



***SIP Trunking in Latin America***  
**Presented by:**  
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# IP Marketplace

- **IP-PBX Market on track to exceed \$10 billion (Synergy Research)**
- **By 2008, 55% of all Enterprise Communications Systems will be IP-enabled (Frost and Sullivan) which means the majority of PBXs will be SIP-compatible/ready**



# Why SIP?

**SIP has become “the” defacto standard for IP communications:**

- **SIP offers a set of formal rules that provides the basic signals used to initiate, manage, and terminate IP communications sessions.**
- **SIP goes beyond voice to support true multimedia communications/convergence – i.e., voice, data, video**
- **SIP embraces and supports enhanced communications capabilities, such as presence and mobility applications**
- **Optimizes Utilization of Enterprise IP Pipes**
- **Saves money**



# Mexico<sup>1</sup> Carriers

Avantel - *MCI*

Alestra – *AT&T*

Bestel – *family owned*

Marcatel – *3<sup>rd</sup> largest Carrier in Mexico*

Telmex – *Incumbent & Last Mile*

Cofetel - *Governing Body*



# Mexico Pricing

## Business

Guadalajara

Hermosillo

Mexico City

Monterrey

.0218/MOU

Mexico Proper = \$.11  
per minute of use

## Border

Nogales

Tijuana

Agua Prieta

Juarez

.0321/MOU

## Tourist

Acapulco

Cabo San Lucas

Cancun

Puerta Vallarta

.0315 -.05/MOU



# Central & Latin America Carriers

Telefónica

Impsat

Telecom

Etapa

Canty

Andinatel

Pacific

ENTEL

Alegro

Movistar

Telcel

Internexa



# Additional Carrier Information

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- Telefonica de Espana (Spain) in Peru, Argentina and Chile
- Telmex in Peru and Guatemala
- CANTV operating Venezuela as a monopoly
- ICE operating in Costa Rica as a monopoly



# Central and Latin America - Recommendations

- Speak E1's instead of T1s
  - 24/25 uncompressed simultaneous calls vs. 19
- Prepay to avoid collection challenges
- Utilize Credit Cards for currency conversion
- NAFTA provides *justification* for service, *but...*
  - It appears that Telmex blocked or hindered Vonage
- To overcome language and cultural barriers, find a partner





# Network Expectations

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- Latency - under 150 millisecond delay
- Packet loss - relatively low = 3-4%
- Jitter - under 7 milliseconds



# ROI Analysis

- Cost Analysis - identify current costs to provide existing services and, future needs, if applicable
  - Fixed costs – such as Measured Business Lines
  - Variable costs – such as Minute of use charges
  - Regulatory fees, taxes & Surcharges
- Compare Current Costs to SIP trunking costs
- Provide ROI and/or payback period...



# Costs Savings – Small Business

**Total Savings from BandTel contributed to R.O.I. = \$1421/month**

	<u>ILEC/TDM</u>	<u>BandTel</u>
<u>POTS Lines</u>	avg. = \$40/mo	SIP Trunks \$15/mo
ROI Model x 15 lines	\$600/mo	\$225/mo
Average usage of 5 lines @ 8 hrs/day = 2,400 MOUs/day x 20 days = 48,000 MOUs/mo		
	@ 4 cents = \$1920/mo	@ 2.5 cents = \$1200/mo
	tax@ 17% = \$326/mo	NO TAX
	<u>lines</u> +\$600	<u>lines</u> +\$225
Total Carrier	= \$2846/mo	= \$1425/mo



# ROI Analysis – Small Business

## Payback Period 5.55 Months

- Cost per seat -  $\$450 \times 15 \text{ seats} = \$6,750$
- Siperator -  $\$230 \times 15 \text{ seats} = \$1,150$
- Total outlay for hw/sw IP PBX Solution =  $\$7,900$
- **BandTel Savings of  $\$1421 \times 5.55 \text{ Months} = \$7,900$**   
**Full ROI**

*\* ROI can change based upon user requirements, equipment configurations and vendors.*



# Costs Savings – Medium Size Business

**Total Savings from BandTel contributed to R.O.I. = \$4,689/month**

## ILEC/TDM

## BandTel

70 PRI Channels

avg. = \$20/mo

SIP Trunks \$9/mo

ROI Model x 70 voice channels

\$1400/mo

\$630/mo

Ave. usage of 30 lines @ 8 hrs/day = 14,400 MOUs/day x 20 days = 288,000 MOUs

@3.3 cents= \$9,504/mo

tax @ 17% = \$1,615/mo

channels +\$1400/mo

@2.5 cents = 7200/mo

NO TAX

channels +\$630/mo

Total Carrier

**=\$12519/mo**

**=\$7830/mo**



# ROI Analysis - Medium Size Business

**Payback Period = 7.4 Months**

- **Cost per seat \$450 x 70 users = \$31,500**
- **Siperator \$ 92.40 x 35 ports = \$3,234**
- **Total outlay for hw/sw IP PBX Solution = \$34,734**
- **BandTel Savings of \$4689 x 7.4 Months = \$34,734 full ROI**

*\* ROI can change based upon user requirements, equipment configurations and vendors.*



# Costs Savings - Enterprise

**Total Savings from BandTel contributed to R.O.I. = \$14,320/month**

	<u>ILEC/TDM</u>	<u>BandTel</u>
PRI Channels	avg. = \$20/mo	SIP Trunks = \$9/mo
ROI Model - 200 voice channels	\$4000/mo	\$1800/mo
Average usage of 125 lines @ 8 hours a day = 60,000 MOUs a day x 20 days = 1,200,000 MOUs/mo.		
	@ 3 cents = \$36,000/mo tax @ 17% = \$ 6,120/mo <u>channels +4000/mo</u>	@ 2 cents = \$30,000/mo NO TAX <u>channels +\$1800/mo</u>
Total Carrier	<b>=\$46,120/mo</b>	<b>= \$31,800/mo</b>



# ROI Analysis - Enterprise

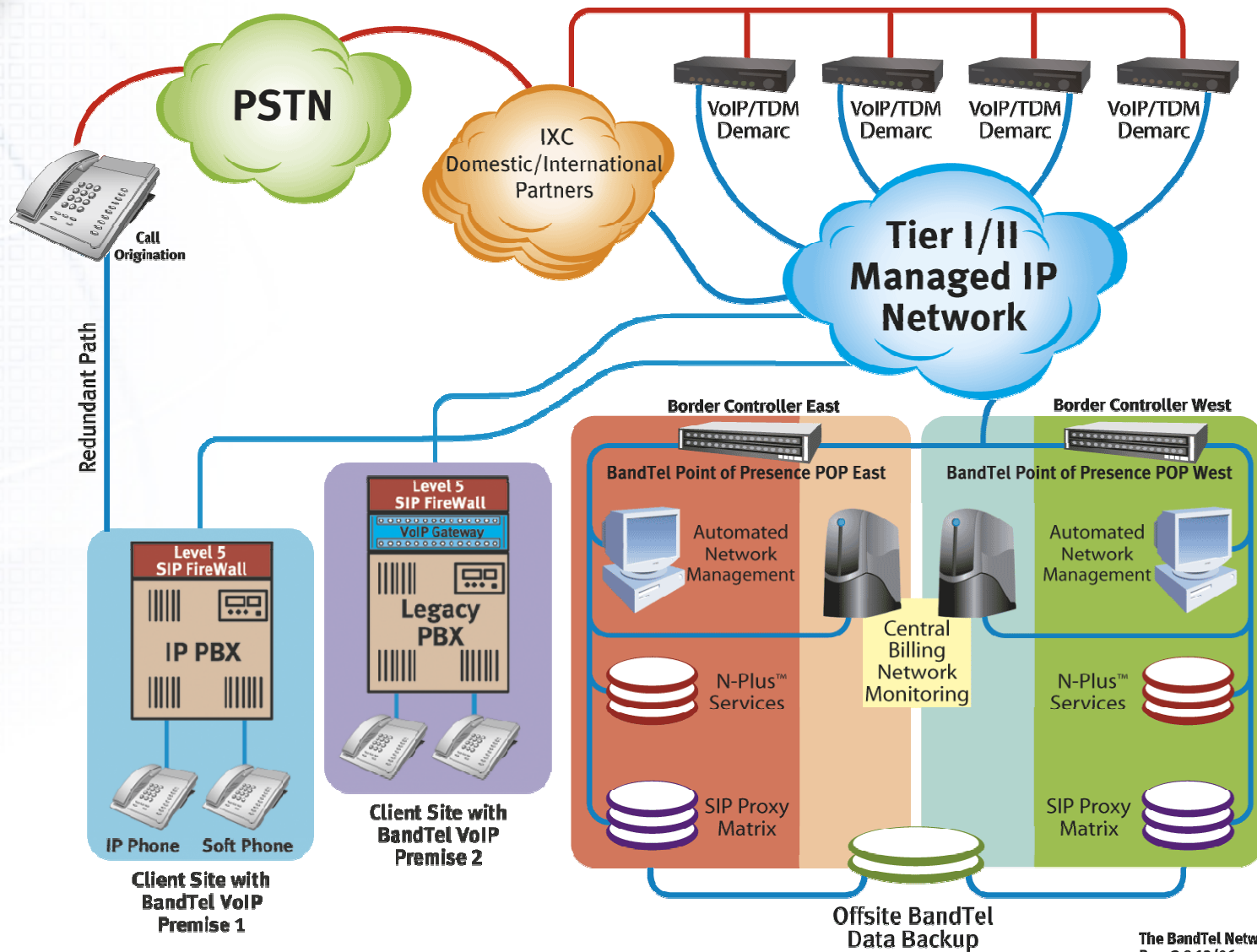
**Payback Period = 12 Months**

- **Cost per seat - \$800 x 200 users = \$160,000**
- **Siperator - \$123.80 x 150 users = \$18,570**
- **Total outlay for hw/sw IP PBX Solution = \$178,570**
- **BandTel Savings of \$14,320 x 12 Months = \$178,570 Full ROI**

*\*ROI can change based upon user requirements, equipment configurations and vendors.*



# What to expect from your SIP Carrier



Notes: 1. Blue line = IP 2. Red line = TDM or POTS

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# What to expect from your SIP Carrier





# What to expect from your SIP Carrier

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- **Provide “plug-and-play” interoperability with IP PBXs and existing PBX systems**
- **Provide an unrestricted footprint**
- **Provide services that don’t compete with the IP PBX features and benefits**
- **Treat the systems integrator or VAR as a Customer**



# About BandTel

- **Headquartered in Newport Beach, California, BandTel is a leading worldwide provider of SIP Trunking services.**
- **BandTel's N-Plus™ network architecture is designed to solve the throughput and redundancy problems on high-capacity SIP-based networks and eliminate any single point of failure.**
- **Currently servicing customers worldwide, including Call Centers, Enterprise customers and IVR providers**
- **BandTel continues to develop strong partnerships with leading carriers and telecommunications companies, including Global Crossing, XO Communications, Level 3, Qwest Communications, Verizon Business, and Primus.**



## **For More Information About SIP Trunking**

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**Visit BandTel's New SIP Trunking Resource  
Center**

**[www.BandTel.com](http://www.BandTel.com)**

