Internet Telephony May Offer 'Tremendous' Savings, Expert Says

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TARRYTOWN, N.Y. — If a business enterprise has not reviewed its telephone service in the past two years, it may be surprised at the potential for "tremendous savings" produced by routing calls over the Internet, a maturing and now reliable technology, a communications expert said here.

Telephony expert Louis Person addressed less-than-truckload executives and others at Carrier Logistics Inc.'s third annual leadership summit in the last week of September. CLI designs software and applications for LTL companies.

VoIP — voice over Internet protocol — is the process of making and receiving voice, data and video communication, using the Internet, office networks and corporate private networks as a single communication loop. VoIP (pronounced "voyp") has been an option to landline and cellular telephone service since 1996.

Despite the shaky performance of its infancy, VoIP has grown into a dependable and highly adaptive business tool, according to Person. He is president of Traxi Technologies, a New York firm that organizes VoIP-based telephone systems for business clients, including transportation companies.

VoIP, he said, offers lower cost of ownership. For example, rather than paying $600 to $900 a month each for voice and data lines supplied by "plain old telephone service," VoIP provides voice communication and e-mails over the same loop.

If a company already has a data network in place, it is a relatively simple matter to layer VoIP on top of it, Person said, leaving one network that can be administered with one set of skills. No duplication is involved.

He said the typical VoIP network is centrally managed and distributed throughout the enterprise from one location.

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A business can tie together its wide area and local area networks with VoIP and create a virtual private network that would enable toll-free calling across the enterprise, no matter how remote the location — and with security generally not available on the open Internet.

"If someone is sitting in California and you want to call him from New York," Person said, "you enter his three-digit extension; his phone will ring in California, and it will be a free call."

The system can take on many applications, from customer service to logistics to mobile communications. Person said a worker could dial in using a BlackBerry, cellphone or home phone, log into voicemail, and the phone becomes the worker's fully connected extension. Plus, up to six people can be conferenced together.

With unified messaging, all voicemail is delivered to one's e-mail, which plays as voicemail in Outlook, as a WAV file on a Treo handset, or on a computer, with all information about the call displayed on the screen.

If the employee moves to a new location, there is no waiting 30-45 days for a new landline installation. With VoIP, Person said, the employee can move his own extension by dialing into voicemail and reassigning the location of his extension.

There are numerous national carriers offering VoIP, and some of the names have become familiar, such as Vonage and Skype. But these do not provide encrypted tunnels for security, Person said. For that, an enterprise needs Internet protocol (IP)-enabled equipment and networks from the likes of Cisco, 3Com or Mytel.

The evolution of telephony has proceeded from the time-division multiplexing used by the telecom successors of the old AT&T to the maturity of IP-enabled phones by mid-2005, and now hybrid systems that combine traditional technology with IP technology, Person said. He forecast that pure IP systems would overtake hybrids by 2008.

Avaya is an example of a good hybrid supplier, according to Person. Cisco, he said, represents a pure IP, but he considers it complex and expensive.

The best value today in pure IP for business applications comes from ShoreTel, in Person's opinion.

"We did a bake-off with Cisco, Avaya and ShoreTel," he said, "and ShoreTel, hands down, is the best technology."

Other platforms are "not as scalable or reliable," he added.