

Hosted VoIP vs IP-PBX Mini Series-4

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In deciding between selecting either a Hosted VoIP provider or an IP-PBX manufacturer, there seems to be a **Short List** (summarized below) of fact finding which may yield different outcomes by each customer. One thing is for sure- it all depends.



Would I ever sell a Hosted VoIP solution?

Absolutely!

These solutions, I believe make sense just maybe not for the same reasons the providers may want to argue. Instead, there are good reasons and getting to them requires work and that work is in getting to know about the customer, their needs, tolerance of technology and pain, and ability to manage or work with their adopted solution. Whoever is willing to invest the time needed in the client discovery process to facilitate success will likely determine the outcome. Paying lip service and throwing around pros and cons won't invoke sales until these customers are actively engaged.

Who would I target with a Hosted VoIP solution?

Startups - over many years of servicing these folks there is a common thread of all having high hopes and desires to succeed but the harsh reality is that many of them fail. Some won't consider purchasing a used system or something scaled down. Instead they over buy or but into something unfitting for their business. Lack of funding, misuse of available capital or bad timing derails their ability to succeed.

Small IT firms – some of these customers have minimal telephony needs. Their biggest “want” is to get voice mail messages delivered to their Outlook account.

Mom & Pop businesses – there are plenty in all shapes and sizes. They make major mistakes by over buying (hopeful on growth or trying to make an impression) or wrong buying by buying too cheaply... their telephone system is the business front and it's sloppy and poorly handled evidenced by the customers calling and listening to and Automated Attendant script for 2-4 minutes only to get transferred to the only extension manned by Mom, Pop or anyone bold enough to answer the phone.

Businesses requiring “hybrid solutions” – there are numerous companies with needs varying but with a little creativity a hosted solution could place some workers in home offices. My office has an IP-PBX and in spite of having the licenses for all the software to setup a remote phone at my home just 4.5 miles away- I just don't like the factory solution along with the maintenance.

Small retail – customers don't have sophisticated telephony needs but they do have “specific” needs. A unified approach for **7-11** and **Wawa** convenience stores for example could reap mutual “universal” benefits with a Hosted Solution.

Service Businesses – many services run their businesses with office supply telephony form factor. They have no business front other than handing out their cards with cell phone numbers provided. A Hosted Solution could add some polish to their business front and that may make a difference of gaining a customer or two. A hosted service could shine in this environment.

The pain I mentioned isn't exclusive to hosted providers but it is inclusive of any telephony solution because none of them are pain free. Each alternative does affect business operations and how they impact the customer measures in more than just perception to the point of the customer decisively instigating “change” when the solution falls short on specific and intended needs.

The Short List

The Details

Investment of INFRASTRUCTURE

True Cost of Ownership (beyond infrastructure)

Upgrades/Migration Path Single Point of Contact Who owns the access pipe or services connected

Management of Solution

Security

Ease and Cost of MACs (Moves, adds, changes)

Investment Protection

Portability of Investment

Integration of business applications

Access (5, 4, 3 or 2 nines, QoS, Disaster Recovery) and Availability

SLA or Maintenance Contract

Details & Costs Telephony Features Supported

The Alternatives to Hosted VoIP and IP-PBXs Digital Key & Hybrid Systems

Peer-to-Peer
Open Source
Centrex
Cheap Key & Hybrid Systems
Custom Hybrid Solutions

The Customer

What deems the telephones as mission critical?
Do the telephones directly generate revenue?
Do the telephones support revenue?
Customer tolerance and suitability levels?
Why is the customer buying a new telephony solution?
What are the specific needs (short and mid-term) ?
What will be the degree of customer involvement after cutover?

Market Factors

Cost of energy increasing
Cost of office space and maintaining it
Cost of bandwidth coming down
Taxes and the FCC
The TELCOS and the Last Mile

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