Voice Services Case Study

Instead of investing heavily in last mile infrastructure, Minnesota VoIP capitalized on data center services to cost-effectively expand their customer & network reach

Voice over Internet protocol (VoIP) providers typically fit into two categories, the first being a costlier route with larger national corporations that require all dedicated circuits to drop fiber and T1 on customers' premises. The second type of VoIP provider is the opposite, shipping boxed phone solutions that backhaul all traffic to one office somewhere in the world, with no local support. Minnesota VoIP plays in a niche market between these groups, providing guaranteed levels of custom service without a contract, as well as the ability to extend networks to the customer's site. The company offers hands-on full data service, video conferencing, customized billing, scripting, and voice over services and equipment.

Minnesota VoIP was outgrowing its infrastructure, and realized data center colocation was a much more efficient approach than paying a hefty price to establish a last mile circuit to a downtown Minneapolis building. Additionally, instead of looping data traffic to Chicago and back, the company wanted to gain direct connections to as many networks as possible for a better, more localized performance. Minnesota VoIP turned to the Midwest's most dense network colocation provider, Cologix, for their solution.



"The combination of both neutrality and a significant number of carriers is what makes network neutrality valuable. **Cologix in the 511 Building is the only place in Minnesota with network neutrality and 80 carriers**, while the nearest competition has less than a dozen networks, at most. This was a big factor in our choosing Cologix."

– Minnesota VoIP President Jeremy Lumby

Requirements & Challenges

- Business growth support through extensive cross-connectivity & scalable space
- Higher levels of power infrastructure redundancy
- Sophisticated operating policies without losing local touch
- 100% uptime necessity with basic security
- Hands-on, knowledgeable data center staff
- Seamless integration with existing equipment
- Downtown Minneapolis location
- Midwest Internet Cooperative Exchange (MICE) access

Solution

- ✓ Cologix's data center in the 511 Building
- ✓ Stronger customer retention rates with higher satisfaction in Cologix's interconnectivity
- ✓ 8 cross connects in two cabinets plus connectivity to other 511 Building tenants
- ✓ Scalable & redundant power & space
- ✓ Increased reliability & cost savings
- ✓ One of the most connected markets at low risk of natural disasters
- ✓ Two-factored security authentication, 24/7 building security guards & other features

"As we continue to add customers and equipment, we will continue to add it at Cologix because it doesn't make sense to do it elsewhere considering the connectivity and redundancy of Cologix Minneapolis. The connectivity Cologix has would take 10-20 years to happen elsewhere. I see Cologix staying on top, particularly with the new data center expansion space. It's nice to know that when we're ready to expand, Cologix is ready to support us in our expansion."

– Minnesota VoIP President Jeremy Lumby

Results

By opting with Cologix, Minnesota VoIP gained:

Premium Infrastructure, Without Ownership Costs

Backhauling data to the Minnesota VoIP office didn't make financial sense. By moving to Cologix's downtown Minneapolis data center in the 511 Building, Minnesota VoIP avoided last mile expenses, which is the most costly part of a circuit. Over time, having a scalable data center solution has helped the company grow business with access and cross connects.

The Most Connected Building in Minnesota

Minnesota VoIP sells Internet in the building, gaining customers that can easily cross-connect directly to the company. Minnesota VoIP's president noted the cross connectivity is the most important part of being colocated with Cologix, a value that you can't quantify. Additionally, with complementary services, Minnesota VoIP and Cologix share business, developing a hands-on partnership relationship between the two companies.

Tier 2 Market Benefits

Minnesota VoIP's home base is in the state it's named after, enabling the company to leverage the state's plentiful opportunities that aren't oversaturated like New York City, Los Angeles, or Chicago. Additionally, in an environment that is outside of flood and seismic zones, Minnesota VoIP is able to attract customers based in higher risk areas, particularly along the coastline.

Proactive Support

When a Minnesota VoIP technician was struggling with equipment on-site due to a back injury, Cologix staff stepped in to do the heavy lifting without being asked. Not only that, but both company's experienced IT team share insights, mutually supporting each other on technical questions.

Internet Exchange Access

Minnesota VoIP was one of the original 10 members of the Midwest Internet Cooperative Exchange (MICE). The membership has grown to 45+ members, with the on-boarding of Netflix and Google driving tremendous traffic growth. The company reports the best feature is direct connectivity to many networks at once that are valuable to connect to, but not quite a fit to justify a cross connect to each individual network. Instead of paying for 45+ cross connects to other peering members, Minnesota VoIP has one MICE interconnection to access all members for superior cost savings. The company also donates time to the non-profit Internet exchange (IX), providing manpower to set up initial connections to get companies up and running quickly and efficiently to save the new peering member time and the expense of sending a representative. By colocating with Cologix, Minnesota VoIP has unique access to MICE that it can't find elsewhere.

Investing in Minneapolis with Technology & People

When Cologix upgraded their facilities in the 511 Building, Minnesota VoIP noticed power renovations that added significant value. The company has been in the data center when a component of the local utility has gone down, and witnessed the Cologix backups seamlessly kicking in. That real-world experience proved the redundancies are in place, allowing the company to rest assured with their A+B power solutions. There is also 24/7 access to data center staff, unhampered by a slew of corporate regulations so Minnesota VoIP representatives can speak to a live, local person as needed.

Stronger Growth Expected

Minnesota VoIP attributes stronger customer retention rates and business growth to Cologix.

"Minnesota VoIP was one of the original members of the Midwest Internet Cooperative Exchange (MICE). There's power in numbers, and with 50 members today, it attracts the likes of Google, Netflix, Akamai and others. This reinforces the fact that MICE is the ideal peering exchange supporting the Midwest."

– Minnesota VoIP President Jeremy Lumby