

Mid-market *gaps*

The 100-plus extension market for PBX systems used to be dominated by the vendor direct sales teams but today it is more likely to be resellers battling each other for the business. We report on key issues in the 'big PBX' sector.

To effectively sell to the SME market, resellers must be able to provide a solution that meets the demands of the customer, whatever their business, size, budget or technical requirement. In the current business and economic climate these variables can be exponential, making it increasingly difficult for resellers to deliver a solution that will meet the unique needs of each customer and come in on budget.

To challenge in the larger sphere resellers must look at the fundamental needs of each SME first and find a way to cater to their unique requirements in an efficient way. In essence, SMEs require a communications system that will grow with the business while improving customer service and increasing employee productivity. In addition, the solution should provide a foundation for the business to adopt the latest technology when it becomes available.

Mind the Gap

The once wide gap between SME and mid-market technology continues to shrink, providing opportunities for resellers to be more ambitious and adventurous. That's the view of distributor Nimans who say they are enjoying impressive sales success with more flexible systems technology developed by manufacturers to seamlessly operate across both market sectors.

"Historically there have been manufacturers focusing on either the SME or the enterprise arenas; there's never really been a nice fit for the mid-market. I think the gap is starting to be filled as manufacturers realise the opportunities available," said Tim Freeth, Head of System Sales at the Manchester-based distributor. "The revenues have traditionally



Tim Freeth of Nimans

been in the enterprise space or with higher volume SMEs, which understandably is where the focus has been, but things are changing."

Freeth continued: "A few years ago a reseller would have had to look at another product to switch between the two sectors and that would have involved extra costs of training and support. In these more challenging times it is imperative that resellers can take advantage of any sales opportunities that come along, either sub or over 100 extensions. Products such as the SV8100 from NEC give them the flexibility to operate between the two areas. Today's scaleable platforms offer the same features at the lower end as well as the mid-market.

"Several manufacturers are following a similar path by introducing new products or developing existing technology to expand into

a bigger market space; Panasonic's NCP is another example. These relatively new trends give resellers a lot smoother and easier path if they are looking to increase sales potential. They are already familiar with the training and technology, so if an opportunity arises they have the confidence and knowledge to take advantage and secure the sale.

"They don't have to be put off in an area they do not understand. We are finding that resellers are becoming more ambitious and adventurous. Once they've got a product on board there are many more opportunities to maximise its potential. Technology is no longer pigeon-holed into either the SME or mid-market sectors."

Freeth says manufacturers continue to develop more applications within existing system solutions which resellers are embracing. "From a reseller's point of view they are a lot happier positioning products they are comfortable with into a bigger space rather than having to take on new products. There's certainly a lower cost of entry to do that. In the future we expect the gap between the SME and mid-market to further shrink as demand continues to influence manufacturers and the type of products they develop."

Market Vision

Robin Hayman, Product and Marketing Director at Splicecom says that he is finding that an increasing number of their 100+ extension system sales are being deployed to support businesses requiring 10 extensions or less.

"Why? Because with virtualisation you can remotely host the telephony for hundreds of small companies from a single Call Server in



New Wideband Headsets
Now available - call for details



this manner. Our recently announced relationship with 'total converged services' provider O-bit Telecom is a case in point.

"In the more traditional IP telephony marketplace, our sales of 100+ extension systems are primarily into PBX replacement opportunities and as we don't sell direct, or supply trade distributors, this is all via our channel partners. Vision, our web-based applications suite, is proving to be a key differentiator for us here, utilizing key information collected by maximiser to deliver real-time and historical business-wide information on productivity and performance, be it on a departmental level, or for individuals.

"This is in addition to Vision's Call Recording and Mobility capabilities which are also applications that are particularly in demand in this sector at the present time. In addition, maximiser's ability to allow analogue phones to be retained, and then 'energized' through the use of our PCS 60 'Phone Partner' personal productivity application, allows those changing out their PBX to migrate to low-cost IP Phones at the desktop as and when their budget allows.

"Whilst we're now seeing 'IP everywhere' as the general order of the day, the ability to offer investment protection for existing phones, when required, has allowed our partners to close many sales that would have otherwise been delayed, or temporarily put on hold, in the difficult business climate we've witnessed over the past year."

Milestones

Chris Barrow, Product Marketing Manager, Avaya EMEA believes that in 2009 his company has achieved two significant milestones in terms of reaching out to the small and medium-sized enterprise (SME) and mid-market sectors.

"We see our resellers as a critical link in making sure that our product offerings meet the specific business needs of our customers. Our channel partners have highlighted two key messages that they are hearing from SME customers; firstly, they want simple solutions that are easy to use and that address the specific needs of their employees; secondly, they want products that deliver almost immediate RoI. These needs are very specific and important and in practice, this means that it is the solution and the business benefits that



Peter Orr of Servassure

the customer is interested in, and this is what the channel needs to sell.

"To this end, we recently launched the new version of Avaya IP Office, our flagship communications solution for SMEs.

Recognising the needs of our customers in the SME space, the overarching aim with this solution, IP Office 5, was to make communications easier for SMEs by offering six role-based solutions that are tailored to individual employee roles, such as teleworker or customer service agent, and to deliver simplified unified communications which would help them to increase productivity and better meet their customers' needs.

"It was also very clear to us that our SME customers expected to see a return on their investment within a short space of time. So, when we were designing this solution we decided to build the product from the ground up to ensure that it delivered the built-in applications value that brings the much needed quick RoI for smaller companies. They also wanted solutions that would support their growth objectives and enable them to compete in today's challenging business environment so we extended the scalability from 272 to 384 users per system and focused on creating the most user-friendly solutions possible.

"Having incorporated this functionality, we've had a very positive response from our

channel partners who fed back that one of the most compelling things about the new version of IP Office is the way it has simplified the selling and buying experience. Now more than ever our customers, especially those in the SME space, want simple solutions that they know will do the job without creating a management headache. The new role-based solutions make it really easy for small businesses to choose the right communications solution based on their specific worker needs. This combined with the simplified pricing, they believe makes it an extremely attractive offering for resellers."

Complete Package

Providing a complete range of services in the 100-plus extension sector is seen as being vital in order to win business but not all resellers have the capability in-house. There are solutions available however as Servassure sales director, Peter Orr explains.

"Scaling up could be a good thing for resellers in terms of profit margins and 'foot in the door'. Making sure you have a good maintenance is key to attracting the bigger customers. This is beneficial both in commercial terms and in order to enhance capability.

"The first positive is that working with a partner can often give you reduced rates for your customer and protects the reseller margin – priceless commodities at a time when everyone is keeping a tight hold on the purse strings and looking for ways to cut costs.

"One of Servassure's offers applies a 20/20 rule, which means a 20% reduction for customers and 20% protected margin for the reseller. The bigger the customer, the better the return for the reseller.

"The second benefit is that outsourcing your maintenance enables resellers to effectively 'punch above their weight'. As we provide this white-labelled service on their behalf, the reseller can pitch for bigger clients and rest assured that their maintenance can be taken care of.

"This gives the reseller more opportunity to win maintenance contracts and in turn, to sell more products, whether this be lines and calls or hardware. Resellers may find that while customers do not have a budget to upgrade or overhaul their current systems, they may be looking to do so within the next few years. If the reseller is already a known and trusted

ComputerTel
Call Recording
Screen Recording
Quality Monitoring
Speech Analytics

Tried, Tested, Proven
01474 561111
www.computertel.co.uk

Marco Creuger of Swyx



partner within that company, they have more chance of winning the upgrade contract.

“Building relationships is a vital element of the communications market and resellers need to manage these relationships well in order to maximise their return.”

Applications & Budgets

Robert Hutton, SME Sales Director, at Mitel believes the opportunity in the 100 users plus space is around the attachment of applications that enable customers to reduce costs in addition to increasing productivity.

“The deployment of applications such as Mitel’s Dynamic Extension, Teleworker or Unified Communications Advanced (UCA) in parallel with cheaper line connections such as SIP plus reduced call charges all help to create budget for customers to spend more on applications. Increasing the channel’s bottom line, saving money for the customers as well as delivering business process benefits.

“Mitel’s Communications Director (MCD) call control software (formerly the Mitel 3300 IP Communications Platform (ICP) scales from the very small business to the very large, it gives customers the opportunity to operate their communications system with flexibility, ease, and reliability. The powerful software runs on their choice of platforms such as the

proprietary Mitel 3300 ICP or industry-standard Sun Microsystems, HP, and IBM servers.

“This type of deployment can be more cost effective for mid market customers. In addition, it gives resellers an opportunity to discuss with their existing and potential customers a new way of delivering a complete communications solution that exceeds their customers’ expectations and delivers new revenue streams for them in the mid market space”

Marco Creuger, Director Distribution Sales at Swyx tends to agree with the applications and budgets issues in the market at the moment when he says, “At the moment buyers are cautious about what they invest in, but most of the conversations we are having, especially in the 100+ user market, are concerned with making sure they are getting the latest technology.”

Creuger continues, “This is good news for Swyx, because the majority are actively asking for software IP-based solutions. They know that this is where the market is going, so don’t want to be left with a redundant system in just a few years. Also the key driver for purchasing seems to be centred around providing better customer service to differentiate themselves and to aid retention.

“The software based systems such as Swyx which are essentially just another app on the network are well suited to enhance customer service because of their integration and better workflow capabilities. For example the ability to link in with CRM systems is important so that customer service reps can see who’s calling and have all the information to hand to process their enquiry. The extended call routing facilities of Swyx also enable companies to fast-track calls to the right person, regardless of their location, whether in the office or working from home. Another example of integration in the current climate is the ability to integrate with accounts systems. So if a customer rings up with an order, but their account has not been paid, then no further supplies will be delivered helping with credit control and cash-flow.”

“We’ve found that in the 100+ sector Swyx’s price point is very attractive and the bigger the company the more likely they want more features, which is what Swyx offers. Even if a company doesn’t need to replace their core phone system, resellers don’t need to walk away, because Swyx can even add value to an existing system. For instance, recently we sold a system into a large company, simply for Swyx’s call recording capabilities alone. Conferencing and IVR are also big sellers. There seems to be no pattern in terms of which vertical industries are buying Swyx, mostly because Swyx is looking to solve generic challenges that affect most businesses. Whether it’s reducing office space through support for mobility and/or flexible working, centralising receptionist facilities or improving customer response times, then Swyx has a solution that can be easily integrated with existing back-office applications. With its breadth of functionality and flexibility, Swyx gives channel partners real choice, something that is crucial for larger organisations.”

Good Rewards

ipcortex Director Rob Pickering asserts that while the 100-plus user market can pose a number of challenges, the rewards are great for those resellers who get it right.

“For many resellers the pressure is on to find original ways to win new business, to maximise their opportunities and to beat the current economic climate. For a lot of them, this means going beyond their bread and butter business of the SME but resellers



ADD-COM high quality headset range
Now available - call for details





Rob Pickering of ipcortex

beware; the rules of the game change dramatically when approaching the 100 plus user market. It's not enough that the reseller has the skills and understanding to work with larger organisations, or indeed that they have access to sales opportunities in the first place – it's their choice of system vendor that becomes paramount if they're to succeed in the new market while at the same time continuing to maintain sales in their core business.

“Logically, the reseller should choose a vendor that offers solutions for multiple markets to reduce the time, money and effort spent on preparing to attack the new sector. However while many vendors claim to offer scalable solutions, resellers should be concerned with more than just providing solutions to their clients' problems. In fact, they need to find a vendor that gives them the flexibility to differentiate themselves in what new entrants can find to be a highly challenging and competitive market.

“While differentiation has never been more important, it's also never been so easy to

achieve – and it's open solutions that are responsible. Boasting freedom of functionality, ease of deployment and a lack of artificial licenses, open solutions allow smart resellers to gain a competitive edge in the 100 plus market. Our resellers are using established open systems to find a solution for every opportunity – helping them to win more business across new and existing markets.”

Hosted Hot Buttons!

Steve Tutt, Marketing Manager at VanillaIP says that a common misconception from telecoms resellers is that Hosted PBX is more suited to smaller, sub-10 user requirements.

“On the contrary, larger deployments are often easier to pitch and certainly easier to install. Invariably, larger customers have a leased line that can be partitioned and they often prefer to manage VLANs internally. As there is no hardware on site, except the IP phones, resellers can overlay voice as another application on the network without the installation and support overheads with a hardware solution.

“Our Broadsoft platform will scale from 1 to 1000s of users with the same feature set and pricing model. There are no dependencies on CPU power, chassis slots etc. as you grow the system. Recently we have seen resellers winning multi-site deals with 100s of extensions that they have admitted they would not have got close to with a CPE solution. The customer hot buttons also change at the higher end. There is a much greater emphasis on making changes in real-time, centralised billing and generally a requirement to manage all aspects of their telephony themselves.”

Enterprise Class

According to Simon Wilson at Nortel resellers need a solution they can quickly configure and customize to deliver on these requirements, without requiring unique development each time.

“Most importantly, the solution must be cost-effective, both in the initial outlay and on an ongoing basis in terms of energy consumption, maintenance charges and upgrades.

“Few products allow the reseller the flexibility to answer all the above requirements in their sales proposition. Nortel has always seen the importance of giving the reseller the

ability to cater for the many needs of the SME and has provided solutions, such as the Business Communications Manager (BCM) portfolio, to achieve this.

“BCM brings Enterprise class features and benefits to the SME without the expensive integration costs that accompany the deployment of the same features to the larger Enterprise. The BCM range can also be customised by the reseller to cater for the unique demands of each SME, delivering everything a customer needs at an affordable price. Designed specifically for SMEs, BCM enables a simple and cost-effective transition to unified communications, allowing SMEs to conduct business like a large Enterprise and increase personal productivity with Fixed to Mobile Convergence.”

Reseller Comment

Manny Leon of communications provider SpiriTel says the key to success in this 100+ extension sector is to play to your strengths.

“Most businesses will have a range of clients which vary in terms of employee size and the markets in which they operate. On this basis, it is often the case that the strongest selling is done within what becomes the reseller's 'natural selection' customer: one that is defined by the skill set of their salespeople, the reseller's geographic location and the products which they sell. This is generally the case within the sub-40 extension market, and is a model which can be seen to be replicated within resellers many times over. The challenge is to break away from this comfort selling behaviour, which can be quite a challenge for the sales teams/reseller.

“The sales process at the higher end of the market is far more consultative and not so cost conscious. This means that the first steps are to define a sales training process which supports consultative selling and to also define a couple of vertical markets where these skills can be tested and honed. The focus needs to be upon changing the mindset of the sales teams, and indeed other key areas of the business, which carry out the pre and post-sales support so that selling into larger businesses becomes a more regular, recognised activity. The tip to 'move up a gear' is to start by leveraging any strength you have in a vertical market – this will provide that bit of differentiation when you're selling outside your comfort zone.”



timenterprise



www.tri-line.com
the call logging people

