10 TOP BENEFITS OF CLOUD-HOSTED PBX

By Melanie Seekins

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MELANIE SEEKINS is a U.S. Navy veteran and has been in telecommunications and mobility for more than 15 years. She has experience in financial, health care, local and federal government, retail, military and global media. Her strategies have enabled multiple businesses to successfully embrace mobile technology and ranked her as a thought leader with many of the organizations in which she is active. Seekins is also a member of AOTMP's Center for Telecom Environment Management Standards, whose mission is to legitimize and advance the fixed and mobile telecom management industry to the position of a leading business practice.

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INTRODUCTION

IN TODAY'S BUSINESS CLIMATE, TELEPHONE SERVICE CAN'T JUST BE PLAIN-OLD DIAL TONE. IT NEEDS TO BE A STRATEGIC, REVENUE-GENERATING MACHINE — IF YOUR TELEPHONY SYSTEM ISN'T AN ASSET, IT'S likely a liability that costs hundreds if not thousands of dollars when it fails.

So how can a PBX system make a business money? By enabling IT to manage long-distance charges while increasing customer engagement and employee productivity via advanced features such as follow-me calling, IP softphones, the ability to make and receive business calls from any device, and fast and simple adds/moves/changes when shifting users from one phone number or dial plan to another. Even the smallest company can support a multilocation workforce with the ability to transfer calls easily and effortlessly to another office or employee.

On-premises phone systems that deliver all this functionality can be expensive. Owning and maintaining a PBX incurs costs for dedicated data center space, racks and consoles, expensive digital or IP desk phones and numerous landlines and miles of wires to connect back to the local carrier.

A better alternative for many companies is a cloud-hosted PBX, where on-site hardware is eliminated. The model is growing in popularity; research firm Infonetics expects continued strong worldwide growth for the cloud PBX and UC market, projecting it will reach $12 billion in 2018 with 62.6 million seats in service, even as on-premises enterprise PBX sales tank, dropping 6 percent in 2014 from 2013.

Cloud VoIP and Unified Communication Services Are Expected to Grow to $12 Billion in 2018
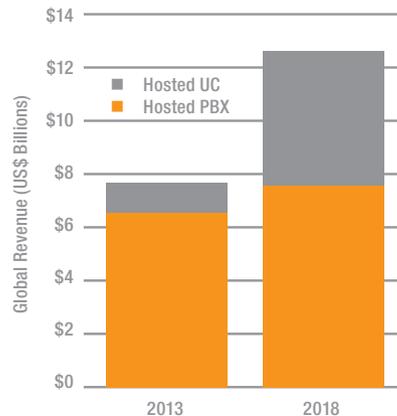
Source: Infonetics Research, Business Cloud VoIP and IC Services, Annual Market Size and Forecasts, August 2014

Here are the top 10 selling points driving that shift:

1. **Customer satisfaction.** Say you support a multistate services business with clients scattered throughout the region, and it's crucial that they can reach a customer service agent 24x7. With a cloud-hosted PBX, each town you service has the ability to have a local number that will ring a call center in another state, or even country, based on cost and time zone considerations. The customer gets the satisfaction of knowing that the business is local and the company delivers outstanding customer service.

2. **Ensure business continuity.** Some businesses can deal with being offline, but what if a customer is in the financial industry, working with traders on Wall Street, or a health care organization with high call volumes and critical tasks? When an onsite PBX has an interruption, it brings the business to a complete stop. However, providers of cloud-hosted PBXs can offer redundancy, uptime guarantees and reliability that simply cannot be matched on-site for anything close to the same cost.

3. **Lower hardware/service costs.** Midrange feature phones typically run $50 to $100, not including the cost to program, maintain and manage the device. At the upper end, customers could pay $3,000 for a full-featured UC phone from Cisco. With a cloud-hosted PBX, these phones are still supported where needed, but the customer gains the flexibility to provide IP softphones on PCs and have employees utilize their cellphones in the field. This eliminates the cost of putting a physical phone on every desk, which can dramatically lower startup costs.

4. **Unlimited scalability.** As a business grows and changes, so can its phone system. The ability to add and remove lines in minutes and be charged only for what's in use is certainly more attractive than paying for idle circuits and having expensive phones sitting on empty desks.

5. **Advanced calling features.** A cloud-hosted PBX provides remote access to advanced features such as voicemail to email, fax to email, remote call management, auto attendant, company directory, music on hold and voice messaging. Add-ons can include a full unified communications suite — seamless interconnectivity between email, voicemail, presence, IM, Active Directory integration, video and more. In particular, a cloud-hosted PBX allows a company to take advantage of "follow me," a service that allows a number to either

ring simultaneously on a set number of phones or in consecutive order until the call is answered. Never leave customers in a long queue.

6. **Voice quality.** One downfall with early hosted systems was voice quality. Today's cloud-based PBXs use a digital phone system, and the quality of digital voice service has increased over time, so calls will be clear.

7. **Control over long-distance costs.** Long-distance and overseas calling can still be expensive. Businesses can manage those costs by utilizing the authorization code feature. This will eliminate costly international charges for personal or unauthorized calls.

8. **Mobile integration.** Mobility is part of our everyday lives. With a cloud-hosted PBX, employees can truly work anywhere, at any time, from any device. And a hosted service means one device can support two numbers and multiple voicemail boxes, personal and company, using a simple application installed on their phones. Business calls made from a mobile device will show the company number.

9. **Number retention.** Because it's so simple to have personal and company lines and voicemail boxes, there's no reason for, say, a salesperson to give out a personal number to customers. If an employee leaves or is terminated, calls can be easily rerouted based on business policy.

10. **Call logging.** With call logging enabled in the cloud-hosted PBX, the business can easily see any employee's call volume, average call length and location. This not only helps increase productivity, but now you can see your business call center at a glance. This also helps track personal calls and curb overages.

BUYER'S GUIDE

When selling a cloud-hosted PBX offering, expect customers to ask about the following:

Cloud SLAs. A service-level agreement ensures a company isn't left without communication for an extended period of time — or if it is, that it's compensated. A cloud provider should have the following in place to ensure up time:

- Redundant sites
- Backup services
- On-site support for adds/moves/changes
- Loss-of-connectivity plan. If for some reason the Internet connection goes down, what happens? Are basic features are still available? How do calls get in and out?

Cloud SLAs: Get Your ARMOR

When moving any business-critical service to the cloud, it's incumbent to put a service-level agreement in place. Where the channel partner sits in this process will vary depending on role, but ensure these areas get addressed:

ANALYZE RISK. Think about worst-case scenarios. Say the hosted PBX is unavailable for hours or (unlikely) longer or there's a security breach. Quantify probability and impact on the business. Now you know what to protect.

REVIEW AGREEMENT. Is the provider's standard SLA sufficient? Are penalties appropriate based on your risk analysis, or is negotiation needed? Cloud providers make their money by standardization, so you may not have the option to tailor the SLA.

MEASURE. What metrics are needed to measure adherence to the SLA? For a hosted service, think about uptime, jitter and latency, packet loss and session initialization times.

OVERSEE. Once you know what metrics you need to measure, think about how you will spot shortfalls, and hopefully head off problems before the SLA is violated. There are plenty of third-party application performance management providers that can help.

RECOURSE. As in, what happens if service is consistently sub-par? This is a key benefit of cloud — no sunk costs in hardware. Negotiating a month-to-month contract or an "escape clause" makes it easy to take business elsewhere.

Connection back to the provider. There are several ways of connecting back to the service provider. When evaluating , consider the following:

- Internet: Less expensive, but also less control of the traffic/QoS (quality of service)
- MPLS/SIP: More robust connection speeds and data, also allows more control of the connection. More costly.

Links to 911. Most IP-based PBX systems do not have the ability to utilize 911, because the caller in an emergency may be three states away from the PBX. Find out what the provider offers in case of emergencies. Often a company will keep one or more local wired lines in a central location within each branch.

411 calls. The frequency of calls to information is decreasing, but what controls are available to know when employees who don't have access to the Internet or their cellphones are using 411, which will result in a charge?

Toll-free numbers. How important it is to offer a toll-free option depends on the business. Expect customers to ask what numbers are available for their companies, and if they can port in or use existing numbers, which may be all over printed marketing materials, business cards and websites.

Multiple auto attendant. An auto attendant is the virtual receptionist. The ability to have multiple auto attendant services ensures the end customer will get to the right place for the services that they require.

Music or advertisements on hold. Most traditional PBXs today have the same boring on-hold music. A cloud-hosted PBX should allow companies to program their own announcements and advertisements to play while the end customer is on hold. That way, the business controls the advertising.

Conference bridges. Conference calling can be costly; however, with a cloud solution, most providers supply the ability to host conferences. A certain number may be included, with additional sessions at a nominal fee. If it's important to include international participants or record calls for later playback, ask about extra costs.

Recorded calls for training or compliance. Default call recording allows companies to train their employees effectively, ensure quality customer service, research any customer complaints with service agents and/or retain conversations to meet legal requirements.

Local and long-distance charges: VoIP has come a long way. With a cloud architecture comes the ability to have multiple numbers scattered in local areas, virtually eliminating costly long-distance by streaming the calls over a data connection.

Intercoms/overhead paging. Intercoms and overhead paging are vital in many industries, especially retail and health care. Ensure this service is available, especially if you serve these verticals.

Ease of recording new universal messages for voicemail. If an entire office needs to close for holidays, bad weather or company activities, or to customize the message for time of year or promotion, it's critical to be able to customize recorded messages in the auto attendant.

Caller ID. In this era of unknown callers, phishing and scammers, or just to be able to address a customer by name, Caller ID is a must-have feature.

> A cloud-hosted PBX should allow companies to program their own announcements and advertisements to play while the end customer is on hold.

Call distribution. Routing end-customer calls to the next available agent means callers are not stuck on hold while waiting for one agent to finish with a call while another's phone is unused.

Fax detection/fax server. While fax lines typically are analog, some cloud providers offer services, such as fax-to-email capabilities. Customers can send a fax and it shows up in the email of the recipient. These are easier to track and store than paper faxes, and you're not killing trees.

Voice notification via email. This is a great productivity feature that allows a voicemail to be translated to an email so that it can be retained or followed up with on the go.

Leasing programs. Leasing phone equipment allows your customers to have the latest phone hardware at all times without a big upfront investment and can be a nice added revenue stream for solutions providers.

Integration into current phone system. Along the lines of sunk investments, consider how it may be possible to integrate customers' existing, newer phone systems and equipment with the cloud-hosted services.

References. Be prepared to provide them. Reference calls are critical to finding out how a service provider listens to and provides services for customers. Most CIOs will be wary of service providers that cannot, or will not, provide reference customers for relevant products. Expect customers to ask candid questions — after all, telephony is a critical service for any business. And, offer a trial, not just a demo. Let customers bring the service into their environments so users can evaluate.

> ## 🔍 Value Add: WAN Analysis
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> Before switching a customer over to a cloud-hosted telephony service, help IT understand and plan for the added WAN or Internet capacity needed and prioritization of voice calls. Not only does the network require the capacity to carry extra data, about 64 Kbps per call depending on codec, it also needs to give those packets priority over other network traffic. The last thing you want is your service being panned because of inadequate bandwidth or packet shaping.

Business integration. More companies are interested in communications-enhanced business processes. When looking at how to tie advanced features to current infrastructure, be sure to consider:

- How does it integrate with various email systems? Active Directory?
- Will you offer call center functionality/integration?
- How about advanced call routing?
- How does the call routing get updated?
- How does it handle users on hold — music, custom messages/promotions, time-of-day messages?

Reporting. Consider what reports will be available. What is the transparency and quality of the reports? At minimum, provide metrics on call quality (QoS) and dropped calls as well as detailed call reporting, including call volume, auditing, link/PRI utilization.

Cost. One expectation for cloud is clear, granular pricing. Besides the basics, total cost quotes should include licensing, phones if needed, DIDs (direct inward dials), disaster recovery functionality, 911 strategy, support and maintenance. Oftentimes these items are overlooked.

Upgrades. Upgrades to the system should be invisible to end users. As the service provider, make clear how often you do upgrades or maintenance. What is the average downtime? How are you as the customer notified?