

Are SMBs Ready for Cisco's Swiss Army Knife of Connectivity?

April 4 2007

It remains to be seen whether small businesses really need Cisco's new product package that includes VOIP, LAN switching, routing, VPN, firewall and wireless LAN.

LAS VEGAS - Cisco Systems made its strongest bid yet to market integrated voice, data and wireless technologies to small businesses - outside the hosted services arena - with the launch of its new Smart Business Communications System.

But it's an open question whether small businesses with less than 100 users are ready for VOIP (voice over IP), LAN switching, routing, VPN, firewall and wireless LAN connectivity integrated with call management, messaging and auto attendant features.

"Small business is using technology more than ever, because they need it and vendors are making it more consumable. They face the business realities of the enterprise," said Peter Alexander, vice president of worldwide commercial markets for Cisco, at the launch of the new SBCS at Cisco's Partner Summit here on April 3.

But market researcher Diane Krakora, doesn't buy it. "I question the demand for converged communications among sub-100 customers. I think they're a little ahead of the market," said Krakora, president and CEO of Amazon Consulting in Mountain View, Calif.

One inhibitor is that the price of IP Telephony systems with phones is as

costly as \$1200 per station, said Krakora.

To address that, Cisco priced the new Unified Communications 500 Series integrated device, which provides eight Power over Ethernet ports, at between \$650 to \$750 per desktop, according to Rick Moran, vice president of solutions marketing at Cisco.

"That gives you the whole thing - wireless, security (VPN), firewall and so on. Multifeatured key systems on their own are \$350 to \$375 a station. We are very focused on making sure the price point is good, although this is not a retail play," he said.

Cisco intends to market the SBCS through its resellers, who must now go through a new Select Certification program to market the SBCS offerings, which also includes an add-on 8-port Power over Ethernet expansion switch, wireless access point and wireless controller, as well as new management and provisioning software.

Although some 5,000 partners now market to small and midsize businesses, Cisco intends to double that number over the next few years.

Along with cost barriers, complexity has also held back small businesses from adopting such advanced technologies. To address that hurdle, Cisco created the Cisco Smart Assist capability in the new SBCS to make it "plug and play, not plug and pray," quipped Moran.

The capability automatically recognizes and configures the device when it's installed. "When you boot it, it automatically loads the configuration," he said.

For integrated applications support, Cisco offers connectors to Microsoft's CRM 3.0 program as well as the CallConnector Personal Suite for integration with Microsoft Outlook and Internet Explorer.

Cisco also added a new connector that works with Salesforce.com.

"A small business can have screen pops like a large enterprise," said Moran.

Also at the summit, IPcelerate, of Carrollton, Texas, launched its new IPsmartSuite application packages intended to streamline business processes for small retail shops, physician offices, law firms and small manufacturing offices with between five and 50 users.

Beyond those vertical markets, Cisco sees its new offerings expanding to other areas, including education - specifically kindergarten through fifth grade. Cisco also sees an opportunity to adapt the SBCS to multiple languages, Moran said. The SBCS initially supports the English language.

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Citation: Are SMBs Ready for Cisco's Swiss Army Knife of Connectivity? (2007, April 4)
retrieved 25 April 2024 from <https://phys.org/news/2007-04-smbs-ready-cisco-swiss-army.html>

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