

Member *benefits*

David Dadds, Joint Chair of the Federation of Communication Services Industry Forum, talks to Comms Business about what is on the forum agenda

In March 2007 the Federation of Communication Services (FCS) Board of directors set up the FCS Industry Forum as a project group reporting to it in order to provide strategic input on industry developments and an effective vehicle to address common or specific industry concerns.

Dadds explains, "Our role is to review the major industry issues for FCS members, develop a policy platform for FCS and influencing Ofcom, European Commission, Government and other regulators. Current issues for the telephony sector within the Federation include number porting and migration policy, regulation of Communications Providers, use of 0870 numbers and VoIP.

"The term VoIP has the potential to cause confusion as it is used in several different contexts and some clarification is long overdue in order for resellers to be able to see and sell the benefits. We see three separate areas for VoIP communications with each having its own method of delivery and benefits for the user."

CPE

Traditional CPE-based solutions, defined as being a 'box on the user premises' is readily understood by the reseller community. The box is linked to the outside world in most cases by primary or basic rate ISDN although SIP trunk connectivity is starting to penetrate that market. Here the customer owns the equipment and takes out maintenance contract for ongoing support. VoIP in this context can be deployed over SIP trunks, trunk to trunk between two sites, and VoIP from the CPE box to the IP handset desktop.

Managed Service

Managed service is where the customer still owns the CPE box but it is located elsewhere, say in a data centre. The key feature is that only one customer uses the equipment; they have very

little responsibility for the management of the systems – that is covered by the service provider in their management charges. The advantage for the user is having a fixed cost for the applications being delivered and in this respect managed service can look like a hosted model. However, it is not uncommon for users to pay additional charges for system upgrades etc. although some suppliers will build a charge into their monthly fees for this. There is of course still an issue to be faced by the customer when the equipment comes to end of life. Typically connectivity is still by ISDN lines with SIP again making inroads, but both having to be paid for by the user.

Hosted

As opposed to a managed service which provides a one-to-one CPE relationship for customers, the hosted model is based upon a multi-tenant model where many users share a larger service platform. Customers see and regard their portal interface as 'their own system'. The customer has no CPE kit costs but takes user and application licences and pays a per user per month fee. Because a hosted model uses one platform adding applications for the user can appear seamless. User enhancements such as call recording can be added and appear on the user interface portal as just another feature that can be enabled per user as part of the package. Similarly unified communications suites such as voice to email, voice mail to Outlook can easily be incorporated. You just tick a box and those services are enabled. The fact that there may be three or four applications behind the scenes running them is not visible to the user or reseller.

Other services that are normally purchased separately in CPE solution, such as call logging, can be bundled in the hosted applications offering. 80% of hosted connectivity is via some form of ADSL with the remainder being made up of leased lines etc.



David Dadds

Today, most resellers are either providing a hosted or CPE-based solution. Very few are selling managed solutions.

Conclusion

"As a generalisation the term VoIP is mis-used and it is worthwhile to look at the context in which it is used. Most people understand the CPE based model and many remain comfortable with that option. Hosted users are taking advantage of the many new applications that can be supplied and bundled for the same service provider.

"However, the FCS is looking after all members' interests whether they are in any sector of VoIP supply, CPE, Managed or Hosted.

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