HOSTED VOICE:

Let Someone Else's Fingers Do the Walking

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One of the greatest business technology developments of the last 20 years has been the rise of hosted voice. An excellent idea taken to exciting new heights by the sheer onrush of competition in the market, it's delivered value on several fronts and will continue to do so for some time to come.

Yet there are many out there who don't understand just what this development is, or the kind of bottom-line ramifications it can have for everyday operations. Developing a better understanding of what hosted voice is, is not, and can do helps the organization that puts it to work see greater value.

WHAT IS HOSTED VOICE?

Hosted voice is a kind of voice over Internet protocol (VoIP) service that operates in this fashion: all the hardware required to carry out the service's functions is kept at a third party location. While the end user will still have some equipment, which can vary from handsets to PCs or even a mix of such tools, most of the needed hardware is kept elsewhere.

Hosted VoIP can also be called "managed VoIP," and though it functions like a cloud-based system, calling it "cloud VoIP" is actually an improper use of the concept. Though hosted VoIP can seem like a cloud-based system, there are actually some slight differences. In a cloud-based system, several users could be using the same equipment, whereas in a hosted system, the hardware is commonly reserved for one user, who must shoulder the burden of upgrades personally should current capacity not meet needs.

WHERE DID HOSTED VOICE COME FROM?

The history of hosted voice is closely tied to the history of VoIP in general. Without the development of VoIP, there would be no hosted voice at all.

VoIP service itself started with Alon Cohen, an Israeli entrepreneur who joined in the founding of a company called VocalTec in 1989. From there, the company developed an audio transceiver that was the earliest start of the VoIP concept. Twenty years after VocalTec's initial founding it became part of MagicJack, and with that, VoIP's fortunes rose substantially.

VoIP had been part of the picture in the dial-up era as well, with some discovering that, for the price of a local call, it was possible to call long distance or internationally. Though it only occasionally worked as it depended on a host of variables, the concept did exist.

Hosted voice, therefore, was essentially a refinement of VoIP access, which took the hardware operations out of the end user's hands and put it into the host's hands instead.

WHAT VALUE DOES HOSTED VOICE HAVE TODAY?

In a market that's fairly saturated with cloud-based VoIP providers, some might ask if there's even a point to getting involved with a hosted voice provider. Since the two are different, yet similar, there are some situations in which hosted voice makes particular sense compared to its public switched telephone network (PSTN) counterpart.

Lower Costs over Legacy Alternatives

When it comes to phone service, PSTNs are about as expensive as it gets. A hosted VoIP service, meanwhile, can deliver significant savings on several fronts. Not only is the actual calling service often much less expensive, but so too is the cost of setting up the service. It's savings on both the capital expenditure side and on the operational expenditure side.

Faster Scaling

This is particularly important for retail operations or anyone else who has a "busy season." Sometimes, going into that busy season, a company needs more capacity in its calling operations. With a hosted VoIP system, all that may require is a little extra payment in the right place. Conversely, with a PSTN, getting extra capacity means a lot of extra wiring and similar issues. Plus, once that busy season passes, downscaling just requires a quick call to the hosting provider, whereas with the PSTN, upscaling is largely permanent -- or removal is extremely expensive.

New Communications Options

Several features of a hosted VoIP network are ones that may not even be available on a PSTN connection. Or, if these features are available, they come at substantial extra cost as part of a premium package or the like. This varies from provider to provider, but there are several features that a PSTN may either charge an arm and a leg for or not even offer at all:

Voicemail transcription

With voicemail transcription, users get the ability to have a voicemail converted to a text document and sent to them via fax or an email connection. This can be especially useful for those who want to keep such documents

around to refer to later, and in some cases, these are vital documents necessary to appease government regulators.

Conference calling for remote workers

A hosted VoIP service can sometimes offer conferencing functions from the same set of hosting systems, which is especially useful for any company that uses a remote workforce. There are several advantages to a mobile workforce, ranging from greater flexibility to improved morale and the ability to overcome time zone issues.

Call routing

When employees are all over a building, it can be especially valuable to be able to send calls from one phone to another. With call routing, calls can go to the individual and even be routed to a mobile phone from a desktop phone, allowing the call's destination to be located out of the office. This can be helpful in terms of skills-based routing, a practice that allows businesses to have calls be answered by the representative most likely to have the needed skills to handle an issue. When the call goes to just the right rep for the job every time, call routing is likely involved.

IS HOSTED VOIP RIGHT FOR MY BUSINESS?

With all these features and benefits to consider, it's easy to wonder if hosted VoIP is right for your particular business. The answer to that question is a resounding maybe. Each company will be different in terms of its telecommunications needs, but for the most part, hosted VoIP offers so much value that it's worth, at the very least, considering.

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To figure out if hosted VoIP is right for your business, consider three points:

First, take a look at your last phone bill.

Are there a lot of outgoing and incoming calls? Are there a lot of calls going to other states, or even other countries? If the answer is yes, then hosted VoIP service might be a good plan to consider. If your company isn't making or taking that many calls, you may be in a good position already with a PSTN.

Second, take a look at the internet service providers (ISPs) in your area.

Do you have several options for high-speed Internet access? Can you get a connection of at least three megabits download? If so, then you may have the necessary backbone to run a VoIP service. Check with your local ISP for further details here, but if there aren't many good options, then hosted VoIP may not be able to deliver its value for you to begin with.

Third, consider your needs for connectivity.

If you have a clear need for VoIP service with a large number of outgoing and incoming calls, and have the necessary level of internet connectivity but don't need the kind of exclusivity that a hosted VoIP provider can offer, a cloud-based system shared with several different companies may be the best route to go instead.

After considering these points, you'll have a much better idea of whether a hosted VoIP service is right for you. It all comes down to an individual company's needs and profile in the market. With careful consideration will come the best possible outcome for a company in the field, and all that will be left to do is figure out which hosted VoIP provider is best

for your firm. With so many options out there, it's a safe bet that good value in hosted VoIP is just a heartbeat away.