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How to Buy
Wholesale SIP Termination

A Guide from Sangoma Wholesale Carrier Services

Purchasing SIP termination can be time-consuming and somewhat risky. There are many different options for providers, agreements that need to be executed, and interoperability tests that need to be completed. And these are things just to get to the starting line.

Placing providers into production with live traffic is when the real fun begins. There are a number of things that can go wrong. Unprofitable routes, bad routes, 503s, capacity issues, as well as ASR (answer-seizure ratio) and ACD (automatic call distributor) issues, just to name a few.

"You have to go slow in order to go fast" holds true when selecting a termination provider. The termination provider you choose today will impact your bottom line tomorrow, and it's important to make the right choice.

So how does one go about choosing the right SIP termination partner? There is no single answer, but there are several things you can do to put the odds in your favor. One is to follow a strategic process called RATA, an acronym for the four steps to follow: Researching, Analyzing, Testing, and Accountability.

RATA is not a complicated formula. It offers a simple outline to reduce the risk and time you could spend choosing a wholesale termination carrier.

Step 1: Research

The first step is research and this is where you can win or lose when it comes to buying wholesale SIP termination. Skipping this step or being negligent in your research can result in wasted time and a risk to your reputation.

Research is simply trying to weed out the real players from the imposters and finding a balance between cost and quality. In the telecommunications industry, any semi-technical person can set up an Asterisk server, purchase wholesale termination services, and call themselves a carrier. "Two Men and a Switch," if you will.

To avoid these types of providers, you must do your research on each and every potential termination carrier. Visit their website, go to their social media sites, read their blogs, look for recent news and awards, and search Google for forum posts about their company. Only if they pass the sniff test should you contact them to ask for additional information.

Here are some ideas of what additional information you will want to gather for potential termination providers. Find out if they offer a 6 or 7 digit rate deck, if they bill by dialed number or by LRN (local routing number), and what are their billing increments (1/1, 6/6, etc). Additionally, you should know if they run an LCR (least cost route) system, and if they do, how many carriers do they keep in route. The last piece of information you will need is how many carriers do they try and fail before sending a 503.

The more info you collect at this stage the better your odds of finding a solid provider will be.

Step 2: Analyze

Once they have provided all this information and you feel they might be a good fit, ask them for a rate deck to analyze. This starts the second step of the RATA process, analyzing.

Run an analysis on their rate deck that compares it to your most recent months CDRs (call detail records). This will provide detailed information on how well this deck would have done had it been in your LCR management system.

This analysis will provide you with total routes won, total minutes won, and what your cost saving would be. You should have targeted metrics that serve as goals, which, if met, will move that provider onto the testing phase. If an analysis comes back unfavorable but the carrier still seems like it may be a good fit, send them your termination target rates and ask for another rate deck to analyze.

Step 3: Test

Once the research and analysis is finished, the next step is to test. More specifically, interoperability testing. This involves interconnecting the two switches. Typically, the carrier will provide an interoperability testing form to complete, which gathers certain switching info, such as IP address, codec, etc.

Once the interconnection has been established, testing can begin. There are a number of tests to ensure proper functionality. After performing tests in a staging environment, nothing beats live traffic for finding potential issues. Unfortunately, if there are issues that did not surface before testing a connection with live traffic, your customers can potentially be affected, posing a risk to your reputation.

Step 4: Accountability

That leads naturally to the last step of RATA, accountability. Termination services are not a sticky business. If one provider is not performing, another provider can easily be found and the traffic moved.

When a new and untested carrier is added, they need to be held accountable for underperforming. There are almost always going to be issues, but good communication and a quick resolution should be your main concerns. If these can't be maintained, place the provider in the proverbial "penalty box". If there is an overall failure to correct whatever the issue may be, do not hesitate to cancel their services. There is a lot that goes into successfully operating a business in the telecommunications industry, but accountability is key to providing a solid service.

Developing and following a process, such as RATA, can dramatically increase the likelihood of forging a relationship with a reliable wholesale termination carrier, which, in turn, produces better quality and higher profit margins for your organization.

JUST GETTING STARTED?

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growing VoIP businesses through the decisions and strategies necessary to thrive in the modern service provider marketplace.

Sangoma Wholesale Carrier Services is the only telecom vendor that provides startups and small businesses with billing and end user solutions that are tailor-made for their needs. Taking advantage of our solutions can save you months of research and development time.

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