PACIFIC COAST BUSINESS TIMES

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Simi Valley's ITS turns 25

TECHNOLOGY | May 15-21, 2015

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Integrated Technology Simplified has been quietly building a regional telecommunications firm in Simi Valley, establishing a client base that spans from San Luis Obispo to Los Angeles.

The company recently turned 25, a rare milestone for companies of its kind, which are often acquired or squeezed out of the market by behemoth providers like Verizon and AT&T.

In 1990 ITS entered the market as one of the only alternatives to Pacific Bell, now owned by AT&T. ITS targets small- to medium-sized businesses and markets itself as one-stop shop for telecommunications and IT solutions.

CEO Shanon Woods took over the firm in 2003 and is keeping the company on the cusp of new telecom technology. (Nik Blaskovich Photo)

Since the company's inception, keeping up with the evolving market for communications technologies has been the biggest challenge. Dial tone has quickly been replaced, for the most part, with data, broadband and cloud services. ITS has pressed area businesses to invest in going digital.

With the rise of voice over IP or VoIP systems, ITS is now defending its territory against publicly traded startups, including 8×8 and RingCentral, which are developing VoIP services, mobile apps and services supported by the cloud.

"[VoIP] is becoming a standard protocol and it's evolved tremendously for last 10 years," said Sharon Woods, president

of ITS. "We've been offering VoIP for almost that same amount of time and about half the customer base has now moved from analog to VoIP platforms since then."

It's the big guys like AT&T and Verizon that lead the change and once they start transitioning infrastructure everything follows, she said.

At the top of the industry, cable companies are now moving into the telecom space. The moves are creating a lot of disruption along with corporate blowback from the FCC's recently adopted Open Internet Order rules. Woods said, what's more, is the fact that legislation can barely keep up with the pace of innovation in the industry and big moves by the federal government to keep companies in check collectively have some amount of trickle-down that can hit providers like ITS's bottom line.

"Legislation and taxes have always been a problem when the technology passes current regulations," Woods said. "With VoIP, because it's so broad, and the connection is just one IP address to another anywhere, the feds just decided to tax everything and it's expensive."

When customers get their bill for calling data, connection, web hosting and cloud services, all of that is subject to one big tax, which can be as much as 14 percent of the entire bill, she said adding that the situation isn't likely to change any time soon.

To make the investment viable for small businesses, ITS has relied on wholesale contracts with large providers to provide its customers with cheaper services.

"What sets us apart is that we do everything. We're a full turn-key solution," Woods said. "That really set us apart. You don't have to figure out what vendor you're going to use. We have one point of contact and we do all the troubleshooting. That's what's really allowed us to build such a presence in the market locally."

A decade ago, ITS had about $4 million in revenue, and after weathering the recession that forced it to slim down from about 50 employees to just 25, ITS is on its way back up and close to hitting the $8 million revenue mark.

Woods said ITS has been investing more in the business and its services. "The goal is to keep overhead down and to be lean and mean to continue growing the services for our customer base," Woods said.

The company recently signed with the Conejo Recreation & Parks District as its latest customer. ITS also counts Oaks Christian Schools in Westlake Village, Sage Publications and Miramar Eye Specialists as its clients.

Going forward, Woods said data backup and redundancy and security services are going to be more important as businesses start becoming more dependent on cloud services. For ITS, that means evolving with its customers.

"We've had customers we've been with for 25 years in Glendale," Woods said. "But there's a newer generation of business coming into the fold that's looking to be more collaborative and almost completely based in the cloud. Everyone needs bandwidth and everyone needs access, and we're really specialized to be that full solution."