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Top 10 Reasons Why Multi-Location Enterprise Businesses Are Switching to Hosted PBX

Introduction

According to Frost & Sullivan, in 2010 just one million of more than 100 million business phone lines were hosted. Yet hosted PBX services are expected to reach 3.6 million by 2016.

Why so much growth? Enterprises are now jumping in the game.

The traditional assumption has been that hosted IP PBX systems are a better solution for small-to-medium-sized businesses, while premise-based solutions are better for medium to large companies. But this assumption is quickly becoming outdated as many more enterprises are recognizing the value of and switching to hosted solutions.

This white paper was written to outline the advantages of hosted PBX services for enterprise businesses.

Hosted vs. Premise-based PBX

The two primary types of PBX solutions for business are: hosted IP PBX and premises-based IP PBX. Hosted systems reside offsite in a remote location, managed by a service provider, such as Broadcore. The only equipment residing at the customer's site are the phones themselves, some dedicated routing equipment and perhaps a switch to provide emergency access to the older traditional TDM telephone network.

Consequently, hosted systems are typically easier and less expensive to install and set up. They offer a standardized set of services. Because they are hosted remotely, there is less maintenance for a business and no cost or need to perform upgrades.

Meanwhile, premises-based PBX systems require servers and more switches to be located at the business site. The organization must also be prepared to install, manage and upgrade them. The downside is a higher startup cost, the need to manage and maintain the system and more difficulty growing the system in the future with a service maintenance contract (and staff hours).

Major Benefits Of Hosted PBX Services for Enterprises

There are many advantages to switch from premises-based to hosted PBX services, especially for enterprise businesses. Some of the main benefits include:

1. **Reduced capital costs** – Less equipment means lower expenditures and increased bottom line revenue.

2. **Little hardware to purchase or maintain** – Since the intelligence of your services now resides offsite, you may only need a simple router and switch at your location. Multiply those savings across multiple locations and you could potentially save tens to hundreds of thousands.

3. **No expensive service contracts** – With a premises-based system, you are responsible for management, maintenance, upgrades and licensing for your PBX. Service contracts with outside consultants can be very pricey. With a hosted solution, all those services are included in your monthly service fee.

4. **Operate as if under one roof** – With multiple locations connected as one, you communicate as if under one roof. And with free 4-digit dialing between all locations, you incur significant savings in long-distance charges and multiple systems.

5. **Increased capabilities** – Since all devices (desk phones, mobile phones, PCs, etc.) integrate seamlessly with the intelligence of your system, you can access powerful features, enabling greater productivity for your workforce.

6. **Updates usually included and automatic** – Gone are the days of paying for every new version or upgrade. With hosted services, your updates are typically included and occur automatically.

7. **Greater flexibility to add or subtract users and services** – No more expensive upgrades or licenses.

8. **Predictable monthly service fee** – You can now budget wisely with no surprises.

9. **Redundancy & auto-failover** – Since the "brains" of your services are off-site, there are increased options for redundancy and auto-failover in case of an emergency or disaster.

10. **Refocus in-house staff to other tasks** – Cloud-based services relieve some headaches and hassles from your staff, so they can focus on other tasks and growing your business.

Hosted PBX Services for Enterprises At-A-Glance

Service/Feature	Premises-Based	Hosted
Capital expenses	Very high – equipment costs can be tens of thousands of dollars	Very low or non-existent
Management	Typically outsourced to a consultant – fees can be very high	Included in monthly service fees
Maintenance	Typically outsourced to a consultant – fees can be very high	Included in monthly service fees
Upgrades	Not included	Automatic upgrades at no additional charge
Licensing	Not included	No need to upgrade licenses
Scalability	Can be difficult – at times adding one user will require buying a whole block of licenses	Very easy to add or subtract individual seats
Redundancy	Must be configured separately	Built-in with secure data centers across the country
Unified Communications	More difficult to configure and execute since devices are operating separately	Simple installation since all locations and devices are operating from the same platform
New Technology Availability	Must be purchased	Added automatically as features become available
Ease of Adding Satelite Offices	Must be planned and sometime a huge upgrade is required	Easy to implement

How do I know if my organization is ready?

Every organization has different needs and will have to consider many factors when deciding to make a transition of IT services. Besides the network and technology issues themselves, more important is the shift in mindset. Below is a list of questions to help determine if your organization is prepared for the transition to the hosted services. (The more responses you answer with a "yes," the more ready you are.)

1. Would you prefer to outsource your communications, allowing your staff to focus on other tasks?
2. Are your licenses or telecom equipment outdated and in need of upgrade?
3. Are you looking for greater flexibility and control over your users and their services?
4. Would you like to increase the integration of your devices (computers, desk phones, mobile phones, etc.) for more effective communication?
5. Are you frustrated with managing multiple vendors and bills, and would you like to streamline them into one provider?
6. Are you looking to reduce capital expenditures?
7. Does your business require redundancy and/or business continuity abilities?
8. Would your employees benefit from Cloud-based mobility features and virtualization?
9. Would you like to avoid paying for software updates?
10. Would you like your IT staff focused on other projects?
11. Is your staff largely mobile? (Work from home or frequently out of the office)
12. Are you planning a move or opening a new branch office?

Conclusion

Hosted IP PBX systems provide enterprise businesses with all the abilities of premises-based systems with the potential to reduce long-term operating costs considerably. In addition, the advanced features available through hosted systems will enable increased efficiencies throughout large organizations spread over multiple locations. For these reasons and more, enterprises are quickly adopting and taking advantage of all the features and benefits offered by hosted PBX systems.

About Broadcore

Broadcore is a provider of hosted unified communications services for businesses. Through an extensible, highly scalable IP communications system, Broadcore offers a unified communications platform for voice (VoIP), data, and mobility communications across the enterprise and multi-location businesses. Broadcore's solutions allow the enterprise to increase employee productivity, accelerate business processes, and improve customer care through tight integration of dispersed communications endpoints for office, mobile, or call center employees.

Broadcore offers lowered total cost of communications ownership by assuming the cost burdens associated with data redundancy, infrastructure expansions, technology obsolescence risks, system scalability, and new feature integration and updates. By removing the costs associated with infrastructure and additional IT staff to maintain increasingly complex communications technologies, Broadcore allows its clients and their IT organizations to focus on their core competencies while remaining current with the latest communications technologies.

With over twenty years of providing telephony communications and hosted UC to over 120,000 users, Broadcore offers faster and easier deployment of communications capabilities within the enterprise, resulting in employee productivity and business agility with minimum interruption to business operations. *www.broadcore.com*.

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