

Cbeyond Grows with SIP Trunking Utilizing BroadWorks

Executive Summary



Type: Competitive Operator

Region: U.S.

Size: \$213.9 million in revenue ('06)

Customers: More than 33,000 business customers

Services: SIP Trunking

Key Result: Deploying SIP Trunking with enhanced overlay features has resulted in increased loyalty and lower churn.

Background

Since its founding in 1999, Cbeyond has grown to become one of the largest and most successful independent carriers in the U.S. It has maintained a strong focus on the SMB market, gaining a deep understanding of the communications needs of small businesses.

Business Challenge

Cbeyond has maintained strong growth as SMBs come to recognize the value of hosted IP telephony services. The company has seen a 30 percent increase over last year and continues to expand into new markets. Currently, Cbeyond operates in nine urban markets, having added three new centers in 2007.

To support this growth, indirect channels are becoming increasingly important, especially as hosted offerings become targeted at the lower end of the SMB market. While the number of potential end-user customers is substantial in this target market, in order to be effective resellers require a skill set that is distinct from those selling to large businesses.

With a growing number of carriers focusing on this market, Cbeyond needs to leverage its SMB expertise to become the carrier of choice for its channel partners. In addition to its own expertise, this means Cbeyond needs the right technology partners who can enable the services that SMBs value the most.

Solution

To this end, BroadSoft has played a key role, not just in offering new services but in helping Cbeyond penetrate new markets. One way BroadSoft has done this is with SIP trunking, now Cbeyond's fastest-growing service, connecting

Cbeyond's network with IP-enabled PBXs.

SIP trunking appeals to resellers for multiple reasons. First, SIP trunking eliminates the need for a media gateway, making it easier and less costly to deploy service.

Second, SIP trunking with BroadSoft's BroadWorks® platform allows resellers to offer a broader range of applications, even if the customer retains its existing telecom setup. The ability to gain advanced voice features without significant CAPEX is especially attractive to the low end of the SMB market, where price and convenience are key value drivers.

Third, having achieved SIPconnect certification with more than 20 PBX and IP PBX vendors, the BroadWorks platform supports a wide range of SMB scenarios, making the platform an easy recommendation for resellers to pass on to their customers.

Mobility is another important feature of BroadWorks. Cbeyond supports such popular devices as the BlackBerry and the Motorola Q, and has found that 40 percent of new customers take mobility with their service.

Finally, BroadSoft's integrated service bundles include DIDs, meaning that each desktop can have a unique 10-digit number. For many SMBs, this is a new and highly valued capability that makes resellers more competitive.

Business Result

Cbeyond's resellers are finding several layers of value with BroadWorks. The platform supports a wide range of applications, and Cbeyond currently offers over 20 of these to resellers, who can customize the applications mix for each customer. A key metric of success is the

number of applications in use, and BroadWorks is delivering this for Cbeyond. In 2005, Cbeyond customers used an average of 4.2 applications. Today the average is 5.9, a 40 percent increase.

Related to this is the ability to support new and advanced features such as shared line appearance, simultaneous ringing, disaster recovery and high definition audio. With this level of flexibility, resellers are able to offer a longer-term solution to make the migration to IP as smooth as possible.

As a result, Cbeyond is finding that more than 90 percent of its customers are signing three-year contracts, which generates a strong residual income stream for resellers. Multiyear contracts engender loyalty among resellers and customers alike, reflected in Cbeyond's low churn rate, which tracks well below the industry average.

For more information on BroadSoft services please contact us at 301.977.9440.

“BroadSoft has been and continues to be a very strategic partner to Cbeyond. When we encouraged them to take a risk and develop a SIP Trunking solution, they designed and implemented the best solution in the industry and have been great supporters of the SIPconnect specification. They continue to innovate with the deployment of many valuable network-based features that nicely complement the premise-based IP PBXs, which are interoperable with our BeyondVoice with SIPconnect service.”

Greg Rothman
Marketing Director, SIPconnect
Development