

C billing

# SMBS ARE BIG BUSINESS

*SMBs were big business when CTI was leading edge (mid '90s) and they continue to drive the economy. In Europe this sector makes up 50% of the GDP, but the industry was unable to crack this tough nut. Bob Emmerson thinks it'll be different this time around.*



Stats vary, but whichever way you look, SMBs represent a very substantial part of the economy. Companies having less than 250 employees represent around 50% of Europe's GDP; in North America the figure is lower, but still significant. Nobody has exact stats but that's not important. There's a lot of money to be made by delivering the right stuff to this sector and heavy hitters such as Avaya, Cisco, IBM and Microsoft, have heard the wake-up call.

In the mid-90s it looked as if small CTI systems had a bright future. They were affordable, featured unified messaging and had call centre functionality. It looked like the right stuff, but the market wanted the functionality without the hassle of installing and maintaining the equipment. That implied a big market for network-based services and a 1998 study by IDC predicted revenues of \$6 billion in 2001! Ovum was equally wide of the mark.

The ideal solution is a high-speed pipe and a set of added-value services that can be tested, turned on and even turned off if they don't meet expectations. But don't hold your breath, particularly in Europe. There are a few bright spots but they don't come from the incumbents. In Italy FastWeb has a broad portfolio of business and consumer services; the latter includes video-on-demand and video recording, e.g. go on vacation and select the programs you want to see on your return. Elsewhere it's pretty bleak.

## Keep it simple

Complexity is still an issue; channel partners should be able to install solutions in a few hours and maintenance has to be minimal. There is no point in going down the CTI route again. Systems designed for enterprises can be scaled down, but the skill set needed to get them up and running is

the same. It's a go-to-market strategy that isn't working.

This is a lesson that Cisco has learned on the consumer front. The company's Wi-Fi system works in the home and the price was acceptable, but the instructions only made sense to network managers. That's why Linksys was acquired; to get a stronger foothold in an emerging market via a plug & play system.

However, while Cisco has 'network blueprints' for the SMB space, the company defines the top end of Medium as 501 users and more. IBM defines a mid-market product as 100 to 1000 employees and Microsoft also thinks a company having a staff of 1000 is small. They would, wouldn't they? These stats indicate that the heavy hitters need a rethink when it comes to EMEA.

The right stuff

Avaya is a heavy hitter, but in this case the intrinsic problem has been addressed. The company's IP Office (nice name) was not scaled down; instead it was designed right. The company has also addressed a generic concern: replacing something that works well (TDM) with something that is perceived as being a step in the dark (IP).

The idea of starting with converged platforms and migrating over to a pure-IP infrastructure is not new. However, these platforms normally reflect a PBX past, i.e. they are TDM-centric. What Avaya has done is to design a converged platform around an IP kernel, which makes migration easier and more economic since most of the hardware is retained. Put another way, the obsolescence is built out. It's a nice idea but hard to spot. The baseline platform looks like a small, rack-mounted PBX having a nice set of CTI-type applications; IP hardly shows.

One small system unit is designed for the

SOHO market, three others address the needs of small, small/medium and mid-sized offices but everything else is common. You add hardware cards and modules as well as application software in line with changing requirements. Not a new concept but it seems to be well executed. For example, there's extension hardware for branch offices, and add-on applications that provide call centre functionality. .

The product architecture is somewhat confusing because of the intrinsic flexibility. However, customers need only see the configuration that best fits their current needs and future plans.

## Affordable CRM

Microsoft released the first version of its CRM software earlier this year. Unlike the software packages of SAP and Siebel, this product was designed for smaller companies and the seat price is just under \$400. Microsoft CRM is also part of Avaya's IP Office offer and there is some neat integration with client-side applications as well as back-office systems.

IP Office looks like a winner. The only thing that seems to be missing is support for SIP, but it's on the roadmap.

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