

VoIP – Arriving in Bits

New applications are emerging for VOIP and 2003 promises to be a defining year – but will it increase opportunities for resellers. Comms Business talks to some of the key players expected to grab market share this year.

2003 will be an exciting time for the channel, with new technologies bringing ever more opportunities for resellers to move away from the 'box-shifting' model towards the more lucrative 'consultative' role. Resellers that have invested in training will see tremendous benefit as businesses look to enhance productivity and communication and look to the channel for advice over which solutions to choose.

Just over a year ago, Iain Stevenson, research director for Ovum analyst group, said that voice over internet protocol (VoIP) was 'ready'. Even so, he drew attention to the many obstacles to VoIP, and paid particular attention to the need for vendors to actively dispel the myths surrounding IP. In his report Stevenson urges carriers and network vendors to go out and tell people about the business benefits of IP telephony or risk another year of disillusionment.

Stevenson said that beyond educating the market, other obstructions blocked VoIP uptake potential. 'The price of IP phones, although coming down gradually, is still extraordinarily expensive. For smaller companies, suitable solutions are not available,' he said.

Beyond education, many analysts have pinpointed the availability of bandwidth, security and the price of IP phones, despite gradual reductions, as barriers to uptake. It is also evident that the general consensus among analysts is that for SMEs such barriers significantly inhibit adoption.

But the communications market has recognised these issues and invested resources to further research and overcome these



SpliceCom PCS400 – IP Applications on your desktop

challenges. The outcomes of these initiatives have helped to move business further down the convergence track.

But whichever analyst report you read, there is certainly money to be made in this market. Frost & Sullivan, for example, estimate that worldwide sales of VoIP gateways will reach £2 billion by 2006.

And in line with their predictions, Chris Harris of Inter-Tel Europe commented that '2002 saw a great improvement in the awareness of the potential of VoIP, despite the tough market conditions. In that time we have seen a significant uptake of our IP technology both from multi-site networking and end-point IP enablement.



Chris Harris, Managing Director of Inter-Tel Europe

However, we are certain there is still far more market potential. The industry must still do more to promote converged data and voice technology and, more importantly, the benefits, to capitalise on this. Otherwise we all risk missing golden opportunities in the coming year.

As vendors, we believe that IP technology is destined to be the transmission medium of choice. And even though awareness will improve through marketing initiatives, the industry must take responsibility for supporting each IP implementation.

Organisations have few examples to learn from – it is up to us to transfer our expertise, know-how and methods of best practice to help organisations realise the compelling business cases. Improvements to business processes will never be reached if we do not provide adequate guidance. In particular the SME's who have much to gain, could remain excluded. It is up to us to ensure the relevant frameworks are in place to help implement the IP technologies smoothly to reach return on investment goals quickly.'

Peter Cameron, UK Channel Development Director of VOIP applications vendor QuesCom says that 'The telephony industry has struggled historically as computers already integrate Voice and PC applications, recognising that people use phones because this is a traditional communication method with which they are already familiar.

With today's open standards of IP, the associated products are almost by default interoperable, but there is a drawback. We need specialists to make the network run continuously, in contrast to the static PBX that is rarely modified after its installation whilst still providing an acceptable level of functionality and reliability.

We won't see an influx of new services in the coming year. The key will be integration. With easy connectivity for the corporate user, PBXs will be able to run integrated applications for all system users (ISDN or IP PBX). Voicemail will be able to link directly with email and in turn with VoIP applications including in some cases, a one-number system where the PBX uses the existing numbering scheme to make the best routing decisions for calls. Integrated services also include Personal Call Managers to manage your telephone from your PC. These applications will integrate more simply, will work with better functionality and will be easier to maintain and use.

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The systems that will dominate the market in the coming year will be those that integrate best with other systems through the IP telephony network and into existing PBXs. This will progressively lead to intersite communications with VoIP and a general move towards using more VoIP and IP Telephony in various guises. The technology attached to the applications is not important though, because users are typically less interested in which protocol they are using, and more interested in the reliability and ease of use of the communications infrastructure that their businesses rely on.'

NETWORK OPERATORS:

Comms Business asked Trevor Richer, Director, IP Convergence, Cable and Wireless, their views on some of the network issues that growth in VOIP posed

'As data on the network fast becomes as business critical as voice, it is increasingly clear that the future lies in the convergence of voice and data networks, and this is helping to boost migration to Voice over Internet Protocol (VoIP). Though the worsening economic climate has taken its toll on VoIP uptake in Europe, in 2003 we can expect to see a steady migration to internet-based technologies at a pace dictated by a whole range of factors including an organisation's business and IT strategies, culture and the external market conditions.

In these turbulent market conditions, any commitment to capital investment is seen as risky and managers may wish to delay major decisions. In practice, organisations can be reluctant to change what already works. But network developments are already being driven by need, as the existing infrastructure becomes inadequate to support new applications, additional users or corporate expansion. Managed solutions from providers such as Cable & Wireless offer low-risk migration paths, with predictable pricing models, rental options to reduce capital investment and built-in upgrades to allow businesses to keep up with new developments.

Cable & Wireless is currently implementing a global MPLS-based IP network that can deliver VoIP with the very highest Quality of Service metrics to ensure carrier quality voice. Cable & Wireless has also developed IP telephony solutions that provide a complete end to end managed service along with this network. This

type of solution can mitigate customers' concerns about potentially critical voice or video quality and also enables them to be prepared for the multimedia and multi-service applications of the future; something which today's telephone system simply cannot compete with.

One trend we are seeing is that when an enterprise has a compelling event such as an ACD platform becoming obsolete, a need to consolidate on a smaller number of contact centres, or a need to move contact centres offshore (e.g. India), VoIP is becoming the platform of choice in their consideration. We expect this to continue next year and to be reflected, for example, in a growing number of IP Call Centre implementations within our customer interaction management area.

IP gives companies the scope to improve their business practices, and offers the possibility of competitive advantage in their marketplaces. With new entrants into the marketplace starting afresh with IP-ready systems, the key for existing companies is to maximise the potential of their current technology and plan for the future converged world, into and beyond 2003.'

FULL STEAM AHEAD:

We have seen VoIP enter the mainstream in 2002, overcoming the quality of service issues traditionally associated with the technology to be invested in by large and small enterprises alike. The key to success has been the flexibility the technology has given customers: rather than being forced to 'rip it out and



Nigel Jones of Alcatel

C VoIP

replace', companies have been able to adopt a steady, migratory path to IP, implementing it when and where it makes sense e.g. in branch offices.' So says Nigel Jones, business development manager at Alcatel.

'IP is presenting an increasingly compelling business case, and is set for wider deployment in 2003, with a further move towards the multi-application, multi-device environment end users are demanding. While investment may continue to be cautious, emerging technologies like SIP are giving resellers even more opportunities to promote IP to the customer base along with sophisticated value-add solutions such as multimedia conferencing. Enterprises are looking for ways to improve communication with mobile workers and SIP will enable IP to meet their requirements, delivering applications to a variety of end user devices such as PDAs, 3G mobile phones and softphones

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Martin Wicks, systems and applications director for Avaya in the UK and Ireland

Martin Wicks, director of converged systems and applications at Avaya believes there will be real growth in the VoIP market in 2003. 'It will be the year of IP telephony. Customers are now planning and putting aside budget for IP and

now understand the benefits that VoIP can provide. Avaya has developed ROI tools to be used by all our business partners to show the cost benefits of VoIP to our clients.

In terms of technology, we have a relatively small and growing client base for our media server based on the multivantage, this is bringing VoIP and applications including CRM and unified messaging to a wider market. Our product releases over the next year will be SIP based. Customers and business partners need to be looking at how technology can provide them with financial benefits in the current difficult economic environment.'

Siemens analysis of the convergence market is that IP Telephony penetration will continue to grow in 2003 as vendors provide more applications which add value to customers' business and carriers start to offer broadband services which support quality of service for voice.

David Dyer, Channel Marketing Manager at Siemens explains, 'Until now, the convergence offerings of leading vendors have really only sought to replicate services which were already available using existing voice technologies, but in most scenarios, traditional technologies did it better. They were more reliable, more feature rich, more cost effective and more readily understood by customers and the channel alike. There were key areas, however, where IP Telephony could add value, such as the creation of IP Virtual Private Networks. Suddenly IP VPNs could be created using spare capacity on existing data links, or could be set up on the fly using dial up over ISDN. In either case the cost justification for the customer was strong, with fast ROI.

Siemens focus in 2003 will be to develop further IP Telephony applications which add value to a wider range of customers. As recently previewed in Comms Business Magazine, Siemens partnership with Microsoft will yield benefit in the form of a series of user applications which will bring together multiple media at the desktop to aid work groups and increase productivity. Users will be able to see which of their colleagues are available at any given time, and determine what method of communication they can use. Are they available by phone, do they only have access to email, or is text messaging the best way to communicate? When the best method of communication is established users will then be able to create multiple-media conferences,

which will help to get tasks completed more quickly and more accurately.

The availability of these applications and the channel introduction of Multi-Media Contact Center offerings such as HiPath ProCenter and Xpressions 450, Siemens Unified Messaging platform, will take convergence onto a different level in 2003 and position Siemens as the vendor who has moved the game on from just using IP to provide dial tone. After all Alexander Graham Bell wouldn't be that impressed if that was all we had been able to achieve in the last 100 years of communication technology advancement.

NEW FOR 2003

'When we started SpliceCom, we had the luxury of a blank sheet of paper on which we could start the design of our business telephone system. We had no legacy products to cloud our judgement or distract us from our number one design criteria – what do the board members of professional, mid-sized companies up and down the country really want from their telephone system?' says Sean Harding, SpliceCom's founder, MD & CEO.



Sean Harding, Managing Director of SpliceCom

SpliceCom's products differentiate themselves in two key areas – system architecture and desktop. The telephone system itself – maximiser – is a true IP-PBX consisting of just four different modules, from which systems of 8 to 5,000 extensions can be constructed. Be it deployed in one site, or spread across 100 different locations, maximiser operates, appears and is managed as a single system,

offering true geographical independence for employees and management alike.

'The key thing we found is that the forward thinking businesses are looking beyond short-term cost cutting and want to build an organisation that is able to compete more effectively as soon as the first shoots of economic recovery appear,' continued Harding. 'To do this effectively they've identified that they can utilise up to date information, which enables them to progressively remove delays to the management and execution of their critical business processes. In IT terms this means that they have to develop an architecture for a fast and flexible response to business changes, which was the design premise behind maximiser.'

But infrastructure and architecture is only one part of the overall solution, delivery of the right information to the right people at the right time is also critical for success. 'These companies are simplifying and selecting the business processes which are critical to them and then directly mapping them to software applications,' states Harding. 'Typically in today's environment that means web-enabled applications, with the information being 'pushed' to the relevant desktop as it's required.'

Enter SpliceCom's range of Proactive Communications Stations (PCS). The top of the range PCS 400 is an IP hardphone, but where business phones have traditionally provided numeric buttons and context sensitive keys (in ever increasing numbers) around a small display, the PCS 400 has no keys or buttons at all. Instead it provides a colour, VGA, context sensitive, touch screen. This screen not only changes to provide traditional telephony functions such as dialling, messages, directory access, busy lamp field/direct station select, etc. but can also directly display any web enabled or intranet based applications.

As Harding explains, "Web enabled information can be 'pushed' to the PCS 400 screen in a manner of ways. For example, customer records from a database application can be linked to the corresponding CLI for incoming and outgoing calls, information relating to the end of day sales figures can be "pushed" to the sales managers as a timed, time of day/day of week event, the Marketing department could ensure that the latest company press release would appear on every employees desktop with a single key stroke, even external intruder or

fire alarms can cause web pages to be triggered."

'Can you see things slowing down and life getting easier for businesses? I certainly can't,' says Harding. 'Time is money and it is now more important than ever to have the information you need delivered to the person who needs it in time to make the right decision.'



Tim Wells of Ascom

Tim Wells, marketing manager at Ascom says he will be launching the new Ascotel IntelliGate in early 2003 to further enhance Ascom's strength in the sub-200 extension marketplace and extend dealer / reseller business opportunities even further. Wells says that 'IntelliGate will blend the luxury of both sets of technology, offering a full IP solution extending IP functionality for site to site, remote IP applications and LAN / WAN connectivity with a proven full PBX feature set including DECT, Unified messaging, CTI and voice processing systems.'

AT THE COAL FACE:

And finally, a word from the sharp end of the market. Comms Business spoke to Steven Sharpe, applications consultant at reseller Genesis Telecommunications.

'In terms of what we can expect from vendors this year, I think that it will largely be a year of consolidating on where we are currently. At the same time, organisations will leverage the most they can from existing technologies and explore ways to consolidate their services to reduce costs – i.e. involve voice, video and data over a common medium in order to increase efficiency and reduce both recurring and future costs.

There is so much talk about VoIP that it's easy to be seduced into believing that it's an established technology that people are already bored with and so are looking for new and enhanced applications. That's not reality. While we are definitely coming out of the 'early adopter' phase, when it comes to the market many businesses are just looking to test the most basic functionality the technology currently offers in order to reassure themselves of its reliability and cost effectiveness and to check-out the claims of easier management and deployment. For most organisations, once they've had a chance to thoroughly test the technology within their own infrastructures then I'm sure there will be a greater roll-out of IP applications across the organisation as the technology will undoubtedly deliver. Technologies associated with integrating and placing applications such voice on a data network exist, are tested and they do work but, the 'convergence' we hear so much about is not just a case of bolting a voice system onto a data network – it's far more complex than that. Think of it as voice as an application on a data network. But with there being a general downturn in spending, there is the possibility of companies not wishing to abandon perfectly functioning voice networks unless they can see a real ROI to be gained by migrating to IP. However, the bottom line is that I do think we're going to see a lot more applications sharing IP as the commonality.

For the vendors, I believe that they will continue to explore what SIP will be able to deliver. But for most buyers, who are just getting to grips with VoIP, adding SIP into the equation will only confuse the issue.'

Watch this space then.