



**“Chesapeake has been supporting us for 21 years... We’ve been working together for so long we’re on a first name basis, dialing home and mobile phone numbers whenever we need each other... That’s the kind of relationship we wish we had with all our vendors.”**

Pat Conyers, Director of Facilities  
Patuxent Publishing Group

# Chesapeake Telephone Systems Considering Hosted VoIP?

## Questions that need answers. Concerns to keep in mind.

Hosted VoIP provides local dial tone, long distance, and a phone system that you lease from a single-source service provider. The phone system’s “box” resides, not in your space but with your provider. The only hardware at your location are phones. Chesapeake believes that the ideal market for Hosted VoIP is locations with under 20 handsets. That said, there are significant differences between hosted VoIP services and the more traditional phone system that you have in your business.

### **Buyer Beware**

The FCC, the governing body that regulates U.S. telecommunications, provides little oversight over most Hosted service providers. It’s caveat emptor “buyer beware”, and you need to do your Hosted VoIP homework.

### **The Network**

A Hosted VoIP service provider may use just one “soft switch” to handle all of their customers globally. Verizon, on the other hand, has 215 switches in the State of Maryland alone. Larger CLECs have 1 or 2 switches in the metro areas they serve.

### **Quality of Service**

How does your Hosted VoIP service provider guarantee voice quality? Is the service carried across the Internet or over a point-to-point circuit between your facility and their switch - or is it carried over a MPLS ‘Multi Protocol Labeling Switch’ network? What happens when you lose your Internet connection? Not only will you lose inbound and outbound calling, but you will also lose the ability to dial an extension across the hall. All call control is at the Hosted Switch. Will it be acceptable to have not only your Internet down, but also your entire voice network?

### **Single Source Management**

A strong selling point for Hosted services is that customers no longer have to manage their phones, voice and data services independently - they are all rolled into one. That has its pros and cons. It may simplify who to call, but if you become dissatisfied with the quality of service (too much jitter, echo, or calls dropping), you cannot just switch to another service provider. The phones sitting on the desk are often using proprietary protocol for that specific hosted provider. No diversity. No alternatives.

### **Have you ever heard of...?**

#### **NorVergence... SunRocket... Vonage**

What happens when a smaller service provider has financial issues and stops paying their underlying carriers or falls in arrears?

What happens when your small VoIP provider is the customer of record to the big carrier and is cut off when they don’t pay their bills?

You have little, if any, recourse. You lose ALL connectivity – voice, Internet, everything. What, if any, notification will be required to give an end-user customer about bankruptcy, restructuring? Norvergence, a case in point, was here today, gone tomorrow. No warning.

**Call Chesapeake today!**  
**800 787 4848**



**“We are very pleased with Chesapeake. They’ve been taking care of us for 4 years and their technical and customer service people are top notch! They helped us improve our communications and there is nobody else I would entrust with our voice and data network.”**

Greg Gagorik, General Manager  
Jaguar Land Rover Annapolis

# Chesapeake Telephone Systems Considering Hosted VoIP?

## Questions that need answers. Concerns to keep in mind.

### **Music or Advertising-on-Hold**

If you count on your “on-hold” recordings to keep your customer informed and entertained when they get placed on hold, you need to be especially diligent in determining whether or not a Hosted service can integrate and support the recordings you’ve invested in. If the Hosted provider’s sales representative tells you that it won’t be an issue, get it in writing. Ask for a technical explanation on how your Recordings will be integrated with the Hosted platform and what process is required to make future changes.

### **“Your” Phone Number**

Local Number Portability (LNP) regulations apply to traditional phone companies like Verizon, but will your Hosted provider be held to the same standard? Be clear that your question isn’t whether you can keep your present phone number to move to a Hosted solution. That won’t be an issue because your CLEC or local phone company is obligated to facilitate that transition. The important concern is what will happen to your phone number if you need to move on from the Hosted provider? What happens to your phone number if the Hosted provider shuts its doors abruptly? Who owns “your” phone number?

### **State Regulations**

We know that the FCC has little oversight in regards to VoIP and Hosted providers. What regulatory agency has responsibility at the State level? For instance, businesses in the State of Maryland can turn to the Public Service Commission when they aren’t satisfied with Verizon. Where do you go for redress if things don’t work out as promised with the Hosted provider?

### **Customer Relationship Management (CRM)**

A growing trend in small businesses is the integration of CRM databases with IP phone systems. A popular example is when you call into a company and the representative who answers the phone gets an automatic screen-pop from their database. Your account records are accessed automatically based on your originating phone number. The customer service advantages are huge – increasing productivity and saving time for your business, and impressing your customers with well informed, quick service response. More businesses are finding that affordable CRM solutions are available and they want to exploit IP phone technology to better serve their customers. Hosted providers’ business models are built on delivering a standard list of features. How will they integrate that “standard” service with your proprietary CRM database?

### **Customization**

Every company is unique and has worked out their own way of communicating. Chances are you have worked out some special arrangements to accommodate your business, such as:

- Overhead paging in the warehouse
- Flashing queue lights in your call center
- Conference bridge units | Video conferencing
- Call Recording | Fax servers

Be thorough and make sure you have everything identified so that you can confirm whether and how it will work in a Hosted environment.

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**“Your hard work and hands-on project management made our weekend transition to IP Telephony possible. Our new telephone system has changed how we get work done here... it makes a real difference everyday. Thanks Chesapeake!”**

Adrianna Abate, Information Technology Officer  
Howard County Department of Education

# Chesapeake Telephone Systems Considering Hosted VoIP?

## Do your due diligence... Hosted service provider questions

### The basics

- ✓ Who are the owners and what is their background?
- ✓ How long have they been in business?
- ✓ How long have they been provisioning customers on their hosted solution? [CTS has been in business 24 years]
- ✓ Are they financially viable?
- ✓ SunRocket, the second largest VoIP carrier after Vonage, closed its doors without notice July 17th 2007.
- ✓ Norvergence one of the 1st VoIP carriers [strategic partners included GE Capital] closed its doors without notice. July 2004 versus Mitel is approaching \$1Billion in Revenue and is #1 in SMB market – and Toshiba is one of the world’s largest electronic manufacturers
- ✓ Ask to see audited financials? Pull a D&B on the company
- ✓ What is the strategic interoperability of the different equipment providers on the hosted platform? As an example, you may have generic Cisco SIP phones working behind a Teklec switch, using a 3rd party software to run call control over a Broadwing/Level3 MPLS network. Are there any direct co-development requirements?

### Service – related questions

- ✓ Security - Since all of your voice traffic is going through one hosted switch, how can the provider guarantee you will not be affected by a problem occurring with another client? Or that the service provider will not inadvertently provision another company’s request into your profile or visa versa?
- ✓ In writing, will they guarantee that all the voicemail, features, ACD routing and recording seamlessly function in the case of a failover?

### Service – related questions

- ✓ Have you done a feature comparison of your current Mitel/Toshiba IP phone system and those of a hosted solution?
- ✓ How many people can a single user have on a conference call?
- ✓ How do they handle analog services? Paging?
- ✓ What happens when the Internet connection fails? [You will lose internal as well as external calling capabilities.] How long to dispatch and replace?

### Call Center Questions

- ✓ What kind of ACD real-time and historical reporting package do they use?
- ✓ Can they support intelligent queuing?
- ✓ Can they support multiple RADs?
- ✓ How much historical data can they store?
- ✓ Can they do Call Record? Is it court admissible?
- ✓ Can they do whisper mode?
- ✓ Can they provide call monitoring?
- ✓ Can an agent request supervisor help?

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**"Our IP phone system's teleworking capability lets every principal in our firm speak directly with clients from home. Chesapeake has really transformed how we work."**

Don Saiontz, Partner  
Saiontz, Kirk & Miles

## Chesapeake Telephone Systems Considering Hosted VoIP?

### What are the Enhanced 911 obligations of Hosted VoIP service providers?

Traditional Dial Tone service providers are required by the FCC to have direct trunking to each of the Local 911 call centers (PSAP - Public Safety Answering Point).

From FCC: In June 2005 the FCC imposed 911 obligations on providers of "interconnected" VoIP services - VoIP services that allow users generally to make calls to and receive calls from the regular telephone network. You should know, however, that 911 calls using VoIP are handled differently than 911 calls using your regular telephone service. When you call 911 from a traditional telephone, the call in most cases is sent to a Public Safety Answering Point (PSAP) that is responsible for helping people in a particular geographic area or community. PSAP personnel often can automatically identify your location and direct the closest emergency personnel to that location. They also often can automatically identify your telephone number so that they can call you back if you are disconnected.

Because VoIP service works differently from traditional phone service, consumers who use it should be aware that VoIP 911 service may also work differently from traditional 911 service. The FCC and VoIP service providers are striving to eliminate these differences, but some of them are:

- ✓ VoIP 911 call may not connect to PSAP;
- ✓ VoIP 911 service may ring to the administrative line of the PSAP, which may not be staffed after hours, or by trained 911 operators;
- ✓ VoIP 911 service correctly connected to the PSAP, but did not automatically transmit the user's phone number and/or location information;
- ✓ VoIP customers may need to provide location or other information to their VoIP providers, and update this information if they change locations, for their VoIP 911 service to function properly;
- ✓ VoIP 911 service may not work during a power outage, or when the Internet connection fails or becomes overloaded.

To reduce these differences and any possible risks to public safety posed by interconnected VoIP 911 service, the FCC has imposed the following requirements:

- ✓ All interconnected VoIP providers must provide 911 service to all their customers as a standard, mandatory feature without customers having to specifically request 911. VoIP providers may not allow their customers to "opt-out" of 911 service.
- ✓ Before an interconnected VoIP provider can activate a new customer's service, the provider must obtain from the customer the physical location at which the service will first be used, so that emergency services personnel will be able to locate any customer dialing 911. Interconnected VoIP providers must also provide one or more easy ways for their customers to update the physical location they have registered, if it changes.
- ✓ Interconnected VoIP providers must transmit all 911 calls, as well as a callback number and the caller's registered physical location to the appropriate emergency services call center or local emergency authority.
- ✓ Interconnected VoIP providers must take appropriate action to ensure that their customers have a clear understanding of the limitations, if any, of their 911 service. All providers must specifically advise new and existing customers, prominently and in plain language, of the circumstances under which 911 service may not be available through the interconnected VoIP service or may in some way be limited in comparison to traditional 911 service. They must distribute labels to all customers warning them if 911 service may be limited or not available and instructing them to place the labels on and/or near the equipment used in conjunction with the VoIP service.
- ✓ Interconnected VoIP providers must obtain affirmative acknowledgement from all existing and new customers that they are aware of and understand the limitations of their 911 service.
- ✓ In some areas, emergency service providers are not capable of receiving or processing the location information or call back number that is automatically transmitted with 911 calls. In those areas, interconnected VoIP providers must ensure that a 911 call is routed to the appropriate PSAP.