

# What Every SMB Needs to Know When Selecting a Phone System

## Buyer's Guide

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# What Every SMB Needs to Know When Selecting a Phone System

## Introduction

Whether you are starting a new business or expanding your existing business, you will need to choose a business phone system.

The obvious thing is to go with what you already know – your at-home service provider, or the phone system you've used at a previous company or other office location. You could always utilize the system already being used in the building you're in, but are then stuck with a solution that might not quite meet your needs or worse yet, require costly resources to update and maintain.

Thankfully, you have options. There are several kinds of business phone systems and choosing the right one can save you money, time and effort. The right system will give you a robust and feature-rich system, that can scale affordably as your business grows and your needs become more complex.

This guide provides you with essential information and tools so you can understand your options, and make the decision that meets the needs – and ambitions – of your business.

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## What Every SMB Needs to Know When Selecting a Phone System

### Defining your business needs

There are three basic kinds of business phone systems: Traditional PBX, with a box on your premises; "Hosted" PBX, where the box is at a vendor site, and Virtual or Cloud PBX, where PBX is a service rather than a box, and it's hosted in "the Cloud" (similar to many of the applications you already like Amazon, Gmail or LinkedIn). Before examining these options, let's first take stock of your needs since they are key to the kind of system you will want to use and which vendor you will partner with to power your phone system.

#### Just Starting

*1 to 19 employees*

**Your business needs to establish itself – quickly.**

- Fast implementation of main business phone / toll free number
- Easy set up and management for non-technical users
- Seamless mobility to work at the office, at home, or anywhere in between
- Build a professional image with prospects, customers, investors
- Keep startup costs down

#### Growing

*20 to 100 employees*

**Your business needs to support increasing demand.**

- Quick set up of new employees and departments
- Roles based access for company administrators and end users
- Flexibility and customizations to meet individual users' needs
- Innovation to adapt to changing market and business demands
- Manage costs while supporting growth

#### Optimizing

*100+ employees*

**Your business needs to improve efficiency and control.**

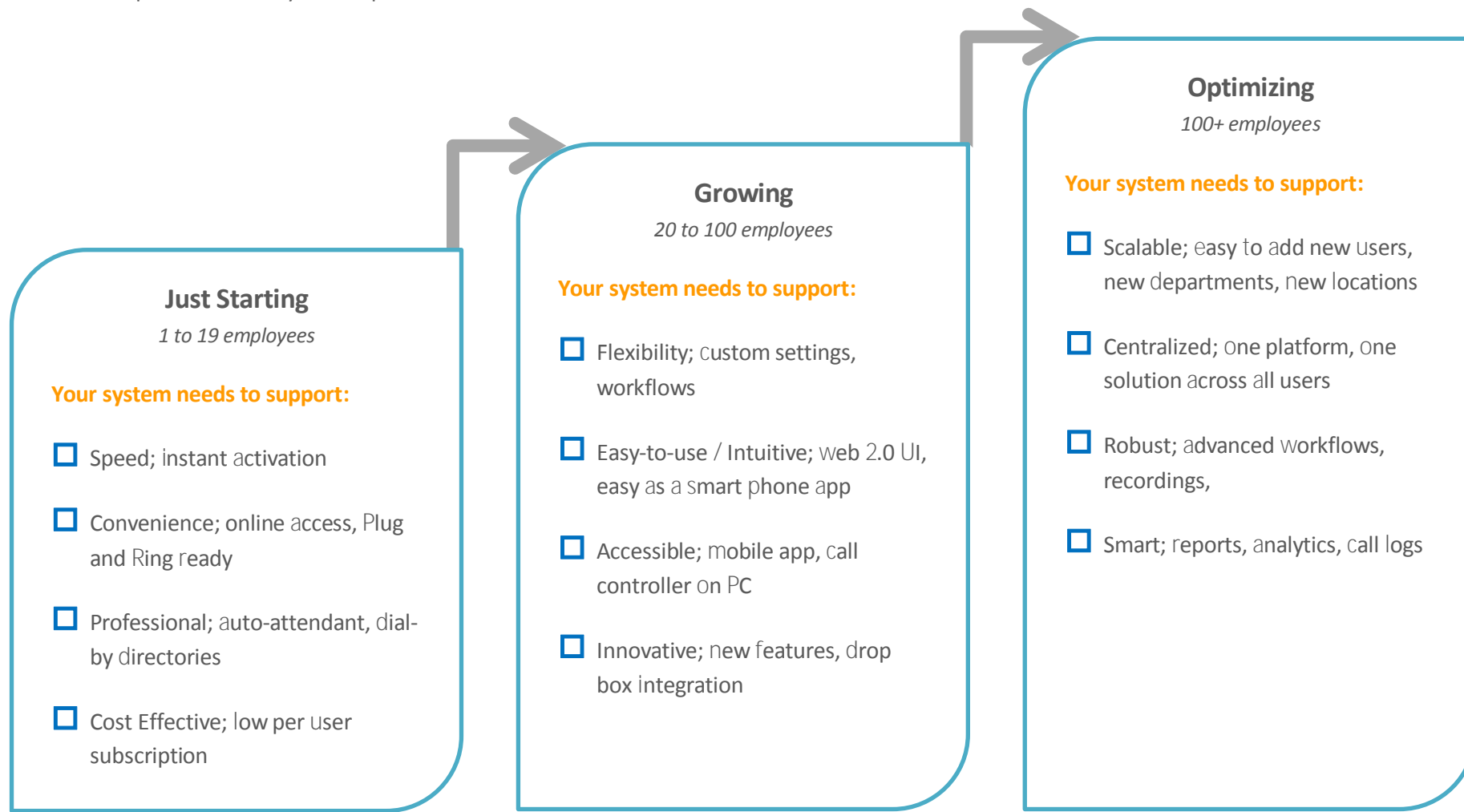
- Scalability to easily add new locations
- Robust platform to support customized call workflows / routing
- Communication consistency across all parts of the business
- Key performance metrics to refine the system and processes
- Maintain costs while getting maximum value

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## Identifying your phone system requirements

Understanding *what* your need out of a phone system is only half the equation. Without a firm understanding of *how* to meet your needs, you run the risk of being “sold” a solution that might look great in the demo or has all the feature boxes checked, but doesn’t work the way you work. Let’s take a look at the top “must have” system capabilities based on business needs.



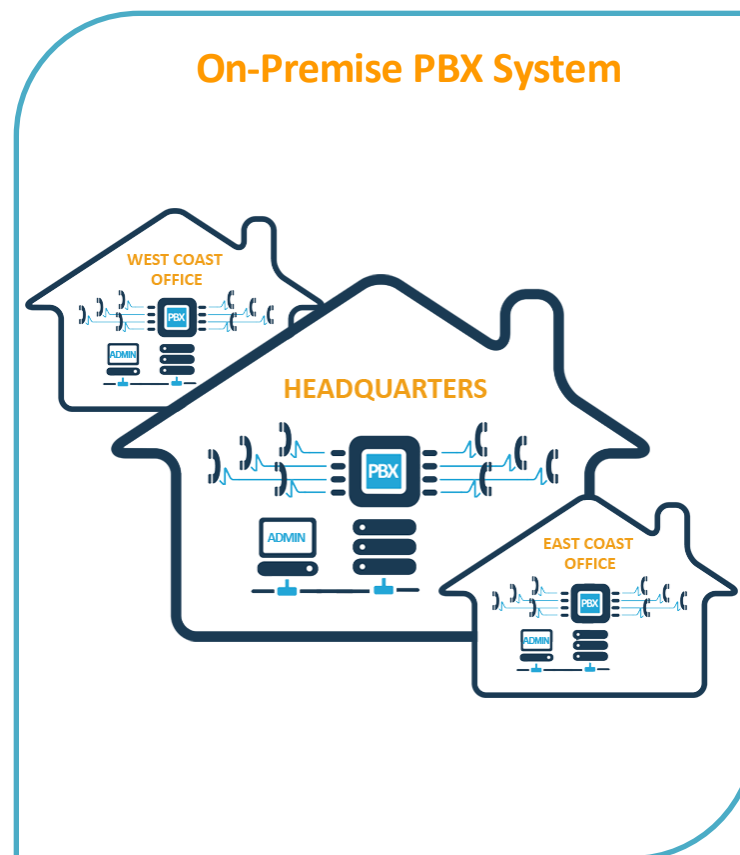
## What Every SMB Needs to Know When Selecting a Phone System

### Understanding your options

The good news is you have options. The bad news is you have options. One of the biggest challenges in any selection process is understanding your options, the pros and cons, and how each will impact your business. The following summarizes the must knows

#### Traditional, on-premise PBX systems

- The hardware is costly.
- You need to have a PBX at every location.
- Can be a good solution -- if you have the IT staff (and budget) to support it.
- Gives you more control; your system is not Internet dependent.
- On the other hand, each PBX is a single point of failure at that location.

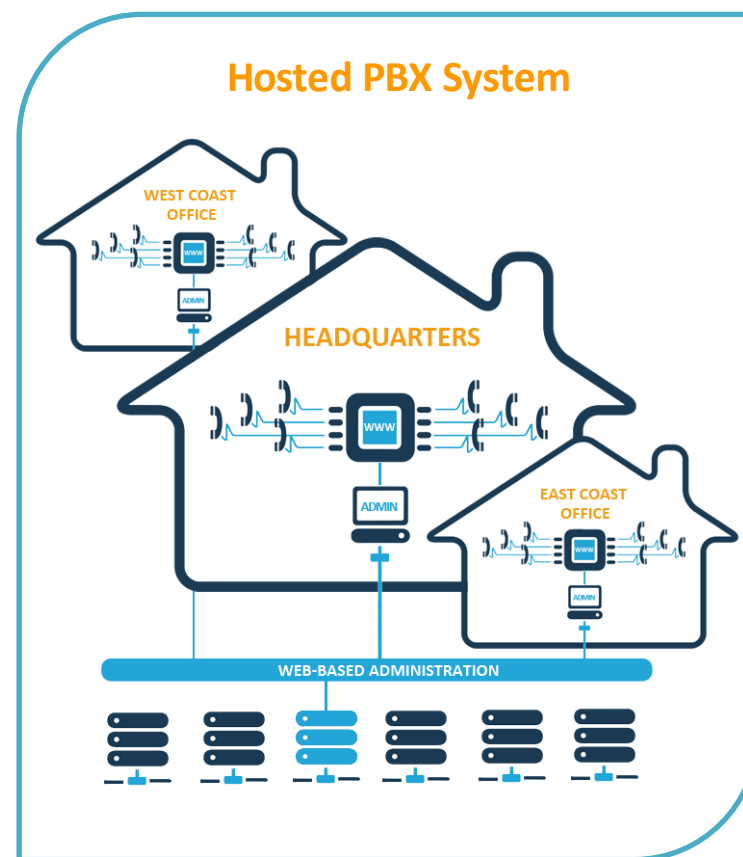


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### Understanding your options

#### Hosted PBX systems

- Since the PBX is at the vendor site, this reduces the need for costly hardware at your company locations.
- It requires no IT staff at your location.
- On the other hand, it does require power users on your staff to get extensive training to manage the systems, which are not user friendly.
- Base prices can be reasonable, but hosted systems tend to charge for every little thing ("nickel and dime pricing").
- Hardware upgrades to add new features are costly; innovation in such systems is limited.

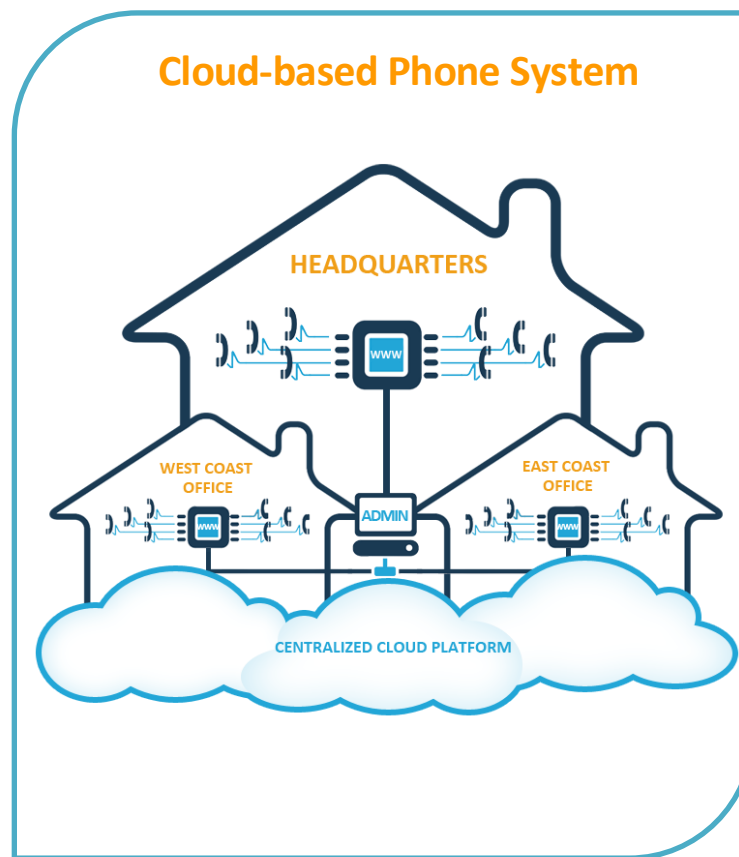


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### Understanding your options

#### Cloud-based phone systems

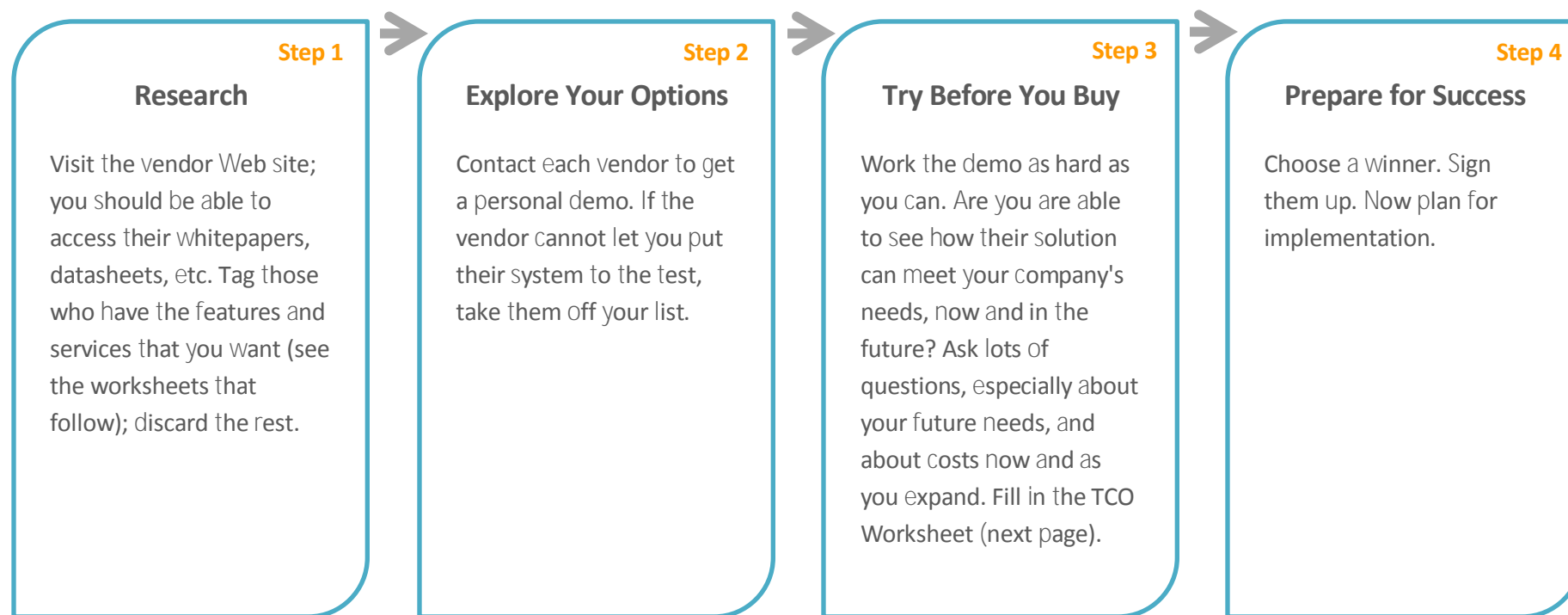
- No on-site hardware means no technical experts needed on your staff.
- The PBX isn't one box, at one vendor site. Instead, it's a rich, flexible, software system "in the Cloud" -- that is, the software runs on redundant servers. Reliability is increased, and increased demand is handled automatically.
- "The power of one" -- Rather than a box for each customer, resulting in multiple systems to maintain and upgrade -- Cloud systems are one program, one system to maintain, and customer upgrades are simply "turned on" -- no hardware box to upgrade at great expense.
- When innovations are introduced, they are available to all customers at once.
- Cloud systems use a single subscription fee, what about upgrades/adding users/adding capacity, capability? How are the additional charges different from 'nickel and dime'?
- You manage your system from a Web browser, through an intuitive user interface that greatly reduces the need for expert training. Features can be managed, modified, upgraded, added and reduced quickly and easily.



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### Evaluating vendors and costs

Once you have a good idea of what you will want from your provider, it's time to check out specific vendors. Identify one or more vendors in each of the PBX types you're considering (until you've settled on one technology). Then begin your evaluation of each. Here is an example of a selection process, which you can modify for your own needs.





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### Implementation considerations

You want to have a successful rollout, with your staff (and customers) happy with your choice, eager to make the most of the new system, and taking full advantage of its features to benefit your business. Here's what we recommend.

#### Phased Rollout

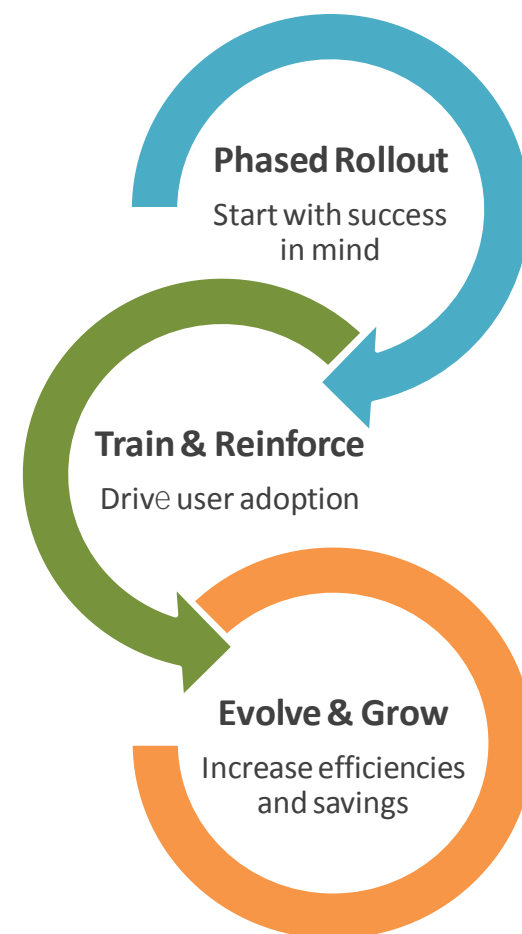
- Larger companies with several departments or distributed operations should consider a phased approach when implementing a new phone system. Start the rollout in an area where you are most likely to achieve success and use that success to get others excited about the new system.

#### Train and Reinforce

- To drive user adoption, training should not just be a "one-and-done" activity. Best practices on how to use the system should be communicated regularly. Users should be encouraged to explore the system and ask questions to ensure your business is getting the maximum value from its investment.

#### Evolve and Grow

- Keeping your phone system up-to-date is vital to the success of your business; it's what keeps you connected to your existing and prospective customers. As phone system technologies continue to evolve, take advantage of the latest innovations that will allow you to operate more efficiently, empower your users and control costs.



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### Making a decision that is right for you

#### Tools and resources

At this point you should have a solid understanding of:

- How business needs align with phone system requirements (if not, refer back to page 3)
- Different kinds of phone systems available (if not, refer back to page 5)
- How to manage the system evaluation and selection process (if not, refer back to page 8)
- Best practices for a successful implementation (if not, refer back to page 9)

#### Now, let's get to the fun part.

The following will provide you with a variety of tools and resources to assist you as you consider your phone system options and begin your selection process. In this section you will find:

- Business Needs Worksheet
- Vendor Fit Checklist
- Total Cost of Ownership Worksheet
- Links to additional resources you might find useful

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### Tools & Resources: Needs Worksheet

This worksheet summarizes the basic information the vendor needs to determine pricing. Note: Over time, these numbers will change, so flexibility and incremental pricing is important.

#### Item

#### Your best estimate

Number of Office Employees:

Number of Remote Employees:

Number of Locations:

Average Number of Toll-Free Minutes:

Number of Calls Per Month:

Average Length of Conversations:

Specific Features You Will/May Need:

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### Tools & Resources: Vendor "Fit" Checklist

There are certain key questions to ask a potential provider, to make sure they're the right vendor for your company. Here are the top 10 questions you should ask when creating your vendor shortlist.

Top 10 Questions to Ask Before You Decide	Vendor A	Vendor B	Vendor C
1. What kind of platform does the system run on (i.e. on-premise, hosted, cloud)?			
2. What kind of resources are necessary to maintain / upgrade the system?			
3. How long does it take to get up and running? What about when you need to add a new user or new location?			
4. What happens if there is a disruption in service? Who do you call and how long will does it typically take to get back up?			
5. What is the all-in cost (i.e. hardware + software + additional resources)?			

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### Tools & Resources: Vendor "Fit" Checklist

Top 10 Questions to Ask Before You Decide	Vendor A	Vendor B	Vendor C
6. Do they let you try before you buy?			
7. How often do they put out a new release? Do you have a voice on new features / improvements?			
8. How many customers do they have?			
9. Do they have experience in your industry?			
10. Who is in their ecosystem? Partners? Investors?			

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### Tools & Resources: Total Cost of Ownership Worksheet

#### For On-Premise Solutions Vendors

One Time Costs		
Input	Description	Estimated Cost*
PBX Hardware	PBX servers, expansion cards	\$10,500
Phone Hardware	Desk phones	\$5,100
Professional Services	Installation, configuration, training, number transfers	\$3,200
Recurring Monthly Costs		
Phone System	Software license, hardware license, support / maintenance	\$457
Provider Fees	Unlimited calling and fax, toll free minutes, support	\$703
Carrier Fees		
<b>Total Cost of Ownership for year 1</b>		<b>\$33,110</b>

#### For Cloud Solutions Vendors

One Time Costs		
Input	Description	Estimated Cost*
PBX Hardware	PBX servers, expansion cards	\$0
Phone Hardware	Desk phones	\$2,975
Professional Services	Installation, configuration, training, number transfers	\$0
Recurring Monthly Costs		
Phone System	All inclusive per user subscription	\$625
Provider Fees	Unlimited calling and fax, toll free minutes, support	\$0
Carrier Fees		
<b>Total Cost of Ownership for year 1</b>		<b>\$10,472</b>

*\*estimated costs based on 25 in-office users, 5 remote users and 2 locations*

## What Every SMB Needs to Know When Selecting a Phone System

### Additional resources

#### Buying Tips

- About.com: [How to Buy a Business Telephone System](#)
- Cisco: [Top 6 Considerations When Buying a Phone System](#)
- D&B: [Five Things to Consider Before Buying a Telephone System](#)
- eZine: [Cloud PBX Phone System Buyer's Guide](#)
- PC World: [How to Buy a VOIP System](#)

#### System Comparisons

- [Virtual PBX Compare](#)
- [VOIP Review](#)

## What Every SMB Needs to Know When Selecting a Phone System

### About RingCentral

RingCentral is the leader in cloud-based phone systems. An easy-to-use, flexible business phone system designed for small and medium businesses, RingCentral offers a complete phone and fax solution with big business features and mobility for a small business price. Business class Polycom and Cisco desk and conference phones arrive Plug & Ring ready, and you get implementation advisors and free 24x7 support. For more information, please visit <http://www.ringcentral.com> or call **855-774-2500**.