

Boost Your Broadband Wireless Revenue

This systems integrator's projected 33% sales revenue growth over the next two years will come from selling wireless networking solutions to utility companies.

Business Solutions, August 2007

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The last time you used a restroom, you probably never realized you used services from as many as four utility companies. Electric was used to light up the room, water was used to wash your hands, natural gas was used to heat the water, and sewage treatment enabled you to flush the toilet. Most of these utilities are used on a regular basis with few interruptions, thanks to systems integrators like Systems Integrated, Inc. (SI). SI is a company that

specializes in providing turnkey industrial control systems that enable utilities to remotely monitor and control pumping stations, treatment plants, electrical substations, and other equipment, plus manage their IT infrastructures and respond immediately if there is a problem.

For the majority of its existence, SI has designed and provided network infrastructures that transport mission-critical data (e.g. the flow rate of a water pump) for its utilities customers. Within the past few years, however, the systems integrator has discovered how broadband wireless networking solutions can provide additional benefits to its customers. In fact, SI predicts that selling broadband wireless solutions (e.g. video surveillance, VoIP [voice over Internet Protocol]) to its existing customer base will result in \$2 million in sales revenue growth by the end of 2008.

Educate Utilities About The Benefits Of Broadband Wireless

According to the U.S. Census Bureau's Statistical Abstract of the United States: 2007, there are 18,594 utilities establishments in the United States. SI's own research reveals that fewer than 5% of these companies currently are taking advantage of broadband wireless networks. And, SI knows that this technology is going to play a key role in helping utilities address security and communications challenges, which have become top concerns since Sept. 11. "Utilities such as electric and water companies are potential terrorist targets," says John Holbrook, director at SI. "These companies can protect themselves by implementing broadband wireless networks that enable secure IP video surveillance and data and VoIP communications." (To better understand how SI is selling VoIP as a more reliable and less costly alternative to cellular communications, check out the sidebar, "Sell The Benefits Of VoIP,")

Besides meeting utilities' security needs, broadband wireless networks provide additional benefits. One of these is that customers can own their communications networks instead of leasing networks from telecom providers and wireless carriers. (This is also a major reason for universities and municipalities to adopt broadband wireless.) According to Holbrook, the customer's payback on a wireless network is typically 12 to 18 months.

Another benefit is that field workers are able to visit remote facilities, connect to their corporate WANs (via a Wi-Fi or Ethernet connection), and have the same access to company data as if they were at headquarters. Having broadband access to data means field technicians no longer need to store several gigabytes of sensitive data on their laptops. "We also have some customers that decided to outfit their field technicians with consumer-grade laptops, which are replaced yearly, rather than investing in rugged laptops, which cost up to four times as much money," says Holbrook.

Prepare For Wireless Security Objections, Long Sales Cycles

Despite all the benefits of broadband wireless networks, SI has run into a lot of resistance when selling this technology over the past few years. Thanks to many consumers and uneducated businesses that make headlines with their unsecured Wi-Fi networks, the word 'wireless' has become synonymous with 'vulnerability.' SI has made headway overcoming this objection by educating two kinds of utility companies decision makers: IT directors and general managers. "We show IT directors that enterprise-grade wireless networks can be set up with AES [advanced encryption standard] protection as well as VLANs [virtual LANs] and additional security protection that prevents 'wireless snooping' and 'man-in-the middle' attacks," says Holbrook. General managers are more interested in understanding how a wireless network will benefit their field technicians, who are often responsible for overseeing dozens of utilities' sites. Using customer references and hands-on demonstrations, SI shows managers how wireless solutions give field technicians much more flexibility. For instance, a technician could be dispatched to a water well that's malfunctioning. Upon arrival, the technician may need assistance from a senior technician who is deployed elsewhere. After connecting to the company's WAN, the technician can use presence software to see whether the senior technician is at his desk prior to making the call. If not, the technician can use find-me, follow-me software (an application that can be configured to dial multiple communication devices such as office phone, cell phone, pager, and home phone before terminating the call) to quickly track down the senior technician.

Long sales cycles are another challenge SI faces. "The sales cycle for an average install, which is between \$2 million and \$5 million, is 12 to 18 months," says Holbrook. "First, the customer

contracts with a consulting firm to evaluate the customer's business needs and develop a business plan. Then, the customer submits an RFP, which can take several months to review and respond to."

SI has learned that not every RFP is worth bidding on. If the integrator doesn't believe it has at least a 33% chance of success, it lets the company and/or the consultant know that it won't be competing. "If the RFP is primarily a request for hardware, we'll most likely pass on it," says Holbrook. "However, if the customer is looking for an integrator to plan, build, and implement a network infrastructure, which requires technical integration skills, that's where we're strongest. Ideally, we look for opportunities that can bring in more than 50% professional and managed services as part of the cost."

To maintain steady cash flow, SI designates a full-time employee to find RFPs by purchasing commercial database lists and monitoring utilities' Web sites. "We bid on four RFPs per month on average," says Holbrook. "Of that number, we win about half."

One other way SI ensures steady cash flow is by closing wireless network leads from its wireless broadband vendor partner, Proxim Wireless, which has helped the integrator pick up work in the education and municipality markets. Even though installing a \$15,000 wireless networking bridge helps SI's bottom line, the integrator still sees multimillion-dollar implementations with utility companies as being its primary revenue source – both for network infrastructure and wireless network infrastructure sales revenue. With several dozen existing customers' network infrastructures reaching the end of their 8- to 10-year life cycles within the next couple of years, SI is confident network refreshes will lead to broadband wireless upsell opportunities, which will translate to a 33% increase in sales revenue by the end of 2008.

Sell The Benefits Of VoIP

Networking integrator Systems Integrated, Inc. (SI) is projecting the majority of its sales revenue growth in the next couple of years by upgrading its existing utilities customers' networks with last-mile broadband wireless networks. Having broadband connectivity at remote locations such as electrical substations or commercial water plants enables SI's customers to take advantage of complementary technologies such as video surveillance and VoIP (voice over Internet Protocol). Some businesses look at VoIP as merely a way to cut down (or even eliminate) the cost of long-distance phone calls. But, for SI's customers, who would need phone service at remote facilities that are unoccupied most of the time, emergency services

improvements also are a major driving force. "Each field tech would have a Wi-Fi phone, which would connect to a VoIP phone system when the Wi-Fi phone came within several hundred feet of a wireless router mounted at the remote facility," says Larry Pomato, director of engineering at SI. "Unlike cellular networks, which quickly can become overloaded in an emergency situation, the wireless networks still will be available. The wireless networks are protected further with battery and generator backups."

Following SI's evaluation of several VoIP solutions, it chose the ADTRAN NetVanta 7000 Series as its first choice. The NetVanta 7100 phone system, for instance, includes an IP PBX (private branch exchange), SIP (session initiation protocol) gateway, firewall, VPN (virtual private network), router, and PoE (power over Ethernet) switch in one chassis, which costs about half as much as buying each feature/function individually. By the end of 2008, SI expects ADTRAN VoIP sales to account for 15% of its annual sales revenue.

Should You Rely On Only One Wireless Vendor?

It's not uncommon for VARs to use IT hardware and software from multiple vendors. This often is the case with wireless technology. Systems Integrated, Inc. (SI) sells networking infrastructure hardware and software as well as mobile computers primarily to the utilities market. It takes a multivendor approach to many of the technologies it sells, but when it comes to wireless technology, the integrator is building its business solely on Proxim Wireless. SI began selling broadband wireless technology nearly five years ago, according to Susan Corrales-Diaz, president and CEO of SI. The integrator was referred to Proxim Wireless by another vendor partner, and it was impressed by several findings.

"Our broadband wireless solutions need to be rugged enough to withstand a winter in Maine or a summer in Death Valley [located in southeastern California]," says Corrales-Diaz. "Proxim Wireless products are rugged out of the box." Additionally, using a combination of 2.4 GHz and 5 GHz band radios, Proxim transceivers are able to achieve near-line-of-sight connectivity and bandwidth up to 54 Mbps (megabits per second) over a distance of several miles. (SI has implementations that span 10 miles from point to point.) What's more, the wireless signal is protected by AES (advanced encryption standard) and WORP (wireless outdoor router protocol), which renders Proxim APs (access points) unspoofable by wireless detection software (e.g. NetStumbler).

In addition to its satisfaction with Proxim Wireless' products, SI is a loyal reseller for other reasons. "It made a long-term investment in our business by providing our sales reps, engineers, and technicians with free training," recalls Corrales-Diaz. "Its technical trainer spent a week at our facility conducting all-day classroom and hands-on training sessions with groups of three to five of our engineers."

Unlike Wi-Fi deployments, outdoor wireless installs require more sophisticated planning and design. For instance, a VAR needs to use software from companies such as Pathloss, which incorporates geography and topology data as well as GPS (global positioning system) coordinates. Additionally, sometimes weather balloons are needed to establish a line of sight across several miles and to determine the location and height needed for a wireless tower.

Proxim Wireless also provides SI with sales leads, which presently account for as much as 90% of the integrator's wireless sales revenue. The integrator has picked up new customers in markets such as education and municipalities.

A final contributing factor to SI's loyalty to Proxim Wireless is the vendor's responsiveness to feedback on product design and customer service. "Proxim Wireless added inside technical sales specialists to assist us in the specification of equipment and in developing customer solutions," says Corrales-Diaz. "It has added a sales group that pursues larger, RFP-based leads, which gives us more opportunities with larger, turnkey projects that involve professional and managed services as opposed to selling only hardware."