



The Other Point of Peering

By Hunter Newby

Editor's Note: Originally created to demonstrate the marriage of Ethernet and VoIP through actual VoIP peering implementations of network operators within carrier hotels, the "VoIPeer Me" series turns its attention to enterprise and carrier networks that have employed the use of VoIP peering techniques without the help of VoIP peering service providers.

Enterprise VoIP peering can be tricky business if you don't know what you're doing. So to make things easier for the IT/MIS managers and the consultants that serve them, I've boiled down the "Six General Rules" (See **FAT PIPE** February supplement) into "Six Qualifying Questions." These questions are for the businesses that already have made the decision to move to VoIP and may currently be in the process of installing some aspect of their new system. The purpose of these questions is not only to identify the primary motivations of the business in its move to VoIP but also to help discover what other options might be available that are not presently being utilized.

Enterprise VoIP Peering Qualifying Questions (Prior to using VoIP were you aware that...?)

1. VoIP does not mean "voice over the Internet"?
2. VoIP phones, handsets and or IP PBXs are not necessary to take advantage of VoIP peering?
3. VoIP peering does not mean, or imply, that all calls are free?
4. VoIP/SIP over Ethernet can replace circuit-switched TDM trunks and calls between disparate sites at a lower cost and improve call quality?
5. The PSTN is full of single points of failure?
6. Enterprise networks can call each other directly (peer) without a "minutes" carrier in between and without touching the Internet?

In the brave, new world the entire business model for voice has changed, and it requires those that provide the pieces that make enterprise VoIP happen to see the whole picture and where they fit in. Enterprise VoIP peering does not spell death to all service providers. On the contrary, it is actually a huge opportunity for many. Those that offer the wide area network connections, such as the Ethernet transport providers, are in great shape. Costly PSTN (public switched telephone network) calls and trunks are built-in returns on investment for the move to private VoIP implementations over Ethernet. This has been proven out during the past couple of

years. Now it just needs more awareness.

All of this VoIP talk doesn't mean that "minutes" carriers, such as dial-tone CLECs (competitive local exchange carriers), or IXCs (interexchange carriers), go away either. It just means that the enterprise is moving toward using IP as the provisioning mechanism to interface with those carriers. Why? Network redundancy.

Telephone numbers that are generated from a local switch in a central office are single-pointed on the transport path and at the TDM (time division multiplex) switch itself, but moving over to VoIP over a layer 2 network infrastructure provides switch and transport path protection. This already has begun with most CLECs and IXCs now offering session initiation protocol handoffs. Educating the enterprise that they can still get access to and from the PSTN using VoIP is a much needed revelation. The notion that they cannot is tied to that silly nonsense about VoIP being something that only exclusively works over the Internet. Again, some people know this, but most do not. If you educate the buyers, you will sell services!

Another market segment that already is seeing the benefits of this massive network transformation is the colocation facility and network meet me room operators. All service provider network roads lead to the carrier hotel and colocation facilities of the world. This fact is tied to the basic necessity of networks needing to be interconnected to each other to increase their own utility. The premise of Metcalfe's Law, that the value of any network is tied to the number of points on the network, drives the physical layer 1 real estate business of the meet me rooms and colocation facilities. As the enterprise networks rise in awareness and control over their network elements, they also will reach these same natural, inevitable conclusions and geographic points on the globe.

The group that is probably in the best position to add value and win new business is technology consultants. They are able to work across multiple hardware platforms, service providers and interconnection facilities to bring the best solution into the situation. They are free from having to sell

a product because that is what the company they work for has to offer. Many times that's like shoving the square peg into the round hole.

When a sales rep wins trust from the buyer and gets the sale, they may have put the buyer into a bad situation. That's why most buyers wait and see what others do before them and then follow so as to avoid others' mistakes. Buyer aptitude levels need to increase in order for decisions to be made and products and services sold.

Time fixes a lot of this, but if your organization is trying to sell to these enterprises, you need to be aware of all of the components and your own limitations and sweet spot, so that you can help raise their comprehension level. This requires additional up-front work, but it saves everyone time and heartache.

Keep in mind that this is not for every enterprise out there. It is really geared more toward those that operate their own wide area networks and actually have some control over what is going on past the phone closet, but as the days and weeks pass their numbers grow. This is largely a result of the increasing awareness and aptitude levels of the IT and MIS managers who are taking on more and more responsibility for the corporate network. The barriers to entry are coming down, the equipment and technology is already easy to get and use, particularly Ethernet transport and open-source VoIP platforms such as Asterisk.

Beyond all of those factors, the most critical would be the necessity of the "C-level" execs to know where their business is vulnerable and to focus on protection of assets and revenue to insure shareholder value. At the moment, the greatest threat that most of them face is their own ignorance of their network architecture. Getting them past that and into a better situation is where the opportunity exists for all of

us in this business to add significant value for many years to come.

If anyone is in need of a definition or additional detail on the "Six Questions," please refer to the "Six Rules" in the prior article, or just shoot me an email at hunternewby@telx.com, thanks. **FAT**

Hunter Newby is chief strategy officer of telx. If you know of a VoIP peering implementation and would like to suggest it for a future article, please email him at hnewby@telx.com.

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