ShoreTel

ShoreTel Overview
Communications Made Easy.

Presented to:
Brevard County,
Board of County Commissioners

Nortel System Upgrade – Why NOT to proceed

- **Nortel declared bankruptcy in January of this year**
    - Independent research shows that Nortel ranks dead last among all major phone system vendors in terms of value, technology and system management
    - Future of product line uncertain after acquisition by Avaya is completed
    - Nothing tangible to show for money spent

ShoreTel System – Projected Savings

- Save $1,047,833 per year in operating costs
  - County budget data shows an annual operating cost of $210.93 per line, with 5,241 lines in service.
  - Independent data from Nemertes Research shows ShoreTel has an annual operating cost of $11 per line – a savings of $199.93 per line, per year.
  - Savings come from lower energy costs, reduced administrative costs, lower warranty expenses, lower upgrade costs and improved efficiency
- Save $10,478,331 over a ten year system life

ShoreTel System – Addressing Issues & Concerns

- Some believe that a 'forklift' upgrade is needed
    - A forklift upgrade would be a complete replacement of all telephone systems in the County – this is not necessary.
    - Current and future year's budgets will be constrained, and it is unlikely that a forklift upgrade can be budgeted given the anticipated decline in revenues.
    - ShoreTel equipment will interoperate with your existing Nortel equipment, so it can be upgraded as time and budget permit.
    - Several other Government agencies have used this phased approach to upgrade over time – see our case studies for the City of Oakland, and for Hidalgo County.
    - Many organizations have used this phased approach to save money immediately – and migrate more users over time – see the next slide for details on Nortel/ShoreTel integrations.

Successful Integrations with Nortel

Business	Lines
Portland Water District	250
Palisades Charter High School	200
FT Worth Transportation Authority	175
Community Bank and Trust	170
Latham International	125
Coleman Powermate	120
Superior Access Insurance Services	120
Altru Health Systems	100
CM ALMY	100
Total Transit	100
National Travel Systems	75
Greene, Broillet & Wheeler, LLP.	66
Dehaven Eye Clinic	60
VCFO (Virtual CFO)	50
American Bank of Commerce	44
Remax Premier Realty	30

Business	Lines
City of Oakland	2000
Adrian College	1300
Butler County, Ohio	1000
First Security Bancorp	1000
Viasat	750
Panattoni Development Company, LLC	700
Wedbush Morgan	600
Clausen Miller P.C.	500
Pape Group	400
Harris County Department of Education	350
Newport Group of North Carolina, Inc	350
Prudential California Realty (Modesto)	350
American Title, Inc.	300
Design Within Reach	300
Palliative Care (Midwest Palliative Hospice & CareCenter)	275
Sharper Image (The)	275

Nortel Displacements
And/or Legacy Integrated
Solutions

ShoreTel System – Addressing Issues & Concerns

- **Some believe an RFP is needed, and it will take more than a year**
  - An RFP (Request for Proposals) can be written by internal staff, or by a consultant. RFPs are often used when large purchases and 'forklift' upgrades are conducted – an RFP is not needed for a smaller upgrade.
    - Consultants often take several months to gather data and write RFPs. Consultants frequently charge $100,000 or more to write RFPs for government agencies.
  - The County can choose to pursue a Request for Quotes process.
    - This process allows vendors to gather data, given basic information by the County.
    - Vendors are then required to install a pilot system for the County to evaluate for 30 days or more.
    - Vendor's quotes are then compared, reviewed and a purchasing decision is made by the County.

ShoreTel System – Addressing Issues & Concerns

- **The current Nortel system's reliability is in question**
  - Replacing the Nortel equipment that is unreliable with new ShoreTel equipment has several advantages over simply adding more Nortel equipment:
    - New ShoreTel equipment is higher reliability and longer life – independent research shows that ShoreTel N+1 redundancy and solid-state design outlast Nortel equipment.
    - Adding ShoreTel equipment to your Nortel system starts operating savings on Day 1 – and improves your communications capabilities.
    - Adding ShoreTel equipment will enhance the County's telephone system infrastructure – addressing one of your Information Systems goals for the Fiscal Year.

ShoreTel System – Addressing Issues & Concerns

- **It will take too long to replace phone system equipment**
    - The proposed Nortel upgrade will take 90 to 120 days to install and cost $334,000 – operating costs remain high.
    - A ShoreTel system that interoperates with your Nortel system can be installed within 90 to 120 days. The capital cost will be similar – operating costs will be much lower.
    - You can upgrade only what is necessary now – adding more users to the ShoreTel system over time.

ShoreTel Overview

Founded	Superior technology based on a design from a "clean sheet of paper" in 1996
Headquarters	Sunnyvale, California (with offices in UK, Germany, Spain, Australia, Singapore and Hong Kong)
Customers	10,000+
Distribution	Sold through resellers and distributors worldwide
Ownership	Public, listed on NASDAQ ("SHOR") No debt, positive cash flow

ShoreTel's *Pure IP* Unified Communications solutions transform business processes with performance, reliability and value.

The ShoreTel Advantage

- Unmatched reliability and scalability
  - Switch-based platform with distributed software architecture
- Easiest-to-use – ranked #1 by users of *Pure IP* Unified Communications systems
- Simplified management
- Low total cost of ownership
- World-class customer satisfaction

3rd Year In A Row!

5th Year In A Row!

2nd Year In A Row!

More Than 10,000+ Customers Across All Industries

Verteks Consulting Overview

- Thirteen year old, private company
  - Founded in 1996, $3M Annual Revenue
- Top tier technology Partners
  - ShoreTel Certified Champion Partner
  - Microsoft Gold Certified Partner
  - Cisco Registered Partner
- Extensive Experience with VoIP
  - Supporting VoIP since 1998
  - Thousands of handsets deployed
- 24x7x365 Service
  - Guaranteed service levels, 24x7x365
  - 4 Hour on-site response on system failures, with spares
  - Remote support capabilities, automated support response with connect.verteks.com/support

Highest Customer Satisfaction
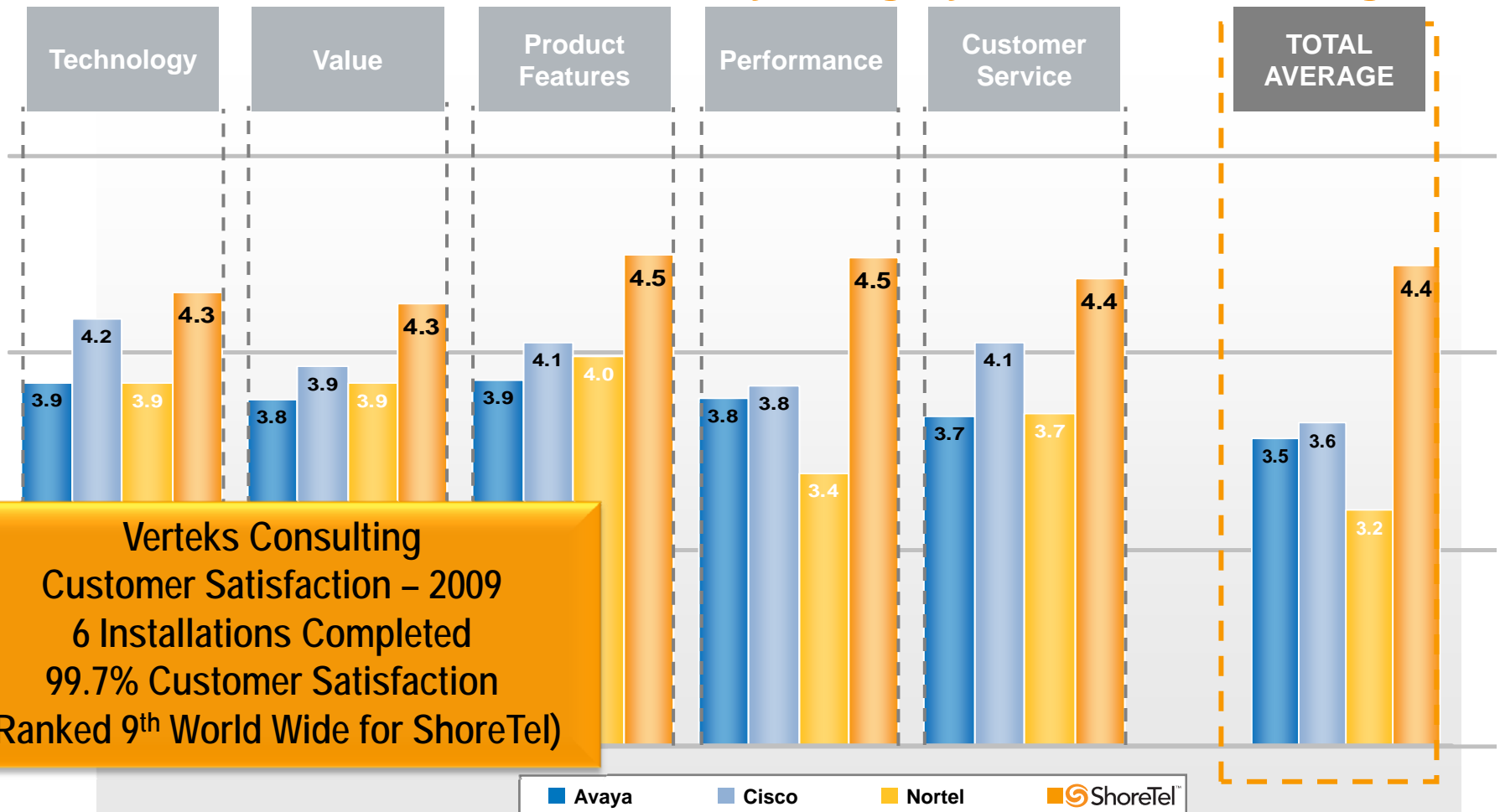
1 in Customer Satisfaction in Every Category for 5 Years Running

Chart categories: Technology, Value, Product Features, Performance, Customer Service, TOTAL AVERAGE

Technology: Avaya 3.9, Cisco 4.2, Nortel 3.9, ShoreTel 4.3
Value: Avaya 3.8, Cisco 3.9, Nortel 3.9, ShoreTel 4.3
Product Features: Avaya 3.9, Cisco 4.1, Nortel 4.0, ShoreTel 4.5
Performance: Avaya 3.8, Cisco 3.8, Nortel 3.4, ShoreTel 4.5
Customer Service: Avaya 3.7, Cisco 4.1, Nortel 3.7, ShoreTel 4.4
TOTAL AVERAGE: Avaya 3.5, Cisco 3.6, Nortel 3.2, ShoreTel 4.4
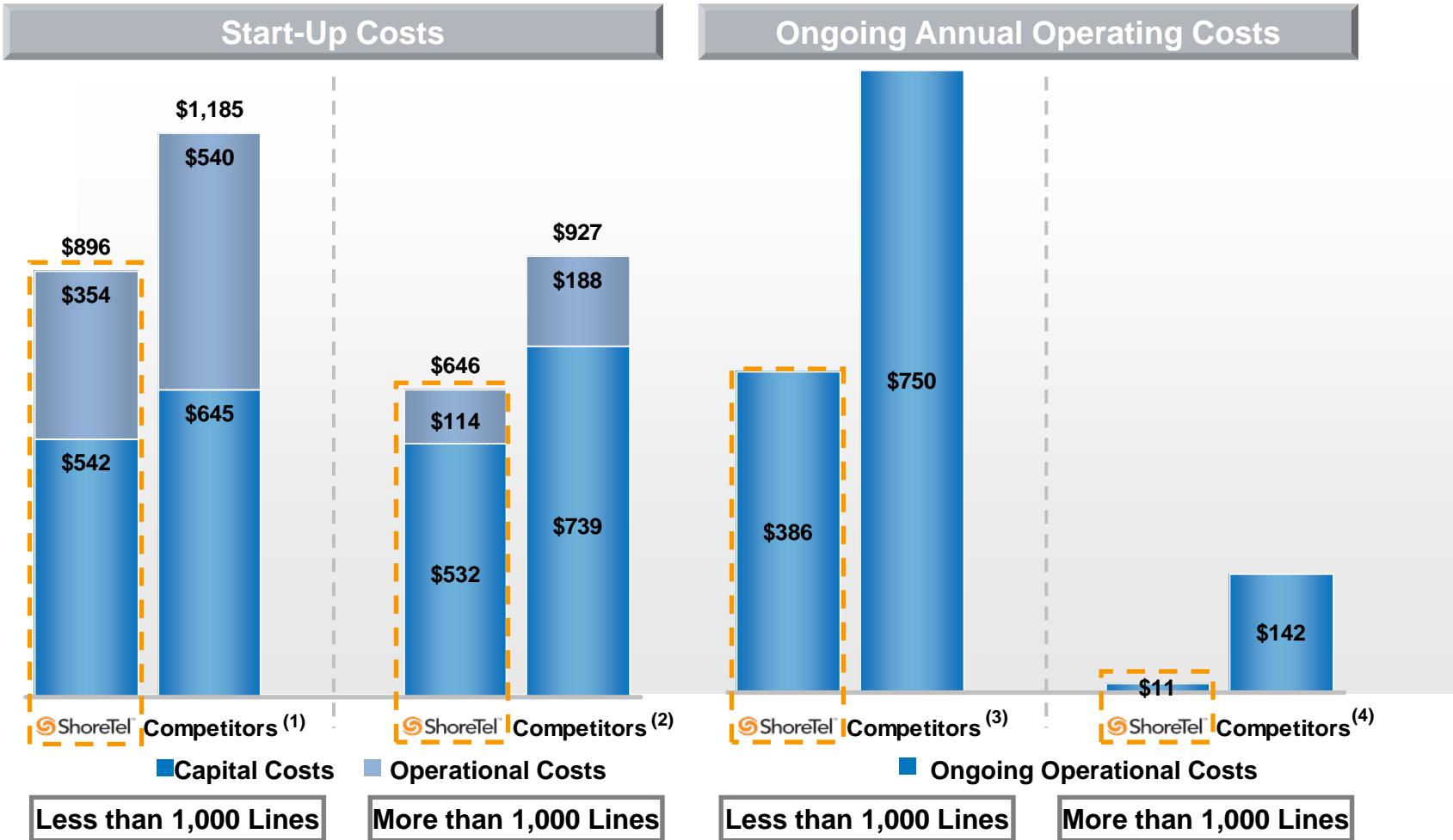
Legend: ■ Avaya ■ Cisco ■ Nortel ■ ShoreTel

Verteks Consulting
Customer Satisfaction – 2009
6 Installations Completed
99.7% Customer Satisfaction
(Ranked 9th World Wide for ShoreTel)

1=unacceptable, 2=poor, 3=fair, 4=good, 5=excellent

Source: *Nemertes Research 2007 for 2008 results, selected categories shown.*

Lowest Total Cost of Ownership (TCO)

Start-Up Costs

$896	$1,185	
$354	$540	
$542	$645	

ShoreTel **Competitors [1]**

Less than 1,000 Lines

$646	$927
$114	$188
$532	$739

ShoreTel **Competitors [2]**

More than 1,000 Lines

■ Capital Costs ■ Operational Costs

Ongoing Annual Operating Costs

$386	$750

ShoreTel **Competitors [3]**

Less than 1,000 Lines

$11	$142

ShoreTel **Competitors [4]**

More than 1,000 Lines

■ Ongoing Operational Costs

Source: Nemertes Research 2007
1. Average of per users capital costs and per user operational costs for Avaya ($524, $542), Cisco ($774, $662) and Nortel ($636, $415), respectively
2. Average of per user capital costs and per user operational costs for Avaya ($310, $37), Cisco ($602, $327) and Nortel ($1,305, $201), respectively
3. Average of ongoing per user operational costs for Avaya ($459), Cisco ($1,460) and Nortel ($332)
4. Average of ongoing per user operational costs for Avaya ($14), Cisco ($87) and Nortel ($324)

Minimizing Server Use

	ShoreTel		Server Centric *Alternative*	
	Headquarters	**Regional Office**	**Headquarters**	**Regional Office**
Call Processing				
E911	Switch-based			
Paging				
Voicemail				
Desktop Call Handling				
Operator Client				
Integrated System Mgmt				
Total Servers	**1**	**1**	**9**	**5**

Total Servers: 2   **Total Servers: 14**

ShoreTel's Unique Distributed Architecture

- **Unmatched reliability**
  - Switch-based
  - Not server dependent
  - N+1 redundancy
  - Sites operate independently if network fails

- **Scalability**
  - From ten to tens-of-thousands of users

- **Low TCO**
  - Feature consistency across locations
  - User interface that sets the standard for ease-of-use
  - Single-image system for management ease
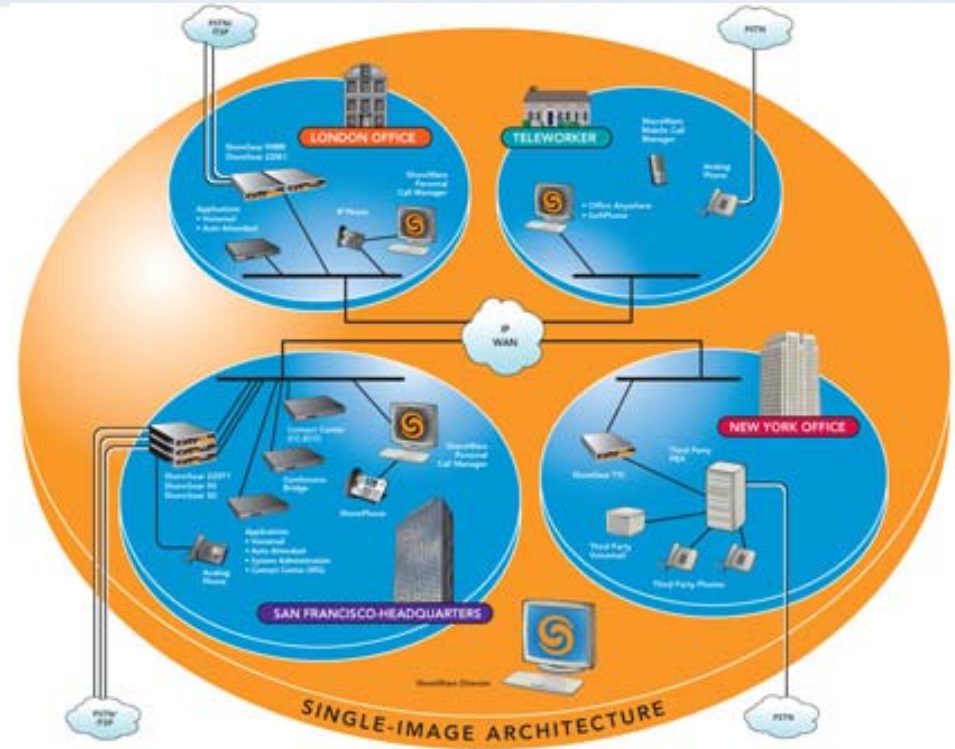
Benefits of Implementing ShoreTel with a Nortel

- Eliminates dependency on Nortel for ongoing support
- ShoreTel Voicemail used for enterprise messaging strategy
- Offers migration from legacy Nortel solutions to all IP based ShoreTel solutions
- Leads to complete ShoreTel IP Solution over time
- Enables full Unified communications solution strategy
- Eliminates additional investments in Nortel solutions which may no longer be supported
- Provide effective application migration for users
  - ShoreTel voice mail used for enterprise messaging strategy
  - Unified Messaging provided for all Nortel phone users
  - Message Waiting Indication supported on all Nortel phones
- Seamless migration to ShoreTel
  - Seamless use of Nortel trunk for PSTN calls
  - DID Calls automatically route to ShoreTel users
- Easy administration interface via ShoreWare Director used for adding users & auto attendants