

Austrian Service Provider Adopts Cisco IP Communications Solutions to Deliver Converged Voice and Data to Small Businesses

“We chose Cisco technology because it provides the most comprehensive offering in our most important market segments. Our customers are quickly realizing the benefits of a converged network. Since our customer base is primarily small and mid-sized companies, the solution is a perfect match.”

— Peter Pickem, Product Marketing Manager, Kapsch BusinessCom

Introduction

Kapsch BusinessCom is using the Cisco CallManager Express solution to provide converged data and telephony services to small business customers.

Background

Kapsch BusinessCom, a company of Kapsch-Group, is one of the leading traditional voice service providers and system innovators in Austria. The company provides phone service to 30 percent of Austrian companies, and to business customers in Germany, Italy, and Eastern Europe. In the late 1990s, Kapsch entered into a partnership with Cisco Systems to offer data services and solutions in addition to its traditional voice business. This market has grown steadily and now represents 20 to 30 percent of the company’s total business. To further expand service offerings for its small and midsized business customers, Kapsch recently began offering converged voice and data solutions.

The Challenge

The Austrian voice and data market for small and midsized businesses presents a tremendous opportunity for service providers. Fully 83 percent of all Austrian companies are classified as small businesses. However, while service providers are offering a growing number of converged voice and data offerings, they continue to face significant barriers in realizing the full potential of this market.

Most small businesses are locked into long-term contracts (often 10 years or more) with traditional voice providers, placing a large segment of the market out of reach. Additionally, European voice service providers have invested heavily in phone service technologies, and can provide small business customers with a full suite of business-class phone features at a relatively low price.

However, despite the market advantages that voice-only service providers enjoy, their customers are increasingly dissatisfied with maintaining separate voice and data services. The largest issue has been the slow response time and lack of control. Small



business customers using traditional phone services must rely on the service provider for even the smallest administrative changes. Performing a simple phone add, move, or change can take days to process, making it difficult for businesses to respond rapidly to changing staff needs.

In addition, many Austrian small businesses cite public perception as a key concern. These companies strive to employ the latest technologies and applications to gain a competitive advantage. Most decision makers in these businesses recognize that converged voice and data networks provide a more scalable foundation for the solutions they plan to adopt in the near future, such as unified messaging systems and vertical enterprise applications that incorporate voice, data, and video. Attempting to deploy such solutions over separate voice and data networks would be difficult, expensive, and cause a network management nightmare.

Kapsch BusinessCom's board of directors recognized that these issues presented a significant opportunity to reach businesses with great needs for converged voice and data solutions. But to take advantage of this opportunity, Kapsch needed a solution that could support converged data and telephony services, while matching phone system features and affordability of traditional voice offerings. The solution would also have to be tailored specifically for smaller businesses so customers wouldn't be required to pay for capability they didn't need.

The Solution

Kapsch turned to Cisco to support its new converged voice and data service offerings, and selected Cisco CallManager Express as the centerpiece of its IP telephony package for small businesses.

The Cisco CallManager Express solution enables small businesses and branch offices to deliver voice, data, and telephony management services over a single, router-based platform. The solution offers a core set of phone features to meet everyday business needs, while providing the rich telephony feature sets that key system and hybrid PBX customers have grown to expect. Equipped with this solution, a single Cisco multiservice access router, running IOS software, can manage call switching and routing for up to 120 Cisco IP phones, as well as deliver the full range of data services to support a small business. The solution is available on many Cisco multiservice access routers, including the Cisco 1751 and 1760 modular access routers, the Cisco 2600 Series multiservice routers, the Cisco 2691 Multiservice Platform, the Cisco 3600 Series multiservice platforms, Cisco 3700 Series multiservice access routers, and the Cisco IAD 2400 Series integrated access devices.

To strengthen network security and provide a business-class security feature set, including virtual private networks (VPNs), many of Kapsch's small and midsized customers were already upgrading to one of these access routers, often in combination with a Cisco PIX[®] Firewall. The firewall incorporates advanced networking features including support for voice protocols such as H.323 Version 2, Session Initiation Protocol (SIP), and Skinny. For these customers, the cost of adding the Cisco CallManager Express solution to the end-to-end network solution was minimal, because the Cisco access routers provide native support for IP communications.

Kapsch adopted the Cisco 1760 Modular Access Router as the foundation of its small business telephony and data services solutions. The router delivers the VPN and information security features these customers require, as well as the voice-over-IP (VoIP) capability to support the Cisco CallManager Express solution. Because the Cisco 1760 router and Cisco CallManager Express can support the full suite of data and voice functions, Kapsch can offer customers a broad range of customized phone options and services to meet any business need.

"Right now, Cisco has the largest portfolio in the data and VoIP market, especially for small and medium-sized customers," says Pickem. "From basic switching, to routing, to IP telephony and applications like unified messaging, no other company can provide the range of solutions that Cisco offers."

The Results

The Cisco CallManager Express solution was specifically designed to meet the needs of small business customers, enabling Kapsch to make significant inroads selling converged voice and data services to this market. In just its first year offering the solution, the company has sold more than 600 Cisco 7900 Series IP phones. In 2002 Kapsch BusinessCom realized Austria's largest Cisco CallManager installation at Porsche Informatik in Salzburg with over 200 Cisco IP phones.

Kapsch's customers that have adopted the Cisco CallManager Express solution have enjoyed much greater independence from traditional voice service partners. With this solution, small and medium-sized business customers can now manage their entire phone systems themselves, without having to route service requests through a huge, multinational provider. Customers can manage their own phone systems and features using a Web-based graphical user interface (GUI), eliminating long wait times for service changes as well as monthly maintenance and administration fees.

And, because the solution can be deployed with a wide range of interoperable Cisco routers and IP phones, Kapsch can offer customers a much broader selection of voice and data technology options than its competitors. Kapsch can customize packages to incorporate access routing and IP phones at a variety of price points, to meet a variety of needs.

"We work with many partners from the traditional PBX business," says Alfred Reinprecht, Manager, Product Marketing, Kapsch BusinessCom. "They're also investing in making their systems IP-ready, but they are not fully committed to IP communications. Cisco is here on the forefront of converged voice and data systems. From our side, they are number one in this technology."

The versatility of Cisco network technologies has enabled Kapsch customers to use a single, unified solution to enable superior network performance and security, as well as support for IP communications. And the return for these customers is a more flexible, scalable platform for supporting a broad range of enhanced multimedia applications in the future.

Next Steps

Using scalable Cisco technologies like Cisco CallManager Express, Kapsch will be able to continue providing its customers with voice and data solutions as they grow. As small companies expand and adopt more powerful voice and data solutions to support larger workforces, their Cisco investment can grow with them. All Cisco CallManager Express solution components can be incorporated into a larger converged network. And, because the solution user interface is very similar to the Cisco CallManager application that supports larger businesses, customers won't even have to undergo significant retraining to begin using the enterprise IP telephony solution.

"Our customers know that their investment won't be lost when they upgrade to the Cisco CallManager solution," says Pickem. "They can use the same equipment they have now—the same phones, the same router. Everything is completely scalable, and can continue working in a new solution."

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