

Skype for Business Cloud PBX for Office 365

A Blueprint for Microsoft Partners to
Profitably Grow Their Office 365 Business

Executive Summary

In this white paper, we explore how Microsoft partners can leverage the Office 365 opportunity to double or even triple Office 365 revenues using Skype for Business Cloud PBX for Office 365... With or without a Voice Practice.

This is a “Blueprint for Success” for Microsoft partners interested in learning how they can grow Office 365 revenues with Skype for Business Cloud PBX. We begin with a brief overview of the market opportunity for Office 365. Then, we discuss opportunities being created by Skype for Business Cloud PBX. We also examine how Skype for Business Cloud PBX can translate to significant recurring monthly revenues for their company.

Finally, we demonstrate how Microsoft partners can grow their Office 365 ARPU with AltiGen’s Skype for Business Cloud PBX Managed Services program without having to invest in additional capital or technical resources. We conclude with an outline of the steps required for Microsoft partners to start generating new revenue streams with Skype for Business Cloud PBX for Office 365.

The Office 365 Opportunity

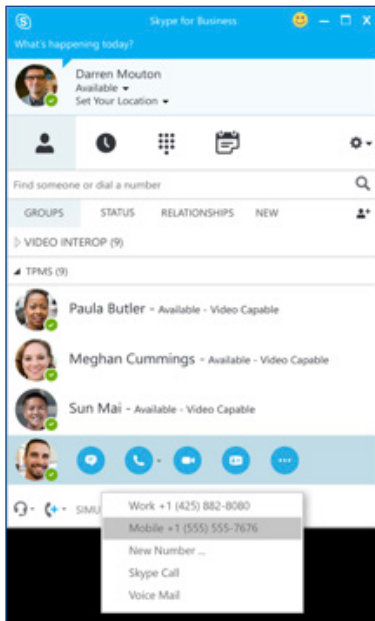
Office 365 is a high growth opportunity for Microsoft partners, with 50,000 companies deploying Office 365 every month. There are now more than 100 million active Office 365 commercial users.

In addition to savings on Office license fees by moving to Office 365, customers also benefit from elimination of IT infrastructure, reduced burden of system management and support, and improved business continuity capabilities.

Partners benefit by strengthening their customer relationships while driving incremental revenues by selling Office 365 plans, providing migration services, and offering end user support programs.

Many Microsoft partners are now looking for ways to continue to grow their Office 365 business with add-on solutions to drive additional monthly recurring revenue. A great way to do this is by adding Voice to Office 365. In fact, virtually all industry analysts are pointing to Hosted VoIP and Unified Communications as one of the next high growth areas for system integrators and MSPs.

Skype for Business – The Voice of Office 365



Skype for Business Online, which is included with virtually all Office 365 plans, adds Instant Messaging, Presence, and PC to PC voice and video calling capabilities to Office 365 – but lacks the connectivity to the public switched telephone network (PSTN) to enable customers to replace their existing PBX phone systems.

As a result, many Office 365 customers today are turning to competing hosted VoIP providers to replace their existing PBX phone systems. However, these vendors don't offer seamless integration to Office 365, and instead deploy proprietary, competing solutions for IM, Presence, web conferencing and PSTN calling into their Office 365 customer base.

As a long-time Microsoft partner with deep expertise in cloud communications, AltiGen delivers Skype for Business Cloud PBX, a complete Microsoft-centric, enterprise-wide unified communications solution fully integrated with Office 365. Our solution creates a significant incremental revenue opportunity for Microsoft partners because:

- Skype for Business offers a superior user experience vis-à-vis the competition
- Most companies have not yet converted on premises PBX systems to the cloud
- Customers are showing interest in moving to the cloud with Office 365

 **Skype for Business Cloud PBX enables Microsoft partners to drive new Office 365 revenues**

AltiGen's Hosted Skype for Business Cloud PBX for Office 365

AltiGen's Hosted Skype for Business is a complete Cloud PBX and Unified Communications solution for Office 365 delivered as a managed service, enabling Office 365 customers to completely replace on premises PBX systems. Our solution includes:

- Skype for Business with PSTN calling
- Skype for Business Conferencing
- Full Skype for Business Mobility
- Native integration with Office 365
- Enterprise Auto Attendant
- Integrated Contact Center
- Polycom IP phones / Skype certified headsets
- AltiGen (or 3rd party) SIP trunks

The column on the left lists the capabilities directly available in Skype for Business. On the right are the additional applications and services AltiGen adds to provide a complete, turn key solution.

Our solution also includes a managed services program designed specifically for Microsoft partners, consisting of all required deployment services, from assessment through ongoing system cutover, and backed by 24x7 support. This allows Microsoft partners to generate revenues without investing in additional resources.



Skype for Business Cloud PBX for O365 Service and Support Requirements

To be able to capitalize on the rapidly growing Skype for Business revenue potential for Office 365, Microsoft partners need to be able to deliver a complete end-to-end Skype for Business solution, encompassing the following set of services:

- Migration Planning
- Network Assessment
- Cloud PBX Deployment
- Application Integration (Advanced Call Routing, Contact Center, etc.)
- Ongoing Management and Support

The above tasks require a significant amount of voice domain expertise. While some Microsoft partners have built this expertise over time, most have not previously developed a Voice Practice and simply do not have the resources in place required to deliver these services.

Consequently, Microsoft partners who want to capitalize on the voice opportunity for Office 365 must choose between making the investment to build up a Voice Practice or partner with an organization capable of delivering these services.

For partners having a Voice Practice, the value AltiGen delivers includes our complete Hosted Skype for Business as a managed service platform, our integrated application suite, and 24x7 support.

For partners who do not have a Voice Practice, the additional value provided by AltiGen includes the delivery of all of the tasks listed above on behalf of our partners.

 **Our flexible managed services model has been designed to enable our partners to choose just the services they need to support their business objectives.**

No Voice Expertise? No Problem! Partner with AltiGen to Deliver and Support Voice for Office 365

Why partner with AltiGen? We are experts in Microsoft communications technologies, building our expertise and honing our skills over the past 20 years.

We developed the first Microsoft-based PBX in 1996, and have deployed thousands of systems. We were also one of the first ISVs to integrate contact center applications with Skype for Business, which we started delivering with Office Communications Server 2007. We're also a Microsoft Cloud Provider, and currently host Skype for Business Cloud PBX in our secure, fully redundant data center in conjunction with our suite of Skype for Business certified contact center applications.

Our end-to-end managed services program provides our partners with complete voice migration services, initial consultation from planning to deployment, training, system management, and support. Partners can choose to utilize our complete suite of services or choose select services on an à la carte basis to "fill in the gaps".

The below Managed Services table lists the services required to successfully deploy Skype for Business Cloud PBX. We consult with our partners to understand their business model, identify the services their company would like to provide, and determine which services AltiGen will deliver. Many of our partners begin by having AltiGen perform all of the services, then take on additional services themselves as their expertise grows.

	Managed Services	Delivered by: Partner or AltiGen
Migration Planning and Deployment	Assess current Office 365 plans and recommend the optimal customer plans	
	Map existing PBX users, call flows and dial plans to Cloud PBX	
	Perform Active Directory Synchronization services (required for Office 365 Cloud PBX)	
	Provide complete Office and Exchange migration services	
Network Planning and Assessment	Conduct VoIP Readiness Assessment to ensure required bandwidth	
	Provide complete Network Assessment to ensure voice compatibility	
	Assess telco requirements / deploy network equipment for voice connectivity	
Cloud PBX Deployment Services	Manage telephone number porting process (if moving from current provider)	
	Configure and set up AltiGen SIP trunks or Microsoft PSTN Calling Service w/ Cloud Connector	
	Set up all users for Cloud PBX, PSTN Calling and PSTN Conferencing, as required	
	Provision and set up Polycom IP phones	
AltiGen Application and Integration Services	Auto Attendant configuration and set up	
	Hunt Groups – configure workgroups, routing rules and busy call handling rules	
	Contact Center – configure workgroups, queues, call routing, agents, supervisors	
	Customization Services – integration with CRM, ERP or other business applications	
Cloud PBX Management and Support	Test and monitor the performance of the entire Cloud PBX solution	
	Deliver end user and/or administrator training	
	Prepare and send monthly invoices	
	Provide 24x7 support	

Our services are backed by our team of professionals, including cloud operations, project managers, systems engineers, software engineers, tech support, and customer service.

Monetizing Your Office 365 Customer Base with AltiGen

Let's start the opportunity assessment by comparing the Hosted Skype for Business opportunity to the opportunity you're currently able to realize with Office 365. In the table below, we summarized the margin opportunity for a "typical" Office 365 customer with 100 users. We assumed 20% CSP margins, along with a distribution of E5, E3, and E1 plans deployed by a sample customer.

Sample Office 365 Enterprise Plan Margins (100 user company)				
Office 365 Plan	# of Users	MSRP per Plan	Partner Margin	Extended Margin
E5	10	\$35.00	\$7.00	\$70
E3	80	\$20.00	\$4.00	\$320
E1	10	\$8.00	\$1.60	\$16
TOTALS	100			\$406
Average Monthly Margin per User = \$4.06				

In this representative example, the average monthly gross profit per O365 user is \$4.06, assuming the distribution of O365 Enterprise Plans as identified in the table.

Note that for O365 Business Plans, the net monthly gross profit would result in an average of \$2.00 per user per month.

Using the same 100 user company example, we applied the licensing plans and partner margin analysis to AltiGen's Skype for Business Cloud PBX for Office 365. As identified in the table below, a complete Hosted Skype for Business Cloud PBX solution requires several components, all of which must be delivered in order to replace a company's PBX.

If you are a Microsoft partner without a Voice Practice, or do not have a data center to deliver Hosted Skype for Business – don't worry, that's exactly what we're here to do for you.

As indicated in the table, for a 100 user Office 365 customer, partners typically earn margins in excess of \$8.00 per user per month with AltiGen's Hosted Skype for Business – approximately double the margin opportunity for Office 365 Enterprise plans and four times the margins typically earned on O365 Business Plans.

All of our plans are based on Skype for Business Enterprise Plus, enabling AltiGen to deliver a complete enterprise-wide business communications solution. In addition, our partners have the option to perform full deployment services or elect to have those services performed on their behalf. If desired, we also provide set up and configuration services for Polycom phones. For customers requiring advanced call routing or contact center applications, we deliver our own Skype for Business certified contact center applications, which are natively integrated with Skype for Business. We also provide SIP trunks, and manage the number porting process for our partners.

Sample Hosted Skype for Business Margins (100 user company)				
Skype for Business Plan	# of Users	MSRP per Plan	Partner Margin	Extended Margin
E5	10	\$15.50	\$3.10	\$31
E3	80	\$19.50	\$3.80	\$304
E1	10	\$23.00	\$4.60	\$46
Polycom Phones	100	\$5.00	\$1.00	\$100
Contact Center	10	\$50.00	\$10.00	\$100
SIP Trunks	50 trunks	\$800	\$160	\$160
TOTALS	100 users			\$841
Average Monthly Margin per User = \$8.41				

 **AltiGen's Skype for Business Cloud PBX as a fully managed service enables Microsoft partners to drive substantial incremental Office 365 revenues.**

Summary / Getting Started

Hopefully we've accomplished our objective of demonstrating that there is a significant business opportunity with Hosted Skype for Business Cloud PBX for Office 365. Now let's discuss how a partner gets started.

By partnering with AltiGen, we'll assist you in identifying opportunities, participate in the sales cycle, consult on Office 365 and Skype for Business licensing requirements, deploy the solution, train the customers, and provide 24x7 support. Basically, we're here to help our partners with everything required to drive additional revenues and deliver a successful customer experience.

The first, and perhaps most important, item is to identify opportunities within your customer base. Fortunately, a simple set of customer qualification questions will suffice, such as:

- Are you considering moving to a hosted PBX (phone system)?
- Is your PBX on an unsupported operating system or more than 5 years old?
- Can we provide a free analysis to see how much we can save you on communication costs?

Of course, our sales training will provide more details, but the idea is that with AltiGen your people don't need to be communications experts in order to start generating additional revenue from their Office 365 customers. We will conduct a couple of one hour online sessions covering:

Sales Training

- Identifying opportunities in your customer base
- Simple, but effective, marketing campaigns
- Customer ROI Calculator
- Engaging the AltiGen sales team

Technical Training

- Office 365 and Skype for Business licensing requirements
- Skype for Business Cloud Deployment overview
- Deployment and support process overview
- In-house use of the solution

To summarize, our training sessions are designed to familiarize your sales and technical teams with the various aspects of our solution, not to make them experts in the technology.

For more information on our partner program, please give us a call at (888) ALTIGEN or send us an email at sales@altigen.com. We welcome the opportunity to establish a win-win partnership with your company.