

VoIP Telephony: Benefits for Businesses



from GlobalPhone Corporation



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Introduction

Voice-over-Internet Protocol, or VoIP service, has been talked about for a number of years but is now being adopted by businesses in the mainstream in order to save money as well as deploy powerful new capabilities for end-users. Recent product launches by Baby Bells and long-distance carriers, as well as an onslaught of “network convergent” companies offering both voice and data services, are successfully penetrating a range of industry sectors. By now, it is likely you have heard the terms “VoIP” and “convergence” – possibly in the same sentence – in some high tech article or in a speech. But, why should this matter to your company? This paper will explore the benefits of VoIP technology to businesses as end-users, as well as steps for acquiring service.

Benefits of VOIP Telephony

By combining voice calls over the same infrastructure that delivers Internet connectivity, businesses can save money. Most businesses have high-speed Internet connections, and most businesses also have separate phone lines.

Consolidating all this over one access pipe permits substantial cost savings for small and medium-size businesses – 20% or more per month. In addition, eliminating onsite phone equipment (key system or PBX) and consolidating wiring, also saves money.



But, beyond cost savings, VoIP technology makes the most eye-catching features viable for both small and large businesses – transforming telecommunications in much the way Windows now supercedes DOS on your PC. For example, imagine arriving at the office and turning on your computer in order to read your emails – and listen to your telephone voice messages! With VoIP telephony features, you simply click on voice messages that have been delivered to your computer. You will listen to them (in the form of wave files), forward, delete and respond to them, all with simple mouse-clicks. Furthermore, you’ll toss out your old phone system “cheat sheet” – the one with all the asterisk-number combinations for saving, forwarding, replaying or deleting voice messages, and for invoking call transfer, 3-way calling, and so on – and you’ll just use point-and-click commands from an intuitive web interface on your computer.

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You will also enable your business phone system to screen calls according to your personal priorities. And, calls will follow you where ever you choose – to your cell phone, to your home phone, to your home-office phone – again controlled by you through easy point-and-click commands. How about having your prospects and customers in Los Angeles call a local L.A. phone number that rings at your call center in Denver? These are just examples of what you can achieve with VoIP.

Steps for Establishing VOIP

To achieve convergence, companies can purchase an on-premise Internet protocol enabled phone system (IP PBX). Or they can lease a hosted Internet protocol Centrex service (similar to traditional Centrex, but IP-enabled) through which telecom equipment is housed by the supplier and features are delivered remotely. Hosted telecom services are gaining in popularity – especially with small to medium businesses. The hosted solution requires less capital and expense commitment, can be implemented quickly, requires less in-house technical expertise, and is very scalable with your business since you pay a ‘per seat’ fee. IP PBX solutions are popular with larger enterprises who can afford the capital and expense commitment, and have in-house technical expertise.

In the past, businesses would seek phone services from local phone companies or more recently, from long distance companies. They would buy equipment from value-added resellers or PBX vendors, and they would purchase Internet services from Internet Service Providers (ISPs). With converged technology, businesses have options for choosing the best provider for voice telephony services. All the major Bell companies and all the major long distance companies have either announced VoIP services or have announced plans for VoIP services. Many smaller service providers are able to better serve businesses with customized solutions and a more personal touch. Internet Service Providers are a logical choice for expanding an existing business relationship, and new-breed providers are a welcome alternative to the larger players.

To determine whether an IP solution is right for your business, contemplate the following questions:

- Is your current phone system more than five years old? Most PBXs are fully depreciated after 5 years, creating a no-loss situation, and faster ROI to switch to VoIP telephony.
- Do you have separate bills for high-speed internet access, local phone lines, and long distance services? The consolidation of these services provides dramatic cost reductions, often in excess of 20% savings. NOTE: VoIP telephony is best suited for business that already have or need high-speed Internet access.
- Do you spend considerable money on changes to the configuration of your PBX? This is important for companies who have either increased or decreased in size, as each move, add or change (MAC) can cost companies money.

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- Do you have telecommuters or a remote work-force? The futuristic productivity-enhancing features of VoIP technology can dramatically impact your remote workforces’ behavior. Features such as ‘Find me’ or ‘Follow me’ will ring multiple locations until a person is found. Likewise, a telecommuter can plug in at home and receive calls as if in the office.
- Do you like to have the latest tools and functionality for office efficiency? Forward emails as wave files to anyone inside – or outside – your company, click to dial from your computer, and review call logs online. VoIP telephony provides all the features of existing PBXs plus numerous futuristic features that can increase efficiency and productivity.

These are just a few of the questions that will help you calculate hard savings as well as productivity benefits for your business by switching to VoIP telephony.

Items to Consider

Many people still think there are quality concerns with VoIP technology. In reality, however, the technology has evolved dramatically in the last few years. Early VoIP applications were focused on large volumes of international long-distance minutes. Since these international routes delivered immense savings, they became very popular. With increased volumes, the international telecom marketplace gained first-hand experience engineering and designing VoIP networks to maximize call quality. Vendors also were able to test systems and evolve a more mature technology. Currently, standards bodies such as the International Telecommunications Union and the Internet Engineering Task Force are working together to define common equipment standards that will ensure interoperability. To ensure your company doesn’t experience quality concerns, confront service providers with questions about trouble-handling procedures and quality assurance procedures.

There are, of course, issues and standards still to be ironed out in the new VoIP world, including those related to “E911”. Given the ability to have your phone number mapped to an Internet address, if you were to call 911 while out of town on business, the emergency response system would not know where you are physically located. This problem is not new, and remains an active issue in the wireless industry. Several solutions are currently being tested and analysts believe that a resolution is not far off. Most telephony service providers will provide a software-based solution to input your address and update as needed. Ensure you understand the process and procedures for smooth E911 handling.

There is also an important regulatory issue to be resolved. Since VoIP calls are delivered over the Internet instead of through the public switched telephone network, they are unregulated. A recent instance involving Vonage and the Minnesota Public Utilities Commission (PUC) makes the point. Vonage offers a residential VoIP solution that has experienced sustained growth and, as a result, they have captured the attention of regulatory agencies. In an attempt to collect taxes and surcharges, the Minnesota PUC claimed that Vonage should be regulated in the same manner as any telecom company. This decision was overturned on the basis that Vonage provides information service, not telecom service. This has caused interesting reactions throughout the industry – with

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healthy debate on the topic. Regardless of future rulings, experts agree that regulatory issues will not hinder the adoption of this revolutionary technology – nor impact the end-user experience.

Summary

VoIP telephony is rapidly becoming a mainstream service, already in use by cost-savvy businesses in all sectors. Cost reduction is the driving force for this rapid adoption, with productivity-enhancing features as beneficial side-effects. Most businesses will find substantial savings by making the switch – however, some issues such as E911 and regulatory debates have to yet to be fully resolved. The question of whether to switch to VoIP telephony solutions for most businesses is not if, but when.

About GlobalPhone Corporation

GlobalPhone is a facilities-based carrier providing telecom solutions to 600,000 customers in over 130 countries using its state-of-the-art TDM and Voice Over IP network. GlobalPhone maintains business relationships with many of the world’s top carriers, and provides its award-winning GlobalToneSM hosted IP Centrex services through the Level(3) Enabled Partner Program.

GlobalToneSM is a hosted IP voice service with free local and on-net calling, web-based personal communications manager, unified messaging, voice and web conferencing, remote calling and Microsoft Outlook integration. Service packages start as low as \$19.75 per user per month.

For more information or to request your free TCO analysis, please visit us online at www.gphone.com/globaltone.