

Making the most of 'voice'

How hosted VoIP can benefit your business **Interviewed by Troy Simpson**

Voice over Internet Protocol (VoIP), a protocol optimized for the transmission of voice through the Internet or other packet switched networks, is a hot concept in today's business world.

The first IP software, released in 1995, remained with large corporations that could afford the benefits that the innovative technology provided. In 2006, however, with the expansion of lower cost broadband, VoIP successfully hit the mass market and became popular with small and medium-sized businesses. With today's availability and the affordability of VoIP services, integrating this technology has become an essential in industry competitors, both small and large.

"VoIP is now a mature, well-developed offering," says Bob Hochmuth, vice president of SLPowers. "Even major carriers like AT&T use VoIP to transport traditional voice traffic between their offices and other carriers, so, in a way, you are already using VoIP."

Smart Business spoke with Hochmuth about VoIP and how it can benefit your current and future business.

Why are companies switching to VoIP?

Companies are moving to VoIP because of the benefits. Companies are simplifying their business, leveraging low-cost data lines instead of higher-priced phone lines and supporting one data transport instead of two. Voice is simply another type of data. This can save businesses the service call for any changes to the system, such as new users, office moves, etc. Adopters also gain the enterprise features like four-digit dialing between their offices, no long distance charges between offices, and remote dial tone to help lower costs and increase efficiency.

You now have one point of contact, allowing you to stay in touch as if you never left the office. This will help save valuable time and money, increasing customer satisfaction and enhancing employee productivity.

How is VoIP delivered?

With the growth of VoIP, an advanced method of delivering the technology has emerged: the concept of a hosted solution.



Bob Hochmuth
Vice president
SLPowers

A hosted solution takes the phone switch out of your office and phone service is delivered across the Internet as an application service. The business model follows SAAS (Software As A Service). It's the outsourcing of your voice system, lowering your costs, adding benefits and increasing your ROI.

What are the additional benefits of a hosted solution?

Switching to a hosted IP solution means no longer investing thousands of dollars into a system that requires hands-on management and gives little room to grow. With a hosted solution, the system grows along with the company by simply moving or adding seats and bandwidth as needed — anytime, anywhere. You are sharing the use of an enterprise switch with enterprise capabilities. It is scalable. You can rapidly deploy new phones at offices as you grow and just as easily scale the service back to save money in a downturn or in a changing environment.

It adds disaster recovery and business continuance. The switch is housed in a tier-one facility — you have the ability to

continue to use your phone system in a disaster by moving your phone to any working Internet connection. Also, should you ever need to move your office for any reason, you don't have to plan a target transfer date of phone service — just move and plug in your phone at the new location with Internet connectivity. Finally, it saves money, increases productivity, and you are not locked in to a hosted vendor.

Are there any downsides?

As with all innovative ventures and new technologies, VoIP had a few hurdles to overcome when it first hit the mainstream market. 911 services were an issue, but the industry has developed e911 to address the problem. There has also been some apprehension regarding voice quality or Quality of Service (QoS). But, throughout the past two years, new high-definition voice technology has surpassed the original (PSTN) phone system.

Hosted IP services are also dependent on high-speed connections, making some uneasy over the allocation of voice versus data and connectivity quality. To ease apprehension, some providers are now offering a free trial of their services, allowing the interested a chance to get acquainted with the new system and experience its QoS and benefits.

How can companies stay ahead of the game?

As with all technology, know what you are buying and choose a respected vendor. The worldwide market for hosted voice and applications will reach \$36.7 billion in 2010. With the United States accompanying 18 percent of that market, IP telephony in one form or another will give competitors the edge with its wide range of benefits and ROI opportunities. Adopting an IP telephony system may put you ahead of the game in your industry. <<

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