

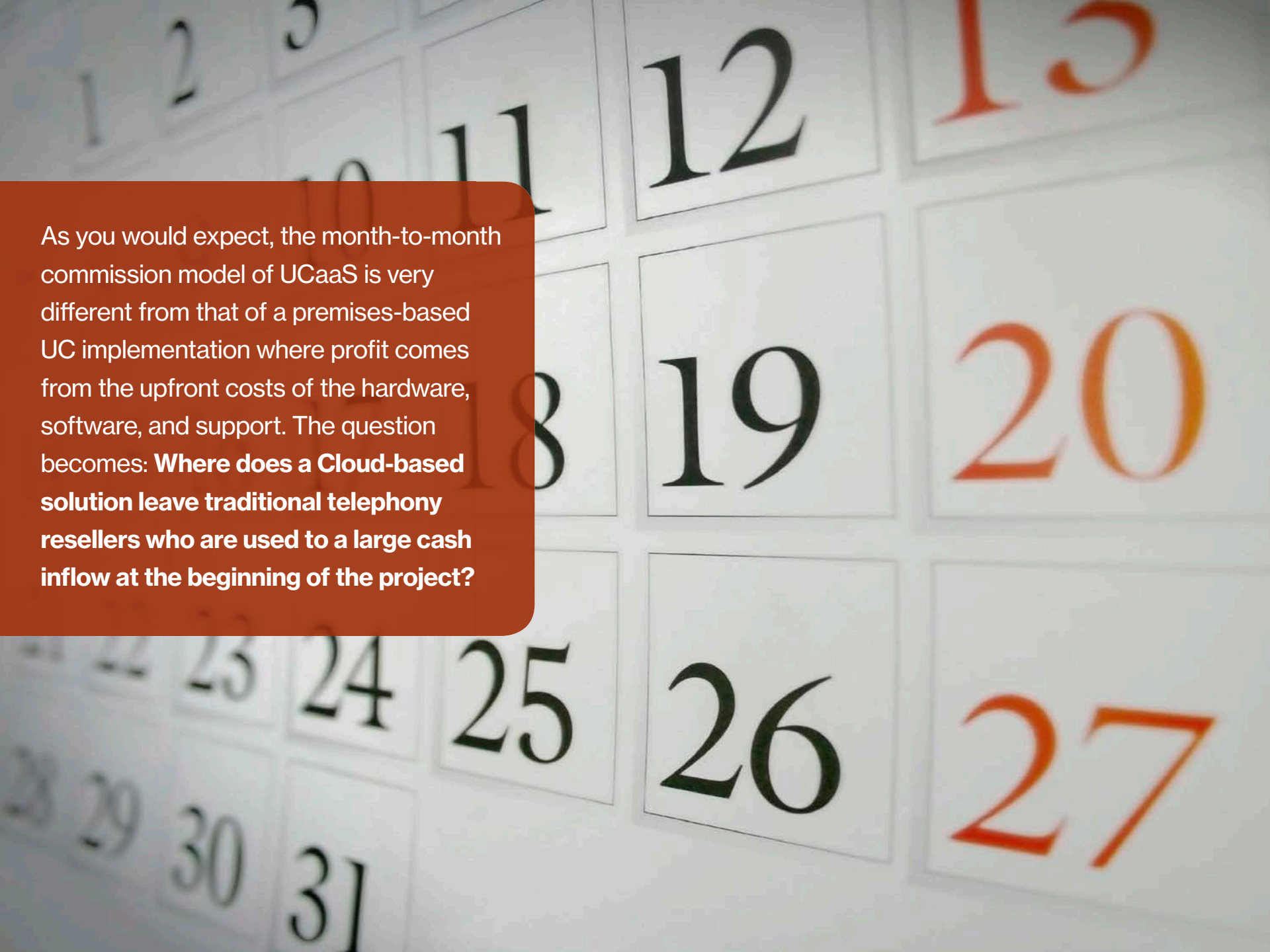


Choosing a UCaaS Vendor:

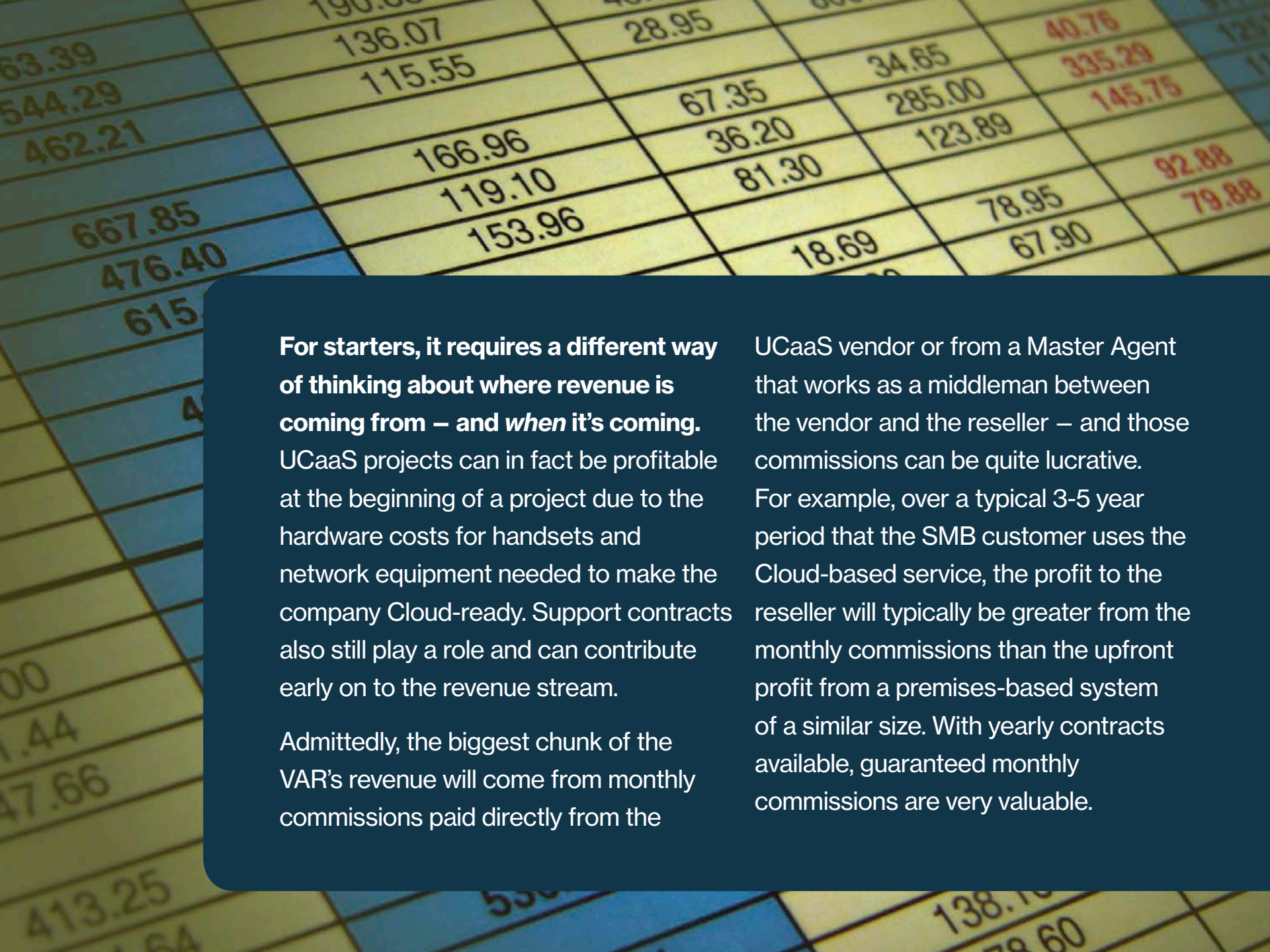
What to consider to reap the benefits of this fast-growing industry



UCaaS, which is more commonly thought of as **hosted UC**, is allowing SMBs to take their phone needs to the Cloud. By taking advantage of a hosted or Cloud-based UC system, customers can reap certain advantages, such as: increased redundancy, simplified management, and simple deployments in distributed company layouts. SMBs can get started with a full-featured UC system with very little upfront capital expense and a manageable monthly bill.



As you would expect, the month-to-month commission model of UCaaS is very different from that of a premises-based UC implementation where profit comes from the upfront costs of the hardware, software, and support. The question becomes: **Where does a Cloud-based solution leave traditional telephony resellers who are used to a large cash inflow at the beginning of the project?**



For starters, it requires a different way of thinking about where revenue is coming from – and *when* it's coming.

UCaaS projects can in fact be profitable at the beginning of a project due to the hardware costs for handsets and network equipment needed to make the company Cloud-ready. Support contracts also still play a role and can contribute early on to the revenue stream.

Admittedly, the biggest chunk of the VAR's revenue will come from monthly commissions paid directly from the

UCaaS vendor or from a Master Agent that works as a middleman between the vendor and the reseller – and those commissions can be quite lucrative. For example, over a typical 3-5 year period that the SMB customer uses the Cloud-based service, the profit to the reseller will typically be greater from the monthly commissions than the upfront profit from a premises-based system of a similar size. With yearly contracts available, guaranteed monthly commissions are very valuable.

Consider the factors.

Given the differences in payment structures, **resellers need to tweak the way they choose UCaaS vendors**. There are nuances in the contractual relationships that are very different from those with traditional PBX vendors. Here are several factors that must be considered when selecting a Cloud-based UC system:



1.

Commission Amount and Structure:

Instead of being concerned about profit margins and distributors, now resellers set out to find high commission rates and reliable pay structures.

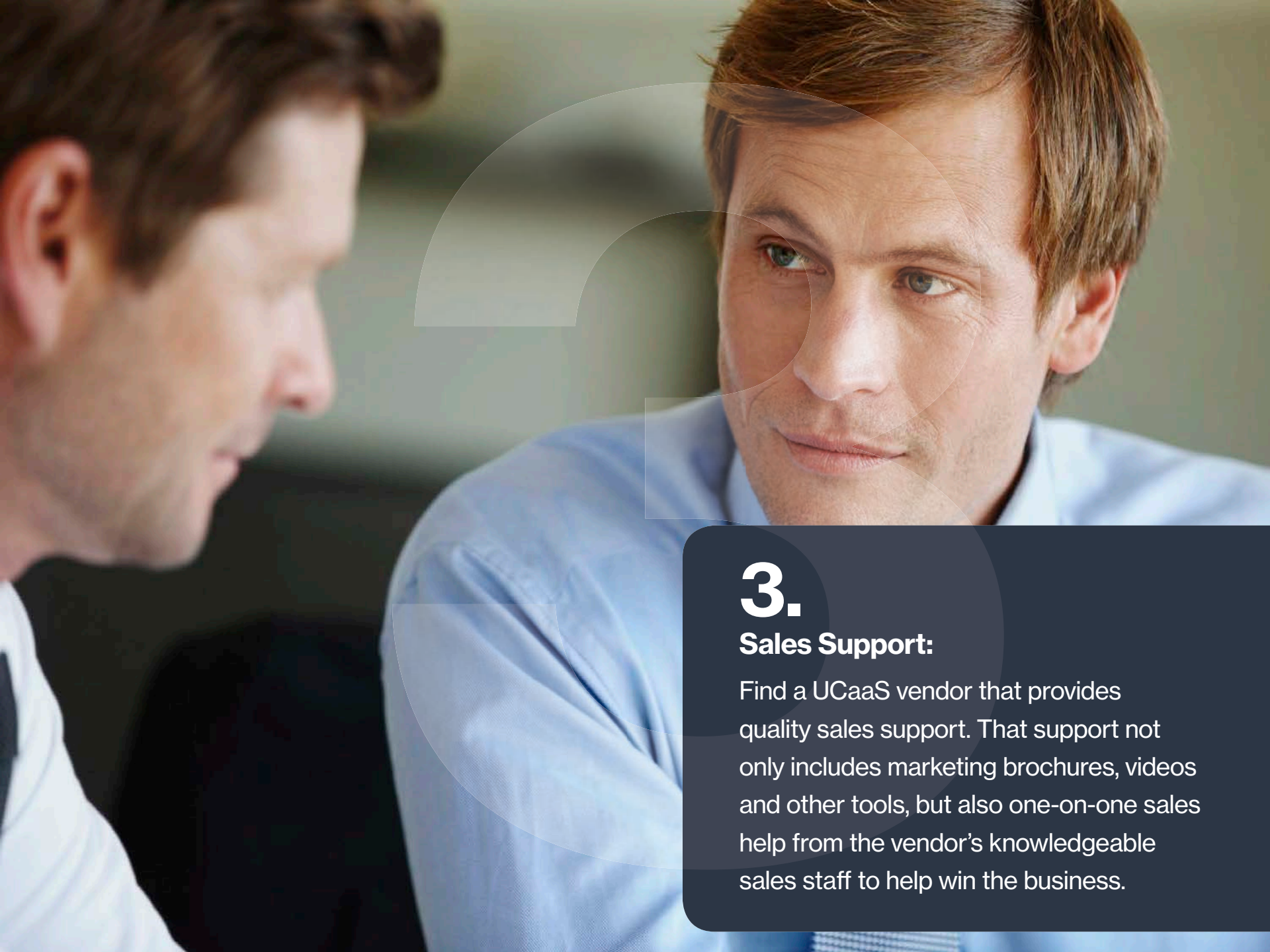
Commission rates vary from vendor to vendor and are usually non-negotiable. Within the Cloud-UCaaS space, resellers can earn commissions directly from the vendor, or from a Master Agent, whose role it is to act as a middleman and can offer special services as well.

2.

Technical Support:

It's common knowledge that **support issues come up even with the most expensive products or solutions** on the market – in every industry. There is a reason that even a Mercedes dealership has a service department attached. In the world of UCaaS, it's important to choose a vendor that has the support options and service standards on par with that of the reseller. Since resellers typically want to be the first level of support for their customer, the reseller needs to ask how the vendor handles support issues in that situation. Is the process different when a reseller is involved in the support process? Is it faster? Or, does it become more complicated?





3.

Sales Support:

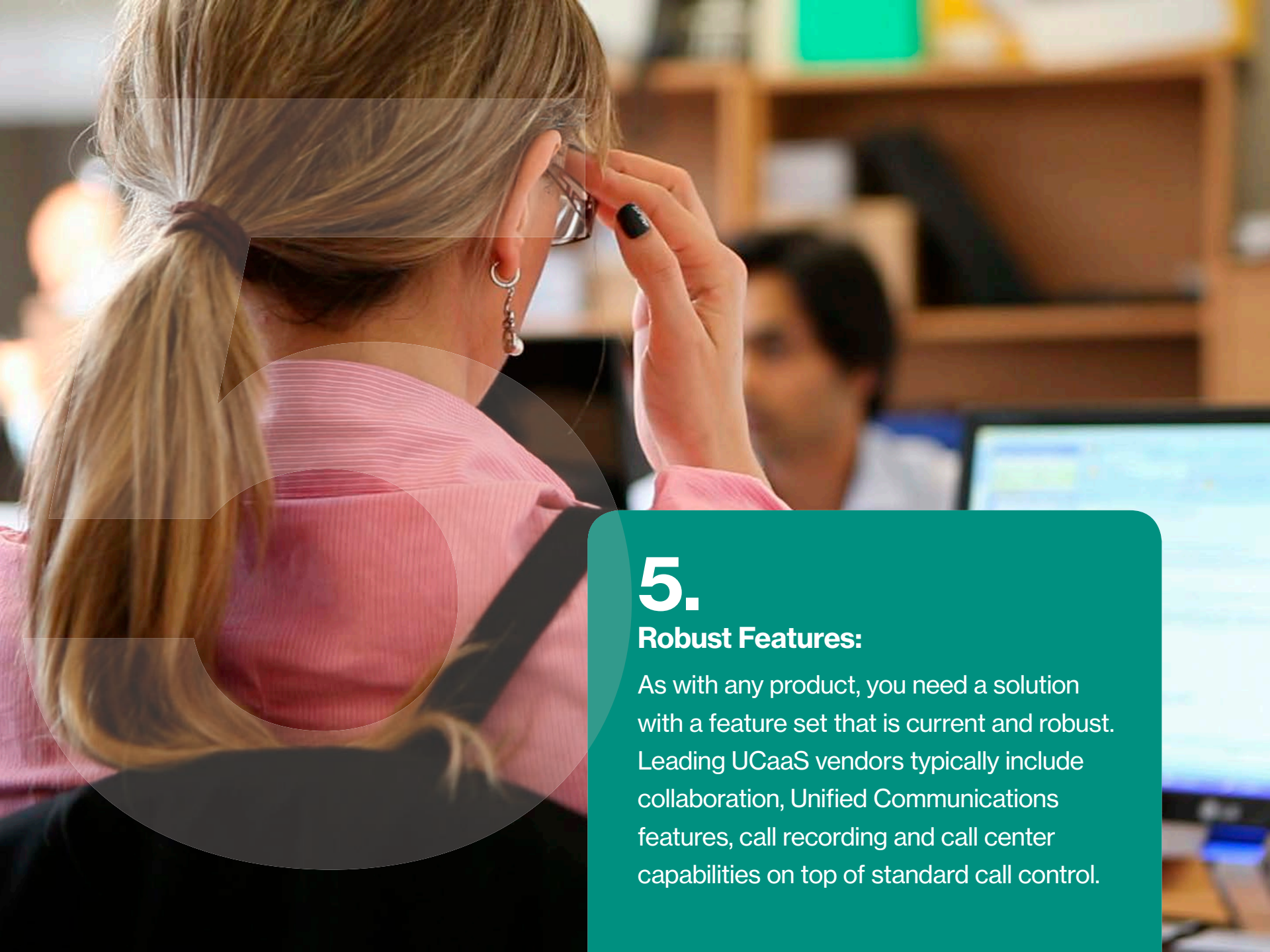
Find a UCaaS vendor that provides quality sales support. That support not only includes marketing brochures, videos and other tools, but also one-on-one sales help from the vendor's knowledgeable sales staff to help win the business.



4.

Quality Data Center

Ask questions regarding the data center(s) that the vendor uses for their Cloud-based solutions. Make sure they are taking all the necessary steps on the vendor's side to ensure up-time to be as close as possible to 100% for their Cloud-based solutions.



5.

Robust Features:

As with any product, you need a solution with a feature set that is current and robust. Leading UCaaS vendors typically include collaboration, Unified Communications features, call recording and call center capabilities on top of standard call control.

6.

Simple Pricing Model:

Beware of unruly add-ons. Dig deeper into the vendor's pricing for the solution and understand how it works. Does it include unlimited minutes? Are the features your customer needs included in that low, advertised rate? Or, are add-ons required to get some of the most sought-after

UC features? The add-on approach is not uncommon in the UCaaS industry, but that means costs are going to stack up quickly for the customer. Some vendor solutions can end up being less competitive on price than they originally appeared.





At the end of the day, the UCaaS market is a fast growing segment of the telephony industry and cannot be ignored by VARs, particularly those selling to SMBs. The resellers who embrace the technology, make good vendor decisions, and figure out a way to make the new revenue structure work for their organization will be many steps – and many dollars – ahead of the competition.

Do more than just talk!

Count on Digium's Switchvox UC to help you easily transition from a basic phone system to a **feature-rich Unified Communications solution**.



Switchvox is the award-winning business phone system specifically developed for small- and mid-sized businesses, available on-site or in the cloud! Switchvox makes it easy to integrate all of your office communications and immediately start saving time and money. Recognized as the “Best Value in UC for SMBs,” Switchvox offers a single powerful set of UC features at a price your business can afford. All-inclusive pricing means there are no costly add-ons or unexpected expenses for business-critical features – including mobility! You get **all the features of Switchvox with one low price!**

Looking for a cloud-based solution? Switchvox Cloud is a scalable, hosted PBX solution with the same features

as the on-site Switchvox UC system. It's competitively priced for companies needing access to UC features, but do not want to manage an on-site phone system. Special pricing options are available for larger companies that want the flexibility and convenience of a hosted VoIP phone system.

Digium's Switchvox solution delivers UC features everywhere you need it: on-site, in the cloud, and with mobile. Test drive Switchvox UC, and get a free 30-day trial of Switchvox Cloud.

Get started at www.digium.com/switchvox

SMBs are always on the lookout for ways to simplify their infrastructure without compromising on all the benefits that technology provides. This is especially true when it comes to business phone systems. Digium's Switchvox Cloud lets users take advantage of all the Unified Communications features found in its premises product, now in the cloud and with a simple migration path and low per user pricing.”

Richard Costello

Senior Research Analyst,
Enterprise Communications
Infrastructure, IDC



Digium®. We're changing the way businesses communicate.

Founded in 1999, Digium is the creator and primary developer of Asterisk, the industry's first open source telephony platform. More than one million customers in 170 countries have deployed Asterisk-based systems. Digium is committed to ending the days of expensive, proprietary telecom. The Switchvox family of Unified Communications solutions is built on Asterisk and is designed to provide enterprise class features at affordable

prices for small and medium businesses. The award-winning line of Switchvox IP PBX phone systems provides more than a phone system – it delivers a Unified Communications platform that integrates multiple features that increase productivity and lower monthly communication costs. It's the affordable solution with a proven return on investment for businesses with 5 to 1,000 users.

Learn more at digium.com/switchvox

Want more information on Switchvox?

Take a virtual tour of this powerful Unified Communications platform:
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