
Unified Communications: What's In It for Small Business?

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Anita Campbell: Well hello today, and welcome to the show. Of course, I'm Anita Campbell, your host of Small Business Trends Radio.

Steve Rucinski: I'm Steve Rucinski, your co-host. Our show today is about Unified Communications (UC) for your business. First we have our tip of the week from JumpUp.com, our sponsor.

Steve Rucinski: Our thanks goes out to JumpUp.com by Intuit for being such a wonderful supporter of small business, along with our show.

By now, many of you have probably heard about VoIP or Voice over IP; but have you heard about Unified Communications? It's a technology that brings your phone, calendar, conferencing, and messaging capabilities together in a way that enables you to control them from any device anywhere.

Anita Campbell: Steve, we've got a great guest today. Here to talk about Unified Communications, our featured guest is Geoffrey Baird. He's the vice-president and general manager of the Appliances, Mobile and Small Systems division of Avaya.

Avaya is a company I'm sure you have heard about somewhere along the way. It is a leading global provider of business communication software, systems and services for businesses. Geoff is responsible for positioning Avaya as a world-class leader in communications appliances.

Well, welcome to the show, Jeff, or Geoffrey. We're very pleased to have you here today.

Geoffrey Baird: Thank you very much, Anita. It's lovely to be here. I'm looking forward to the discussion.

Anita Campbell: OK, great. Do you go by Geoff or Geoffrey?

Geoffrey Baird: I'm very comfortable with Jeff.

Anita Campbell: OK, terrific. Thanks. Well good. We like to be informal on these shows. I'll start out with the big question I know everyone wants to know: What exactly is Unified Communications? How would you define it?

Geoffrey Baird: Oh sure, Anita. Unified Communications, or UC for short, is a technology that brings together all elements of communications into a single seamless experience. The goal is to make as many people as productive as possible. Enabling them to easily connect to each other, and to access and move the information they need once connected.

Examples of Unified Communications include checking your email from your cell phone, using your laptop to create a conference call, or just calling a customer and dealing with the sales call from your PC, or responding with an instant message by starting up a video session. This is where the core of communications technology is now moving.

Anita Campbell: So, is Unified Communications actually a product or is it a technology? What is it actually?

Geoffrey Baird: Actually, Unified Communications is more like a suite of services. It'll be based off a core product, which each of the suppliers will be producing. Then it has a number of capabilities that converge or combine, by user preference, the real-time and non-real-time business communication applications that they're using in their business. Voice, video telephony, conferencing, voice and video mail, instant messaging, email, and then collaboration software, which will bring calendar and your contacts together.

Anita Campbell: OK. Let me play devil's advocate for just a moment here. I would ask you this question then, why is it actually important to bring all these things together and converge them? If I'm a small business owner and I'm sitting here saying, "OK, that sounds fine, but you know, I'm doing OK with what I've got now." What am I missing? What advantages and benefits would I get from Unified Communications?

Geoffrey Baird: The aim is very much to deliver productivity. The benefits therefore show up in many areas. For one, it can reduce costs. Take for example, how Unified Communications enables a user to make an international call from their business phone system through the use of cell phone logging into their information portal that they'd now be running.

If a direct call to Australia were made by the cell phone, that's a very expensive proposition, in fact one that a small business would probably hesitate to make. Yet, if business can be done, the advantage of using Unified Communications is that you can now use the cell phone to call a local number. In fact, if you've got a minutes plan with your carrier, that means that that's just going to

be part of your monthly bill. So, there's no additional cost. You can then call through your phone system in your office to call Australia, and actually talk to a supplier, or talk to a potential customer; for a small business, more likely a supplier.

The difference in calling plans in doing that rapidly adds up for any business. Later on, I'll probably talk about a couple of examples of where small businesses with international clients have been able to achieve that.

Another benefit as I had mentioned is productivity. With information, it is easily accessed and moves quickly, a lot more gets done and in half the time. The idea of being able to have an IM session running and immediately be able to call that person, to be able to have a contact pop up on the PC and be able to call that person means it increases the speed to collaborate and it means it's faster to deliver services and to actually serve the market.

Anita Campbell: OK. So, just to recap then what I heard from you is first of all, it can really reduce your costs and second thing is it actually can make your business more productive as well. So, if you had to rank these advantages and/or other advantages, how would you rank them?

Geoffrey Baird: All of that comes together to deliver the biggest benefit of Unified Communications for a buyer, which is customer service. Being the worldwide leader in contact centers, we know how businesses want to serve their customers. So, like in a contact center, a salesperson on the road may get a call or an email from a client. When that happens today, our response is expected right away by the customer.

Any salesperson that delays response or who does not have access to the information, for that response, is left vulnerable to competition or to the customer's potential dissatisfaction. The convergences delivered by UC make people and let salespeople serve their customers ultimately with speed.

Anita Campbell: OK, that's great. All right, what other capabilities would you say Unified Communications delivers? Does that pretty much cover it or are there other things?

Geoffrey Baird: This is a market that's evolving now. We continue to hone this for businesses. We understand that they often move from office to the road and want to do that with minimal disruption. Another capability that we've provided is to allow your cellphone, using an Avaya one-X Mobile solution, to become your office phone on the road. Not only are you able to save money through making calls, you're also now able to transfer that call or receive a call on the road on your cellphone, but through your office number.

That means your salesperson can give out their office number and immediately be reached by their customer wherever they are in the country. Then, if they want to transfer it back to the salesperson or to an order desk, they can do that on their phone on the road. That kind of value offers considerable additional capabilities. What we're doing is we're extending that constantly. For example, we're giving you voicemail on your handset in the future so that you can actually access your voicemails while on the road without it costing you any incremental cost.

Anita Campbell: OK. So, really it gives a new meaning to the word "mobile." I mean, you really are, "have phone, will travel."

Geoffrey Baird: Absolutely.

Anita Campbell: OK, all right. I know the big question a lot of people want to know and consistent always to what I want to know, Jeff, when I hear about some product or service, something new and that is, what size business is this right for? Can a business be too small to take advantage of Unified Communications? What if I have one employee, is that too small or is it scalable up and down both ways?

Geoffrey Baird: I think there are two answers to that question. Every business, however large or small, can benefit from the capabilities that Unified Communications can give them. The question is will a solution deliver them the value and the price and, in fact, is the solution available for that market. So, at this moment, I would say the lowest size, that it goes down to, it's probably about a 10-person company because of the software and applications that are needed to do that. But, above that, it's practical pretty well in most sizes above that, we have offerings.

In the smaller business, then what you'll find is different capabilities. So, for example, Avaya has a product called Avaya Quick Edition, which is designed as a very simple, quick to install solutions to the two or three-person office. It then has embedded built-in voicemail and has some mobile capabilities with it, but it doesn't yet have the full range of Unified Communications capabilities that I described.

So, what I think you'll see is over the next few years, this will evolve and develop to become broader and more accessible. Of course, what also happens beyond what Avaya does is a service provider for the very small office individual consultant contractor will offer some of these capabilities of embedded function after they serve a based solution.

Anita Campbell: OK. The group or the division or unit within Avaya that you are in charge of, are you in charge of the solutions for basically all sizes of small business?

Geoffrey Baird: Yes, absolutely. I run the small business systems from one to 100-employee companies. It's a little known fact that Avaya is actually number one in this space in delivering enterprise communications to small business. We have more than 1.5 million businesses in North America with our solutions installed.

We're very excited to oversee and serve that market and, of course, from that kind of knowledge, build capabilities to serve the different segments. Then, we segment it one to 20 in terms of specific needs and then 20 to 100. We see a differing product set and requirements for those different segments.

Anita Campbell: Yes. Once you get to 20 employees, I can see that your needs are going to be substantially different from the much smaller business.

Geoffrey Baird: Absolutely.

Anita Campbell: So, give us an idea then what this costs; because that's a real question I always want to know. Is it the right product for a business of my size and what is the cost? What are we actually looking at? Can you give us a range?

Geoffrey Baird: Sure. It varies clearly by size of company and also by the number of services that a customer buys. For a 5-person office, and as I mentioned, we would recommend Avaya Quick Edition. It is a telephony solution that's ideally targeted to very small size or small branch offices such as small medical or legal offices and other professional services firms. That costs about \$400 per user list price; usually there will be some negotiation that goes on in the marketplace.

For a 5-person office, you're talking about \$2000. Over 12 months, that's \$160 per employee and per month. But, that's an absolute cost; once bought, that's the cost for the equipment. Customers can take out services and maintenance if they wish.

The idea of that solution is almost always moving to a voice or IP-based unified communication solution which will give your customers opportunity to save on their actual land-line costs. You'll be able to move more costs over to IP networks. That is a benefit, you actually can save money on the cost of that \$2000 that we talked about earlier.

Anita Campbell: OK.

Geoffrey Baird: I was also going to say, for an office with more than 20 people, we would actually have a different solution, something like an IP office. That has a lot more facilities and capabilities. You get more with it, but it's a bigger absolute upfront cost. That actually comes out to about \$129 per user, to then add on Unified Communications capabilities. Your basic cost is about \$7000 for twenty people, and then there's about \$129 per user for all the newest Unified Communications features that we've developed.

Anita Campbell: OK. I know Steve has some questions later on he wants to ask you about some actual situations and so on. So even though I want to follow up on that question I am going to defer to Steve later on.

But, I do have actually another question for you, Jeff. This is really interesting and I'm listening to you talk about the benefits of Unified Communications and the cost savings and the productivity and the customer service benefits and so on. I'm wondering, what's the pulse of the small business market from your perspective on this? Have you had a difficult time convincing small businesses of the benefits of Unified Communications, or does it become immediately apparent what those benefits are? How would you describe it?

Geoffrey Baird: We've been selling some core parts of Unified Communications for a number of years to great success. My immediate reaction would be to say, "Yes, we're seeing a lot of interest and actually people buying." I'll explain a little example as to where that happens. In addition, of course, some of these newer capabilities that we're bringing out are getting a lot of interest. What we're now working on with customers, of course, is rolling that out and installing it.

The interest that really drives small businesses is, can they cut costs and can they control their costs while delivering productivity. In the current economic climate, of course, that is critical to all of us. For example, one of our small business customers with Avaya Unified Communications expects to save \$30,000 in the first year alone just by eliminating the need to reimburse remote and home-based workers with residential phone services.

We also take our small business customers through a scenario that shows how a typical small business can save an estimated \$8900 per year in minimizing lost productivity. Nine hundred to fifteen hundred annually in monthly call expenses by switching to using fixed-fee high-speed Internet access for their calls and ninety thousand by avoiding a move to a new location, because they can add staff that can work remotely.

For example, these savings are based on a model of a small business that's a high-quality women's apparel and accessory company with about \$3 million US dollars in revenue, and around 40 employees, most of whom work at the headquarters and warehouse facility. The company has three buyers who cover Milan, London and Paris, and five sales reps in North America, and three customer service reps who work from home.

The company is facing issues with lost productivity. There's an average of 84 days of lost work when this company's employees can't get into work. Problems such as bad weather or personal issues, limited office space with rising real estate costs and no funds to expand existing space, lagging customer responsiveness, a mobile sales staff that I referred to that finds it difficult to stay connected with customers and headquarters, increasing costs for employees' use of cell phones, expense home phone bills, office space and other telecom services, and then, lack of accessibility when employees working in the warehouse are out of touch with customers and the rest of the company because they're moving around the warehouse.

Here's what this company's got with Unified Communications. Any employee with a home phone and Internet connection can turn their phone into their office phone and operate it from their PC. The software inside the switch in the office does that for them with some software on their PC. So, with Unified Communications, the staff can now work from home any time a storm or other emergency prevents them from getting into the office.

Obviously, we've just come through the winter and in other parts of North America late in the summer we will go into the hurricane season, both of which cause issues. So, this not only allows them to be productive, it also allows them to balance work and home life, which is, generally speaking, an important factor in encouraging employees to stay and to be productive within the company.

For full-time telecommuters, we have a license that enables Internet calls using a virtual private network phone. The idea here is that you get a voiceover IP phone that the company provides, usually for a couple of hundred dollars, and can install in the house. That then works completely as if it is your office phone. So, you can have a marketing person or a salesperson based in their house making very secure and very high quality calls and communications out to customers. Now, the company can employ home-based workers without expanding their physical location. They've cut phone expenses for all their most remote-based reps because they've used a fixed-fee, high-speed Internet access.

Finally for mobile workers, all incoming calls come into the office but go directly to the mobile employee's cell phone. That allows you to have a single phone number, but those employees can move around the warehouse or can be moving around New York or around the country, and they can be accessed. If they leave a message, it goes into the employee's voicemail box, so it's actually in the system, it's controlled by you. They get an email to tell them that this voicemail has arrived, rather than if the voicemail went into their cell phone. That's hopefully a good example of a really practical way of how it can help, and why small businesses we're seeing are interested in this solution.

Anita Campbell: Actually, it is a great example. I can see the employee's perspective on that, the higher quality of life and being able to work from home which particularly suits employees who happen to be in a certain stage of their lives.

I can also see that you're not putting a burden on the employee, either, expecting them to use their own phone or submit reimbursement requests or something like that. It's all seamless, as far as the customer is concerned too, sounds like.

Geoffrey Baird: Absolutely, and that's exactly the idea of it. Customer service is about the professional way that you can look. With Unified Communications a small business can certainly increase its professional face it presents to its customers.

Anita Campbell: Well, I've been monopolizing your time here and Steve is in the background. Steve let me turn it over to you. We've got a few more minutes left. I know you have been itching to ask some questions.

Steve Rucinski: Thanks, Anita. Well, you covered the first one, which were some examples. You gave us great examples, so I heard in that flexibility, cost savings. Hidden underneath all that is probably modernization and the unintended good consequences that would come from those things, some of which you mentioned.

For the sake of time, let me leap to this next. You mentioned in one of the past answers called Avaya IP office. What is an Avaya IP office? Relate that to the Unified Communications you are talking about if you could.

Geoffrey Baird: Sure. The Avaya IP office is our core telephony and Unified Communications solution for the small business. It is a complete PBX solution in a box, highly modular so that it can be used to provide exactly the set up required for any business from about eight employees up to, in fact, up to 200-plus employees. It provides good growth.

It has a sophisticated set of applications and obviously we would argue that the most sophisticated in the market. It is very good, for example, at networking and connecting together. One of the advantages of Voiceover IP that you get is the fact that this system and Unified Communications work very well across the multiple site.

A small business of 40 people, as we described, may have a warehouse and one or two sales offices of a headquarters, which will be separated. With the IP Office solution, you can connect all of those together. Network it and have a single dial plan and a single unified communication expense with all those applications running off one server, which makes it very easy for a small business to manage. Working with a reseller who takes our products to market, IP Office is an excellent solution for Unified Communications.

Steve Rucinski: You said another key thing for small business. It's easy to manage. I don't have a lot of resources to commit to managing any technology for that matter, so that's another key benefit I see. Are you working with other companies to deliver your Unified Communications solutions?

Geoffrey Baird: Absolutely. In the Voiceover IP world, clearly there are a number of different pieces to it. One of them, of course, is networking. How you work in the network inside your company. We have partnerships with Net Gear, with Juniper. We also have partnerships with Kentrop and Ad Tran to provide both the networking and routers needed to connect the whole system together and also to give you that secure capability in the home as well, which we referred to.

The partnerships we pick are important because that's what you as a small business needs to be able to buy, it needs to be things that you can find at Best Buy or get from our business partners.

We also integrate with the Microsoft Live Communications server, so that you can link into instant messaging that Microsoft provides. Of course, we integrate into Gold Mine and Act and other contact applications, deliberately because if you are a small business then your whole life is going to be around, how do I find my business customers? How do I find revenue opportunities? How do I manage that?

So, click to dial and instant access out to those data bases is essential. Finally, we got a very good partnership that we are working on with Google. Google has developed the Google Apps Premier Edition focused on small businesses to deliver email, instant messaging, calendar and web publishing.

We think they have a fascinating model of providing these business applications through a hosted system. What we are building is technology that is integrating into Google so that as you, as a business, use those applications. Then, you would have an email for example that would come from a customer and you would be able to call them directly from the Google email through your Unified Communications solutions from Avaya.

Steve Rucinski: That's got to be exciting.

Geoffrey Baird: Oh, very.

Steve Rucinski: Jeff, if you had to leave our audience and business owners with just one piece of advice what would it be?

Geoffrey Baird: Every small business owner knows that no matter what the economic climate might be, whether times are challenging or times are booming customers expect great service.

Even though small businesses always need to control costs, business owners would definitely benefit from taking a close look at the impact communications can have on their business and on improvements in customer service and productivity.

In fact, we've trained our resellers to be able to consult with small businesses to give them the kind of practical advice they need to get started. So, I would also advise business owners to contact Avaya dealers and start that conversation. We can help you develop your customer service.

Anita Campbell: Well, that's great advice. Thank you very much, Jeff. Well, our listeners get very frustrated if we do not tell them where they can find more information, because they want to know. They use this as a starting point to go investigate.

So, where can people find out more?

Geoffrey Baird: If you go to www.avaya.com, the Avaya website and there's a small business button there, which you should be able to press and that will take you to small business solutions. That will also have a list of resellers and partners that you can be able to contact.

Anita Campbell: OK, well that sounds easy enough. Well, thank you so much, Geoffrey Baird, vice president and general manager of Appliances, Mobile and Small Systems Division of Avaya. We really appreciate your joining us today.

Geoffrey Baird: Anita and Steve, thank you very much. I enjoyed the conversation. Thank you.

Anita Campbell: Thank you. Well, you have just heard another in depth interview on Small Business Trends Radio and I want to thank you very much for listening today.

You can find archives of this show and others on the web at www.smbtrendwire.com. So, please join us next week, same time, and same place. We are here Tuesdays 1:30 PM east coast US time. So, until next week, I'm your host Anita Campbell.

Steve Rucinski: I'm Steve Rucinski and that's a wrap!

Announcer: You have been listening to Small Business Trends Radio with your host Anita Campbell.

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