

PACK YOUR TRUNK

THERE'S MUCH MORE TO SIP THAN SAVINGS



By **Bob** Titsch

When asked by business customers why their organizations should buy SIP trunking services, suppliers often are tempted to lead with “save money.” That sometimes is the case, but not always. Instead, businesses should consider buying session initiation protocol (SIP) trunks for many of the same reasons that they started buying primary rate interface connections in the first place, but more importantly for the myriad of new applications that are available to them.

PRIs, you will recall, had some advantages over analog lines. Lower price sometimes was an advantage. But that wasn't always the adoption driver. PRI links could deliver caller ID and hotel/motel information services, valuable features for call centers that needed automatic number identification or caller ID data.

In many cases, it was multiple hunt groups, direct inward dial features, call tracking, call reporting, computer-telephony integration, access to out-of-rate-center DIDs, pulsed digits, least-cost routing and management simplicity that actually provided the value. Analog lines

required carrier reprogramming of “line pools” when a business needed to make changes. With a digital PBX and PRI, businesses could make the changes on their own.

In other words, application features often were a more-important consideration, and that also is true for SIP trunking services. “A lot of people continue to market and sell SIP as a price play, but it’s an application sale,” says Tom McCrosson, chief executive officer of BCN Solutions Express. “That’s not to say that SIP won’t reduce costs in some cases. But SIP trunking supports multiple forms of communication and too many applications to count. Its value extends far beyond handling simple ‘voice calls.’”

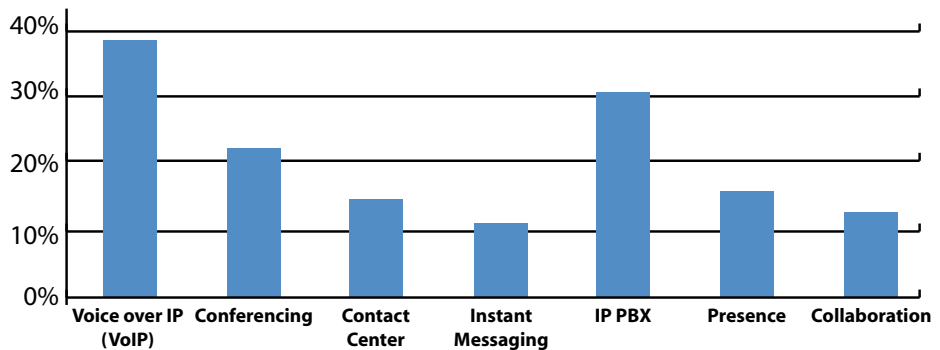
Of course, the demand for SIP trunking largely is driven by adoption of SIP-capable IP telephony systems, and the number of organizations adopting such phone systems, or hosted equivalents, grows every year. Equally important, says McCrosson, is that more and more businesses have access to low-cost, high levels of bandwidth.

“They’re updating their hardware and utilizing 50 or 100-meg bandwidth to integrate voice and data applications using SIP,” explains McCrosson. “And now that we can do VoIP over MPLS or VPN, the stigma that customers can’t get SLAs or QoS with SIP has been neutralized. That’s significant, and one of the reasons why so many enterprises and public companies are more interested in introducing SIP to their environment.”

Telarus, a master agency, has witnessed a 40 percent increase in SIP trunking sales from a year ago, according to Patrick Oborn, vice president of marketing. “Unified communications has been a key factor in the growth and demand for SIP trunking,” he says. “The two go hand in hand and deliver capabilities not possible with traditional PRIs.”

Though it is not yet quite so obvious, the big innovations that businesses will be able to leverage from IP telephony systems have to do with applications such as presence, instant

My organization currently uses SIP trunking services to support the following communications applications:



Source: CCMI; TheVoiceReport.com

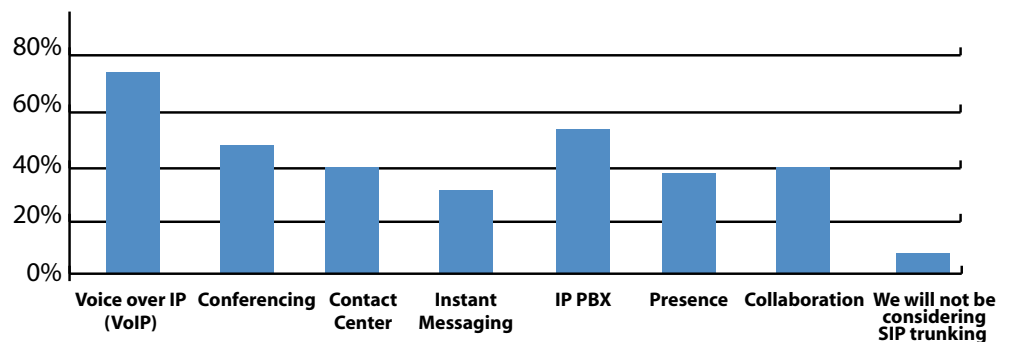
messaging, text messaging, file transfers, conferencing, application sharing, white boarding, video conferencing and other applications that also use SIP protocols.

“The promise of SIP is becoming a reality in the marketplace,” says Avi Lonstein, chief executive officer of Aire-Spring. “In fact, reality is catching up with expectations. I think everyone is starting to get religion.”

Among the converted is Steven Gerhardt, president of D&M Enterprise Group, a N.J.-based telecom agency. “It took a while before I was convinced about SIP,” he says. “But it’s come a long way since I got involved with it about 18 months ago. And given the number of businesses that have already purchased or are about to purchase SIP-enabled customer premises equipment, having a SIP solution in your portfolio is imperative.”

Indeed, in a recent survey of IT decision makers by TheVoiceReport.com, 35 percent of respondents said they already are using SIP trunking for enterprise communica-

My organization will probably evaluate SIP trunking services within the next two years to support the following applications:



Source: CCMI; TheVoiceReport.com

tions, and 56 percent plan to increase their investments in SIP technology this year.

In the same survey, some respondents expressed concerns about reliability and interoperability, but “the fear factor is diminishing,” says Max Caponegro, manager of channel sales for Touch Tone Communications. “More and more businesses already have SIP-enabled gear in place. And their buyers, usually IT directors, generally are knowledgeable about SIP and comfortable with it. In fact, they frequently request it.”

Caponegro’s colleague, Hosein Babai, manager of VoIP services at Touch Tone Communications, adds that it’s not always about cost-benefit. “Many times it’s about other considerations, such as disaster recovery, trunk overflow allocation or flexibility,” he says.

For example, “if a customer has 50 SIP trunks and wants to go to 100 tomorrow, it can be done on a dime,” says Lonstein. “In the TDM world, that’s a new order and more often than not a four to six week process.”

SIP trunking, used with premises-based IP phone systems, also supports easier remote work, telework and mobile communications. There are obvious advantages for disaster protection, work from home and work from the road scenarios, locally or globally.

SIP trunking and IP phone systems support PC-based softphones and IP phones connected to the Internet, allowing workers at remote locations to have full access to all features, regardless of location. Employees can use an IP phone or softphone at their home office and an IP-only phone in the corporate office, both registered to the same number, with all inbound calls to one phone number ringing at both locations, if desired.

The point is that SIP trunking, though it can sometimes represent a recurring cost savings, increasingly is not going to be purchased for that reason. “More often, from this point forward, it is access to IP-enabled applications that will drive SIP trunking interest, even though cost savings sometimes are possible, especially in situations where a lot of trunks are needed,” says Rob Mocas, chief executive officer of Easton Telecom.

Call center customers remain key prospects in that regard, using SIP trunks and local inward numbers that enable connections to global contacts at lower cost.

For the most part, though, cost sav-

ings are becoming less a factor in the broader marketplace. Additionally, the marketplace seems to be telling us that SIP is well on its way to becoming the definitive form of access. And some industry analysts and thought leaders claim that SIP-enabled applications are the key to staying relevant in this business.

“The bottom line is that service providers and channel partners need to have SIP in their product mix,” says McCrosson. “It’s the future.” □

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