

NEC SMB Solutions Competitive Comparison Guide (Cisco Channel Partner Use Only)

Solution Overview

DSX-40



DSX-80



SV-8100



DSX-40/80 – Key system unit with 4x8 capacity on base unit, expandable to 8x24 (8x16 up to 16x32 for DSX-80). Integrated 8-party conferencing and Auto Attendant; optional voicemail module supports up to 8 ports / 32 hours. DSX-80 cards can be migrated to the larger DSX-160 system. The DSX-80 chassis also supports incoming T1 interfaces.

SV-8100 – NEC's strategic IP PBX supports up to 40 lines / 80 phones in a standard 19" rack server. Multiple racks can be combined to support up to 512 lines. A half-size 9.5" rack supports up to 16 lines and 32 extensions with reduced feature support. The SV8000 line will eventually replace the DSX-40/80/160 platform as NEC's volume platform in the SMB segment.

Target Applications

- SMBs, either greenfield or as a key system upgrade (SV8100). NEC also targets health, hospitality, and higher education based on vertical applications developed by partners.

Insertion Strategy

- **Customers:** Key targets: Small offices and branches. NEC appeals to cost-sensitive buyers.
- **Channels:** NEC resellers and partners.
- **NEC Product Positioning:** NEC positions itself in as a provider of affordable and scalable solutions featuring technology and design innovations that are easy to use. NEC touts its mature and reliable DSX platform, based on over 10 years of feature software development.

NEC Weaknesses

- Key system technology used in the DSX line is severely outmoded compared to the innovative UC320 from Cisco, resulting in fewer options for call handling and reduced user comfort.
- NEC has a history of false starts in IP telephony. The SV8100 is the company's third attempt, after missing the mark with the NEAX2400 and SV7000 offerings. Already, user reports are surfacing of clunky software design on the SV8100, forcing need for costly and tiresome workarounds.
- Dubious system migration options for DSX customers: most phones that have been sold with DSX systems will not be usable on SV8100.

Product Comparison (NEC solutions vs. Cisco UC300 Series, Model UC320W)

	DSX 40/80	SV-8100	UC320
Maximum IP phones, analog station, and/or analog trunk.	Base configuration supports 3 lines and 8 stations. Extra-cost modules (both line cards and digital extension cards) expand capacity to a maximum of 8 lines/24 stations. License for 4 port upgrade is \$250 (street).	Low-end half-rack system supports up to 16 analog trunks or 2 T1s for 48 incoming voice channels. At the high end the 8100 can support up to 200 analog trunks or PRI/BRI channels, and 512 stations	24 user licenses and 4 FXO lines included in base system, expandable to 12 lines with SPA8800. Max of 9 analog phones when used with SPA8800 IP Telephony Gateway
SIP Trunking Support	Digital system not designed for SIP	Yes (requires optional extra-cost hardware and software)	Included
Phone license included	Yes. However for VoIP, licenses are required for the number of VoIP Gateway ports enabled	Additional licenses are required for both SIP clients and DECT (which uses a SIP channel)	Yes – all 24 user licenses are included
Inbuilt Ethernet Switch and IP Routing support	No	Integrated 10/100/1000 router and 4-port Ethernet switch with PoE and VLAN support	Integrated 10/100/1000 routing; 4-port 10/100/1000 switch. Dual VLAN support
Voicemail to e-mail integration	Voicemail is an extra cost option (\$700 list, \$475 street)	Voicemail included only in full chassis (not integrated in low-end 9.5" chassis which competes with UC320)	Included
Wireless LAN Support	No	No	Yes, 802.11b/g/n wireless access point included with support for two SSID's

NEC Solution Pricing

Base Units

DSX-40 bundle with 8 digital display phones : \$1,500 (\$187/user) street; DSX-40 with 8 digital display phones and voicemail: \$2,000 (\$250/user) street price; Sample 12-user configuration price: \$2800 (\$234/user).

DSX-40 IntraMail Voice Mail module: \$700 list; IntraMail Pro provides voicemail to email feature - \$760 street

DSX-80 bundle with 16 digital display phones and voicemail: \$3,450 (\$203/user) street price

SV8100 32 IP Package with voicemail : \$2575 street; Sample 12-user configuration price \$373/user

End Stations – street pricing

NEC DTL-2E-1	\$84.00
DTL-6DE-1	\$129.90
DTL-12D-1	\$153.90
DTL-24D-1	\$177.70

NEC SMB Solutions Competitive Comparison Guide Cisco Small Business

Competitive Selling Strategies

How to Beat the Competition	<p><u>Set the Agenda:</u> Highlight the advantages of the Cisco UC320 IP PBX over NEC's DSX key system line, notably the wider range of call handling options that will be available to UC320 users. What's more, the low acquisition cost of the DSX is fool's gold as it will be eclipsed over time by the higher ongoing cost for analog trunk lines and conventional voice services, as opposed to the cost-efficient SIP services that are natively supported by Cisco's UC 300 Series. Finally, companies choosing the DSX for voice will face hidden costs for data network deployment in the future, whereas Cisco offers customers investment protection and a foundation for future Unified Communications options. Many future features will be downloadable at no charge, providing another Cisco advantage.</p> <p><u>Challenge NEC:</u> Show how the UC320 introduces a new concept in small-business voice systems with its integrated voice processing, IP data switch, router, and 802.11n wireless access point, and integrated voicemail and auto attendant. This is the one-box solution that will provide small businesses with a reason to upgrade from aging key systems such as the NEC DSX series. Meanwhile, NEC's flagship SV8100 IP PBX is not exactly made for very small businesses, with its complicated system setup and ongoing software and configuration issues that will frustrate small-business owners that adopt it.</p>
Strengths and Positioning	<p><u>NEC's Positioning:</u> NEC is in the midst of evolving its small-business portfolio. The DSX line will eventually be phased out in favor of the strategic SV8000 platform. The DSX can still attract buyers in the small-business segment, however, due to the fact that dealer/resellers can often determine which system a non-technical SMB will buy.</p> <p><u>Key Strengths</u> NEC's installed base of some 100,000 businesses in the US gives it an attractive base to upsell. The SV8100 is a capable offering with integrated data switching and routing and a particularly rich set of mobility options.</p>
NEC's Solution Weaknesses	<p>DSX-40 customers are locked into that system and have few if any upgrade or migration options. NEC cannot claim to have a strong investment protection story with its low-end KSU. And while the majority of small businesses still use the key system technology used in the DSX line, the end of the key system era is near as small IP PBXs such as the innovative UC320 bring new levels of user comfort and feature-richness to the small-business space, even while opening new possibilities such as Unified Communications.</p> <p>In the IP-PBX arena, NEC's image is tarnished from its missteps with the earlier NEAX2400 and SV7100 IP PBXs. While the SV8100 is solid technically, customers may feel like they've heard NEC's IP telephony story before and look elsewhere when they upgrade to an IP PBX. → Cisco resellers should make the most of NEC's troubles in IP-PBX, as Cisco's own reputation is stellar. Link that reputation to the new low-end UC300 Series IP-PBX. Innovative design and packaging and competitive pricing will win the day.</p>
Countering NEC FUD Sales Tactics	<p>NEC's strength in the 4-16 line space will be in accounts that are looking for basic voice communications solution at a knock-down price. These accounts don't care that the DSX platform utilizes old technology. While Cisco is not specifically targeting the price-sensitive technology laggards with UC 320, it can successfully position for a portion of the "basic phone" market by highlighting the design innovation of the UC320 with its compact, all-in-one design and integrated wireless access point. The Cisco brand and strong industrial design disciplines inherent in the UC320 will appeal to certain trend-conscious business owners who want their phone system to match their sense of style.</p> <p>For more tech-savvy accounts, Cisco should begin by hammering on key-system technology as old and outdated, offering the feature-rich and elegant UC320 as a proof point. This should steer their choice away from key systems such as NEC's DSX. Then compare Cisco price/performance, quality and reliability vs. NEC in the IP-PBX arena and the choice should be made.</p> <p>Cost conscious SMB customers will also appreciate that they can reduce their monthly telecommunications spending by leveraging the SIP trunking capability in the UC320, a capability not available with the NEC DSX key system.</p>