Hosted VoIP- An Option

"Using a hosted system means you don't have to worry about maintenance on 'that box' in the storage closet. If the system goes down it's not your system to worry about."

Written by:
John Campbell

Here I am, stuck on VoIP again. At least I'm not stuck in Lodi. Some of you might be thinking I am beating this theme to death but there is just so much going on with the continuing evolution of VoIP that I would be sued for negligence if I don't talk about it. And we don't want that.

Hosted VoIP is becoming a very attractive option. This means using someone else' VoIP system much like the Centrex system of POTS (plain old telephone system) whereby each line is connected to your provider's switch instead of having your own.

The good thing is that you don't have to buy your own VoIP system. The bad thing is that with hosted services you never stop paying. It also brings up the connotation of Centrex which companies have shied away from.

Let's get back to the good things. Using a hosted system means you don't have to worry about maintenance on 'that box' in the storage closet. If the system goes down it's not your system to worry about. But that's not a major concern anyway because these systems have redundancy everywhere. If the system ever did go down it would be because of a widespread problem and nobody else would be on the phone either.

Another advantage for a company is the enjoyment of all the features of VoIP giving them a better idea of what will suit their needs before buying their own system. Or, they might decide that the hosted service is just fine and stay with it.

The number of companies offering this service is growing rapidly. One thing that has happened is that vendors selling premise based systems have seen the light and are offering hosted services too. This is smart marketing because if they get a business to use their hosted service they will have the inside track when it comes time for the business to go with their own system. Familiarity breeds contentment.

One difference between hosted and premise based systems is that hosted IP becomes a service, not a product. Hosted providers develop long-term relationships with clients and have a vested interest in keeping them happy, instead of selling the system once and making more money on fixes or upgrades.

Another difference is with the equipment needed. The only equipment required for hosted VoIP is a switch, router and user handsets. Companies that buy and install an IP PBX can face large upfront capital

expenditures, as well as maintenance and upgrade costs we already mentioned. Hosted IP can provide more stabilized monthly spending. Even when there are multiple sites in different areas there is only one bill instead of bills from different carriers.

Something that a business should consider when looking at any system, whether hosted or on site, is an 'out' clause. Sometimes Murphy's Law takes over and what you thought you were getting is a far cry from what you end up with. I always tell my clients there will be glitches- and there are- but I'm talking about major problems than don't get fixed in a timely manner or where you realize the system simply doesn't do what you were told it would do.

A potential problem with hosted VoIP is the carriers' ability to manage voice services when the delivery mechanism at the customer site is the enterprise LAN. It's one thing to be an expert on the cloud side, and quite Hosted VoIP- An Option another to look into a customer's Ethernet infrastructure, see which component is causing a problem and fix it remotely. This requires very capable IT people on the customer side.

John Campbell is a Strategic-Partner with Schooley Mitchell Telecom Consultants, North America's largest independent telecom consulting company.
john.campbell@schooleymitchell.com
902-435-4578
www.schooleymitchell.com/jcampbell