

Thursday, Jan. 1, 2009

## Delta among telecoms beating the odds in midst of recession

Demand for VoIP, other telephone systems still growing

by Steve Monroe | Staff Writer



Greg Dohler/The Gazette

"I had always wanted to go into business for myself," says Dave Lanzi (right), president of Delta Telephone & Cabling, which he bought for \$50,000. At left is Rick Cochnar, vice president of the Crofton company.

Despite the widespread downturn in the economy, some niche businesses have been holding their own and even increasing revenues.

Delta Telephone & Cabling of Crofton, a networking and equipment telecom, for example, has done it by working its repeat business and referrals, using the latest cost-saving technologies and staying diversified so it can service small, medium or large clients.

President Dave Lanzi said revenues this year are projected to increase to between \$8 million and \$9 million, by providing a range of services that include network design, installation and maintenance of telephone and data equipment; local and wide area networking, voice over Internet protocol, wireless systems connectivity and security-firewall technology services.

Privately held Delta is also a Nortel products reseller, as well as a reseller and business partner of Cisco, Sprint, Avaya and Cavalier products. The company focuses on the Baltimore-Washington market, Lanzi said, but also does work in Philadelphia, West Virginia and Newport News, Va.

When asked if the recession had affected his company, Lanzi said, "Not so much because of the type of clients that we have. There are some school systems that are not doing as much as in the past, but we are adding customers right now, so our business is increasing. We do about 60 percent governmental versus commercial clients. Right now we are trying to reach out to more county and municipal governments.

"And as the economy starts to turn around, we figure there are a lot of phone systems that were new in the late '90s that are probably going to need to be replaced, so as the clients turn to the new technology that's out there, so that's more business for us."

A recent win for Delta was the renewal of a maintenance contract for the telephone systems for Prince George's County Public Schools. Delta, which had been in charge of maintenance of the county phone system for the past several years, will now also procure and install phone systems to new schools and administration buildings throughout the county, providing both VoIP and digital phone technology.

At one point, Delta saved the county thousands of dollars in unnecessary expenses by installing two mid-sized business communication management systems designed to work in tandem at the school system's Largo administration facility, according to Delta information, rather than use a more expensive PBX system.

The demand for telecommunications services, especially those involving Internet and wireless, is what is helping companies such as Delta Telephone. William R. Roberts, president of Verizon for Maryland and Washington, D.C., said recently that although his company has lost landline customers in the past few years, the decrease has been offset by "a significant increase in our number of broadband, video and wireless customers." He added that VoIP is another service that a "growing number of consumers have adopted" over the past few years.

Global telecommunications revenues are projected to hit nearly \$5 trillion by 2011, with growing demand for high-volume data applications driving both business and consumer markets, according to information from the Telecommunications Industry Association, an Arlington, Va., trade association representing the information and communications technology industries.

Managing the technology

Delta Telephone's services include telling clients what they do not need, such as VoIP, for example.

"VoIP's been around about 10 years in one form or another ... marketable for the last six or seven ... really functioning well for the last three or four ... so that's something we're doing more and more," said vice president Rick Cochnar.

"A lot of the big players, county governments, Fortune 500 [companies], they will put VoIP to the desktop, and it works well for those guys, but what that requires is they have to have a network that is well-managed, because you have competing resources quite often," Cochnar said.

"When your phones are using your computer network, as are your computers, you have to make sure the packets [of voice transmissions] associated with a phone conversation get priority over e-mail traffic, surfing traffic, things like that on your computer, so there's no delay, or gap, in the voice transmission," he said.

Cochnar said the company's green initiatives are helping gain customers, too.

"For example," he said, "I [had] a customer and a system going in where we put a Nortel data switch in. Their IT guy liked Cisco, but we talked him into using the Nortel switch because it requires less electricity, and there's lower cost, and higher throughput."

Wanted his own business

Lanzi, originally from Silver Spring, earned a business degree from the University of Maryland.

"I worked in selling computers, postage meters, other things, after college," he said, "then I went to work for the Washington Bullets in sales, and got up to vice president of sales. But I had always wanted to go into business for myself and I was introduced by a broker to a telephone company on Eastern Shore.

"I went down there, looked at it, talked to the owner and eventually paid \$50,000 for the business. I started with myself and two techs and took telecom training from the previous owner, then moved the company up here in 1993 and did first year sales of about \$100,000."