

Hosted IP Phone Systems: An affordable communications alternative for small business

Traditionally, small businesses have relied on phone systems purchased from vendors to handle routine call handling. Businesses put the central system equipment in their phone closet, deployed wiring to the desktop, set up the phones, and paid the phone company every month for lines, trunks, and calls.

Now smaller businesses and startup firms have started to explore the options made available by IP Telephony, and have discovered a “pay as you go” alternative to the upfront investment required to purchase a system. Today’s improved Hosted IP Phone Systems are highly reliable and provide numerous advantages to subscribers.

This white paper will introduce Hosted phone systems and describe the benefits from both organizational and user perspectives as well as some of their shortcomings.

How does it work?

A Hosted IP Phone System requires no on-premises equipment to install or maintain in the telephone closet. The only equipment needed is the business phone on the desk and a router to access the Internet. The phones are

interconnected by sharing the local area network through the data switch that typically serves the computers throughout the enterprise.

Incoming and outgoing local and long-distance calls reach the wide area network across a broadband connection through the router. The backend management of the Hosted IP Phone System, including performance monitoring, is the responsibility of the service provider. The service provider's switch is housed in a secure data center. Hosted IP arrangements free managers of any technical responsibilities and associated costs, so they can stay focused on their business operations.

A Hosted IP Phone System provides the benefits of the latest IP-enabled features – including capabilities that were typically reserved for the largest enterprises and usually not offered on low-end phone systems. Hosted systems also have the advantage of being maintained by the service provider who upgrades the platform with the latest software as it becomes available. As new features emerge, subscribers receive them for free. This protects against obsolescence and ensures that the business keeps up with the competition.

Premises-based phone systems also provide an opportunity to customize the IP phone system with applications that can help business operations. Premises IP systems offer the advantage of controlling what, how, and when enhancements are added to the system. Enhancements with a Hosted IP system, on the other hand, will be at the convenience of the service provider.

How does Hosted IP help the small enterprise?

Many small businesses and startup firms value flexibility in where employees work and when they work. Startups often begin operations at a temporary location and, with growth, move to a bigger location that better suits their long term needs. Today's Hosted IP Phone Systems are designed with these requirements in mind and easily scale with business expansion.

Hosted IP solutions offer multi-location and remote worker applications and multi-branch extension dialing, enabling companies to have a seamless communications platform, regardless of the number of locations or how geographically dispersed they may be.

Premises-based IP systems are not limited by geography either, they can be installed anywhere. Check the service footprint of a Hosted IP system provider ahead of time, however, to determine where they can and can't offer service.

Users are in control of when and where they receive calls. Using a browser interface, calls may be forwarded to alternate numbers, individuals or auto attendants, or even to mobile phones. With a "hot-desking" feature, employee profiles move from phone-to-phone with a simple log-in, log-out procedure.

Hosted IP Features are easy to use, and changes are implemented via a user-friendly web-based interface. Features vary by service provider, and typically include:

- **Company-wide auto attendants** that allow callers to direct themselves via a customized menu
- **Control call routing and greetings** based on operating hours
- **Broadcast Groups** ring multiple phones simultaneously until a call is answered
- **Hunt Groups** ring multiple phones consecutively until a call is answered
- **Location-wide paging** allows users to reach out to colleagues from any phone in the office
- **Common feature templates** allows the system administrator to easily apply features to all phones across the company
- **Control outbound calls** to enforce types of outbound calls (e.g. local, regional, long distance) that are permitted from each phone
- **Phone monitoring** by other staff for training or quality control purposes
- **Configure call handling** for calls that cannot be immediately answered
- **Forward calls** to alternative numbers, individuals or auto attendants
- **Park** incoming calls and page colleagues
- **Internal directory** access right from the phone or web interface
- **Click to dial** from directory entries
- **Log in and out of phones** to access individual settings no matter where a user may be working
- **Assign one touch speed dials** either by entering the numbers or selecting them from directories

- **Forward calls** to alternate numbers, individuals or auto attendants, or even cell phones
- **Monitor** other phones in the company
- **Manage** personal details and view calling permissions

Bundled Services

In addition to conserving capital with a “pay as you go” subscription, companies get access to bundled services that include unlimited local and long distance calling, the savings of which may offset the monthly “pay as you go” cost for the Hosted IP Phone System.

Hosted IP systems can simplify billing and administration. Flat-rate, monthly pricing enables small businesses to contain communications costs, which can be a big help with budgeting.

More things to consider

Depending on the service provider, support may be provided with many different approaches... some outsource techs, while others may dispatch within a limited local territory. It is important to determine who will provide support at any enterprise locations that will need it.

Find out how the service provider addresses questions of basic network security and how they help protect their customers.

It is also a good idea to explore the financial backing of a service provider to make sure they are well established and well funded.

How to begin the transition

Hosted IP solution providers simplify the technical details for subscribers. First, network engineers will conduct a network assessment to make sure high quality voice can be supported on the data network. If any changes need to be made, they coordinate the necessary fine tuning. Phone numbers and directory listings won't change after a switch over to VoIP... customers keep what they have today. The service provider will also take care of the router and firewall configurations, and training is provided to get the administrators and users up to speed on all aspects of their new phone system.

The Bottom Line

The "pay-as-you-go" Centrex offerings from the old telephone company were infamous for not keeping up with the market. This is not the case with the Hosted IP Phone Systems of today. Small businesses and startup firms with 2 to 20 stations will find today's Hosted IP Phone Systems a compelling alternative to traditional telephone systems, meeting the demand for control, feature-richness, flexibility and cost savings.

About Chesapeake Telephone Systems

Chesapeake helps its 5,000 customers navigate today's technology so they can get the most from their voice, data, and video networks. Our customers save time



and money with the industry's leading business communications systems and network services – backed up by 'round the clock customer support.

For over 25 years Chesapeake has been supporting its customers with business communication systems and data networks. Our portfolio includes low cost, plug-and-play Hosted IP Phone Systems. Find out how a Hosted IP Phone System can benefit your business. Call **(800) 787-4848** or email Jeff Nolte at jnolte@chesapeaketelephone.com.

Learn more at www.chesapeaketelephone.com

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