

The Future is Calling

by Jo Day and Kevin Basso

Until recently, financial advisors were limited in terms of how they could present themselves to the outside world. Advances in phone technology, coupled with an evolution in business models, now give smaller firms a host of capabilities that used to be available only to larger companies.

Consequently, soloists can sound like a Fortune 500 company to a prospective client, firms can hire candidates based on their expertise rather than geographic location, and practices in growth mode can more affordably expand their reach with satellite offices.

To give you an idea of how some early adopters in your profession are leveraging the latest in phone technology to transform their practices, we profiled three different phone technologies and talked with a couple of advisors who are thrilled with their choices.

Option 1: Remote Service

Using existing phone and regular phone lines

Sheila Chesney has a full-time employee in her Beaufort, South Carolina, office and a virtual office assistant who lives in Texas. To meet the needs of her busy clientele, Chesney often pays them house calls, meaning some days she's traveling as much as she's in the office. When putting together her practice model, Chesney wanted her clients to have one number to reach her that would forward their call to wherever she happened to be—in the office, home, or car. She also wanted clients to reach her assistant in Texas using the same phone number they use to reach Chesney.

"If you want to follow a virtual office model, the thing that will make you successful is accessibility," states Chesney. "If a client can't see you and touch you, the fear is of not being able to contact you."

Here's how Chesney's phone system works: When her client, David, calls, he hears a voice recording providing the different phone extensions of the staff (for example, "Press 111 for Sheila Chesney"). David enters the extension for Chesney, after which David is asked to announce his name. David then hears on-hold music while the system tries to reach Chesney. When Chesney picks up the phone, she hears David's recorded name. Chesney can take the call or send it to voice mail. If Chesney doesn't respond, the call tries to reach Chesney at the next phone number pre-programmed by Chesney (such as her mobile phone or her receptionist). Should David leave voice mail, the voice mail and phone number are delivered to Chesney via e-mail.

Since changing phone systems, Chesney says she gets a higher percentage of her calls and rarely plays phone tag. The service Chesney uses (www.gotvmail.com) costs her less than \$100 a month. Additionally, Chesney pays for three land phone lines at her South Carolina home and long distance service. The cost of GotVMail is not fixed, however, due to the way the service works. When David calls Chesney on her toll-free number, the caller is really dialing GotVMail's service (not Chesney's phone company). GotVMail automatically re-routes the call to Chesney. As a result, there is a per-minute charge from GotVMail to route calls to the appropriate extension.

Consider remotely hosted phone service if

- **You want low upfront cost.** This type of system does not require you to buy special hardware or handsets; you can use the phones you have.
- **You prefer that the Internet not be a critical component of your phone system.** While this type of system does not route calls through the Internet (you subscribe to local and long distance service of your own choosing), you set up your phone features via the service provider's Web site.

- **You are comfortable setting up your own phone system.** Anyone who is comfortable with a computer can set up their phone system through the service provider's Web site, according to Chesney.
- **You are philosophically okay having an auto attendant answer your phone.** The first person a caller hears with this system will always be a recorded voice. Be sure to consider (and ask about) your clients' perceptions of this before including this solution on your short list.
- **You are okay with "leasing" versus owning.** You may end up spending more in the long run because this option is a service for which you pay an ongoing fee.

Caveats. With this solution, you need to buy an additional phone line for each new employee (as opposed to sharing a pool of phone lines). Also, the service cost varies based on the volume and length of calls being forwarded. Because all calls ring through the service provider, this makes even interoffice calls "remote"; consequently, this solution is not the most cost effective for a firm without remote employees.

Option 2: On-Site Service

Buying equipment from the phone vendor with optional usage of the Internet

Keys Tinney, owner of Wealth Management Group in Englewood, Colorado, gets so excited about his phone technology, his voice tingles when he talks (a testimony to the great call quality of his system). Connecting remote offices reliably and affordably was an important capability of the Voice over Internet Protocol (VoIP) phone system (www.altigen.com) Tinney selected. While many people mistakenly assume VoIP relies on the Internet, it does not have to. Rather, VoIP simply means that once a call enters the phone switch in your office, incoming calls are routed internally via your computer cable, not the hardwire phone line and not necessarily via the Internet. With systems such as these, the phone handset you buy from the vendor typically comes with a splitter, enabling you to connect your phone and your computer to your network router.

Tinney has a full T-1 line in his Colorado office, which provides his Internet as well as telephone services.

According to John Babin, a business phone service provider with Capture Technologies (www.capturet.com), a T-1 line costs about half of what it did five years ago (Tinney pays \$705 a month for a full T-1). Incoming calls to Tinney's office are routed over his computer network (no reliance on the Internet). The phone system uses the Internet only when a call needs to be routed to a remote employee. In the six months Tinney has used his system to perform conference calls and forward calls to off-site locations, he has not experienced any voice delays, quality issues, or service disruptions, in part because his T-1 provider (www.cbeyond.com) provides "dynamic" allocation, giving priority to voice channels before data.

When asked what feature is most important to him in his new system, Tinney immediately responds, "customization." When one of his staff went on maternity leave, Tinney easily made a change to the phone software so that she could make outgoing calls, accept calls, or intercom the home office. Tinney can take his office phone home, plug it into his home computer, and accept calls there just as if he were in the office. This kind of "plug and play" capability opens all sorts of possibilities for small businesses.

The upfront investment for a typical five-user office using this system ranges from \$5,000 to \$8,000. Additional handsets are relatively inexpensive at \$100–\$150.

Tinney says his service provider (www.beringer.net) shipped the system to him and customized it via remote connection. Training was provided online, and it took about a day to get the system up and running.

Consider purchasing an in-house hosted phone system if

- **You require flexibility, customization, or advanced features.** This type of system may offer more

advanced features than a service. For example, Tinney can forward encrypted voice mail via e-mail to his home, or program the system to ring to all phones if the receptionist doesn't pick up after three rings.

- **Your client service philosophy requires that a person answer the phone.** If you want to ensure a live person answers the phone, this type of system provides this ability.
- **You prefer to incur an upfront expense rather than monthly service charges.**

Caveat: a note about Internet telephony. The type of system employed by Tinney uses Internet telephony to route calls only to remote employees. If you would like to substantially rely on Internet telephony, make sure you ask the phone system provider about the required bandwidth to use their solution. Bandwidth affects call quality (for example, you experience static or the call sounds like the person is in a cave). If you need to increase the bandwidth of your Internet service, factor this into the cost.

Additionally, you will want to ensure that latency (the time it takes to hear the speaker's voice after they actually speak) of your Internet connection is sufficiently low. Latency is the issue that a small company is most likely to experience when using Internet telephony, and can be extremely irritating to a client as you keep interrupting them due to the delay. The acceptable level of latency is about 1/4 of a second—you won't be happy with anything longer. Latency is not affected by the amount of bandwidth you buy from your Internet service provider, but rather by the efficiency of the ISP's overall delivery system (on which you as a customer have little or no impact). If you are considering a system that uses Internet telephony, we strongly encourage you to measure the latency of your Internet connection before you commit, and check out the description of latency at <http://www.networkmagazine.com/article/NMG20000710S0012>.