Prospects for Managed & Hosted Services

Jim Tyrrell
Executive Director – Advanced Voice Services

someday
is today

verizon business

Growth & Adoption Challenges

Control	Rate of Migration
Price Perception	Integration Issues
Risk Tolerance	Customer Satisfaction
Reliability Perception	Late to Market

verizon*business*

Control

- **Large Businesses are Likely to Continue to Choose to Own, Manage & Maintain a Premise-Based System**

- **"Selective Outsourcing" is Becoming a Trend**

- **Vendors / VARs Driving the Adoption of IP Telephony over Service Provides**

Price Perception

- **Perception of Higher Price for Managed Services Inhibits Adoptions**

- **Declining Legacy Prices**

- **Top Reason to Migrate to VoIP***
  - **Data Decision Makers - Network Convergence**
  - **Voice Decision Makers – Cost Savings**

- **TCO Difficult to Quantify**

Source: Verizon IP Voice/Data Migration 2005

verizonbusiness

4

Risk Tolerance

- **Risk of Difficult Transition**

- **Ability to Address Survivability Concerns**

- **Access to Emergency Services**

Reliability Perception

- **Responsiveness**

- **Reliance on Partners**

- **Performance Assurance**

- **Quality of Service**

Rate of Migration

- **Large Enterprises are Slower to Adopt**
  - **Trials are Occurring**
  - **Greenfield Locations**

- **Migration to IP is at a Slower Pace Among Voice Decision Makers**

Integration Issues

- **Seamless Migration Path**
  - **TDM Centrex Dial Plan Integration with Hosted IP Centrex**
  - **CPE-based Voice Mail Integration**
  - **Integration with Contact Center Services**

- **Hybrid Networking**

- **SIP "Standards"**

Customer Satisfaction

- Reliability

- Quality of Service

- Cost Reduction

- Improvements in Productivity

Late to Market

- **Hosted IP Centrex**

- **Contact Center Services**

- **Unified Communications**

- **Mobility**

Service Providers Need

- **Robust Portfolio**

- **Focus on Quality**

- **Provide Control to Administrators & End Users**

- **Deliver on Cost Savings**

Robust Portfolio

Customer Has	Customer Wants
Traditional Key/PBX or IP PBX	Private IP with intra-location Voice routing. No features, no PSTN termination
Key System	Dynamic Bandwidth, Expanded Feature Set Use Existing Key System
TDM Based Centrex	Similar Centrex Features with access to IP Applications
Older PBX	Reduced Capital Expense, Better Utilization of Access Circuits, Replace PBX
New Location	No Investment in PBX, Features Hosted in Network
Traditional Key/PBX or IP PBX	Premise-based Solution, Convenience of Managed Service, IP PBX
IP PBX	Gateway Service for Local/LD, Interoperability w/ Dial Plan & Other Offices, 911 & Local Number Management
Remote Employees	Collaboration, Productivity, Connectivity

Quality

1. QoS Management:
- Leverage IP network with bi-directional Quality of Service (QoS)
- Enable embedded class of service and end-to-end voice traffic prioritization

2. Any-to-Any Calling:
- Use one network for all your voice and data traffic
- Local and Long Distance, Long Distance Only, International, 911, PSALI, Fax

3. Demonstrated Managed Service Experience:
- Simplifies customer's communications management requirements

4. Robust Network Security:
- Robust network security that helps protect hosted applications
- VoIP/IP aware firewalls to protect LAN applications

Control

- **Leverage easy-to-use, web-based provisioning interface:**
  - **Allows administrators to authorize and customize features for each location or a group of locations**
  - **Supports management of features and calling plans**
  - **Delivers simple location management of Auto Attendant, Attendant Console, and call plans**
  - **Allows subscribers to personalize their features**
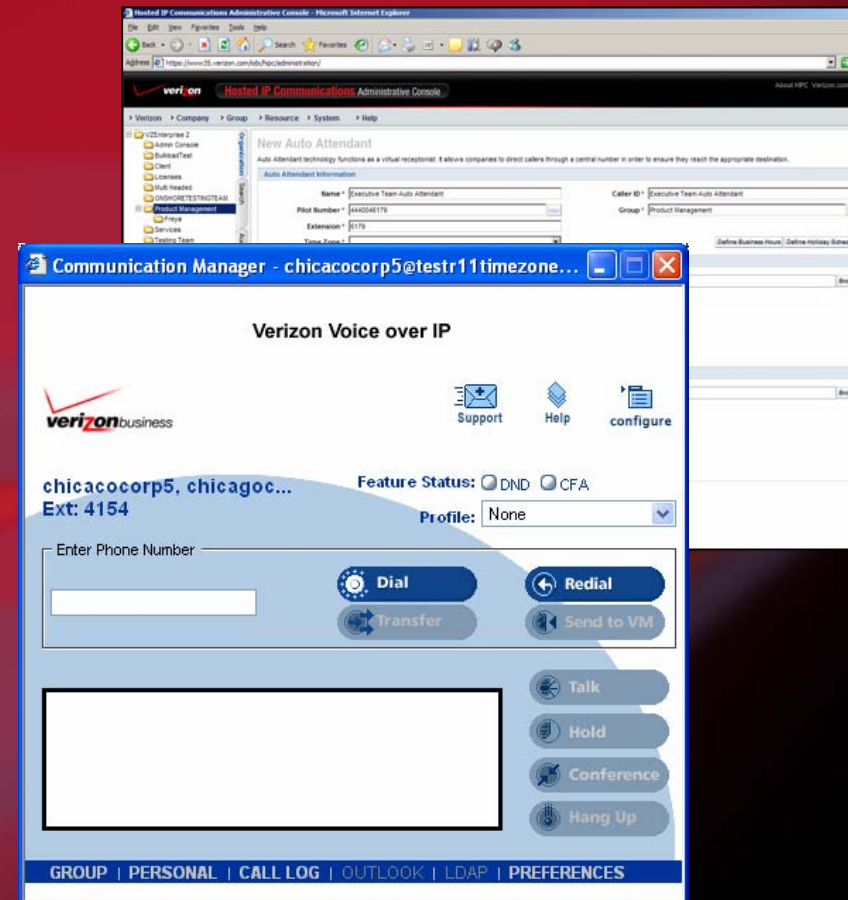
Cost Savings

1. **Network Efficiency:**
   - Eliminate multiple access circuits
   - Consolidate inside wiring
   - Reduce MACD expense
   - Use G729.a compression CODEC to reduce total voice bandwidth requirements
   - Enhance data performance with dynamic bandwidth allocation

2. **Reduce Premise-based CPE:**
   - Implement integrated CPE, which serve as a router, firewall, Ethernet switch, QoS management device
   - Eliminate expensive gateway equipment for your IP PBX

3. **Simplify Management:**
   - Leverage provider's expertise to design, implement, and manage your IP PBX
   - Save valuable resources by consolidating your contracting, invoicing, and customer service processes

4. **Employee Productivity:**
   - Leverage productivity-enhancing features