

John Smith

Chief Executive Officer of Capable Communications

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By Michelle Cerone

In this slumping economy, saving on expenses is at the top of the list for many business owners. One simple way to pinch pennies is cutting down on communications and utility costs. That is the idea behind Capable Communications, a company that offers free and unbiased consultation services to connect other businesses with service providers best suited to their needs.

While some might question the idea of starting a new company as the economy declined in the late part of 2008, John Smith, Chief Executive Officer of Capable Communications, felt he had a recession-proof business model that would thrive.

Today, Capable Communications brings their vendors about \$2.5 million in sales a year. The company consists of Smith and Fred Luthy, partner and vice president of sales, as well as about 15 partners on a freelance basis. Capable Communication's clients range in size, from one office with a few dozen employees to as large as 300 sites with several thousand employees.

Capable Communications seeks to save clients money in several different areas, primarily in the area of telecommunications, electric services and information technology. They review phone and wireless bills, connect clients with third party technology maintenance providers and help them outsource IT services.

Many companies have downsized in this economy, Smith said. In some cases only leaving one person on the IT staff, although there may be a need for more support in that department. To save on large phone systems which cost several hundred thousand dollars, Smith said, he can help clients find vendors providing third-party technology maintenance. These phone systems generally include a maintenance agreement which represents about 10 percent of the cost, Smith said. A third party may be able to provide the better, less costly service.

Capable Communications can also introduce companies to new technology, such as working with vendors who provide Voice Over Internet Protocol. The VOIP systems allow employees to receive phone calls through the computer, record calls and voice-mail messages into text, monitor offsite employees and help companies track advertising data, Smith said. In addition, the company works with vendors who provide offsite data recovery systems.

"There are so many things you can do as a small company that you couldn't do 10 years ago," Smith said. He hopes his Capable Communications can become one-stop resource for all of a companies technology needs, he added.

Capable Communications' clients do not pay for the consultation services. Instead, Smith said, the vendors provide a commission. But it is important to him that the company has a reputation for giving clients unbiased advice. He often suggests multiple providers to meet client needs.

"Capable Communications is very knowledgeable in the telecom and IT space and they are definitely very respected in the industry," said Melissa Staehle, general manager of Ancero, which provides carrier services and managed IT services. Capable Communications, she said, has brought Ancero some very qualified leads. "I would say they are a really professional organization and we've really enjoyed working with them," Staehle said.

Dominic Fiorella, operations manager at Mid-Eastern Transport Inc. in Mercerville, said they have been working with Capable Communications to save on their local and long distance phone services.

"We have been getting savings," Fiorella said. In fact, the company has been saving about 20 to 25 percent on their bill

Smith has more than 20 years of experience, in telecommunications working for companies such as AT&T, cable and wireless. Throughout his years of experience Smith said, he became knowledgeable about the strengths and weaknesses of many service providers in the industry; both large and small. Some of the more than 50 companies Smith deals directly with include Ancero, Blueclone Networks and South Jersey Energy Solutions. Indirectly he has business dealings with larger companies such as AT&T.

Luthy said their partnership works well because each brings different strengths to the company. Luthy has a background in sales and finance, as a former investment banker. He is also the owner of Value Communications, a company which helps clients with problems similar to the clients of Capable Communications.

"He is good at certain things. I'm good at certain things and the combination really makes it work," Luthy said.

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