



Your Business Just Got Smarter
THIRD QUARTER 2005

Accelerating Customer Care

THE NETWORK HELPS
ATLANTA CLASSIC CARS
RAISE THE SERVICE
STANDARD

PHONE-BASED APPLICATIONS
IMPROVE PRODUCTIVITY

LATIN AMERICA MOVES FORWARD

FINDING TECHNOLOGY FUNDING

CATHY ELLIS,
ATLANTA CLASSIC CARS



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NEW COMPANIES ADD UP THE SAVINGS

Consider the new arithmetic of a converged network.



ILLUSTRATIONS BY
ADAM McCAULEY

IP COMMUNICATIONS

TWENTY YEARS AGO, you wouldn't start a business without a telephone system. Ten years ago, you wouldn't start one without a computer. What happens if you start a new business now? What are the must-have communications tools? Are phones the most critical? Or is it data—on the Web, in e-mail, or from business applications? And where does wireless access fit in? How about converging all your communications tools on a single network?

CONVERGED COMMUNICATIONS

The days of starting a business and having to design, deploy, and manage two distinct networks for voice and data communications are dwindling due to the capabilities of Internet Protocol (IP) Communications technologies.

"You no longer need separate voice and data systems," says Lance Reid, CEO of NetLogic, a Cisco Premier Certified and SMB Select Partner specializing in converged networks. "The technology exists to put them together on the same network, so you have a single structure, lower maintenance costs, and fewer changes. If you're starting from scratch, it makes sense to take advantage of that functionality."

It's a new math equation, technology style: One plus one equals one. A converged network can help you save money in two ways: by reducing capital expenses (you're installing a single network infrastructure instead of two) and by lowering operating expenses (your IT staff or reseller needs to support only one network). In addition to supporting your converged network, Cisco resellers that have earned a specialization in Cisco IP Communications technology, such as NetLogic, can help design and install it.

To some small and medium-sized businesses (SMBs), the voice-over-IP (VoIP) technology made possible by a converged network seems a bit cutting-edge.



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"I was afraid of having my phone on a computer because, as you know, computers crash," says Larry Dague, president of Scuba Toys, a Carrollton, Texas-based scuba dive shop with projected 2005 revenues of \$5 million.

Even after Dague enlisted the help of a couple of his network-savvy customers to install a basic converged network that could accommodate IP phones, Scuba Toys kept its traditional SBC phone handsets and used the IP phones only for outgoing

calls. When the system stayed up even during the move to his current store location, Dague dismissed his concerns.

"I trust the IP phone," he says.

COST SAVINGS: UP-FRONT AND FUTURE

When making the initial purchase decision for a new network, compare the up-front cost of a converged network—including the router, switches, software, single wiring infrastructure, and IP phones—to that of separate voice and data networks, including the router, switches, software, two wiring infrastructures, and traditional phones, as well as phone service and a PBX system or Centrex service. The cost for a converged network may be much lower.

Next, compare the ongoing system management costs, including maintenance and network administration tasks such as moving, adding, and changing users' computers and phone sets. With IP Communications, adding or moving users costs nothing and is as simple as plugging the IP phones into the network. With a traditional PBX system, each change requires costly rewiring done by the phone company.

Also evaluate outsourcing the management of your converged network to a managed service provider to save on labor costs and some capital expenses; this can be particularly cost-effective for smaller companies with limited IT and telephony staff resources.

It's important to anticipate the growth trajectory of your company as well. What will happen when your business starts to grow? What if your competitors begin using VoIP applications—such as IP-enabled customer-relationship management (CRM)—that give them a competitive advantage? It's easier to upgrade a converged system than to upgrade two separate systems.

"Even if you don't want to buy IP phones today, buy equipment that will support them in the future," suggests Reid.

"When you buy your switches and routers, make sure they'll support advanced features you might want to add later."

"You have to ask yourself what your ideal network would look like now and in two years," says industry analyst Ray Boggs, vice president for SMB and Home Office Research at IDC. "How do you transition from one to the other? Knowing that you have some kind of overarching vision of what you're investing in, and why, really helps."

APPLYING YOURSELF

In evaluating the return on investment of a converged network, the question remains: How will you use it? As VoIP applications become available for a range of business functions, the most popular answer is to increase productivity by operating more efficiently.


For SMBs that receive important communications by e-mail, fax, and voice mail, a unified-messaging application can improve employee productivity, whether on site or in the field. All of an individual's messages—e-mail, fax, and voice—appear in one inbox; you can see and prioritize all your messages at one time, selectively read

e-mails, selectively listen to voice mails, then forward or respond in the medium of your choice.

The ability to keep voice and data files in one folder can especially improve the efficiency of salespeople and other employees who deal with a lot of queries, collaboration, and documents.

"Ask yourself if you're more data-oriented or more voice-oriented. The two worlds are becoming increasingly interrelated, although some are still more musical than others," says Boggs.

Would your employees be more efficient if they could connect wirelessly to your company's network to use its databases and unified-messaging application? Wireless networking is becoming a key application for salespeople and field-service technicians, as well as for workers in warehousing, healthcare, and construction. Wireless networking can be another capability included in the deployment of a new converged network.

Starting a converged network implementation is much less daunting than launching a new business. Like a successful business plan, however, a successful network requires effective strategies and realistic math. Getting started early means that your new business can achieve advantages greater than the sum of its networks. 

WHEN SILICON VALLEY-BASED FREELANCER HOWARD BALDWIN FIRST HEARD ABOUT "PROGRAMS ON A NETWORK," HE ASSUMED IT WAS REFERRING TO *MURDER, SHE WROTE* ON CBS.

NEXT STEPS

Read "The Easy Switch" on page 48 to learn about different situations in which it makes sense for SMBs to consider migrating to a converged IP Communications solution.

Go to cisco.com/go/iq-wyntkipc to read "What You Need to Know about IP Communications," an introduction to converged communications networks.

Learn more from Cisco about networking basics at cisco.com/go/iq-networkingbasics.

FROM CISCO

CISCO RESELLERS OFFER HELP WITH CONVERGED NETWORKS

When you're ready to consider a converged network, where do you turn for the technology expertise that applies to your particular business?

Cisco-registered partners can be a valuable resource for network planning, design, implementation, service or support, or simply initial research. These Cisco resellers—especially those that focus on serving SMBs—can act as trusted technology advisers.

"There are three different levels of knowledge that we offer," says Rick Phillips, director of sales and marketing at Envision Networked Solutions (also known as EOH Enterprises), a Honolulu-based Cisco Silver Certified Partner that

is also a Cisco SMB Select Partner with IP Communications specialization. "We have local knowledge of the marketplace. We can work closely with the customer in terms of site surveys, research, and gathering information. And we know the competitive marketplace so we can advise you on other technologies."

Cisco categorizes its channel partners according to a variety of criteria, and you can use the Partner Locator tool (cisco.com/go/iq-partnerlocator) to search by those criteria. If you are an SMB looking for someone to help you with a converged network, you will get the best results if you click on the Advanced Search link first. This is where you can

narrow your search to find an appropriate partner.

Fill in your geographical information, and then go down to Technology Specialization, where you can select "IP Communications Specialization." Also, in the next menu box, select "IP Telephony Services Specialization."

Additionally, those interested in finding Cisco certified resellers with experience meeting the networking needs of SMBs can scroll down to Additional Partner Programs; select "SMB Select Partner" to get the contact information for registered partners in your region that meet all these criteria.

—H.B.