TECH & TELECOM

An Advertising Supplement to the Orange County Business Journal • November 9, 2009

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Prospering in the "New Normal" Economy

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The severity of the current economic recession is beginning to ease. With a boost in new home sales, increased new building construction and over 100,000 jobs reported to have been created or saved by the Recovery Act in California alone, Orange County and the rest of the United States can start looking towards a recovering economic environment.

However, this is only the beginning and there is a lot of work to be done. This is the time for American manufacturers to learn from past mistakes, return to basics and leverage available technology to establish a foundation for future, profitable growth, albeit a growth that economists predict will be less than robust.

The new normal

The consensus among economists is that, while the economy is already beginning to see some exceptional improvements (certainly the report from Ford Company that it experienced its first profitable quarter in four years supports this), there will be palpable differences from the way things were and the way things are going to be. This post-recessionary economy has already been labeled the "new normal," and though American manufacturers will have to make adjustments to prosper in the "new normal," they have to have the tools to do so.

In the "new normal" economy, with a growth rate approximated at two percent or less, several certainties will follow. Business cannot be conducted in the same manner as before. The market today is highlighted by a new kind of consumer demand where cash is king, discounts are standard and consumers have an expectation for higher value at lower cost. This means that in the world of manufacturing, downward price pressures will continue, stabilizing at lower price points than in pre-recession years. Manufacturers may realize smaller profit margins, and a greater emphasis will be placed on zero defects and quality inconsistencies. Economies of scale will not be as prevalent as they were in past years, and companies should look to technology to survive and prosper.

Be lean *and* tough

In the most recent accounting of jobs tied to its $787 billion stimulus program, the US Government claimed that more than 640,000 positions were created or saved with the recovery money.   One can quickly see that this figure does not identify how many of those jobs were actually created versus "saved," but the point is that well over half a million people have jobs as a result of this program. Still, manufacturers would be smart not to overemphasize the gravity of these numbers and to maintain conservative business strategies and spending levels. The "new normal" economy is not only about "lean" but also "tough," for only the strongest and most aggressive companies will survive in an era of higher unemployment and less-than-robust consumer demand.

The "new normal," in effect, will create a realignment of the way things are produced and the way people buy. Entrepreneurship and technology will have to partner to create renewed post-recessionary success. Technology is, however, only one pillar upon which US manufacturers will rely for survival. In the "new normal" economy, customer service and product differentiation will also be paramount. However, the very fact that supply chains will lengthen and become more complex will make it harder for companies to comply with the "we want it now" attitude of the US consumer. Therefore, those companies that devise ways to speed their supply chains, enhance customer service and differentiate their products will be those that survive and profit. Companies that have been burnt with excessive inventories will, of necessity, start producing in optimum quantities.

The US automobile industry is exemplary of an industry that has suffered the consequences of over production. A decade or so ago, a car buyer went into an automobile dealer showroom, looked at several models on the floor, met with a salesman and ordered the chosen vehicle with the desired accessories. The dealer would order the car from the factory, and the customer, if fortunate, would have the new vehicle in a matter of weeks. However, to satisfy the "we want it now" bent of the American consumer, the automobile manufacturers began to build cars to stock with the result that dealer showrooms and lots became over crowded with vehicles. When the recession hit and demand fell, the automotive companies and their dealers were faced with huge inventories of unwanted vehicles with the result that the auto manufacturers and their supply chains collapsed like dominos.

Shifting focus

In the "new normal" economy manufacturers *and* distributors will have to adopt "lean" environments where the focus shifts from individual supply chain elements to a holistic approach that emphasizes throughput of the entire supply chain. Companies will need a strategic intelligence that permeates *enterprise-wide* tactical and operational decision-making. Decisions will need to be based on what is best for the company - as well as for the customer. Technology is a necessity.

In his book, *Business @ the Speed of Thought*, Bill Gates, former chairman of Microsoft, makes the case that most organizations do not get the maximum out of their technology. He asserts that most have the wrong mind-set about how information should be handled and distributed within an organization. "We need to break out of the mind-set that getting information and moving information around is difficult and expensive," he says, noting that rapid dissemination of information throughout the enterprise is a necessi-

Survival of a Business in a Disaster

For the purposes of this article, let's consider the following definition:

Business Continuity — the ability to provide a minimum level of business operations in the face of any event, whether planned or unplanned, that disrupts the normal course of operations related to a company's standard operating procedure.

Plan: how to prepare and place into effect before disaster strikes

Once a problem arises that can shut down your business, it is too late to start your planning. When an emergency strikes, you need the right people and the right information in the right places fast. The business team could be working in different locations with different systems and tools. To do this right, they will have needed the chance to practice before facing the real thing.

Finally, you need to plan in advance how people will communicate. In an emergency, the usual lines of communication are disrupted. Setting up alternative means of communications and informing those involved takes time.

BC planning is NOT an issue with technology

In the spring of 2008, one of the West Coast's largest Call Centers encountered a devastating fire. The fire began around 1:30AM and demolished the company's headquarters, the campus for 400 of their 1200 employees. While the fire raged, the company, with Intelli-Flex's guidance, implemented their Business Continuity Plan. The partnership of the company and Intelli-Flex enabled the Call Center to resume operations by their normally scheduled time, 5:00AM, that very same morning at the fail-over locations both domestically and internationally. Thankfully, no one was injured in the fire, and the company continues to work out of their other facilities.

Understanding the importance of their telecommunications system to their on-going business success, the company, in conjunction with Intelli-Flex, designed a comprehensive Business Continuity Plan. As part of this plan, Intelli-Flex engineered a geographic redundant solution which allowed their telecommunications system to fail-over to a different location in case of emergency, disaster, power outage, or technical problem.

Six mistakes that cripple a company's business continuity

BC planning is a serious enterprise business planning initiative in which the very survival of the organization rides. Senior management and employees must be involved and committed to the plan. The following are six common planning mistakes that will quickly derail the BC effort:

1. Poor business impact assessment — the planning team fails to recognize all the likely threats and disruptions that could realistically impact the business. They fail to understand and identify the organization's true recovery and continuity needs or perform a sufficient gap analysis to determine what must be covered. Furthermore, they fail to accurately classify business processes, systems and data to assess which are mission-critical and prioritize around them. From an IT standpoint, the planners fail to define the recovery point objective and recovery time objective and to determine the priority of all applications.

2. Inexperienced BC planners and project managers — the key to effective planning is to anticipate what can go wrong and what is needed. Often, the newest or least valuable people are assigned to BC planning. Instead, companies must staff the team with seasoned veterans who know the business and who have been through disasters and disruptions before. If you don't have experienced people, bring in experienced consultants to guide you through the process. An experienced consultant will help you identify all critical systems and create detailed plans to recover them to the current state. Asset management tools can help here, but they often fail to capture important details about software revisions and such.

3. Lack of committed resources and budget — this must not be a cheap or one-off effort. The BC team must be broad enough (pulled from different departments), large enough and supported sufficiently to dedicate the necessary time and effort. The cost of BC planning must be budgeted annually because the business changes constantly.

4. Failure to plan alternate communications — you will need to reach your staff although they may be scattered by the emergency. Your phone system may be down. Your primary carrier may be out. You need to line up multiple communication options, make sure everyone knows the options, and ensure your staff has the appropriate phone numbers, web addresses, and contact information to get in touch and stay in touch.

5. Insufficient and infrequent testing — plans are only good when they work, and testing is the only way to ensure they will. The rule of thumb is to fully test the entire plan annually. However, if something changes between tests, you should revise that part of the plan and test it before the annual test. There is nothing worse than getting to a remote recovery site only to discover it is not suited for your staff or has incompatible systems.

6. Poorly documented, outdated plans — the business changes, people come and go, systems are added and removed. The plan must be thoroughly documented at the start and updated every time a change occurs. Otherwise, you could find the plan counting on an employee who may no longer be with the company.

Intelli-Flex encourages all businesses to develop a Business Continuity Plan and partner with a qualified provider. Ask yourself, what would happen to my business if my phone and data systems were destroyed? How devastating would such an event be to my business and the potential loss of customers? How long could I operate without a phone system? Without internet? How much is a phone call worth?

No one can predict when a natural disaster, power failure or system failure may occur, but you can implement a Business Continuity Plan for your communication infrastructure by collaborating with Intelli-Flex.

Let the experienced Intelli-Flex Team help your business prepare for the unexpected and ensure your communications systems will continue to run through challenging times. To request more information, call 562-999-8085.

TECH-Guide:SupplementS.q 11/6/09 11:25 AM Page 42

Page C-42   Get local breaking news: www.ocbj.com   ORANGE COUNTY BUSINESS JOURNAL / TECH & TELECOM ADVERTISING SUPPLEMENT   November 9, 2009

VoIP Helps Small and Growing Businesses Become More Competitive
VoIP can change the way you do business, but thoughtful implementation is key

Many businesses are switching from traditional telephone services to new voice over IP (VoIP) offerings. It's easy to understand the rush to adopt VoIP: better features, more flexibility, and perhaps most of all, significant cost savings. However, the hard part, particularly for small and growing firms, is finding the right solution that meets current and future needs without breaking the bank.

Historically, local telephone companies have focused on consumers and big businesses. As a result, many small businesses have been stuck in the middle between plain old telephone service (POTS) primarily designed for the residential market and much more expensive and complex IP solutions designed for larger enterprises. Traditional phone services, with their "one-size-fits-all" design, are the least flexible and have the fewest options for growing businesses. The other "big business" option simply costs too much, and requires businesses to replace their existing telephones and networks with features that a growing small company simply cannot afford.

Many small businesses today utilize bundled, or integrated, voice and data services. Using a T-1 line with an integrated access device (IAD) installed at their office, these businesses get high-speed Internet access and voice service through the public switched telephone network. This solution works, but it has limitations for the growing business. Bandwidth is fixed and is determined by how many voice lines are required at each office. The more voice lines, the lower the data speed available over the T-1.

VoIP technology takes the integrated services model to the next level. By converging voice and data in an all-IP environment, these business-class VoIP services give small businesses more flexible solutions that can scale as their business grows and enable them to cost-effectively compete as if they were larger enterprises.

These VoIP solutions are practically "turn-key." Many work hand-in-glove with traditional phone systems, thus there is no need to "rip out and replace" existing equipment. In most cases, the only requirement is an IP-enabled IAD with a T-1connection from the provider. The business simply plugs the phone system into this device and is ready to go.

The open architecture of IP makes it much easier for businesses to manage and get the most value from their voice and data networks. VoIP solutions combine local and long distance voice with email, voice mail, conferencing, click-to-call and other value-added features. With a VoIP solution, users are also provided with dynamic bandwidth allocation, enabling businesses to get more bandwidth when voice lines are idle. VoIP providers can offer customers unique capabilities such as unlimited calling because delivering phone calls is less costly over an IP network. VoIP services also offer web portals to give users access to features previously unmanageable with their POTS service and enables IT managers to make real-time changes to their companies' phone systems.

With direct cost savings varying from 20 percent to 40 percent over traditional phone services, VoIP is a compelling proposition for businesses. The savings from VoIP are not just in money. With more advanced features that promote collaboration and always available communications, VoIP helps improve productivity. The good news is that with new integrated VoIP bundles, these solutions are not beyond the grasp of growing firms' budgets.

Before you rush out to buy and implement VoIP service, consider a few points to prepare your business for the transition:

1. Identify Your Business and End-User Needs

The first step is to identify the business goals you want to achieve with this change, for example: increasing productivity, improving service levels and customer experience, increasing revenue, or reducing operating expenses. To develop your list of business goals, complete an internal discovery, involving the leaders of key functional areas. Once you've prioritized your business goals, identify the specific capabilities you need to attain them and share your priorities with your potential technology partners to ensure they design VoIP solutions that address your specific needs.

To assess your employees' needs, show them the list of "hottest" VoIP features and prioritize their responses, based on how well these features meet business goals. For example, integration of voicemail into email is a powerful and valuable VoIP capability that can have a tangible impact on user productivity.

2. Understand How VoIP Works

Voice over Internet Protocol is a method for taking audio signals—like the sound of your voice on the phone—and turning them into digital data that can be transmitted over any IP network, such as a Local Area Network, a Wide Area Network, or the Internet. With this technology, voice traffic can travel over the same network as data—it can be public IP network (Internet) or Private IP Network or Virtual Private Network. Business-class VoIP providers, such as XO Communications, use a Virtual Private IP network to guarantee security and performance.

For an excellent Intro to VoIP, refer to XO Communications' "Intro to Voice over Internet Protocol: What does VoIP Mean for My Business?" at http://www.xo.com/Documents/promos/3ring/documents/XO_Intro_to_VoIP.pdf

3. Assess The Current State of Your Network

Network assessment is the most important evaluation before implementing VoIP. In general, there are two types of network assessments: the first is relatively inexpensive and is where your service provider/partner determines whether your network can support VoIP traffic. The second is a more detailed onsite survey to determine which specific components fail. For single-site solutions, the latter may not be important, but for multiple sites, voice quality and support of features are vital.

4. Identify the Right Technology Partners/Providers

You will need to select a VoIP service provider as well as vendors for wiring and a range of hardware and software related to your phone system and LAN (if applicable). To make the process manageable, it's recommended that you solicit proposals from no more than three vendors. Use these criteria to help create a short list of vendors: coverage (local and national), experience with IP services, large base of satisfied customers, range of business-class service options, online portal to self-manage your VoIP service features in real time, flexibility, desire to win your business, consultative approach, service installation expertise, post-installation support and customer care.

5. Design the Solution

Several important considerations play into the design of the VoIP solution: the type of VoIP services that best suit your organization's current and future needs (Integrated Access, SIP Trunks, Managed IP PBX, or Hosted IP PBX), conduit and cabling, external connections, and ability to make changes to your service.

6. Select a Proposal

Consider the following factors when choosing the right partner for you: provider's selection of VoIP services and features, total cost of ownership analysis (before and after), customer references, installation schedule, flexible financing, service level agreement and penalties for not meeting service quality commitments, user training, cost structure, customer support, scalability for future growth, and warranty.

7. Installation and Testing

Plan whether you are going to hold your service installation/cutover during business hours, non-business hours or weekend. Plan for possible outages during the cutover and find out if the install will be supported by an on-site technician or remote personnel and whether your equipment vendor needs to be involved in the installation process. Determine who will program the telephone numbers, VoIP features, and voicemail. Determine what and how testing will be per-

About XO Communications

XO Communications, a subsidiary of XO Holdings, Inc. (OTCBB: XOHO), is a leading nationwide provider of advanced communications services and solutions for businesses, enterprises, government, carriers and service providers. Its customers include more than half of the Fortune 500, in addition to leading cable companies, carriers, content providers and mobile network operators. Utilizing its unique combination of high-capacity nationwide and metro networks and broadband wireless capabilities, XO offers customers a broad range of managed voice, data and IP services with proven performance, scalability and value in more than 75 metropolitan markets across the United States. For more information, visit www.xo.com.

New Technology and Your Bottom Line

As the economic forecast continues to improve, many businesses are doing business differently than they have in the past. This transition is also happening in the way that companies look at their IT Departments. Previously, technology was seen as a way of passing information to users. Now, businesses are looking at technology as a medium for enabling users to be productive regardless of location or device. While many companies have outdated telecommunication systems and haven't reviewed their network carriers in years, new technology provides solutions that can greatly affect the bottom line.

SIP Trunking

Businesses have not traditionally been able to find cost savings within their network/carrier services. While you could find a carrier to provide a lower cost-per-minute or T-1 rate, there was no technology that truly impacted your bottom line…until now. SIP trunking can impact businesses in the form of efficiency and cost savings by allowing you to centralize your carrier services and "push" applications out to end users. In fact, clients are realizing a savings between 25% - 85% *on a monthly* basis by switching to SIP. Simply put, an SIP trunk is a single voice call routed over your internet connection and provides the following benefits:

• Cost savings over traditional enterprise access trunking options (T1, E1, PRI)
• Cost savings on local and long distance toll charges
• Consolidation of current trunking across the entire enterprise
• Foundation for deploying Unified Communication (UC) applications in the future
• Business continuity
• Ability to centralize voice applications
• Media agnostic (voice, video, text, etc.)

SIP technology has matured enough to the point that leading hardware/software manufacturers are adopting it as their go to market strategy. Avaya (formerly Lucent and a worldwide leader in enterprise communication systems, contact centers, and Unified Communications) has made SIP technology a part of their current and future roadmap with the release of Aura. Within the core, SIP is used as the foundation and uniform protocol that brings all of user applications together within the enterprise.

For your business, Aura means that you can have a highly scalable and available architecture that pushes Unified Communications out to your end users, even in *multi-vendor* environments. Essentially, it removes the necessity to "rip and replace," older technology in order to provide current and future business-enabled applications. Centralized management reduces costs within your IT Department by giving them greater control of who can access these applications, down to the end user. The end-result is a more efficient, cost-effective way of doing business that allows your employees to be more productive. In these times, everyone can use a little help.

Merrill & Associates has been helping clients with their IT needs for over 20 years and has had a strong, long-term partnership with Avaya. Our in-house Network Services Division can analyze your current network/carrier environment and provide you with a free analysis. Our carrier agnostic approach means that we will match your requirements with the carrier that best meets your needs.

Founded in 1989, Merrill & Associates is a Platinum Avaya Business Partner and has strategic partnerships with Cisco, Extreme, Foundry, Juniper, NetIQ, Polycom, Tandberg and many others. Merrill delivers scalable, cost-effective solutions tailored to a customer's communications needs. They provide end-to-end support from design, implementation, testing, maintenance, and technical support.

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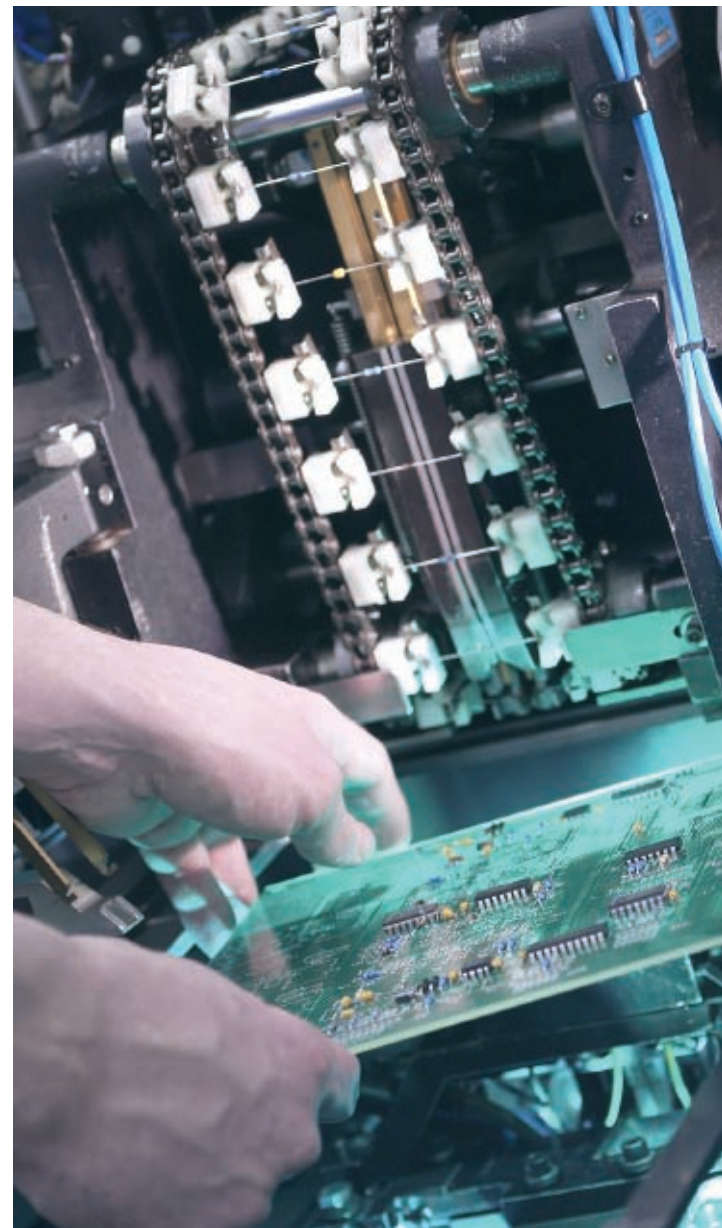
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ty to create and maximize efficiencies.

Real-time enterprise software, such as that offered by SYSPRO, provides an operational business infrastructure in which an organization can formulate a strategic vision, establish operational guidelines throughout the supply chain and provide the necessary real-time information to make fulfillment decision-making more effective, efficient and profitable. This is the very foundation of the lean manufacturing concept and a key requirement of the "new normal" economy. Enterprise Resource Planning (ERP) software, encompassing sophisticated Forecasting and Inventory Optimization tools, will be the foundation upon which manufacturers in the "new normal" economy can lean their operations, shorten cycle times and enhance customer service levels and profits.

The single biggest expense a manufacturing entity faces continues to be the cost of labor.

The "just-in-time, make-to-order" concept so prevalent in American industry only a few years back has given way to a more costly make-to-stock model, where the value-add of labor results in significantly higher costs of maintaining inventories. The American manufacturer must now face the challenge of "doing more with less." Now's not the time to capitalize assets but to capitalize on them. The effective utilization of an ERP software solution accomplishes this end, leaning operations, reducing holding costs, redefining distribution strategies and refining the supply chain. ERP solutions, such as offered by SYSPRO, can aid manufacturers in returning to a more cost-effective, lean make-to-order manufacturing strategy, as opposed to maintaining large, costly inventories of finished product. By presenting "real-time" snapshots of business conditions, ERP software enables management to make the timelier, critical decisions that promote revenues and profits.

One of the ways manufacturers can differentiate themselves from the competition is by tailoring products to customers.

This capability also often allows a company to respond to competitive pressures without having to resort to price cuts. Product configurators, such as offered by SYSPRO, ensure that the products are built with compatible parts, enabling the "customization" of products early in the cycle, i.e., during the order entry process.

This capability lets manufacturers apply Just-in-Time principles to ordering the raw materials that make up the product as well as speed the entire order turnaround process.

The Southern California region is home to the second largest concentration of technology companies in the United States.

These technology companies can take pride that their offerings have created a better world. However, we must look to the future and continue to produce innovative solutions that promote yet still greater efficiencies.

The announcement from Ford this week serves to take Orange County businesses from a place of hope to a place of action. They've learned a huge lesson in lean; now they must apply it to getting smart. After all, as household and business incomes continue to replenish, the opportunity for future business growth is still great. By making the right business technology decisions early on, manufacturers will be able to better compete, take advantage of market swings and prosper in the "new normal" economy and beyond.

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formed, and how and when any issues will be resolved.

8. Manage Service and Support

End-user training is very important because it empowers employees, increases their satisfaction with the new features, and leads to significant productivity gains. Ensure that the vendor will provide user training or online training tools.

Make sure that if there is a service outage, your calls are automatically forwarded to another phone number (landline or mobile) or an externally available voice mailbox. The optional Automatic Call Routing feature will provide the necessary backup which should be part of the overall business continuity program for your organization.

Keep in mind that as an IP service, VoIP is not location-specific, so it's important that your service provider has the correct physical address for E911 calls. Also, because VoIP runs on the same network as your data, it requires electricity to run. Therefore, VoIP installations should have battery backup systems and/or alternative communication options, such as an analog phone line or cellular service.

9. Understand Your Invoice

Be sure to find out whether all your phone services will be listed on one bill and if the vendor provides convenient online access to billing history and usage data. Determine if you will be able to pay bills online or set up an "autopay" option. Find out how difficult it would be to get an error on a bill corrected and a refund issued.

10. Consider Future Options

Talk to your provider to find out if it has an evolutionary service path in place to ensure an easy transition to a more sophisticated or larger system as the technology changes and your business grows.