

# Solving the Service Provider VoIP Deployment Conundrum for SMEs

## Controlling Service Providers' Costs for Customer VoIP Deployments



### The Business Challenge

Over the past decade, VoIP has transformed the landscape and business of telecommunications. Progressive service providers successfully integrated VoIP services into their enterprise service offerings, presenting large-scale organizations with a tremendous value-added service that was readily adopted worldwide. However, many traditional service providers viewed it as a threat to their conventional business model, and failed to make the adjustment in time to benefit from the VoIP revolution.

To better grasp the size and impact of the VoIP revolution, one must consider contemporary investigative data. According to a recent report by one of the most respected sources of market research, IBISWorld, the VoIP industry was the best performing of the past decade (2000 – 2009), growing an astonishing 179,035%. That's over 100 times more growth than the next fastest growing industry — search engines (reference the spectacular ascension of Google). Indeed, IBISWorld projects the VoIP industry will be the most dominant industry of the next decade as well, as the market moves from large enterprises to the real market of scale—Small- and Medium-Sized Enterprises (SMEs).

But moving into this marketplace profitably isn't as simple as was the venture into the large business sector. While the value proposition is extraordinarily strong and the technology is sound and low cost,

the deployment and maintenance have proven to be problematic for what should otherwise be one of the most lucrative and profitable market spaces for providers. Specifically, the key challenges include:

**Market Size:** In order to make a successful market push into the SME marketplace, service providers must possess the capability to support a multitude of varied locations over a vast territory. However, too often, the service providers are deficient in the manpower and resources required to even adequately service this market.

**Customers' Level of Technical Sophistication:** SMEs typically don't have the in-house technical expertise to assist in the transition from the old to the new; analyze usage of the phone systems to ensure new VoIP services meet the requirements of their business; understand the installation process that requires new configurations and re-engineering; make the informed decisions related to equipment and/or connectivity speeds; and provide the user and administration training to troubleshoot issues, and perform "add, change, delete" tasks without assistance.

**Every Environment a "One-Off":** Unlike large enterprises, SMEs lack a managed technical architecture. This complicates the deployment process significantly, drawing out the deployment cycle, and raising the deployment cost per user dramatically when compared with large enterprises.

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CASE STUDY

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**Affordability for Service Providers:** If it takes the same level of effort and expertise to set up a SME VoIP package as it does a large business enterprise, the challenge becomes the ability of the service providers' staff to meet demand, manage the process and customer support issues profitability, while remaining competitive with small specialty VoIP firms.

### The Acuative Solution

The Acuative team took a close look at this issue and designed a unique and highly successful service offering that leveraged its more than 25 years experience in deployment and managed services for service providers. After examining a number of potential service models, resourcing requirements, operating models and the scope of technical knowledge needed for the varied SME environments, we were able to launch an offering that resembled the seamless outsourced 'hand-off' of installation and on-going customer support adopted by the cable industry when faced with the large scale migration away from legacy airborne signal distribution.

### Key benefits included:

- "Just-in-time" order processing for SME customer VoIP deployments nationwide
- Scalability with no need for additional in-house personnel to install service for new customers
- Fixed-cost installations by customer size
- End-to-end product procurement engineering and logistic services
- Full-service site assessment, staging and installation services
- On-going maintenance, monitoring and support services, including "Add, Change, Delete"
- 24x7x365 help desk and user support

### New Jersey-based Tier One Service Provider turns to Acuative for Solutions

At the time of its initial launch into the market, a New Jersey-based Tier One Service Provider (number one in wireless service and number two in U.S. telecommunications after AT&T) turned to Acuative to solve its VoIP deployment challenge for SMEs. The company held core landline accounts amounting to nearly 30 million subscribers, and provided local telephone, long-distance, Internet access and digital TV services to residential, commercial, government and wholesale customers. The company defined success as their ability to deploy and support VoIP services to SMEs without an expansion of in-house provider personnel and at a fixed price point that ensured profitability over the life of the service contract. By integrating all aspects of service delivery including engineering, provisioning, deployment, maintenance, monitoring and support at a cost point that justified a larger 'go-to-market' effort, Acuative was able to address the company's initiative with measurable success.

### Long Island-based Cable Provider Seeks an Acuative Solution

An industry leader in advanced Ethernet-based data, Internet, voice and video transport across the New York metropolitan area turned to Acuative for its SME VoIP launch. They too were looking for a low cost solution that required no in-house personnel investment to maximize per-deal profitability and market scalability. The 2009 initial SME launch brought in over \$2 million through 'stealth' marketing alone. Utilizing Acuative solutions, the company is now moving to a full-scale market launch with high expectations for revenue/profitability. Acuative deployed and supported both hosted and CPE offerings for this service provider.



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