

HOW TO BUILD A PROFITABLE

CLOUD-BASED TELECOM BUSINESS

An Educational Resource to Help You Participate in the Growing Market for Internet Telephony

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Introduction

Whether you are a seasoned telecom professional or new to the industry, this paper will provide ideas that help you to build a profitable telecom business.

With Voice over Internet Protocol (VoIP) you can offer your customers cost effective rates, helping you to win customers away from larger, more expensive phone companies. Many large telecom providers around the world are slow to react to technological change and are still using outdated equipment, charging much higher rates to cover their costs. With VoIP, you will have a more flexible, cost-effective technology advantage.

VoIP has truly opened up the telecom marketplace so that even small companies can compete and win.

"With Telinta hosted softswitch solutions, you can access cutting-edge switching and billing "through the cloud" without purchasing any special hardware or software."

The timing has never been better to start a telecom business; here are a few examples of trends that work in your favor:

International Calling is Growing

International traffic (both personal and professional) grows each year as both families and businesses need to communicate across borders. Fueled by competition and cost-effective VoIP technologies, the demand for international calling grows even higher as calling has become more affordable.

Popularity of Portable Devices

Smartphones and tablets allow customers to make calls in a variety of ways. They also facilitate innovative calling solutions based on wifi, 3G/4G, SMS and other technologies that create opportunities for innovative VoIP services. We'll discuss these later.

Unprecedented Bandwidth Speeds

With broadband becoming more popular and more affordable, many homes and offices already have the connectivity they need to enjoy high-quality VoIP calling.

The Power of "The Cloud"

Hosted "cloud-based" technology means that even start-up companies can offer a full portfolio of telecom services without owning their own infrastructure. With Telinta's hosted softswitch solutions, you can access cutting-edge switching and billing technology, without purchasing any special hardware or software.

Telinta can help you take advantage of all these technology trends and more. Starting your own profitable telecom business is easily within your grasp.

Attractive Telecom Services You Can Offer

There are many different telecom services that are attractive for the marketplace, and easy for you to offer with the right technology partners.

One key benefit of using Telinta is that we offer a full range of VoIP services, all on the same platform. Having the capability to offer a full range of services will be important to meeting your customer needs, and managing your business growth over time.

Below is a description of several popular VoIP services. Some, such as mobile or Virtual Numbers, may be attractive to both businesses and consumers.



Consumer Services

Calling Card: User buys a card, usually at a local grocery store or online, enters a PIN that provides a

fixed dollar amount of prepaid calling. Telinta offers you comprehensive online tools to help you sell through resellers and distributors to take your business to the next level.

Pinless: This functions similarly to a Calling Card, but as the name suggests it offers the convenience

of allowing the user to place calls without entering a PIN. Instead, Telinta's switch uses the caller's Caller ID to recognize the customer's account for quick, easy prepaid calling.

Residential

Telephony: Tired of the high prices and poor customer service offered by local phone companies?

Rather than cut the cord completely on wired service, many customers move their home phone number to more cost-effective feature-rich VoIP providers powered by Telinta.

Callback: User calls an access number to initiate a session and our switch places an outbound call to

their phone. This is especially popular in countries where inbound mobile calls are free. With Telinta, your customers can also initiate a session via text message, email or online!

Call Shops: Retail shops offer the modern-day version of the Phone Booth, powered by low cost VoIP!

Telinta offers a web-based solution, with no hardware of software to install. You can

easily and securely manage your Call Shop business through your web browser.

Virtual

Numbers: Perfect for both consumers & businesses, our Virtual Number solution can forward calls

wherever your customers want them go, on whatever phone they use.

Mobile: Using a mobile softphone application, your customers can make VoIP calls with their

mobile phones. Telinta can provide you with a mobile softphone application, and our platform can support other standards-compliant softphones if you prefer. TeliSIM $^{\text{TM}}$ is another innovative mobile solution that enables you to offer highly profitable MVNO

services (voice, data and SMS) to travelers via any unlocked GSM mobile phone.

Business Services

Hosted PBX: Businesses worldwide are combining their voice

traffic with their lower-cost data traffic. You can offer a full range of attractive business calling features, also with attractive savings. Telinta also offers a unique solution for easily provisioning many popular models of IP Phones.

SIP Trunking: Many businesses still own outdated PBX

equipment, however you can still offer them the savings of VoIP without them replacing their existing PBX. SIP Trunking from Telinta enables you to replace outdated voice lines provided by local telcos with a streamlined, all-IP solution.



Call Centers: You can help businesses to quickly set up scalable, cost-effective VoIP Call Centers. With

Telinta, your customers can run both on-premise Call Centers or virtual Call Centers.

Agents can log in from anywhere in the world with just an IP phone and a web browser!

Audio

Conferencing: Conferencing services are popular as businesses strive to cut travel costs, while

increasing collaboration among team members. With Telinta, you can offer a Conferencing service that gives your customers the features and control they need.

Click-to-Call: Telinta's *TeliClick™* solution lets you offer click-to-call service to website visitors,

allowing them to initiate calls by clicking an online icon. With TeliClick, they can contact

your sales or service reps without even leaving your website!

Wholesale

Termination: The VoIP marketplace is rich with opportunity to buy and sell minutes of traffic from

providers around the world. Like any wholesale business, you can buy in bulk and sell at

a profit. Telinta offers a highly stable carrier-grade solution for VoIP Wholesale.

What do these diverse business and consumer telecom services all have in common? They all rely on state of the art switching and billing capabilities. With Telinta, you can offer all these services and more from a single hosted softswitch platform.











What is a Softswitch?

The device that routes phone calls from one place to another is called a "switch."

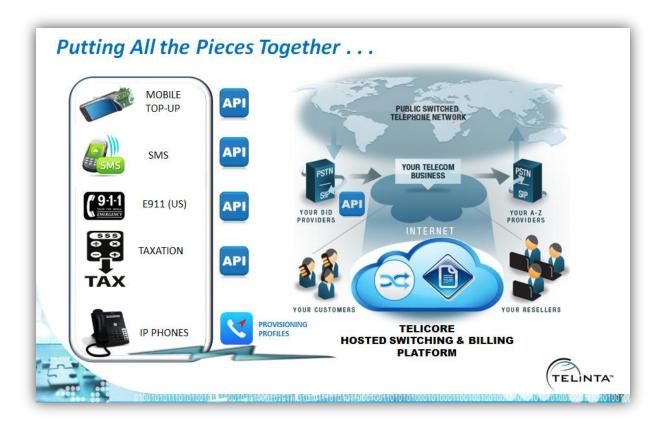
Recent changes in telecommunication regulations, along with technological advances in Internet Protocol led to the development of a new type of switch using general purpose servers and VoIP technology, called a "softswitch." This new technology became available not only to large telecom providers, but also to smaller companies or even individuals. Today, it is easier than ever to offer telecom services to businesses, resellers and consumers.

A softswitch is the heart of any VoIP telecom business. While less complex than traditional switches, a softswitch still requires an array of servers collocated in a datacenter, linked to data storage and connected to the world via high-speed data connections.

A softswitch provides the intelligence that routes calls from their point of origination to their destination, based on the special configurations that the telecom service provider sets up in order to manage their business. A softswitch integrates two very important parts of how your calls are routed, known as Origination and Termination, which will be discussed later.

Telinta provides you with a hosted softswitch platform that becomes your primary technology tool in building and running a successful telecom business. We provide you with the framework to:

- Offer feature-rich voice services
- Attract and retain customers with substantial savings and flexible offers
- Manage your vendors for Origination and Termination to balance both cost and quality
- Easily access your accounts with providers of other services (ie, mobile top-up, SMS, etc.)
- Grow your business through other entrepreneurs who resell your services



What is a "Cloud-based" Hosted Platform?



Many technologies today are moving away from the more rigid methodologies of the past, towards more advanced "Cloud-based" ways of delivering services. Simply put, using a Cloud-based solution means that you are accessing someone else's technology platform through a network connection. (In engineering, solution piece-parts such as a database or a router are each represented in technical diagrams by a unique symbol. The symbol traditionally used to portray a network in these diagrams is a cloud, and thus phrases like "through the Cloud" evolved over time.

TeliCoreTM is Telinta's Cloud-based platform and is robust Class 4 and Class 5 softswitch. TeliCore is hosted in one of the industry's most prestigious datacenters located in the New York area. We own and operate one of the largest hosted softswitch platforms of its type anywhere in the world. TeliCore is deployed using Telinta's own proprietary network architecture, specially designed to deliver highly reliable VoIP services to customers around the world. Complete with redundant Internet connectivity from multiple Tier1 industry-leading carriers, truly redundant electrical power and TeliCore's unique configuration of servers, storage and other technology is second to none.

We've done all this, so that you won't have to...

Since 2002, Telinta has helped VoIP service providers build successful, profitable businesses. With Telinta's hosted softswitch platform, you have access to industry leading hardware and software, without purchasing your own infrastructure. Nothing to install, nothing to operate! You and your resellers can manage many important aspects of your telecom business with our easy-to-use web-based portals via your web browser anywhere in the world.

Our web-based "Administrative Portal" acts as your online Command Center where you can set up and control key functions like:

- How your calls are routed
- What vendors will carry your traffic
- How you manage your customer accounts
- Setting the prices that you will charge your customers (also called tariffs)
- All billing features, like monthly or per-minute charges, discount plans and more
- Reports and analysis tools that keep you informed on how your business performs

Benefits of a Hosted Solution

TeliCore brings you the benefits of having an industry leading softswitch, billing and customer management platform without the complexities associated with owning and operating your own infrastructure.

No capital investment

Telinta offers you the benefits of a hosted softswitch platform, without having to invest in your own infrastructure. Many companies feel that avoiding capital investment has many advantages and this often means faster profitability.



Rapid market entry

When you become a Telinta customer, we create a special "partition" on TeliCore that is yours and yours alone. Your partition can be fully functional in as little as three days! Our solutions are scalable and flexible, so you can quickly introduce new services when you need.

Predictable operating expenses

Your company will have predictable costs which you can easily calculate for each minute of traffic, making it easy to plan your monthly operating budget. One key benefit of working with Telinta is that our success is based on your success. When you grow, we grow with you.

Around-the-clock access to experienced technical staff

We not only provide you with a cutting-edge platform, but our 24 x 7 x 365 Live Technical Support can answer your questions. Our highly-trained team of Support Engineers has unparalleled expertise in helping you with technical issues regarding our hosted VoIP softswitch and billing platform. Telinta is available around the clock to help you!

Bring your own termination / origination providers

TeliCore enables you to use any provider you need for VoIP Termination, Origination and other key services. Our flexible routing lets you use as many providers as you wish. This gives you the benefits of selecting as many providers as you need to balance both cost and quality for any and all calling destinations you want to serve. (We'll discuss this further in the next section.)

Growth by adding new services to your portfolio

The previous section listed the various types of services that you can offer. Many new telecom providers start by focusing on one or two services to offer, and then grow into a fuller portfolio over time. As you build relationships with your customers, they may look to you as a source for additional services. For example, if you sell hosted PBX service to businesses, those same customers may also be interested in other enterprise services like Audio Conferencing, Call Centers or Click-to-Call as tools to help their company. The opportunity for growth over time with VoIP is enormous!

Top 10 Things to Look for in a Hosted Solution Provider

A hosted solution is a vital component in launching and running your telecom business. Here's a list of things you should keep in mind when selecting your provider.



1. Stable Company

How long has your provider been in business? Do they have a proven track record of success over the long term? Telinta has been in business since 2002 and we are a leader in the marketplace.



2. Stable Platform

Is your provider's platform stable enough to help you avoid downtime and performance issues? Do they run daily offsite backups of your vital data? Our TeliCore platform is the largest, most robust hosted platform of its type anywhere in the world.



3. Training and Support

When starting a new business, getting the Training and Support you need is vital. Telinta offers comprehensive hands-on Training to get you started, plus 24x7x365 live Technical Support whenever you need.



4. Wide Range of Solutions

Does your provider offer a broad range of solutions, so that your business can offer the services your customers need? Telinta offers you a full portfolio of solutions to help you attract customers and to expand over time.



5. Customizable Solutions

Can your provider custom develop a solution to meet your unique needs? Do their portals and IVR enable you to do business in the languages and currencies you need? Telinta provides highly customizable solutions to help you succeed.



6. Bring your own Termination and Origination

Some providers force you to use the services that they offer, usually at inflated rates in the guise of "one-stop shopping." This limits your choices and raises your costs. Telinta lets you use your own Termination or Origination providers.



7. Reseller Capabilities

Does your provider offer the tools you need to attract and retain resellers? Can resellers perform the functions they need? Telinta offers web portals and other tools to help both you and your resellers grow.



8. White Label Solutions

Does your provider offer "white label" solutions that you and your resellers can offer under your own brand? Does your provider's name show up in domain names or who-is lookups? Telinta offers the white label solutions you need.



9. Volume Discounts

Does your provider offer volume discounts that cut the cost-per-minute as your business grows? Telinta automatically applies the best pricing plan available based on your minute volumes each month.



10.Post-Paid Billing

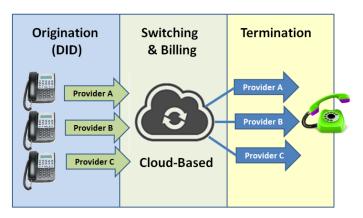
Does your provider make you pay up front? Do they understand the cash-flow constraints that many new businesses may experience? With Telinta, the usage you incur this month appears on your next month's invoice.

What Do You Need to Start a Telecom Business?

This section discusses some of the key components of a VoIP business. As a Telinta customer, you may qualify for special promotions from our partners who provide many of the services you will need.

Origination

Some telecom services require an access number that user dial in order to initiate a call. For example, to use a Calling Card your customers will dial a phone number where they are greeted by an announcement (in any language you need) and prompted to enter their Calling Card number. That phone number is known as Direct Inward Dialing (DID) service. DIDs are also needed by customers as their home or business phone number, making them callable from via the PSTN. One of the advantages of VoIP is that your customers can call "user-to-user" without the need for a DID, making that call more economical.



Termination

Termination is provided by many carriers around the world who carry your VoIP traffic to its final destination via the PSTN. For more ubiquitous coverage, some providers offer "A to Z" Termination to destinations like Afghanistan and Zimbabwe -- and almost everywhere in between! A to Z offers nearly worldwide coverage, and prices vary greatly.

Switching

This is where Telinta comes in. Switching provides the intelligence to direct calls from one place to another. A key part of this is the various routing options you can select, which we will cover later.

Billing

While delivering service to your customers is important, being able to bill for it is equally as important. Telinta's switching capabilities are integrated with its billing capabilities into a single, seamless platform. Billing calculations are done in real-time, so that you can provide both prepaid and post-paid services. The combination of world-class switching and real-time billing, totally integrated into a single platform, is something that sets Telinta a cut above the rest.

Customer Management

Your customers will need a certain level of attention as they sign up for services, make payments and other functions. Telinta offers you the ability to easily manage these key functions. We also offer innovative self-care portals where, at your option, you can allow customers to perform certain tasks themselves, helping streamline your workload and costs, while increasing customer satisfaction. Your customers will be able to see and download invoices, make online payments, browse call detail records and more.

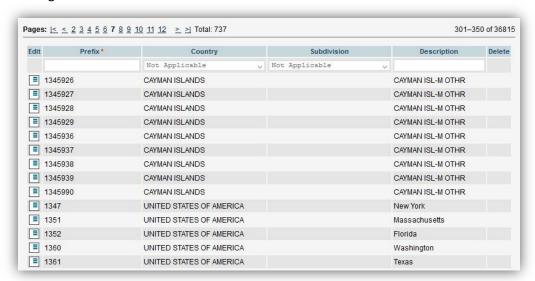
Other services that complement your business

Some telecom providers use additional services as part of their business, such as SMS messages to send customer alerts, or Mobile Top-Up that enables your customers to make payments on the mobile accounts of loved ones living other countries. There are a wide variety of services that you may use to compliment your business. Telinta's platform is already equipped with Application Programming Interfaces (APIs) that let you access a variety of leading service providers. TeliCore is also flexible enough that we may be able to add new capabilities at your request. This level of flexibility and customization makes Telinta unique.

Key Business Functions You'll Need to Manage

Routing

With Telinta, you can use any (and as many) Termination providers as you'd like. But remember, the provider who has the best prices for calls to Brazil might not have the best prices for calls to Egypt. And those prices may vary depending whether the call is placed to a fixed line versus a mobile line. They may vary even further based on which of several competing providers serves the specific fixed or mobile line being called. Telinta can help you use these variations to your advantage, increasing your profits through your routing choices.



Price is only one factor, since call quality and downtime are other key things you need to consider when selecting your Termination providers. To help you find the right mix that meets your business goals, Telinta offers flexible routing that lets you both price and quality in balance.

Least Cost Routing (LCR) is an option which lets you use multiple Termination providers. TeliCore performs a lightning-fast comparison of the rates charged by each provider for each specific destination. You can also configure your routing to fail over from one provider to another in case one fails to deliver a call. You can even set your routing to guarantee that each and every call is profitable. Since TeliCore is the central place where many aspects of your business converge, our platform can easily calculate the difference between the price you charge in your customer tariffs, and the rates you pay to your Termination providers, and then compare your price versus your cost before the call goes through. With Guaranteed Profit Routing, you have the option to block unprofitable calls to help prevent losses.

Routing is truly an art, and Telinta can explain your options and help you learn to configure your routing to best meet your needs. Routing is part of the training we provide you when you sign up with us.

Rating

Telinta can help you with extremely flexible rating methods to rate your customer's calls in any billing increments you prefer to maximize your profits. You can price your calls anyway you choose, bill by the minute or by the month, offer volume discounts, special promotions and more.

Reporting

Any savvy business person knows that the key to success is keeping close tabs on the key metrics of your business. Telinta offers comprehensive reporting that you can schedule as needed, or pull on-demand. Our CallMonTM real-time analysis tool lets you see how your business is doing -- right now. Real-time data is also crucial for detecting and analyzing performance problems, before they impact your business.

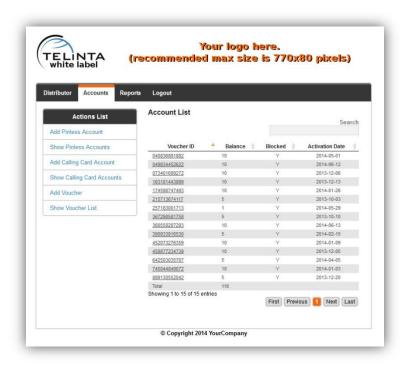
The Importance of Real-Time Billing

As described earlier, some services (such as Calling Card or Pinless) are prepaid. The customer purchases an allotment of calling in advance, for example five dollars, five euros or virtually any currency you need. By calculating their exact balance as their call is in progress, TeliCore knows when their payment has been used up. Without Telinta's real-time billing, prepaid services would not be possible.

Resellers

Having resellers can be a valuable part of a successful telecom business. As they grow, your business grows with them. Whether selling to consumers or enterprises, resellers provide you with more opportunities than any one telecom business could gather on its own. Recognizing this, Telinta offers a wide range of tools to help you attract and support resellers.

All of our solutions are white label, meaning they can be branded any way you need. Your customers and resellers will not see the Telinta brand in our solutions. We provide you with reseller web portals that you can brand any way you need. We provide you with everything you need to run reseller reports, calculate commissions and more.



In telecom, many of your costs are volume based. This means that resellers not only increase your revenue, but their added volume of minutes may help you qualify for deeper discounts as your total volume grows. Each time you add a new customer or a new reseller, you move closer to passing the threshold where you earn lower prices from your suppliers. When that happens, your average cost per minute for all your customers will drop, increasing your profitability.

Custom Development

You may find that your business requires something unique. Once you have defined your needs, and carefully documented your requirements, Telinta can custom develop a solution for your business. Of course, we will be there to help you, every step of the way.

Training and Support

Getting started with any new business can be a challenge, perhaps even more so when technology is involved. That's why Telinta offers comprehensive leader-led training. After you become a Telinta customer, we'll schedule a series of training sessions via conference bridge and desktop sharing with one of our senior engineers. We'll walk you through key functions on our platform that you'll need to know. At the end of this hands-on training, you'll be making configurations yourself, with us there to guide you.

Afterwards, we offer 24 x 7 x 365 Live Technical Support to answer your questions around the clock. We can even customize a solution especially for you, based on your unique needs.

Summary

You've learned that Telinta's hosted TeliCore platform can be a cost-effective alternative to purchasing, deploying and maintaining costly telecom hardware and software. With Telinta, you can use the power of the Cloud for a turn-key solution that lets you offer a full portfolio of white label services to businesses or consumers anywhere in the world.

You'd have predictable monthly expenses, which can help you plan ahead and manage your budget. Telinta's volume-based pricing plans start at only \$400 per month, with discounts that grow as your business grows.

Our platform is highly flexible and customizable, letting you provide services in a variety of languages and multiple currencies. We offer web portals to help you serve resellers, distributors and end users.

You've learned about how the key components of a VoIP call all mesh together to send a call from one place to another. Telinta's hosted softswitch platform becomes the central Command Center that helps you integrate all the piece-parts you need into a seamless and successful telecom business!

Our comprehensive training gets you started, and our 24x7x365 Live Technical Support is ready to help, whenever you need. We can even customize a solution especially for you, based on your unique needs.

For further information

Now it's time to take the next step to learn more. We'd be happy to answer your questions, provide you with additional material, and show you a demo of our hosted solutions.

Contact us at: info@telinta.com

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Spanish

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About Telinta

Founded in 2002, Telinta, Inc. offers secure and reliable cloud-based Switching and Billing solutions for VoIP service providers around the globe. Telinta's full portfolio of white label solutions is highly customizable for VoIP service providers and their resellers.



Telinta's carrier-grade solutions include Calling Card, Pinless, Callback, hosted PBX, Call Centers, audio-conferencing, Business and Residential VoIP, Wholesale VoIP and other services.

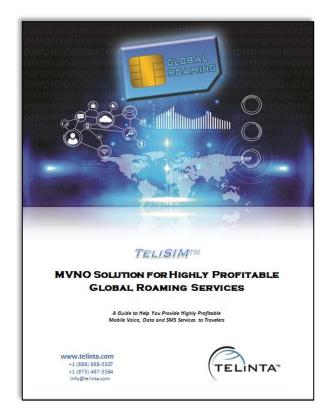
TeliCoreTM is Telinta's carrier-grade Class 4 and Class 5 softswitch platform, integrating Telinta's cutting-edge VoIP solutions with world-class Switching and Billing capabilities from PortaSwitch. TeliCore is specially designed to enable telecom service providers around the world to easily integrate the many pieces needed to build a successful VoIP business.

Please visit us at <u>www.telinta.com</u> for more information.

Another White Paper from Telinta

Whether your telecom business is just starting out, or is already established, Telinta's thought-provoking White Papers can help your business grow by bringing you new insights.

Please visit our webpage to download other white papers from Telinta.



TeliSIMTM

MVNO Solution for Highly Profitable Global Roaming Services

This paper explains how you can participate in the fast-growing MVNO marketplace, offering Global Roaming for travelers. TeliSIM is a highly profitable SIM Card solution which replaces high-cost mobile termination with cost-effective VoIP.

Contact us to receive a free copy of this White Paper.