White Paper

Top 3 Voice Transformation Assumptions Debunked

Digital Transformation Misconceptions Revealed
& the Truth about Moving to the Cloud

Contents

Executive Summary

For most communication service providers (CSPs), voice services continue to play a vital role in subscriber revenue. You don't have to stay reliant on obsolete, legacy technology that isn't meeting the needs of your customers and end users. No matter what type of CSP you are — fiber ISP, WISP, ILEC/CLEC, satellite, cable MSO, municipality, electric co-op, etc. — future-proof voice communication is critical for long-term success.

You might think that a network transformation will be too complex or capital intensive. In reality, delaying the transition from a legacy switch system to a cloud communications platform could be costing your business more than you know, and it doesn't have to be painful.

Let's take a closer look at top three industry assumptions that keep some service providers hanging onto their legacy softswitching and TDM solutions.

Assumption #1: Network Transformation is Expensive

Despite the clear and established cost savings that moving to the cloud offers communication service providers, it's not necessarily apparent that the initial network transformation and migration doesn't have to be expensive. Some providers remember their last migration or rip-and-replace and are cautious of doing it all again because of the enormous amount of time and capital they had to spend to make all the pieces fit together, such as ancillary services to make the system work with the PSTN and software development to integrate it into legacy provisioning and billing applications and comply with all the various regulatory requirements. The uplift was huge.

As a result, providers sometimes make a **false assumption that a cloud model would be more expensive** than developing and building their own infrastructure (see figure 1).

Alianza's business philosophy is fundamentally different than your old switch vendor's. Our cloud communications platform is free from costly mandatory maintenance contracts for security enhancements and more — saving you tens of thousands in the long-term.

> **"By going with Alianza, we hardly had any fixed cost structure to have to account for in calculating our internal rate of return."**
>
> — Craig Drinkhall, Director of Products and Sales Engineering at Horizon Connects

Figure 1: Build vs Buy Comparison

	BUILD			BUY
	TDM Switch	Softswitch	NFV VoIP	Cloud Communications
CAPEX	Depreciated	Depreciated or CAPEX Hit	CAPEX Hit	None
OPEX	Fixed +Variable	Fixed + Variable	Fixed + Variable	Success-based
Facilities Cost	Expensive	10-25% Space and Power Savings	>25% Space and Power Savings	100% Savings
Service Agility	End-of-Life	Slow, near End-of-Life	Fast	Fastest
Operating Model	Complex	Complex	More Complex	Simple, Intuitive
Maturity/Readiness	End-of-Life	Past Peak, End-of-Life	Immature	Ready

The Truth: You Save on CAPEX and OPEX

Approximately 80–90% of the cost to build and operate a legacy voice network is in the OPEX. For a typical CSP, moving to a cloud cost model delivers substantial OPEX savings and eliminates the CAPEX components such as on-premises equipment, truck rolls, device provisioning, emergency 911 (E911) infrastructure, and more.

> **"We could not afford to wait a year** and a half building and bringing a new product to market **or spend millions of dollars** building out a large switch infrastructure with interconnects to all the ILECs within our footprint."
>
> **— Craig Drinkhall, Director of Products and Sales Engineering at Horizon Connects**

The Truth: Costs Never Spiral with Predictable, Per-Seat Pricing

One of the most powerful arguments for moving to the cloud is that costs won't get out of control. Alianza's business model ensures that costs are always aligned with revenue. Service providers can add subscribers in increments (as small as one at a time), which allows them to grow into their solution and have each subscriber contribute to revenue and earnings before interest, depreciation, and amortization (EBITDA) **growth in a steady and predictable way.**

Read Case Study

→

With legacy VoIP platforms, service providers often overbuy licensing by

50% to allow for growth.

Assumption #2: Migration is Painful, Risky, & Requires a Significant Uplift

Remember the last time you installed a voice services platform? If not, it's probably been a while. But if you do remember the last migration or rip-and-replace, you probably also remember how long it took to choose the right one after factoring in the time required to buy all the equipment, stage it, install it, configure it, test it, and launch it.

The challenge for most service providers is the fear of migration — that the services won't be the same which may upset customers, they won't be able to recover revenue, and the migration may require more manpower than they can manage.

The Truth: The Right Partner Changes Everything

Despite all the cringeworthy migration project memories, your next one doesn't have to be as painful. **Alianza has a professional project management team that manages the entire migration** for service providers, including integrations, device testing, process training, and more.

Choose a partner like Alianza — **who has successfully migrated providers from virtually every switching platform on the planet** — to help you mitigate risk and move subscribers over safely. We have migrated hundreds of thousands of subscribers for our customers to our cloud communications platform, including bulk migrations as large as 10,000 subscribers in a single day.

Alianza helps service providers navigate the entire migration process and are with them shoulder-to-shoulder (virtually nowadays) to deliver that safe migration (see figure 2).

That is how you get started. Work with an established cloud communications provider whose expertise you can rely on to deliver a fantastic migration experience.
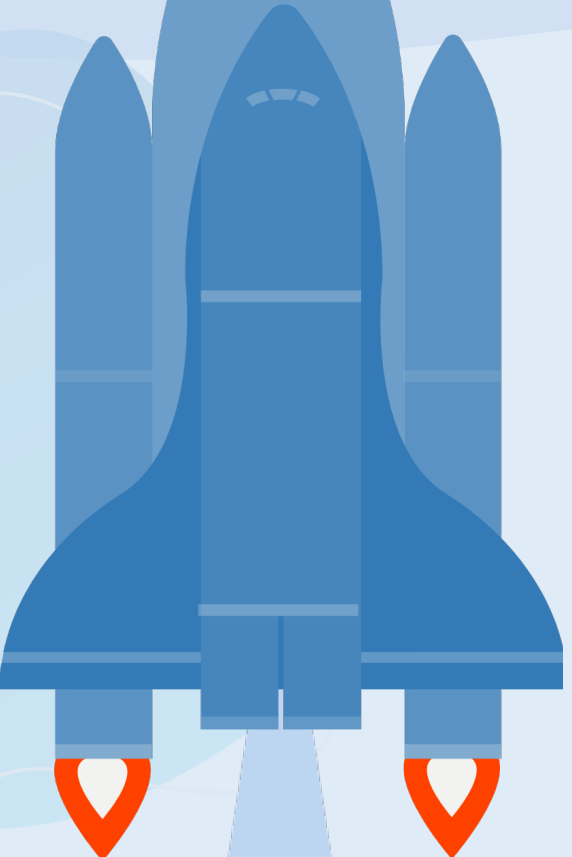
Transitioning to the cloud **is the last migration** a service provider will ever have to make. **Seriously!**

Figure 2: Alianza's Proven Onboarding & Migration Methodology

4 Grow
- Expand market share
- Customer success plans
- Support
- Enable business growth
- Operational efficiency
- Clear communication

3 Execute
- Execute project plan
- Provision new customers
- Platform expertise
- Process improvement
- Zero-impact migrations
- Minimal care/support impact

Pilot Success

2 Prepare
- Platform training
- Process documentation
- Validate data
- Test
  - Devices/Features
  - Integration
  - Calling behaviors
- Launch pilot group
- Platform familiarity
- Successful testing
- Launch readiness

Project Plan

1 Discover
- Understand business model
- Understand use cases
- Identify priorities
- Assess configuration
- Gather end user data
- Project team assembled
- Finalize scope & timelines
  - Devices/Features
  - Integration
  - Migration
- Approved project plan

The Truth: Easily Reduce Concerns & Risks with Try before You Buy

Alianza supports trial periods to allow CSPs to see the increased operational simplicity, performance, interoperability, and ease of use before they buy. Alianza's cloud communications platform is **cheaper, easier, and offers a better customer experience** than traditional network infrastructure and we can prove it! Find out for yourself by booking a demo with one cloud communication specialists today.

Over the years, Alianza has participated in, advised on, and supported countless digital transformations. In helping service providers navigate the entire migration process, we've fine-tuned the knowledge needed to deliver a safe migration. Digital transformation isn't for the faint of heart, but it is a business necessity.

> "Alianza's solution provides us with a future-proof and extremely easy-to-manage solution. The pace of innovation, the cost of ownership, and the simplicity built into the solution are profoundly better than those of other solutions in the market. With this great partnership, we are in a strong position to grow with new services and better serve our customers."
>
> — Mark Walter, Senior VP at Service Electric Cable TV and Communications

Book a Demo:
See for Yourself

Don't Let Sunk Costs Hold You Back

Assumption #3: You Need to "Get Your Money's Worth" First

Have you ever heard finance, IT, or technical stakeholders suggest "**we've already invested so much into this, we need to get our money's worth**"? That is sunk cost fallacy, and it's negatively impacting your organization's ability to objectively determine the right path forward.

Sunk cost fallacy describes our tendency to believe that just because we have already invested time, effort, or money into something, we should still follow through with it even if the costs are more than the benefits. It often means we continue to invest in losing ventures rather than investing new money into an alternative.

The Truth: Financially Speaking, Capital Already Spent Cannot Be Recovered

The reality is, although there has been significant investment into your existing system, you aren't getting your money back. For example, any capital spent on softswitch replacements (replacing hardware with hardware) will not be recovered whether you continue to utilize the legacy network or move to the cloud. When weighing your options based on ROI, only future costs and benefits should be considered.

Despite all the cringeworthy memories this might inspire, sunk costs are irrelevant when deciding how to move forward with your network.

Keep reading to learn how to accurately determine your return on investment (ROI) by moving to the cloud.

The Bottom Line

is yes, you have made a significant investment in your legacy network, but it's no longer serving you the way it should be. CSPs embracing digital transformation are growing revenue **5X faster** than CSPs that aren't.[i]

Moving to the Cloud: The Time is Now

Making the move to a cloud-based voice solution isn't really a matter of *if* but *when*. So why waste more of your time and resources maintaining a legacy voice system when you could be allocating more of your budget to moving your organization forward?

Since 2009, Alianza has been helping service providers seamlessly migrate their voice customers onto our turnkey, cloud-native voice communication solution. Built on resilient infrastructure and managed by us, we offer service providers peace of mind.

At its core, Alianza is the only true cloud-native, carrier-grade communications platform built for service providers. Our proprietary full-stack cloud communications platform enables any broadband service provider to offer a complete suite of residential and business communications services, including voice, video conferencing, collaboration, text messaging, and standalone UC softphones.

We have a broad range of service providers on our platform spanning fiber ISPs, WISPs, ILEC/CLECs, satellite, cable MSOs, municipalities, and electric co-ops. Alianza has successfully helped all types of service providers innovate quickly and address the evolving demands of their end user customers in a way that is easy to manage, easy to consume, and highly profitable.

ALIANZA™

Get Started!

→

To learn more about how a cloud communications platform can add a powerful, profitable, and sought after solution to your network, **contact our sales team today.**

i Retrieved 16 March 2022 from Accenture - The Tech Driven Telco 2021