



Simple the Key for Small Business

by Gary Kim

Natural Convergence thinks there is no reason why small business owners will object to buying hosted key system services aimed at them, though uptake has been more sluggish than many of us would have predicted.

The company didn't go looking to be a voice provider. Back in 2001, it really thought small businesses wanted customer relationship management, human resources or other sorts of applications.

As it turns out, "they all said they needed voice services and were willing to pay for it," says Natural Convergence CEO David Cork. So an early task was to segment the market. The latest task, designing products small businesses can use, including the Silhouette hosted key system.

"We found that if there was an IT resource on staff or under contract, and the business could host their own services, then it made more sense to sell them an IP PBX (private branch exchange)," says Cork. "They can handle it."

Conversely, "if there was no IT staff, then the simplest model is to outsource everything," says Cork. So here's the trick. Lots of experienced telecom types say that small business owners and managers won't outsource their phone services. "They will," says Cork.

Solutions simply have to operate in a simple and familiar way, says Cork. Most small businesses use or are familiar with hosted email and Web sites and are familiar with the concept of using value added resellers to handle local area network chores.

Cork says his firm doesn't focus where others do. "Broadsoft came out of the Centrex space. Others such as Vonage are in consumer space." An analogy might be to what Cbeyond does so well in the "T-1 access, phone plus broadband access" space but with more emphasis on integration of wireless.

"Mobile twinning is popular," says Cork. And what's wanted is more than simple simultaneous ringing of a desk and a mobile phone. "If you take on the cell phone, all the normal features work, you can hold the call and then transfer back to desk phone," says Cork. "Lots of small business owners answer the cell phone first."

"You have to help with the cell phone bill," says Cork. But above all, things have to be simple. "If you have 400 features, somebody will enable something and break something."

And in addition to requiring no capital upfront, the offering must provide self service tools so users can manage themselves. "Let the user select and configure services the way they want, without paying a service technician," he says.

So far, Natural Convergence has found the most powerful combination to be a hosted service provider married to the data value added reseller channel. Next best is a service provider with agents. But, in some cases, cell resellers also can play, says Cork.

"Small business understands the 'longer contract, free or cheap CPE' model," says Cork. IP