



nexVortex's Perfect Storm

By Hunter Newby

Editor's Note: *The "VoIPeer Me" series demonstrates the marriage of Ethernet and VoIP through actual VoIP peering implementations of network operators within the carrier hotels. Its purpose is to show where VoIP peering currently exists, who provides it, who uses it and how.*

Traveling through the VoIPeer Me space thus far hopefully has been a very beneficial learning experience for readers, as well as participants. Analyzing the connections, business motivations and trends between carrier and enterprise network operators and the VoIP peering service providers has uncovered many "best-practice" secrets for a variety of users. Now the series is examining its next pair, which is a combination of nexVortex and the Arbinet Minutes Exchange.

A next-generation telecommunications service provider, nexVortex is focused on business customers. Better known as an ITSP, or Internet telephony service provider, its approach to VoIP service for businesses is a logical and methodical one. The company delivers VoIP as a service rather than as a "hosted solution," allowing the customer to remain in control of their premises hardware. This allows nexVortex to deliver VoIP network service to those customers seeking the cost advantage of VoIP without compromising voice quality or service reliability. For nexVortex, this is known as "Business Grade VoIP."

As its Web site states, the "nexVortex advantage provides immediate voice connectivity to businesses with an IP PBX (private branch exchange) or a legacy PBX, with low cost calling out to traditional phones worldwide and free calling to other users of the nexVortex service." There are three very important and interesting points here.

First, nexVortex "trunks" VoIP. No fancy handsets required. (Imagine that, you don't need an IP phone to use VoIP! Please note sarcasm.) Next, it trunks services out from an IP or legacy PBX, so it can interoperate with new and old. More importantly, businesses that think they are not ready for VoIP don't need to do a thing to be ready.

The third point is that all nexVortex users automatically peer free calls with each other simply as a function of the community. Nice perk! This is a trend that is being seen all over the world, and it is not one that is mandated or governed. It just makes sense.

NexVortex offers both flat-rate as well as pay-per-minute plans, but the way to go is flat. Since it uses resellers, nexVortex gets into accounts that might otherwise be impossible to crack. This all helps boost the benefits of the community.

An "In Network," whether time division multiplex or IP, landline or mobile, is the right way to go to differentiate in the market. The big issue and key element of success beyond superior marketing is what to do with these "In Communities" once they all have been built and matured for a few years. Enter voice peering and, specifically, Arbinet and the SPIDER registry.

VoIP peering makes sense, as that is essentially what is at the core of the all-IP center of the nexVortex universe and many other services like it. The concept is so natural that it is almost not something special. What makes it special is identifying that a "free" service is at the root of the paradigm shift away from legacy telco mindsets and business models and that linking the other ITSPs (and beyond) together creates a very powerful new on-net reality.

The SPIDER Registry, a non-profit organization co-founded by Arbinet, aims to be the linkage between these numbering communities and to help create that bond. At the same time, nexVortex uses Arbinet to access bilateral services to help drive down the costs and increase the quality for all of the off-net calls that it needs to terminate from its customer base.

An interesting static and yet dynamic factor in this whole voice peering situation is evolution itself. It is static because the fact that things evolve will never change. The dynamic piece is that the evolution in this case will lead many of the enterprise businesses with IP PBXs to eventually bypass the bypassers and peer directly with each other.

Wes Rogers is a co-founder and currently executive vice president of marketing and sales at nexVortex. He brings 17

years telecommunications experience covering both services and products. During his career he has held positions with several leading carriers and hardware vendors and most recently came from Cisco Systems, where he held marketing and operational positions for several key VoIP products.

“VoIP Peering makes sense for us now and the enterprise community sometime in the near future, certainly,” says Rogers. Just how long of a run that is, and if it is a complete shift or there are entire sections of the business community still looking to buy services rather than managing their own, we will have to wait and see. But the wheels are in motion.

When asked about the marketplace and the profile of

potential customers today, Rogers had some enlightening commentary. “We have found a mixed group of those that buy service and those that buy IP PBXs and run their own. Some of them want their IP PBX in the phone closet at their office, but some of them want to put them in carrier hotels,” The says.

That last piece is music to the ears of my carrier hotel brethren. Alas, we have finally reached the beginning. Soon the enterprise will virally and seemingly simultaneously reach the conclusion that the economics of business-class VoIP are as beneficial as having a service level agreement behind your (IP) PBX and not just the same-ole, same-ole where any commercial power blip or downed pole can

knock you back to plain old telephone service and your business into neutral heading toward reverse.

Beyond the obvious physical layer benefits to be gained by those that venture out to the carrier hotels, it is clear that nexVortex brings a strong value proposition to its customers with the help of Arbinet. Once again, this user/provider profile has uncovered the reality of VoIP and peering and its utility in the marketplace today and into the future. **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.

nexVortexVoIP Peering User Case Study

VoIP Peering User

nexVortex

Contact: Wes Rogers, wes@nexvortex.com

Type of entity: VoIP business services

VoIP Peering Service Provider

Arbinet, Inc.

Contact; Steve Heap; sheap@arbinet.com

Network Architecture and Model

Does your company currently generate revenue from voice traffic?	Yes
Were you seeking to reduce monthly opex by reducing the cost of voice minutes?	Yes
Is your current VoIP network all IP end to end?	Yes
Is your current VoIP network actually TDM call switching with an IP interface?	No

Bilateral VoIP Peering

Are you using a bilateral VoIP peering service?	Yes
Does the service provider allow you to establish multiple direct bilateral relationships?	Yes
Is there a broker, counter-party or transaction fee associated with the minutes?	Yes
Do you send calls to only one VoIP service provider for termination?	No
Do you manage least cost routing of multiple VoIP service providers?	Yes
What is the percentage of savings achieved through this service? A=10-30%; B=30-60%; C=60%+	A

Multi-Lateral VoIP Peering

Are you using a multi-lateral VoIP peering service (ENUM)?	No
Is the multi-lateral service easy to use?	n/a
Does the multi-lateral service eliminate the per-minute cost to terminate a call?	n/a
Was the motivation to use the service based on multi-lateral peering between your own sites?	n/a
Are there any fees for the use of the multi-lateral peering service?	n/a
Was the motivation to use the service based on multi-lateral peering between other VoIP networks?	n/a
If you are not currently using a multi-lateral (ENUM) service, do you plan to within the next 12-18 months?	Yes

Provisioning

Do you interconnect to the VoIP peering service using Ethernet?	No
Do you interconnect to the VoIP peering service over the public Internet?	Yes
Were there savings realized moving from TDM to Ethernet for provisioning ports?	No*
What is the percentage savings achieved through this service? A=10-30%; B=30-60%; C=60%+	n/a
Is the VoIP peering service providing protocol conversion (TDM-SIP, H.323-SIP)?	Yes
What is the savings from managed conversion services? A=10-30%; B=30-60%; C=60%+	A

* nexVortex has been all IP from the start