
VIRTUAL PBX VERSUS PREMISE PBX

■ Virtual PBX versus Premise PBX

Like the dilemma of leasing versus buying a car, the decision between Virtual PBX versus IP PBX can be vexing. What are the arguments that favor virtual VoIP service or the VoIP premise PBX? How do you know what is right for your company? It's not just solely about money, but also features, functionality, and control play a significant role in making the right choice.

So which is the best way to go? Like leasing a car, it depends greatly on your circumstances, particular needs and preferences.

Leasing Vs. Ownership

Virtual	Premise PBX
<p>Virtual PBX is akin to leasing. You do not own the PBX. The equipment (with the exception of the telephones and router), resides at the remote hosted PBX site, not at your location.</p>	<p>With a premise PBX, you purchase an asset. The equipment is installed at your location and it needs to be maintained. You do not pay monthly for a service.</p>

Pay Now Or Pay Later

Virtual	Premise PBX
<p>You pay for service on a monthly basis. The upfront costs are limited to phones and router. Typically, virtual PBX providers charge like a wireless provider, billing a contracted monthly rate per user plus additional charges for added features.</p>	<p>With an IP PBX, the upfront cost is significant, typically about three times more than the upfront virtual setup costs.</p> <p>However, the purchase can be financed which makes for monthly payments, typically lower than a virtual PBX monthly payment.</p>

Investment Protection

Virtual	Premise PBX
<p>Virtual means you are paying for a service and there is no investment but rather an ongoing expense. However, the phones can be re-used in the future in a different environment and as such, they are an investment.</p>	<p>You have purchased an asset that will serve your organization for many years. The phones can also be-used.</p>

Who Controls Your Communications?

Virtual	Premise PBX
<p>By definition, virtual means that your provider maintains control and ownership of your communications. However, for companies that do not have the resources to implement a premise based PBX, virtual PBX may be the best way for them to get the benefits of VoIP.</p>	<p>Ownership equates control. Owning a PBX means there is a significant up-front commitment to install the system plus the ongoing costs of administration. This should be factored into the total cost of ownership. The upside is that once the system is running smoothly, it should stay that way for a very long time.</p>

Ongoing Administration & Maintenance

Virtual	Premise PBX
<p>Maintenance costs for Virtual PBX are less than the premise PBX as you are only responsible for the phones. The monthly price that you pay for virtual includes maintenance on the Virtual PBX.</p>	<p>You have maintenance costs for the PBX and phones. However, administration can be quicker with a premise-based PBX as you can make the changes yourself.</p>

Features That Help You Decide

Virtual	Premise PBX
The virtual PBX is designed as a “one size fits all” solution. But if you have simple call handling needs, the virtual PBX provides more than adequate features. It may not have all of the bells and whistles, but it meets the needs.	Premise-based PBXes have the edge in features and flexibility over the virtual solutions. They are designed with a high level of customization available.

Your Vendor Relationship

This is one of the largest differences between virtual and premise-based solutions.

Virtual	Premise PBX
Virtual providers work from a centralized office. They do not have local representation. You must install your own equipment and test it. In the case of a service problem you'll have only phone support.	Premise-based PBXes are installed and serviced via a local dealer. They pride themselves in being close to their customers.

There is a middle ground where the anywhere nature of Virtual meets local support. Some virtual companies distribute their product through local dealers. This allows you to meet with the salesperson during the buying process. It also means that there is a local company who can assist with installation and service issues. Many organizations feel that the combination of Virtual PBX and a local support vendor is the ideal setup.

Internet Bandwidth Considerations

Virtual	Premise PBX
<p>Every phone call uses your Internet connection(s), taking 80KB of bandwidth each. This includes intercom calls. This isn't a lot of traffic but if your circuit is small or already at capacity, you'll need to add bandwidth at an increased monthly cost.</p>	<p>If your system is connected via a dedicated voice circuit (typically PRI), no data bandwidth is consumed.</p> <p>However, the premise PBX is capable of routing calls via your Internet connection using SIP trunking. In this case, no bandwidth would be consumed for intercom calls.</p>

Multiple Location Organizations

Virtual	Premise PBX
<p>Virtual is superior in a situation when an organization has many small offices to connect. Implementing a premise-based solution is quite expensive.</p>	<p>Premise-based PBX'es support remote phones equally as well as a virtual solution.</p>

Disaster Prevention & Recovery

Virtual	Premise PBX
<p>Virtual PBX provides superior disaster resilience to local issues such as power outages, building problems and natural disasters. The remote virtual PBX can re - route calls to other numbers including mobile phones and other offices. However, the virtual provider can experience their own disasters. Each virtual provider has their unique resiliency.</p>	<p>A premise-based PBX with a separate voice circuit (PRI), is separate from your data network. If your data connection fails, your PBX is unaffected. However, if your voice circuit or PBX stops functioning, you cannot make or receive phone calls. Redundant hardware and circuits can lessen the chances of being totally down.</p>

Security

Virtual	Premise PBX
Security is primarily the responsibility of the virtual provider.	You have more control of your security with a premise-based PBX.

Downsizing & Expansion

Virtual	Premise PBX
As a monthly service, most providers will allow you to increase or decrease subscribers easily. You'll just need to provide the new phones.	To expand, you'll need to add phones and possibly licenses (dependent upon mfr). At some point you'll have to add more voice circuit capacity.

System Upgrades

Virtual	Premise PBX
Theoretically, virtual means that you are always on the latest and greatest software. However, it's up to the virtual provider to produce that software. They may or may not be motivated to develop new software unless they charge for the new features.	PBX manufacturers are very motivated to develop new features to meet or beat their competitors. Software features are typically richer on a premise PBX. However, you must upgrade every time they provide a new software release.

So, What Is Right For You?

Premise-based PBXes provide greater functionality, but the Virtual PBX provides great flexibility. Here are the main decision points:

- If you want to own it a long time, consider the premise PBX. It will likely be less expensive in the long run.
- If you have a dynamic business, you should strongly consider virtual. It will not cost you as much upfront and you can contract for less time.
- If you want special services or customization, tilt towards the premise solution.
- If you want basic services — calls in, calls out — use Virtual PBX.

Consider the trade-offs and be clear on what you really must have in your system today and into the future.

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