

# The Decision: Vendor Evaluation and Selection



# 2 Chapter 2

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This chapter will provide you with resources to help you evaluate and select new vendors.

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## Chapter 2

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You've made the decision to go with VoIP after careful consideration, but if convergence is new to you personally and to your organization overall, the decision is likely accompanied by worry and concern about making the right choices. Your choice of technology vendor for this transition, as in any decision, is one of the most important. InfoTech, a recognized leader in project consulting and global research in over 90 countries worldwide, thoroughly researched how enterprise decision makers choose their vendor and reported on its findings in a report entitled, "Strategies for IP Telephony Evaluation and Migration" (April 2005). This information will be of great benefit to you since those interviewed by InfoTech have successfully deployed various new technologies, including VoIP.

## **Expectations**

InfoTech reports that enterprise decision makers generally have three main areas of expectation that help them choose the right vendor. These are areas you'll want to consider as you embark upon the vendor evaluation phase.

1. Convergence experience, expertise and vision
2. Expert, responsive support
3. Customer-focused approach to business

### **Convergence experience, expertise and vision**

Look closely at vendors to determine whether or not they are committed to IP telephony. Have they built their solution as a true VoIP system, or are they jury-rigging an old PBX-based solution to "look like" a VoIP solution? Are their solutions built with flexibility, scalability, and longevity in mind? Will you have to completely rip out your old phone system and move to VoIP in one fell swoop, or has the vendor built its solution with a phased approach in mind for those organizations that need to replace their phone system over time?

### **Expert, responsive support**

When you're working with a vendor during the early stages of consideration, try reaching their technical support team during off-hours. Do you have easy access to technical support representatives and a full range of maintenance and support services? Have they committed to working closely with you during initial deployment as well as future and ongoing projects? While you'll almost certainly have quick and easy access to a sales representative and possibly a pre-sales engineer during the evaluation phase, you need to find out how you'll be treated once you've already deployed your system. Is vendor responsiveness just as good for customers as it is for prospects?

### **Customer-focused approach to business**

This area focuses on the vendor's commitment to your success. Don't let vendors come into the proposal using a hard sell approach. If they do, they aren't demonstrating a commitment to your success but rather a commitment to their own success (meeting their quota). For real proof points, ask to see a list of the company's latest customer installations and ask if you can speak with those customers. If things have gone smoothly, they won't hesitate to let you talk to a customer in the early phase of their deployment. Don't settle for just a list of customers that have been using the vendor's system for years. Call early phase customers and ask them if the vendor is still in close contact with them, calls to proactively find out about the installation, and provides onsite support at a moment's notice during the deployment.

InfoTech found that while many companies vary in why they choose VoIP, most enterprises have found the most common anticipated benefits as:

1. Lowering total operating costs
2. Enhancing end-user productivity
3. Improving IT organization efficiency
4. Reinforcing market differentiation and brand image

## Choices, Choices

In their 2006 report, “Convergence & Next-Generation WAN Technologies,” Nemertes Research provides a comprehensive and unbiased look at what organizations are doing specifically in terms of which vendors they choose. It is an independent and impartial report that translates mountains of data into succinct information organizations can use for convergence planning. The firm collected information by conducting in-depth interviews with IT professionals from a wide variety of companies of various sizes spanning many industries. While the industries varied greatly, all of the respondents had a similar interest in IP telephony and were committed to making technology investments that enhance productivity and the bottom line and prepare their organizations for the future. Nemertes Research presents an overview of how the respondents have assessed VoIP solutions and how they eventually selected a system vendor. Included in the report are recommendations about which vendors to consider, including a complete VoIP system vendor analysis, how to thoroughly evaluate all of the solutions available, how to plan for convergence, and how to actually conduct the rollout.

## Vendors Analyzed

Organizations in the past have had few vendors to choose from. According to Nemertes Research, today there are more than 25 vendors and carriers out there to meet VoIP needs. The increase in competition means more innovation and better products from a wider selection of companies. Nemertes Research analysts established that the most frequently evaluated VoIP system vendors today are: Avaya, Cisco, Nortel and ShoreTel. The following section will highlight each of those vendors, but keep in mind that there are at least a dozen more to evaluate, depending on the size and particular needs of your organization.

### Avaya

Avaya offers IP telephony solutions with its IP Office and MultiVantage solutions, which include IP telephones, as well as voice switches, media gateways, communication servers, wireless telephones, communication applications, and more. According to Nemertes Research, Avaya’s key strengths are its product features, technology, and overall performance, while weaknesses, according to respondents, fall in the areas of customer service, ease of use (installation and troubleshooting), management tools, and VAR expertise.

### Cisco

Cisco is a recognized network infrastructure equipment leader and offers IP telephony solutions under its Unified Communications family. Products include switches, telephones, communication applications, and more. Nemertes Research notes that Cisco’s overall performance and technology areas have been rising steadily, according to respondents, while product features have left much to be desired. However, many networks are built on Cisco networking equipment and it would be hasty to overlook the company during an IP telephony vendor review.

## Nortel

Nortel offers more than IP telephony solutions and has been around since its 1895 founding as Northern Electric and Manufacturing, supplying telecommunications equipment for Canada's telephone system. Nortel was the first networking vendor to provide an end-to-end VoIP solution certified by the U.S. Defense Department Joint Interoperability Test Command (JITC) in 2004. For 2005, Nortel's top areas, as noted by Nemertes Research, were performance, product features, value, and customer service. Its weaknesses, according to respondents, were in the areas of ease of installation, VAR expertise and management tools.

## ShoreTel

ShoreTel offers end-to-end IP telephony solutions including its ShoreGear voice switches and ShorePhone IP telephones, as well as communication applications, call center functionality, and more. ShoreTel scored highest in all categories studied by Nemertes Research. Four specific areas in which the company excels are value, technology, ease of installation and troubleshooting, and performance. The company's areas for improvement included management tools, solution experience and VAR expertise.

## Issuing the RFP

If you work with a network integration partner or consultancy, you may want to call on them to help you with the Request for Proposal (RFP). You may also request a sample RFP from any of the vendors you'll be evaluating, but be careful to go through and make sure the one you use is comprehensive and not skewed toward any one vendor. If you decide to write the RFP yourself, here is an outline on how to go about it.

### RFP: From Concept to Paper

Assemble your RFP team. Be sure and include an IT representative, a budget specialist, and any senior executives in charge of departments that will use the technology extensively (sales, telemarketing, etc.). This team should be briefed on the VoIP project and should understand what new capabilities such a solution will offer so that they are informed enough to give you an extensive "wish list" for features that will make them more productive.

1. Select a project leader. This person should be experienced in networking and IP telephony, if possible, and should be able to answer basic technical questions related to the technology, if not the specific vendor solutions.
2. Assess what you need from the VoIP solution.
  - Evaluate the current situation, including costs, etc.
  - Identify key goals.
  - Review most common product capabilities and decide on the importance of them.
  - Determine if there will be training required.
  - Estimate the cost of the project.
3. Record your requirements, goals, and recommendations in a tentative plan.
4. Present your plan to the appropriate organizational leaders (executive management, financial department, etc.). Get their input before writing the proposal.
5. Write the proposal. A typical proposal contains:

- A summary of the proposal.
  - A statement of what you need – the reason you’re looking for a new solution. Include every capability the RFP team has mentioned—be sure and get input from executives, managers, and staff level employees so that every need is met. Do not overlook the obvious and assume that every vendor provides one specific capability (you know the saying, “do not assume anything”). Conversely, what is missing from the current telephony solution should also be noted.
  - A weighted ranking of all of the capabilities and features should be included (see figure 2.1 for a sample weighted ranking worksheet). Be specific in the features/capabilities list and avoid “buzz” words that each vendor could define differently. If necessary, describe any word that could be misconstrued, such as “availability,” which vendors often define differently. Again, don’t assume. Include every single capability that you need. The list should be exhaustive. In other words, don’t omit “voice mail boxes for every employee” from the list because you assume all vendors provide them.
  - A description of how the project will be implemented and evaluated.
  - Provide information about your organization and its technology goals.
  - Include a project schedule. Indicate when you want the new VoIP solution in place. Provide details on how you want to implement: in phases, within three months from the date of selection, etc. Be sure to include how you want each phase to be implemented so that you get as much out of your old equipment as possible and extend the life of existing equipment and handsets.
  - Provide an approximate budget.
  - Conclude the RFP with specific open-ended questions for vendors, such as:
    - » What is your approach to training? Where is training held and how long does it take? Will the price of the solution cover travel time and expenses for your staff to attend if it is offsite?
    - » Is there a guaranteed response time for support calls? How will your system be updated? Is telephone support all that’s covered in maintenance fees or are other things covered? Is there an option for hourly support? How many support staffers are on call 24 hours a day? Does the solution contract come with a support guarantee?
    - » What is your history? How long has your company been in business? How many customers do you have? How many new customers have you signed on in the past year? The past six months? Are there any current merger discussions?
    - » What about customer references—to whom can we speak? Beyond happy customers, ask to speak with the most recent customers. A reputable company should be able to give you references from the most recent three-month period.
    - » How are upgrades handled and what are the typical costs involved? Also, ask what the process is for a customer to make suggestions and specifically ask if they can name some features that were a result of suggestions from users.
    - » What kind of “bake-offs” and industry reports mention your company? Ask for references in the form of reputable published reports and articles.
6. Submit the proposal to the vendors you’ve selected in your long list. Your integration partner or consultant, if you have one, can help you with this process, or simply e-mail or fax it to your vendor list.

## Seeing is Believing

The next step, after issuing the RFP, is to closely review the proposals from each vendor. It will be helpful to use a weighted ranking system to score each vendor based on your long list of requirements. First, rank each requirement based on the vendor's answer to your checklist items. See Figure 2.1 for a sample worksheet.

	Step 1	In Theory		
Ranking 0=unsatisfactory 10=excellent	This section is where you will simply note whether the vendor offers specific capabilities			
Criteria	Answer	Score	Weight	Extended
Cost of solution includes hardware, software and installation	No	0	10	0
Years in business	7	8	10	80
Number of customers	200	9	10	90
Solution can be implemented in phases	Yes	10	8	80
Support 24/7	No	0	9	0
Guarantees 4-hour replacement	Yes	10	8	80
Offers wireless solution	Yes	10	7	70
Features				
Voice mail for unlimited extensions	No	0	10	0
Centralized management of e-mail and voice mail	Yes	10	8	80
Intuitive GUI that simplifies MACs	Yes	10	10	100
Call forwarding	No	0	10	0
Caller ID	Yes	10	10	100
4 or 5-digit dialing across locations	No	0	10	0
Workgroup capabilities	Yes	10	9	90
Hunt capabilities	No	0	9	0
Call center capabilities	Yes	10	10	100
In-depth information about caller "pops" onto screen	Yes	10	8	80
Ability to integrate VoIP system with other business apps	No	0	10	0
Least-cost routing functionality	No	0	10	0
<b>Score</b>				950

Figure 2.1 Sample weighted worksheet for vendor evaluation—not an exhaustive list.

Next, ask to see a demo and request a sample set-up to test the solution in your office so you can revise the score based on actual experience. Once you have seen a demo or tested the solution, revise your weighted worksheet to reflect your actual experience. See Figure 2.2 for the revised worksheet and score.

	Step 1	In Theory			Step 2	In Reality	
Ranking 0=unsatisfactory 10=excellent	This section is where you will simply note whether the vendor offers specific capabilities				This section is where you will score each vendor's capabilities after testing		
Criteria	Answer	Score	Weight	Extended	Score	Weight	Extended
Cost of solution includes hardware, software and installation	No	0	10	0	0	10	0
Years in business	7	8	10	80	8	10	80
Number of customers	200	9	10	90	9	10	90
Solution can be implemented in phases	Yes	10	8	80	10	8	80
Support 24/7	No	0	9	0	0	9	0
Guarantees 4-hour replacement	Yes	10	8	80	10	8	80
Offers wireless solution	Yes	10	7	70	10	7	70
Features							
Voice mail for unlimited extensions	No	0	10	0	0	10	0
Centralized management of e-mail and voice mail	Yes	10	8	80	3	8	24
Intuitive GUI that simplifies MACs	Yes	10	10	100	4	10	40
Call forwarding	No	0	10	0	0	10	0
Caller ID	Yes	10	10	100	8	10	80
4 or 5-digit dialing across locations	No	0	10	0	0	10	0
Workgroup capabilities	Yes	10	9	90	8	9	72
Hunt capabilities	No	0	9	0	0	9	0
Call center capabilities	Yes	10	10	100	7	10	70
In-depth information about caller "pops" onto screen	Yes	10	8	80	4	8	32
Ability to integrate VoIP system with other business apps	No	0	10	0	0	10	0
Least-cost routing functionality	No	0	10	0	0	10	0
<b>Score</b>				950	Revised Score		718

These scores remain the same.

Figure 2.2 Revised sample weighted worksheet for vendor evaluation, with experiential scores—not an exhaustive list.

## Decision Factors

Once you've collected all of the information and carefully evaluated your chosen vendors, including the four leaders, think carefully about your organization's priorities in general, and carefully consider the following qualities so you can clearly articulate your requirements in these areas as you approach your final decision. These are areas which InfoTech has determined enterprises consistently rank as top priorities.

### High system reliability/availability

Do the vendor's products include redundant components in the case of a failure? Are there ways to re-route calls around a failed switch, for instance? Is there a threshold past which the system's performance will degrade? Ask for specific examples of each vendor's system maintaining availability under the harshest circumstances. Ask customer references specifically about how reliable the system is.

### Equivalent voice quality to TDM

You don't want your own customers to call your organization and know right away that you're using something of lesser quality than a TDM system. Ask the vendor if it's possible for you to go to a customer site and listen to actual phone calls to evaluate the voice quality yourself. Or ask customer references specifically if anybody knows their system is VoIP or if it is assumed that it is a traditional system. Customers are usually willing to share the downside of the solutions they've chosen, as well as the upside.

### Easy scalability

Make sure that the vendor you choose knows exactly how you will need to scale the system for your specific needs. For instance, if your organization often grows and shrinks during different times of the year or in some other cyclical manner, ask how new users would be added to support your growth needs. Will new hardware need to be added and removed each time you grow and shrink? Or will the system support your needs up to a certain point, regardless of how many times you change size?

### Multi-vendor interoperability

Some vendors are known for requiring a full infrastructure overhaul to accommodate the new VoIP system. Be certain that you can use your existing network equipment with the new solution, and make sure that when you add new gear, you can do so without needing to consider the VoIP system. VoIP is only beneficial if it's truly part of the network and it doesn't bring you new headaches or worries further down the line.

### Full suite of communications features & business-enabling applications

Cost savings, as discussed in chapter one, are not simply a result of toll charge avoidance. Most cost savings come from the additional features that you get with a VoIP system. Will the system provide value-added services like call history logging, conference call capabilities, document sharing, follow-me features, etc.? Compare the checklist of capabilities of each system. This is not to say you should simply compare how many features, but rather decide on which ones are most important to your organization and come up with the vendors that meet the majority of your requirements. A simple ranking system for each system offering should work well (see Figures 2.1 and 2.2 for an example using a 1-10 rating system).

### Ease of implementation/management/maintenance

VoIP systems should make life easier for the IT team, not more difficult. Because the new system works on the existing network, everything is managed similarly. If management of the VoIP solution is not

straightforward and intuitive, how long will it take your team to ramp up to the point that the system will be supported adequately? It's imperative that changes be made quickly and easily so that the addition of a new system doesn't add burden to busy IT personnel. Some of the most important factors of convergence are how it simplifies life and how it saves organizations in terms of management time and money. Does your staff need to train with the vendor every month, and can you afford their time out of the office? How difficult is it to train users on features of the system, and will they be calling for help more often than usual because of the VoIP implementation? In reality, users should be calling your help desk less frequently with a new VoIP system. Even employee moves, adds, and changes (MACs) should be simple for either the user or one IT staff member to make within a few minutes. You should also no longer need a service provider to make these alterations for you—this will save you money and time.

### Efficient, integrated multi-site networking

You will want to make sure that architecturally, your solution is built around a distributed design. A centralized solution that distributes applications over the network to other sites is inefficient as far as consuming capacity on the WAN. If a vendor is proposing a centralized approach and suggests “simply adding bandwidth” as the way around reliability issues, remember that bandwidth costs are not insignificant and insist on a solution that is designed for optimal bandwidth utilization. Multi-site organizations inherently require a distributed, as opposed to centralized, solution.

### Favorable overall cost and payback interval

You can use information from Nemertes Research “Convergence & Next-Generation WAN Technologies” report to compare total cost of ownership data for the four leading vendors (Avaya, Cisco, Nortel, and ShoreTel). Nemertes Research analyzed these vendors in specific areas, including total hardware costs, network upgrades, VoIP handsets, management tools, and conferencing/collaborative applications, calculating the total cost of ownership (TCO) by vendor solution (see Figure 2.3).

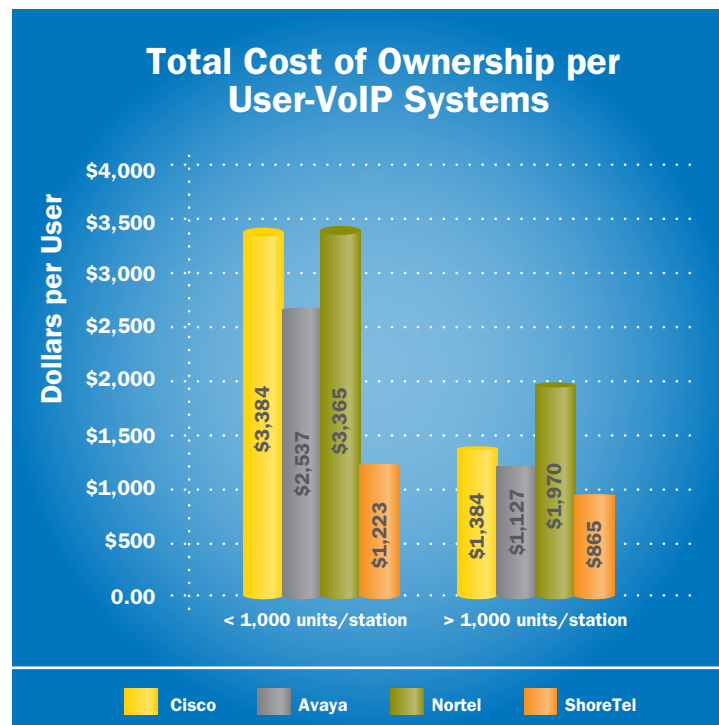


Figure 2.3 Total Cost per User

Source: Nemertes Research

## Last but Not Least: Ease of Use

Another factor you'll want to consider carefully is ease of use for end users. While you will undoubtedly need to familiarize employees with the system, training should not be cumbersome or lengthy. The IP phones and call control software should be intuitive and easier to use than the analog phones being replaced. Features like on-the-fly conference calling, drag-and-drop call transferring, and the forwarding of voice mail messages via e-mail should be simple for employees, even those who cannot attend training and have to learn the system on their own. You will likely have remote users logging in and using the system, and it will be difficult, if possible at all, to get those people to a training session. In these instances, you'll appreciate a solution that users can easily navigate so they come up to speed and begin capitalizing on features that enhance your company's employee productivity and customer service as soon as possible.

## The Bottom Line

The most important things for you to remember during the evaluation process are the main business drivers of convergence. Make sure the vendor you choose is committed to making these perceived benefits a reality for your organization:

- Lowering total operating costs
- Enhancing end-user productivity
- Improving IT organization efficiency
- Reinforcing market differentiation and brand image

The next chapter will explore the VoIP implementation from beginning to end, starting with research and vendor evaluation and ending with the actual deployment, and will include a helpful timeline for you to use.