

Nortel Duels with Cisco over VOIP for SMBs

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Just after Cisco's launch of integrated networking tools for small businesses, Nortel dispatches its My Business initiative.

On the heels of Cisco Systems' launch of new integrated networking products for small businesses, Nortel Networks will follow suit on April 16 with its new My Business campaign.

Both companies in their respective small-business initiatives believe small businesses have the same communications requirements as big business without the IT staff or resources to support the infrastructure. Both also designed products specifically for small business.

But Nortel officials claim Cisco with the initiative it launched at its Cisco Partner Summit on April 3 is "duplicating a strategy we already put in place last year," according to Net Payne, vice president of North American marketing for Nortel, in Research Triangle Park, N.C.

The other difference Payne said he sees is that "the ability to be a profitable Cisco channel partner is difficult. We're focused on partner profitability."

Toward that end the new offerings, which combine VOIP (voice over IP), data networking, wireless and unified messaging functions, will be delivered with "a set of demand generation and partner incentives and promotions for end customers to drive their evolution to IP," said Payne. Nortel also added training for channel partners to help get them up to speed on the My Business campaign.

On the feature front, both companies are offering small-business customers VOIP, data networking options, wireless connectivity and unified communications. How those are packaged differs.

Nortel, for its part, will initially offer five bundles based on existing hardware with software upgrades that set the stage for more unified communications capabilities planned for launch later this year, according to Mike Segura, director of SMB and data marketing programs for Nortel in Richardson, Texas.

And unlike Cisco, Nortel will offer small businesses a choice of using either an IP-PBX hardware base or a digital (TDM) PBX that can be converted to an IP PBX with a software upgrade for VOIP traffic, Segura said.

The five packages include an IP telephony package that supports four to 50 users and includes station licenses, trunks, voice mail and unified messaging for \$453 per user. The SMB LAN and WAN Starter Kit is aimed at easily creating a data network with switching for up to 12 users with POE (power over Ethernet), secure routing and WLAN (wireless LAN) support for \$1,775.

Two other packages are aimed at Nortel service provider channel partners and are intended to allow them to build out managed LAN/WAN services. They build on the SMB LAN WAN starter kit by using a larger router while still offering switching for up to 24 users with POE and WLAN support. One option includes a virtual private network capability priced at \$4,120; the other does not and is priced at \$3,320.

Those packages "incorporate our Nortel Secure router product that does - quality of service - monitoring for service provider resellers and SMBs who want proactive QOS monitoring," said Segura.

An SMB Converged LAN and WAN Starter Kit with VPN support for 50 or more users is intended for managed services offerings that support locations with more than 50 users. It is priced at \$4,520. All prices are suggested manufacturer's retail prices.

On top of those packages, Nortel will offer its channel partners maintenance, software upgrades, support and installation services for those packages to complement the partner's services.

"What we're trying to do here in creating these bundles is laying a data networking and IP telephony foundation for our unified communications initiative. We have to get foundational data networks adopted by customers and new channel partners in preparation for more to come in the unified communications space," Segura said.

All five of the new bundles are pre-engineered to make it faster and easier for channel partners to sell the technology to small businesses. To further that aim, Nortel also added a new tool to help channel partners that combines the functions of its Web-based sales coaching tool and quote builder tool.

The packages and new tools are due mid-May.

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