

What Small Businesses Like about Virtual PBX

By Rachael King

If it seems like hosted Internet protocol private branch exchange (IP PBX) services are popping up everywhere, it's not your imagination. International Data Corp. predicts that the hosted IP PBX market will grow from \$60 million in 2004 to \$7.6 billion in 2008, with a compound annual growth rate of 282 percent. Still, service providers have been offering conventional hosted PBX services for years. Emerging IP PBX service providers might do well to pay attention to what business customers say about Virtual PBX, a company that began offering services to customers eight years ago.

"The two largest reasons people come to us is cost and distribution of phone calls," says Greg Brashier, vice president of marketing at Virtual PBX. Most companies are looking at a cost of \$500 to \$2,000 per seat to buy an in-house PBX, says Brashier. In comparison, Virtual PBX offers service for \$12 per month per user and a per-minute charge of anywhere from 3.9 to 7.5 cents per minute. Currently Shane Merem, owner of Magnus Software, pays about 6 cents per minute with Virtual PBX.

"If I already owned PBX equipment, I could pay less per minute, but the fact that you don't have to maintain it is an overall ownership decision, and it takes away a lot of hassle," he says. Virtual PBX's Brashier figures it takes companies that purchase PBXs anywhere from two to 10 years to see a return on their investment.

"As head of the IT department for our company, I frequently ponder if we should move to having our own PBX," says Daniel Sayko, a systems engineer

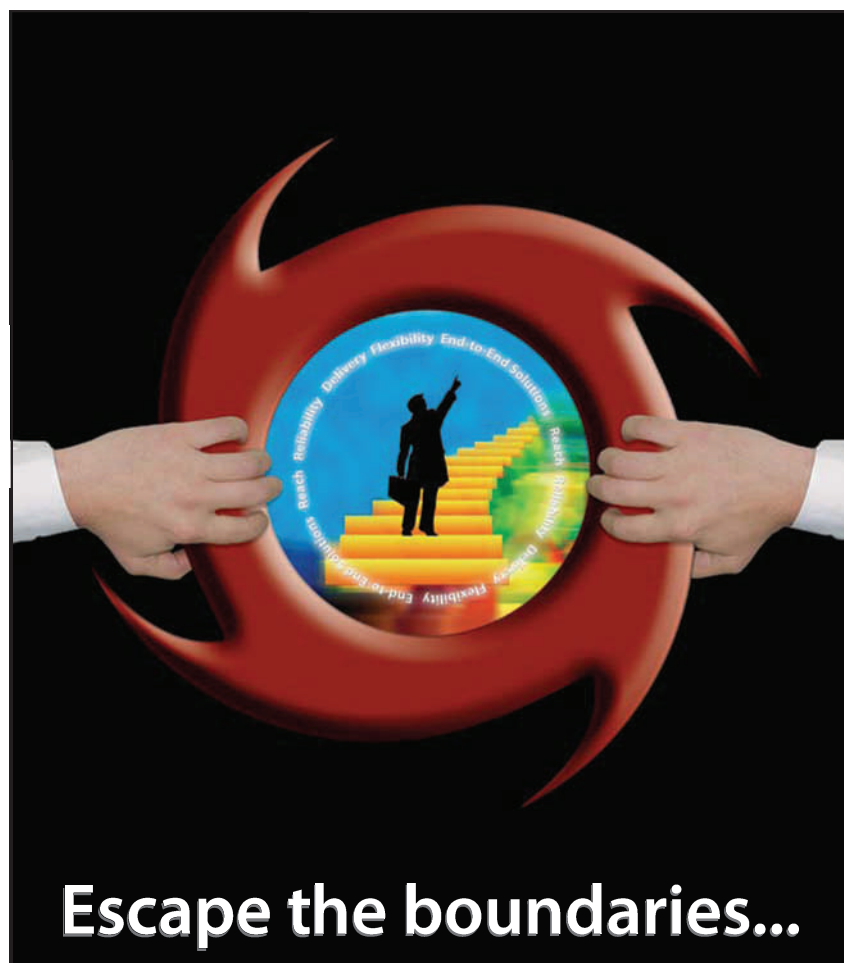
at UnitedDiamonds.com. "Yet every time I compare it to a system we can afford, there's just no comparison. If we go with the cheapest systems, we would not have most of the features we get with Virtual PBX."

Currently UnitedDiamonds.com uses five Virtual PBX extensions. "Many companies pour extreme amounts of money into buying a PBX and then feel shackled to it because they need to recoup their investment many years later," he adds.

The other reason companies decide to go with a hosted PBX solution is so that they can connect employees who may be distributed across the United States. Frederick Fluchel says he wanted to tie together 12 employees in seven remote locations. Fluchel's company, Westminster Teak, is an online company that sells teak wood patio furniture, and his employees are customer service and sales representatives who handle many phone calls.

Previously, Westminster Teak relied on local phone companies for no-answer call forwarding to pass off calls when one customer service representative was busy. "The first phone number to get called was getting slammed," says Fluchel. With Virtual PBX, the company enjoys automatic call distribution, so the calls are more evenly distributed among employees. "We were able to increase our capacity 400 percent," says Fluchel, adding that the capacity increase translated into a 30 percent sales increase.

Many companies like the fact that Virtual PBX will poll four phone numbers, an office phone, a home phone and even a cell phone. "I can be sitting at a different desk or building and redirect calls to myself using either the Internet or the telephone," says



Escape the boundaries...

...of traditional telecom. Discover a world of innovative options and creative alternatives. Connect your service partners and customers with fast, flexible, end-to-end networking solutions. Exceed your expectations.

Now that's Progress!

Visit us at CompTel
booth #922



Progress Telecom
Taking the challenge...making it happen

727.471.5300 www.progresstelecom.com



“The Network of Networks”

A new kind of Carrier

Over 40,000 Nationwide On-Net Buildings

Wholesale Pricing

- Private Line
- VPN
- IP
- Managed Networks

Agents

- Learn More about Global Capacity's Pro-Vision, our revolutionary Circuit Order Management System
- Set your own Commissions
- Online Commission Tracking
- Online network operations portal

WWW.GLOBALCAPACITY.COM

**To learn more: Contact David Walsh
dwalsh@globalcapacitycom 800-226-4244 ext 112**

UnitedDiamond.com's Sayko. He also enjoys being able to make a work-related phone call from anywhere.

“I can be visiting a relative, call the PBX and make an out-going call from my extension to anywhere; the recipient doesn't know I'm not calling from my office, and I don't have to leave an extra call on somebody's phone bill,” he says.

Other companies also appreciate the flexibility. “My wife has an ankle injury and I'm handling calls from home today,” says Merem of Magnus Software, a company, which provides Web site development and uses 12 Virtual PBX extensions. Merem allows his support guys to work from home, since it's easy to do with the Virtual PBX service.

Merem says he especially appreciated the ability to have the calls delivered to his cell phone during the holidays. “If I'm at a party and there's a bunch of noise, it gives me the option to accept the call or to send it to voicemail,” says Merem.

This is a feature hosted IP PBX providers will need to seriously consider. Companies such as NextWest, Avaya Communications and Altigen Communications are modifying their IP PBXs to work with cell phones.

“I consider Virtual PBX to be imperative to my ability to do business,” says Christian Winter, owner of KP Technologies, a telephone-based technical support firm with 25 extensions. Winter appreciates the reliability he gets from Virtual PBX, saying that since 1999, the system has only been down a handful of times and not for more than a few minutes at a time.

Would Winter ever consider using a hosted IP PBX service? “The concept of fixing something that isn't broken doesn't appeal to me at all,” says Winter. “The only way I would go with VoIP is if Virtual PBX provided it.”

Virtual PBX says that, as of now, it can transfer to IP phones, as well as landlines and cell phones, but it doesn't use VoIP as a backbone. Says Brashier of Virtual PBX, “We believe that VoIP is a good thing, and as the security and quality of service get resolved, we'll be there with a VoIP backbone as well.” **VBW**