

# Buying vs. Renting: Getting the most out of your telecommunications budget

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By Cassie Benson, Director of Operations, Clear Voice Telecom, Inc

Deciding whether to purchase a premise based analog, VoIP (Voice over Internet Protocol) or hybrid phone system verses choosing a hosted VoIP provider can depend on many factors and can seem a bit overwhelming. Comparing your options and making a selection requires some number crunching and thoughtfulness, but will ensure you choose a solution that is best suited for your organization.

To start, you might want to consider your business processes and your strategy for organizational growth. By evaluating your needs, you can determine if a simplified system with standard analog lines and generic handsets or a fully customizable VoIP based solution with feature-rich handsets will best help you accomplish your communication goals.

With a modified work force you should consider the needs of your roaming sales staff, telecommuters and on-site workers. It is beneficial to discuss with each segment of your staff the features that would be most useful to their roles. VoIP-based systems provide the most functionality with features like voice mail to e-mail, hot desking (sharing a desk), time of day routing, auto attendants, and user-based custom configurations, but that might be overkill for some organizations. Spending time to determine what system will allow your organization to work at the highest efficiency while providing the most amount of customer connection within your budget is worth the effort. The truth is that most IP-based systems can provide all these features and more, but the difference often lies in how the phone system is supported, which leads us to your phone service.

Purchasing a premise-based phone system, whether VoIP or analog, requires a conversation with the actual service provider not just the phone system seller. You may have multiple contacts with more than one company after the installation so knowing who is doing what and what your role is in the support of the phone system are questions to be asked. Investigating and knowing what kind of analog or Internet requirements will be necessary and understanding how the phone provider handles your phone service will aide in making the right choice. This is where location qualifications become important. You may have network or bandwidth restrictions that force you to choose one phone system over the other.

Hosted service providers typically manage the solution from end to end, which allows for a single point of contact, but just like a premise-based system your location qualification will be an important factor in determining your bandwidth needs and will be imperative in ensuring both high quality of service and quality of experience. You might have a negative experience with a hosted VoIP provider merely because there isn't enough bandwidth to support your user behavior on the network and your phone system.

Determining your budget is imperative because the cost varies greatly between systems and technologies. Premise-based hybrid (integrated analog and VoIP) phone systems give you the best of both worlds, ensuring stable dial tone and providing the customizable features of a VoIP-based system, but they are costly and usually require specialized technicians for management and support. Premise-based analog phone systems offer reliability and basic functionality, but minimal scalability. Hosted VoIP systems give you the most functionality and scalability with minimal capital expense, but are more prone to intermittent outages when internet connectivity is lost. You should not choose on price alone; careful consideration of both costs and functionality should be weighed prior to making a decision.

Premise-based solutions are usually the sure answer for organizations with 50 or more users. But if you have less than 50, evaluating both premise and hosted solutions would be to your benefit. Oftentimes the capital expense of a premise-based solution purchase does not fully provide the total cost of ownership.

Working with prospective phone system providers, you should calculate what the total cost of ownership will look like based upon a five-year analysis of annual spend, which should take in consideration monthly connectivity costs, disaster recovery processes, equipment maintenance costs, human capital to manage and support the system, employee expansion or retraction outlooks, and what is required if you are intending on incorporating multiple sites to get a better side-by-side comparison of a premise VoIP, hybrid, or analog system versus a hosted VoIP solution.

With some solid evaluation of your organization needs, a realistic budget, and inquiries to your prospective phone system provider, you should easily be able to choose the system that is best suited for your business.