



PRESS RELEASE

Tellumat Telecoms

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Page 1 of 2

The secret is simplicity

Bring TCO of communications down with brilliant simplicity

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Everybody knows Total Cost of Ownership (TCO) goes much further than the upfront capital cost of a system, whether a unified communications (UC) system or otherwise.

TCO – a recap

TCO comprises:

- Upfront acquisition cost
- Capital cost for the network upgrade required for IP systems
- Implementation, training and support
- MACs (moves, adds and changes)
- Telephony systems management
- Network cost and
- Electricity

A 'percentage contribution' of each element to TCO isn't possible as it may differ in different systems. Traditional TDM systems, for instance, don't require a network upgrade, but exact a hefty premium for systems management, given the need to conduct on-premise care for the system.

The role of simplicity in TCO

What most people don't see is the golden thread of simplicity that runs through low-TCO systems. It is apparent in all the elements of TCO, and it starts with bottom-up Internet Protocol-based (IP) design.

A new generation of IP-based communication vendors emerging in the last five to ten years have been able to pursue legacy-free, pure IP design, offering simplicity of implementation, operation and support. Without a pre-IP solution portfolio, these vendors were free to build solutions that fully leverage the power of IP communication at the core, with extensions into rich collaborative unified communication applications.

The savings possible with such a simple, unified architecture firstly means low upfront acquisition costs. The cost of development is dramatically lowered when skills are freely available.

Secondly, a unified solution set is possible on the back of IP, which allows an IT department to provision and administer all UC apps applicable to a user in one go via a single interface, which can be browser-based. Users can also be given one familiar tool from which to access their communication tools and media. All of this cuts down dramatically on the cost of implementation, training, provisioning and use of UC systems.

Integration into the enterprise is a largely trouble-free proposition with IP-based systems, which further cuts down on implementation costs.



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Page 2 of 2

The cost of baggage

But simplicity of design has not been easily achieved by the aforesaid newcomers to the voice landscape, and it continues to confound legacy telephony vendors. The novice industry (Cisco, Mitel, Microsoft and ShoreTel) may have had the luxury of a clean slate which allowed them to disrupt the traditional telephony market, but they were left figuring out the brave new IP communications world from scratch, almost on their own.

The legacy vendors (such as Lucent and Nortel), understood carrier-class quality of service, but were stuck with a legacy of PSTN infrastructure that had to be extended with a wealth of new comms applications such as conferencing, if they were to survive. In the absence of IP skills, these apps were acquired, which presented an almighty integration problem for them.

In the end, the new kids on the block won out, but only after quality of service advances improved the quality of VOIP, and innovations like distributed, appliance-based VOIP platforms improved scalability and reliability. Since then, uptake has accelerated to make IP communication the standard.

Contrary to belief

The overarching design principle of simplicity in IP systems gives the lie to current perceptions of high upfront cost and difficult, resource-intensive implementation of IP-based unified communications (UC) systems. Ground-up IP-centric UC systems offer demonstrable savings throughout the TCO 'stack' as well as trouble-free implementation, thanks to a large shared IP skills base.

** Tellumat Communication Solutions is the South African distributor of ShoreTel systems*