

Alteva: Using BroadWorks to Deliver Hosted VoIP to a Large Retailer

Executive Summary



Type: National Hosted VoIP Service Provider

Region: Currently servicing customers in 48 states and nine countries

Customers: Alteva's ideal customer is an organization of 50-5000 employees. Alteva services customers across all industries with specific concentration in multi-location verticals such as retail, healthcare, hospitality, transportation, government and financial services.

Services: Based in Philadelphia, Alteva provides internet access, telephone system and service to multi-location growth-oriented businesses.

Key Results: Cost Savings, Telecommunication Continuity Enhancements, Enhanced VoIP Features such as Fixed Mobile Convergence (FMC) and Unified Communications (UC), Increased Efficiency through advanced call center functionality and inter-office extension dialing.

Background

Alteva is a Philadelphia-based IP communications provider focused on providing Hosted VoIP to the business marketplace. They serve a national customer base with a full range of Hosted IP PBX and broadband connectivity services. Many of these offerings are based on their partnership with BroadSoft, which extends back to 2003, and more recently, includes Web 2.0 applications based on the Xtended platform.

Business Challenge

Alteva faced two basic challenges related to this case study. First, the retail sector was not accustomed to large National VoIP roll outs, but an innovative cost-conscious consumer had a need for an entire new Voice and Data Solution. Alteva was asked to bid on an IP telephony deployment for a well-known national retailer, whose stores are primarily based in shopping malls. To be successful, Alteva needed to demonstrate an understanding of what retailers require in a communications solution, as well as to address the value drivers of this particular vertical market.

The second challenge was to convince the customer that a hosted solution was superior to their current premises-based telephony system. This customer had long been using an aging TDM Nortel Phone System at their headquarters and a variety of other phone systems in 603 locations across the country. The telephony system was functioning, but had limited flexibility, no interoffice dialing plan and an unsatisfactory voice disaster recovery plan. In addition, it was very expensive to operate.

There was actually a sub-challenge for Alteva to address within this challenge. Aside from competing with other Hosted VoIP vendors, they

had to compete against other solutions from On Premise IP PBX vendors such as Mitel, Nortel and Cisco.

Solution

Having an extensive history with BroadWorks, Alteva was able to focus on a number of inherent advantages offered by a hosted solution and position them against the various pain points faced by this customer.

First and foremost for the customer was cost reduction, which Alteva addressed on several levels. Their past annual telecommunications spend was just under \$1 million, and Alteva's solution came around \$500,000 annually.

Aside from the lower cost of telephony services, Alteva needed to educate the customer that although hosted telephony has ongoing costs, premises-based systems have recurring costs that are much higher both monthly and on a one-time basis, with less return.

Had the customer gone with the premises-based solution proposed by Cisco, the initial investment would have been \$825,000, plus an additional \$350,000 to deploy it across all 603 locations. The total cost to do both, with Alteva's hosted solution, was \$182,000, a six-fold savings. Alteva estimates this translates into a less than six month ROI, which would never have been met by any premises-based solution.

Aside from the financial benefits, another key strength of a hosted solution is the intelligent infrastructure that comes with the BroadWorks platform. Customer service is critical for retailers and, in the event that a store location loses connectivity, inquiries can be automatically re-routed to a call center without the caller knowing there is a problem. Another example of enhanced busi-

ness continuity is in the form of live failovers to secondary ISP connections or should the PSTN primary broadband service go down. With more than 300 employees at the headquarters location, this was a very real concern, especially for centralized management across all 603 locations. The combination allows this national retailer to address both inbound and outbound telecommunication's continuity with out any additional costs.

Scalability is another important aspect of a hosted solution. This is a prime concern for supporting an operation with so many locations nationwide, and BroadWorks brings many advantages to the customer. Aside from being able to deliver IP communications on this scale – 1,800 lines/seats – the customer can easily add or delete lines/seats as business conditions dictate. This provides an added element of cost control, along with greater flexibility in meeting the seasonal needs of this retailer.

Business Value

The financial benefits outlined above are self-evident, and as the economy continues to struggle, the monthly savings in telecom expenses is a constant reminder that the customer made the right decision in choosing a hosted solution. Additionally, BroadWorks delivers business value in other areas today and will help Alteva create additional business value tomorrow as their customer becomes more familiar with the solution.

An additional example is how BroadWorks' value-added, open platform has helped dramatically streamline their accounting processes. As a national retailer, the customer had agreements with over 200 service providers, which generated over 600 invoices monthly. With Alteva, they only receive one invoice for telephony, with itemized breakouts for each location or business center. This is the type of business process improvement Alteva and BroadWorks enables and helps Alteva differentiate itself from the competition.

BroadWorks also provides business value on a strategic level. By positioning this as a communications solution, Alteva showed the customer how they are getting much more than an updated telephony system. There are several applications within BroadWorks

that allow the customer to easily monitor call center performance in real time, a capability they did not have before. Similarly, the administration portal provides enough granular control to allow the customer to solve many problems themselves, such as doing their own Moves Adds Changes (MACs), thus eliminating the need to rely on Alteva for technical support. This provides the customer with a new sense of empowerment. Their investment in technology is paying off beyond hard cost savings.

Looking ahead, the Xtended features of BroadWorks are making it easy for Alteva to continually develop new applications to support the customer's evolving needs. One example is adding click-to-dial to the store locator section of the customer's website, which makes it easier to engage customers and potentially drive new sales.

An intuitive communications mode for younger customers, the Voice 2.0 aspect is an important clientele for future growth. Alteva also is showing the customer how BroadWorks can enhance internal communications by using video, which would never have been considered before. Now, executives can prepare a weekly video message that can very efficiently be broadcast to all locations, creating a closer bond across the organization.

For more information on BroadSoft services please contact us at 301.977.9440.