

**Virtual Switch vs Facilities Based,
How to Make the Right Decision.**



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WHAT IS THE RIGHT OPTION FOR YOUR COMPANY?

ASK YOURSELF THESE QUESTIONS:

- Does your company need to or want to own a depreciating asset?
- Do you have the funds to purchase that asset or can you secure the funding?
- Do you have the technical resources in place to operate the switching equipment?
- Will you have more than 2,000 simultaneous calls running on the platform?

If you answered 'Yes' to all the questions above then you should consider possibly purchasing a switching platform.

Most Important thing you can do when looking for a switching platform is....

Do your homework!

Talk to trusted friends & colleagues. Seek un-biased companies that can give you real information not sales information.



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ESTIMATED COSTS: for a 1,000 call system

Facilities Based:

- Equipment Cost \$125,000 - \$175,000
- Collocation Cost \$12,000 / year
- Internet Cost \$5,000 - \$60,000 / year
- Manufacturer Tech support cost \$18,000 - \$30,000 / year
- Manufacturer Software support cost \$6,000 - \$10,000 / year
- Employee Technician cost / per employee \$40,000 - \$90,000 / year
- Upgrade Hardware as it becomes obsolete \$???,???

Port Lease Based:

- Setup fee \$3,000 - \$5,000
- Monthly Port lease charges** \$10,000 - \$15,000 / month

** Can Fluctuate with your call volume



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ESTIMATED COSTS: for a 1,000 call system

(based on splitting the difference on the #s above)

Description	Facilities Based:	Port Leasing:
• Up Front Investment	\$150,000	\$ 4,000
• Monthly Operating burn rate		
• Collocation Cost	\$ 1,000	\$ 0.00
• Internet Cost (depends on re-invite or not)	\$ 1,000	\$ 0.00
• Manufacturer Tech support cost	\$ 2,000	\$ 0.00
• Manufacturer Software support cost	\$ 500	\$ 0.00
• Employee Technician cost	\$10,000	\$ 0.00
• Upgrade Hardware as it becomes obsolete	\$???,???	\$ 0.00
• Monthly investment variable depending on call volume / capacity required	\$0.00	\$12,500
• Total Monthly Burn rate	\$14,500 (FIXED)	\$12,500 (variable)

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BENEFITS OF PORT LEASING A SWITCHING PLATFORM:

- Great way to lower costly equipment overhead.
- Allows you to benefit from state-of-the-art technologies without the large upfront investment.
- Will give you quality, experienced technical & operational support.
- As technology changes you do not have to re-invest in equipment upgrades.
- Your costs fluctuate as your call volume or revenues fluctuate.

Again the Most Important thing you can do when looking for a company to port lease your switching platform from is.....

Do your homework!



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WHAT TO LOOK FOR IN A PORT LEASING COMPANY:

- **Cost** – This is probably #1 on the list for most companies but be careful with this. Some companies charge additional fees or hidden fees, turning what looks like a good deal into a not so good deal. Cost is important but make sure you know what is included.
- **Equipment used** – This is a lot like purchasing, make sure that the equipment the port leasing company is using does what you need it to do and is from a reputable manufacturer. Also make sure that the switch manufacturer is behind that company supporting them.
- **Carriers** – Can you bring your own carriers into the port lease switch and at what cost?
- **Technical Expertise** – are you going to be required to do the work yourself or does the port leasing company have the technical expertise to help you. What about after hours support?
- **Knowledgeable, Honest, & Trustworthy** - While most people focus on cost as the number one important factor, this is probably the most important. Make sure that the company you are going to port lease from is knowledgeable in the industry. In addition find someone that will give you honest answers after all the port leasing company you choose has to be someone you trust with your business and will help you grow that business.

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