ProfitComm

Your technology vendor management expert.

Technology Recurring Revenue Playbook Strategies Overview

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Recurring Revenue Strategies

Technology Infrastructure Audit

ProfitComm has put together this playbook to outline the specific ways in which we work with our partners and their customers/prospects to produce value, save money, or improve operational efficiencies.

A Technology Infrastructure Audit is usually the first step in these engagements. ProfitComm will be looking specifically at portions or all the following technology areas:

1. Analog Line Aggregations/POTS Replacement
2. MPLS to SD WAN
3. Premise based VOIP/Contact Center to cloud
4. PRI to SIP
5. MS Teams – multiple ways to get there
6. Back Up/DR
7. Wireless strategy, deployment, procurement
8. Outsourced Expense Management Platform
9. Duplication of services
10. Vendor sprawl

What does ProfitComm need to do a Technology Infrastructure Audit?

- Copies of invoices for all related services
- Signed Letter of Agency/Authorization (LOA) which will allow ProfitComm to contact their vendors on their behalf for the purposes of information gathering. The LOA will have specific language that does not authorize ProfitComm to make any changes to their services.
- Copies of contracts where possible
- List of locations, office headcounts, network diagrams, VISIO diagrams, etc.

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Analog Line Aggregation POTS Replacement

Incumbent Telcos Verizon, AT&T, Lumen and others have petitioned and been granted by the FCC the ability to sunset analog/copper networks in 2017 via a controlled roll out. POTS service is provided over a network that is more than 100 years old and very expensive to maintain. While many companies have migrated away from analog lines, there are still many more that continue to use these services for fax, alarm, elevator, POS, and more.

What are the options?

Analog line aggregation

A consolidation of many invoices that must be manually processes to an aggregator who can put all the lines on a single invoice, at often a slightly lower cost, with the ability offer some enhanced billing and GL coding for ease of invoice processing. This could be the first phase of an overall migration strategy. Migrating these lines basically becomes a billing change because the aggregators have wholesale relationships with all the major LECs.

POTS Replacement

Telcos can use LTE/WIFI devices do deliver analog line hand offs to existing devices. A device will be placed at each location being serviced; each can handle up to 5-6 lines each. The device will be equipped with dual SIM cards as well as the ability to connect via WIFI. The service is fully compliant and meets all guidelines and regulations for alarms and other critical services. The fact that it can be supported from multiple pathways offers redundancy that old analog lines did not have. Since legacy vendors are raising the price of analog services, the opportunity for savings can be as much as 20-30%.

More recently, we are seeing incumbent carriers increase the cost of these services by astronomical amounts. Locations in GA and FL can be between $500-$800 per line for lines that used to be $50-$70 per month.

Vendors Supporting POTS Replacement:
MetTel, Spectrotel, Granite, BCN, Bullseye and more...

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MPLS to SD WAN

Multi-Protocol Label Switching (MPLS) is a network routing technique that uses labels rather than IP addresses. Long regarded as one of the most secure types of network because it uses a separate edge router to support the MPLS network so the IP packets are not recognizable on the public IP edge routers. While secure, MPLS is a layer 3 technology that is expensive. It’s typically deployed in a manner where MPLS is the primary connection and it’s paired with a secondary Layer 2 dedicated Internet access or broadband for failover. The design would be active – passive and the failover is usually not instantaneous.

SD WAN is software based routing strategy where an appliance is connected to multiple connections and it routes traffic based on the performance of the circuits and application priority. As cloud applications require more bandwidth, SD WAN allows for multiple lower cost layer 2 ISP circuits in an active-active scenario rather than the active-passive MPLS design. SD WAN routing is instantaneous, and, with some vendors, the routing can happen in a manner that doesn’t interrupt even a phone call. SD WAN can be deployed as part of a complete vendor managed solution that can integrate with firewall/security or it can be layered over the top to manage downstream internet providers.

The savings going from MPLS to SD WAN can be as much as 40-50%, depending on the bandwidth, the vendor, and how the customer wants to deploy it (fully managed, co-managed, or unmanaged). Some companies don’t want to give up entirely on MPLS but can reduce the size of the MPLS network because other, non-essential or lower priority traffic, can be routed over the lower cost ISP circuits.

SD WAN is easy to deploy and can often give customers visibility into their network that they did not have on legacy solutions. There are differences between SD WAN platforms that can make a difference in performance. ProfitComm and their vendor agnostic engineering resources can help your customers determine which platform and ultimately which vendor will provide the best overall solution based on performance, functionality, and price.

ProfitComm vendors supporting SD WAN:
Over 85 vendors domestically and internationally

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Premise Based VOIP/ Call Center to Hosted VOIP/ Omni-Channel Contact Center

Companies who had premise-based solutions were completely crushed by the pandemic. Premise based solutions are tied to a physical location and are supported by PRIs or IP circuits that are physically tied to that location as well. In today's hybrid work environment, the need to be reached anywhere, or any device has made premise-based solutions obsolete.

A very well-known medical practice in the Mid Atlantic had a premise-based phone system and sent their 100 agents home during the pandemic. Calls came into the premise-based phone system and then had to be forwarded out to the agent's homes. This double-trucking of the calls reduced their call capacity by 50% and pushed hold times to 45 minutes or higher which lost them business. Adding more capacity to the phone system meant adding more circuits and hardware to support the circuits not to mention would take 60-90 days to deploy.

With hosted VOIP, each extension is an endpoint on an overall system that lives in the cloud. The endpoints on hosted VOIP can be physical phones, soft phones on a PC, or mobile devices. Calls can be routed anywhere at any time. Hosted VOIP is typically seat based so that each seat is a call path, an extension, and a phone number. Some vendors can break the call paths away from the seats for additional cost efficiencies. Phones can be purchased or leased/rented as part of a Opex fixed cost scenarios. In many cases we have seen cost savings of 20-50% by migrating to hosted VOIP from Premise based because PRIs and Phone System Maintenance agreements go away.

Hosted Contact Centers are replacing premise-based call centers because they are more efficient, more robust, and can live anywhere. Phone, chat, SMS, e mail, or social media channels allow your agents to meet your customer where they want to be met. Chat bots are a more interactive way to help customers with Frequently Asked Questions and free up agent resources. For larger Contact Centers, Workforce Management/Workforce Optimization allow for efficiencies in the largest expense of the contact center which is payroll. With call scripts, data dips, and system integrations work from home agents can be extremely productive and Artificial Intelligence allows for coaching and improving the end user and the customer experience.

ProfitComm vendors support Hosted VOIP and Contact Center:
Over 70 vendors domestically and internationally

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PRI to SIP Trunking

ISDN PRI is a type of phone service that works with traditional premise-based PBX solutions. A PRI is a T-1 that gives you 23 voice channels. They are expensive, they incur local/long distance usage most of the time, and not easy to deploy. As in analog lines, incumbent telcos are moving to sunset the ISDN networks in favor of all IP based networks. Telcos don't just shut the networks down so they raise the prices on those services as incentives for companies to find replacement options.

SIP Trunking is a PRI replacement option that allows for all IP based service. Calls are routed over the internet, and they are much more cost effective than the components associated with a PRI. SIP Trunks can be ordered in any amount as opposed to bundles of 23 like PRIs so if a company only needs 15 they only pay for what they need. Since SIP Trunking uses IP, they are not bound by the same geography that traditional Telco is so your numbers can be from any state. Because it's IP communication, there is often no long-distance charges, or they are significantly reduced which saves companies a great deal of money. They can be spun up on any ISP connection anywhere without the long lead times of T-1 circuits installs of 45 days or more.

ProfitComm vendors supporting SIP Trunking:
Over 70 vendors domestically and internationally

Recurring Revenue Strategies

Microsoft Teams as a Phone System

Teams has become one of the darlings of the pandemic. It's an exceptional collaboration tool that is a function of the Office365 suite of services that so many people use currently. A few years ago Microsoft added their E5 license which includes phone system features. Many companies want to talk about Teams as a phone system option. While Teams as an internal collaboration tool is great, engaging Teams for outside calling is cumbersome and costly.

There are numerous ways to deploy MS Teams so that it works with users outside of your organization such as a regular phone system.

Full E3 License with MS Cloud Phone system - $40-$56 per user
Full E5 License with MS Cloud Phone system - $43-$59 per user

- Microsoft Teams is a cloud-based business collaboration software that features messaging, calling, video meetings, file sharing, and real-time editing capabilities.
- Customers who want to enable PSTN calling in Teams can do so through Microsoft directly, do-it-yourself direct routing, or managed direct routing providers.
- Direct routing partners offer a variety of architectures including bundled PBX, direct routing without a PBX, third-party SBC, an embedded dialer, and bot integration.
- Finally, be sure to visit the Microsoft website for the most up–to-date features and pricing for Microsoft Teams!

We normally recommend doing Teams through a hosted VOIP vendor for several reasons:

- Better customer service that is not self-help or offshore
- MS Teams phones are expensive and don't work with anything else
- It's more cost effective and easier to manage than through Microsoft directly
- Microsoft Phone System has limitations, hosted VOIP options will have more features and integrations

ProfitComm vendors who support Microsoft Teams as a Phone System:
40+ vendors have either native MS Teams or Teams integrations

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Back Up & Disaster Recovery Solutions

Back up/DR comes in all shapes and sizes. Public solutions like AWS and Azure are cost effective until you need to get your data back. Egress fees can be extremely expensive, and they are often buried on page 46 of the website. There are lower cost solutions that have little to no egress charges. ProfitComm even has access to some cutting edge S3 storage solutions using distributed resources that can reduce costs of public cloud services of AWS, Azure, and Google by up to 80%.

ProfitComm vendors who can support these services:

- Alibaba Cloud
- Ancero
- Consolidated Communications
- DataCanopy
- iland
- Ntirety
- Quest Technology Management
- Rackspace
- RapidScale
- Sky Data Vault
- Thrive
- Tierpoint

Wireless Strategy, Deployment, & Procurement

Companies who have 200 or more wireless devices can benefit from Wireless as a Service. These solutions optimize the full life-cycle of procurement, deployment, and ongoing management of corporate liable mobility solutions.

What can you expect with Wireless Optimization and Management?

- Reduce mobile spend, typically by 20-40%
- Provide detailed reporting and analytics
- Proactively handle all carrier interactions
- Manage device procurement and inventory

ProfitComm vendors who supply Wireless Management include:

- VMOX
- MetTel
- Granite
- DataPrise – wireless watchdogs

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Outsourced Expense Management Platforms

Companies that process hundreds or thousands of invoices each month need something far better than the master spreadsheet. Telecom Expense Management refers to over the top cloud-based platform that provides IT, procurement, and finance departments that ability to connect, optimize, and manage large-scale corporate communications costs and visualize associated inventories.

What is covered under Telecom Expense Management?

- landline inventory, invoice and spend management
- mobile inventory, invoice and spend management
- network/circuit inventory, invoice and spend management
- cloud inventory, invoice and spend management
- contract management and procurement
- hardware and software license inventory and spend

ProfitComm vendors that supply TEM:

- Warner Telecom – Warner guarantees 150% of their fees in savings
- Tangoe
- VMOX – mobile only
- Brightfin
- Sakon
- DataCanopy – cloud spend
- ParkMyCloud – cloud spend
- Entelegent Solutions

Recurring Revenue Strategies

Duplication of Services

We often see situations where technologies are deployed to produce efficiencies, but the previous solutions are never discontinued. It happens when sales reps are focused on the sale and not a wholistic consultation. We also see scenarios where companies have add on solutions available as part of an existing license but they are paying another service for the same or similar solution.

In many cases the company either doesn’t have the resources or the know how to find and fix this excess spending, they are afraid to disconnect/discontinue something mistakenly, and they continue to pay invoices as a result. Invoices are often confusing (by design) and customer support is often self-directed. Below are some examples of situations we have uncovered through invoice audits:

Voice Services
IP voice or hosted VOIP solutions were deployed, and numbers ported to the new systems, but the older analog lines or PRIs were never disconnected.

Data Services
Private lines that were replaced by MPLS solutions, but the private lines never disconnected.

Data Services
Office locations move, new circuits deployed but old circuits never disconnected.

Zoom
Overpaying for Zoom or Webex conferencing/collaboration platform when a company has Microsoft Teams through Office 365 or has a hosted VOIP solution with a collaboration tool as part of the seat license such as RingCentral, or any others.

Document Management
Overpaying for separate corporate shared storage when Office365 offers significant storage via OneDrive that is included in the license.

Duplication of Services - Continued

Voice Services

Traditional premise-based PBX solutions often had a group of analog lines as a back up if a PRI or IP PRI went down and the phone system could handle both PRI and analog. We've seen customers migrate to hosted VOIP but not disconnect the back up lines. VOIP phones will not work with analog lines so keeping those lines for back up is a waste of money.

False Minimums or Wrong Plans

Some vendors will have default minimums spending levels on different services that they never asked for, so they pay shortfall penalties every month that is just vendor funny money. We've seen unlimited calling plans on elevator lines that don't make calls.

Recovery

We've recovered hundreds of thousands of dollars for companies through audits by going after vendors for credits for monies that were already paid in error.

All these services are ProfitComm provided, usually with a company's existing vendors. Fees are usually percentage of savings.

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Vendor Sprawl

Vendor sprawl is what we refer to when a company has amassed many vendors and invoices, usually through a series of acquisitions or rapid office location growth. When revenues are soaring through rapid growth, the spend is not reviewed as often or as in depth as when growth slows. Some of the incumbent telcos don't offer the option for invoice consolidation so each office is another invoice. Many invoices, especially if manually processed, can be very time consuming for AP Departments to process and manage.

Aggregators are a good potential option for invoice/vendor consolidation. Aggregators will have underlying wholesale agreements with hundreds of vendors nationwide. They typically price the services at 10-20% less than the incumbent with the added advantage of a single invoice and an online management portal that offers a view of your entire infrastructure from a single pane of glass. The service inventory can be GL coded and can be exported to Excel, Access, or other online invoice management options. Invoice processing can go from days to hours and, unlike TEM solutions, there is usually no additional cost for using aggregator solutions.

ProfitComm vendors who can provide aggregation solutions:

- MetTel
- Granite
- CommandLink
- BCN
- Bullseye

This sounds great. What's next?

If you think this makes sense for your business and will benefit your customers, here are the next steps:

1. Email introduction or schedule a Zoom/MS Teams call
2. ProfitComm will schedule a demo with the customer, showing our value
3. ProfitComm's team will work with the customer to gather all invoices, contracts, etc.
4. ProfitComm will do the audit analysis, contact their vendors, bid services, etc. The results of the audit analysis will have 3 outcomes:
   a. Immediate – this will be "low hanging fruit" items that can show savings/benefits within 2-3 months
   b. Intermediate – this will be items that we know will show benefit but cannot be enacted immediately due to contractual obligations or other reasons
   c. Long Term – this could be digital transformation or complete rip and replace type scenarios where operational efficiencies or process improvement will be significant.

Value to our partners:

We value and respect relationships and any customer that a partner brings to ProfitComm will be tagged within our system to the partner that introduced us. Both the audit and our ongoing customer retention model is designed to uncover many other areas where we can help the customer.

Introduce ProfitComm one time and the potential for growing recurring revenue is endless with minimal effort. We have over 300 vendors across dozens of service lines so every service we implement with the customer creates additional recurring revenue streams for our partners. Partners are paid monthly for the services that their customers bill on ProfitComm's technology vendors for as long as we are paid.

Customers win by improving their technology solutions. ProfitComm wins by having the opportunity to provide exceptional service to your clients. You win by helping your customer and creating a new recurring revenue stream for your business.

Contact Us Today to Find out how we can build recurring revenue for your business: 888.266.5575 / dodonovan@profitcomm.com