

# Which Hosted VoIP Solution Is More Cost-Effective for You



# YOU'VE GOT OPTIONS

There are two kinds of cloud VoIP, or cloud-based phone systems, in this world. Figuring out which one is best for your budget depends on what your business needs. Cloud-based phone system providers either deliver Basic Hosted VoIP (BASIC) or Premium Managed VoIP (MANAGED). Like the names imply, BASIC is a no-frills service that requires a do-it-yourself approach, while MANAGED has all the bells and whistles, and is managed for you by a team of experts, so there's no disturbance in the force. To figure out which makes the most sense for your bottom line, check out the side-by-side comparisons, below.



**BASIC**

**VS**



**MANAGED**

# THE CLOUD VOIP MARKET IS EXPECTED TO REACH

**\$12 BILLION**

by 2018, with 62.6 million seats in service. This high growth is due to the inherent advantages of cloud-based phone systems:

## INCREASED PRODUCTIVITY

Workers can communicate and collaborate anytime, anywhere, from nearly any device.

## SCALABILITY

Easily add offices and seats as needed without costly capital expenditures.

## COST EFFECTIVENESS










No matter what option you choose, you are likely to get more bang for your buck.

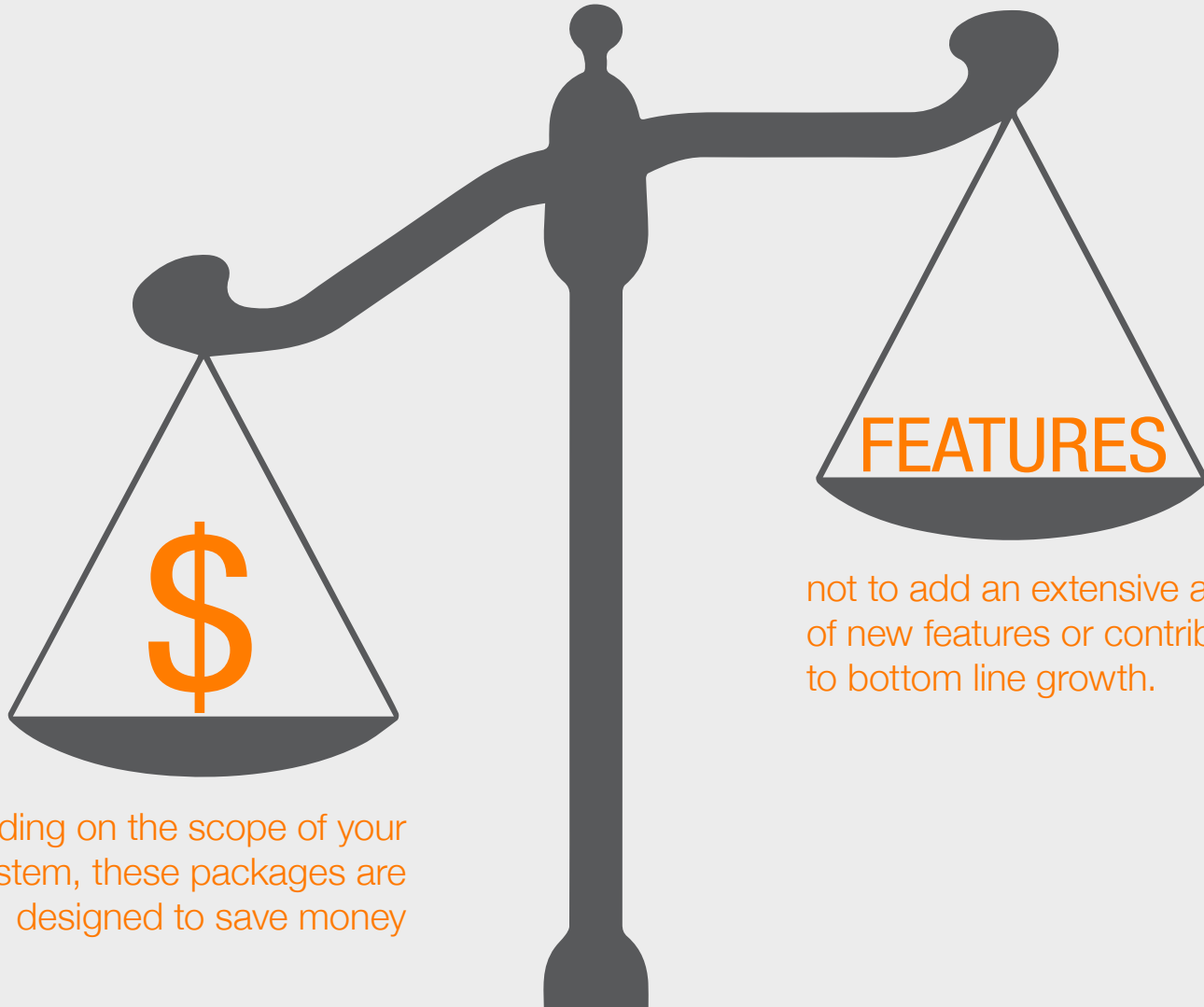
*Source: Infonetics' annual business cloud VoIP and UC services report*

# FEATURE THIS

## BASIC

Comes with a dial tone, hardware and a standard set of features that tend not to vary from one provider to the next. Standard features include:

-  **Call Management** – Manages incoming and outgoing calls via services like call transfer, call holding, call waiting, call pick-up, call recording, speed dialing and more.
-  **Auto-Attendant** – Enables calls to be directed to an extension without a receptionist via an automated voice menu system; includes services like custom music and greetings.
-  **Cost & Bandwidth-Saving Features** – Tracks and reports basic call details; directs calls through least congested network.
-  **Security** – Prevents unauthorized access to calls, voice mail, etc. through firewalls, encryption, device authentication, and other security measures.
-  **Monitoring** – Provides services like Caller ID.
-  **Reporting** – Captures phone usage of employees through a call log or call accounting.
-  **Voice Mail** – Provides access to voice messages through a central location, enabling employees to manage calls and messages from any location.
-  **Auto Conferencing** – Allows a number of users to hold a conference call from any location.
-  **Extras** – Additional basic features include intercoms, directories, call-paging and toll-free numbers.



Depending on the scope of your phone system, these packages are designed to save money

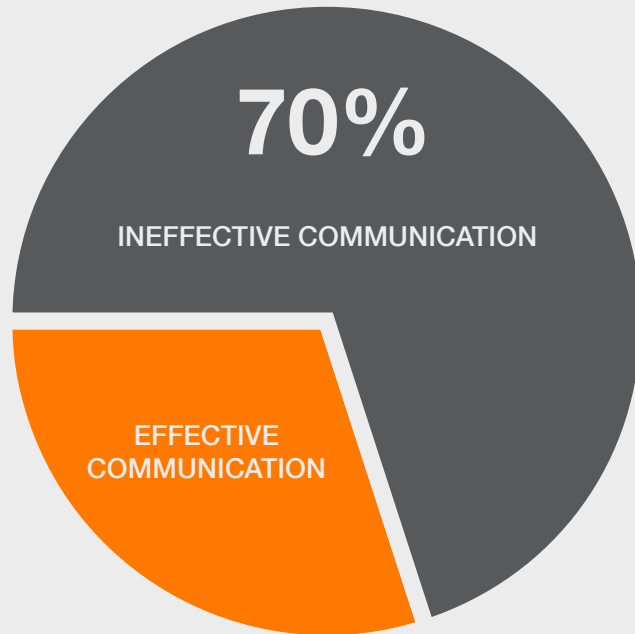
not to add an extensive array of new features or contribute to bottom line growth.

# MANAGED

comes with all of the standard features, as well as an abundance of advanced features that are designed to increase efficiency and productivity. Advanced features include:

- 1 Advanced Call Management** – Provides services such as Call Hunt, which rings several lines so the first available person can answer; Call Flip, which transfers calls from a conference to a mobile phone without interruption; and more.
- 2 Contact Center** – Delivers services such as Call Queuing; Automatic Call Distribution; Call Reporting; Outbound Dialing; Interactive Voice Response, which is essential for phone banking, tele-voting and mobile bill information; Computer Telephone Integration; Multi-Media Recording; and more.
- 3 Mobility** – Empowers employees to stay connected on-the-go, and includes services like Extension Anywhere, which enables a cell phone to become an extension; Single Number Access; Remote Extensions; and more.
- 4 System Administration** – Enhances efficiency by providing services such as an Operator Console; Web-Based User Interface; Real-Time Monitoring and Centralized Security.
- 5 Call Screening** – Protects privacy with services like Call Blocking; Direct Transfers to Voice Mail; Hidden Caller ID; and more.
- 6 Multisite Management** – Enables enterprises in the same building to communicate; provides a single extension list for servers in multiple locations; forwards voice mail across servers to individual boxes for easy retrieval.
- 7 Hardware, Software and Reporting Integration** – Works with devices like faxes and mobile phones, as well as apps like Outlook, CRM, and other software; delivers comprehensive and customizable real-time reports.
- 8 Teleconferencing & Conference Bridge** – Enables audio, video and data information exchanges between users; provides pre-assigned conference call-in numbers for unlimited users.
- 9 Advanced Messaging, Voice & Security** – Unifies voice mail, e-mail, text and fax into a single box accessible from any device; enables e-mail and voice mail forwarding; provides tools that filter spam and viruses; customizes security measures according to user, device, etc.; audits security status of every extension.
- 10 Emergency Services (911)** – Tracks calls whether on or off premises and routes them to the nearest emergency services provider based on location.





The most crucial success factor in project management is effective communications to all stakeholders. Yet 70% of small to midsize businesses claim ineffective communication is their primary problem. Imagine what employees can do with new collaboration tools that enhance communication and productivity.

*Source: PMI's 2013 Pulse of the Profession report*

*Source: The High Cost Of Poor Communication: How To Improve Productivity And Empower Employees Through Effective Communication*

# HOW'S THAT WORKING?

BASIC providers, like SKYPE, rely completely on a public Internet connection, so reliability and call quality are dependent on both Internet connection and bandwidth, which can prove troublesome during periods of the day when Internet traffic is peaking.

MANAGED providers use a private Internet connection to equip businesses with landline quality sound and reliability. They also maintain and deploy backup connectivity to ensure service remains seamless in the event that the unexpected happens—and it eventually does.





## WHAT'S THE SET-UP?



BASIC provides you with phones, but you are responsible for setting up your system, keeping software updated, trouble-shooting issues – both technical and user-error, and managing its upkeep on a daily basis. If you've got IT staff you can dedicate to managing the phones, you should be set.



MANAGED sends a team of experts to your site to survey and understand your needs and network architecture before installing and configuring a custom VoIP phone system. All training, hardware and software upgrades, and issues are managed for you so that IT and employees can focus on their jobs.

In the Americas region,  
the U.S. has the  
highest average  
connection speed at

**11.9 Mbps,**

while Paraguay had  
the lowest at

**1.4 Mbps.**



A private Internet connection, like the kind provided with managed VoIP accounts, ameliorates the speed and reliability issues sometimes encountered on public connections.

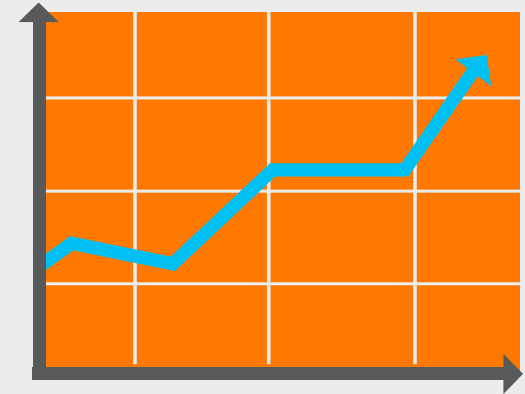
*Source: Akamai 2015 State of the Internet Report*

# LET'S TALK COST

BASIC varies from free service providers, like Skype and Google Voice, to providers who charge a monthly fee in the low \$20s for each line. Of course, installation will incur several one-time costs associated with buying, installing and activating hardware such as phones and servers, upgrading network equipment and wiring, and securing one-time license fees for each user. Additional costs to consider are monthly Internet fees, plan details such as subscription or pay-per-use, and ongoing service and maintenance, whether from your own IT staff or the provider's technicians.

MANAGED costs vary based on how managed a system is, but typically range from \$30 to \$70 per line each month. As with BASIC, business owners may incur one-time costs associated with installation and network configuration. However, ongoing maintenance, software upgrades and licensing are covered by the monthly fee, and there is no need to dedicate staff or IT personnel to the phone system because this service is included.

Varies based on Providers and Add-on Services

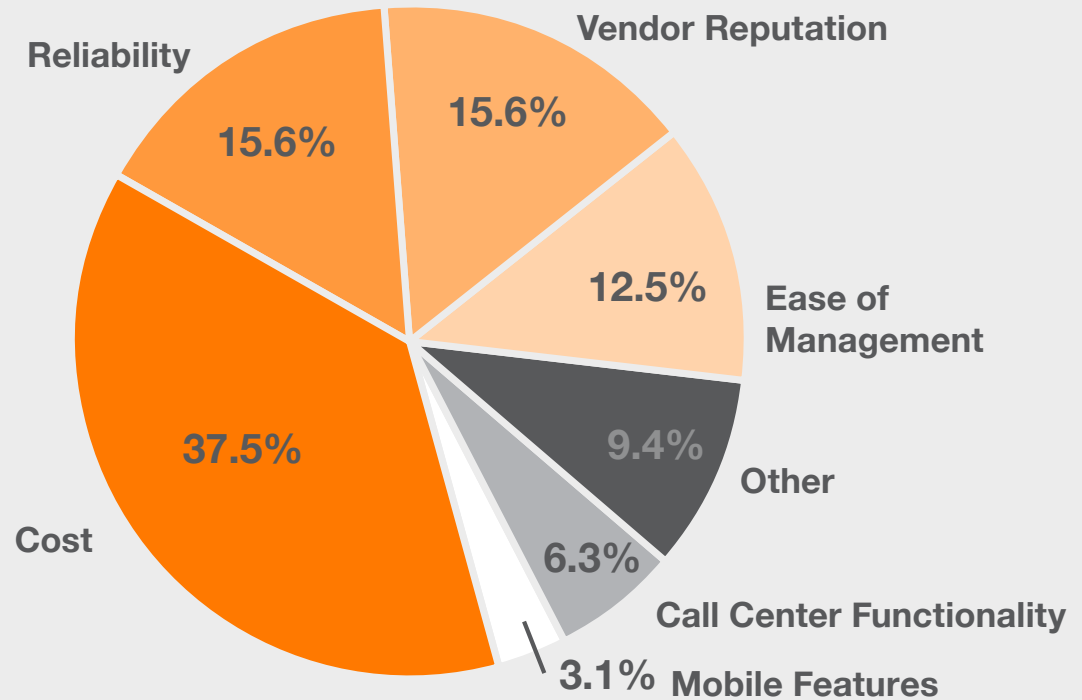


Set Range



How much you want to invest in your VoIP system can change as you discover how the service's functionality can benefit your company's workflow.

By far, the biggest factor for selecting a new VoIP phone system is cost, followed by vendor reputation, reliability, ease of management and call center functionality.



Source: Nemertes

BASIC is good for those companies that:

- Don't rely on phones for revenue generation
- Don't need to maintain a quality communication experience with customers
- Can afford to pay for additional overhead and ongoing user support
- Are looking to cut costs

VS

MANAGED is good for companies that:

- Rely on phones to generate revenue and maintain customer loyalty
- Cannot tolerate poor quality or service interruptions
- Want out of the business of managing a phone system
- Need to support all end users with round-the-clock customer service

Business leaders see numerous benefits with a cloud-based phone system:



Source: IDG Enterprise's 2015 Unified Communications and Collaboration (UC&C) Survey

# WHAT'S THE CATCH?



BASIC has two fundamental issues: quality control and service.

Quality Control – Because BASIC relies on the public Internet to determine the quality of the voice signal, users will not be able to make or receive calls from their phones when the company experiences Internet problems or downtime.

Service – BASIC users must deploy and support their system with minimal assistance from the vendor, which requires someone at your company to manage the system as part of their job, as well as a budget to be maintained for covering future service needs.

MANAGED has one main issue: it costs more.



Cost - The resources necessary to manage and monitor a network, deliver personal installation, and provide ongoing support to users are expensive, therefore managed VoIP services cost more. However, many companies find that the savings retained by no longer having to service, maintain, and upgrade their systems, provides value that outweighs the cost.

This e-book should allow you to make a more informed decision in your VoIP transition.

However, if you end up choosing to flip a coin, remember it is 51% likely to land on the side that was facing up to begin with.

Source: <http://www.math.hmc.edu/funfacts/ffiles/10001.6-8.shtml>

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