

Hosting information

Company makes VoIP services cost-effective for small firms

By Karen Mracek

Telephone service over the Internet is moving out of the home and into the office.

Today, most of the momentum in voice over Internet protocol services is in the small to midsize business market — something that Des Moines-based LightEdge Solutions is poised to take advantage of.

“There is an awareness of VoIP,” said Jamie Molony, an Iowa City-based account manager for LightEdge. “It’s definitely market-driven.”

Small and medium-sized businesses are the main reason the hosted VoIP service market will grow from \$5.3 million to \$4.3 billion between 2003 and 2008, according to International Data Corp., a technology industry research company.

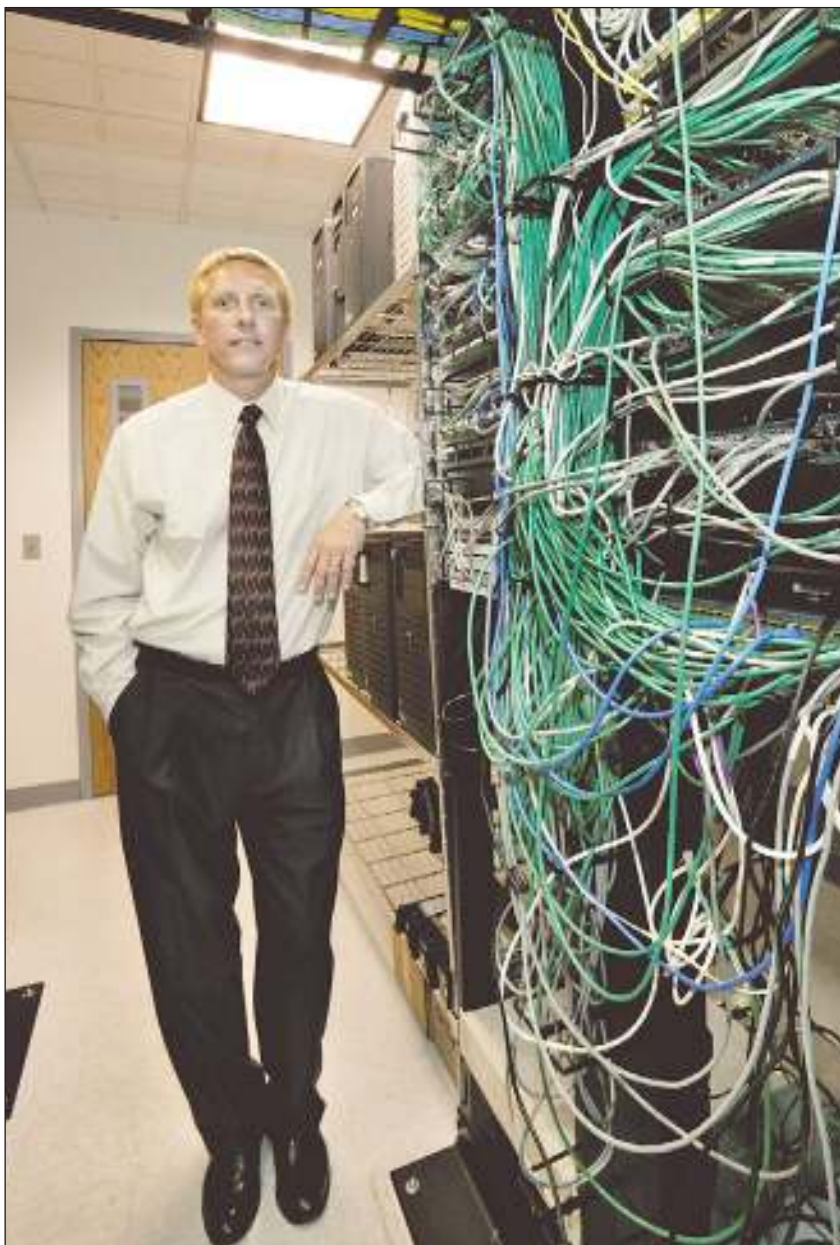
For smaller companies, like Fastek Network Services of Cedar Rapids, the decision for going with hosted VoIP was simply a matter of dependability.

“Everything is fully backed up,” said Marc Meyer, president of Fastek Network Services, a strategic partner with LightEdge Solutions. “The whole voice system is on their network, so we don’t have to worry about our phone system going down.”

If something did happen to their offices — such as a tornado or fire — the employees of Fastek are still able to answer calls from any location.

“Initially we chose them to be our (Internet service provider). That went well, and now we recommend them to all our customers,” Meyer said.

Another big benefit of a



Marc Meyer, president of Fastek Network Services of Cedar Rapids, stands in the company's data center. He recommends LightEdge Solutions' services to customers in addition to the Internet-based software services Fastek provides. Mark Tade photo/The Edge

hosted PBX, a private branch exchange or telephone network, is that it eliminates the need for large capital expenditures up front.

“It is for companies that don’t want to make the capital investment,” said Todd Richie, Cedar Rapids-based account manager for LightEdge.

A company with its own

on-site PBX can expect costs to reach about \$150,000 and up, depending on the features and size of the business.

Plus, those businesses would have to pay people to manage it, including upgrades and repairs. With hosted services, businesses can manage all the functionality, without the maintenance expense.

Richie said large corporations with knowledgeable IT departments and lots of custom applications often are reluctant to outsource their VoIP infrastructures. But smaller companies don’t have the means to staff an internal service provider, so many are farming it out to a hosted service, like LightEdge.

Clients that can save a lot of money are ones with multiple locations or that operate in multiple cities.

“Then, it really begins to make sense,” Molony said.

With a hosted service, and without the upfront capital expenditures, businesses can write off the expenses the year they use the service, Molony said.

“Another thing that (business owners) love is only having one bill,” Molony said. “We’re their provider for everything.”

The move to provide hosted PBX services came as the market became flooded with ISPs.

“The connectivity piece has become a commodity,” Richie said. “The margins have gone away. Companies are not making money on that anymore.”

That made the acceptance of hosted services a reality, Richie said.

“The market — the world — is going that way,” he said.

Now, connectivity is just the beginning. LightEdge Solutions’ offerings include business Internet, remote access services, security, wide area networking and LAN monitoring.

It also provides converged voice, data and IT services, including the hosted PBX voice over IP, as part of its service-on-demand, where businesses can use what they need.

“We can customize the T1 connection for the business,” Richie said. “And then we add the value-added services to the network. This way, you are only buying what you need.”