

Cloud Business
Communications
vs.
On-Premise PBX: It's
no Contest

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There is a whole new world of work—a world defined by the ubiquity of mobile devices, and the expectation that work can be done anywhere and at anytime.

Unfortunately, business communications technology has not kept up with these new expectations—especially legacy, on-premises PBX phone systems. These obsolete systems are not meeting the needs of the modern worker, and are reducing productivity and flexibility in today's businesses.

Employers and employees have entirely new expectations resulting from our 24/7 and increasingly mobile workforce. As a result, IT faces a confluence of mega trends: the proliferation of mobile devices, Bring Your Own Device (BYOD), consumerization of IT, and an increased number of mobile and dispersed workforces.

For example:

- Today, 66 percent of employees use two or more mobile devices for work (Forrester).
- 28 percent of large corporations are using a flexible workforce including consultants, and other location independent project-based workers. This number is increasing.
- Nearly 80 percent of adults send and receive text messages for business (RingCentral survey).
- Workers no longer rely on PCs to read their e-mail. Along with this, employees are becoming less dependent on their desk phone. Today's employees expect to be able to seamlessly work and communicate effectively outside the office.
- Business executives expect to quickly scale up, adding offices and employees without delay.
- Globalization has increased the around-the-clock expectation that workers have for communications access and coworker, partner, and customer response time. These expectations for service and response are now nearly instantaneous.

With that in mind, here are 10 reasons why now is a great time to modernize your phone system with a cloud solution that fits the needs of the modern workforce.

1. Your Old Phone Technology is Toast

With today's on-premises PBXs, you still need a PBX servicing every office location. The PBX is difficult to configure, maintain and scale, requires specialized IT skills, and doesn't work well with mobile devices. It also often becomes a single point of failure when things go awry.

Cloud business communication solutions smash the old boundaries of on-premise PBXs. The cloud offers access to a full suite of voice services from wherever there's a data connection, and is supported on a variety of devices including desktop phones, softphones on a PC or Mac, smartphones and tablets.

Cloud communications also support in office or Inside Mobility where workers in a company office building can easily move their IP phone from a desk to conference room, or to wherever there's a wired or wireless data connection. These approaches allow you to stay connected no matter where you are.

Another problem with PBXs is that they are far from serving as an all-in-one solution. You need a PBX installed at each location, and many features require a separate device or additional software. Nor are they easily integrated with common business applications such as Exchange or Salesforce.

Cloud phone services, on the other hand, can be an all-in-one solution, including fax, text messaging, toll-free number, mobility, advanced voicemail, text-to-speech, voice recording, integrated texting, and more. Many of these features are easily activated, with additional features rolled out on a continuous basis as they become available.

By deploying from the cloud, IT simplifies the service environment and has only one unified phone system to maintain, one vendor to work with, and one network to manage. Upgrades and expansions are also simplified.

RingCentral Office has all this in one integrated solution, and combines that with industry-leading reliability and availability.

2. Challenges of Consumerization of IT and BYOD

Businesses today must contend with supporting a diverse set of devices, which is why Bring Your Own Device (BYOD) policies have become so popular. Here, employees bring their own devices to work, whether they're smartphones, tablets, or PCs. This reduces the budget needs for IT equipment, but vastly expands the device support needed for IT staff.

While the flexible benefits of BYOD sound great, support and integration into the IT environment can be challenging at best.

The cloud changes all that.

Today's end users don't wait for permission from IT. Instead they buy the hottest new devices themselves for personal use, and then demand that their iPads and Android phones integrate into work. Cloud

voice services easily and instantly integrate a range of BYOD items into the enterprise communications infrastructure, making these devices equal in terms of features and functionality, comparable to an on-premises desk phone.

Once a company offers BYOD capability, employees are happy and productive as their device holds their favorite apps, contacts, and preferences.

3. Your Old Phone System Can't Support Mobile Workers

In today's world, smartphones are everywhere. In fact, they're the dominant means by which workers communicate.

The smartphone experience, for the most part, is fundamentally different from using an office phone. But what if the mobile experience was identical to the experience you had with an office phone? What if your employees could move from one device to the other seamlessly?

With legacy voice systems, workers out of the office or even just standing in the hall miss critical calls.

Those who travel are forced to call into the office frequently, retrieve voicemail, and return the call from a separate smartphone, hotel phone, or even a pay phone. In some cases, callers are advised to call the employee's cell phone – another hurdle for the caller to leap over and an approach that doesn't exactly shout professionalism.

Most times, mobile workers are tied to two phones – the one in the office and a separate smartphone with a separate number. That's because your PBX can't handle mobile workers, which will total 1.3 million in 2015 in the U.S. alone. These workers can be just as productive as office bound employees, if they have the right tools.

On the other hand, a RingCentral user works on any type of data network, whether in the office or mobile. Users receive phone, fax and SMS capabilities, and can communicate with a single phone number and extension.

Amerivest Realty, a full-service real estate firm headquartered in Naples, FL, went with a RingCentral solution. Now the company's associates enjoy the benefits of mobile cloud capabilities. Amerivest's 200+ agents spend a lot of time on the road, showing homes, and closing deals. Whether in the office, the car, at a home showing, or closing on a deal at the lawyer's office, associates today have one number for fax, phone and SMS, and can get voicemail from a variety of devices.

Another customer, Lyft, an on-demand ridesharing community in San Francisco, was having trouble managing the constant stream of phone calls with its previous, decentralized system. Missed calls, limited call routing capabilities, and no single dashboard view for establishing driver availability all made life more difficult for the team at Lyft, said Adam Fishman, Director of Growth and Operations at Lyft.

Fishman found his answer while interviewing a driving candidate, "Why not try RingCentral?"

Fishman began using RingCentral with a pilot project, and then moved the operation over to RingCentral fully after the pilot period. "There is no upfront commitment. The monthly cost for RingCentral for five people is under \$200 per month. With the improvements we've achieved, it has more than paid for itself within a very short period of time. Using RingCentral's model, I can add phones as we need them. This allows me to add costs at a measured rate," said Fishman, noting that operations have improved 15 percent since RingCentral was installed.

4. People Need to Work at Home

Yahoo's CEO may have recently made waves demanding an end to telecommuting, but if anything, working from home and home-based offices have continued to grow in numbers.

A recent study from the not-for-profit Families and Work Institute shows the trend moving toward home-based work, with more workers now telecommuting. The institute found that 63 percent of employers surveyed allow at least some employees to work partially at home on an occasional basis. That's up from 34 percent in a related study done for the institute in 2005.

Unfortunately, legacy PBXs are designed for a fixed office, and can't easily provide the same level of service to teleworkers.

With cloud voice services, those home workers have the exact same features as being in the office and to outside callers, the experience is virtually the same.

5. You Need to Eliminate Cost and Complexity

Legacy voice systems are expensive, complex to maintain, and the feature set is largely hardwired. These on-premise PBX-based systems simply can't keep pace with the dramatic changes in how we all work and communicate.

Conversely, the economics of cloud voice services cannot be beat. There is little to no CAPEX, and low predictable OPEX.

Amerivest has found the economics of cloud communications compelling. "Our switch to RingCentral reduced our telecommunications costs by almost 30 percent, and RingCentral's cloud-based phone services have exceeded our expectations. Our IT expense savings were greater than anticipated because RingCentral is configurable by non-technical people. In fact, RingCentral is so easy to use that I mostly set up the system myself. I needed assistance with number porting, but RingCentral's support team made that process painless," said Joe Ballarino, President & Founder of Amerivest.

Organic By Nature, a maker of health supplements, is another happy RingCentral customer. "The company made the move when it was in the process of consolidating buildings, and leaving its main building that held a Toshiba PBX coupled with a Toshiba voicemail system," explained Tom Merz, Director of IT and Facilities. Merz initially looked at putting the old PBX in the company's new building, but there wasn't enough copper wiring infrastructure to handle the PBX. With total costs estimated at \$60,000 to \$80,000 to move and install the PBX in the new office facility, Merz found that cost hard to swallow.

RingCentral simply offers us a better option. "We saved about \$27,000 in upfront hardware and setup costs with RingCentral versus our old PBX system. On an ongoing basis, we save about \$1,000 a month compared to our prior service," said Merz.

Finally, customer American Global Link Technologies went from spending \$3,000 or more for phone services to just \$300 – a savings of 90 percent!, "I'm used to paying \$2,000 or \$3,000 a month for telecommunications. Now, with my RingCentral phone system, I pay \$300 or so a month," he says. "In my business, this is money I can really use," said Rajiv Choudhary, American Link's founder.

6. Ease of Management and Expansion

The cloud is expandable and flexible; adding features requires no forklift upgrade or expensive PBX software upgrades, not to mention hiring expensive IT consultants to make all the necessary changes. With the cloud, your phone system is future proof. Adding users is just as easy – they can be added with just a couple of clicks of the mouse. And because the cloud is built to scale, there are no limits on your future growth.

Amerivest Realty found the cloud a perfect way to expand its operations. "We were about to open an additional office in a new area code. We wanted a single system to accommodate all of our offices, but the cost of expanding the on-premise system was exorbitant. As we researched the market, we were impressed with RingCentral's service offering," Ballarino said. "In addition to solving issues with hardware and remote associates, RingCentral also let us combine phone and fax services into a single number. We have less to manage, our associates are better supported, and their customers are happier as a result."

Meanwhile, with a cloud communications solution such as RingCentral, there is no need for dedicated IT staff, and the system can be managed through an intuitive Web interface, even from a smartphone. IT can make changes on the fly anywhere, anytime.

Customers see this first hand. "Previous to RingCentral, we hosted an on-premise phone system. The system often had technical issues which required costly consultants to repair. More importantly, these issues were often total outages which were not only inconvenient, but also adversely affected our business, potentially causing loss of revenue for the brokerage and our associates," said Amerivest's Ballarino.

Customer Organic By Nature finds RingCentral faster and easier to manage. "I save about eight hours a month with RingCentral because employees can now set up their own phone system themselves," said Merz, who runs IT operations. "Before RingCentral, a couple of times a week, I would have to make little changes like go into the directory to change a last name when someone got married, or change forwarding settings for someone's voicemail. With RingCentral, employees can change their own name in the directory. When they move to a new desk, they just pick up their phone, plug it into the Internet cable on their new desk and it just works."

7. The Beauty of Integrating Best of Breed Cloud Apps

A good cloud voice service integrates with key applications such as Salesforce.com, LinkedIn, Outlook, Office and other Windows programs.

RingCentral Call Controller, for instance, runs on a standard PC and allows users to see who's calling, and send text to voice messages even when on another call. Call Controller also integrates with Microsoft Internet Explorer, Office and Outlook, allowing you to fax from the apps or do click-to-call, letting you call out from within your applications.

The reverse is also true. With click-to-call, for instance, website visitors can contact you when they're on your website and ready to buy. No matter where you are, you'll never miss a sale.

There is an even deeper level of integration with the popular Salesforce.com. Salesforce.com is now one of the most popular enterprise apps, and integration with your phone system offers huge rewards. The RingCentral App for Salesforce.com allows users to click on Salesforce.com accounts and contacts, and place calls from within the application. This click-to-dial from within Salesforce.com is a huge time saver and productivity booster.

And when a call comes in from a Salesforce.com contact, all the account information can appear on screen in a popup window. You can also create a new record easily while on the phone with your customer.

8. Vastly Increased Productivity

Smartphones, and more recently tablets, are breaking the old workday barriers. Many workers log more hours because they're bucking for promotion and want to be more competitive. Others love their work and want to contribute as much as possible. And some of us, when sitting in an airport or waiting in a cab, would rather work than do nothing. No matter the motivation, with cloud, idle hours can turn into real productivity.

Cloud voice services allow workers to use time away from the office, whether it's calling customers or coworkers, and have it look to his or her customer that they are calling from the office.

9. Crisis Resistant

With a cloud communications provider like RingCentral, you're less likely to experience service interruption in the event of natural disasters or other unforeseen catastrophes. To prevent significant data loss, RingCentral houses its core technology infrastructure and global network in data centers spanning across multiple locations. Each geo-location is redundant and colocated with top-tier, U.S.-based telecommunications carriers to ensure maximum reliability and system availability.

For example, The New York Genome Center needed flexibility to connect employees in multiple locations using mobile devices. According to Dave Whelan, head of business development and strategy, "The true test of cloud flexibility came in the form of Hurricane Sandy. While our test lab and facilities experienced outages, our email and cloud phone system kept going, allowing us to forward calls to non-affected areas and keep the lines of communication open."

Another organization in Coney Island, located on the first floor of a building, had their on-premise PBX fail completely due to flooding caused by Hurricane Sandy. They called RingCentral, set up their phone system in minutes, and were up and running with mobile phones to get them back online.

10. Realize the Benefits

RingCentral can fundamentally change how your business communicates.

Here are a few of the top benefits:

- Comes with a toll-free number as part of the standard package.
- No more missed calls.

- Lower IT costs by as much as 90 percent.
- Unlimited calls and faxes in both the U.S. and Canada
- System installs in minutes, not days.
- Manage the entire phone system from a Web browser or smartphone.
- End users can manage their own services.
- Support for mobility is built in.
- Scales easily to add new users or new locations.
- New features automatically available.
- 24/7 support free of charge.
- Visual Voicemail is synchronized between the desk phone and mobile devices, which is automatic since it is in the cloud.

After seeing all the benefits of a phone system in the cloud, why would you let a clunky old piece of PBX hardware hold you back? Join the 300,000+ organizations now using RingCentral and find out how dumping your PBX and putting voice in the cloud can change your business.

To speak with a RingCentral Solutions Specialist, please call:
888-856-2178