

NEW PRODUCT SPOTLIGHT

AT&T® Voice DNA Flexible Reach

Could your business use more flexibility in how it communicates with customers? Need a seamless solution for your local, U.S. long distance, and international calls at all of your U.S. sites? Telegration has the answer through our partner AT&T.

Telegration is proud to announce the latest addition to our VoIP product offerings: AT&T Voice Dynamic Network ApplicationsSM Flexible Reach (Voice DNA Flexible Reach). This managed VoIP solution gives you all of the efficiency and economic benefits of seamless network convergence – local, long distance, and international – across your enterprise at multiple sites. Both inbound and outbound calling are supported, and choices of calling plans and dialing plans make it easy to customize the product to your business needs.

With AT&T Voice DNA Flexible Reach you get:

- Convergence of IP Voice, Data and Fax
- Voice quality and business class performance
- Single point-of-contact for all your networking needs
- Interoperates with Digital TDM PBX and leading IP PBX systems
- Operational efficiencies and streamlined management
- 24x7 customer support
- AT&T Business Direct®: e-bill, e-maintenance, e-ordering and performance reporting

Key features such as support of virtual telephone numbers (VTNs) give you the flexibility to assign a number to a phone that is not physically located in your location's local calling area. With that local presence, you can offer your customers the convenience and savings of using a local number instead of long distance to contact you. AT&T Voice DNA also supports Centralized Call Delivery for VTNs, which allows a single business site to support telephone numbers from multiple local calling areas.

"Maximizing the efficiency of your communications infrastructure has never been more important in light of increasing global competition and economic uncertainties," said Telegration President Denis Raue. "Businesses today need the reliability and economic benefits of network convergence to ensure consistent and convenient communication with customers, regardless of location and AT&T Voice DNA Flexible Reach can provide that."

continued on page 6



TELEGRATION, INC.

ON THE MOVE Telegration Gets New Corporate Headquarters

After 12 years at the same location on Big Beaver Road, Troy, MI, Telegration is moving to a new corporate headquarters. Scheduled for October, the move will take Telegration to the adjacent town of Clawson – to 905 Maple to be exact. And instead of renting, Telegration is purchasing the building and plans to sublet approximately 2,000 square feet to other tenants.

"With the state of the current commercial office market, it just made more financial sense to buy rather than lease," said Telegration President Denis Raue. "We looked long and hard at a number of locations in Troy and some surrounding towns. After looking carefully at all the options 905 Maple was the best match for our needs. Plus, the commitment to owning our own building ensures our customers, employees and agents that we are in business for the long term."

Telegration currently leases 17,000 square feet on Big Beaver Road but the new corporate headquarters will only be 11,000 square feet. "We just don't need that amount of space any more," explains Raue. "We used to have a sizeable call center business with a number of telemarketing reps to support so we needed the space. Over the last

continued on page 6

Got Bandwidth?

Just when you thought your enterprise network was fully stocked with bandwidth – zap! The thirsty gremlins of multi-megabyte video conferencing, video e-mail, huge graphic file attachments, and the daily demands of VoIP and other Internet and intranet applications have drained it practically dry. Other culprits are online training, fingerprint scanners, and Internet-hosted real-time processes – not to mention the network stress caused by personal Web surfing and e-mail on the job.

In today's Internet-based business environment, running out of bandwidth is like running out of water in the desert – you just may not make it. Yet, all of those bandwidth-hogging collaborative tools like video conferencing and video e-mail attachments play a major role in business success, according to analyst firm Frost & Sullivan. Adding to the mix is the growing trend toward worker mobility. Seamless communication with the enterprise network while on the road is critical to both customer service and cost-effective real-time collaboration with colleagues and partners.

The fact is that you may need not just more bandwidth, but better quality bandwidth to keep a collaborative business culture running at peak performance. Telegration can help by giving you a choice of sophisticated integration of video, data, and imaging technologies from our multiple partners, such as:

AT&T® Managed Internet Service (MIS) – Your Internet connection is only a click away with AT&T® Managed Internet Service. With this instant connectivity, you can spend more time being productive and less time waiting to get online. And with AT&T® Managed Internet Access Service's 99.97% uptime, you can trust that your connection will be there when you need it.

AT&T® MPLS – AT&T Multiprotocol Label Switching provides transport over AT&T's SONET protected Internet Protocol (IP) backbone for customers over geographically diverse locations without fixed private lines to greatly increase security while reducing costs and simplifying management.

AT&T Business in a BoxSM – This service harnesses the power of Internet Protocol communications to simplify IT operations for smaller and midsize businesses and branch offices of large businesses. It enables migration from traditional analog to

Voice over IP (VoIP) solutions, reducing operating expenses by integrating voice and data services. The service features a device equipped with all necessary data ports and connectors.

US Signal MPLS VPN – Multiprotocol Label Switching is the latest VPN technology to improve network traffic flow, ease management and provide security. US Signal's MPLS VPN provides private transport over US Signal's SONET protected Internet Protocol Backbone. Geographically diverse locations can have direct, any-to-any communication without fixed private lines or permanent virtual circuits (PVC's) which may be costly and difficult to scale.

US Signal Internet Access – US Signal's Internet Access allows customers to spend less time managing Internet connections and more time managing their businesses. 24/7/365 network surveillance for quick trouble resolution is available for dedicated, fixed and burstable speeds from 384Kbps to 155Mbps. Managed router, email hosting and email recovery and service level agreements support any application.

XO Communications XOptions® Flex – This is XO's industry-leading voice over Internet Protocol (VoIP) services bundle that enables small and medium-sized businesses to take advantage of the cost-savings and flexibility of VoIP. XOptions® Flex is the industry's first VoIP services bundle for businesses that combines virtually unlimited local and long distance calling, dedicated Internet access and web hosting for a flat monthly price.

These and other bandwidth-boosting solutions from Level 3, TNCI, CBeyond, Cavalier, Telnet and other Telegration partners can solve your bandwidth challenges. **Call your Telegration representative for more information.**

continued from page 5: A MASTER PLAN...

sales engineer support to help them grow in their expertise of the expanded service areas. That's one big way that Telegation keeps focus on its goal to be the best Master Agent for our agents, customers, and providers.

What are does the future hold for Telegation as a Master Agent?

The future is now. Telegation has taken some definite steps to expand our agent channels and enhance the productivity of our existing relationships. Last June, Telegation joined the Agent Alliance, an organization of premier marketing and sales companies within the telecommunications industry, including master agencies, direct sales teams and individual agents. The Agent Alliance gives Telegation and our agents some of the most lucrative and secure agent agreements available in the industry with providers such as Qwest, TNCL, Global Crossing and others. This will add to our existing product lines and enable us to grow our revenues and increase options for our customers.

This strategic business move enables us to provide better guarantees and support for our customers, be more profitable, and pay higher commissions to our own agents. As a member of the Agent Alliance board of directors, I want to say that our membership is really a win-win and shows our commitment to the agent marketplace in providing the highest level of service and support. In addition, our core product lines include AT&T, XO, US Signal and others. But if we need a partner for a product line that we don't currently offer, one of the other 16 master agencies can provide reciprocal service for practically any provider in the marketplace today.

Put your domestic calling needs in **ONE "BLOCK"**

Here's another way to save on your telecommunications costs. Just grab a block –Telegation's Freedom Block of Time (BOT) Plan to be exact. One monthly Freedom BOT fee covers all intrastate and interstate usage.

It's a simple and cost-effective solution for businesses of any size that want a consistent monthly charge for domestic calling and rarely need to call customers outside of the lower 48 contiguous U.S. states.

Telegation's outstanding Freedom BOT rates are available in Michigan, Ohio, and Indiana. Choose from one of the following rate plans:

500 minutes	\$19.00
1,000 minutes	\$35.00
2,500 minutes	\$85.00
5,000 minutes	\$165.00
7,000 minutes	\$224.00
9,000 minutes	\$279.00
12,500 minutes	\$373.00

Freedom BOT Plans are designed to give you the most value for domestic calling. They do not include directory assistance, teleconference, calling card, ISDN BRI/digital, offshore and international charges. The Freedom BOT Plan is available to AT&T customers in either one, two, or three-year plans.

Billing is simplified, too. "Similar to a regular long distance bill, your Freedom BOT Plan bill will show all of the minutes used so that you can track your usage while enjoying the benefit of a fixed-rate plan," says Telegation President Denis Raue. "Telegation is one of the few providers who offer this billing feature."

In addition, you'll also continue to get other standard Telegation billing reports, such as Originating Number, Area Code Summary, Long Call Duration, Frequent City, and Frequent Number. You can keep all the standard reports, or delete some or all, plus select from Time of Day, Day of Week, or Account Codes reports. Your call records on a data CD are also available for an additional fee.

Get the security of a standardized charge for the calls you make most, plus the ability to lock in your term to match your other agreements.

Call Telegation today at 1-800-835-4786 or contact your Telegation representative to find out how your business can get the cost saving benefits of the Freedom BOT Plan.

TELEGATION **ADDS PROVIDERS FOR**

Better Choices & Rates!

As an Authorized 5-Star AT&T® Solutions Provider for the 15th consecutive year, Telegation also continues to build partnerships with the industry's leading telecommunications service providers. These recent partners join an impressive list of industry leaders, including: AT&T, Cavalier, CBeyond, Excel, Global Crossing, Level3, TDS Metrocom, U.S. Signal, Qwest, and XO Communications, and others local and long distance providers including Verizon and Sprint EMBARQ.

The list of our service partners has gotten longer, and that means that Telegation has enhanced its ability to provide you with better choices and better rates. Every new agreement we sign puts you one step closer to the industry's highest quality voice, data/Internet, local, long distance, and cellular services.

Most recently, Telegation has partnered with TCNI, Telenet, Prime Circuits, and McLeodUSA/Patec to offer their best-in-class products, services, and rates. Here's a snapshot of each one:

TNCI: The Telegation and TNCI partnership offers you the benefit of long-term relationships and volume buying power with the industry's most advanced, reliable carriers. TNCI's U.S.-based Customer Service organization ensures the delivery and support of quality voice and data solutions at the best possible rates. These include TCNITM VoIP for Business and Premiere Global Systems Reservationless Audio and Web Conferencing.

McLeodUSA/Paetec: Telegation customers can enjoy the quality and competitive prices of McLeodUSA/Paetec's local, long distance, and IP-based data and Internet services. McLeodUSA/Paetec also has a full suite of conferencing and networking services. The company's long distance plans are simple and easy to use, with one rate per minute no matter what time of the day or day of the week you call.

TelNet Worldwide: Telegation's partnership with TelNet Worldwide gives you access to a growing integrated communications provider focused on delivering high quality, cost-effective and innovative services. These include TelNet PRI and TelNet Voice & Data products.

PRIME Circuits: Telegation can take advantage of voice, data and Internet solutions from PRIME Circuits. Used by some of Michigan's largest companies, universities and even other CLECs (local phone companies), products include PRI (T-1) Service for Voice, Internet Connectivity (T-1 to DS-3), Fax to Email Service and Point to Point Data Service

A Master Plan

THAT REALLY WORKS

Telegration President and CEO, Denis Raue, talks about Telegration's success as a telecom Master Agent and how this strategy leverages benefits for Telegration, its customers, and its agents.

Telegration has forged several significant Master Agent agreements since the acquisition of SBC by AT&T. How has this change affected the business? As a Master Agent, Telegration is doing very well. Over the past several years, Telegration has forged Master Agent agreements with innovative telecommunications companies, including TDS Metrocom, XO Communications, US Signal, TNCI and others. In fact, about half of the sales we've generated over the past 3-4 years have resulted from Master Agent agreements. Of course, Telegration is still one of the largest Authorized 5-Star AT&T® Solution Providers in the country.

The exciting thing about being a Master Agent is that it gives Telegration the ability to expand our offering of cutting edge services to our customers. Most of all, we can offer those services at a greater cost advantage and service more customers through our various providers' product lines.

How are Master Agent agreements changing the telecom industry? The trend toward Master Agent agreements has been evolving over the past 15 years or so, and Master Agents are filling a huge niche in the telecommunications industry today. Master Agents have control of the complete lifecycle of services from each telecom partner. They can take their business customers all the way from choosing the right services for their needs, through provisioning and maintenance.

This new convenience for customers – one Master Agent vs. 50 different contacts – is revolutionizing the telecom industry and opening the door to more opportunities for service providers across the board. In addition, our sales revenue volume as a Master Agent protects the revenue stream of our sub-agents, VAR partners, and independent consultants. Because we exceed provider sales revenue thresholds they do not have to worry about making carrier commitments. Plus, because we have our own extensive back office personnel for customer service, order fulfillment, channel support and sales engineering, our channel partners can avoid those significant expenses.

What is Telegration doing to be a successful Master Agent?

Continuous investment is critical. We must be sure that everything is in place and working properly to help our agents, channel managers, sales engineers, and providers' support teams do their jobs well. That means not only closing sales, but also things like providing after-sale customer support and ensuring that commissions are paid accurately and on time. Our support personnel have literally hundreds of years of experience supporting customers for various providers and we leverage that knowledge everyday to support our channel partners. Telegration believes that good training and support of our people make up the best foundation success.

Why are Master Agent agreements good for Telegration customers?

Simply, we can give our customers more choices – providers, products, and services – that they can access directly through us. They don't need to deal with 50 different people to get 50 different services. Telegration is their single source for everything from local and long distance phone service to wide area networking (WAN), business continuity services, public and private IP networking, VoIP, security, switched and dedicated voice services, enhanced toll-free, capacity switching, and media services. Through our master agreements with nationwide carriers, Telegration can meet virtually any telecom need, regardless of size, complexity, or location.

How do agents and resellers benefit?

Our agents and resellers now have a more complete line of products and services to sell, including wireless and cutting edge innovations such as Internet-hosted Software as a Service (SaaS) products and e-fax hosted products. Again, there's the benefit of dealing with a single master source for the full realm of telecom needs. However, we never lose sight of being the best we can be in our core product lines, as well.

They also obviously benefit by becoming a more comprehensive resource for our customers and generating more sales as a

continued on page 3

TELECONFERENCING

Drives Down Meeting Costs and Boosts Collaboration

With gas prices over \$4.00 per gallon – and rising – and airfares soaring, teleconferencing has emerged as one of the fastest and most cost-effective ways to host meetings and virtual events with remote customers, partners, and telecommuting employees. In addition to the high cost of travel, teleconferencing also eliminates the headaches and hassles of airport security, cancellations because of bad weather, and long road trips. Best of all, it can restore the time that travel can drain from an already overloaded schedule.

Stay in the comfort of your office and let Telegation match you with the right teleconferencing services to connect you to the world. We can provide a solution with the right price, ease-of-use, and always-on availability to satisfy your conferencing needs.

Why is teleconferencing good for business? Studies have shown that businesses can reduce travel expenses by as much as 30 percent with teleconferencing. In a less tangible, but vitally important way, teleconferencing also promotes better communication and collaboration throughout the business enterprise. Information is exchanged faster and more efficiently – and

as frequently as needed to respond to market changes or customer needs – resulting in a more agile, flexible, and competitive business environment.

Teleconferencing has come a long way since the AT&T Picturephone heralded its birth in the 1960s. Telegation's alliance partners offer the most advanced solutions for virtual meetings, including traditional teleconferencing services, web conferencing, and IP VPN videoconferencing, as well as the high speed Internet access and the most reliable networks of voice and data lines to support them. What's more, Telegation helps you select the right package of services to meet the special needs of your business.

Telegation makes it easy to get started. You can add a teleconferencing agreement to any of our traditional voice or data packages. New customers pay only a \$5.00 fee, while existing Telegation customers can add teleconferencing at no monthly fee or minimum use charge. Telegation also provides teleconferencing as a standalone service. **Call Telegation at 800-835-4786 or your Telegation representative for help in determining what option is best for your business.**

continued from page 1: AT&T VOICE DNA FLEXIBLE REACH

For more information, contact your Telegation representative to learn more about AT&T Voice DNA Flexible Reach calling plans and how they can give your business a flexible edge.

continued from page 1: ON THE MOVE – TELEGRATION GETS NEW CORPORATE HEADQUARTERS

two or three years we've moved out of that business because we are getting better results from the Master Agent programs and our Direct Sales team."

Raue has exciting plans for the 11,000 square feet of space, which will become reality over the next few months. "We can't wait to move in. We're going to put in a state-of-the-art training center in the middle of the space where we will train agents and host training seminars. We'll also have great offices for our sales engineers, direct sales force and extensive back office team." Look for a "Change of Address" notification in the mail sometime in October.

TELEGRATION OFFICES

National Headquarters

Telegation, Inc.
3250 West Big Beaver Road
Suite 200
Troy, MI 48084
Phone: 248/614-6300
Fax: 248/458-2504

Michigan

125 Ottawa Avenue NW
Suite 410
Grand Rapids, MI 49503
Phone: 616/742-5700
Fax: 616/742-5720

Ohio

500 Madison Avenue
Suite 535
Toledo, OH 43604
Phone: 419/243-8855
Fax: 419/243-6277

ALLIANCE PARTNERS

