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TalkSwitch goes the distance to satisfy

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Byline: Jeff Buckstein
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Jan Scheeren is just as passionate today about the need to provide state-of-the-art high-tech telephone systems to the rapidly expanding small business enterprise market in Canada as he was back in 1990 when he co-founded Centrepoint Technologies Inc.

"Small businesses were very badly underserved on the voice side with complicated phone systems that were expensive to buy, maintain and expand," explains Mr. Scheeren, a native Australian who is the company's president and chief executive officer.

Today, he believes, that situation is beginning to change, in part because of the success of Centrepoint, which began using the trade name TalkSwitch in 2005, after its flagship product. The success and staying power of Mr. Scheeren's endeavour -- which over the past 16 years has developed both hardware and software for standard PBX (private branch exchange) telephone systems and, more recently, voice over Internet protocol (VoIP) -- indicates that a key market niche is being served.

Glen Schlyter certainly thinks so. The IT manager at Val-d'Or, Quebec-based Canadian Royalties Inc. is using TalkSwitch at his firm's seasonally operated Raglan South Nickel Project, 1,520 kilometres to the northeast in the remote Nunavik region of Northern Quebec. There, Canadian Royalties utilizes four VoIP trunk lines provided by TalkSwitch to link their base camp and two smaller nickel mining camps about 40 kilometres apart in the frozen tundra, to head office.

The company, with 19 head office employees (including four in Montreal), uses a three-digit dial system that provides "very good voice quality and no noticeable delays" compared to pre-TalkSwitch days, says Mr. Schlyter. Before TalkSwitch, approximately 50 per cent of the calls were dropped. He recalls how, for example, weekly telephone operations meetings between the mining camp and head office often used to last barely 10 minutes into a scheduled 90-minute or two-hour conference call.

TalkSwitch has improved the reliability rate to about 99 per cent, which is especially important in emergency situations, considering the geographic location of the nickel mining operation.

"We have operations in a remote part of the world, with all of its inherent difficulties and risks, so we needed a communications system that would be reliable and dependable, not only for reasons of economy, but also for good administration and safety," Mr. Schlyter emphasizes.

The technology being deployed in northern Quebec comes as a result of a strategic alliance in October 2005 with Ottawa-based RAMTelecom Corporation, a leading satellite provider that recently announced plans for an initial public offering. TalkSwitch has provided the mining company with its TalkSwitch 48-CVA comprehensive VoIP-enabled telephone system, which interfaces with the RAMTelecom satellite feed.

TalkSwitch's technology and easy integration were key factors in the decision to partner, says Gilles Desmarais, vice-president and general manager of RAMTelecom. "We were looking for ease of use and programming, along with PBX functionality that had all the bells and whistles. TalkSwitch was perfect to distribute that telephony into remote camps."

The TalkSwitch telephone system, which launched in 2000, offers advanced call handling, enhanced voicemail capability, nine auto attendants and eight remote extensions. It combines attributes from both the traditional PBX phone system, as well as newer technology utilizing VoIP.

"We took our existing platforms and made adjustments (so) we could add VoIP to it," says TalkSwitch product manager

IMAGES



Pat McGrath, The Ottawa Citizen
TalkSwitch president and CEO Jan Scheeren says his company is serving the small business market well. (FPinfomart: Allowed, Canada.com: Allowed)

Eric Ramsden.

But even though VoIP is the newer form of transport, and one that can save consumers a lot of money by virtue of reducing area access and/or long distance charges -- Canadian Royalties, for instance, reports about a 50-per-cent saving in its expenses -- "it's not yet matured to the point where people are willing to give everything up," Mr. Ramsden says.

There are, he explains, "a lot of elements that are not necessarily under anybody's control. For example, a switch or router or broadband modem could go down. You could have a power failure where elements of your network go down. Or your service provider could go down."

Consequently, many consumers prefer to retain at least some ties with the public switched telephone network -- which, emphasizes Mr. Scheeren, is TalkSwitch's strength.

"A lot of people are coming out with solutions to solve one or other of the problems, whereas we're extremely strong at being able to play it both ways -- bridging both the traditional switched network and voice over Internet, or VoIP, worlds," he says.

In January, TalkSwitch released its TS-600 model premium desktop phone set priced at \$189 U.S., just three months after the release of its TS-200 model (\$149 U.S.). The newer model has a larger display and also features a slightly better quality speaker phone.

The company's TalkSwitch 48-CVA comprehensive VoIP system, which Canadian Royalties is using, was launched in July 2004. Priced at \$1,795 U.S., the CVA system (CVA is an acronym to indicate that the system contains central office lines, VoIP trunk lines, and analog extensions), offers four lines and eight extensions, along with an additional four VoIP trunk lines. Users can also network four systems together to scale up to 16 lines, 16 VoIP trunks, and 32 local extensions.

That's something Canadian Royalties is potentially looking at doing in future.

"A key factor is scalability," says Mr. Schlyter. "If we need additional connectivity, it'll just be a case of adding another unit, so implementation costs would be very reasonable. We wouldn't have to upgrade to a completely new system if we wanted to expand."

TalkSwitch can also be used in more conventional settings, such as smart homes where auto attendants could be programmed to screen out calls from telemarketers. Certain ring patterns can also be utilized to indicate for whom the call is intended; if necessary, the phone can then be programmed to route such calls elsewhere, such as a personal cellphone.

In December, the company announced the official launch of its TalkSwitch product line in Britain and Ireland.

"We've done very well in North America and are still growing well here, but it's now time to pursue other destinations," says Mr. Ramsden.

Last September, the TalkSwitch telephone system was recognized in the 2005 Pulver 100 listing -- the VoIP industry's premier listing of privately held growth companies. More recently, the February online edition of VoIP News named it as one of the five major products considered to be "changing the economics of the small business telephony market the most."

TalkSwitch has more than 60 employees -- about triple its contingent of a year ago, including 18 who are dedicated to in-house research and development. The company became profitable in 2003 and has remained so ever since, save for a brief spell during last year's hiring boom.

But one thing TalkSwitch has never done is rest on its laurels.

Despite the firm's success, there is still much work to be done, emphasizes Mr. Scheeren, who claims that "in North America, a good 6.5 million businesses have 20 employees or fewer. (Moreover), that number is growing and only 18 per cent of those companies currently have a phone system.

"Our intention is to get 20 per cent of that active market," he says.

Illustration:

• Photo: Pat McGrath, The Ottawa Citizen / TalkSwitch president and CEO Jan Scheeren says his company is serving the small business market well.