



Tenor™-Based Tri-State VoIP Solution Comes In At One-Third the Cost of the Competition

Quintum Integration Partner Helps Metro Insurance Avoid Costs of Frame Relay, PBX Upgrade and Routers

The Challenge

Metro Insurance Services is a growing wholesaler and underwriter headquartered in Union NJ. The company recently opened satellite offices in Rochester, NY and King of Prussia, PA.

To ensure that his company's expansion was executed as cost-efficiently as possible – and ensure optimum customer service – Metro's CEO Steven Gross decided that all calls would be routed through NJ headquarters. This would give customers a single number to call, and reduce staffing costs, since only one person would be needed to perform receptionist/operator functions for all three offices.

By performing this inter-office routing using voice-over-IP (VoIP), Gross knew he could also eliminate the cost of phone calls between Metro locations. These charges amounted to about \$400 per month.

Gross started by asking his incumbent PBX supplier to offer a solution that would meet Metro's requirements. After an analysis of those requirements, they came back with a proposal that suggested implementing a frame relay network between Metro's offices, upgrading the company's PBX, and installing routers – which the incumbent would not supply or install.

While potentially functional, the proposal was extremely costly and complex. Monthly recurring frame relay charges alone would cost Metro Insurance over \$2700 per month for its three locations, with another \$3000 up front for installation. On the equipment side, the new systems and upgrades to enable VoIP would have cost Metro almost \$78,000 – including the installation of a new \$27,000 PBX in the PA office. These costs did not include the monthly software and hardware maintenance costs associated with PBXs and routers.

Thus, Metro's total expenses over the first year would have been over \$106,000.

In addition to expressing shock at the cost of this proposal, Gross was also concerned about putting more money into his four-year-old PBX system. He had just made the last lease payment on the PBX and was unsure about investing further in its proprietary, out-of-date technology.

“When you consider the speed at which technology changes today – and the business advantages that these new technologies can offer – you have to keep your options open,” says Gross. “That's why I was hesitant about basing our new voice network on a rapidly aging PBX platform.”





The Solution

After making some calls to other suppliers and network integration firms, Gross decided to meet with Ivo Allen, president of Hunter Solutions. Hunter Solutions, a Neptune, NJ-based system integration firm that sells advanced voice and data solutions to the small- to mid-sized business (SMB) market, specializes in the installation of VoIP networks using Quintum Technologies' Tenor MultiPath Switches.

Hunter Solutions selected Quintum's Tenor as its core VoIP solution for several reasons. First, most of its customers have already made significant investments in voice and data infrastructure and the Tenor solution allows them to preserve those investments. Second, today's buyers are very concerned with achieving a high return-on-investment (ROI) when they migrate to a new technology such as VoIP. The Tenor's unmatched price/functionality ratio helps ensure this high ROI. Third, customers are very concerned with preserving voice quality and reliability. The Tenor switches' **SelectNet™** failover feature directly addresses these concerns by maintaining the public switched telephone network (PSTN) as an immediate backup.

"Quintum's Tenor solution is the most cost-efficient, reliable and broadly applicable VoIP product line on the market for the SMB market," says Allen. "We have had nothing but success in implementing it for companies seeking to gain the business benefits of converged communications."

Allen looked at Metro's needs and saw another perfect fit for Quintum's Tenor VoIP architecture. Metro could use its existing high-speed cable modem Internet access at its NJ headquarters and add fractional T1 access to the Internet (at 128Kbps) at its NY and PA offices. The PBXs in NJ and NY could be left as they were, while a relatively inexpensive Avaya Partner PBX would be installed in the PA office.

Metro could use the Internet, rather than a frame relay network, for its VoIP because of Quintum's PacketSaver technology – which is highly efficient in how it carries multiple calls – as well as the Tenor's ability to instantly and transparently switch to the PSTN if the public Internet experienced any problems that might momentarily threaten voice quality.

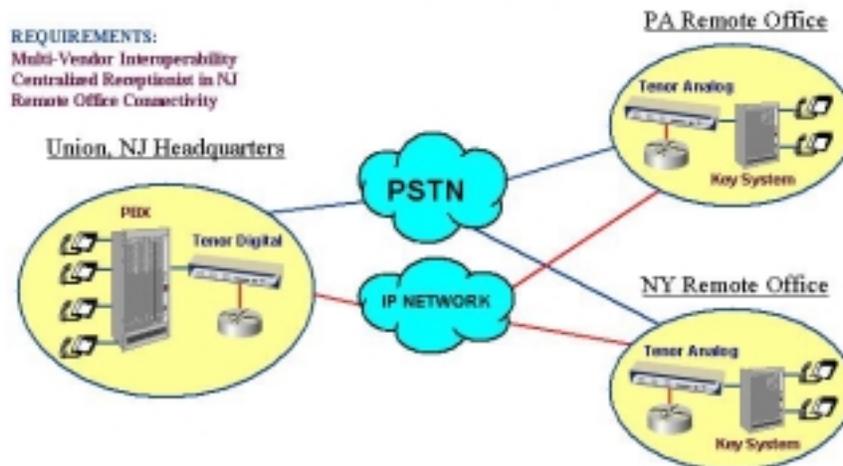
Under the Hunter proposal, Metro's total hardware costs were under \$10,000 including installation – with the new PBX coming in under \$5000 installed. Just as importantly, its monthly line charges would be only \$870. That's in stark contrast to their previous supplier's proposed \$71,000 in hardware costs and \$2,700-plus in monthly frame relay charges.

"Hunter Solutions' proposal gave us everything we needed at about one-quarter of the price we would have paid," says Gross. "Plus, I believe it will be a much easier system to administer and expand as our needs change."



The One-Year Plan

Metro Insurance Services Network Diagram



Thanks to Quintum and Hunter, Metro has been able to implement VoIP in a cost-efficient, no-hassle way. Because of the small price tag, the VoIP network will pay for itself in about a year. If the company continues to grow over that time, the savings will come even faster.

However, while its use of VoIP will itself pay for the new equipment, Metro will be able to gain further business benefits from the high-speed Internet access it has put in place in its remote offices. This access can be used for Web-based access to corporate insurance applications, as well as faster Web browsing for Metro's staff.

Thus, within one year, Metro will have a high-speed Internet-based network that pays for itself while enabling all of its employees to take full advantage of the Internet as a business tool.

"Insurance is a very information-intensive business, so anything that allows our people to get faster access to more accurate and up-to-date information gives Metro a competitive advantage," says Gross. "I am very glad I did the extra research it took to find Hunter and Quintum."

This case study was prepared with the assistance of Mr. Steven Gross of Metro Insurance Services and Mr. Ivo Allen of Hunter Solutions.

