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Run a business without Telkom

Jacques du Toit Vox Orion | 15 July, 2010

The business case for converged voice and data services

It's now possible to run a business without ever having to deal with Telkom. South Africa's telecommunications market deregulation has reached the point where there are a number of competing operators in the market, all able to offer the full menu of services including data and voice. So it's possible to get everything you need from one provider; but is it advisable?

For a long time, worries about quality have kept serious businesses out of the VoIP (Voice over IP) market. There's no point shaving a bit off the cost of your phone calls, if everybody in your company sounds as if they're talking through a tin can and string from Antarctica.

The quality of service problems can be fixed, though. It requires some investment in high-quality equipment -- but the price of this has come down in the past couple of years to the point where it's definitely affordable for large telecommunications users, and many medium-sized businesses as well.

The other big issue in South Africa, of course, has been bandwidth: both its availability and its cost. The advent of Seacom and other links currently being constructed was supposed to solve that problem -- and, while we haven't seen quite the dramatic price drops that some people were hoping for, prices have certainly come down. More importantly, we have the bandwidth we need for high-quality VoIP telephony.

There's even a fairly objective way to measure the quality of VoIP service. The Mean Opinion Score (MOS), specified by the International Telecommunications Union, assigns a score between 1 and 5 to the quality of a voice connection. A score of 5 is excellent -- as good as talking face to face. A score of 1 means communication is impossible.

In practice, voice quality becomes unacceptable long before that "impossible" mark is reached. In general, a link that gives a MOS less than 2.6 is not recommended; below 3.6 is considered low quality, and anything above 4 is considered high quality.

The average MOS for cellphone calls is just 3.6, on the borderline of acceptable quality. VoIP calls, nowadays, score much better: the Vox network is regularly getting scores of 4.

So, lower bandwidth cost, better priced equipment, manageability of data links makes a clear business case developing for a converged voice and data solution. Whether it will work for your company depends on two things: whether the savings justify the initial investment in equipment, and whether you are embracing new technologies that propel you to a world of hosted solutions.

In general, we recommend that customers only consider a converged solution if their link is 768 kbps or faster. Any less than that, and it becomes too difficult to manage the quality of voice properly.

The benefits can start to stack up quickly. A converged operator providing services to many customers is likely to be able to negotiate volume discounts on bandwidth, and to pass those savings on. Add in the benefits of managed services and videoconferencing, and the business case can start to look very compelling indeed.

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