

# COMMUNICATIONS



## The next generation has arrived

Colt Telecom is leading the way in preparing Ireland for future challenges with more advanced telecommunications, writes Niall Byrne

Colt Telecom is upgrading its long-distance network to carry voice and data between metropolitan area networks (Mans) in 34 European cities. The first phase of the project, due for completion later this year, is already live in eight countries.

In Dublin, the company is also building a next-generation ethernet network on a multi-service platform, according to Gary Keogh, managing director of Colt Telecom Ireland. "The economic downturn has had an impact on the way telecoms operators invest in the roll-out of new technologies," said Keogh. "In the past, operators may have taken a 'build it and they will come approach' to the roll-out of new technologies."

"Today, operators are opting out of such speculative investments in favour of targeted investments that show a clear return from the outset."

The cost-cutting pressures facing companies in the downturn is a double-edged sword for Colt. While it claims that the technologies it sells can save money for its customers, this has little relevance to companies with no money to spend in the first place.

"Organisations need to revise their cost structures and eliminate excess costs," Keogh said. "At the same time, they need to defend investment in future technologies to drive business results."

By outsourcing the management of their telecoms infrastructure – a service offered

by Colt – Keogh said companies could reap a number of benefits. Potentially, these could include access to the latest developments in technology without the need to commit to the upfront costs associated with outright investment.

"Outsourcing the management of telecoms infrastructure to a trusted technology partner allows the end customer to focus all of their resources on the core activities driving the bottom line for their business," Keogh said.

Businesses rarely see investment in IT as a means to cut everyday business costs. Most instead see it as an unavoidable expense.

To persuade companies of the wider benefits of wise investment, Colt is honing its own offering in two distinct fields – SMEs and managed services. Last year, the company launched a dedicated SME division. "Large organisations are often better positioned to align technology solutions with business objectives, as they are supported by established and professional IT departments," said Keogh.

"SMEs, on the other hand, are often hampered by a lack of experienced IT resources as well as smaller budgets, so the task of selecting the right communications solutions to drive business performance constitutes a significant hurdle.

"For this reason, more and more SMEs are turning to managed services to provide instant access to highly trained, on-call IT personnel."

The economic downturn has spurred growth in the demand for managed services,



Gary Keogh, managing director of Colt Telecom, with Caroline Healy, account manager for global accounts, and Ian Wiley, senior account executive, at the opening of Colt's new Irish headquarters in Dublin

prompting Colt to establish a dedicated managed services division in September 2008.

"Managed services have always constituted a strategic product set for Colt," Keogh

said. "However, growth in the market for such services, which we expect will continue for the foreseeable future, spurred by the downturn in market conditions, has influenced Colt to

become more focused on how we serve this market."

The company sells solutions based on standardised platforms, supported by its network, utility computing

applications and data centres.

Since the company's launch in the Irish market eight years ago, Keogh has seen a number of significant changes, including broadband, mobile internet

and converged voice and data networks. "Such developments have changed the way people communicate, both professionally and privately," he said. "From a business perspective,

*The economic downturn has had an impact on the way telecoms operators invest in the roll-out of new technology*

the majority of business transactions were facilitated by face-to-face or telephone conversation just ten years ago.

"Today, the element of personal conversation is often replaced by text communication such as SMS, e-mail or instant messaging, which are available in near real-time thanks to broadband. As broadband networks continue to evolve, Keogh said there would be greater availability of video-based services for conferencing.

"We have yet to realise the most significant shift in the technology landscape in Ireland, which is the progression to a nationwide next generation network, with both retail and wholesale access to the full remit of next generation solutions," he said. "This development is vital if Ireland is to remain competitive on an international standing."

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## Technologies worth it in the long run

The latest in technologies should be costed over longer periods to reflect their true impact on customers and productivity, writes Linda Daly

Paying out for the latest technologies could prove a beneficial money-saver for cost-conscious businesses in the long run, according to Peter Clarke, enterprise market director of Eircom.

"By measuring the return to the business over a longer period than 12 months, new technologies may offer better value and enhance an organisation's competitive advantage," Clarke said.

He believes that new technologies can go a long way to improving customer care and boosting sales productivity.

"For instance, a company that needs to improve its call handling might simply upgrade its current intelligent voice recognition (IVR) system, where callers press numbers on the phone pad to access a service," he said.

"The other option, however, is to leverage new technologies such as enhanced voice recognition (EVR) to improve the overall quality of the call experience, which in turn can impact customer satisfaction and loyalty."

EVR uses speech recognition technology that allows businesses to handle routine queries from callers. If used effectively, it can free up employees' time leading to improved efficiencies for the wider business.

EVR solutions include Eircom Operator, Eircom Locate and Connect and Eircom Information Line.

Operator Connect links callers to their destination when they identify the person or department they want to contact. Locate and Connect



Peter Clarke, enterprise market director, Eircom

asks callers to state their location, and tells them where their nearest office is located. The caller can then choose whether or not they want to be connected to the office. An automated service, Information Line enables businesses to provide key information to callers.

Clarke said the need for increased productivity, enabled by automated solutions such as EVR, was driving trends in ICT. Added to this is the growing requirement for mobility among businesses and consumers. In June, Eircom announced its own entry into the mobile broadband market.

Eircom responded to growing demand for fixed-line broadband in recent years with a roll-out programme that has made the technology available to over 1.4 million telephone lines.

Internet protocol (IP) networks have come to the fore in the past five years.

A report released by Accenture in 2005 predicted that com-

panies would be drawn to IP technologies for three reasons: lower cost, the capacity to transmit large quantities of data and the 'always on' connection that broadband offers.

As Clarke sees it, IP networks are about much more than just communication.

"You can reduce your utility bill by using the IP network to monitor energy use and detect anomalies, such as after-hours lighting," he said.

"Training, too, can be delivered more cost-effectively by supplementing or replacing face-to-face courses with on-network training."

According to Accenture, IP technologies have helped to close the communications gap between large and small companies, reducing start-up costs to new businesses.

He said there was a need for companies, who had paid to sign up to the new technology, to realise their investment's full potential.

"Companies have invested heavily in IP networks over the past few years, but few who upgraded to IP as their network infrastructure have maximised the power of the network to remove operational costs," he said.

"They have to leverage the investment they have made in those networks and ensure they are using them to their best potential."

Eircom's business IP solution offers companies full-traffic prioritisation. Ethernet access speeds are available from 10mbps to 100mbps, and connectivity solutions – such as Eircom Metro Ethernet – offer connectivity at gigabit speeds. As companies get to

grips with all things IP, the need for unified communications has come to the fore.

Unified communications enables greater collaboration between, and within businesses, regardless of location.

"If you have a lot of distributed sites all over the country, centralising those with some form of unified technology makes absolute sense. It creates great efficiency," said Clarke.

From IP, video and conference calls, to secure document sharing and fax transferral, the unified approach makes communicating easier.

Unified communications can also cut costs by reducing the need for face-to-face, or phone-based, communication. The potential outcome – a more productive workforce – has obvious benefits.

And in a world where unified communications is becoming increasingly important, so too are visual communications, both from a performance and cost cutting perspective, said Clarke.

"Visual communications are key in the current environment," Clarke said.

"High quality visual communications can reduce travel times for companies by as much as 30 per cent and increase availability of scarce resources, or the centralisation of ICT to eliminate duplicated resources and applications in multiple sites," said Clarke.

Not only do they reduce a company's carbon footprint, telepresence also allows document sharing and live audio, giving businesses access to expertise that they previously wouldn't have had.

Voice over Internet Protocol

(VoIP) has been another success story over the last three years, as an increasing number of people take advantage of voice services in Ireland.

Eircom has recognised the growth area in VoIP, and offers services that allow for outbound and inbound calling. Businesses can avail of intelligent call-handling solutions, eliminating internal call costs and increasing the efficiency of their communications infrastructure.

"One of the interesting things in the business world is that we have a whole generation of people coming into the workforce who are now used to instant communication," Clarke said. "They have huge expectations of what's available, and there's an onus on companies to ensure that at an enterprise level, that type of almost instantaneous communication is in the market place."

In order to continue to develop its suite of solutions, Eircom looks at the business needs of its customers and develops solutions on the back of those needs.

Eircom has a clear engagement model with its customers, and tries to come up with clever ways of boosting communications.

"Innovation gives you a competitive edge, and you have to do things cleverly. Ireland is very well positioned and very active in the area of communications technology," said Clarke. "Ten years ago, technology and infrastructure may have been an issue on these shores, but that's no longer the case. And Eircom is playing its part in getting people businesses connected."



# COMMUNICATIONS



Tommy McCabe, director, Telecommunications and Internet Federation MAURA HICKEY

## Broadband report doesn't go far enough

By Dermot Corrigan

A new government report on broadband has failed to adequately address the needs of the industry in Ireland, according to Tommy McCabe, director of the Telecommunications and Internet Federation (TIF).

The policy paper – entitled Next Generation Broadband: Gateway to a Knowledge Ireland – was launched last Monday, setting out the government's plans to position Ireland as a leader in ICT innovation.

According to McCabe, however, the policy supports a misguided strategy to encourage competing providers to invest separately in different next-generation network (NGN) telecommunications systems.

"The government's position seems to be that competition in the market will lead to investment," said McCabe. "That is not necessarily the case."

McCabe said that TIF's members favoured a co-operation model, whereby one entity would build the required infrastructure and operators would

then compete to offer services on it.

"Co-operation combines co-operation and competition to enable investment and still foster competition," said McCabe. "The industry together, one particular company, or a combination of companies, could invest in the infrastructure. Then you have operators who avail of the wholesale infrastructure and compete at retail level."

According to TIF estimates, telecoms providers in the private sector have invested an average of €730 million annually in new infrastructure and technology in recent years. A lower figure was likely this year, McCabe said.

"The economic downturn has impacted on everybody, including the telecommunications sector," he said. "All the operators have to justify any capital expenditure, and the situation has become more difficult."

McCabe said uncertainty over the regulation of new infrastructure made it difficult for individual firms to commit to investment.

"It is not clear yet how the proposed NGN system will be regulated, or how competitors would access the infrastruc-

ture. There has to be a balance between stimulating investment and encouraging competition to enable investment to take place," he said.

It was announced last week that a consortium, led by Imagine and backed by Intel, would invest €100 million in a new WiMax network, to provide high-speed connectivity to a large number of users in metropolitan areas.

Although he welcomed the move, McCabe added that WiMax technology was still at a relatively young stage.

"Like all new technologies, WiMax has to be welcomed, but it remains to be seen how effective it will be," he said. "It is natural for any new entrant to say they are going to do wonderful things, and they may well do that. The proof of the pudding will be in the eating, so we will have to wait and see."

TIF works with policy-makers in Ireland and the EU on behalf of its members.

Established in its current form in 2000, it has more than 70 members who form sub-groups covering different areas of the Irish telecoms market, including cable and broadcasting, regulatory affairs, data retention, mobile and outsourcing services.

## Broadband providers focus on issue of better value

By Niall Byrne

There has been a major increase in broadband uptake among businesses in recent years, following the unbundling of telephone exchanges and the advent of fibre-optic cable networks. Whereas the challenge used to be ensuring that businesses had access to a reliable service, the issue now is ensuring that they save costs.

"Any business that wants broadband has broadband," said Joe Lavin, senior product manager of Magnet Networks. "We are now in a state where we don't have to educate people that 'always-on' broadband is good for their business, because they already have it. What we need to do is educate people as to how much they depend on that broadband and what they need to do to optimise their use of it."

Until recently, broadband in the office was used primarily for web-browsing and e-mail. Its use for more advanced functions is steadily increasing, however.

"Now, it is standard for companies to have their own domain name for e-mail. Not only are they using the web for basic functions, they are using it to pay their staff at the end of every month using electronic banking," Lavin said. "They are using it for hosted Sage software to look after their accounts. They are using it to host online CRM packages from Salesforce.com, and so on."

With voice-over internet protocol (VoIP) – or IP telephony – voice calls are relayed over the internet connection instead of a traditional phone line. According to its supporters, the technology has major cost-saving potential for both businesses and consumers.

"The primary driver behind



Joe Lavin, senior product manager, Magnet Networks

the uptake of IP telephony is really high-speed broadband access into businesses," said Lavin.

"Up until recently, companies could only have invested in IP telephony from the likes of Cisco or 3Com where they would still have to use their legacy PSTN line because there wasn't the broadband network out there to support that type of service."

The availability of high-speed broadband means IP telephony is a reality for a growing number of businesses, that are also availing of web-hosted applications from the likes of Sage and Salesforce.com. As well as the DSL services it provides through unbundled telephone exchanges, Magnet offers fibre cable direct to the office in some urban areas.

"It is not for everyone, but people are investing in fibre where there is fibre available," said Lavin. "Beforehand, some

companies would balk at a €5,000 install for fibre into the office but would think nothing of spending €3,000 to get in a primary rate ISDN line for their telephony services."

Spending priorities are changing as companies come to realise the central role communications technologies can play in modern business. Uploading data to the web is now as commonplace as downloading data from it used to be.

"There is a lot more emphasis needed on the upload speed for particular customers. A 3Mbps or 7Mbps ADSL connection is great for downloading and browsing the web, but the upload speed may be only 256Kbps or 300Kbps," said Lavin.

"You really need symmetric (SDSL) if you are using broadband to upload PowerPoint presentations, for IP telephony or electronic banking, or you will experience delays."

A wholly-owned subsidiary of US investment firm Columbia Ventures, Magnet started operating in Dublin in 2004. Earlier this year, the company announced plans to expand its network using a €30 million fibre-optic cabling system from its sister company, Hibernia Atlantic Group, linking several locations in Northern Ireland.

"Because Hibernia Atlantic Group has a network in Northern Ireland it means it is a relatively low-cost opportunity to look at operations in Northern Ireland," said Lavin.

"There is a lot of fish to fry in the Republic as well. We have more than 200 business customers now using our converged voice and internet service. We want to build on that."

With budgets across the business world tightening, service providers like Magnet Networks have had to rethink how they market their products. "We have always prided

ourselves in being a product leader and of being innovative in the marketplace. Previously, we weren't pushing the cost message – we were pushing innovation. This past year, we have had to focus more on the cost side.

"It is difficult to persuade people by citing intangible benefits, such as greater efficiency and better communication between co-workers, even though they save money in the long-term, but IP telephony does allow you to see an immediate saving on phone line rental."

"A small company could probably pay €200 to €400 a month simply to run phone lines into their business."

"With IP telephony, you have one connection, which can support up to 40 concurrent phone calls. You are saving immediately on line rental, irrespective of the savings on the cost of telephone calls and increases in efficiency."

## Mobility is vital to ensure success

By Post Reporter

The rapid development of communications technologies is revolutionising the way companies do business, according to Anne O'Leary, director of business & enterprise with Vodafone Ireland.

Mobile applications, enabling trouble-free e-mails on the go, mean that businesses have the capacity to respond to customers with more agility and flexibility than ever before. It is this quiet revolution that is helping businesses to overcome the recession to reach customers directly, said O'Leary.

"We recently conducted research on mobile e-mail access across the Irish business sector, which highlighted that almost 30 per cent of Irish workers now expect a response to a business mail within 30 minutes," said O'Leary. "That is how close you have to stay to customers if you want to succeed."

The way businesses approach work is changing and there is a need to address this change with technology, said O'Leary.

"We have seen an approximately 30 per cent increase in mobile e-mail penetration on a year-on-year basis amongst our business customers as the productivity benefits of mobilising are tangible."

"The business case for deploying these services is compelling. Mobile technology is a cost-reduction enabler in a climate where businesses are having to aggressively review all expenditure. Mobile working has the ability to liberate employees from their desks. Traditionally, people went to work. Now, they can work anywhere, anytime," she said.

"We have undertaken significant research into the area of mobile working and we have seen that businesses who seize opportunities are much more

customer-centric.

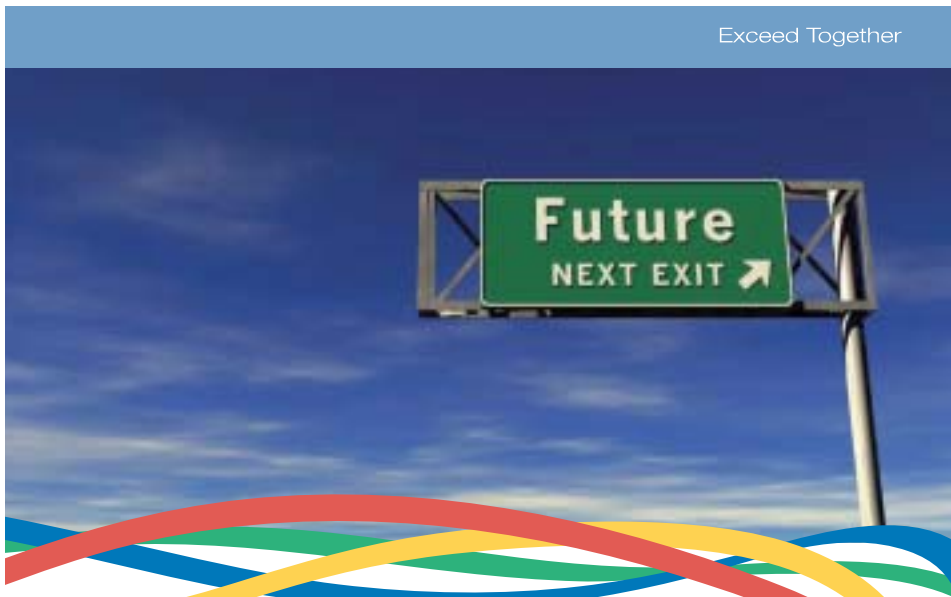
"People who use mobile solutions have a competitive advantage over those that don't. They are always available. They can go out and get more business. This liberates employees

and empowers them to do the best job they can. Flexible working extends beyond sales. People working from home are able to utilise the extra hours spent travelling and be more productive as a result.

"At the end of the day, businesses should focus on solutions that add value. Smart use of technology is vital and businesses need to ensure they utilise the great value that is on offer to them," she said.



Anne O'Leary



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