

# Hosted PBX & VoIP vs. On-Premise Phone Systems

Hosted VoIP (cloud-based phone system) is where your phones connect through your internet connection to a provider that maintains the equipment at an off-site cloud data center. An on-premise solution is where your hardware is kept on-site in your server closet. Making the best investment for your business requires understanding the benefits and potential challenges of both a hosted and on-premise phone system. Here is a side-by-side comparison that will help you learn the pros (✓) and cons (✗) of each solution.

## Hosted PBX & VoIP

## On-Premise

### Control

- ✓ Software updates & maintenance handled by the provider
- ✓ Frees up IT resources to focus on business-critical tasks

- ✓ You have control over entire system
- ✗ All software updates & maintenance must be done by internal IT staff or outsourced

### Flexibility

- ✓ Service providers typically have more resources to implement your solution
- ✗ Services run over the internet, so adequate bandwidth & internet reliability is required

- ✓ You can make any changes and updates to your equipment at anytime
- ✗ Requires a lot of IT & financial resources to make complex or highly customized changes

### Implementation

- ✓ Cheap, quick & easy
- ✓ Minimal in-house IT resources needed
- ✗ Training required for users which may or may not be offered by your provider

- ✓ Intimate knowledge of system's capabilities since you are handling deployment
- ✓ Deployment times take longer
- ✗ Training required for users which may or may not be offered by your provider

### Future Expansion

- ✓ Your provider carries the risk, work, and complexity
- ✓ Scaling up or down is quick
- ✓ Software updates happen automatically so your system is always up-to-date

- ✓ You have control & flexibility
- ✗ Every expansion increases complexity, which you have to manage yourself

### Cost

- ✓ Lower setup cost
- ✓ No maintenance costs
- ✓ OPEX model
- ✗ Potentially higher ongoing service

- ✓ No risk of fee increases
- ✗ Higher setup costs
- ✗ Unknown long-term maintenance & support costs

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