

Changing *times*

With the difficulties seen in the general economy over the last 18 months and specific challenges for the traditional PABX sales market with sales down 38% in the first quarter of the year is hosted the bright spot in the market?



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By all accounts the hosted sector is growing (illum figures 350,000 users March 2009), admittedly this is coming from a low base but I believe is indicative of future trends and offers the reseller an opportunity to take a greater slice of their clients' IT/communication spend.

Hosted is everything a PABX is plus a lot more and taking into account the current climate it is very worthwhile to explore some of the real benefits of the hosted (cloud) model however I wanted to start with a misconception that hosted is just PABX replacement. Yes it is this and it does it very well with services like remote office/home workers far easier to set up and maintain with no VPNs required than could ever be the case with traditional PABX. But today a whole

range of additional services are available from the same provisioning systems that can be deployed in real time, these include: Hosted PABX, SIP Trunking, Inbound Services – Number Geo, Non Geo and International – Cloud Auto Attendant and Call Centre, Call Recording, Hosted IT – MS Exchange, WLR 3 and ADSL.

All the above features are fully self service and can be deployed automatically by either the reseller or the reseller's client. This is in a large part due to the fact that the whole Uboss (VanillaIP provisioning and billing) is a single entry database which means once a service is ordered it is automatically invoiced on the next bill and billed thereafter for the duration of the contract. The tight integration of services and billing is one reason why 30-days contracts are offered to resellers.

Sales Models

Typically Hosted (cloud) services have been seen as a rental charge on the ongoing service and an upfront capital cost for the hardware (handsets, data switches and installation). The truth is that Hosted allows the resellers to position the sales pitch in whichever way they want. Within our offers for example today we have the following options: Rental of Services, Rental of hardware, Purchase (pre-pay) of services 3, 5 or 7-year option – typically arranged on a standard lease with the hardware and installation included and Purchase of hardware and professional services

Importantly with any option you need flexibility and Uboss allows a reseller's client any of the above combinations and in addition a rental service can be converted to Pre-Pay at any time. The Pre-Pay option has proved to be popular for resellers as it allows the existing sales models of upfront GP to be maintained.

Back Office

A key component for any hosted platform is the back-end provisioning and billing systems as these, if properly designed and deployed,

offer the high degree of functionality, flexibility and scalability that any resellers will need. Still today you see some hosted Service Providers expecting the reseller to go out and purchase third party provisioning and billing systems and then spend the time and money to knit them all together and still not get a fully integrated solution with batch data entry still the norm. (diary note - Interestingly for resellers the 'Hosted Shoot Out' at the Convergence Summit in October will pitch a number of the leading providers provisioning systems head to head and show in real time how easy and effective they are (or not) with the challenge to get a new company with user set up and working in 15 minutes, one for the diary!)

Integrated systems with real-time data rating (as opposed to batch entry) reduce the number of staff needed in the process and also greatly reduce the amount of errors and the subsequent time spent in resolving them. Also both resellers and clients are protected from the rogues of the world who hack communication systems and run up thousands of pounds of bills, as once all data is being rated real time extension and company credit limits can automatically be applied and therefore barring outgoing calls when the call spend for the month is exceeded is easy and automatic.

Conclusion

The traditional PABX sales market has in lots of ways not changed much over the last 15 years - PABX on the wall, ISDN connectivity, LCR/CPS the call traffic and ongoing maintenance contracts. Is hosted about to be what the digital photograph was to Kodak? Time will tell but many resellers are now looking at how to position themselves with the challenges and opportunities that hosted offers. For any reseller using the hosted technology and getting involved the start point as we often see it is only when resellers take this first step and really start to see what the hosted opportunity really is!