Voice and the Successful Enterprise: The Road Ahead

www.nemertes.com

888-241-2685

Agenda

- Introductions
- Overview: The State of IP Telephony Rollouts
  - Organizational structures
  - Type of Deployments
- Business Drivers
- Application Drivers
- Management Issues and Challenges
- Costs
- Future Directions: What's on the Horizon?
- Conclusions

Introductions

- About Nemertes
  - Key differentiator: Network of 3,500 IT executives willing to discuss their issues and concerns at length
  - Founded October 2002; triple-digit growth in all metrics that matter (revenue, client acquisition, staffing)
  - Principals all have 10-15 years industry experience, including operational
  - Focused on analyzing the business value of emerging technologies
  - Convergence Benchmark & ROI Analyses available soon.

State of Rollouts: VOIP Timeline

Very early adopters looking for cost savings on LD charges. Network-based offerings available (Net2Phone, ITXC, etc.)

Start of early corporate adoption. Cisco, 3Com were primary vendors.

Widespread assessment, pilots, partial rollouts.

1996 1997 1998 1999 2000 2001 2002 2003 2004

Poor performance; 500 ms RT delays common.

Quality improves, but LD prices drop dramatically.

Performance issues fade; focus shifts to applications, management

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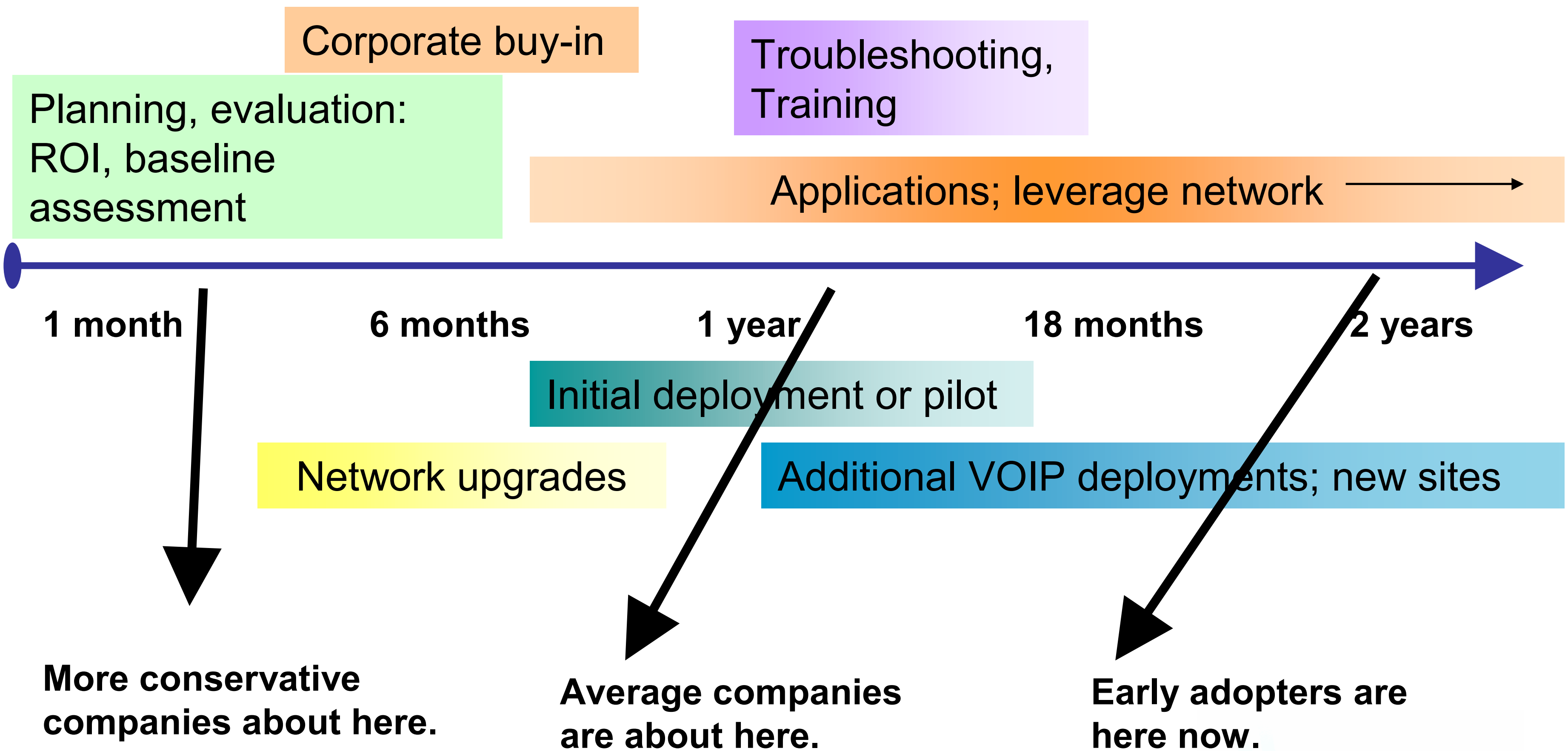
State of Rollouts: Deployment Phases



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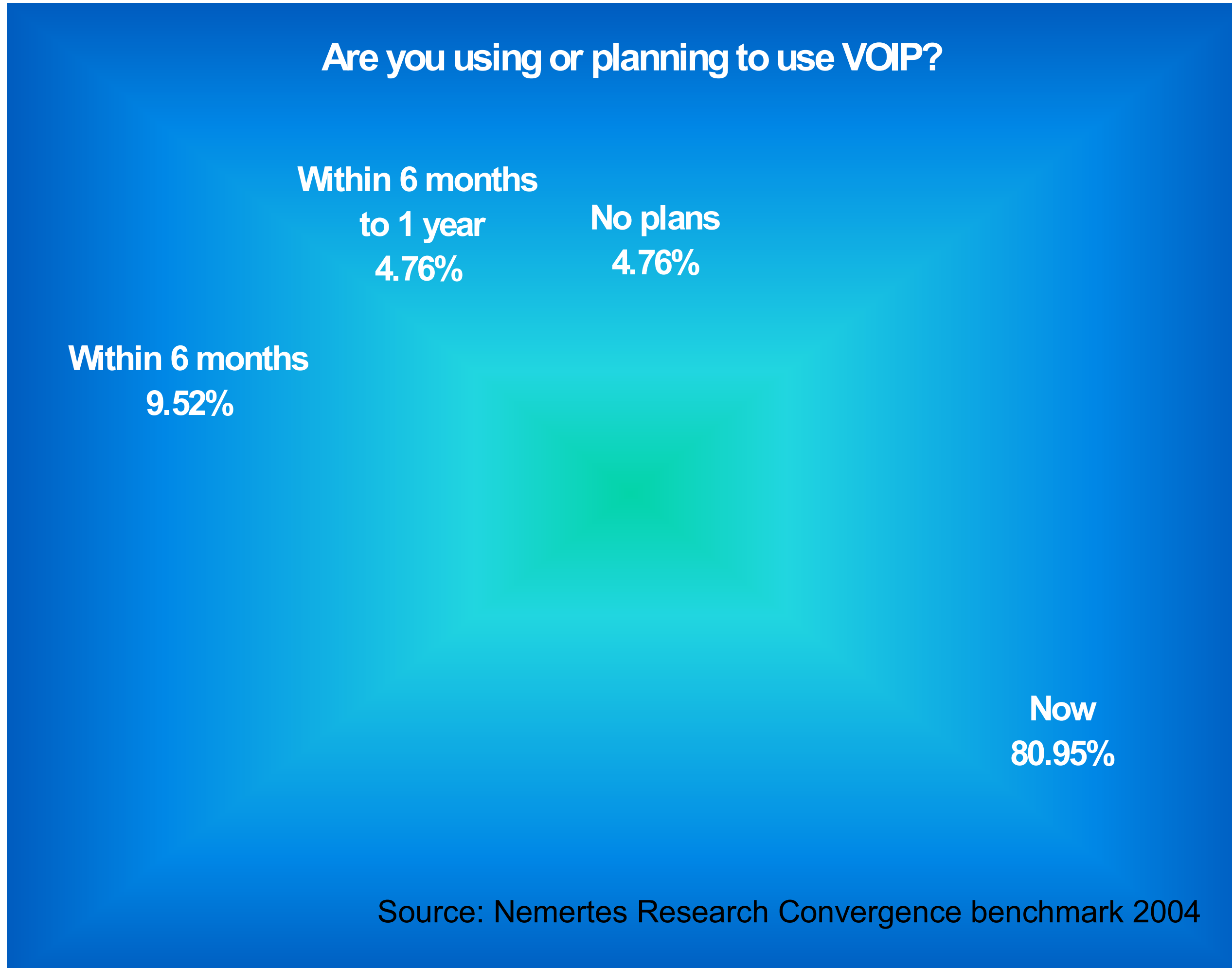
Overview: State of VOIP Deployment

- Few have “no plans” for VOIP.
- Companies in various stages of deployment
- “Now” users continue to expand rollouts (see next slide).



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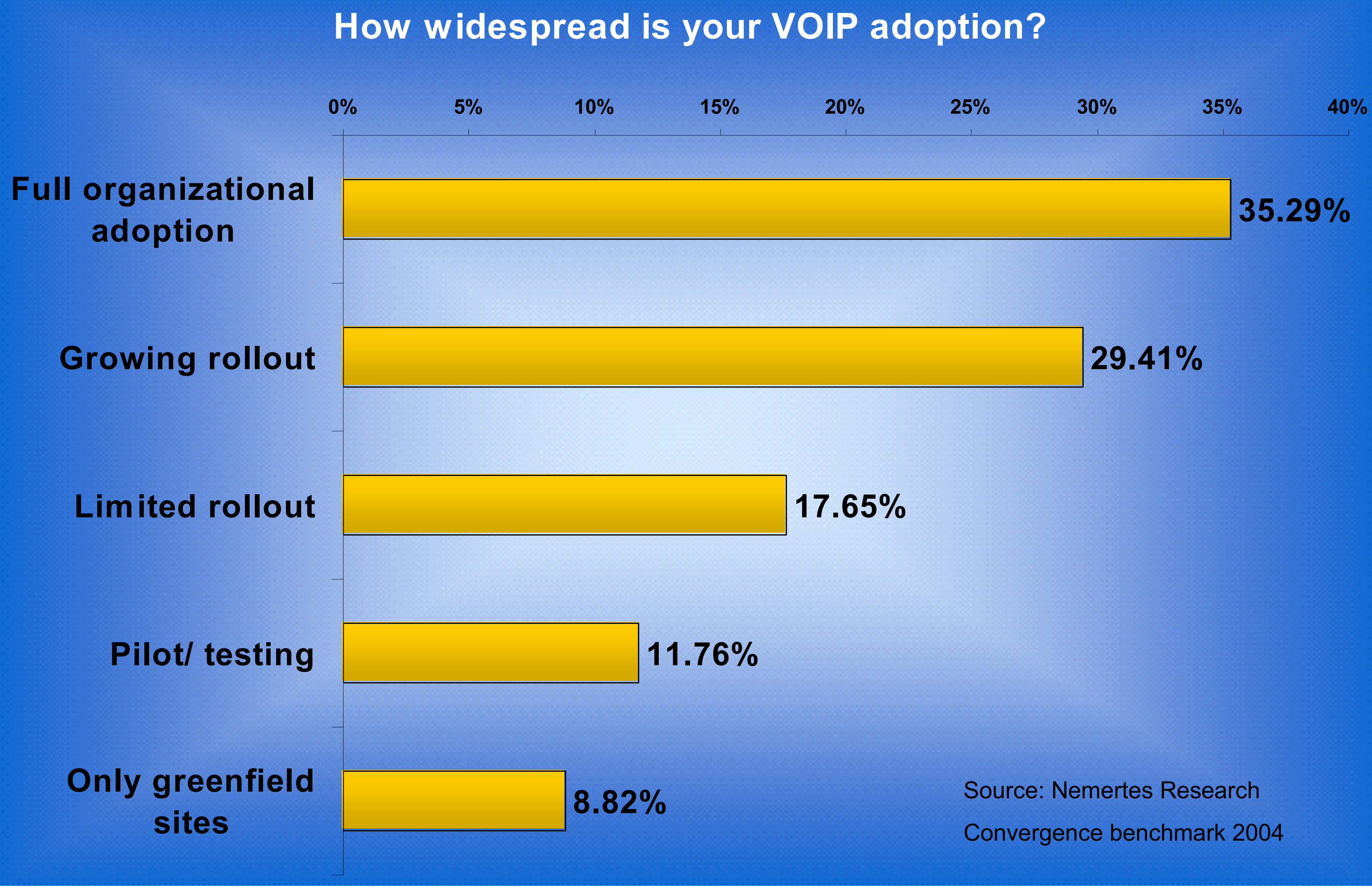
State of Deployment: Extent of Rollouts



Source: Nemertes Research

Convergence benchmark 2004

Organizational Structure

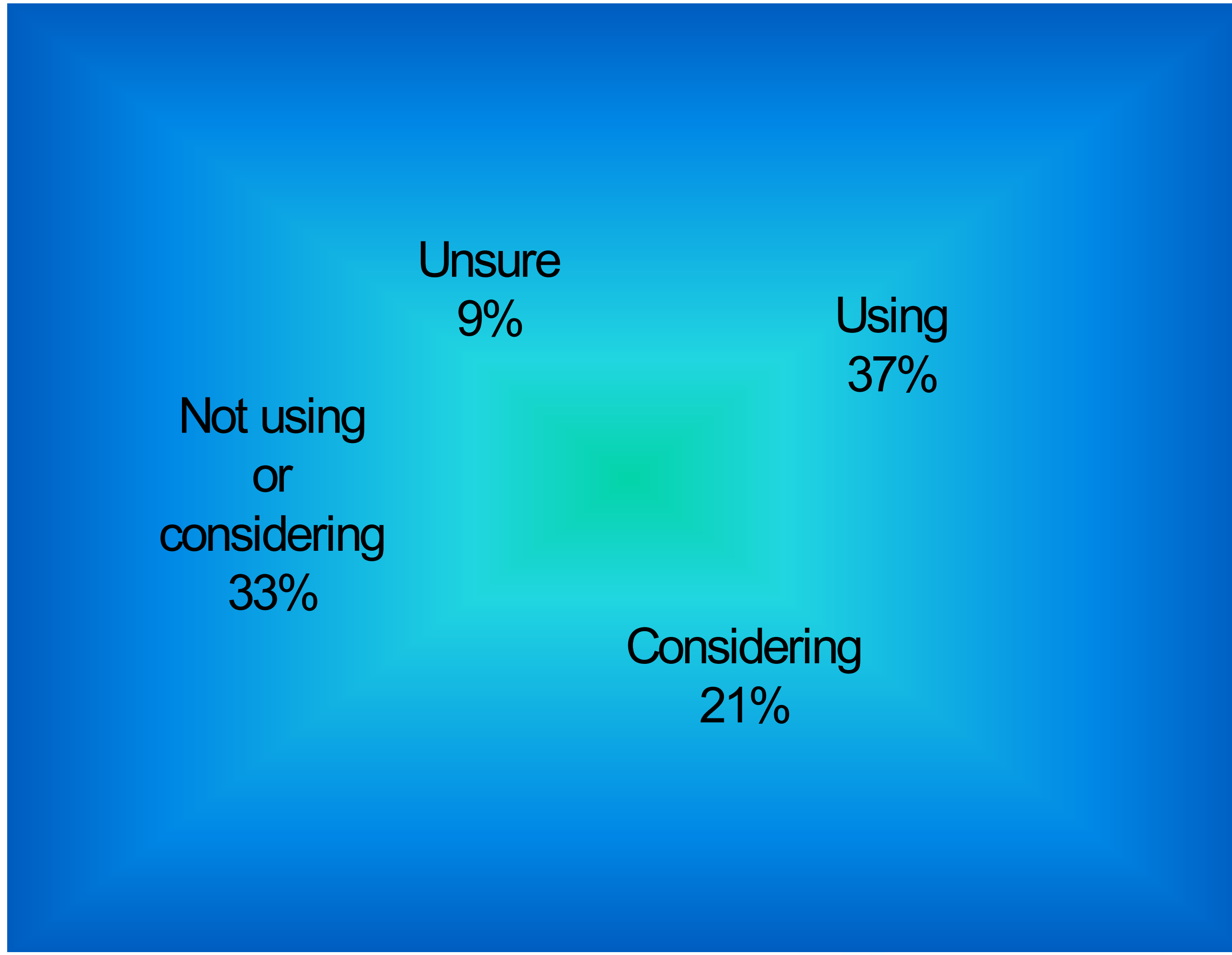
- Converged voice/data staff generally occurs in conjunction with the VOIP project.
  - Sometimes, that’s too late. More on this during the “Best Practices” discussion.
- Voice vs. Data is common and often dictates which vendor wins the business.
- Decision-making varies depending on size of company.

Type of Deployments: In-house or Outsource?

- Most VOIP deployments to date are internal—i.e., company deploys IP PBX and manages it.
  - Alcatel, Avaya, Cisco, Mitel, Nortel, Shortel, Siemens, 3Com
  - Host of smaller or niche players: Sphere, Zultys
- Carriers eyed as future partner in network convergence.
  - Though some say carriers are "bandwidth only," growing emphasis on managed services and "applications in the sky."
  - AT&T, MCI, Qwest, SBC, Sprint, Verizon,
  - Smaller players: M5 Networks, GoBeam

IP Telephony in the WAN: MPLS

- MPLS, IP telephony highly synergistic
- Any-to-any connectivity bodes well for voice.
- QOS is built in.
- Price points attractive compared to frame relay.
- By combining voice, video and data in the WAN, enterprises are able to cost-justify an upgrade.



Source: Nemertes Research Benchmark, 2003

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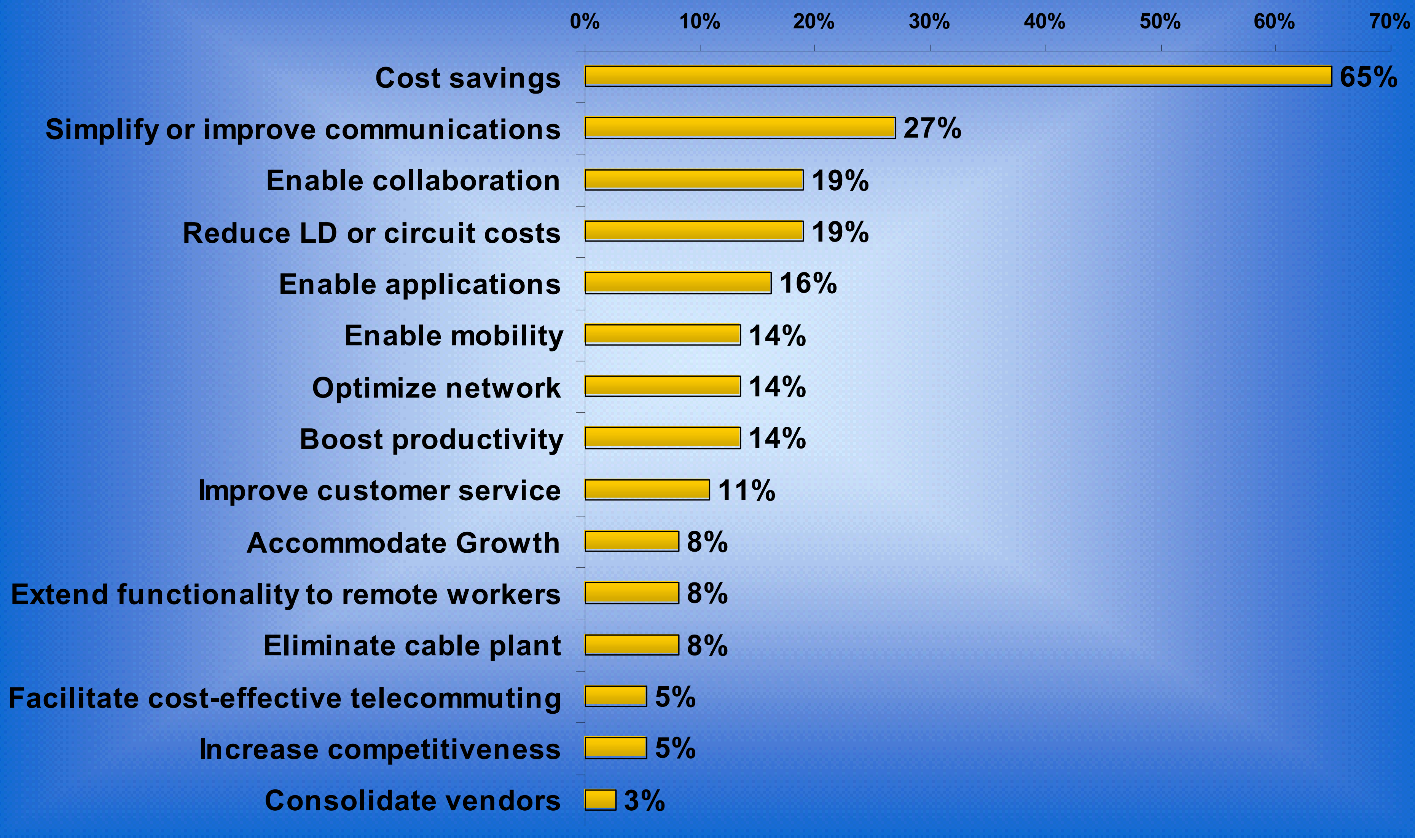
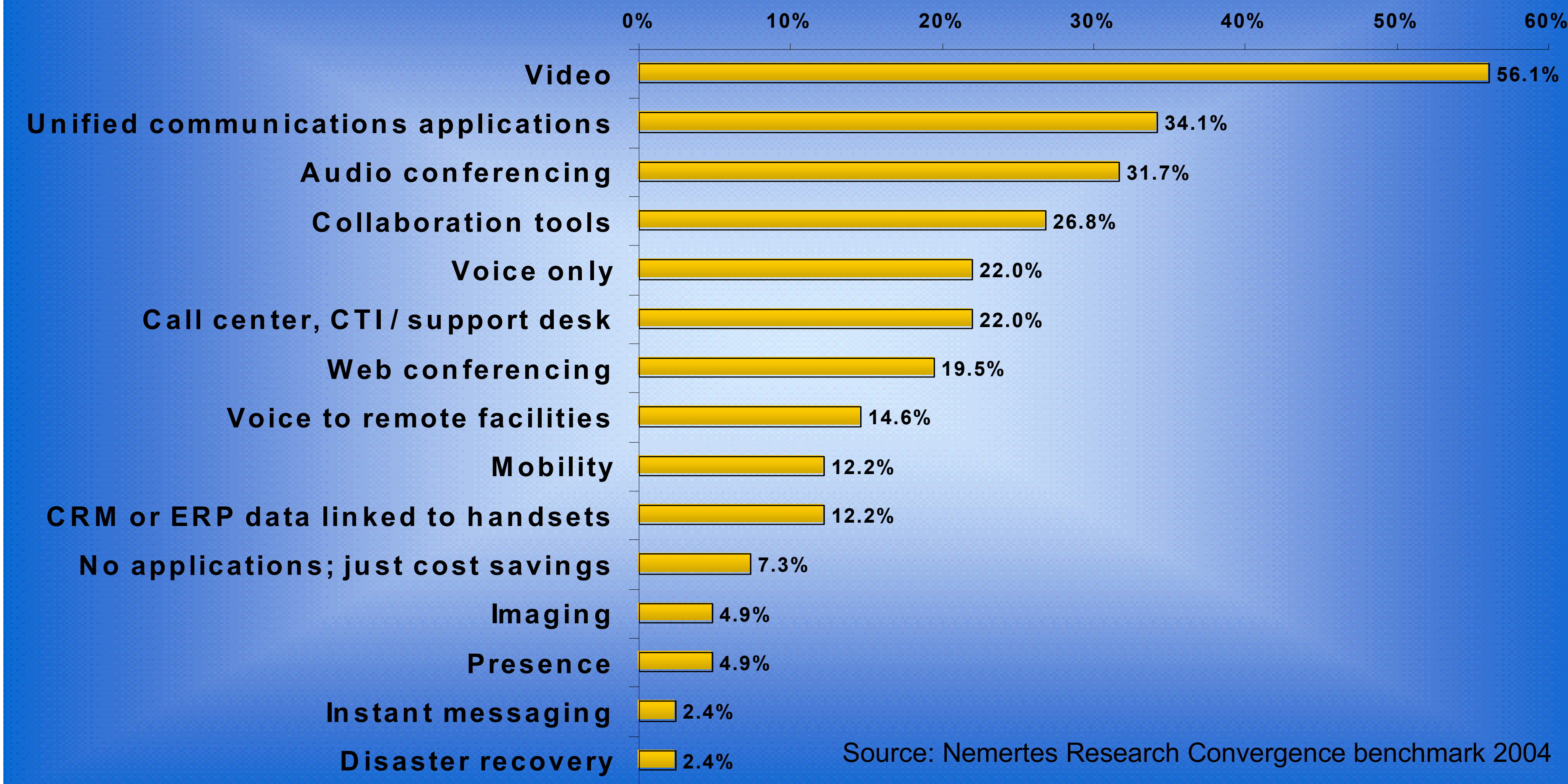
Business Goals

What are your busines goals for VOIP?



Application Drivers

What applications are driving your convergence project?



Management Challenges

- Budget for management tools in initial ROI!
- Many companies don't set aside budget for management tools until 12-18 months AFTER deployment.
- Avoid surprise budget requests!

You need WHAT???

--Mr. CFO

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Key Management Issues

- Specific recommendations in the best-practices session
- Baseline network assessment: aka “network readiness” assessment
- Network Optimization
- QOS: Network *and* routers
- Performance management
- Root-cause analysis

Costs/Savings

- Key Costs of VOIP Implementations: phones, network, equipment upgrades, baseline network assessment & training, troubleshooting and management (operational AND tools!)
- Savings:
  - Operational (MACs)
  - Personnel
  - Circuits
  - Applications
  - Remote offices
  - Productivity

Details on this topic during “best-practices” session

Future: What's on the Horizon?

- Mobility and VOIP: Companies are implementing WiFi and VOIP.
  - Healthcare
  - Financial services
  - Manufacturing
- Increased consideration of carrier services
  - Managed, applications-based services
- Growing interest and development into applications
  - Call center
  - CRM/ERP integration
  - Collaboration (presence, IM, conferencing, whiteboarding, unified messaging)

Conclusions/Recommendations

- VOIP is happening
  - Talk to peers to learn from their mistakes!
- Converge voice and data teams.
- Consider both in-house AND outsourced options.
  - MPLS is a compelling network backbone for VOIP.
- Understand your business and applications drivers.
- Don’t understand management complexities
- Cost savings exist, are multi-faceted, and can be significant.

Thank You!

Questions?

research@nemertes.com

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