

Hosted VoIP vs. On-site PBX

What exactly are the differences between an on-site PBX phone system and hosted VoIP?

If you are wondering which system is best for your organisation, the chart below will help give you the information you need to make an informed decision.

	On-Site Telephone System	Hosted VoIP System
Resilience (Disaster Recovery)	Most telephone systems have a single Central Processing Unit designed to support a small server. This is the core of the system. If this fails, the system stops working. To ensure against this single point of failure a second telephone system would need to be installed.	Quality hosted solutions are built on carrier grade servers and have failover sites with software and infrastructure designed to support business continuity. As a result, Disaster Recovery measures are already built-in without doubling costs.
Security	Telephone systems don't have embedded security. Additional security such as Session Border Controllers (SBC) and firewalls have to be deployed at extra cost.	Hosted platforms all have carrier grade security measures as part of their infrastructure. This protects against attacks such as Toll Fraud without additional cost.
Call Handling	In order for an on-site telephone system to be able to utilise its call handling capability, calls must first be delivered to it. Where there are high volumes of inbound calls, many phone lines have to be purchased. Even then, companies will have no data on calls that aren't capable of being routed to the system.	As all calls are in essence answered in the cloud (which has large numbers of lines connected to it), calls can be queued in the cloud and only delivered to the company when staff are available to take the call. This means that the company only needs enough connectivity for the staff available.
Ongoing Support/Maintenance	As all the phone system equipment is located on site, it falls to the customer to ensure that it is properly maintained. Any faults that occur may require an engineer callout which could take hours or even days. Even remote access, with a traditional system is not always straightforward. Remote access also requires you to allow the telephony maintainer access to your network.	With a hosted platform, the system is not on site as it is in the service provider's cloud. Hosted service provider's support teams have direct access to the systems which mean enhanced response times.

Latest Technology	On-site PBX will be installed with the latest release of software. Usually there is an additional 'software upgrades' annual contract. Although this contract does cover the cost of the software, it does not include the engineering charges to implement it. As the PBX normally needs to be re-booted, this is often an expensive out of hours' charge.	Hosted providers will keep the systems up to date, as part of the service. This means the customer has the latest technology without costly software support contracts and regular downtime.
Environment	On site equipment has operational environment requirements. This usually means they need to be kept in air conditioned comms rooms to meet these requirements. System failures as a result of not adhering to this voids warranties and support terms, so repairs are usually chargeable.	Hosted solutions do not have expensive servers located on the customer site. As such, customers do not require expensive comms rooms.
Call Recording	Call recording is usually an expensive addition to a PBX. In addition, a call recording solution needs to be purchased per site rather than per user. This means that businesses pay for recording for users that may not require it.	Call recording can be deployed on a per user basis and also on a per month basis. This means that businesses only need to pay for call recording when it is required and only for staff its required for.
Technology	Many on site PBX's are still based on TDM digital technology. This is no longer being developed. Connectivity is usually also ISDN digital lines, which is being phased out by BT.	Hosted is purely based on IP technology end to end. As this is where telecoms technology investment is now being channelled, businesses are guaranteed that their investment is for the latest technology.
Flexibility	On site telephone systems need to be configured for the amount of users (extensions), lines and applications up front. As a result, if there are changes to the business, customers can end up having costly hardware & software which they don't use, but have paid for, and are often still paying to maintain. If the customers require additional equipment this can often take weeks to add.	Hosted solutions are much more flexible to changes in business. Hosted systems allow the customer to pay for only the services they require from month to month. If there are less staff, the contract can be reduced. Adding new users can also be done in hours.