



WHITEPAPER

Enterprise Connect 2011: "IP Telephony – Who Delivers the Goods"

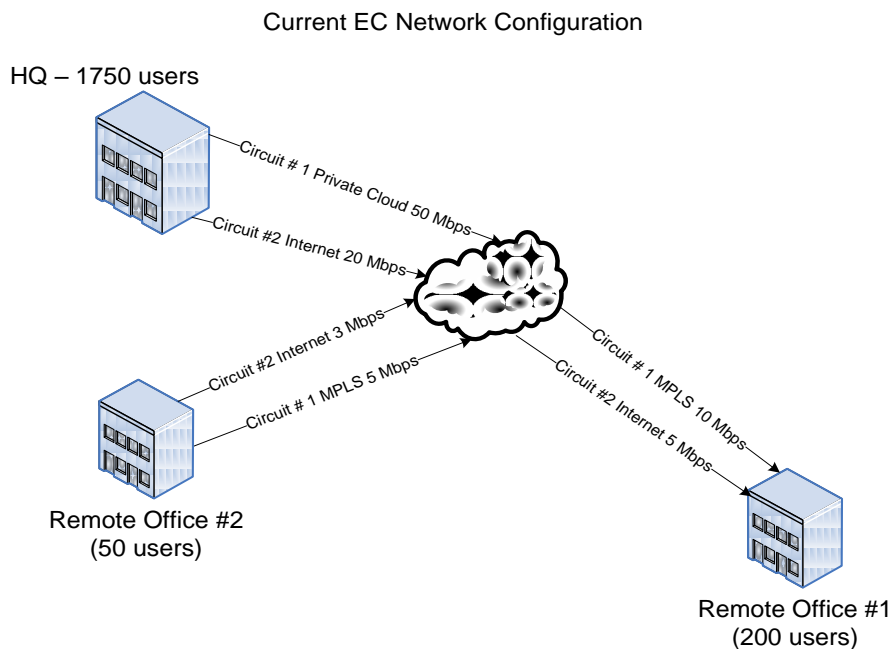
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Enterprise Connect 2011 - IP Telephony RFP Executive Summary

David Stein of the independent consulting firm Stein Technology Consulting Group (STCG) delivered the 2011 Enterprise Connect session entitled “IP Telephony RFP – Who Delivers the Goods?” at the recent Orlando conference. The objectives of the session were to enhance understanding of leading IP Telephony System /UC offerings through a review and analysis of RFP responses, discuss highlights and differentiators of vendor offerings including core IP Telephony systems, Unified Communications, Fixed Mobile Convergence and SIP, provide guidance for Total Cost of Ownership (TCO) consisting of initial turn-key system pricing (both list and discounted prices) as well as recurring costs for maintenance, software support and release upgrades.

Nine vendors with backgrounds ranging from 100 years of telephony experience to very recent entrants into the market responded to a “mock” RFP. The vendors that responded to the RFP included Siemens, Avaya, Alcatel-Lucent, Cisco, Aastra, ShoreTel, Mitel, Microsoft and NEC. Although the RFP was modeled on a fictional “Enterprise Connect” organization that included a main headquarters operation as well as two remote offices of different sizes; much of the content was derived from real customer RFP procurement documents utilized previously by STCG. The “Enterprise Connect” 2000 user organization distributed according to the diagram below:



Each of the vendors' responses was reviewed for compliance to the RFP evaluation criteria and was scored in a similar fashion to real corporate procurements. The main categories of evaluation criteria were weighted in importance and included elements of technical architecture, user and system functionality, Total Cost of Ownership and additional criteria. This included:

Category	Weight (%)	Elements
Architecture	20	Reliability, Business Continuity, Capacity and Growth, Security and E911
Functional/Technical	50	Phones, Call Flows, ACD, Unified Messaging/Voicemail, Unified Communications, Systems Management, System Features
TCO	25	All Discounted :Initial costs for systems, licensing and professional services; Recurring Costs for maintenance, software support and software release upgrades
Additional Criteria	5	Adherence to release dates, accuracy of information, etc

Each vendor was provided an overall score based on the criteria articulated above. The evaluation provided a score of 91.5 out of 100 for the Siemens response. Other vendors' scores ranged from 83 to 88. Based on these results, Siemens was ranked the highest of all nine vendors that responded to the RFP. As stated during the Enterprise Connect session, the RFP requirements and evaluation criteria used may differ from those of your particular organization.

Specifically, the Siemens response received the highest ranking for meeting the functional/technical requirements and also received strong marks for Architecture and Total Cost of Ownership.

Based on the RFP results, Siemens Enterprise Communications (SEN) provides an excellent value for Communications Technology Infrastructure. SEN should be considered a candidate when looking for potential strategic partners in this space.

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Detailed RFP Requirements

The RFP for the 2011 Enterprise Connect Conference was based on a 'real-world' RFP modeled to represent the requirements of a 'typical' 2000 user organization. Stein Technology Consulting Group (STCG) added the following new elements for the 2011 session:

- The site configurations were specified to emphasize Business Continuity and Remote workers
- Basic call center features (voice) were made requirements this year rather than optional.
- Core elements of Presence, Unified Messaging and Fixed Mobile Convergence were included.
- SIP was specified as the predominate trunking technology, with vendors including SBC functionality in their proposal if required
- Service requirements for turn-key installation and training were identified in the RFP and were a key element in calculating the Total Cost of Ownership (TCO).
- The RFP required the vendors to calculate the actual dollar "green" cost savings that their system offers. Specifically, vendors were asked to compare systems proposed today with systems proposed in the year 2000.
- Also different this year was that the pricing comparisons were based on 5-year TCO including Initial one-time costs as well as recurring annual costs for core hardware maintenance, software support and software upgrades (license protection).
- Vendor "scores" were calculated based on a weighted average of functionality, architecture, price and compliance to the RFP terms and conditions.

In addition to these new elements, other key factors for the 2011 RFP included:

- Single system image for software feature operations, systems management admin
- Emphasis on redundant/resilient architecture
 - Geo-redundant call control at headquarters and RO#1
 - Duplicated, load sharing or N+1 design elements
 - Business Continuity

- Local survivability at remote location if centralized call control access not available
- Support of E911
- Telephone models: Basic (Public); Standard, Advanced, Soft phone, ACD, conference and Operator Console
- Unified Messaging (Exchange 2007 Integration)
- Systems Management: full function, including VoIP monitoring and measurements
- Basic Voice-oriented Contact Center (70 agents)
- Elements of UC (Presence, Unified Messaging and Fixed Mobile Convergence)
- Mix of SIP and TDM trunks
- Functional Call Flow Scenarios
- Turnkey Installation
- Software Subscription
- Maintenance on core equipment (8x5x4)

Observations

The RFP responses confirmed many opinions that I held previous to the review as well as some surprises in unexpected areas.

First and foremost, significant differences still exist in the proposed vendor solutions in terms of Architecture, E911 support, Mobility solutions, ACD/Call Center applications, Call Flow handling and feature support, Systems Management, costs and endpoints. So for those who believe that voice is a commodity, I suggest that this is only true for the simplest of user configurations and applications. The Siemens proposed solution differentiated itself from the competing proposals in many of these areas by exceeding the requirements at an attractive price point. Specifically the Soft switch architecture, ACD, overall call flow and feature support and endpoints stood out. The OpenStage model 60 color phone was particularly notable for the functionality provided at the proposed price point.

The vendors' responses regarding the impact of "Green Technology" for core equipment and terminals were an area that did surprise me. Although most vendors indicated that

core equipment was 50% to 90% more energy efficient than systems offered ten years ago, this resulted in very little actual savings (~ \$3,000 annually) based on the projected amount of energy used. However, if the new centralized solution was replacing an architecture of many discrete PBX's distributed through an enterprise, the potential for significant energy cost savings may exist. It should also be noted that some of these savings may be offset by Class 3 endpoints that drive up energy use in POE switches.

Although the RFP was specific on Professional Services requirements, there was a wide variance in the proposed pricing. Whether the services are being offered directly from a manufacturer or through a partner/integrator organization, it is important to make sure that the requirements of your organization as well as roles and responsibilities is well understood by all parties.

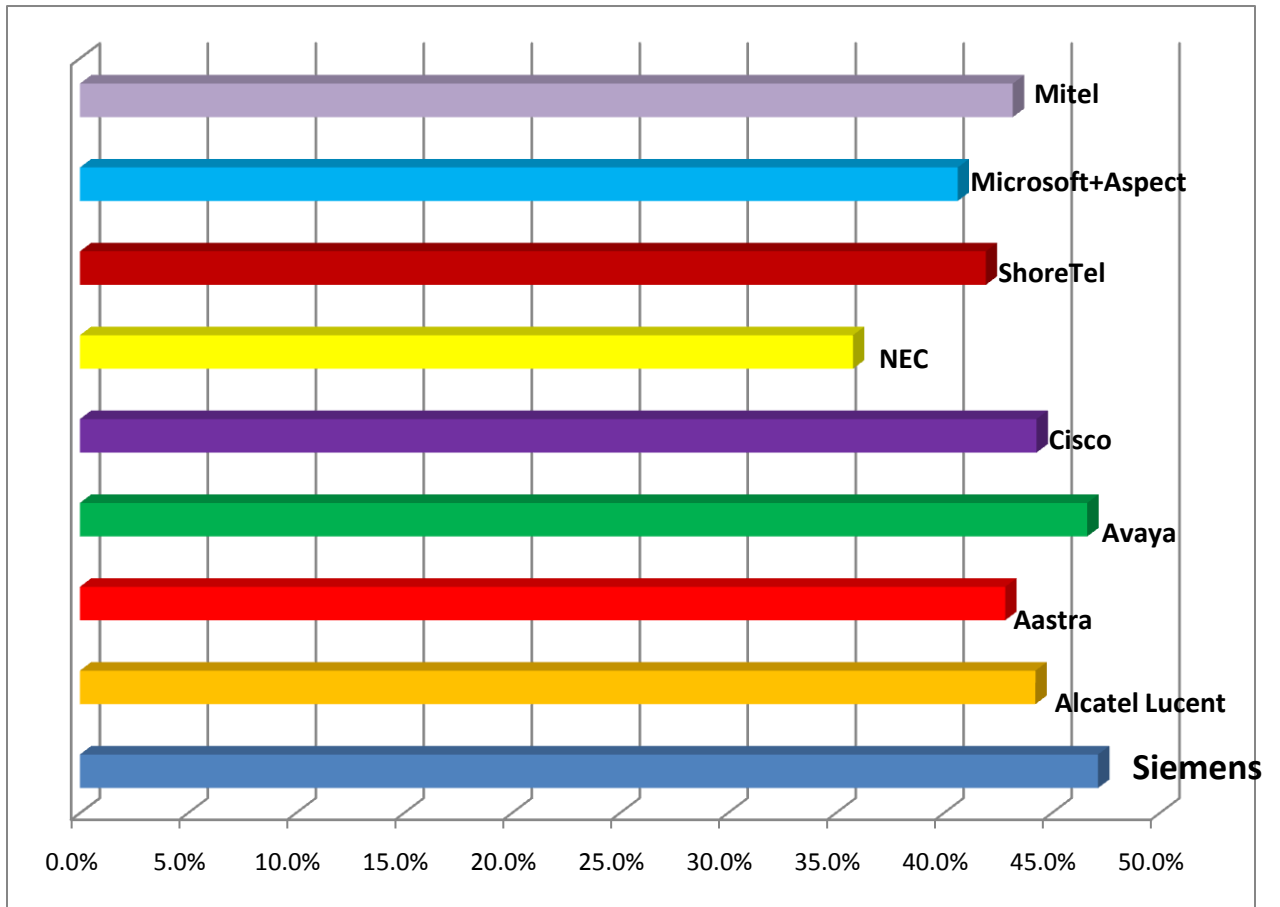
Surprisingly, there are still notable variances in using SIP vs. proprietary protocols in endpoints. Some vendors still do not have feature parity with SIP loads. The Siemens proposed solution is native SIP based for all endpoints including softphone, mobile and telephone instrument clients.

Overall Rankings and Pricing Comparisons

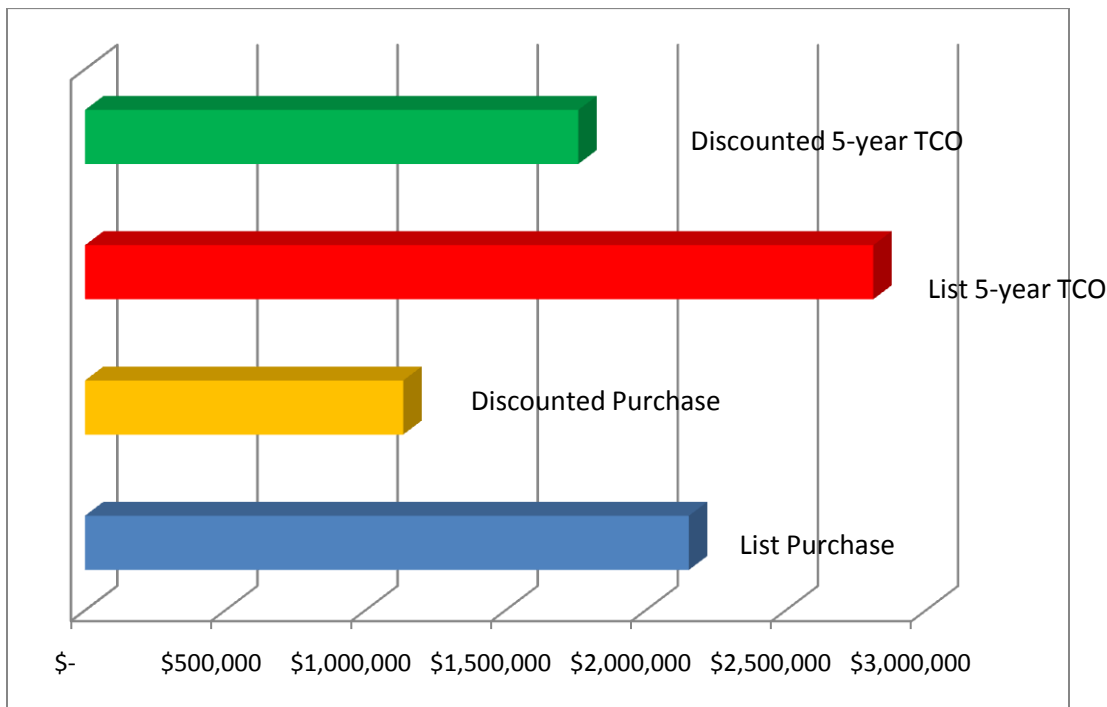
As stated in the Executive Summary, the RFP evaluation resulted in the Siemens solution receiving the highest score. The Siemens ranking by category was:

Category	Weight (%)	Elements	Siemens Score
Architecture	20	Reliability, Business Continuity, Capacity and Growth, Security and E911	19.4
Functional/Technical	50	Phones, Call Flows, ACD, Unified Messaging/Voicemail, Unified Communications, Systems Management, System Features	47.2
TCO	25	All Discounted :Initial costs for systems, licensing and professional services; Recurring Costs for maintenance, software support and software release upgrades	19.9
Additional Criteria	5	Adherence to release dates, accuracy of information, etc	5
TOTALS	100		91.5

The Siemens proposed solution was awarded the highest score in the technology and functional area. The following bar graph illustrates the scoring for the technology and functional areas:



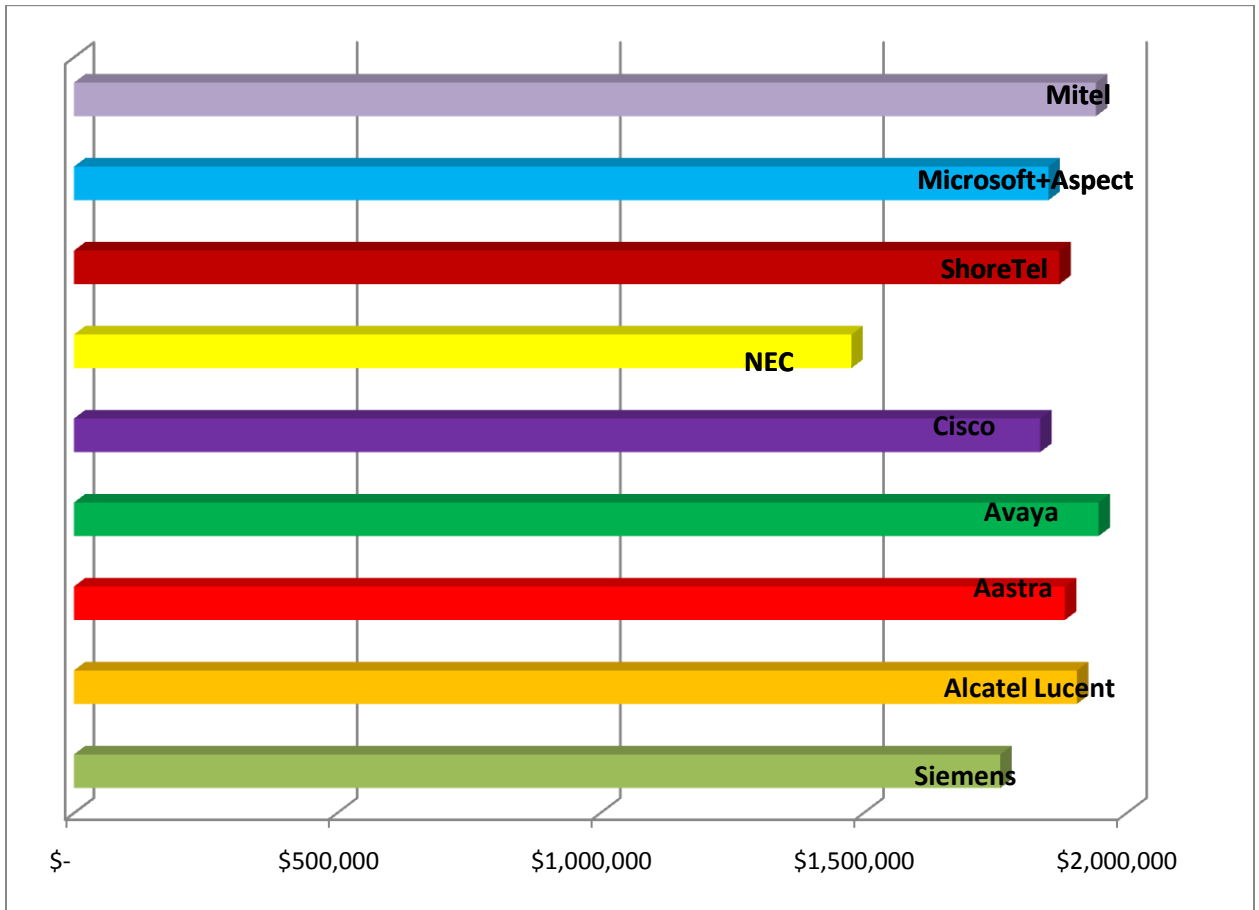
The overall pricing comparisons were based on a simple five-year Total Cost of Ownership model. The following bar graph illustrates the pricing for the Siemens solution including list price for initial costs, discounted price for initial costs and TCO for both list and discounted pricing:



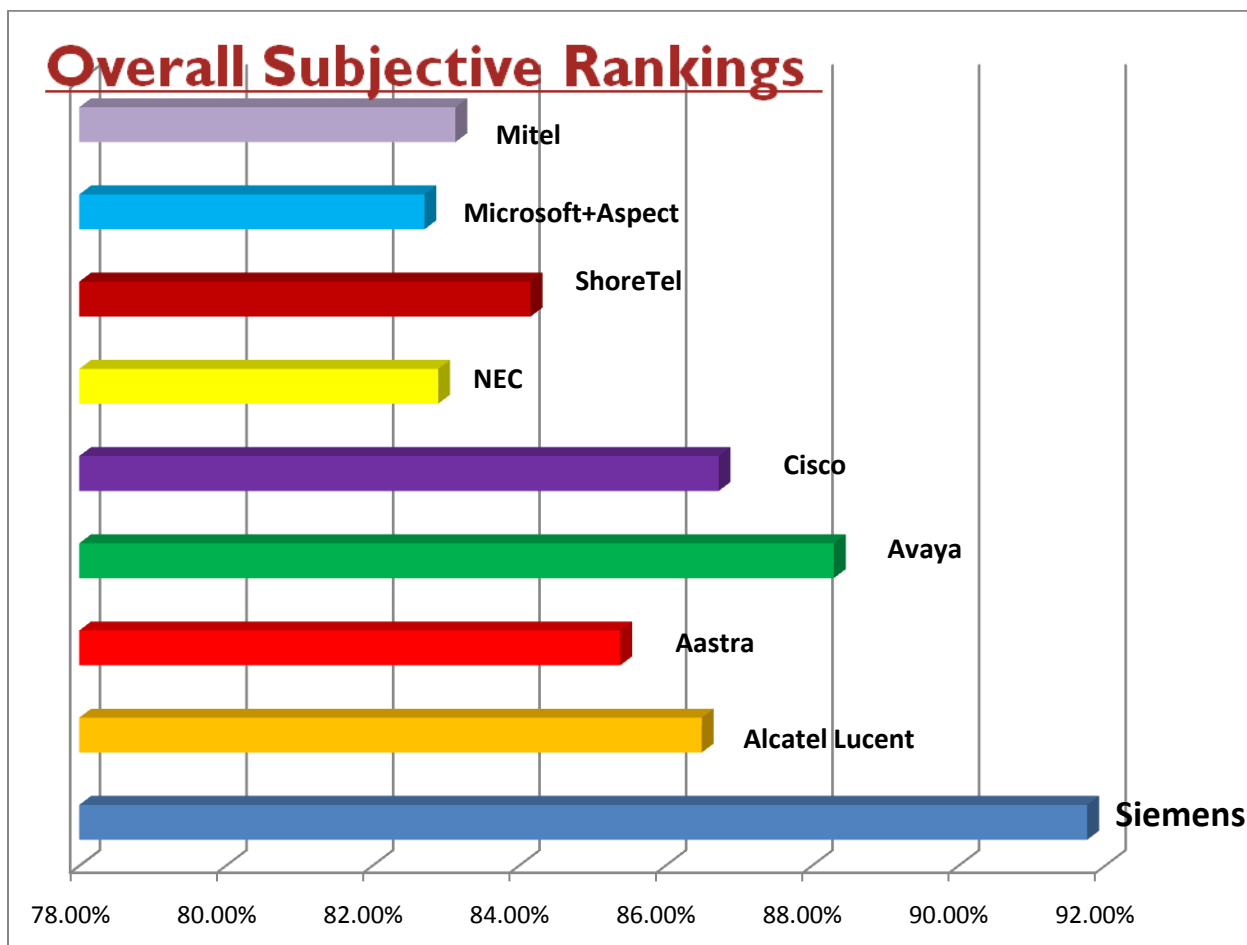
It should be noted that actual discounts for any specific project will vary based on a number of factors including incumbency, size of the opportunity, geography, system integration partner, etc. We found the discount offered for the RFP session to be within the range of actual discounts for projects that we've participated in.

The next bar graph illustrates the pricing comparisons for all nine responding vendors:

Overall Pricing Summary (5-year TCO Discount)



The final graph depicts the overall ranking comparison of the nine responding vendors:



Summary

There are significant differences in offerings from the major vendors in terms of architecture, functionality and total cost of ownership. IT organizations are encouraged to work with the business units to understand their unique requirements and to articulate these in an RFP or other formal procurement vehicle.

Based on the RFP results, Siemens Enterprise Communications (SEN) provides an excellent value for Communications Technology Infrastructure. SEN should be considered a candidate when looking for potential strategic partners in this space.

About the Author

Mr. Stein, a principal with Stein Consulting Group, has more than 30 years of consulting, information systems and telecommunications experience, with a primary emphasis on IP communications and technology infrastructure projects. His expertise includes the entire technology lifecycle including needs assessment, process evaluation, operations impact, systems design, procurement and implementation project management for cabling, facilities, LAN, WAN, IP Telephony/Unified Communications, network management, data security systems, data center, telecommunications and construction projects.

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