Hosted VoIP Services: spoken in plain language

Phone companies and phone equipment manufacturers alike are making Internet Protocol (IP) Telephony more accessible than ever before for the small business market. The reliability, flexibility, and compatibility of various IP services are tangible and worth your company's investigation. Since the financial barrier to entry is decreasing, these services may be a good value for your business. But how do you choose what's right for your business? There are many flavors of IP telephony in the marketplace today. Some solutions are rather simple and offer a few immediate benefits. Other solutions are much more complex and will require significant resources from you and your staff. What are the more popular options and which ones are right for you?

Understand What You're Buying and Why

Part of our role is helping businesses understand how telecom technologies work and what the latest telecommunications have to offer. The options are almost endless. Before shopping a new solution, consider these questions:

• Are my current services reliable and manageable?

• What does my business pay for total cost of ownership?

• How can the new systems benefit my business *today*?

• Does my current system provide similar benefits now?

Saving Businesses Time, Money and Aggravation

IP Services:
2000-present

Integrated services:

Lower costs

Simplified services

Limited flexibility

Next generation:

More features

Faster performance

Hosted applications

Integrated Services

Around 1999, the first integrated voice and data services began appearing in the marketplace. These services delivered voice and data on one T1 circuit. Small businesses could buy one T1 and use it to place phone calls, email and use the Internet. Integrated Services saved businesses money and started simplifying their telecommunications. As router technology advanced, so too did these integrated services. The same phone companies who supply PRI, POTS and DSL, also supplied this new service. The best packages were compatible with analog and digital types of phone services. However, these packages were not flexible. Phone and Internet duties could not function on the same channels. So, these functions had to be divided or partitioned from each other on the circuit. This limited the number of calls and the speed available on the T1. This limitation made it difficult for growing businesses to stick with these services for more than a few years.

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'Dynamic IP' Services

As router technology developed over the past decade, new service packages provided more features and benefits. Today's routers makes it possible to provide IP calling, hosted firewalls and faster Internet performance. QoS, or, 'Quality of Service' programming allows voice and data to transmit over the same circuit efficiently. The voice call always takes first priority. However, Internet services are given full bandwidth when calls are not being made. Without QoS, voice calls would be choppy and interrupted. The router is the key. Its internal computer is the 'traffic cop' responsible for which requests get bandwidth and how much bandwidth is allowed. In fact, routers have made it possible for phone companies to do much more than provide a better service package. Carriers, sometimes known as ILECS and CLECS, run their network services more economically and efficiently than ever before. As more and more applications are written in the language of IP, it becomes increasingly easier to provide all business with services that were cost-prohibitive in the recent past. If a business doesn't want to maintain its own firewall, for example, several telecommunications companies provide hosted firewall service on a subscription basis.

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What's a Hosted Service?

A Hosted Service provides similar functions to a traditional hardware solution. Phone systems are a great example. A small or medium size business now has an interesting choice. Purchase and keep a phone system in the office space or, rent phones and features from a service provider. The service provider, also known as a Hosted Solutions or Hosted IP provider, delivers phones to the business customer. The service provider 'hosts' the phone system back in their own secure facility. The customer gains access to the system remotely through a secure Internet or VPN connection. Calls are made possible via an IP telephone system connected to the VPN. The call is then routed to the final destination. All of this is pre-programmed and works automatically. If designed properly, the service will function in much the same manner as a traditional phone system.

Hosted Options:

IP system flexibilities

Hosted service programming

By renting or subscribing the phone system, your business has leveraged technology and economies of scale. The business customer only subscribes for as many users as it needs. Voicemail, auto attendant greetings, and call management are all hosted and supported by the remote IP Phone System. For businesses short on technical expertise and budget, this can be a cost-effective, professional method of managing its telecommunications.

Rent vs. cost of ownership

Simplified management

Flat monthly fees

The provider charges a flat, monthly rate for all the components. Voicemail, handsets, local and long distance calls, Internet use and email are all billed on the same invoice.

Precautions

Hosted service precautions

Hosted IP Services can be very attractive. However, Hosted IP is not the right fit for every business. If your business cannot tolerate interruptions of any kind, beware. Hosted services are built around convenience. Part of the convenience is due to the fact all the services are bundled with one vendor in one place. However remote the possibility, the fact remains hosted services put all your eggs in one basket. Unless you pay substantially for it, the hosted provider will not deliver a redundant connection from your office to their hosted site. If either side has a power failure or other interruption, your business will lose access to its phones and Internet.

Redundancy issues

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Tips you should consider before purchasing IP Telephony solutions:

Compatibility.

A professional IP solution should be compatible with existing firewalls and network servers. This will ensure your technology needs are met without replacing your existing infrastructure. IP functionality is accessible via a web browser and a phone. Usually, there is no specialized hardware, no telecom requirements, and very little up-front capital expenditures. Your business may have to invest in new switches for networking your phones. However, these are small costs considering the fact you can have a new system on a subscription basis. And, different features can be turned on or off depending on technology and cost considerations. Hosted IP can also be easier than traditional phone service for moves, adds or changes. Adding personnel or new locations can be managed internally from your desktop. Your provider should be willing to create a link on your computer to access all your system functions. The quality of the administrative software is also key. Not all hosted solutions provide the same level of detail or ease-of-use. Insist on live demos with all your candidates. The more you play with the tools the easier it will be to decide on the right solution for your business.

A complete IP phone solution should also be compatible with older, digital phones and technology. Remember, not everyone is at the same technology level. Your business must be able to communicate with everyone.

Ensure compatibility with your current LAN

Software tools are key

Insist on live demos

The right solution is 'Backwards Compatible'

Don't shortcut implementation

Hire a pro to help

What does the right vendor look like?

Successful IP solutions require a thorough assessment of your business and technology needs. Be sure to hire an expert with the experience *and* customer service tools necessary to design, sell and support hosted IP. Your critical applications will be placed in the hands of one vendor. That vendor must be versed in troubleshooting support after the sale.

Contact us to learn more about our practical approach to telecommunications and the benefits IP solutions can provide.

www.ramcomminc.com/hosted-services.asp

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