

Quintum enables TIPS to execute uniquely effective “land and expand” managed VoIP services strategy

Flexible, non-intrusive in-line deployment lets innovative solution provider seize marketshare from incumbent carriers piece-by-piece

The Challenge

Some of Quintum’s channel partners take advantage of Quintum’s highly adaptable VoIP switching solutions by simply selling the hardware to corporate customers. Others leverage Quintum’s solutions to offer VoIP services that completely displace their customers’ incumbent telecom carrier.

Irish solutions provider TIPS, on the other hand, is using Quintum technology to implement an innovative and highly effective “land and expand” strategy that makes it easy for customers to give the go-ahead to money-saving VoIP initiatives by eliminating both cost and risk. As a result, TIPS has been able to quickly expand its market footprint and pose what may be the greatest threat yet to incumbent carriers.


Quintum’s VoIP Solution is *The Perfect Fit* for VoIP Services on the Customers’ Premises

Here’s how the TIPS strategy works. Unlike a typical reseller, TIPS doesn’t ask its customers to take on the capital costs and risk associated with purchasing Quintum hardware and building their own VoIP architecture. And, unlike the typical managed services provider, TIPS doesn’t ask its customers to dump their existing carrier and give TIPS 100% of their telecom volume.

Instead, TIPS installs a Quintum switch on the customer’s premises at no cost and lets the customer decide what portion of their voice traffic they want to re-route over the TIPS network. They can use TIPS for their inter-office traffic, their fixed-to-mobile traffic, their in-country long distance traffic, and/or their international traffic. They can change their minds any time – adding or eliminating “traffic of interest” as they choose each month. They can throw TIPS out altogether if they ever want to. Or they can use them exclusively. The customer is always in control. The customer also always has zero risk.

As a result, TIPS has been able to convert an extraordinarily high percentage of its prospects into customers. It’s also been able to penetrate Ireland’s public-sector market – which, unlike the U.S., is actually a blue-chip niche. Plus, by getting a smaller initial foothold in a higher total number of customer locations, TIPS has been able to prove its value and position itself for aggressive future growth.

“The best way to displace incumbent carriers is to make it as easy as possible for customers to say ‘Yes’ to a business relationship with us,” says TIPS director David Ralph.



“Once we’re inside, it’s only a matter of time before we’ve taken everything away from the incumbent except for low-margin, low-volume local landline calls.”

Quintum: The right platform for the right strategy

According to Ralph, Quintum’s VoIP switching platform is uniquely suited for his company’s innovative business strategy. For one thing, TIPS can quickly and easily install a Quintum switch in-line between the customer’s PBX and their carrier access point. The customer doesn’t have to add a card or have any other integration work done by their PBX vendor – regardless of how old or new the PBX may be. The customer also doesn’t have to do any re-configuration work on their telecom network access hardware.

This ease of installation – combined with the fact that TIPS doesn’t charge the customer for the Quintum switch itself – eliminates all capital costs for the customer. That lack of capital cost avoids one of the most common objections to a VoIP implementation.

Also, because the Quintum switch is completely transparent to both the PBX and the existing telecom network access hardware, there is no risk to the customer. If the Quintum switch fails, voice traffic passes from the PBX to the access hardware just as it did before the installation. In fact, the customer can simply unplug the Quintum switch at any time – and immediately restore the state of the network before it was installed.

Just as important, the settings for which traffic is routed via IP to TIPS for termination can be adjusted at any time with a few keystrokes. This gives both TIPS and its customers tremendous flexibility in their telecom decision-making. They can use TIPS for international calls only for a month, just to see how it works out. If they’re satisfied, they can call TIPS and add fixed-to-mobile traffic next. If they find out their incumbent can offer them a better deal three months later, they can tell TIPS to give the fixed-to-mobile traffic back. They’re never locked in – and they’re never locked out.

So far, though, customers have only given TIPS more business, not less. That’s because TIPS always saves them money and always provides equal or better call quality.

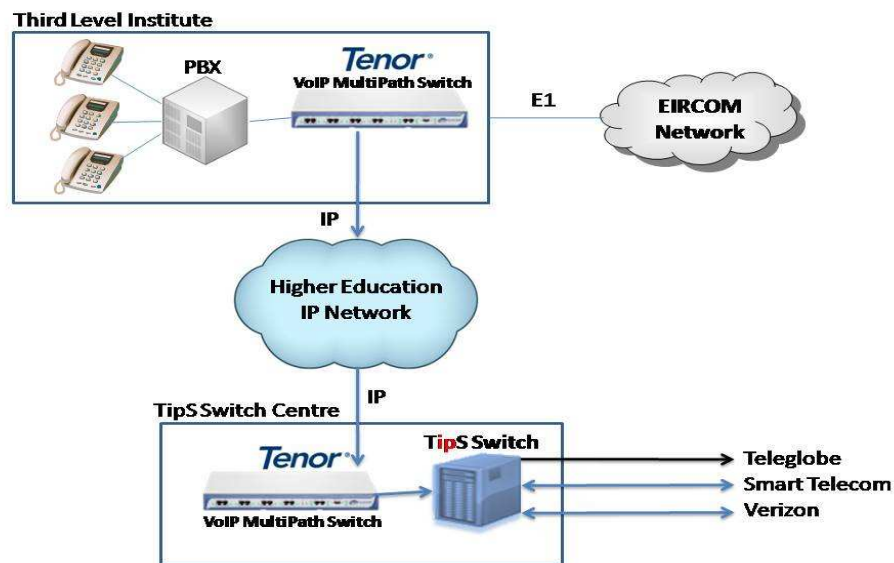
In fact, with Quintum and TIPS, customers get value-adds that their incumbents can’t offer. For example, thanks to Quintum’s call-accounting capabilities, TIPS can provide customers with electronic reporting that far outstrips their incumbent carriers’ hard-copy bills. Quintum and TIPS also provide free office-to-office calls.

“Incumbent carriers can’t beat us on price, service, or call quality,” explains Ralph. “With Quintum’s technology and our customer-empowering business model, there actually aren’t any reasons at all for a telecom decision-maker not to give us the voice traffic we want.”

Case in point: The Institutes of Technology Ireland

One real-world example of the TIPS strategy in practice is Institutes of Technology Ireland (IoTI). IoTI is actually composed of 14 separate institutions that manage their campus networks independently. TIPS proposed free installation of a Quintum switch and selective routing of voice traffic to decision-makers at several IoTI campuses. With no cost or risk associated with the proposal – and with potential for significant telecom cost reductions – their decision was an easy one.

Selected voice traffic is routed from the on-site Quintum switch via IP to the TIPS network, where it is aggregated and terminated at wholesale rates. TIPS can therefore add a reasonable markup and still offer its IoTI customers healthy savings over the retail pricing from Eircom, their incumbent carrier.



After their initial pilots, the campuses expanded their use of Quintum and the TIPS network. Interestingly enough, fixed-to-mobile calls represented 60% of the typical site's telecom costs – even though they might only constitute 10% of that site's total call volume. By saving the customer 12%-14% on those calls alone, TIPS has been able to reduce the customer monthly phone bill by more than 8%.

TIPS also guarantees 100% fax call termination. That's because TIPS converts fax calls from VoIP back to TDM on its Quintum switches at the network edge and implements T.38. This enables it to provide much more reliable fax service than other VoIP service provider, who typically only offer "best effort" fax termination.

"The TIPS solution allows us to decide exactly what traffic we want to re-route with zero configuration to the existing telephony hardware," says Martin McCarrick, senior technical officer at the Institute of Technology in Tallaght. "It also increases our overall capacity, since we're diverting so much traffic of our E1 connection to Eircom."

Ralph adds that Quintum has been an extremely helpful business partner as TIPS has pioneered its ground-breaking business model. And the two companies continue to work together to advance that business model, especially as it relates to 3G connectivity and support for specialized help desk requirements.

"Quintum's switching platform is a perfect fit for delivering managed VoIP services in a market where competition is a way of life and adaptability to diverse customer environments is a must," Ralph declares. "Our approach is clearly extremely attractive to value-conscious buyers and quite threatening to the incumbent carriers."



The Perfect Fit.

