



Iperia Assists STS Transition to VoIP Services

What do you do as a telecommunications service provider when you recognize that you have to reinvent your business, and your customer base is also struggling with issues like business continuity after a disaster like Hurricane Wilma?

STS Telecom, a Fort Lauderdale Florida-based provider of Hosted VoIP and traditional telephone services, confronted that question as a service provider in a rapidly changing business community.

Recognizing the Need to Change

Like many telecommunications companies concentrating on a local market, STS began as a long distance reseller. “We entered the market in early 2002 as a local service reseller for the Fort Lauderdale, Florida area,” said Keith Kramer, Executive Vice President at STS. In the eight years prior to 2002, STS was strictly a long distance reseller.

In 2004, STS began to realize the implications of drastic regulatory changes—and in changes in the overall regulatory climate with the FCC. “We recognized that we had to start migrating from being a reseller to becoming a facilities-based company,” said Kramer. “Of course, the next question was, what type of facilities did we want to sell? We saw that VoIP was gaining traction in the marketplace, and we also analyzed the features of VoIP versus those of legacy communications as we looked at the political regulatory climate. The final decision was to go to VoIP.”

STS started to think about how to get into the VoIP market, and it began to acquire the requisite equipment. The company didn’t have outside funding, so investments and business partner selections had to be made carefully, since only the revenue the company earned could be applied to the new business line.

Developing a New Business Model

In making a decision to begin the transition to VoIP, STS recognized that its existing customer base was TDM-based and that there was some implied risk. “We recognized that VoIP initially didn’t bring new services to subscribers,” said Keith Kramer. “It simply wasn’t enough to tell them we were VoIP instead of just strictly TDM. We needed key business partners with core competencies in VoIP that could bring the expertise and business-strength feature sets into our operations that we needed.”

STS decided to go to a managed services model, using Sylantra and Iperia for VoIP and making third party agreements for access. “Both Sylantra and Iperia assisted our implementation,” said Kramer. “Training was very substantial on both the sales and the operations sides. The training covered a two week period for the products and we continue to maintain that training schedule for new employees. You can’t sell products unless you go through our internal training and certification process.”

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Refining the Business Model

Since the STS customer base was 90% business, STS soon encountered service issues in using broadband services from third parties. “Business customers are very demanding,” said Keith Kramer. “We quickly realized that going long-term with a third party IP access provider was not an adequate solution for us. We decided to build our own network, which would be able to support the rising service demand of our business customers. We also knew that uptime and network redundancy would be critical to our customer base. We co-located our facilities with Teramark in Miami at the Nap of the Americas. It was a top-shelf disaster recovery and business continuation site that also supports the U.S. Government Department of Homeland Security. The facility can withstand a force five hurricane, and is self-sustainable for up to a three-week period.”

The good news for STS was that other elements in its new VoIP solution were working well. “We worked very hard to find and to team with the best solutions providers—organizations that could add their core competencies to our own,” said Kramer. “We considered several solutions at the onset of our move to VoIP, but when Iperia walked in with a total solution and actually demonstrated it in action during our first meeting, we were very excited. We selected Iperia as our voicemail and auto attendant supplier to businesses, and have been very impressed with its products, its turnaround and its overall service responsiveness.”

Delivering Value to Business Customers

In rolling out its VoIP offerings, STS was very sensitive to the concerns its business clients had after witnessing Hurricane Katrina and experiencing the direct onslaught of Hurricane Wilma.

“Hurricane Wilma hit the Fort Lauderdale area very hard,” said Keith Kramer. “We realized that most of our communications were TDM-based, and that this could put our customers’ businesses in jeopardy if communications failed. This also drove home the importance of offering our business customers a VoIP solution—which could be delivered over broadband and continue to function in a disaster, as it had in Katrina.”

STS also recognized that its business customer did not want additional complication with their phone systems. “Customers didn’t want to change their phone systems and go through huge conversions and learning curves, and we did a lot of thinking about this as we started making the move to migrate from TDM to VoIP over time. For VoIP implementations, we actually bring the phones to the customers and provide the servicing. Because we can offer turnkey “business suite” services like Iperia’s, which give our customers voicemail, automated attendant and voicemail over email, these businesses can almost instantly appear to be much larger than they actually are—and that is good for business. For our mid-sized customers, the Iperia solution gives them control over their voice options. For large enterprises, there is the ability to archive emails and voicemails offsite. This variety of solutions for different sized businesses positions us well in our South Florida market. Here in Fort Lauderdale, the community is on the move—with many new businesses coming online. The Iperia solution set that we are able to package in our offerings to these businesses, is extremely reliable, feature-rich and easy to install and use. It’s a far cry from having to manage a cumbersome PBX. Learning curves are low and implementation is fast.”

Kramer said that the key for STS’s customers was not price but provisioning and services. “Service is our differentiator, because we find the average business person that we work with hasn’t experienced much of a superior service culture in his telecommunications,” said Kramer. “Hurricane Wilma taught businesses in our community the importance of communications that can withstand storms and be portable if facilities or employees need to be relocated. That’s why flexible solutions like Iperia’s work so well.”

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Recommendations

Changing your business model presents risks, especially when the change involves a transition to new technology that your customer base is not yet widely using. However, there is higher risk if you fail to adapt to changing market conditions—like the overall industry shift from TDM to VoIP.

With a customer base that is still largely TDM, STS supports both TDM and VoIP telephony strategies. The company offers its business customers a choice between the two platforms, and is confident that over time most of its customers will make the move to VoIP because of VoIP's flexibility and many options.

What recommendations does STS have for other service providers considering a transition into VoIP products and services?

“First, put your own network in pace,” said Keith Kramer. “That way, you can ensure the service levels your customers will demand are there. Second, begin the process of migrating your customer base to this network—and ultimately to VoIP. Today, nearly 85% of our customer base is on TDM, but we know this will change. Third, revamp your marketing campaign. We offer businesses eight handsets at no charge. We also launched our business before the hurricane season. The goal was to attract new and medium-sized businesses. Last and most importantly, recruit strong business partners for your business. When we looked for VoIP partners to support our business operation, Iperia was a strong supplier with great products and support that we knew we could depend on.”

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Transworld Data

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