

Taking telecoms to the next level: Who needs a long-term contract?

 By [Ilse van den Berg](#)

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The average South African has experienced the sheer frustration that comes as part of the service provider package once you sign on the dotted line, especially when it comes to telecoms service providers. Euphoria Telecom, however, has an interesting take on business. No long-term service contracts.



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Traditionally, in the telecoms industry, office supplies such as photocopy machines, fax machine, or PBX (private branch exchange) solutions were sold in a manner where they would push it down your throat and get you to sign a five-year contract. And many will remember vividly that those contracts rarely included proper service.

The PBX market, in particular, was terrible because we had Telkom as the monopoly. A monopoly, unfortunately, always inevitably turns into a bit of a sloth because there's no other option - they can simply do the bare minimum and charge exorbitant rates. As an SME it was really difficult to run your business using a PBX.

So back in 2010, George Golding and Conrad de Wet, being fully aware of, and frustrated by, the state of service in the telecoms industry, decided to solve this problem.

"The way most companies try to solve the problem of providing a PBX service is to look abroad and then licence technology from offshore," says Golding. "The problem is, these products are built on international networks. In the US, Canada, and the UK for example, they've got fibre and it works beautifully there but here in South Africa we're not as advanced (we're getting there). Then, when they have trouble with their systems here since they don't have the nuts and bolts of the system, they need to contact someone in Canada at like 2am in the morning to try and solve someone's business problem."



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The two business partners then decided to build an international class PBX platform - all in the cloud. And so, Euphoria Telecom was born.

The company's mandate is to empower and simplify business customers' lives and its first point of action was to implement a 'no long-term contract' policy. The company works on a 'pay for what you need, when you need it' philosophy. A 30-day cancellation notice gives that customer the freedom to explore other products and services.

“If we need contracts to keep our clients, we aren't delivering the right solution. We want to keep customers because we have the best solution, not because we've locked them in,” says Golding. ”

For a business to make the right decisions on technology, they need freedom and flexibility from service providers, not long-term contracts and iron clauses.

"We built our solution around the needs of South African customers and so over the last eight years we've listened to our customers, we've continued to develop the product around them. So one of our unique selling points (USPs) is that it's not a Canadian or a UK or a US product - it's a South African product which is something to be proud of. We're actually exporting to the UK this year and, we're waiting on regulation, but Namibia, Botswana, and Mauritius are all potential places we'll be expanding to," he says.

Relief for businesses trapped in long-term telecom contracts

There is good news for businesses that are tied into long-term contracts with telecom service providers that offer poor service levels and do not deliver value. Euphoria Telecom is now offering its core services free of charge to help businesses exit these frustrating contracts.

The company is assisting business customers to reduce the costs and resources while waiting for the long-term contract period to terminate.

Often businesses who have discovered Euphoria's solution a little too late are willing to pay out the contract and penalty costs on a long-term contract (with a different service provider) in order to move over to the Euphoria service. This is not financially feasible or possible for other businesses and their only choice is to wait out the contract period, tolerating unsuitable products and services.



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However, poor business communication products or services is deadly for the modern business. For those businesses

wanting to move but are tied into contracts with other service providers, subject to the remaining duration of the contract period, Euphoria is able to offer these businesses a limited 'respite period', providing core services for up to half the remaining contract period. This option is limited to a period of six months.

The business will still need to honour their contractual period with their existing service provider and pay the stipulated monthly fee until the end of their contract. However, the business can stop utilising the service provider's product that does not suit their business needs. Instead, Euphoria's core service will be set up for the business in a way that meets their unique business communication requirements.

"Just how insecure are you?"

"Our very first customer is still with us today on a 30-day contract which is just proof that if you deliver value and you deliver something that is useful, people don't leave.

"You don't need a contract to hold a customer. And if someone's out of money and closing their doors well, then you don't want a contract as you'll then be wasting money on your legal department chasing these people *who have no money*," says Golding.

With mobile contracts, it's even worse. You can actually get a SIM-only 24-month contract these days. "Why?! Why not just give it to me month-to-month - what difference does it make? If there's a phone that you pay off over two years, fine, I get that. But a SIM-only 24-month contract - just how insecure are you? How bad is your network?" he says.



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It's not that Golding is against all contracts, but he believes contracts have to have valid reasons, like when there are assets involved. You don't need a long-term contract for a SIM card that's a small piece of plastic. It's all about the money, he says.

The company believes that its culture is slowly paving the way for other B2B service providers to operate with a similar philosophy, curbing exploitation and freeing the marketplace from companies who do not respect and understand their customer's changing needs.

Here's to hoping more service providers will follow this refreshing example of doing business. Long live no unnecessary long-term contracts!

ABOUT ILSE VAN DEN BERG

Ilse is a freelance journalist and editor with a passion for people & their stories (check out Passing Stories). She is also the editor of Go & Travel, a platform connecting all the stakeholders in the travel & tourism industry. You can check out her work here and here. Contact Ilse through her website here.

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