Cloud-based Voice Communications vs. Premise-based Systems

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Introduction

For the past 50 years, traditional business phone system options have grown, with several different system technologies available on varying networks and platforms. None of these traditional systems scaled particularly well, nor offered many of the advantages available today. Keeping hardware and systems up to date was also cost and labor intensive.

Due to changes in IP networks, cloud computing technology, and virtualization, the telecommunications landscape has dramatically changed. IP networks have achieved dominance as the preferred method of voice transmission, shifting the debate from traditional voice solutions to competing IP service delivery models. The question today is whether On-Premises or Cloud-based solutions best serve the modern organization's Unified Communications needs. Key advantages in cost and management make a strong argument for the Cloud.

Voice applications delivered via the Cloud provide the advanced enterprise-level features and reliability available with On-Premises PBX systems, without their high cost and expensive maintenance requirements. In addition, the Cloud offers the ability to easily unify all customer sites, scale gracefully with organizational growth, and provide solutions to complex communication needs. The Cloud service provider owns and maintains all necessary equipment, and service is delivered via public or private WAN connections.

Lower cost of ownership is the principal benefit of choosing a Cloud voice solution, with greater reliability and enhanced productivity close behind. Next, we briefly review and compare the key aspects of a Cloud voice system versus a premise based system.

Lower Cost

Cloud voice allows the organization to save on both initial capital expenditures (CapEx) and ongoing operating expenses (OpEx). Cloud voice requires very little initial capital expenditure, especially if a data network already exists. Often IP phones are the only capital required, and these can sometimes be rented if a solution with no CapEx is desired. By comparison, On-Premises voice deployments require large capital expenditures to provide servers, phones, network upgrades, and implementation and licensing costs, which for many organizations is cost prohibitive. The pricing model unique to Cloud voice is billed based on the number of users, allowing organizations to scale up and down conveniently. Compared to On-Premises voice, Cloud voice presents the greatest return for telecommunications budgets.

Standard Equipment

Cloud voice equipment is standards-based. It works with any service provider that supports the same open standards. Standards-based equipment offers the organization more flexibility and equipment options from a variety of different vendors. In contrast, On-Premises systems typically include proprietary equipment and contracts, resulting in limited equipment options, expensive upgrades and maintenance, and vendor lock-in—all at higher prices.

Higher Resource Utilization

Organizations often utilize two separate access lines to carry their voice and data traffic. Cloud voice allows the organization to consolidate voice and data onto a single network, freeing the excess lines to be combined for greater bandwidth, used for backup, or eliminated entirely. Cloud voice allows organizations to accurately predict what their telecommunications costs will be each month as the cost is based solely on the number of users. Unlimited local and long-distance minutes are typically included in the basic user cost. As a result, changes in utilization patterns don't affect monthly charges. In addition, there are no variable costs associated with software upgrades, licensing, or hardware maintenance.

Low Risk Of Obsolescence

In many organizations, it is common to see outdated On-Premises technology and legacy equipment, as the prospect of upgrading is difficult and expensive. Cloud voice reduces the risk of obsolescence by shifting the responsibility for infrastructure to the service provider. Upgrades are deployed automatically via the Cloud, allowing the organization to stay up to date without dedicating internal resources or additional spend.

Professionally Managed Infrastructure

Few organizations would consider themselves expert data center operators. On-Premises solutions require organizations to host their phone system at their own location, and manage it at their own expense. Given the importance of communication, this creates a resource burden on the organization. With Cloud voice, infrastructure management is in the hands of the service provider, who is better qualified to manage the resources and personnel necessary to keep data and hardware safe and up to date. Additionally, dedicated phone system support is a costly necessity with On-Premises solutions. The Cloud voice model transfers this responsibility to the service provider. Many service providers include full management of the Cloud voice platform as part of their monthly fees, putting qualified voice support resources at the organization's fingertips.

Improved Disaster Recovery

Cloud Voice brings the organization a variety of disaster recovery and management options which are unavailable in On-Premises solutions. Most Cloud voice solutions can be set up in advance to automatically reroute all calls in the event of a disaster to wireless numbers, a home phone, another company location, or a third party answering service. IP phones can also be simply taken off site and plugged in at any other location with high speed Internet access.

Intuitive Features

Cloud voice offers powerful Unified Communications features that greatly enhance productivity and streamline business processes. Feature customization is accomplished in real time and these features are easily deployed, managed, and scaled, including:

- **Voicemail-to-Email and Fax-to-Email:** Users can personalize call settings, forward voicemails and faxes automatically to their email inbox, and access them anywhere.
- **Find-me-Follow-me:** Users can be accessible via a single number regardless of their physical location. By setting up an activity profile, calls are automatically routed to the correct device and location whether mobile or desk phone, or can be set to ring both simultaneously. This ensures users never miss an important call.
- **Dial-In Conferencing:** Users can set up unlimited conference bridges as simple extensions, allowing them to host unlimited conference calls with multiple participants without a third party service or additional fees.
- **Auto-Attendant:** Organizations can set up automated answering options without additional hardware or cost. Routing calls to a dial menu, using custom hold music or recorded voice, and enabling after-hours service and call routing is done easily.

Remote Workers

Cloud voice services eliminate the boundaries traditionally associated with office telephones. Since the PBX is Cloud-based, phone traffic can be routed to any location connected to the Internet, and functions typically exclusive to the office location can be accessed anywhere. This flexibility has far-reaching implications for mobile workers, geographically dispersed call centers, and organizations with multiple locations. The available-anywhere capability of Cloud voice extends to all system features, from voicemail and fax to call routing, transferring, and personal dial plan configurations. With an On-Premises solution, this same functionality is difficult, if not impossible to achieve.

Mobile Applications

The key identifying characteristic of the modern workforce is mobility. Cloud voice supports the mobile workforce, allowing users to access all the same features of their desktop phone from their mobile device. Users can control features, permissions, voicemails, and how caller ID looks from their mobile app regardless of which device they're using. The experience is the same.

Faster Upgrades

As the proliferation of new technologies continues to accelerate, the speed at which an organization gains access to upgrades and new versions of software becomes critically important. In an On-Premises solution, these costs and responsibilities fall upon the organization. With Cloud voice, updates and new feature roll-outs are performed by the service provider and are delivered seamlessly to the client. Passing this key responsibility on to the service provider not only greatly relieves cost and management burden for the organization, but ensures the organization always stays in sync with new feature developments.

Conclusion

The compelling benefits of Cloud voice combined with its lower cost explain its emerging status as the dominant solution for today's organizations and workforce. As the industry landscape continues to evolve and take shape, it is becoming increasingly clear Cloud voice services will represent the business standard. Organizations looking to gain the substantial savings and upgrades in features and usability available through IP telephony can rest assured the Cloud voice model presents a wise choice for those wishing to stay in sync with truly innovative technology without the management overhead.

For More Information or to Get Cloud Voice for Your Business

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