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TDM vs. VoIP: No One Walks Out Alive

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Agenda

- **What is TDM?**
 - What does it do for you?
- **What is VoIP?**
 - What does it do for you
- **New System or Upgrading?**
- **To VoIP or not to VoIP**
- **What's the ROI for each?**

TDM—The Good

- **Dedicated Bandwidth**
 - Physical connectivity
 - All the bandwidth all the time
 - One for one connectivity
- **Existing infrastructure**
- **Five 9's Reliability and proven technology**
- **Simplistic implementation and maintenance**
- **Security inherent to the design**

VOIP—The Good

- Cost Savings
- Upgrade Obsolete or End of Life Equipment
- Redundancy & Resiliency
- Cool Features
 - Touch Screens
 - Internet/Intranet Connectivity
 - Find Me/Follow Me
- Simplicity of Unified Communications
- Extendibility into the cloud
- Ease of administration

TDM—The Bad

- Legacy Platform—The Perverbial “Boat Anchor”
- Distributed System across multiple offices / Single point of failure in the office
- Separate Infrastructure from data network
- Support and Maintenance costs
- True “End of Life” Fast Approaching

VOIP—The Bad

- Reliability—How often is your router down?
- Quality of Service
 - Voice Over Misconfigured Internet Telephones
 - Voice packets captured in TCP Dump, re-assembled into a WAV
- Security Risks
- Potential Performance risks in Voice Internet Gateway
- WiFi entry points gaining access to voice system

What's the Market Doing?

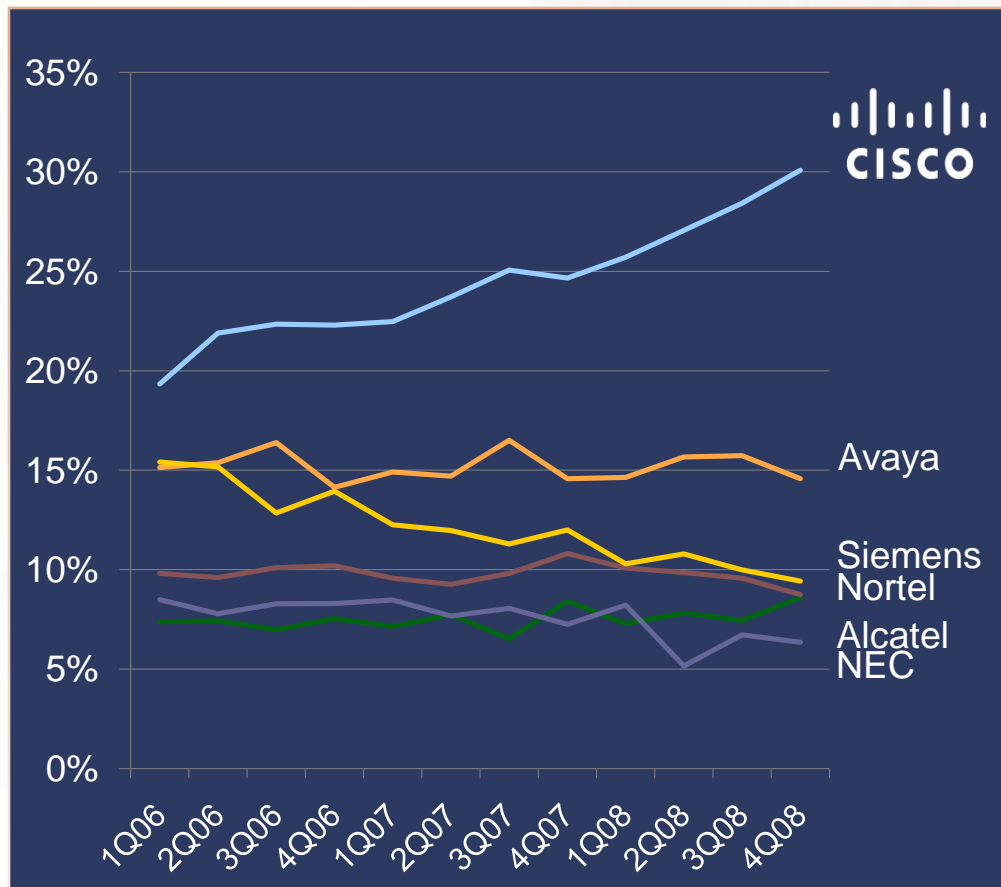
- VoIP PBX installs rise 25% in 2008
- TDM PBX installs fall 21% in same period
- 2009 VoIP installs projected to fall for first time in eight years
- Dell'Oro Group: “Despite VoIP transforming the industry for over a decade, the IP line shipments for the eight largest vendors averaged only 49 percent of total line shipments” in the first quarter of 2009.

Who are the VoIP players

Enterprise class systems

- Shoretel leads market in Small/Medium Business, still gaining in Enterprise
- Nortel Enterprise Solutions scheduled for auction September 11th, 2009
- Avaya leads in TDM and is Stalking Horse for Nortel auction

WW Enterprise Voice Market Share*



Sources: Synergy Research, Frost & Sullivan, Gartner, Dataquest, IDC, Cisco

Note: Enterprise Voice excludes low-end KTS category

Upgrade or Forklift?

- **Conditions for the change**
 - Antiquated system
 - System end of life
 - Lack of scalability
- **Is it eligible for upgrade?**
- **Can it be IP Enabled?**
- **Considering a Hybrid PBX?**

What to consider before the jump to VoIP?

- Can you use your old phones?
- Will you need to change your Data Network?
- What are your current contracts and is there an improvement clause?
- What is your support structure?

What to do?

TDM-Why I should stay

- Proven Reliability—Five 9's—The Benchmark that all other services are based on
- Dedicated bandwidth
- No network changes to ensure service delivery
- No additional network equipment to buy
- Bulletproof platforms—Most systems running more than 10-15 years beyond end of life.
- Plethora of replacement parts to last for years

VOIP-Why I should change

- The technology has stabilized and matured
 - Full-Featured Phones, no traditional feature has been left behind
 - The systems are rock solid
 - Voice quality is top notch
 - TDM Vendors are ending the life of TDM PBX Equipment, forcing the issue
 - Consultants and Partners have gotten through the first major upgrades and learned from their mistakes. Upgrades are much smoother now!
- Management of phones, devices and gateways is easy through one interface. No need to telnet around your enterprise, the Call Manager GUI does it all

What do I get with it?

TDM

- ✓ Reliability
- ✓ Redundancy
- ✓ Full Feature Functionality
- ✓ Coordinated Dialing Plan (4/5 Digit dialing within office)
- ✓ Least Cost Routing of Calls for Cost Savings
- ✗ Presence/Follow Me Capability
- ✗ Cool New Phones—Color Screens/Touch Screens
- ? Security
- ✗ Call Recording

VOIP

- ? Reliability
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Case Study—Upgrade or Forklift

**TDM – Nortel Option 11C
release 3.0 to release 5.5
150 users**

- Upgrade of the core processor, cabinet, licensing—\$85K
- Signaling Server and Media Gateway Card—\$10K
- Replacement phones—No cost
- Network changes—QoS from the core router/switch
- Installation—\$15K
 - Total – \$110,000 Approximate

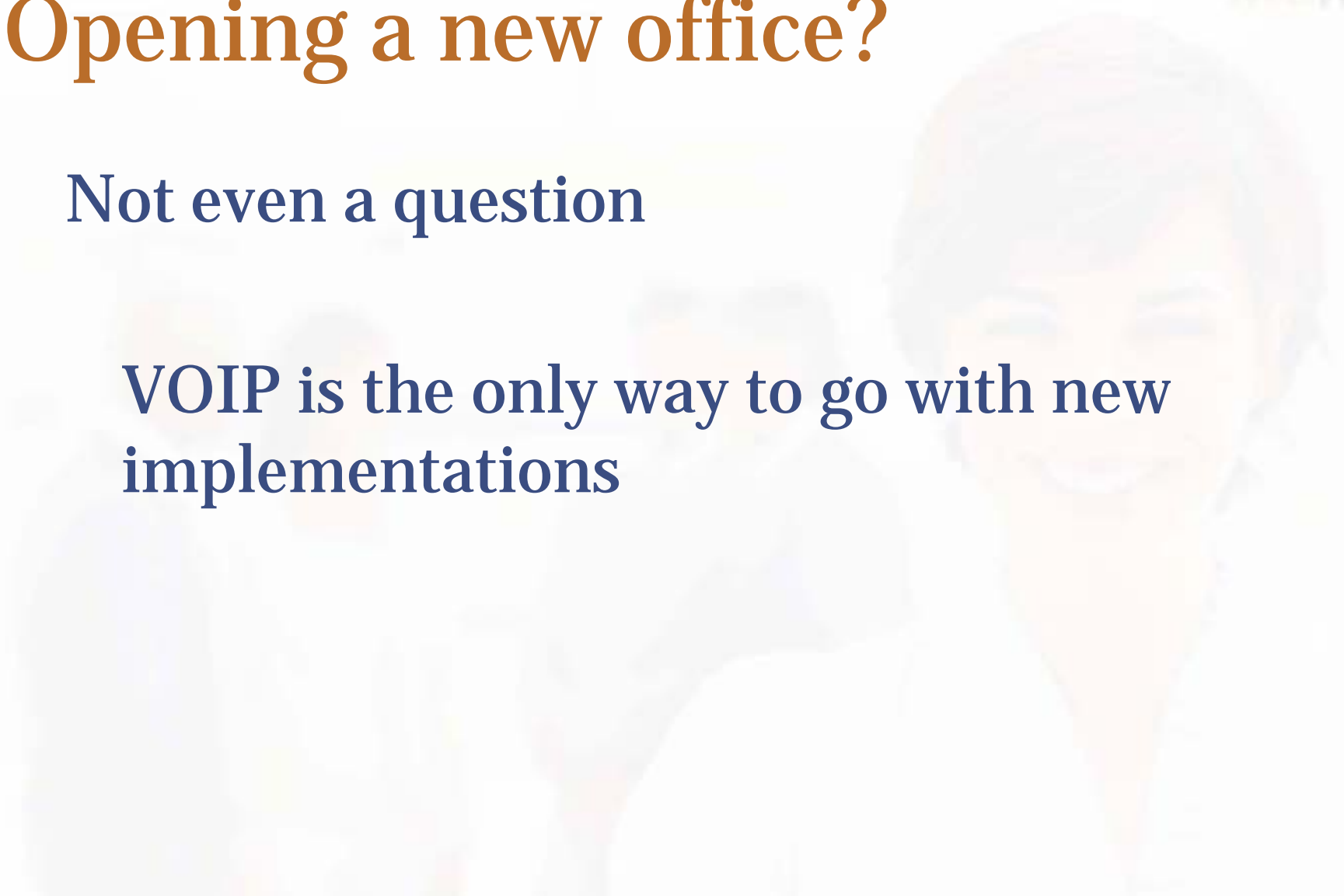
**VoIP – Cisco Call Manager
Forklift
150 users**

- Call Manager/Unified Messaging—\$23K
- Gateways and Connection Software—\$27K
- IP Phones for 150 users—\$54K
- Network Changes (PoE, Switches capable of QoS across the entire LAN)—\$75K approximate
- Installation—\$15K
 - Total – \$195K Approximate

Opening a new office?

Not even a question

VOIP is the only way to go with new implementations



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