

## **THE BUSINESS BENEFITS OF VOIP**

Voice-over-Internet Protocol, or VoIP service, has been talked about for a number of years but is now being adopted by businesses in the mainstream in order to save money as well as deploy powerful new capabilities for end-users. Recent product launches by Baby Bells and long-distance carriers, as well as an onslaught of “network convergent” companies offering both voice and data services, are successfully penetrating a range of industry sectors. The Wall Street Journal published an article on the front page of their October 9 issue, entitled “Battered Telecoms Face New Challenge: Internet Calling”. And, just a few weeks ago, Saturday Night Live featured a comedy sketch that took aim at the convergence of telecom technologies – in the guise of a TV commercial, the SNL players mocked telecom ads that portend to simplify communications – while using made-up, highly technical terminology.

By now, it is likely you have heard the terms “VoIP” and “convergence” – possibly in the same sentence – in some high tech article or in a speech. But, why should this matter to your company? Well, it comes down to economics. By combining voice calls over the same infrastructure that delivers Internet connectivity, businesses can save money. Most businesses have high-speed Internet connections, and most businesses also have separate phone lines. But, consolidating all this over one access pipe permits substantial cost savings for small and medium-size businesses – 20% or more per month!

To achieve convergence, companies can purchase an on-premise Internet protocol enabled phone system (IP PBX). Or they can lease a hosted Internet protocol Centrex service (similar to traditional Centrex, but IP enabled) through which telecom equipment is housed by the supplier and features are delivered remotely. Hosted telecom services are gaining in popularity, because they require less capital and expense commitment, can be implemented quickly, require less in-house technical expertise, and are also very scalable with your business.

But, beyond cost savings, VoIP technology makes the most eye-catching features viable for both small and large businesses – transforming telecommunications in much the way Windows now supercedes DOS on your PC. For example, imagine arriving at the office and turning on your computer in order to read your emails – and listen to your telephone voice messages! With VoIP, you simply click on voice messages that have been delivered to your computer. You will listen to them (in the form of .wav files), forward, delete and respond to them, all with simple mouse-clicks. Furthermore, you’ll toss out your old phone system “cheat sheet” – you know the one with all the asterisk-number combinations for saving, forwarding, replaying or deleting voice messages, and for



invoking call transfer, 3-way calling, and so on – and you’ll just use point-and-click commands from an intuitive web interface on your computer.

You will also enable your business phone system to screen calls according to your personal priorities. And, calls will follow you where ever you choose – to your cell phone, to your home phone, to your home-office phone – again controlled by you through easy point-and-click commands. How about having your prospects and customers in Los Angeles call a local L.A. phone number that rings at your call center in Denver? These are just examples of what you can achieve with VoIP!

Many people still think there are quality concerns with VoIP technology. In reality, however, the technology has evolved dramatically in the last few years. Early VoIP applications were focused on large volumes of international long-distance minutes. Since these international routes delivered immense savings, they became very popular. With increased volumes, the international telecom marketplace gained first-hand experience engineering and designing VoIP networks to maximize call quality. Vendors also were able to test systems and evolve a more mature technology. Currently, standards bodies such as the International Telecommunications Union and the Internet Engineering Task Force are working together to define common equipment standards that will ensure interoperability.

There are, of course, issues and standards still to be ironed out in the new VoIP world. For instance, “E911”. Given the ability to have your phone number mapped to an Internet address, if you were to call 911 while out of town on business, the emergency response system would not know where you are physically located. This problem is not new, and remains an active issue in the wireless industry. Several solutions are currently being tested and analysts believe that a resolution is not far off.

There is also an important regulatory issue to be resolved. Since VoIP calls are delivered over the Internet instead of through the public switched telephone network, they are unregulated. A recent instance involving Vonage and the Minnesota Public Utilities Commission (PUC) makes the point. Vonage offers a residential VoIP solution that has experienced sustained growth and, as a result, they have captured the attention of regulatory agencies. In an attempt to collect taxes and surcharges, the Minnesota PUC claimed that Vonage should be regulated in the same manner as any telecom company. This decision was overturned on the basis that Vonage provides information service, not telecom service. But, regardless of future rulings, experts agree that regulatory issues will not hinder the adoption of this revolutionary technology.

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