

A professional man with short grey hair, wearing a white dress shirt and a blue patterned tie, is seated at a wooden desk in an office. He is looking directly at the camera with a slight smile. His hands are on a black keyboard and mouse. In the background, there are wooden shelves filled with white binders.

WHITEPAPER

COST SAVINGS WITH HOSTED VOICE

OVERVIEW

Since the Great Recession of 2007, companies of all sizes have watched their budgets carefully, making it their goal to do more with less. Voice over IP (VoIP) supports this goal by slashing total cost of ownership for voice communications.

In fact, savings on up-front and recurring costs are the main reason that many companies switch to Hosted VoIP from premises-based phone systems. But economics isn't the only factor. Other reasons include:

- > Support for growth
- > Reliability, business continuity
- > Customer service
- > Ease of installation and set-up
- > Support for remote workers and road warriors
- > Service for multiple locations from a single provider
- > The ease with which callers can reach the right person by phone on the first attempt

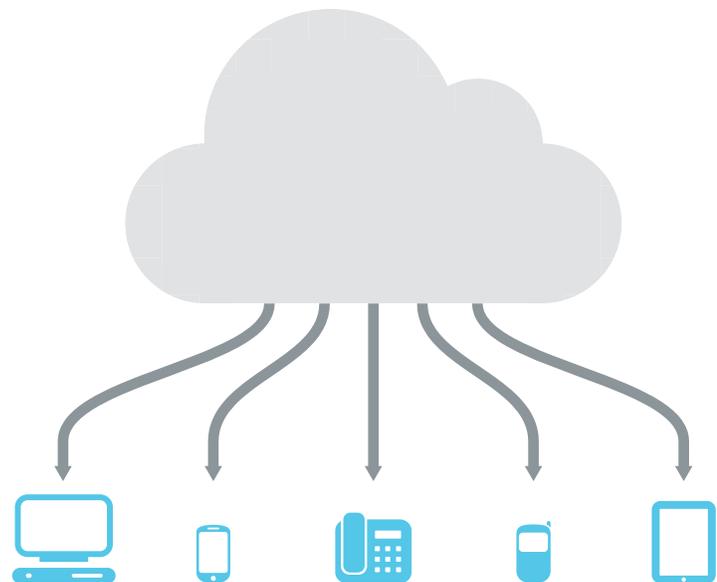
TREND: Most companies that switch to Hosted VoIP report savings of 50% or more compared to their previous phone service.

CLOUD-BASED FOR SUPERIOR SERVICE AND SAVINGS

Traditional phone systems require the installation and ongoing maintenance of PBX or IP-PBX equipment at each business location. In contrast, a hosted or managed voice service delivers phone system functionality that is hosted by the provider and accessible from any business location. For this reason, Hosted Voice is far more flexible and easy to manage than a location-based system.

Several other factors contribute to the lower TCO available with Hosted Voice services. These savings, detailed in this whitepaper, include:

- > Significantly lower start-up costs
- > Minimal maintenance costs
- > Considerable savings on long-distance
- > Scalability and flexibility to support growth
- > Affordable multi-site coordination
- > Cost avoidance for traveling and remote workers
- > Built-in business continuity
- > Enhanced productivity and efficiency



LOWER START-UP COSTS

The capital investment for a Hosted Voice solution is typically much lower than for a PBX or other location-based voice solution. This is primarily because Hosted Voice does not require on-site PBX or IP-PBX equipment, a major expenditure that for most businesses requires a long-term lease commitment.

“With Hosted Voice, we’ll save thousands a year in long distance, and since the service is hosted, we’ll eliminate all the headaches associated with maintaining phone system hardware in-house. When you combine all these benefits, switching to VoIP rapidly becomes a no-brainer.”

Jon Wells

Director of IT, Pace International

AVOID MAINTENANCE COSTS



Because Hosted Voice requires less onsite equipment, there is less to upgrade, maintain, and repair, which lowers maintenance costs and reduces onsite repair calls.

With Hosted Voice, features and user profiles can be managed virtually from anywhere. Typically, administrators can manage changes, add new services and equipment, access help and support, and otherwise manage their service by using a web portal. And users often have access to similar online self-service tools for managing features, call routing, and more.

REDUCE LONG-DISTANCE COSTS



Hosted Voice can significantly reduce long-distance costs with its low, competitive calling rates. For businesses that operate regionally or nationwide, interoffice calls often comprise a significant subset, even a majority, of long-distance calls. With a Hosted Voice system, calls between locations are considered “on-net” and can be made free of charge, for even greater savings.

“With MegPath, Risk Strategies can expand with low capital costs and consolidate ongoing expenses. The ability to share a pack of minutes between all our West Coast offices works great for us.”

Shannon LeCols
Director of IT, Risk Strategies

**SCALE UP
OR DOWN
ACCORDING
TO BUSINESS
NEEDS**

Hosted Voice pricing typically begins with a flat monthly rate per employee for basic service and features. The per-employee rate plan may or may not include long-distance calling. Buyers have two basic long-distance billing options:

Long-Distance Option	Description	Suitable for...
Metered	Pay per call	Little to no long-distance calling
Unlimited	Nationwide and/or international calling included in per-employee rate plan	Heavy long-distance users

Hosted Voice offers the benefit of virtually unlimited scalability, as long as bandwidth is increased when necessary to support additional call volume. Businesses pay only for the number of phone lines they need. Expanding or contracting is as simple as adding or subtracting a phone and service plan.

Hosted Voice is also “future proof.” There will never be a need to buy a new, up-to-date phone system because the service provider continuously updates and improves the service with new features and capabilities as they are released, avoiding voice system obsolescence. In contrast, although IP-PBX providers run their features on localized hardware and can introduce new features at no extra cost, this option requires onsite maintenance to program the new features.

**AVOID
ADMINISTRATIVE
& OTHER
COSTS WITH
ONE UNIFIED
SYSTEM FOR ALL
LOCATIONS**

◀ For companies with more than one business location, Hosted Voice offers even more savings. Rather than purchase separate onsite phone equipment for each location, businesses reap the benefits of a single, unified phone system that operates across all locations. That means one provider, one bill, one voicemail system, extension dialing between locations, and centralized management of all users and features.

Companies with multiple offices can lower personnel costs by sharing a single receptionist or eliminate the need for a receptionist with an auto attendant feature. Plus, it's not necessary to retain a voice administrator with specialized skills at each location to rewire the telephone closet for each move, add, or change. Multiple locations can often share one voice administrator to perform these tasks remotely, and IT staff can often install the phones, voice gateways, and routers.

**IMPROVE
PRODUCTIVITY
FOR TRAVELING
AND REMOTE
WORKERS
AFFORDABLY**

◀ One in five Americans work from a home office at least once a week, and that number is expected to increase more than 60% by 2018.¹ Hosted Voice service provides a range of options for simplifying communications and keeping remote, traveling, and mobile employees connected. These options and features make it easy for customers and partners to reach you regardless of location; they also consolidate and control communication costs.

Some Hosted Voice providers offer a telecommuter service, allowing employees who work from home to connect seamlessly with the business phone system by simply plugging a specially programmed IP phone into their broadband connection. This eliminates the need to reimburse remote workers for disparate communication services and keeps them closely

¹2013 study by Telework Research Network as reported in Forbes.



“I recommend [MegaPath Hosted Voice](#) to any small to medium organization that wants to consolidate its voice system. It is ideal for Playworks because we can be a unified organization across all our offices nationwide. We get one bill for all our voice and data, and calls between locations are free with 4-digit dialing.”

Richard Ng

Information Technology Manager,
Playworks

connected to the rest of the business. Individual home offices using such a solution have the same phone service capabilities as any other location, including extension dialing and call transfer. They also share the same voicemail system and can make free calls to and from other business locations.

For employees who occasionally work from home, travel, or attend a lot of off-site meetings, some Hosted Voice providers offer an advanced feature that lets them use their business line for inbound and outbound calls on any phone – even a personal cell phone, home phone, or hotel room phone. When employees place calls through the provider’s web-based interface, calls made from any phone appear to come from the business office and long-distance charges are billed to the business account. This eliminates the need to pay hotel long-distance rates and surcharges, and simplifies expense administration (no more long-distance reimbursement hassles).

In addition, Hosted Voice service makes it easy for one number to follow employees wherever they go. Advanced call forwarding options and features—such as mobility web apps and simultaneous/sequential ring—are easy to program from any location with Internet access. With a few clicks of the mouse or taps on a smart device, employees can receive business calls on their smartphones or home phones without giving out those numbers. Highly mobile employees can even eliminate the need for desktop IP phones altogether with softphones. With a headset and a software-based phone installed on a desktop, laptop, or tablet computer or smartphone, users can access Hosted Voice service from anywhere.

With Hosted Voice, all call routing and forwarding occurs offsite on provider equipment. Therefore, if a call comes in and is forwarded to a mobile phone, no bandwidth is used at the business location. This is in contrast to an IP-PBX system, which requires double the bandwidth to forward an inbound call to another phone or device (one call’s worth of bandwidth for the inbound call and one call’s worth for the outbound/forwarded call). That means that when multiple employees are out of the office and taking calls from a home office or mobile phone, a business needs twice as much bandwidth to avoid overloading the circuit.

AVOID COMPLICATED DISASTER MITIGATION PLANNING WITH BUILT- IN BUSINESS CONTINUITY

“Hosted Voice is a great solution. The installation was smooth, we’re saving money, we’ve had virtually no downtime, and the support is excellent. When we had a fire at one of our locations, we were able to forward all calls to employee cell phones in a matter of minutes.”

Shannon LeCols
Director of IT, Risk Strategies

GET MORE FOR YOUR MONEY WITH INCLUDED FEATURES

Hosted Voice offers significant protection from a minor disaster, such as an equipment failure—or a major catastrophic event, such as an earthquake or flood. Because voicemail, call processing, and advanced features are hosted on the provider’s network, they remain available even if something goes down at the business location.

This means that even if nobody in the office can receive calls, callers never hear a fast busy signal. Voicemail will continue to function and messages can be retrieved remotely. Employees that have Internet access can immediately use their softphone for calls or forward their calls to another phone, allowing voice communications—and business—to continue virtually uninterrupted. If a Hosted Voice auto attendant is in use, it will continue to function as an automated receptionist, and the outgoing message can be quickly reprogrammed from anywhere to give up-to-date information to callers.

Relocating the entire system is also much faster and easier than rewiring a PBX or IP-PBX system, which can take weeks. If a major disaster hits, businesses using Hosted Voice can move employees to another facility with IP access and set up a disaster recovery site in a matter of days or even hours.

The features and flexibility of Hosted Voice offer significant efficiency and productivity advantages. Auto attendant can lower personnel costs by eliminating the need for a receptionist or allowing administrative staff to focus on other priorities.

Features—including mobility web apps, sequential ring, and advanced call forwarding—allow employees, no matter where they work, to give out one number and stay available to customers and co-workers. Users can receive copies of their voicemail messages as audio file attachments or as a transcribed message delivered to their inbox, making it easier for mobile employees to review, respond to, or forward messages even while attending

“We’re a small law firm, and we don’t have a lot of margin for error in the services we choose. **MegaPath Hosted Voice** saves us \$1,000 a month. I also appreciate MegaPath’s responsive customer support team.”

George Chuzi

Partner, Kalijarvi, Chuzi & Newman

another call. Many Hosted Voice providers also offer integrated on-demand audio conferencing. This feature eliminates the need for a third-party conference call provider and supports collaboration among employees at distributed locations.

With many Hosted Voice services, individual users can manage features from any location through a web-based portal. Some providers take it a step further, offering a toolbar plug-in that integrates Hosted Voice functionality with Microsoft® Outlook and Internet Explorer. Toolbars serve as intuitive dashboards, making the service easy to use right from the desktop. Users can even click-to-dial a number from their list of Outlook contacts or right-click on any phone number they find on the Internet.

NEXT STEPS

Visit www.megapath.com/voice/hosted to learn more, or contact a MegaPath Business Consultant today at **877-611-6342**.