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Winning Deals with “Proof of Concept”

A Broadcore Best Practices Case Study

Back to the Beginning

The hosted VoIP market used to be all about cost savings, and was packaged in a way that didn't offer much in the way of quality of service. The typical VoIP customer was mostly from the very small business segment - where cost was king.

However, the market for “cheap voice” became quickly commoditized, with prices being driven lower and customer churn increasing dramatically.

Approach to Success

To combat this, Broadcore began to target the mid-market segment where cost was a factor, but not the most important one. Broadcore introduced a strict best practices regime to control quality, which included customer agreements to purchase recommended phones, routers and circuits.

As Broadcore gained success, they began to move into the upper end of the mid-market. Working solely with specific T1 providers and expanding requirements to include must-haves such as special equipment to provide power over Ethernet (PoE), VLAN capability, and Quality of Service (QoS), they continued to improve their service.

Broadcore also began to hire IT specialists who not only knew telephony, but had internal LAN expertise, providing the ability to solve issues that arose inside the building, as well as out.

However, even when quality had drastically improved, there was still a key problem with many of the prospects in the early days – acceptance of VoIP for business purposes. At this point, Broadcore was confident that if customers would try it, they would buy it.

Winning the Game

It started with one, and mushroomed to everyone.

A major entertainment company, who is a leading global provider of 3D technologies, was looking for a hosted VoIP provider who could solve some specific issues. Broadcore was the only vendor who was able to propose a solution that would address this company's complexities.

The prospect asked for a “Proof of Concept,” and if it worked, they would be willing to sign an extended contract. The rest is history, and today they are still one of Broadcore's largest customers and strategic reference accounts.

Keys to Success

- Sell the value of cloud communications - beyond just PBX features and lower costs
- Enforce a strict “best practices” regime to ensure quality control
- Treat “Proof of Concept” deployments identically to any other new Broadcore customer

A New Era

This experience strengthened Broadcore's idea to offer “Proof of Concept” to other strategic prospects. Initially, they offered it to every single customer as they steadily built their base. Now, it is by invitation only, based on size, geographic distribution, and last but not least, complexity of the deployment.

“Broadcore does not sell licenses and features. We deliver Unified Communication outcomes. As an engineering-centered company, Broadcore is solely focused on custom deployments for mid to large companies, along with building and maintaining long term relationships” said Michael Bacich, Vice President of Sales.

Best Practices

“Proof of Concept” is now delivered to about 70% of Broadcore's prospects, and the deployments are being managed identically to “under contract” customers.

Running through all of their existing departments, “Proof of Concept” includes an assigned account manager, project manager, engineer, trainers, etc. It will often include custom integration work, e.g. with CRM and ERP systems.

Although there is no stated time period, typically the trials last about two to four weeks. Within two weeks, customers have usually made up their minds, and the next two are spent answering questions and solving any issues. There is, of course, an upfront investment in hardware and resources, which Broadcore views as “deferred billing for 60 days”.

Broadcore enjoys a conversion rate of 100%, and a churn rate of less than ½ of 1%. Now that's a success story!