, UCaaS includes a full complement of unified communications functionality. In the UCaaS paradigm, the PBX is cloud based and delivers the same level of availability and quality expected from Internet telephony service providers, like 24x7x365 network monitoring, clear sound and exceptional service and support. Like other hosted service models, businesses outsource the equipment to the cloud, paying for usage instead of ownership.

In the new pricing paradigm proposed by Broadvox, technology service providers will separate the communications usage from the number of seat licenses required to support the business. This split can result in additional cost savings of nearly 60 percent over previous hosted PBX pricing models. However, the average business should see a more modest improvement of 30 percent. These savings are a result of the separation of the price per extension license fee from local and long-distance calling charges, as businesses with a high number of extensions but low usage will pay less than businesses with the same number of extensions but with higher usage. This minimizes the cost of seldom-used phones in conference rooms, kitchens, warehouses or reception areas.

Bundled services typically includes LAN and WAN, security, routers, integrated access (voice and data), local and long-distance voice services, voicemail, VoIP technology infrastructure and advanced PBX functionality (the handset is optional). In the UCaaS paradigm, a single vendor is contracted for the entire spectrum of communication needs of the business, including video calling, web collaboration, chat, real-time presence and unified messaging.

While technology innovation brings many positives to the table, rapid technology advances bring about product obsolescence in a very short amount of time. With the advent of mobile computing, smartphones, video and many more new technologies, products today typically have much shorter life cycles – as short as two years. However, UCaaS absorbs this risk by continuously upgrading the equipment and software, keeping businesses current with the latest in VoIP and unified communications functionality.

UCaaS as offered by Broadvox and Cypress is the future for virtual or hosted VoIP solutions.

David Byrd is executive vice president of sales and marketing at Broadvox. Frank Grillo is executive vice president of implementation, support and product marketing at Cypress Communications.
GO!VBX Sets New Pricing Model for Hosted PBX Services and Now includes Unified Communications

If you’re looking for a hosted PBX service provider that will outfit your business with a full array of features and functionality at an affordable price, be sure to consider Broadvox and Cypress Communications. GO!VBX establishes a new business model in pricing for hosted PBX service.

The average cost per extension typically is about 60 percent less than what competitors charge for comparable services. Broadvox is able to deliver such low pricing by separating the price of the per extension license fee from local and long-distance calling charges.

That means organizations with a high number of extensions but low usage pay less than those with the same number of extensions but with higher usage. And with GO!VBX, customers aren’t required to pay for usage from seldom-used phones in areas like conference rooms, kitchens, warehouses or reception areas.

“The majority of providers out there, the way they’re pricing their product it’s per seat with the included voice calling, regardless of how many calls your entire domain can make at any given time,” Broadvox and Cypress CEO, president and founder Andre Temnorod says. “We separate voice and hosted PBX; we take the voice out of each seat.”

That gives customers the flexibility to vary how many calls they can make in and out of the PBX.

“If you take as an example a current PBX deployment, you pay for the PBX, for the phones, and then you also pay for a certain number of PSTN trunks,” Temnorod explains. “We try to emulate the same model, so this way when customers are making the decision to move from a traditional PSTN PRI/PBX model into the hosted model they can still calculate their savings – how much they’re going to save on a monthly basis for moving their on-premises-based PBX to a hosted platform, and how much they’re going to save by moving their PRIs into the SIP trunks.”

GO!VBX delivers business IP PBX features with IP phones as the only purchase requirement. The service scales from five to 1,000 extensions and is suitable for both small and medium businesses, and enterprises. It can be used to deliver PBX services to the entire organization, regional offices, branch locations and to telecommuting workers. Whatever the customer size or implementation, however, GO!VBX delivers a full-featured Unified Communications solution including Outlook integration, collaboration, instant messaging, fixed-to-mobile convergence, videoconferencing, soft phones and real-time presence.

GO!VBX can be ordered with any of the GO!SIP Products; GO!Local for unlimited local calling; GO!Anywhere for unlimited local and long-distance calling in the U.S. and Canada; GO!Domestic for bundled minutes of long-distance and toll-free calling; and GO!Broadband for DSL, T1, Ethernet or DS3 connectivity.

Gartner recently named Cypress Communications as among the select companies in the Visionaries quadrant of the Gartner Magic Quadrant for Unified Communications as a Service, North America report. Daniel O’Connell and Bern Elliot of Gartner wrote that vendors in the Visionaries quadrant “demonstrate a clear understanding of the UCaaS market and offer a strong and differentiating approach to one or more core areas.”

Brent Kelly, senior analyst and partner at Wainhouse Research, meanwhile, comments that: “The merger between Broadvox and Cypress combines complementary product portfolios well-suited to compete in today’s emerging unified communications marketplace.” He adds that the combined company offers “a broader range of services that spans carriers, premises-based tools, and hosted UC for SMB and enterprise customers.”

In addition to a comprehensive set of PBX features, businesses that subscribe to GO!VBX get access to a user-friendly administrative portal. Tenant managers can use this to set user permissions for each user and administrator, and can do things via the portal like set music on hold. The administrator level within the portal allows for the assignment of permissions for each end user of each tenant.

That enables businesses to more easily control their services and MACs as needed. But Broadvox and Cypress are always close at hand for their customers, from the initial service turn up to throughout the life of the organization’s contract.

“When a customer is going through a turn-up process, in a few cases with VoIP things don’t work from the get-go,” Temnorod says. “It requires engineers to get involved and do things like packet captures, trying to figure out a customer set up, how the customer is sending us packets, what type of information they have inside of those packets.

“But our engineers have been at this for many years, and they’re capable of helping customers with difficult problems,” he continues. “I’ve seen other providers simply give up. We do not give up on our customers.”
EVOLVE

with Unified Communications solutions from Broadvox

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Build monthly recurring revenue, join our award-winning program!
Businesses everywhere are working to achieve ever-higher levels of operational efficiency while at the same time keeping capital expenses at a minimum. While many of those organizations understand the productivity and cost benefits that a move to IP and unified communications could deliver, concerns about upfront costs and how such a change could impact opex can be significant roadblocks to moving ahead on such initiatives.

However, there is a solution that can enable your organization to overcome these barriers and advance on the communications front. It’s called XO Enterprise Cloud Communications.

This new offer from XO Communications allows businesses of all sizes to enjoy a wide range of IP telephony features, including local and long-distance calling, enterprise-wide HD voice and video services, and more – and without the burden of buying and managing new phones, hardware or software. Instead, all required infrastructure is provided as part of the cloud-based service.

The network infrastructure that delivers all this IP communications capability is housed, managed and maintained by XO Communications. That means your business doesn’t have to deal with the headaches and human resources costs of managing all of this internally.

What’s more, businesses like yours needn’t be concerned about service costs. XO Enterprise Cloud Communications is sold based on a specified per-user pricing model.

“Our innovative, cloud-based enterprise IP communications platform will help businesses contain and reduce capital expenditures at a time when budgets are tight, while giving them the ability to introduce new productivity-enhancing communications capabilities that future-proof their networks and corresponding investments,” says Mike Toplisek, chief marketing officer for XO Business Services at XO Communications.

XO Enterprise Cloud Communications includes IP telephony and unified communications applications; free local and site-to-site calling within the enterprise; long-distance calling plans; enterprise-wide HD voice and HD video; MPLS IP-VPN network services; and business continuity capabilities. All of the above have attached to them robust service level agreements.

Also as part of the offering, businesses can select from IP phone sets from Cisco and Polycom. XO Enterprise Cloud Communications also includes access to a web portal to enable business customers to manage services for each of their locations and to do their own quality of service monitoring, if they so choose.

And it’s a tested and proven offer that addresses the needs of organizations of various sizes. “XO Enterprise Cloud Communications represents the next evolution of our award-winning IP communications portfolio, which today supports 30,000 business customers and more than one million end users,” says Toplisek. “This solution is ideal for mid-market businesses and larger enterprises with distributed operations by helping them solve important business issues of controlling costs, improving employee productivity and increasing their competitiveness in the market.”

Toplisek adds that businesses with multiple locations of varying sizes typically have a wide range of different telephony infrastructures that not only inhibit efficient and seamless communications but also the integration of telephony infrastructures with applications that enable unified communications. By delivering a single, cloud-based IP/UC communications solution across the enterprise, XO Enterprise Cloud Communications lowers organizations’ overhead costs while clearing the barriers that once stood in the way of truly seamless, whole-enterprise unified communications.
Elevate Your Business with XO® Enterprise Cloud Communications

Simplify Your Communications with an End-to-End Cloud-Based Solution

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- Full IP-PBX features and functionality
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To find out more about XO Enterprise Cloud Communications & download our eBook: “10 WAYS CLOUD COMMUNICATIONS CAN BENEFIT YOUR BUSINESS”
Infonetics recently released a study showing that the enterprise telephony market had its third straight quarter of growth, although decreased spending by small and large business in North America led to a 5 percent decline here in fourth quarter. Nonetheless, the PBX and UC market saw annual growth in 2010, totaling $8.3 billion (up from $7.7 billion in 2009). And growth among small businesses and large enterprises in Central and Latin America drove a 20 percent increase in PBX spending in that region in the fourth quarter of last year.

“The enterprise telephony and unified communications market is experiencing a slow and steady recovery, ending the 2010 year up 7.4 percent,” says Diane Myers, directing analyst at Infonetics Research. “Leading the recovery is the move from TDM to IP across all regions, particularly North America.”

Unified Communications magazine recently spoke with Myers to get more details.

For what quarter did the enterprise telephony market have its third straight quarter of growth?

Myers: This is sequential quarterly growth for the second quarter of 2010, the third quarter of 2010, and the fourth quarter of 2010. Each of these quarters had quarter-over-quarter growth.

What was driving this growth?

Myers: In 2009 the worldwide enterprise telephony market declined 22 percent due to economic conditions and enterprises putting IT upgrades, including telephony, on hold. The growth we saw in 2010 was largely due to enterprises starting to spend again, particularly in North America, [which] is leading the way with upgrades to IP.
What does this level of growth indicate for the industry now and for the future?
Myers: We expect similar levels of growth for the next several years, driven by the migration to IP and also enhanced applications associated with UC.

According to the study, Avaya has edged ahead of Cisco. That’s related to what specific products?
Myers: It has become a very tight race between Cisco and Avaya throughout 2010 with hundreds of a percentage point separating them in any given quarter. In the fourth quarter of 2010, Avaya saw strong adoption of its IP products, including endpoints and appliances, which drove overall revenue upward. For calendar year 2010, Avaya was up only 0.2 percentage points ahead of Cisco – it is that close.

What's the market share of each for this category at this point?
Myers: We don’t publish the shares, but it is less than 25 percent each.

To what do you attribute Avaya’s success in moving ahead of Cisco?
Myers: The two have been close in market share over the past three years, but Avaya’s purchase of the Nortel enterprise assets pushed them into a much tighter battle in terms of market share in 2010.

Most people in the communications space are talking about the growth and promise of video. Yet several companies have told me that when they introduced video phones or services, the U.S. business market wasn’t interested. What’s the reality of demand for business video solutions?
Myers: We’re just starting to formally cover video solutions as part of a new service from one of my colleagues. Anecdotally, my sense of the reality is that many businesses attribute video with expensive, proprietary systems. As we see the proliferation of video on a broader set of devices (i.e., videophones, laptops, tablets, mobile phones, etc.) and services that allow for video federation across platforms, enterprises are likely to take a much harder look.

One of the big trends we’re seeing in enterprise telephony is the rise of the bring-your-own device phenomenon, specifically related to mobile devices like smartphones and tablets. How is that impacting enterprise telephony trends and market share?
Myers: We haven’t seen the impact of this on current market shares/positions. However, vendors will absolutely position themselves, and some already are, with applications that enable anywhere communications off the corporate system. Providing enterprises with client applications that can sit on smartphones and tablets is happening today, and we’ll see a continued increase of this as businesses look for flexibility and mobility for their users.

Business users have become accustomed to a high level of functionality and applications available via Android devices, the iPhone and the iPad, and the like. How, if at all, are traditional enterprise VoIP/UC equipment and services providers adapting their solutions to be more feature rich, and even potentially to include or tie into the above-mentioned operating systems and products?
Myers: We’re seeing a number of the leading PBX vendors providing feature-rich clients for mobile devices such as the ones listed above that offer enterprises a feature rich environment on the mobile handset. I had a chance to demo such clients from NEC at Enterprise Connect.

Any recent acquisitions on the enterprise VoIP/UC front that are noteworthy? If so, which ones and why?
Myers: ShoreTel’s acquisition of Agito for mobility. What I find interesting on this front is that ShoreTel is out selling the products to enterprises regardless if they use the ShoreTel PBXs or not. [That’s an] interesting strategy to get into accounts that are Cisco or Avaya, for example. Where we see more acquisitions these days is with service providers (hosted PBX/UC providers). There was a whole slew of them in the second half of 2010 – the last one being Broadvox and Cypress Communications.

A while back Microsoft announced a solution that some said could mean the death of the PBX. What kind of uptake has that seen?
Myers: Those claims were made regarding OCS and now Lync. With Lync, Microsoft has a telephony solution, not just UC applications such as IM and presence or collaboration. Microsoft came to see the light that companies will not do away with traditional phones any time soon. To this end they’ve worked with third-party handset manufacturers such as Polycom to address this requirement. What we expect is that even with Lync, Microsoft will find initial successes around the UC applications such as I mentioned above and will work to win the telephony pieces, understanding that if an enterprise has made an investment in an IP PBX in the last few years they aren’t going to rip and replace. UC
In an effort to recognize some of the key movers-and-shakers in the UC space, Unified Communications magazine once again this year is highlighting a selection of the companies, products and services that a panel of TMC judges considers the leaders in this space. Congratulations to the following award recipients.

4PSA
VoipNow Professional ver. 2.5.1

8x8 Inc.
8x8 Virtual Office Pro

Actiance Inc. (formerly FaceTime Communications)
Vantage from Actiance (formerly FaceTime Communications)

Actiontec Electronics
V2000H

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ADTRAN
ADTRAN NetVanta Unified Communications Appointment Reminder

Alteva
Alteva Unified Communications

AppNeta (Formerly Apparent Networks)
PathView Cloud

Aptela
Aptela Business VoIP

AT&T
AT&T Telepresence Solution

AtHoc Inc.
AtHoc IWSAlerts

AudioCodes
AudioCodes Survivable Branch Appliance Media Gateways

Avaya Inc.
The Avaya Flare Experience on the Avaya Desktop Video Device

Benbria Corp.
BlazeCast

Broadview Networks
High Bandwidth DIA

Brocade Communications Systems Inc.
Brocade ServerIron ADX 1008-1

Digium Inc.
Switchvox

Eaton Corp.
5130 UPS with Intelligent Power Manager

ESCAUX
ESCAUX Fixed Mobile Unification

Ensnatech
Office-Linx version 8.0

Evolve IP
The Evolved Call Center

Fonality
Fonality Heads Up Display Mobile

GENBAND
A2 Mobile Office

iControl Networks
iControl OpenHome Software Platform

Jabra
Jabra SPEAK 410

Logitech Inc.
Logitech B910 HD Webcam

Mitel
Mitel Mobility for BlackBerry MVS 5

Movius
Side-Line Service

Mutualink Inc.
Mutualink

NEC Corporation of America
InUCB

NetScout Systems Inc.
rGenius Service Assurance Solution

NEXTIVA
Nextiva Office

Partnerpedia
Partnerpedia Community Marketplace

Plantronics Inc.
Voyager PRO UC

Presence Technology
Presence OpenGate

Quest Software
Quest MessageStats

Radware
Alteon 5412

Rhub Communications Inc.
TurboMeeting 550 Real-Time Collaboration Hub

Siemens Enterprise Communications Inc.
OpenScape Office MX
OpenScape UC Server 2010
OpenScape UC Suite 2011

Spirit DSP
TeamSpirit Conferencing

Synnex CloudSolv Unified Communications
CloudSolv Unified Communications

Telx
Telx Ethernet Exchange

Thinking Phone Networks
ThinkingSuite

Thrupoint Inc.
Fixed Mobile Convergence by Thrupoint

Toshiba America Information Systems, Telecom Sys Division
Toshiba Strata Call Manager

Vbrick Systems Inc.
OCS/Sync Streaming Gateway

Vertical Communications
Wave 2.0 Software Release

Virtual PBX
Virtual PBX Open VoIP Peering

Voice Carrier
Voice Carrier Office

Zultys Inc.
Zultys Unified Communications Solution

The PBX and UC market saw annual growth in 2010, totaling $8.3 billion last year, according to Infonetics Research. As the firm reports, that’s up from $7.7 billion in 2009. (For more on UC performance, forecasts and trends, see our Q&A with Diane Myers starting on page 42 of this issue.)

TMC Congratulates Unified Communications Magazine’s Product of the Year Award Winners
High Definition video conferencing on Low Bandwidth

Vu TelePresence allows your business to gain the convenience and efficiency of conducting remote meetings, reviews, and interviews from the office or boardroom – with the realism of higher-end video conferencing systems that cost 3 to 5 times the price. About as easy to use as instant messaging, Vu operates across low bandwidth environments. It’s available for multiple room size options, while maintaining HD quality images and sound.

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– Vu CEO Devita Saraf

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“Interactive Intelligence provides a hosted CaaS solution that offers us an increased security level by keeping voice traffic and call recordings within the confines of our network. Their cloud-based offering supports our contact centers with an expandable multichannel platform that reduces call processing time and improves agent effectiveness.”

—Thatcher Young, Call Centers Director
New Era Tickets

New Era Tickets gained the functionality of a sixth-generation contact center offering the economics and flexibility of a cloud-based solution when they deployed Communications-as-a-Service from Interactive Intelligence. This market-leading, cloud-based contact center features multichannel queuing, predictive dialing, enterprise-wide presence, workforce management and end-to-end reporting.

Join more than 4,000 Interactive Intelligence customers who have found efficiency in the cloud. Interactive Intelligence CaaS customers benefit from little or no capital expense, faster access to new features, reduced IT staff requirements and improved business continuity.

Visit www.TheIntelligent.com to learn how community members like New Era Tickets have improved their communications and operations with a move to the cloud.