



SIP Telecommunication Benefits for Enterprises



Steven Johnson - President

Ingate Systems AB (publ) (556718-7819) is a Stockholm, Sweden-based high-tech company that designs and develops firewall and Enterprise Session Border Controller (E-SBC) technology to bring global person-to-person multimedia real-time communication to everyone. SIP and WebRTC enable not only IP telephony but also Unified Communications (UC) such as SIP trunking, presence, Instant Messaging, video conferencing with telepresence quality and IP-PBX connections. With a history in security, Ingate offers enterprises of all sizes, service providers and carriers elegant solutions that make trusted SIP communications possible beyond the LAN. Ingate products are delivered both as hardware appliances as well as software for integration on to standalone servers or as applications for virtual machines.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Johnson, what is Ingate Systems?

Mr. Johnson: Ingate Systems is a company that has been around since 2001 and our purpose is to bring the benefits of SIP (Session Initiation Protocol) for telecommunications to enterprises in a way that is easy to implement as well as being secure in the implementation. We build what are called Session Border Controllers that accomplish those functions and we have many thousands of these devices deployed with enterprises of all kinds around the world. Our biggest market is North America and specifically in the US where we have built a very strong brand name as well as a strong revenue base.

CEOCFO: Would you explain what Session Border Controllers do and why your customers need them as well as some of the variations and how they can be provided?

Mr. Johnson: A Session Border Controller is very much analogous to what we all have whether it is in our businesses or even in our homes which is a firewall. The firewall is designed to protect your network and your computers and all of the important files and information that you maintain on those computers from people on the outside gaining access to them on an unauthorized basis. The firewall basically would prevent me from finding a way into your computer and seeing your files or it would prevent anyone from looking at all of my intellectual property that might be stored on my computers or my accounting records or anything of that sort. The firewall therefore is designed specifically to keep people out.

In the last decade and going back even further than that, we have been hearing a lot about Voice over IP (VoIP), which never really took off until the Session Initiation or SIP protocol was invented about 15 years ago. SIP became widely used in the middle part of the last decade. SIP is a VoIP protocol that requires that somehow I get through your firewall to reach you on your phone – a situation the firewall was designed specifically to prevent. The SIP-capable Session Border Controller understands the SIP protocol and allows that to happen in a controlled way. It serves as an adjunct or a complement to your firewall so that only the SIP traffic, which provides the ability to ring your phone among other things, is allowed to get past that firewall. When you answer the phone, the Session Border Controller opens the media ports necessary so we can have a two-way conversation. Without this solution, bi-directional media, or a two way conversation, is not possible.

Ingate's SBCs are designed for the enterprise. They are business-class devices that can handle anything from five to eight thousand simultaneous calls and maintain knowledge of where those calls are going. Ingate SBCs also have a security feature which means it looks at all the packets and makes sure nothing malicious is allowed to get in.

One of the biggest features of Ingate SBCs is the ability to standardize SIP traffic. While the Internet Engineering Task Force (IETF) invented this standard protocol called SIP, not every service provider uses it in exactly the same way. The Session Border Controller has become the de facto normalization device sitting between a PBX, which is the telephone switch inside of your business, and the service providers' network which may be doing things slightly differently. The Session Border Controller manages and normalizes signals so that everybody understands what has to be done for this

particular function to work correctly, which might be something like making call transfers, conferencing, call holds, or other typical communications activities

CEOCFO: Are you primarily providing hardware and custom configuration?

Mr. Johnson: We provide the product that can be delivered either on our hardware or it can be provided as software for companies that want to put it either on their own dedicated hardware or add it as an application on a Virtual Machine.

CEOCFO: Does it make a difference?

Mr. Johnson: No, the Ingate product runs exactly the same. The important element is the software.

CEOCFO: What is the competitive landscape?

Mr. Johnson: We do have several competitors. but Ingate offers what I believe to be the most cost effective, complete solution on the market that is universally applicable across all PBX vendors and service providers and which is easy to install and maintain.

“We are an innovative company with a solid product, solid reputation and strong support and concern for our customers. We supply product that can be purchased at a very reasonable price to achieve the promise of SIP trunking and Unified Communications.” – Steven Johnson

CEOCFO: Why does Ingate stand apart from competitors?

Mr. Johnson: The Ingate advantage varies depending on the competitor. For instance, the systems sold by Avaya and Cisco are focused on those two companies’ products, so they do not work with products from other vendors. In this case, Ingate is much more universal in its application no matter what kind of other equipment you may have.

We are far and away less expensive than solutions sold by Oracle, and we do 99% of the same functions and do them just as well or better. With some of the other vendors it is really a question of the features and functions that we supply. Frankly, they have not quite caught up with our level of expertise.

CEOCFO: Are potential customers skeptical that you are able to provide similar if not better services or products at a much lower price?

Mr. Johnson: Our reputation for excellence, innovation and exceptional customer service precedes us.

CEOCFO: How do you get around any misperceptions?

Mr. Johnson: Many times you just have to be better. It is like the old Avis commercials of thirty years ago. We try harder. We respond to our customers more quickly than the others. We provide a solid product and will do that now and in the future. You have to give customers a great level of service so they know that we value their business and are there to support them when they have questions or need assistance. And we strive to be easy to deal with before, during and after the sale. I just heard a story from a prospective customer that tried to buy a product from one of our competitors, but before they would talk with them the vendor asked for a credit card number so they could charge them for the privilege. We will never do that.

CEOCFO: Are you new customers first implementing SIP or are they changing from an older system?

Mr. Johnson: Most everybody is changing from a traditional phone system. They are switching over to VoIP and specifically SIP trunking because they can achieve some economies because of the way that SIP trunks are priced. SIP trunking is much more attractive to companies than the way the old channelized services have been priced where you have to pay for a complete PRI, which is 23 channels or 23 simultaneous voice conversations, whether they use all 23 or not. With SIP trunking you can buy one or two or five or 10 or however many you need and you can burst them and add to them if the need is there for some seasonal reason or other purpose. It is an economic case that people are moving toward SIP trunking.

CEOCFO: Would this be an outright purchase?

Mr. Johnson: Yes.

CEOCFO: Is there much customer service once they have made the purchase?

Mr. Johnson: Customer service is certainly there should it be needed. We have our help desk in South Carolina that people can call into and get assistance in diagnosing any problems and understanding where the problem is coming from. Many times it is not our equipment that is at fault, but instead the SBC doesn’t recognize something in the header information – usually something malicious -- and stops the call before any damage can be done. The Ingate SBC has a lot of diagnostic tools built in which can be very helpful in actually isolating any issues and getting them solved quickly.

CEOCFO: *When you are working with a prospective customer do they typically know what they want or are they looking to you for options?*

Mr. Johnson: Many times they look to us for ideas and recommendations on what architecture, what configuration of our product that they should consider. We are more than happy to help on this front, but we prefer that they work with one of our resellers or system integrators who can provide guidance on a more system-wide basis. They are excellent partners for our customers.

CEOCFO: *How do you reach prospective customers?*

Mr. Johnson: We do it through a few different ways. Through our PR Manager we get a tremendous number of analyst and media discussions and I think that helps a great deal. Our biggest marketing event is a trade show called ITEXpo; the next one is in Miami January 29 – 31, 2014. We run a free, three-day educational seminar series on SIP trunking and related topics that draws 250 or more people. We have been doing this now for six or seven years. We draw many people that way, we get great press and have found a lot of good partners and customers as a result of those events.

The ITEXpo is probably one of the biggest ways that we actually get the word out and we complement that with some webinars through the year and a few other tradeshow and partner shows and the strategy has been successful.

We sometimes do reach customers directly but prefer to have resellers involved who can integrate a complete system for a company. We have attracted many excellent resellers and good partners who make complementary products to our own. We have attracted service providers who are using our product to deliver SIP trunking services to their customers..

CEOCFO: *How is business these days?*

Mr. Johnson: Business is great! Our fiscal year runs from July 1st to June 30th and through the first six months of this year revenues have increased by more than 25% as compared to the same period last year. I think it is a sign of the times that more and more people are getting interested in SIP trunking, VoIP and the outgrowth of that which we call Unified Communications. I think people see the economic benefits of it and as they try to reduce costs in their companies they are looking at this as one of those significant opportunities.

They also see that investing in VoIP today will allow them to move to Unified Communications in the future to gain productivity. To keep pace with the industry, we are now developing ways to use a new technology called WebRTC along with SIP to provide the basis for more easily enhancing communications with video in addition to voice. This is the start of Unified Communications.

CEOCFO: *Why is Ingate Systems a company to watch?*

Mr. Johnson: We stand out because we are an innovative company that has a solid product that can generate a tremendous amount of return on investment in a very short period of time for our customers. Our case studies show that the cost of implementing VoIP, including the cost of an Ingate E-SBC, can generally be recovered in two years or less – in some cases, a little as nine months.

I think Ingate is also a standout company because we are always on the leading edge. We are currently working on other protocols that most likely will start to be implemented in companies within the next year or so. These protocols could have a big impact on how we communicate not just with voice but also with video, as well as screen and file sharing. It could be a revolutionary way of going about doing business and Ingate is on the leading edge of that. Our founder and CEO / CTO, Karl Stahl, is an innovative and forward thinker. He is someone who has anticipated the need for what we currently have well before the industry even though it was necessary. He is an amazing thinker who sees the future much clearer than most people in the industry.

In short, we are an innovative company with a solid product, solid reputation and strong support and concern for our customers. We supply product that can be purchased at a very reasonable price to achieve the promise of SIP trunking and Unified Communications, which is lower costs and higher productivity through new technology.



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