

INSIDE BUSINESS  
BY CATHIE ANDERSON

## Company revives VoIP for small businesses



Five years ago, El Dorado Hills' O1 Communications found that business customers were sticking with their tried-and-true but pricey landlines rather than adopting the less-expensive Voice over Internet Protocol services it offered, so the small carrier decided it was best to sell off its base of business customers to TelePacific in 2010.

Now, however, names like Vonage and Skype have become trusted names among U.S. consumers, and business owners are more willing to adopt the VoIP technology in their offices, said Brad Jenkins, co-founder of O1. By using virtual private networks rather than traditional phone lines, carriers are able to offer phone service at dramatically lower prices, Jenkins said.

He has seen the impact of this technological revolution on the wholesale side of his business. There, so-called over-the-top carriers such as Vonage or Google Voice pay as little as \$0.0005 a minute for O1 and other small carriers to provide phone numbers to their customers, initiate their calls and end them using Internet connections. Although a lucrative business line for O1, the carrier has to rack up billions of minutes in calls to realize a payoff.

"Back five years ago, when we sold the business, we charged per minute," he said, "so if you called New York, it was 2 cents a minute or whatever. Now, the way it's being sold is all-inclusive, unlimited calling in the United States and Canada."

Today's small business customers can buy a VoIP phone plan that costs, say, \$29 a month, Jenkins said, and it will even include the phones.

"You make as many calls as you want," he said. "You're never going to pay more than \$29 a month. ... What's cool is

that over the years, we've built up our wholesale network, and our cost is so low, we can really provide that unlimited calling."

The time was ripe, Jenkins said, for the El Dorado Hills-based carrier to once again provide service to small- and medium-size businesses. In early September, shortly after its noncompete agreement with TelePacific elapsed, O1 jumped back into the market.

"Our sweet spot is businesses with 10 to 40 employees," Jenkins said. "In the regional area, we have a fulfillment house that pre-configures the phones with the right phone number, the person's name and we ship it directly to the end user. In the next three months, we'll do site visits to make sure everything is running OK."

Once O1's staff feels they have quality control down pat, Jenkins said, they'll begin marketing the service all over the country. They will use third-party sales agents who typically receive a residual payment for the life of any contract they

negotiate, Jenkins said.

O1 is charging business customers \$19 to \$39 a month, depending on the features they want their phone system to have, Jenkins said. For instance, he said, they offer an app that allows customers to switch calls from their landlines to their cellphones without anyone noticing. Outbound cell numbers also can be made to show your work phone number, Jenkins said, a feature popular with professionals who need service but don't want to divulge their private information.

Jenkins, 45, said O1 will be very competitive on price, something that served him well when he founded his first business, JPSnet, about 23 years ago. The company offered dial-up Internet service for \$99 a year. Jenkins' success with JPSnet and O1 has come from providing people and businesses with service just as they need it.

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