

VoIP for Business

What SMBs Should Know About Deploying a Hosted PBX Phone System

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1. Executive Summary

Hosted PBX phone solutions are revolutionizing how small to medium-sized businesses (SMBs) serve their customers, grow their business, and support their employees. By delivering the same enterprise-level, professional phone system capabilities large businesses use at a much lower cost, hosted PBX is helping SMBs save money while putting their customer services on par with much larger organizations.

While large enterprises have begun leveraging the cost advantages and robust capabilities of enterprise IP (Internet Protocol) telephony, on-site IP PBX (Private Branch eXchange) systems can require significant initial investment and ongoing operational costs that put them out of reach for SMBs. Until now, smaller companies have been limited in choice to inflexible, expensive traditional phone systems or residential-grade voice over IP (VoIP) solutions with limited functionality and flexibility, and less than business-grade performance.

Now there's a cost-effective, feature-rich alternative to on-premise IP PBXs and traditional analog phone systems specifically designed for the needs of SMBs. Vonage Business Solutions offers state-of-the-art features, seamless scalability and unparalleled ease-of-use all in a low-risk, low total cost of ownership package.

This white paper provides insight into whether a hosted PBX solution from Vonage is right for your company, the types of benefits you can experience with a hosted PBX, and an overview of how easy it is to deploy Vonage versus other phone systems.

2. Professional Phone Systems are a Competitive Advantage

Perception is reality when it comes to the customer experience. The phone system can make or break a company's efforts to provide a professional, efficient experience to its customers. It can mean the difference between appearing to be a mom-and-pop shop or a much larger, established enterprise with the resources to satisfy customer needs.

That's why choosing an office phone system should be based on much more than cost alone. While cost is a major reason why SMBs are switching from traditional office phone systems to hosted IP telephony, many SMBs are unaware of the equally important advantages of leveraging the latest technology for voice communications.

IP telephony – voice communications over an Internet connection – is quickly becoming the standard for business communications. VoIP enables a broader array of features than traditional analog phone systems to improve productivity, enhance customer satisfaction, and deliver exceptional business intelligence. Taken together, the lower cost and robust features offered by VoIP is making a positive impact to the bottom line of SMBs.

3. Bringing the Benefits of IP Telephony to SMBs

Getting professional business phone system features – such as those used by Fortune 500 companies – at an affordable price is now a reality for SMBs thanks to no-contract service from Vonage. In contrast to an on-premise PBX phone system, Vonage is a hosted PBX, meaning that state-of-the-art equipment and technology is located, owned and managed off-premises by Vonage and leased to the customer. This eliminates purchasing, installing, and managing a full-featured IP or traditional PBX phone system, which can cost upwards of \$40,000 to implement.

Vonage is based on VoIP and delivers a combination of cost-effectiveness, scalability, and robust features that make it ideal for SMBs. With a hosted PBX from Vonage, companies can streamline communications, improve customer responsiveness, and increase employee productivity all while reducing overall telephony costs.

Whether an SMB has one employee or a hundred, Vonage delivers the same major business advantages of IP telephony that major enterprises depend upon at an affordable price.

Improved Productivity and Optimized Customer Service

Vonage delivers a vast array of innovative features and capabilities to enable companies to improve employee productivity while delivering better customer service. For instance, users can customize auto attendants to intelligently route calls to the proper extension, get their voicemail forwarded to their e-mail, download call logs for reporting purposes, and much more. Customers can be routed to the correct person without being told to hang-up and dial a different number.

Scalability

With Vonage, companies can start with a small number of extensions and grow to any size, without phone system constraints or hardware upgrades. Adding or removing extensions is quick and simple.

This makes managing growth in a hosted environment drastically easier than with an on-site system. Plus, there is no need to track line cards and trunk cards, or maintain extra capacity.

Lower Total Cost of Ownership

The start-up costs for a Vonage business phone system are significantly lower than purchasing a traditional or IP PBX.

A hosted PBX smoothes out cash flow requirements and frees up cash in the first year for other needs. Vonage provides ongoing savings with unlimited local and long distance calling or flat rate pricing.

Virtual Companies/ Geographical Freedom

Vonage can route calls to any employee, but unlike a hardware PBX system, employees don't have to be at an office phone to receive calls. Employees or sub-contractors can telecommute, taking calls on cell phones or home lines. The Follow-Me feature allows calls to be easily forwarded to cell phones or other alternate locations, enabling a completely virtual company and reducing office overhead expenses.

Maintenance and Upgrades

With a hosted PBX from Vonage, there's no hardware or technology to maintain on premises: all day-to-day operations and maintenance of the PBX is performed by Vonage. Companies also gain access to the latest technology automatically, with all upgrades handled by Vonage.

Vonage offers 24x7 management and monitoring at no extra charge to ensure the smooth operation of its customers' phone communications.

Business Continuity/ Disaster Recovery

Business continuity and disaster recovery capabilities are a key benefit of Vonage. Unlike traditional solutions, a hosted PBX solution from Vonage ensures that phone service is available by rerouting to alternate locations to provide business continuity in the event of a disaster.

4. Is a Hosted PBX Solution Right for Every Business?

Making the decision to replace an office phone system shouldn't be taken lightly. Despite media hype, there are certain businesses for which a hosted PBX system may not be the ideal solution. For instance, very large enterprises offer the economy of scale and depth of internal IT resources to make on-premise IP PBXs a viable solution.

While total cost of ownership is the main driver for most companies, many of the benefits of a hosted PBX solution discussed in the previous section come into the decision as important factors to consider for each company's specific requirements. The comparison chart below illustrates situations in which either on-premise or hosted PBX is more appropriate.

Attribute	Hosted PBX	On-Premise PBX
Total Cost of Ownership	No PBX equipment Lower setup cost Free online maintenance	Purchase of PBX equipment Long-term maintenance Contract with fees
Security/Safety	Monitored 24/7 by service provider	Owner assumes risk
Scalability	Unlimited	Unlimited
Geographical Limitations	Single or multi-location	Unlimited
Features/Options	'Cutting-edge' with automatic updates	Single location or required tunneling
Management	Web-based console	Stagnant feature set
Networking	Integrates with existing network	Physical hardware maintenance
Support	Free with service	Monthly contracts or hourly fees
Call Capacity	Multiple calls per extension	Limited to number of shared 'lines'
Ownership/Control	Outsourced	Full ownership
Reliability	Dependant on In-house network and provider architecture	Dependant on PSTN and physical hardware
Implementation	Quick, simple	Time consuming and complicated

5. Vonage Business Solutions Delivers Sophisticated Features

For a low monthly rate, Vonage offers the professional, enterprise-level features and functionality SMBs need to be more efficient and productive, improve customer responsiveness, and enable flexible business models and growth. Some of the features offered include:

Extension Features

- Local Numbers
- Toll Free Numbers
- Virtual Numbers
- International Virtual Numbers
- Unlimited Calling

- Local Number Portability
- Web Portal Interface
- Directory Assistance (411)
- Emergency Service (911)

Calling Features

- Caller ID
- Call Forwarding
- Call Hold
- Call Transfer
- Call Waiting
- Do Not Disturb
- Call Logs

5. Vonage Delivers Sophisticated Features (continued...)

Voicemail Features

- Password Protected
- Voicemail Greeting Options
- Voicemail to E-mail
- Multiple Mail Folders
- Group Messaging
- Visual Waiting Indicator

Auto Attendant Features

- Day and Night Mode
- Dial-By-Name Directory
- Virtual Departments
- Multiple Auto Attendants
- Import Greetings

Advanced Features

- Cell Phone Integration
- Softphone Support
- Call Groups
- Follow Me
- Customize Music on Hold
- Conference Bridge
- Paperless Fax

6. Vonage is Easy to Deploy

Compared to an on-premise IP PBX or analog customer premises equipment (CPE) system, a hosted PBX solution requires significantly less planning and implementation effort and a very low initial investment.

Equipment

Most businesses will already have the majority of what is needed to use a Vonage hosted PBX service: a high-speed Internet connection such as DSL, cable/broadband, or T1; and a router. The only additional equipment required are compatible phones that support industry standard SIP (a communications protocol especially helpful for IP-based communications).

Set-Up

Once you have the equipment, setting up your phone system with Vonage takes as little as 15 minutes. A Vonage specialist will call you to walk you through the set-up, ensuring that the appropriate settings and features are implemented.

Transition

Vonage can be implemented in an evolutionary fashion – for instance, one department at a time. Because the Vonage solution can co-exist with traditional phone systems, it eliminates the need to cut over completely to the new system before your company is ready.

7. Conclusion

Until now, small to medium-sized businesses (SMBs) have been limited in choice to inflexible and expensive traditional phone systems or premise-based IP PBX with high start-up and ongoing operational costs. With Vonage, SMBs now have an affordable solution which offers advanced technology, features and business-grade quality.

Vonage Business Solutions has emerged as a leader in the VoIP applications marketplace.

Vonage gives small and medium-sized businesses the power of a full-featured traditional PBX with the cost-effectiveness and flexibility of a VoIP hosted solution. Consistent growth and the unique position of owning a proprietary voice platform has the company primed for the future. Vonage will continue to evolve as the premier phone solution while IP technology becomes the standard in business communications.

For more information, visit www.vonagebusiness.com.