

VoIP Termination Business Model

problem

Company XYZ is an established ISP provider with multiple points of presence (POP) in country X. Currently the management is exploring alternative way to generate incremental revenues. After conducting extensive research, the management decides to add VoIP termination services to its services portfolio as a low cost way to enhance revenues.

VoIP Termination is an easy entry point to the VoIP market. The business model is based on establishing physical points of presence (POP) in different geographical areas and using them to transfer and terminate calls from VoIP to PSTN networks. In practice, each POP has a gateway, which receives VoIP calls as voice data packets, converts them to analog signals and terminates calls locally to the PSTN network. VoIP termination typically appeals to ISPs with established POPs, entrepreneurs who want to enter the VoIP market, and VoIP Carriers.

Before plunging into the business, XYZ's management conducts extensive research of alternative VoIP termination solutions. The research finds that different partners use different VoIP protocols as well as equipment from multiple vendors. Therefore XYZ should find VoIP termination solution that could transparently handle potential incompatibility issues. Another research finding is that the VoIP termination solution has to be scalable to accommodate future business growth and at the same time be affordable to allow quick entry into the business with minimal investments.

solution

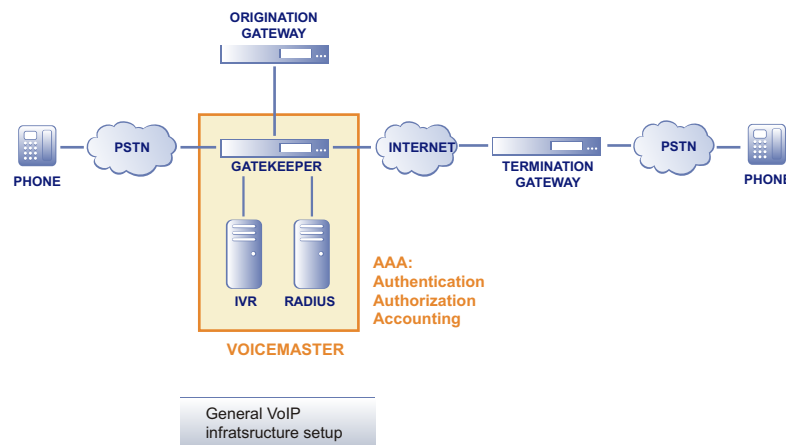
Although VoIP technology is much more advanced today than it used to be several years ago, VoIP implementations could still present significant challenges, especially to businesses without prior VoIP experience. VoIP termination providers face specific implementation difficulties as their equipment has to "speak" different protocols, has to interface VoIP originating equipment produced by different manufacturers and at the same time has to offer consistent quality of terminated calls.

SysMaster Corporation, the global leader in turnkey VoIP equipment solutions, could offer to XYZ exactly what it needs - a turnkey VoIP termination solution that could be customized to meet company specific needs. SysMaster's solution offers easy operation and fast deployment schedule (typically less than a week). A notable feature of the solution is the advanced billing server, which offers unparalleled rating flexibility and supports comprehensive set of billing models.

A typical SysMaster VoIP Termination solution has the following requirements:

- 1 VoiceMaster VoIP Billing Server
- 2 SysMaster VoIP Gateway(s)
- 3 Optional Modules for the Billing Server and the Gateway
- 4 Remote Installation and Technical Support
- 5 Physical Points of Presence (POPs) with High Speed Internet Access
- 6 Contracts with VoIP Origination Partners

SysMaster can provide items 1 through 4 while the service provider is responsible for items 5 and 6. Figure 1 below shows a general SysMaster VoIP infrastructure setup.





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solution features

- H.323 and SIP protocol support
- G723.1, G729A/B/AB, G726, GSM codecs capable of operating concurrently
- Up to 480 PSTN/SS7 channels/gateway
- Intuitive and user-friendly GUI interface
- Registration in Unlimited Gatekeepers

how does the solution work?

- 1 The termination VoIP gateway receives call request from a VoIP origination gateway (owned by call origination partners).
- 2 The termination gateway sends authorization request to the RADIUS server.
- 3 The RADIUS checks account balance with the Billing server and authorizes the call.
- 4 The gateway connects the call to the PSTN network.
- 5 During the call, the gateway converts data packets to voice signals and vice versa.
- 5 Upon call completion, the billing server records complete CDR information for the call that could be used for billing, reporting and analysis

benefits

Turnkey Solution

SysMaster offers truly turnkey solutions for VoIP termination providers. SysMaster provides all equipment elements as well as remote installation and technical support. The VoIP termination provider secures POPs with high speed Internet access and signs contracts for call origination partners. In a typical business scenario, VoIP termination provider signs contracts with multiple origination partners and charges them different rates based on available capacity, minimum volume commitments, time of day/week termination etc.

High Scalability

SysMaster is probably the only VoIP equipment manufacturer that fully supports the grow-as-you-go concept. SysMaster's equipment can easily scale from 1 to 20 T1 lines per gateway (24 to 480 PSTN lines) and from 500 to over 20,000 concurrent calls per billing server. The company offers VoIP equipment in five capacity tiers that cover the needs of the whole spectrum of VoIP termination providers.

benefits

Rapid Deployment

SysMaster's VoIP termination solution is characterized with very rapid deployment schedule. In general, VoIP termination providers can have a running solution in less than a week provided that they have secured POPs with high speed Internet access. Because of the integrated nature of the solution, there are no equipment incompatibility issues to be solved which are often the reason for extended deployment periods.

High Affordability

SysMaster's VoIP termination solution is highly affordable for both new entrants and existing providers that want to expand their business. In fact, it is the solution with the best features/cost ratio in the industry. As SysMaster uses a tiered capacity approach where each successive equipment tier doubles the capacity of the previous one, call termination providers can upgrade in incremental steps without overspending for capacity that they don't immediately need. At the same time, as equipment utilization increases, fixed costs per call fall (i.e. customers pay a fixed cost for a given equipment capacity and do not pay recurring fees based on the number of transacted calls).



SysMaster
2700 Ygnacio Valley Rd, Suite 210
Walnut Creek, CA 94598
United States of America

Email: sales@sysmaster.com
Web site: www.sysmaster.com

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