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Aim for Greater

# 'Brainshare'

in UC Market

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MX250



## Zultys Aims for Greater 'Brainshare' in UC Market

**Avaya, Cisco, Mitel and ShoreTel are the companies that typically come to mind when you're talking about unified communications. But if you want a true A to Z picture of UC today, another company you might want to consider is Zultys.**

by Paula Bernier

Zultys is staging a comeback under relatively new ownership and management, which reports that between 2009 and 2010 it was able to double sales and establish more than 100 channel partnerships in North America alone.

"So we've been having great success," says Chairman and CEO Neil Lichtman.

Lichtman, a 27-year veteran of the phone system and UC business, joined Zultys in November of 2009. Then, last year, Lichtman brought his long-time co-worker Steven Francis, who now serves as chief sales and marketing officer at Zultys, aboard.

The two men are now working to bring Zultys – which the company's spokeswoman says has for years been "fairly stealth" – out of the shadows and on to center stage in the UC arena.

While Zultys is relatively well known in the industry by its competitors and the channel partner community, Francis says, it may not be as well known with those that influence the telecom buying decisions at potential customers.

"So we're evangelizing the company at this point," he says.

Zultys is a Sunnyvale, Calif.-based company that sells an appliance delivering IP PBX, UC and call center functionality. The company has offices in Australia, Brazil, China and Russia. A privately-held firm, it won't disclose financial details, but Lichtman says Zultys probably has one of the strongest balance sheets in the industry and has an eight-digit credit line available if needed. Currently, the company is reinvesting all of its cash into new development efforts.

The company started life in 2001. Its original owners spent close to \$100 million in research and development to build the company's solution, according to Lichtman,



but they then ran out of money. In 2006, new ownership acquired the Zultys assets and brought in new management.

Today, Lichtman is at the helm of Zultys, which prides itself on delivering what management says is a feature-rich, highly scalable and integrated solution.

Because the company's solutions rely on "pure standards-based native SIP," they are highly efficient and offer a wide range of tightly integrated features and applications within a single appliance, according to the company. The Zultys solution does not require third-party servers or other appliances. This makes the Zultys system simple to install, maintain, upgrade and scale while reducing overall system resource and power requirements. And that provides an immediate return on investment to most companies deploying Zultys.



Steve Francis

A single Zultys appliance can support up to 60 trunks and requires just 54 Watts of power. It is highly redundant; can be used in single or multi-site deployments; supports PSTN connectivity; and includes on-board SIP trunk resources, so businesses don't have to use a separate gateway if they want to employ SIP trunking.

"It's a great product, and when you show it to a channel partner, or a prospective channel partner, they just love it," says Lichtman, noting that the channel is central to the Zultys go-to-market strategy.

The product is called the MX Unified Communications Solution. It's a Linux-based 19-inch rack-mountable 2RU IP PBX that supports a wide array of unified communications features. That includes e-mail, fax, instant messaging, presence, SMS, voicemail and – with the new 6.0 version that was recently released – video.

"We believe we are the only company that offers an all-in-one-box phone system," says Lichtman.

Not every customer will need all of the capabilities that the MX can deliver, adds Francis, but this large applications toolbox gives Zultys partners a broad palette from which to work.

The new MX 6.0 supports integrated point-to-point HD video. With one click users can move between IM, voice and video communications. The new release also delivers video to the desktop. It includes a Salesforce.com Integration Module as well as a higher level of integration with Microsoft Outlook, which now moves call control into the Outlook screen. And it is integrated with both BlackBerry and the iPhone, requiring only the download of an application.

### Neil Lichtman, Chairman and CEO

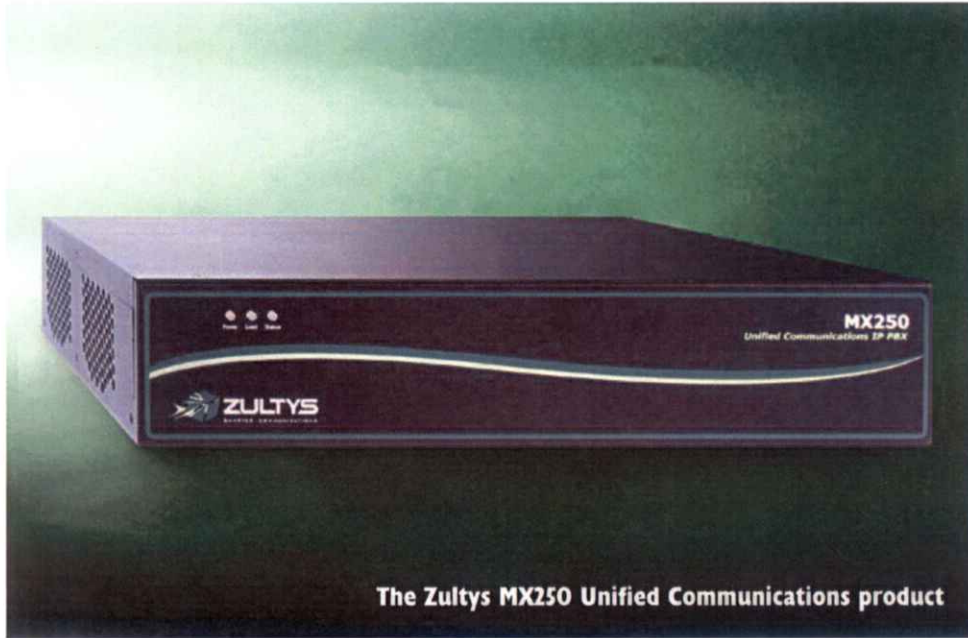
Lichtman has led both private and publicly-held companies to success by building and directing aggressive sales organizations and enhancing distribution channels to grow both sales and profits. The companies under his leadership have achieved market success and higher than expected returns (as high as 800 percent) to shareholders.

Prior to Zultys, he was the president of Vertical Communications SES business unit. Previous leadership positions include CEO of Comdial, senior vice president of Inter-Tel, and president of Claricom Holdings, a Bain Capital portfolio company, which was sold to Staples Inc., where he was retained as the president of Staples Communications.

### Steve Francis, Chief Sales and Marketing Officer

Francis is a 30-year veteran sales and marketing executive in the telecommunications industry. Throughout his career he has consistently increased sales, expanded distribution channels and developed and enhanced channel partner programs.

He has held senior management positions with Comdial, Executone, Vertical Communications and Vodavi.



The Zultys MX250 Unified Communications product

Enhanced contact center support is also evident in the MX 6.0. Zultys came out with MX Report toward the middle of last year. That allows the end user to customize call detail record information. Now, with MX 6.0, call center managers can create statistical reports via a simple drag and drop effort.

"That's one of the big pushes this year" to differentiate the Zultys product, says Lichtman.

While it's businesses that ultimately use the Zultys product, Lichtman says the company considers channel partners to be its customers. Businesses then end up buying the product from those channel partners.

Zultys relies on distributors, including CTD, Target Distributing and various other general distributors (in Australia, New Zealand, South America and the U.K.), to bring its wares to the channel.

About two thirds of Zultys business comes out of North America, and the company is now in the process of expanding its sales and distribution efforts in Europe. The company's plan for North America is to add at least 100 new channel partners this year and next. It's also working to grow

the channel in Europe, with the expectation that the European effort will contribute to the company's growth starting next year.

To date, Zultys has deployments at about 10,000 end user business locations worldwide. With a focus on deployments involving 10 to 1,000 users, small and medium businesses make up the bulk of the company's existing installations. But the Zultys system can scale to support up to 10,000 users and 128 locations, and the company does have some very large customers – and it expects to have more in the future.

**Not every customer will need all of the capabilities that the MX can deliver, says Francis, but this large applications toolbox gives Zultys partners a broad palette from which to work.**

That includes Allstate, which has regional franchises in the Midwest and Southeast. Other Zultys customers are Crossroads Foundation, which has a 23-building headquarters campus in Hong Kong, plus multiple overseas locations; Provident Funding, with 49 sites across the U.S., including its corporate headquarters and call center; Sonicwall, which has multiple sites in the U.S. and Taiwan; and Timex, which has multiple sites in the U.S. and India.

To attract more enterprise-level buyers, Zultys this year kicked off a national accounts program. Through this effort, Zultys at the top level plans to use direct sales to recruit Fortune 1,000-type buyers. But once corporate approves the product, channel partners will approach and support those large users at the local level. **UC**