

FEATUREPLUS

RESELLER BULLETIN

Issue 04, April 2008

WELCOME to this month's edition of Gamma's FeaturePlus Reseller Bulletin which provides our Channel Partners with tips on how to sell more, discusses the latest improvements on the product and support processes and gives you examples of where FeaturePlus has been installed and how it solves particular business needs. We hope that you find it useful and if you have any feedback for us, please feel free to contact us using the details at the bottom of this page.

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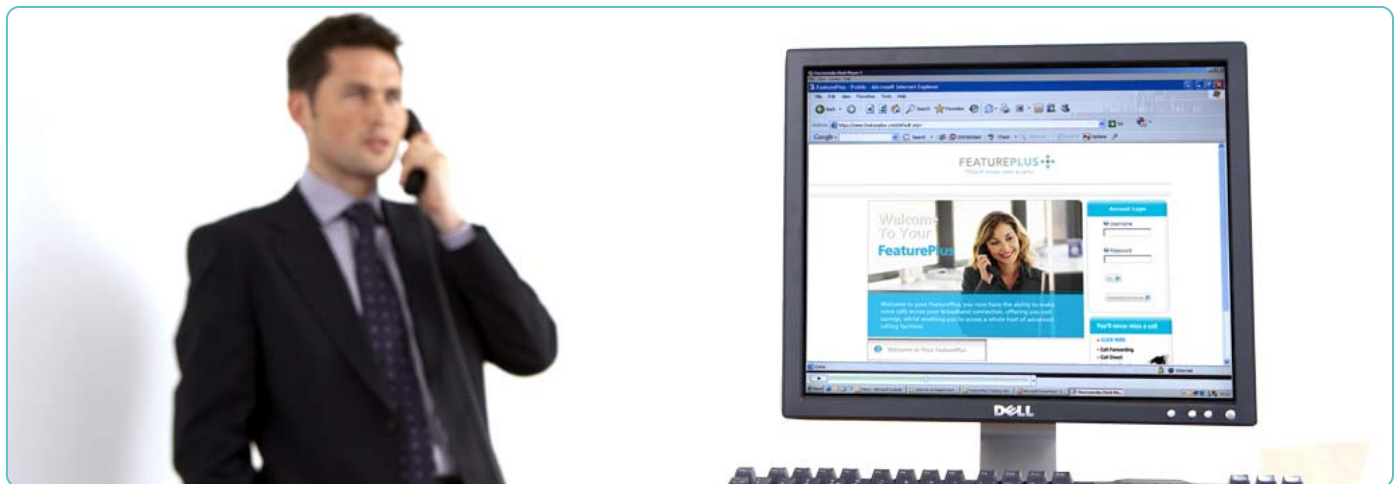
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FEATURES, BENEFITS AND APPLICATIONS

FeaturePlus Release 4.0 – what does it provide you?

On the 16th of April we launched version 4.0 of FeaturePlus which version builds on the existing features of the solution to bring additional functionality and meet the requirements of the SME market. We have continued to listen to the needs of our channel partners and end-users and this latest version of the product includes four new features based on feedback from the people who sell and use the solution everyday.

New functionality available with the release of V4.0 includes the ability to:

- choose the quality of the call by changing between G729 and G711 CODECs using a **bandwidth management facility**.
- connect up to **8 analogue phones** using existing wiring and without the need to extend Ethernet cabling to work stations,
- provide your customers with **music on hold** packages
- use **alternative number presentation**

The **bandwidth management facility**, one of the most important changes, means that FeaturePlus can now be sold as high quality service on a dedicated broadband line. When we first developed FeaturePlus, ADSL was capped at a 256k upload and we took the decision to limit the bandwidth used when making a call to minimise the number of dropped calls. The decision meant that the call quality would be better than a mobile call, but slightly less than a traditional PSTN call. With ADSL Max now providing up to 832kbps on the upstream we now feel comfortable in allowing users to make calls using the G711 CODEC to provide PSTN-comparable call quality. Our new bandwidth management facility gives you direct control of the CODEC. This facility can be used when a customer demands the best possible call quality from their service and can be managed through your control panel on a line-by-line basis.



There is now also support for an **8 port ATA**, enabling you to connect up to 8 analogue phones using existing wiring and without the need to extend Ethernet cabling to work stations, keeping the cost of installation to a minimum.

"We see the 8 port ATA driving sales in the sub 8 extension market, as its ideal replacement for all the small systems out there. We can provide all the features you'd expect from a basic system and more, and as it doesn't require an additional cabling or new handsets, the cost of installation is very favourable indeed."

Barry Ward, Business Development Manager at Swains Voice and Data

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The **music on hold** function will allow end-users to play a number of on-hold tracks, presenting a more professional image and reducing the number of abandoned calls. It is designed to be sold as optional extra for a monthly fee and the option also exists to allow customers to provide their own custom made messages, providing yet another revenue opportunity for channel partners.



Finally, the **Alternative Number Presentation** facility allows incoming calls to be handled more effectively and distributed more efficiently by presenting the number a return call should be made on. There are no geographic limitations, as users based at different locations can present the same number, and the flexibility of the feature means it can be used to provide multiple group numbers for the same business.



SALES & MARKETING

Making Money Selling FeaturePlus

Many of our partners ask how they should structure a quote for a FeaturePlus prospect. This is always a great question, as there are many components that you can charge as part of the service.

I guess the question really is how can you get the most out of a deal and still keep the customer happy? Well, obviously it does vary on a case-by-case basis, and the rule of thumb is to go with the perceived value to the end-user.



Many peoples misconception is that if you sell FeaturePlus, you are making low margins and forgoing the up-front commission that you would get selling a system. However, structured correctly, you can make a significant amount of money and margin and this is how;

On the next page are two charts: the first (Diagram 1) shows you what you can charge for and some rough RRP's, whilst the second (Diagram 2), shows how much money you can make.

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Diagram 1: What can you charge for?

	Cost	RRP
One-off costs		
HARDWARE (SPA 942) & Provisioning (Line Install)	£94	£160
Installation & Training (OOC)	£250	£450
Recurring Revenue (RR)		
SUBS	£5.95	£9.99
CALLS	£5.60	£10.40
Optional Extras		
Music on Hold (RR)	£5	£15
Administration (RR)	£0	£2

Things I have left out:

- Charging for maintenance
- Charging for Voicemail as an added service
- Charging for Call History

Diagram 2: How much can you make?

	1 Sale of FeaturePlus (Average customer = 4 users)	4 sales pcm after year 1, i.e. 48 customers	Profit	Margin
One-Off charges	£1,090.00	£52,320.00	£22,272.00	74%
Monthly Recurring Revenue	£104.52	£5,016.96	£2,559.36	104%
Year1 (Total Revenue (TR))	£2,344.24	£112,523.52	£52,984.32	89%
Year3 (TR)	£4,852.72	£232,930.56	£114,408.96	97%
Year5 (TR)	£7,361.20	£353,337.60	£175,833.60	99%
Year7 (TR)	£9,869.68	£473,744.64	£237,258.24	100%

Note: 3 year deals are typical for FeaturePlus, even though some partners insist on 5 or 7 years (fair play!).

3 things really come to attention;

1. The upfront margin on the hardware can be significant. Compare this with a PBX sold to the customer for £2,500. Typically the up-front commission to the sales person would be around £600. A 4 user deal at a hardware cost to the end user of £1,090 would give a margin of £464 (Based on the SPA 942, cost £94 and RRP £160).
2. Recurring revenue after having sold to 4 customers (48 in total) a month for one year comes to over £112k with nearly £53k's worth of margin.
3. The RRP's I've put in are conservative; the margins are grand and can be even grander.

If you wish to discuss the workings, or any elements of the charts, please call Cem Ahmet on 0203 00 66 999.

Need a Music on Hold File supplier?

Contact Chris at RCG Global Networks, who can provide you with a professional WAV file that can be used for FeaturePlus. Mention Gamma and you'll get preferential rates. Chris can be reached on 01306 710372.

Toolkit Reminder

We hope that you have had a chance to download and look through the FeaturePlus 'Toolkit' that is available for Channel Partners. If you haven't already got it, you can grab it here (also available on the portal): www.gammatelecom.com/downloads/featureplus_reseller_toolkit.zip

The toolkit provides you with 2 specific sources of useful information, categorised as "documents for your business" and "documents that you can tailor and send to your customers".

Some examples of what's new are:

- A proposal and order form, plus a new presentation.
- A spreadsheet for cost modelling purposes
- An A4 sheet on key selling points, and
- Some copy that you can adapt for your website



CASE STUDY

If you have an interesting case study that you would like to share, please contact Justin Coombes using the contact details on the first page of this bulletin.

Maclean Electrical's customers are dialling Glasgow and finding themselves talking to the USA office.

The problem

Dingwall-based company, Maclean Electrical, came to HIGHnet, a Scottish-based telecoms supplier for SMEs, with a challenge to join up their seven UK sites with two overseas offices, reduce call costs, improve business efficiency and present a more professional front to their customers.



The solution

The first step was to install Gamma's FeaturePlus hosted IP solution for Maclean's remote workers in the UK and the over seas sales teams in the USA and Kazakhstan. This allowed the users, including the company directors, managers and IT staff, to make free on-net calls between sites, which helped to meet the cost reduction targets, as well as helping the remote workers to feel closer to the team and communicate with them more efficiently. It also meant that the different offices could operate seamlessly in the eyes of the customers, as FeaturePlus allowed the USA sales team to transfer calls directly to the UK account team, rather than asking them to redial the UK office.

FeaturePlus was also rolled out to their non office-based staff so that the communications management could be controlled by Maclean Electrical's own in-house IT team. All of the Gamma IPT solutions include access to a user-friendly web-based interface from which the users can monitor both inbound and outbound call levels, control call routing and react to changes in their business dynamic at the click of a mouse.

The benefits

One of the biggest benefits Maclean Electrical has seen since switching to IP telephony has been the ability to present all of the offices as a single company with a single number. The USA and KZ offices can now be reached from the UK using a Dingwall number. This means that the UK-based customers need never know that their contact is in the USA or Kazakhstan, and better still, customers will never have to pay the cost of overseas phone calls just because that's where the person they need to speak to is based.

"There is no doubting that IP is the future for telecoms, and we're welcoming it with open arms. It means that we can offer solutions to our customers that we could only have dreamt of before."

Dave Siegel, Director of HIGHnet



PROVISIONING AND SUPPORT

Installing FeaturePlus – as easy as?



We're very pleased about how easy it is ordering FeaturePlus and the speed at which we phones and ATAs arrive at a customer's site. You can place an order on Monday morning and have the phones at the customer's site by Tuesday morning; we think that is quite impressive.

Even more so is that the user simply has to connect their phones/ATA to their router and within 10 seconds the phones are registered and ready to make and receive calls.

Of course, sometimes things are not always that simple, especially as the size of the installation grows. And for those out there installing the service, they know that even with a single line install there are considerations that need to be looked at. They also know that doing a little bit of work makes it a lot easier in the long run!

Here are the 10 most important considerations when installing FeaturePlus:

- 1) Right at the start know how many **concurrent calls** will be made by your customer in the busy period. Remember that for extension-to-extension calls, the call routes to our switch (as an external call would); factor this in.
- 2) Decide on which **CODEC** you will be using. This influences the amount of bandwidth used on a call. G729 uses 40kbps, where G711 uses 110kbps.
- 3) Then using the above, decide on a **suitable broadband service**. Make sure the customer will have enough available bandwidth to support the busy time concurrent calls.

Remember the important part is the upstream:

- Standard ADSL(512, 1mb and 2mb) – 256kbps upstream
 - ADSL Max (Gamma Max 400) – 442kbps upstream
 - ADSL Max premium (Gamma Max 800) – 832kbps upstream
- 4) The above figures are the maximum you should expect. Particularly for ADSL Max services, this is affected by the distance the line is from the exchange, the quality of the copper line and environmental factors that can affect the speed at which a line operates.

It's always good practice to **do a speed test**. And the run the speed test at different times of the day to get the fullest picture possible.

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- 5) Where you are installing a **SPA 2102** and intend to share the broadband line with data, get a good understanding of **how the customer uses their broadband**. Although the SPA 2102 prioritises voice over data on the upstream, it can't on the downstream. Heavy down-loaders will affect the quality of the call (as heard by the user)
- 6) Where you are installing an **SPA 8000**, only ever install this on a **dedicated broadband line**. It costs in so there is no need to share data with voice.
- 7) Think carefully about **IP phones** installations with regards to sharing the broadband with data. We only recommend you use IP phones on a **dedicated broadband line or shared in a single user** environment where a good quality and bandwidth plenty broadband service is being used.

Number of Users	Device	Broadband Access
1	SPA 2102 / 941 / 942	Shared 20:1 or ADSL Max
2	SPA 2102	Shared 20:1 or ADSL Max
3 - 8	SPA 8000 / 941 / 942	Dedicated ADSL Max

Remember point 2 above, regarding to CODEC

- 8) When **configuring up the router**, it needs to be DHCP enabled (each device on the LAN is assigned a dynamic private IP address by the router), make sure any ALGs (Application Layer Gateways) are turned off and make sure the following ports on the firewall are open:
 - ✓ UDP Ports 5061 and 5062
 - ✓ UDP Ports 16384 to 16482
 - ✓ SSL Port 443
 - ✓ HTTP Port 80
 - ✓ Sys Log Port 514
 - ✓ NTP Port 123
 - ✓ DNS Port 52
- 9) When **installing the router** make sure it is away from any sources of electrical interference and for existing routers ensure the cabling is in good condition.
- 10) Don't try and cut costs by using a cheap **micro-filter**; use a good quality one.

If you would like to discuss installing FeaturePlus in more detail, or would like to run through a specific installation, please do not hesitate to contact Andy Paton, in our pre-sales team:

apaton@gammatelecom.com, 07824542933.