About Voipfone

iNet Telecoms® Ltd (Voipfone) is a UK company founded in 2004 to develop innovative Internet Telephone Services using the technologies of VoIP – Voice over Internet Protocols.

We're a fast growing, profitable and multi-award winning company with an interesting business model – we're a fully virtual company, all our employees work remotely using our own products and services. This means that we experience exactly what you, our customers, do and we work hard to get things right.

We believe in providing no nonsense, but sophisticated, services with transparent and honest pricing and a very high level of reliability and support.

We're a technology company and we develop our services ourselves, in-house. This means that we can create new and customised services quickly and do many things that most others can't.

We do not advertise, do not resell and do not have a sales force. We grow by word of mouth and reputation alone.

Because we're innovators in VoIP and are one of the founders of the VoIP industry in the UK, Voipfone has been featured in many media over the years - newspaper and magazine articles and on TV and radio. You can see a selection here.

Voipfone is a founder member of ITSPA – the trade organisation for Internet Telephony in the UK - and hold its quality mark so that you know that your telephone service is safe with us.

Our History

In late 2003, Lee Rose, Voipfone's founder and Technical Director, drew on his previous experience with analogue telephone switchboards and built software that allowed conversations to take place over the internet and was therefore free.

He used a new VoIP technology called SIP (Session Initiation Protocol). It soon became clear to him that there was nothing like this available in the market and that many other small businesses would find it useful.

In 2004, iNet Telecoms Ltd was registered at companies house and Lee started to build the Voipfone brand. Colin Duffy, Voipfone's current CEO had worked on the commercial side of telephony and internet technologies with BT for many years and got involved in early 2005 to help turn Lee's prototype into a business. From that point on it was eight years of hard work by some very talented people to get to where we are today.

Almost everything has been built from original code: the hosted switchboard services and telephony products we sell, the billing platforms and Package BuilderTM (see later) necessary to derive revenue from them, the back office support and Customer Management Systems, the interfaces between our suppliers and security systems, the website and customer control panels that connect customers in real time to our switching platform and the physical infrastructure that makes up the network platform.

To date, this is approaching half a million lines of original code running on equipment in three physically separate Data Centres.

Until 10 or so years ago, it was impossible for a company of our size to originate and receive a standard telephone call on its own network and send one to any telephone in the world. In fact, in many parts of the world, it is still only possible for a government to do it.

There were no equivalent previous products in the market; before VoIP and Voipfone, if a business wanted to make or receive more than one call at a time they needed an extra telephone line. For three calls they needed three lines and so on.

But a single Voipfone telephone number – which costs just £2 per month and is a standard, Ofcom issued UK number from any of the normal UK number ranges - allows virtually unlimited simultaneous calls and can be ordered and working in seconds. It comes with a vast array of features, such as voicemail, voicemail to email, music on hold, call transfer and divert, and so on.

If a business grew it needed to purchase a PBX costing several thousand pounds, normally on a long lease with expensive ISDN circuits, tied into an expensive call package.

If the business needed to move office, out of the telephone exchange area, it lost its numbers as before VoIP it was impossible to move an 01 or 02 number away from the exchange it is physically attached to.

If a business has home workers or branch offices it is impossible to extend the main office PBX out to them.

Unlike VoIP, which is carried over the same network as other computer data, traditional telephony and computer data were carried on separate networks, using different technologies requiring different technicians with different skill and training, causing increased cost and inefficiency. VoIP removes this distinction and cost.

Disaster Recovery, or Business Continuity services, are extremely expensive. VoIP makes them redundant, as, in the event of a disaster, new phones can be delivered next day to any location, plugged in and they carry on as before.

With Voipfone, customers can have telephone numbers for £2 and add a telephone extension anytime for £1 per month. They can add as many as they like, whenever they like and can cancel them without penalty – so their telephony service can grow as they grow.

The extensions from the PBX can be used anywhere there is an Internet connection; they do not need to be at the same physical location, but they will work exactly as if they are. Calls between all extension and all Voipfone customers are free, no matter where in the world they are physically located.

The Voipfone Virtual PBX (we did 'Cloud Services' several years before the term was invented) provides all the features and functions of a major corporate PBX - and more - but at a tiny fraction of the cost, which makes it available to even the smallest company

The First Years

Creating a prototype for individual use was relatively easy; turning it into a scalable, billable, business class product with a sustainable business model behind it was not.

Having built a basic network we were immediately taking payments – most of which turned out a few weeks later to be credit card fraud. The fraud very nearly sank the company as it simultaneously drained our funds and created a new software development priority – security and anti-fraud systems. User account and network security became, and is still, a vital part of our development effort.

With no cash available, Lee and Colin worked without payment for several years; Their first pay cheque was £50. Lee's wife, who now runs all the office systems and services for the company also worked for free. Voipfone's first employee was an unemployed teenager who thought that what we were doing was 'very cool'. He worked as a customer support agent without payment for fun for several months but subsequently became one of our top VoIP technicians.

We hit our second major hurdle when we passed 500 simultaneous connections and found that the voice platform began failing under peak load. We solved the problem temporarily by using more powerful hardware but the real solution was in a total redesign and rebuild of our load balancer and registration servers. This fundamental redesign ultimately took over two years of development effort.

Luckily our early customers were mostly technical people themselves, they understood the problems and what we were doing to solve them – they also already had the benefit of VOIP and would not go back to their old systems.

At the time our products were revolutionary and were often confusing to new users. We needed to move beyond providing clever telephony to technically minded individuals to providing plug and play products to ordinary small business people. So our next phase was in customer support systems and ease of use development.

The Future

As we have no physical offices, a major part of our development and management innovation has been in providing systems and procedures to allow a company employing 25 people to work together, securely and efficiently, over distance.

To achieve this we began a cycle of development which starts with own use and is then rolled out for customers; the tools that were needed by ourselves are also needed by our customers. So, as a small example, we developed a screen pop application that automatically throws a customer's information onto our screens when it sees the incoming caller ID for our own use, then simply added it as a free feature of our service for our customers.

We are currently developing smart phone and mobile applications and we have features that intelligently block cold callers, and so on.

There are regulatory requirements for telephone companies; two of the most onerous being the provision of a 999 emergency service and a provably reliable network to back it up.

However, almost all UK VoIP providers have a network that is a single point of failure. A fire, flood, bomb or even power outages would leave their customers without service.
We have therefore cloned our entire platform by building two geographically separate networks connected by four distributed points of presence. In normal use the two platforms operate as a load balanced, single network. However, during a disaster, the surviving platform takes up the full load.

This is expensive, very difficult to build and maintain and provides no benefits other than full disaster failover, which totally secures our customers' services. As far as we know, no other provider is able to do this.

We now have a fully scalable, ultra reliable network. A fully featured, virtual PBX with many unique supporting products and services and a purchasing system that allows customers to build their own services to match exactly what they need.

There are now about 100 companies in the UK offering various flavours of VoIP services. Most re-sell hosted services from larger companies who have invested in proprietary Softswitches.

The hosted PBX, which is central to Voipfone's service, is becoming a more common offering but most target the SME or corporate sectors as very few are able to sell profitably to the micro businesses.

Our innovations – and differentiators - are our ability to provide reliable, advanced telephone services to tiny businesses – profitably. We are able to do this because of our very low operating cost structure and by building a network platform that can scale to hundreds of thousands of users simply, reliably and cost effectively.

Core to our product differentiation is the Package Builder™. This is a unique and complex piece of home grown technology that allows customers to build their own service to fit their needs exactly. All of our competitors sell a fixed bundle of services for a fixed price, which is easy to bill but means that, almost without exception, customers will be paying for services that they won't use.

The Package Builder integrates with our Self Service Virtual PBX so that customers can add and subtract features at will and pay only for what they need. This is a major benefit to a micro business which may only need a single number (£2) but 2 extensions (£1 each) and may need to add a Call Queue (£2) later. He may also need an IVR - Press 1 for accounts, 2 for sales etc (£2). And so on.

This allows new customers – often start-up businesses - to experiment without commitment, provides a migration path to a professional managed service and allows customers to grow or downsize without penalty, inconvenience or cost.

An initial concern we had was marketing; we had no funds for it and telephony is a supersaturated market. But it may be that marketing is our greatest innovation - as we do none. We found that we could grow by just being very good at what we do.

We have never advertised and do not have a sales team. We grow by recommendation and Lee's SEO skills. [SEO - Search Engine Optimisation - is a way of designing a web site so that Google reads it to best advantage.]

Despite increases to input costs (mostly salaries and related overheads), Data Centre charges (mostly power related), fraud (international credit card fraud and the security developments to counter it) and regulatory compliance costs (999 and related risk assessment and subsequent network investments), we have kept the prices of our monthly services the same as they where in 2004.

In 2004, for example, a telephone number was priced at £1.99 and is now £2, a telephone extension was £0.99 and is now £1. (We changed from .99 'psychological' pricing because we thought it was dishonest and didn't reflect our values of being a

straightforward and no nonsense service.) Calls to UK landlines have been 1p per minute for as long as anyone here can remember.

Telephone calls delivered to international landlines and all mobile phones have been falling in price - we reduced the cost to call UK mobiles from 12ppm to 10ppm (17%) this year.

Last year we reduced our prices for calling European mobiles by 50%; the cost of calling most European mobiles is now the same as calling a UK mobile (10ppm) All calls to other Voipfone customers or extensions are totally free and we give all new customers 5 free minutes of calls so that they can test our call quality before committing any further with us.

The telephone industry is notorious for deliberately obfuscating its prices and using rather underhand tricks to disguise its charges.

We have a policy of honest, transparent pricing. A UK landline call costs 1ppm, a UK and European mobile call is10ppm and calls to most Western country landlines cost 1.5ppm. We charge by the second, with a minimum charge of 1p. Packages of calls can be bought at large discounts. We believe that this is clear and fair.

We've had a lot of success so far and the Queen's Award is obviously a huge milestone for us, but we know that we have a lot more to do. It's great to get the recognition for what we've achieved so far but really, we've only just started, there are another 4 million small businesses and charities that need our services!