



Top 10 reasons why a managed services experience is trending and may be right for your company:

10. Companies today really value access to capital.

Budgeting capital dollars for a new phone system is rarely a priority. I'm not sure if the changes in the economy over the last decade have changed the way businesses look at capital, but it seems to be a much more intentional and strategic commodity that businesses will invest in infrastructure, mergers, acquisition, etc. but earmarking capital for a depreciating piece of technology is rarely a priority. (Example: There is a reason your church still has that Lucent phone system that AT&T put in in 1978...and that reason is because it hasn't broken yet. Try prioritizing capital dollars over missions or a new roof or a new day care....)

9. Phone systems are no longer static in nature!

In the last 5 years we've seen enhancement to the features and functionality that every business has to have in order to be competitive. Remember when your business didn't even have voicemail? Expectations have changed! No longer had you better have voicemail, but you better have listened to it and responded to me in less than 5 minutes or I'm calling your competitor! True Story.

8. Phone systems today are far more software driven than in the past.

And software has to be upgraded... there is always an expense for keeping IP systems current on software. The idea that a company will buy a phone system and then never spend another dime on maintenance and upkeep of that equipment are days of the past! Software has bugs that need fixes/patches. Software has enhancement and upgrades. Software enables one system to talk to another system (Outlook integration and CRM integration points are huge benefits)...but what happens when one system is upgraded and the other one isn't?

7. Have you seen how much a Cisco Voice Engineer makes per year!!!! To quote the late, great Harry Carey, "Holy cow!"

Stroll thru a recruiter website sometime and see how much money a Cisco voice engineer demands these days. You're looking at \$180K-\$200K+/year once you load up benefits. If you want to own the technology, you have to have the people trained and certified to "drive" it. And if you can afford one...I hope they aren't ever sick, or ever leave for a better opportunity... Larger companies that evaluate a managed service experience factor human resources into their ROI basis. How much money does your company invest in people to maintain your phone systems? It's a bigger number than many people initially think and often far outweighs the expense of a managed services program. Cisco is the dominant player in Voice over IP. (Question: What's the top prospect we cater to at Unified? Answer: Companies that invested in Cisco and didn't evaluate TCO (Total Cost of Ownership).

6. And if you're a small or midsize company and you rely on a vendor for those engineering resources.... plan on \$250+ per hour.

And over-time, you're quickly looking at \$400 per hour. And in many markets some of those companies pay their engineers commission. "Why do something in one hour when you can take 3 to do it?" Many companies are beginning to abandon the notion they really want to own and be responsible for the phone system hardware.... And these "hidden" costs of ownership are a leading cause.

5. Smartnet, SmartNET, SMARTNET- 8-5NBD, 24/7/365, "That's not covered." "I can't take your call unless you have this certification."

Seriously, most companies just need their phones to work and their employees to be productive. I don't envy businesses looking to buy a phone system in 2015. It's a very difficult process and an inexperienced buyer can run into surprises. Remember this, "The upfront prices don't mean anything". The upfront prices don't mean anything. In the traditional model, the price you see on a contract is roughly 15% of the true cost of ownership. If you're not evaluating cost of ownership, with exposure to risk as a variable, you will buy from a vendor who fits that model...and leaves you open to risk and/or huge unexpected expenses post sale. Different manufacturers and different resellers all have different methods for hiding expenses and costs related to buying, implementing and supporting modern phone systems. Cost of ownership is the key. The more companies that fall into that trap, the more steam the managed experience picks up...because it eliminates exposure to risk or unexpected expense.

4. User adoption of these exciting new business tools is critical!

Many managed service providers include unlimited training with their monthly fees. Yes, many of the tools are very intuitive. But you can't assume you're employees are just going to pick up and start using all the new features without an intentional plan to ensure user adoption. There are features that create a competitive advantage for you overnight! And if you aren't utilizing them, then your competitor is! I remember a time, in the not too distant past, when I had to call in every few hours to see if I had a voicemail on my desk phone. Nowadays, business voicemails are sent directly to my smartphone (assuming I didn't answer it on my smartphone while I was out of the office anyway because calls are delivered there at the same time they are ringing on my desk phone.) Having these tools is only half the battle...getting your user base to use them is the real power.

3. Get away from the concept and moving target that is Annual "Maintenance".

In the traditional model, many phone vendors offered annual maintenance programs that typically increased every year with Consumer Price Index (or CPI). And how did companies often react as Maintenance increased over time? Many would drop maintenance and "roll-the-dice". Which in the old model could be an acceptable risk. With modern technology, that's more software driven, it is not and should not be considered optional to drop support on your phone system. Software systems talk to other software systems. What happens when Outlook releases a new version? What happens when your company moves from local exchange to Office 365? What happens when the CEO moves from iPhone to Android? Were those questions even important when your company bought their phone system in the early 2000's? Nope. Maintenance, warranties, upgrades are all rolled into a managed experience.

2. Phone system hardware begins depreciating almost immediately. Don't invest capital into a depreciating asset.

That's a common rule of investing. And while Dave Ramsey demands we pay for everything with cash, and that "Cash is King", I'd think he would even agree with this logic. One day soon I will stop in at Financial Peace Plaza in Brentwood, Tennessee to see what kind of phone system Dave has...but I'd suggest even he would recognize the value in the managed service experience and the bad investment paying cash for a phone system is for your business. Can anybody introduce me to Dave?

1. Managed Service experience caters to companies that want to:

- a. Invest their capital in other strategic areas of operation
- b. Manage to the lowest monthly operating expense
- c. Maximize performance
- d. Eliminate exposure to risk or unbudgeted expense
- e. Remain competitive by leveraging new features available with modern technology

Unified Technologies is committed providing telecommunications solutions for our business partners that fulfill their technology needs, provide the service partnership they require and packaged in a financial offering that matches their business goals.

This editorial is provided by Unified Technologies Senior Consultant, Michael Gabhart. Michael lives in Louisville, KY with his wife Heather and 2 daughters. An industry veteran, Michael has designed voice technology solutions for businesses in the Kentuckiana area, and around the United States, since 2004. Michael is a member of the ownership team at Unified Technologies and focuses on business development. He helped design and architect the managed service experience that Unified Technologies provides their clients; the largest managed services client being Norton Healthcare Physician Services, including more than 2000 phones across 35 locations. Mike would like to send a special "shout out" to the incredible marketing efforts of 8X8, Vocalocity, Vonage for Business, etc. for conditioning the business community for this managed services concept, but at the same time delivering a cloud solution over broadband, which just flat, doesn't work. The fact that companies still buy it is both disheartening and heart-warming at the same time. Disheartening because it gives companies poor understanding and experience with VoIP. Heart-warming in that the more companies that move onto one of their hosted solution, results in one more hot prospect in our company's sales funnel.