

On-Premise vs Cloud-based Voice



An unbiased look at how to choose the right voice path for your business

The definition and difference:

A premises-based PBX solution (also known as an IP PBX) is dependent on a voice server kept on-site in the equipment/server closet. Physical phones are located throughout the office. Calls can route through a traditional phone company as well as over the internet using SIP trunking.

Hosted PBX is a cloud voice solution where the provider manages/maintains the voice server in a cloud data center. The only equipment in the office are physical phones. Calls route over the internet using SIP trunking.

On-Premise PBX

- **Cost** – higher upfront costs and set-up fee. Above certain threshold it might be cheaper to own equipment than pay a monthly fee, but servicing and maintenance can get expensive. When using only basic call features with >25 phones per store, total cost of ownership is less over 5-year period
- **Scalability** – purchase phones to expand (in addition to any licensing required). PBX needs to be able to accommodate growth and possibility of complexity with added features
- **Failover** – if issue with PBX in store, calling is affected and potentially down until PBX can be repaired via service contract
- **Features** – find Me / Follow Me feature requires adding a mobility server to each PBX – can become expensive
- Presence, tablet/mobile apps for wireless calling can be added – usually works together with Find Me / Follow Me for seamless use across devices
- **Maintenance** – managed services contract (with phone vendor) required for software patching and maintenance to ensure security and uptime
- Changes to system settings require PBX in store to be adjusted on-site by phone vendor or internal IT team
- Can leverage traditional phone company service (PRI) for inbound/outbound calling, or SIP trunks over the internet
 - > PRI is not affected by quality or busyness of internet connection
- Handsets do not contain a lot of features/functionality – providers push users to use the desktop application

Hosted PBX

- **Cost** – usually low upfront costs, monthly fee per user. Typically low total cost of ownership as hosted provider takes care of server configuration, maintenance and software patching
- **Scalability** – purchased or leased IP phones added to service plan, picking and canceling numbers and moving phone system is easy and quick
- **Failover** – calls can be rerouted to cell phones if issue with SIP trunk quality, power at store or catastrophic event. Safeguards at off-site facility includes back up power sources, geographic redundancy of data centers, active-active failover of servers, etc.
- **Features** – can integrate into CRM for advanced customer analytics
- Can integrate contact center-life features for advanced call routing or call analytics for advanced reporting
- Dedicated internet bandwidth required to maintain high call quality of SIP trunks
- Tablet/mobile app allows users to make/receive phone calls from app over wifi/cellular connections
- Presence allows users to see who is available and on the phone within store
- Find Me / Follow Me feature included – will ring desk phone, tablet, cell phone all at once or in order
- Maintenance – no managed services contract required – provider performs software patching, maintenance, upgrades of PBX in the cloud
- Changes to system settings performed through online portal for remote management
- Handsets do not contain a lot of features/functionality – providers push users to use desktop/mobile app



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QUESTIONS

- Would you like to keep current existing TDM or POTS lines? Will current legacy system make it more expensive, will there be cost savings in switching to VoIP trunk or hosted solution?
- Would you like to make/receive phone calls on a tablet or mobile phone will moving throughout the store?
- Do you prefer phone calls only on a desk phone?
- Would you look in an app to see if coworkers are busy before calling/messaging them?
- Would you message coworkers with quick questions?
- Do you require features such as queues, IVRs and conferencing?
- Do you prefer/require integration into a CRM system?
- Will management of stores worldwide through an online portal benefit your IT staff?
- Would removing management of software patching across multiple stores and countries benefit your IT staff? Would it lessen security concerns?

Vendors we recommend:

To get a full list of recommended vendors, contact us today!