

DISRUPTIVE TECHNOLOGY

Free Speech?

Not quite. But small companies do save money with Internet phones.

By Josh Taylor

"Entrepreneurs tend to be pretty early adopters," says Michael Ringel, managing director of Let's Talk Business Network. But that alone, he insists, doesn't explain why he decided last year to switch his 11-employee consulting firm to a system that routes its calls mostly over the Internet. "We weren't getting the functionality we needed from our old system," says Ringel, 36, whose New York City-based firm brings in about \$1.5 million a year running support groups for entrepreneurs.

Ringel, 36, began looking to upgrade his company's phone system more than a year ago. In addition to such basic calling options as conferencing with several employees, he wanted the flexibility to work from home using the same phone number he had at his office desk. Ringel ended up discussing the situation with someone he knew at M5 Networks, a Manhattan-based VOIP provider—the acronym stands for Voice Over Internet Protocol—that also happens to be a member of Let's Talk Business.

Soon after, Ringel decided to make the move to the new technology, which is just getting simple enough for non-techno-junkies to use, and promises to save big money for many small firms. Ringel was pleased that the company didn't have to shell out

thousands of dollars for a new phone system. Instead it leases its 13 VOIP phones for \$20 a month apiece. Overall, its monthly bills, including the lease fees and calls, come to around \$1,100. That's about the same as he previously paid Verizon, but Ringel says the firm gets more bang for its buck, including a superfast T-1 line for voice and data, which would typically cost more than \$500 a month. Ringel and his colleagues also enjoy more flexibility; Ringel even took his VOIP phone along on a recent business trip to Florida and was able to plug into the first cable modem he could find. So far, reports Ringel, "it has been great."

Terri Karatzas is equally enthusiastic about her

company's much more limited experience with Vonage's VOIP system. Karatzas, office administrator for

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Bargain Street, a Tacoma-based retailer of liquidated goods, signed up for a single VOIP line for company co-founder Jim Harrison, who lives part-time on Mexico's Baja peninsula. The savings amounted to \$80 a month. "With the economy the way it is, you watch every penny," says Karatzas, 50. What's also valuable is that employees of the company, which has about \$5 million a year in sales, can talk to Harrison whenever they want and for as long as they want. Pretty soon, he may very well decide never to leave that beachside condo.