

SMB Phone Systems Buyer's Guide

Focus Research
Phone Systems Group
May 2009

Introduction

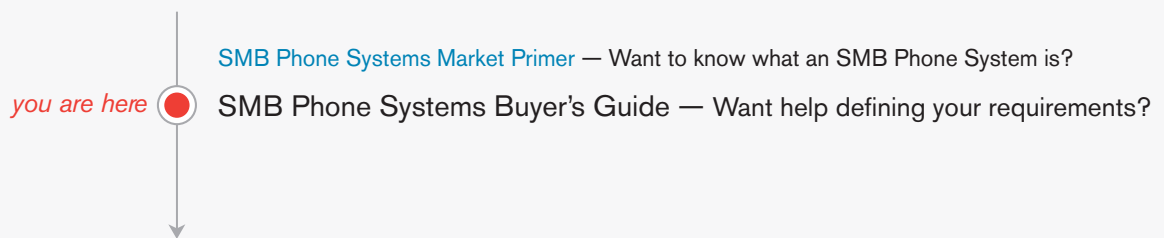
If you're reading this document, it's highly likely that you are in the market to purchase a business phone system. By now, you have no doubt discovered that buying a business phone system is not an easy task.

Our SMB (Small to Medium-Size Business) Phone Systems Buyer's Guide is designed to help decision makers quickly identify their specific needs, a critical step to take before contacting vendors and comparing product options. To reach an informed decision about which phone system is right for your company, you should understand four crucial aspects: 1) SMB phone system buyer types, 2) product requirements, 3) cost considerations and 4) vendor relationship needs. Our buyer's guide is structured around these areas:

Table of Contents

- 1 Essentials:** Top product, cost and vendor considerations p. 3
- 2 Top Advice from Other Buyers:** Buying advice directly from buyers like you. p. 6
- 3 Buying In-Depth:** Detailed needs, product, cost and vendor considerations p. 8
- 4 Tools:** Tools and worksheets every phone system buyer should use p. 19

Our SMB Phone Systems Buyer's Guide is one of several research reports based on the **Focus Research Methodology**, which is designed to support your entire SMB Phone Systems purchase process.



1

Essentials

A business phone system caters to the voice communication requirements of an organization, effectively managing the incoming and outgoing calls of the business. There are a number of telephony solutions in the market: PBXes (Private Branch Exchanges), KTSes (Key Telephone Systems) and hosted VoIP phone services. The top vendors in the business phone system market include Avaya, Cisco, Fidelity, Nortel, Packet 8, Speakeasy and Vocalocity. For full background on phone systems and the vendor landscape, see our SMB Business Phone System Market Primer.

The most salient points to consider when beginning the purchase of an SMB telephony solution are:

Buyer Types

Buyer categories in this market include:

Basics Buyers: Want core business communications basics in the quickest, easiest and cheapest way

Fast Featurists: Want to take advantage of advanced business communication features

Little Enterprisers: Want advanced and customized business communication features to suit their complex requirements

1 out of 2 buyers considered **on premise and hosted** solutions.

Product

Basic product features are commoditized in this market.

- Refer to our standard and advanced feature lists to discover available product features
- Mobility and desktop integration – top advanced features of interest (call follow me, call flip, unified inbox)

75% of buyers noticed **no difference in basic features** among vendors.

Cost

Two main pricing models are available: on-premise and hosted.

Watch out for following:

- Unexpected internal hardware costs
- Unexpected implementation/installation costs
- Staffing costs

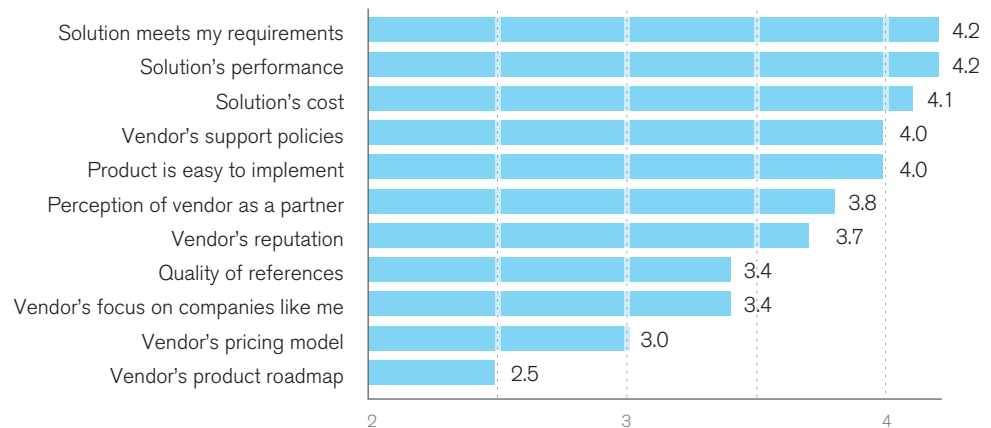
For SMB buyers, **low cost** is the **# 1 factor** in choosing the right product.

Vendor

Vendor participation is essential during system implementation and also for the support process. Be sure to check vendor implementation and support policies as well as customer references before you commit to a vendor.

Pre-purchase support planning is the most useful aspect of the sales process.

Influencing Factors for SMB Phone Systems Buyers



Based on a poll of SMB Phone System buyers ranking purchasing influences on a scale of 1 to 5, with 1 being the least influential and 5 being the most influential.
Source: Focus Buyer Survey – Small Business Phone Systems, November 2008

Buyers told us that the **solution's cost** was the **most important factor** influencing their choice of phone system. The solution's feature set and the availability of good vendor support post-purchase were also important factors.

2 Top Advice from Other Buyers

We speak with thousands of buyers every month. We asked them the No. 1 piece of advice they'd give to someone in the process of purchasing a business phone system. In their own words, here is some of the best advice we heard.

“ Make sure **everything you have discussed is shown in the contract**. Put together a project plan saying when this will happen, when that will happen ... Just get a good clear time frame.”

David
Manager of a financial services company
Replaced an existing phone system

“ Shop very carefully! Make sure you **look into the support system, the hardware integration and what their customers are saying** about them.”

Jim
Owner of a sound-equipment rental company
Replaced an old analog system

“ Figure out in detail what exactly your firm needs are before you start shopping. If you **figure out your requirements** before, then the quotes will be more accurate.”

Lee
Architect at an interior designing company
Purchased a new phone system

“ Educate yourself! Small businesses don't understand VoIP versus regular phones as well, so it is important to **understand the different platforms**. You can ask questions!”

Darren
VP of a major health insurer
Purchased a new phone system for office



“ Call for support, interact with the vendor, **interact with tech support**. Don't care too much about the technology of the thing, it's the people who make the difference. **Customer support is No. 1.**”

Jonathan
IT consultant at a small consulting firm
Purchased a phone system for a client

“ Do as much research as you can — **voip-news.com** was helpful in giving comparisons.”

Andy
CEO of a financial services firm
Purchased a phone system for the first time

“ If they can start small (**try a few phones before diving in**), that's the beauty of hosted. Make sure bandwidth infrastructure will work with the new system. Basically, **try before you buy!**”

Gabe
IT department in small consulting firm
Replaced a traditional PBX system

3 Buying In-Depth

Business Phone System Buyer Types

Focus Research's buyer categories help you identify your most important needs, which can serve as a filter when evaluating product options in the market.

Based on extensive research with other phone system buyers, vendors and market experts, we have identified the following categories as the most important buyer types in the business phone system market. The categories below, along with our Buyer Category Worksheet in the Tools section, can help you understand what kind of buyer you are. We also use these same categories to identify the best product and vendor options in Focus Research's SMB Phone Systems Product Comparison Guide.

Basics Buyers: Want the core business communication basics in the quickest, easiest and cheapest fashion

Ideal solution: Hosted basic VoIP service (such as those offered by Aptela, Covad, Speakeasy and Cbeyond) or Key Telephone System (such as Nortel NorstarT series telephones, Samsung Digital Key phones and Fonality PBXtra turnkey telephone system)

- Tend to be small businesses and very cost-conscious
- Need the most basic functionalities of a phone system
- Control over phone system not a priority
- Minimal internal support

Fast Featurists: Would like to take advantage of advanced business communication features, to not exceed the budget and to avoid a complicated implementation

Ideal solution: Hosted advanced VoIP service (such as those offered by M5 Networks, Packet 8, Nextiva and Vocalocity) or on-premise feature-rich IP PBX system (such as Avaya IP Office solution and PBX systems offered by Alcatel Lucent, NEC Sphere and Siemens)

- Small businesses that want as much advanced functionality as possible at small-business prices
- Would like more advanced business communication features
- Want possibility of some control over their business communication system
- Limited internal support

Little Enterprisers: Want advanced and customized business communication features to suit their complex business requirements

Ideal solution: On-premise enterprise IP PBX systems (such as those offered by 3Com, Cisco and Nortel)

- Tend to be small companies with big-company needs
- Need total control over their phone system
- Full internal support

Product

Prospective buyers' requirements depend on a number of factors, such as business needs, organizational structure and number of employees. Some buyers may opt for basic functions, while others search for advanced and niche features; some may go for on-premise solutions while others may prefer hosted solutions.

75% of buyers noticed no major difference in basic feature sets among vendors.

Source: Focus Buyer Survey – Small Business Phone Systems, November 2008

Basic Features – Top Requirements

Although communication requirements vary from business to business, certain requirements are common to all enterprises – big or small – and must be addressed by a set of basic phone system features. Most vendors today offer these features with little variation in their offerings. This is borne out in our buyer survey results, wherein a majority of the buyers stated that they did not notice any key differences among vendors' offerings as far as the basic features were concerned.

Some of the more common features that a phone system must have to address an enterprise's day-to-day communication needs include:

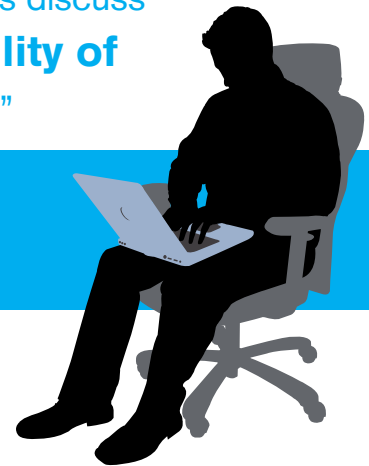
1. Incoming call management features:

- Call forward – redirect the incoming calls to a specified number
- Call transfer – direct a call to an extension without routing to the central switchboard
- Call park – place a call on hold, allowing anyone to dial an extension and pick up the call
- Call hold – enables the user to put a caller on hold while a second call is answered or made
- Camp on – a call can wait for a busy extension to become free; the dialer's extension will ring with the call when the originally dialed extension is free
- Call wait – receive a tone or a light indicating that another call is waiting for attention
- Call pick up – take a parked call off hold
- Call recording – feature to record a conversation or a conference call
- Do not disturb – ability to ignore all incoming calls; it can be achieved by keeping the ringer on “mute” mode or by keeping the phone on “busy” mode

2. Outgoing call management features:
 - Direct inward dialing – allows users of the phone system to connect directly to desired extension without the operator's assistance
 - Speed dialing – permits fast dialing of frequently called numbers
3. Monitoring features – such as Caller ID, displaying the number and/or name of the caller
4. Reporting features – allow users to capture and monetize their phone usage. One such feature is Call Accounting, an application that captures and records the call data placed to or made from the telephone system.
5. Voice mail box (and voice mail features) – a system that receives and manages telephone messages from callers when the call is not received
6. User directories – personalized user directories to update name, address and other details
7. Basic three-way conferencing – allows a number of users to have a telephonic conference meeting
8. Password-protected security features – to prevent unauthorized access to voice mail, for example

“People can **get caught up in comparing features**. In the end, when you speak with customers about what **really mattered**, they always discuss **quality and reliability of the calls themselves.**”

Phone Systems Analyst
Focus Research



Advanced Features – Top Requirements

Most companies have communication requirements that are very specific to their business. An overview of advanced features includes:

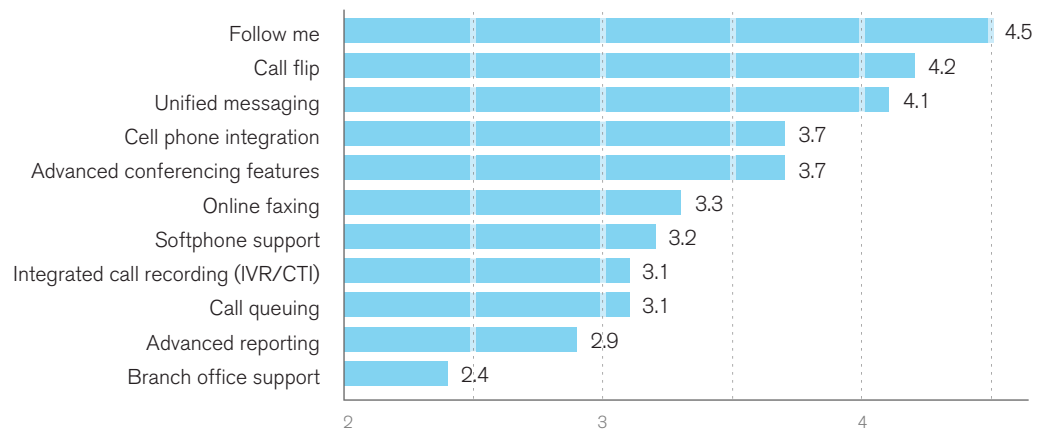
1. Advanced call management features
 - Call queuing – a method of handling calls until they are answered
 - Hunt groups – a group of extensions organized in a specific order to process some particular calls
 - Call flip – transferring the call from a landline to a mobile phone without any interruption
 - Night answer – re-routing incoming calls at night or at specific time to a desired destination
 - Find me/follow me – an extension of call forward feature; call is forwarded to multiple numbers in a specified sequence

2. Automated call routing features

- Automated call attendant – an automated system designed to answer and route incoming calls; guides a caller through the options of a voice menu
- Automated call distribution – a specialized device for handling and routing large volumes of incoming calls to designated stations in a predefined order

3. Application/hardware integration – allows users to integrate their devices (fax machine, mobile phones, and so forth) and applications (Microsoft Outlook, CRM applications, and the like)

Buyers Rate Most Important Advanced Features to Consider



Based on a poll of SMB Phone System buyers ranking advanced features on a scale of 1 to 5, with 1 being the least important and 5 being the most important. Source: Focus Buyer Survey – Small Business Phone Systems, November 2008

Buyers sited **mobility** and **desktop integration** as top advanced features of interest.

4. CTI (Computer Telephony Integration) – software, processes and interfaces that integrate computer applications with telephone networks to provide more efficient customer interaction and reporting mechanisms; the two most commonly used applications that ensue from CTI technology are:

- Browser-based system administration – Web interface that allows users to customize their PBX setup (configuring the actions of auto attendant, for example)
- Soft phone support – allows users to make and receive calls on their computers

5. IVR (Interactive Voice Response) – a software application that enables users to input information by voice or to enter data using keypads

6. Unified messaging – a single messaging infrastructure accessible through a computer or a telephone that manages voice, fax and email messages

7. Advanced teleconferencing – includes multiple bridges for unlimited participants

8. Advanced voice mail features – includes voice mail-to-email forwarding

9. Advanced security features – such as tools to audit security status of every extension in the system or advanced password security configuration procedures

10. Advanced reporting features – providing customized reports on call details, real time status of call queues, system events, users

Phone Systems Buyers Say

50% of all small businesses considered both an on-premise and a hosted PBX solution.

Approximately **10%** chose an on-premise solution.

Source: Focus Buyer Survey – Small Business Phone Systems, November 2008

What Product Attributes Matter for Different Buyer Types

Basics Buyers: Look for standard PBX features, such as call management, call routing, monitoring, reporting and basic conferencing features

Fast Featurists: Consider the latest attributes of phone systems, such as CTI, unified messaging, advanced reporting, conferencing and call management features

Little Enterprisers: Look for customization, scalability and hardware/application integration features, in addition to basic features

Buyers Rate Most Important Advanced Features to Consider

While always having considered basic functionality (call waiting, voicemail and so forth) important in their purchases, now small-business buyers have access to advanced functionality for reasonable prices as never before. Our buyers rated what they considered to be the most important advanced features when comparing different production solutions. Not surprisingly given today's networked world, mobility and desktop were top requirements. As you would expect, features around integration and call center functionality were less needed by smaller businesses.

Hosted vs. On-premise

There are primarily two types of phone solutions for businesses to choose from: hosted PBX or on-premise PBX. These solutions can be over the standard telephone network, also known as PSTN (public switched telephone network); the worldwide telephone network that provides public telephone switching service; or the Internet network.

A Hosted PBX solution is delivered as a service by the provider and usually is billed on a monthly basis. The equipment on the customer's site is limited to phones and some routing devices only, and the rest of it is managed by the service provider.

Buyers frequently choose a hosted PBX solution for the following reasons:

- Focus on competencies: allows a business to focus more on its core competencies rather than managing the complex business communication infrastructure
- Easily scalable: increase/decrease the number of lines as needed without concern for infrastructure
- Seamless around-the-clock service
- No burden of maintenance/upgrades
- Flexible pricing model: add and drop features to suit business needs and remain within an allocated budget

By contrast, a premise-based PBX solution requires complete PBX infrastructure to be present on the customer's site. This solution accounts for more start-up costs as the organization must install, manage and upgrade the PBX system. The buyer has the following factors in its favor when buying an on-premise PBX solution:

- More control: Unlike the hosted solution, the customer can upgrade the system as needed.
- More flexibility in terms of the use and the features of the system
- Customization needs can easily be met.
- Can be a more cost-effective solution in the long term

Phone Systems Buyers Say

Unexpected costs mostly originate from either unexpected **internal hardware** costs or unexpected **implementation/installation** costs.

Source: Focus Buyer Survey – Small Business Phone Systems, November 2008

Cost

Comparing prices from different vendors and for different combinations of basic and advanced features offered by the same vendor is an important step in purchasing a phone system. The focus should be on getting the best return for your cost based on your specific requirements.

Understand Your Desired Pricing Model

Are you interested in an on-premise or a hosted solution? The ownership and management of the system eventually impacts your TCO (total cost of ownership).

- **On-Premise Solutions:** The customer owns the system – phones, servers, routers, switches and the software to manage it.
- **Hosted PBX Solutions:** The ownership of the system lies with the service provider.

The hosted model offers some immediate cost savings over the on-premise model:

- Significantly lower startup costs
- Minimal or no separate long-distance and local calling charges
- No equipment or other replacement charges
- No maintenance, licensing or software upgrade charges

For a small business with fewer than 50 employees, a hosted solution is often the first step when moving away from a KTS system. It involves comparatively lower startup costs and minimal maintenance of the system. Any upgrades or additional features are provided by the vendor at an additional cost.

However, an on-premise solution can be more cost-effective for some customers in the long term, especially those customers with the appropriate in-house expertise. Both solutions have their pros and cons. Thus, the final decision depends on the business case and other factors, such as business requirements, cost effectiveness, growth strategies and business size. One should choose a solution keeping in mind the aforementioned factors.



Phone Systems Buyers Say “Watch Out!”

“

The sales rep provided an initial estimate but it was terribly misleading. They provided a spreadsheet that did not accurately indicate the real costs. They showed in the spreadsheet only the taxes as if that was the cost. The per-line cost was not included.”

Janice

Office admin at a technology services company,
1-4 phones, Purchased Packet 8

“

Complexity of implementation should all be explained upfront. We also had to pay someone to come in and help install the system.”

Angie

Director of operations at a restaurant,
5-10 phones, Purchased Avaya

“

Monthly service fees — and that’s one they stay general with and then hit you harder. Cost of add-on features; they will bill you for them without your knowledge. You think it’s part of the deal, but you’re being charged.”

Tom

Broker in a financial services company,
5-10 Phones, Still considering

Source: Focus Buyer Survey –
Small Business Phone Systems,
November 2008



Budget for the Full Price of the Project

Be sure to budget the entire project and to forecast costs from a TCO perspective.

In the on-premise solution, the pricing comprises the following three components:

- Start-up cost (includes setup, hardware and installation costs) – You can expect at least \$5,000 for a complete standard PBX system for the smallest offices. The cost can easily scale to as much as \$10,000 to \$25,000 for a 20 to 40 person office. Additional/advanced features come at additional cost.
- Regular maintenance cost – This includes the annual maintenance and license fees, and the cost for the services on call.
- Internal staffing cost – This includes the cost incurred by maintaining a team to manage the on-premise system.

The major portion of the cost in the hosted solution is the regular per line/extension cost with only a limited amount spent on initial setup cost, which usually includes the spending on phones, routers and Internet connection. However, the setup cost varies significantly depending upon the condition of the existing communication infrastructure.

- Phones – If the phones need to be upgraded, add \$100 to 200 per line
- Internet connection – If Internet connection must be upgraded, your per-month cost can be as follows:
 - DSL connection: \$70 to \$150
 - T1 connection: \$300 to \$500
- New network switch and router – \$900 to \$1,200

Value Consideration Based on Buyer Type

Basics Buyers:	Should expect an overall cheaper telephony solution meeting basic communication requirements
Fast Featurists:	Should expect a moderate to costly phone solution based on the option chosen (on-premise IP PBX or hosted VoIP service). The inclusion of more advance features will drive costs upward
Little Enterprisers:	Should expect high TCO, as most of them will deploy tailor-made on-premise enterprise PBX systems addition to basic features

After setup costs, a typical full-featured hosted PBX service with unlimited calling can cost between \$30 to \$50 per extension per month. This also covers the local and long-distance calling charges. The breakdown is as follows:

- Incoming phone line charges – \$12 to \$30 per line per month
- Standard business calling charges – \$10 to \$20 per line per month; however, as the number of users increases, these monthly rates can drop to as little as \$6 per user.
- Advanced features charges – Adding advanced features, such as ACD, computer integration, conference bridges, call queues and call features, can raise your total monthly bill to \$70 or more depending on the number of features added.

Smart Questions from Others Buyers

Other than product and pricing questions, buyers recommended asking vendors the following three questions before you buy.

- 1. What are your implementation and support processes?**
- 2. What is your history with other customers like me?**
- 3. Can you ensure me of your financial viability?**

Source: Focus Buyer Survey – Small Business Phone Systems, November 2008

Buyer Dissatisfaction – What to Watch Out For

Focus Research asked buyers their top reasons for project dissatisfaction. The good news is that 60% of the survey group were satisfied with their purchased solution. Only 10% were not satisfied, with the rest being neutral or responding that they had not yet implemented the solution.

What Vendor Attributes Do Different Buyer Types Focus On?

Basics Buyers: Considering the current economic scenario and limited budgets, the financial viability of the vendor and exhaustive research of its support policies are of utmost importance. Buyers favor vendors offering products and services that are easy to use and can be easily integrated with an existing system.

Fast Featurists: As they are more interested in advanced features and their operations, fast featurists focus more on the technical support and customer services of the vendor. Also, the vendor's history with other customers is important to them. They are more attracted to vendors that focus on innovation and keep their offerings in line with the latest technologies.

Little Enterprisers: They focus more on the vendor's track record and collect reviews from others who have purchased products from the vendor. Vendors that offer robust product offerings and good technical support during the implementation process are preferred.

Vendor

Top reasons for dissatisfaction varied, and included poor performance, uptime and poor vendor support.

Sales Process

Identifying the vendor that can best meet your requirements can be challenging, as most vendors offer similar feature sets. According to our Buyer Monitor survey, most of the buyers (76%) did not notice any differences in the sets of basic features when comparing products from different vendors. Thus, besides product and cost considerations, vendor partnering becomes a key part of your decision. Make sure that you have all the requisite information and ask the right questions before selecting a vendor.

Input from existing customers is a valuable source of unbiased information. Discussions with current users as well as detailed feedback on vendor Web sites and independent third-party platforms can help identify best practices for vendor interaction.

Have detailed, open discussions with vendors. Buyers rated pre-purchase planning for support, a good demo and an introduction to other consultants/experts as valuable contributions to the product selection process.

Implementation Process

After you have identified the vendor and the product, the next step is to ensure smooth implementation of the solution. A number of factors must be considered to ensure a seamless implementation.

If the implemented phone solution fails to meet basic expectations such as voice quality and uptime, there is a high possibility that you did not evaluate your existing network infrastructure adequately before carrying out the implementation. Perform a thorough application impact study to assess whether the current network infrastructure can effectively support applications that are responsible for voice quality and other related parameters.

Prepare a comprehensive to-do list for yourself as well as for the vendor. Involve the vendor at each step of the implementation process. Seek insight into areas about which you need more clarity. This level of involvement is key, as reflected in the results of our buyer's survey. A majority of the buyers (68%) interacted with the vendors during the implementation phase. Even those who did not interact with the vendor implemented the system through some online support or hired an expert to implement it.

Phone Systems Buyers Say

The three most useful things a vendor can provide during the sales process are:

1. Installation and support planning
2. A great demo
3. Useful references.

Source: Focus Buyer Survey – Small Business Phone Systems, November 2008

Experienced buyers recommend following these rules during the implementation process:

- Be clear and specific about your requirements.
- Have a complete understanding of the technical infrastructure requirements of the site where the system will be implemented.
- Understand how the new system integrates with the existing hardware.
- Keep a backup of your data.
- Prepare a checklist of all the important activities, with a timeline to be followed.
- Maintain close contact with the vendor and seek clarification on each step.
- Consult with other customers and seek advice on the process they followed.

Support Process

Post-sales support is considered by experienced purchasers as even more critical than implementation, as phone uptime (or downtime) can have a material impact on the performance of your business. Make sure that you explicitly mention your post-sales support requirements at the onset and obtain the vendor's commitment to it.

Past buyers recommend that you should have a SPOC (single point of contact) to address your queries. It saves the hassle of explaining the situation to a new contact person each time you have an issue. This will result in quicker and better issue resolution.

The onus of getting the required vendor support is on you to a great extent. The vendor might not turn up in a reasonable period to resolve your request. Regular follow-ups with the support team could be a way to expedite your issue-resolution process.

How Did Buyer's Feel about Their Selection?

Nearly two-thirds of buyers are satisfied with their selection.

60% satisfied

22% neutral

10% dissatisfied

8% haven't purchased yet

Those not satisfied were unhappy because of:

 Slow response times

 High support costs

 Lack of support for customization

Source: Focus Buyer Survey – Small Business Phone Systems, November 2008

4 Tools

Don't get left in the lurch with a lot of decisions to make and few tools with which to make those decisions. Below, we've included tools and worksheets that will make your cost factoring, product requirements, vendor choice and purchasing decisions easier. Rip these out, pass them along to others in your company or use them to justify your purchase. Whichever route you go, rest-assured that your decision will be a more educated one.

11 Steps to Purchasing a Business Phone System

Buyer Type Worksheet

Product Requirements Worksheet

Total Cost of Ownership Worksheet

Vendor Landscape

11 Steps to Purchasing a Business Phone System

Purchasing/upgrading your business phone system is a demanding process. The best approach is to have a procurement plan in place that lists all the assumptions, benefits, cost analysis and other influencing factors that are important to your business. The checklist below will guide you in purchasing/upgrading your phone system.

- 1. Define your investment timeframe:** Are you concerned with meeting current needs only, or do you want to invest in productivity improvements and other long-term strategic goals?
- 2. Define your budget:** What are your total estimated project costs or estimated cost-per-user-per-month?
- 3. Conduct a comprehensive analysis:** Answer the following questions about your telephony/networking infrastructure:
 - How many employees are in your organization?
 - What are your existing phone system details (manufacturer, number of lines, connections and so forth)?
 - What are your current broadband connection details (bandwidth, type, lines)?
 - What is your current network load and available unused bandwidth? You may need a network or broadband upgrade.
 - On what type of servers does your system run (manufacturer, model number, operating system and other details)?
 - What is the percentage of inbound vs. outbound calls?
 - What are the percentages of internal, local, long-distance and international calls per month?
 - How many remote or mobile users do not have a local office?
- 4. Define your business requirements clearly:** Prepare a list of critical as well as optional business needs. Be sure of the optional needs that can be negotiated for a lower cost. Use our Product Requirements Worksheet to define your detailed product requirements.
- 5. Determine buyer type:** Refer to our Buyer Type Worksheet to learn which buyer category you belong to. It will help you to prioritize your needs and preferences.
- 6. Conduct a cost-benefit analysis:** Both on-premise and hosted solutions have their pros and cons. A detailed cost-benefit analysis can help you choose the right model.
- 7. Look out for the hidden costs:** Ask the following questions to avoid any hidden costs:
 - What startup costs are there beyond setup and equipment fees?
 - What day-to-day usage costs are not covered by the solution?
 - Do you need add-ons or extras to handle your existing phone system?
 - What are the additional costs for upgrading?

- 8. Compare vendor and solution options:** In addition to a demonstration, ask for a pilot or POC (proof of concept) if this fits your process.
- 9. Ask for a SPOC (single point of contact):** The SPOC will assist you from the vendor side throughout the implementation process and beyond.
- 10. Have a detailed and unambiguous contract in place:** Contract termination policies and SLAs (service level agreements) should be clearly defined with a focus on vendor support services.
- 11. Keep the vendor involved:** Involve the vendor throughout the project implementation process and even beyond.

Buyer Type Worksheet

In order to determine what kind of buyer you are, it's important to consider how your business will use its phone system. This hinges on several key points. Below, we've listed them, with points for each answer. The goal is not to have the most or fewest points – it's to emerge from the exercise with a better idea of how your company fits into the buyer types discussed in this guide.

1. How complex are the operations related to voice communication in your organization?

- 1 point Simple (such as in a small product-design firm)
- 2 points Moderately complex; the business communication is intermediate in volume and sophistication (such as in a small consulting firm)
- 3 points Highly complex; the core business operation is voice-based (such as in a contact center or telemarketing firm)

2. How much internal IT support will your phone system have?

- 1 point None
- 2 points Some, although it will compete for resources
- 3 points Enough, because the IT department is comparatively large

3. How much functionality do you need?

- 1 point Basic capabilities
- 2 points Some advanced functionality, but not much customization
- 3 points Fully featured with advanced customization and configuration

Results: Based on your final points total, your organization probably fits into the following buyer types:

Basics Buyer	3-4	Ideal solution: Hosted basic VoIP service (such as those offered by Aptela, Covad, Speakeasy and Cbeyond) or Key Telephone System (such as Nortel NorstarT series telephones, Samsung Digital Key phones and Fonality PBXtra turnkey telephone system)
Fast Featurists	5-7	Ideal solution: Hosted advanced VoIP service (such as those offered by M5 Networks, Packet 8, Nextiva and Vocalocity) or on-premise feature-rich IP PBX system (such as Avaya IP Office solution and PBX systems offered by Alcatel Lucent, NEC Sphere and Siemens)
Little Enterprisers	8-9	Ideal solution: On-premise enterprise IP PBX systems (such as those offered by 3Com, Cisco and Nortel)

Product Requirements Worksheet

The following worksheet is intended to help buyers determine their most critical requirements before meeting with vendors.

Features are listed as Standard (S) or Advanced (A).

Buyer Need categorization lists features for:

- Basics Buyers (B)
- Fast Featurists (F)
- Little Enterprisers (E)

Your Priority	Standard or Advanced	Buyer Need Categorization	Feature	Description
	Standard	B, F, E	Basic three-way conferencing	Allows a number of users to have a conference meeting
	Standard	B, F, E	Caller ID	Displays identification (number, name) of the caller
	Standard	B, F, E	Call accounting	Application that records and captures the call data placed to or made from the telephone system
	Standard	B, F, E	Call forward	Redirects the incoming calls to a specified number
	Standard	B, F, E	Call transfer	Directs a call to an extension without routing to the central switchboard
	Standard	B, F, E	Call park	Places a call on hold, allowing anyone to dial an extension and pick up the call
	Standard	B, F, E	Call hold	Enables the user to put a caller on hold while a second call is answered or made
	Standard	B, F, E	Call wait	A tone or a light indicating that another call is waiting for attention
	Standard	B, F, E	Call pick up	Takes a parked call off hold
	Standard	B, F, E	Call recording	Feature to record a conversation or a conference call meeting
	Standard	B, F, E	Do not disturb	Ability to ignore all incoming calls; it can be achieved by keeping the ringer on "mute" mode or by keeping the phone on "busy" mode

Your Priority	Standard or Advanced	Buyer Need Categorization	Feature	Description
	Standard	B, F, E	Direct inward dialing	Customized phone line allowing internal users to directly call within the organization, without seeking help from front-desk personnel; outsiders can call a DID line through a central telephone number, but enterprise users cannot call outside, as DID does not offer a dial tone.
	Standard	F, E	Password-protected security	Security features such as preventing unauthorized access to voice mail with password protection
	Standard	B, F, E	Speed dialing	Permits fast dialing of frequently used numbers
	Standard	F, E	User directories	Personalized user directories to update name, address and other details
	Standard	B, F, E	Voice mail box	System that receives and manages telephone messages from callers when the call is not received
	Advanced	F, E	Advanced reporting features	Getting customized reports on call details; real time status of call queues, system events, users
	Advanced	F, E	Advanced voice mail features	Voice-mail-to-email forwarding
	Advanced	F, E	Application/hardware integration	Allows users to integrate their devices (fax machines, mobile phones) and applications (Microsoft Outlook, CRM applications)
	Advanced	F, E	Automated call attendant	An automated system designed to answer and route incoming calls; guides a caller through the options of a voice menu
	Advanced	F, E	Automated call distribution	A specialized device for handling and routing large volumes of incoming calls to designated stations in a predefined order.
	Advanced	F	Automatic Speech Recognition (ASR)	The translation of discrete human speech (spoken letters, numbers or words) into non-audio computer format; the translated information can be stored or used to control event-driven telephony services, such as IVR.
	Advanced	F, E	Browser-based system administration	Web interface that allows users to customize their PBX setup, such as configuring the actions of the auto attendant
	Advanced	F, E	Call flip	Transfers the call from a landline to a mobile phone without any interruption

Your Priority	Standard or Advanced	Buyer Need Categorization	Feature	Description
	Advanced	F, E	Call queuing	Method of handling calls until they are answered
	Advanced	F, E	Computer Telephony Integration (CTI)	Technology that helps in combining telephony with computer systems; computers handling calls in call centers or customer care departments are CTI implementations. Here, computers take incoming calls and route them appropriately depending on their call number and caller ID.
	Advanced	F, E	Find me/follow me	An extension of call forward feature; call forwarded to multiple numbers in a specified sequence
	Advanced	F, E	Hunt groups	Group of extensions organized in a specific order to process some particular calls
	Advanced	F, E	Interactive Voice Response (IVR)	Allows callers to interact with an automated computer system without the intervention of customer care operators; IVR saves customers time they would have spent waiting for representatives.
	Advanced	E	Multi-office support	Allows management and remote administration of extensions at other locations — or home-based offices — as easily as if they were on-site
	Advanced	F, E	Night answer	Ability to reroute incoming calls at night or at a specific time to a desired destination
	Advanced	F, E	Soft phone support	Allows users' computers to function as telephones for making and receiving calls
	Advanced	F	Text-to-Speech (TTS)	The conversion of non-audio computer information into speech; TTS allows a CTI solution to "speak" or repeat (for confirmation purposes) information that was entered using ASR.
	Advanced	F, E	Unified messaging	Integrates the delivery of diverse data including voice mail, email, fax and video to one inbox that can be accessed from a variety of devices

Total Cost of Ownership Worksheet

Costs

When buying and SMB phone system, you must go into the project with an accurate projection of costs in order to avoid surprises. This worksheet will help you estimate TCO (total cost of ownership).

Startup costs

- License / subscription costs \$ _____
- Internal hardware costs \$ _____
- Internal software costs \$ _____
- Implementation services \$ _____
- Staff implementation costs \$ _____
- Other startup/initiation fees \$ _____

Ongoing costs

On-Premise Model

- Maintenance costs \$ _____
- Upgrade costs \$ _____
- Support services costs \$ _____

Hosted Model

- Monthly service charges \$ _____
- Monthly hardware charges \$ _____
- Internet connection charges \$ _____
- Support services costs \$ _____

Benefits

If you need to justify your project, here are two simple formulas:

Cost reduction: (number of telephone lines) x (annual calls per line) x (reduced call rates using VOIP/Internet calling)

Improved customer responsiveness: (reduced average response time) x (number of client queries)

Vendor Landscape

The following is a list of key vendors offering business phone systems for small and midsize businesses.

Pure-play hosted PBX solution providers

Aptela	LightEdge Solutions	Ring 9
Bandwidth.com	M5 Networks	Speakeasy
Cbeyond	Nextiva	Vocalocity
Covad	Packet 8	VSGi
iCore	Qwest	Whaleback Systems

Enterprise on-premise PBX solution providers

Avaya	NEC Sphere	Siemens
Cisco	Nortel	

PBX (both hosted and on-premise) solution providers

Altigen Communications	Fonality	Zultys
Dialexia	Spherecom	

About **FOCUS**

Our Mission

Our mission is to support business professionals' critical purchase decisions by creating and distributing the highest quality, most relevant purchase research and tool sets.

Our Approach

To ensure maximum insight and relevancy, Focus has designed a four factor approach to buyer-centric research. All research at Focus begins with defining the buyer factor. Categorized in our research as Buyer Types, the buyer factor identifies the buyer needs and preferences in a market that make a difference in selecting the right product and vendor. Buyer Types are studied and developed based on Focus' interaction with thousands of buyers across a category. The buyer factor in turn shapes Focus recommendations on how buyers approach three other critical factors: 1) product requirements, 2) cost considerations and 3) vendor relationships.

Buyer Feedback

In addition to speaking with industry experts and other participants, a critical priority is to integrate feedback from experienced buyers. We speak with thousands of buyers each month and conduct our formal buyer surveys throughout the year.

For more information on our research approach, please visit [Focus](#).