

The background of the top half of the page is a light blue network diagram. It consists of numerous interconnected nodes, some of which are larger and contain icons for various communication services: a speech bubble with 'SMS', a document with a checkmark, a video camera, a telephone handset, and a cloud. The nodes are connected by thin, light blue lines, creating a complex web of connections.

White Paper

7 Business Benefits of Moving From an On-Premise PBX to a Cloud Phone System

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Tipping Points: Factors typically driving the transition from a legacy PBX to cloud VoIP

For any number of reasons—not the least of which is the relatively large investment required for a new PBX—many businesses have delayed upgrading their PBX. Consequently, you may be living with a phone system that lacks the capabilities and flexibility to support rapid growth or business agility. Or you may be dealing with the worry that you are literally one aging component away from complete failure of your company's business communications.

Do any of these issues sound familiar?

- System downtimes impacting offices or locations for hours or even days.
- Too much time spent trying to maintain multiple PBXs—often from different providers and scattered across many locations.
- Exponentially rising support and consultant costs.
- Vendors taking days or weeks to make minor repairs or replace broken parts.
- Lack of specialized in-house telephony expertise required to maintain the system.
- Searching on eBay for phones or porting cards to replace broken components or add employees.
- Paying systems integrators to integrate core business communications and apps.

This business white paper discusses seven compelling reasons for replacing your company's on-premise PBX system with a hosted Voice over Internet Protocol (VoIP) solution, also known as cloud VoIP. This paper describes how cloud VoIP overcomes issues regarding the cost and complexity of legacy PBX, and how it can transform your company's business communications. The benefits include a cloud phone system that integrates your entire workforce—including remote and mobile workers—as well as your critical business systems.

The need for agility, flexibility and mobility

The on-premise PBX has served companies well for a long time. But the world has changed around it. An uncertain economy makes it necessary for organizations to become more nimble. Workforces have gone mobile. And IT needs to find efficiencies in basic business systems in order to free up resources to support growth or other more strategic initiatives.

According to "Network World," the average lifespan of a PBX is 8.5 years. But given the cost and difficulty of replacing one, you might find a PBX lurking in a back closet at one or more of your locations that's 10 or even 20 years old—in some cases, predating smartphones.

Business technologies have also changed. The original designers of your current PBX may never have envisioned advances like video conferencing, connecting mobile workers, or integration with cloud-based business applications such as CRM, support center systems, and other popular services.

Many businesses today are looking for platforms that can handle these new advances while providing the flexibility to accommodate rapid growth or business change. When selecting your next phone system, it pays to ask how it will:

- Readily adapt to changes that impact your business—i.e., scale up and down as needed
- Support multiple locations without taxing valuable IT resources
- Provide the flexibility you need today and meet future needs yet to be identified
- Support BYOD and mobile workers along with a distributed workforce
- Relieve the headaches of managing simple changes, upgrades, or fixes
- Unify communications across your organization
- Minimize costs now and in the future

7 key advantages of moving to a modern phone system

As with many cloud-based applications used to run mission-critical parts of the business, cloud VoIP has come of age. The rapid adoption by businesses of all sizes attests to its reliability. In addition to five 9s availability for your business phone calls, a cloud phone system like RingCentral Office® offers dramatic advantages over on-premise systems. These include benefits for your business and employees, as well as your network, data infrastructure, and IT resources. A full-featured cloud phone solution such as RingCentral Office also offers all the integrated capabilities to address the challenges of today's business environment.

"The proliferation of mobile devices and the growing BYOD phenomenon has pushed legacy on-premise communications systems beyond their capability to serve today's distributed and mobile workforces."

– Robert Mahowald, IDC Program Vice President for SaaS and Cloud Services

1 Unifies communications across your company

The typical company with an on-premise PBX uses a patchwork of business communications tools—standalone fax machines, individual Internet fax accounts, third-party audio and video conferencing, and web meetings. This approach typically lacks connection or synergy among the various tools. In addition, as the service accounts have accumulated over time, you may need to manage multiple, and sometimes redundant, bills from the various providers.

RingCentral Office integrates your business communications into a single solution that includes voice, online faxing, text, web meetings, audio and video conferencing, voicemail, and other Unified Communications (UC) features. It also integrates with cloud-based and back-office business applications. This one-stop service not only saves costs and delivers the synergy of linking various modes of communication, but also eliminates the management, unwieldy billing, and cost tracking associated with multiple vendors.

The RingCentral solution also unifies the image that your organization presents to the world—a single identity. All employees, whether they work in an office or on the road, make or receive calls from a single business number, giving your company's communications a consistent and professional appearance. Even remote workers' outbound calls are routed through the cloud and appear as if they are calling from the corporate location. For example, a sales person does not have to provide a personal cell phone number to continue with business when out of the office, but instead gives the same corporate number to customers. When employees leave the office, calls automatically follow them to their smartphones via the RingCentral Mobile App.

2 Simplifies multi-location management

Maintaining and administering phone systems at multiple locations—especially where there are PBX hardware and phones from different vendors at the various sites—can present a management nightmare for IT. However, by having the entire phone system in the cloud, RingCentral enables any IT person to manage the phone system from any location using a simple web interface or mobile app. This means you save the cost and headache of sending an IT person with telephony experience to remote locations to perform maintenance or make simple changes such as adding numbers and provisioning new employees. Or it can eliminate calls to a local service provider and the frustration of waiting for changes or repairs to be made on their schedule, not to mention the high cost of service calls.

The cloud-based RingCentral phone system allows you to quickly start up a new location. And for new or existing locations, it does away with the cost and complexity of managing MPLS or other business exchange line connectivity between sites. Instead, all voice traffic travels over the Internet backbone.

3 Flexes when your business flexes

When you are growing or simply competing in today's competitive markets, you cannot afford anything—including a business system—that holds you back. You can't wait for a service provider to add a new number, or send an IT person to a remote location every time you add an employee. And you cannot afford to be locked into inflexible systems.

As your business grows or your business needs change, the RingCentral cloud phone system adapts. For example, whether it's adding retail staff during the holidays or adding tax preparers during tax season, plugging a phone into an Ethernet jack and making a simple change on the dashboard is all it takes to onboard a new phone user.

Additionally, you can't predict where your business will be in two or three years, how many phone lines you will need, or how many locations you will have. A cloud-based system is inherently flexible and scalable. This isn't the case with on-premise IP PBX that still needs PRI lines, for example, and each line is limited to 23 simultaneous calls. The RingCentral system provides instant access to virtually limitless inbound and outbound call capacity.

4 Reduces infrastructure management headaches and costs

Buying and installing a new premises-based system can cost tens of thousands of dollars, or hundreds of thousands for multiple locations. RingCentral hosted VoIP eliminates the need for upfront investments in costly PBX hardware, as well as separate building wiring for phones and data, and maintenance items such as additional cards required for adding new employees. Also, few companies can afford to invest in or support a PBX at every site.

With RingCentral Office, the entire infrastructure for your phone system resides in secure, redundant, and geographically distributed data centers where telephony experts manage the system 24/7 (which results in five 9s availability). This becomes an even bigger cost advantage with multiple locations as you eliminate more than one piece of PBX hardware, along with costly MPLS, PTSN, or other business exchange lines. You no longer need skilled IT staff to manage one or more PBXs, or the expense and distraction of traveling to remote locations or calling a local service provider to make changes or repairs.

Many customers also consider investing in IP PBX, as it offers an option that enables IP connectivity, and having one on premises may appeal to managers who feel it gives them more control over their systems. However, before making a purchase decision it pays to roll up all of the necessary costs, including outlays for network upgrades, which can be significant. RingCentral Office requires no upgrades to the network core, except for a QoS-enabled router where one is not already installed.

5 Connects mobile and remote workers

Premises-based phone systems inherently lack direct connectivity to remote and mobile workers, and more advanced systems can charge you separate licensing fees. With RingCentral Office, workers at remote locations or home offices are connected in the same way as employees in the main corporate office. Additionally, the RingCentral Mobile App—which works on any iOS or Android device—essentially transforms a mobile phone into a desk phone and a powerful communications device.

Calls automatically follow workers wherever they go, and customers always see your business number rather than the employee's personal home or mobile number. For example, rather than mortgage brokers at a bank providing their personal cell numbers, they give customers the corporate number. This offers customers greater confidence, and if the broker leaves the company, the number is easily transferred to residing staff; therefore, customer loyalty is retained with the company, not the individual. Additionally, all of the employee's valuable contact information resides in the cloud, where it can be easily retrieved by your IT department, rather than on an employee-owned device.

“By 2017 half of all employers will require employees to supply their own device for work purposes.”

– Gartner

Mobile and remote workers also have access to voicemail, fax, email, and all other company communications as if they are working in the office. The conference calling and HD video meetings included in the RingCentral service further enable mobile and remote workers to easily and cost-effectively work from any location. Finally, the single RingCentral system eliminates the nightmare of accounting for hundreds or thousands of personal phone bills, which can be onerous for employees, their managers and corporate accounting.

6 Instant access to the latest features

Some legacy PBX systems come with a limited feature set, and more advanced products may charge extra for basic features such as voicemail or the latest UC tools as they become available. With RingCentral Office, the latest features and capabilities are continually integrated into the system. One example is the recent addition of HD video meetings to the RingCentral solution. This feature is available immediately, without added cost or the need to perform upgrades.

RingCentral R&D continually works to create the latest innovations in business communications. Your IT team can rely on RingCentral to anticipate your company’s future business communications needs, and implement new features the moment they become available.

7 Greater control

While having your phone hardware and software on premises might seem to offer control, having it in the cloud actually affords a greater element of control that includes easier management. For example, with cloud VoIP, you no longer need to be in the same physical location as the phone system to manage it. When traveling or at home, you can make urgent changes to the system via a simple web interface using your laptop or smartphone. This direct access to the system also means you no longer have to deal with a third party or wait for them to make adds, moves, or changes. For example, any IT person can add a new number in seconds using the web interface.

Conclusion

Aging hardware and the antiquated model of the PBX-based business communications system are driving more and more enterprises to switch to cloud VoIP. A solution such as RingCentral Office offers the perfect way to move your phone system into the modern world. It unifies voice, fax, text, video conferencing, and audio conferencing into a single network. Unlike analog systems, it also integrates seamlessly with the latest cloud and back-office business applications. The result is a business phone system that delivers:

- Flexibility to adapt quickly to business change
- Manageability that frees IT resources and time while reducing headaches
- Greater control and service mobility—move, add, or change phones and numbers almost instantly
- Unified business communications that streamline the way you communicate inside and outside your company while simplifying everything from management to billing
- Integration and collaboration with other applications such as CRM systems
- Reduced infrastructure costs and management headaches
- Support for a mobile and distributed workforce

Cloud VoIP does all this without the operational overhead, capital expenditures, IT resource requirements, or headaches of maintaining your own hardware and software on premises. RingCentral manages the entire infrastructure in secure, redundant data centers, which includes handling network maintenance, software updates, and system upgrades. In addition, behind the scenes, RingCentral continually innovates the system to improve reliability and add new capabilities.

Related Documents

1. [A Guide to Assessing the Network Benefits and Requirements of Cloud VoIP](#)
 2. [Calculating the Real Cost of a Business Phone System](#)
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Appendix

Terms and definitions

BYOD (Bring Your Own Device) is the practice of allowing employees to use their own mobile devices, such as smartphones and laptops, in the workplace.

CRM (Customer Relationship Management) is a set of technologies and tools used to manage, improve, or facilitate sales, support and related interactions with customers, prospects, and business partners.

Five 9s reliability refers to a high standard (99.9995%) for the desired availability of a system. It is equivalent to approximately 5 minutes of downtime—planned or unplanned—in a given year.

PBX (Private Branch eXchange) is private telephone system that switches calls between business users on local lines while allowing all users to share a certain number of external phone lines.

IP PBX (Internet Protocol Private Branch eXchange) is a private business telephone system that provides functionality similar to PBX, but over data networks like a LAN or WAN rather than traditional circuit-switched networks. IP PBX typically can switch calls between VoIP on

local lines or between VoIP and traditional telephone users.

MPLS (Multi-Protocol Label Switching) is a packet data transport service that uses a high-speed switching architecture rather than the typical routers seen in most IP networks. It transmits calls across a telco service provider's network in a cloud-like connection between the business customer's locations.

PRI (Primary Rate Interface) circuits are phone lines based the Integrated Services Digital Network (ISDN) standard used for carrying multiple voice calls and/or data transmissions between two physical locations.

VoIP (Voice over Internet Protocol) uses the language of the Internet to place and transmit telephone calls over an IP network rather than the traditional public switched telephone network (PSTN).

About RingCentral

Since 2003, **RingCentral** has been breaking down the communication barriers created by complex on-premise hardware. RingCentral's cloud phone system delivers business communications solutions that free people to work the way they want in today's mobile, distributed and always-on workforce. Delivered on a state-of-the-art cloud infrastructure, RingCentral helps more than 300,000 customers thrive in a new world of work. [Learn why.](#)

For more information, please contact a sales representative,
visit <http://www.ringcentral.com> or call **855-774-2510**.