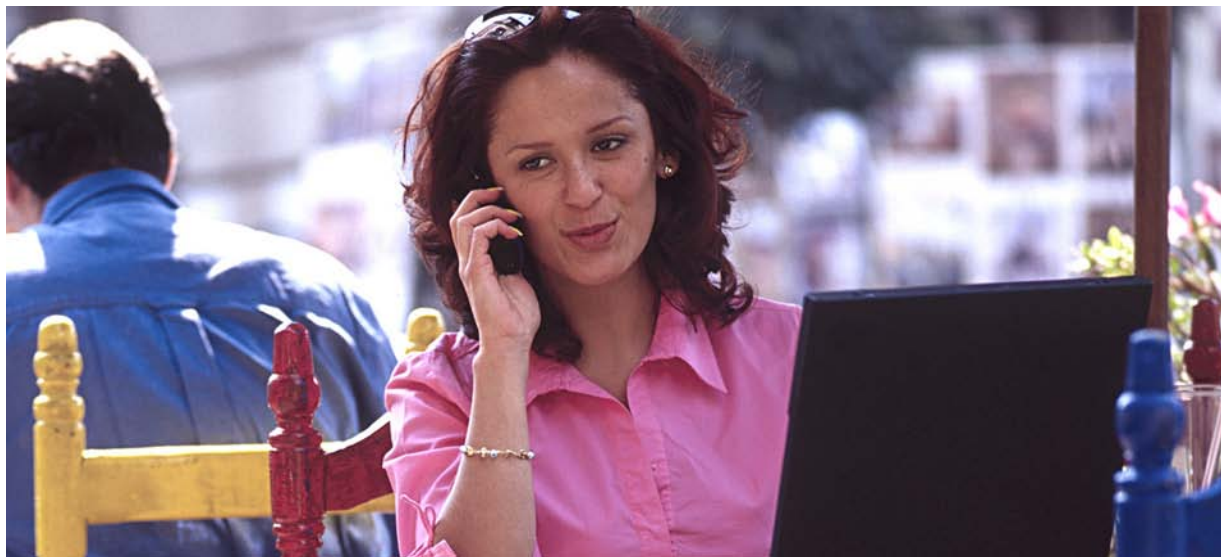


Overcoming Three Key Objections When Selling Hosted VoIP to Small Businesses



Smaller companies are increasingly adopting hosted services, but selling them on hosted voice isn't a sure thing

Today, more and more small businesses are purchasing business-critical services such as network storage and security through the cloud, which creates a unique opportunity for hosted services providers. In its [2011 U.S. SMB Cloud Playbook](#), AMI-Partners forecasts that small businesses will allocate more than 15 percent of their budgets to cloud-based services by 2015, up from 10 percent in 2010. The firm expects that to add up to \$49 billion spent on cloud services – almost twice what smaller companies are spending now.

Figures like this indicate a clear interest from small businesses in managed services, including voice and communications services. This increasing interest is likely to translate into serious revenue for hosted voice service providers that can meet the needs of small businesses.

When it comes to cloud-based services, smaller companies need service providers to offer solutions that can easily expand as their businesses grow, cost less than a premises-based solution, and are easy to use with relatively little training. For example, a hosted voice package designed for smaller companies, such as [Cisco® Hosted Small Business \(HSB\) Communications](#), can deliver predictable monthly costs, access to the latest technologies, and a greater range of telephony features.

Despite the shift in small business spending on cloud-based services, making the sale isn't necessarily a sure thing for service providers. Most companies already have a phone system in place, usually a traditional analog private branch exchange (PBX) system. Service providers must be able to demonstrate the benefits and advantages of using a hosted voice service over installed legacy systems. Following are a few suggestions for countering the three most common objections.

Objection 1: “Why do I need a new phone system?”

This is often the first objection a small business will pose. Service providers should begin by explaining that voice over IP (VoIP) technology is the new standard in voice communications and offers a richer set of features than a legacy phone system. VoIP makes it simple to access a wide variety of calling features, and it integrates closely with employees' smartphones and other mobile devices. Employees gain greater flexibility to send and receive calls from wherever they're working – not just from their desk at the office. And VoIP integrates with other modes of communication, such as instant messaging and email, opening the door to more advanced communications technologies, such as unified messaging.

Next, explain what hosted VoIP can offer small businesses, including cost savings and immediate access to the latest technology. Managed voice services provide the same benefits as premises-based VoIP solutions, but they eliminate the purchase and maintenance costs and management hassle of an onsite PBX. Hosted voice can deliver enterprise-class features, including mobility, unified messaging, and more. For small companies with relatively few users, hosted voice is often more affordable than comparable premises-based solutions. A small business can add and start using new capabilities as soon as they are available on the service provider's network. In addition, hosted VoIP allows small businesses to easily and quickly add new users and even new office locations as their business grows.

Objection 2: “Can I really save money with a hosted voice service?”

Yes. A small business can save money immediately by eliminating long-distance calling charges and other usage-based variables. Because a hosted VoIP service has a predictable monthly fee that includes the calling plan and other VoIP-based communication services, such as conferencing, customers know exactly what they'll be paying each month.

Explain to potential customers that hosted voice also saves money over the long term by eliminating the burden of maintaining a complex IP-based phone system. Remind them that many small companies don't have an internal IT staff and either rely on an employee to handle technical issues or outsource their IT management. With hosted VoIP, the service provider handles the phone system management and maintenance on its network. Also, the cost to upgrade the VoIP software and network infrastructure falls to the service provider, instead of the small business.

Objection 3: “Does VoIP really work as well as my regular phone system?”

In a 2010 survey of U.S. small and medium-sized businesses, consulting firm Inzenka found that satisfaction with VoIP was very high among respondents. More than half said that the call quality and reliability of their VoIP solutions were even better than those of traditional phone systems.

Let small business customers know that their VoIP service will run on a business-grade IT infrastructure that supports voice networking and provides crystal-clear call quality. In addition, explain that prioritization technologies, including quality of service (QoS), are used to ensure that voice traffic is optimized for the hosted VoIP service. More bandwidth is given to voice traffic on the customer's network to guarantee call consistency.

Good Business

Service providers can overcome objections to hosted voice by explaining that it offers an affordable way for small businesses to upgrade legacy phone systems that will save money in the long run due to improved productivity and decreased IT management. Also, hosted voice offers greater flexibility and expandability, and it can better support mobile and remote employees. Hosted voice service also allows small businesses to more easily adopt advanced IP-based communications technologies, such as unified messaging and unified communications, in the future.

In addition, hosted voice offers significant benefits to service providers who add it to their portfolio of telephony services. Besides being faster and easier to deploy, hosted VoIP solutions create a recurring revenue stream in monthly subscription fees and service charges.

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