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## **Five Reasons Why Hosted VoIP is Experiencing Explosive Growth**

*Warren Heuman of CTS Describes Why This Solution Is in High Demand from Small to Mid-Sized Businesses*

SOUTHERN ILLINOIS AND ST. LOUIS – August 31, 2010 - Hosted VoIP is quickly expanding its footprint in the small to mid-sized business (SMB) marketplace because it dramatically improves an organization's profitability, reduces its risk and adds an unmatched level of flexibility to its current operations. In layman's terms, hosted VoIP is a solution which enables businesses to utilize their Internet bandwidth to handle their communications needs, rather than forcing businesses to rely on traditional solutions, such as PBX hardware TDM switch that reside on site. According to a report by AMI Partners, "Hosted VoIP in the North American SMB market is projected to expand from 2% market penetration to over 30% by 2014." Adoption rates are keeping pace with these aggressive growth projections and these can be explained by five key reasons:

### **Cost Structure**

In today's unforgiving economic environment, business owners are being forced to reexamine their expenses to see what can be eliminated, minimized, or streamlined. The fundamental reason that businesses are adopting hosted VoIP technology is because of the profound effects it has on the

bottom line. Since, hosted VoIP is able to "piggyback" phone usage on top of Internet bandwidth, SMBs are able to enjoy substantial upfront cost savings, as well as recurring savings when they implement hosted VoIP. The reason for this is because businesses don't need to buy expensive systems or hardware anymore, instead they're just purchasing individual VoIP handsets. Instead of purchasing hardware products, (PBX systems, desk phones, new cables, etc.) businesses are receiving *software-centric value* (Connectivity, Call Tracking and Reporting, Voice-to-text transcription, softphones, etc.). This means that a new phone system is no longer a capital expenditure, but it's simply a lower level operating expense. Plus, the ongoing costs associated with hosted VoIP fluctuates as a function of demand.

### **It Puts Your Communications on Auto-Pilot...**

For an SMB, resources are scarce. Businesses don't have the time, nor the resources to spend dozens of hours training or supporting employees with new technology. Instead of learning how to program button commands or memorizing extensions, hosted VoIP requires the most minimal levels of supervision possible and can be remotely handled by the

unified communications partner. Since it's run off a simple web interface, businesses don't need extra IT staff to manage their communications. With most providers it takes about five minutes for someone to explain how you use the interface, and you'll probably end up figuring it out for yourself before they even finish talking. One person can manage all the features, add users and subtract users, so the IT department can focus on fulfilling its other duties. Not only does hosted VoIP free-up labor hours, but since it's web-based, it can update itself and keep pace with the ever-changing demands of today's business environment.

### **Business Continuity**

Power outages and natural disasters are threats facing all businesses but hosted VoIP provides a way for organizations to minimize the negative impacts associated with these occurrences. Businesses are attracted to hosted VoIP's ability to handle these situations smoothly. The box that runs an SMB's communications system is off-premise in a secure location, and is backed up several times over. What this ultimately means for organizations is that in the event of a disaster, the business can continue to operate just as if nothing had happened.

## **Scalability**

In today's world, business owners are expected to know what's around every corner and they can't afford to be locked into inflexible technology. Hosted VoIP enables businesses to neutralize the risk of the volatile economy. Where traditional phone systems are affixed to a certain number of employees, hosted VoIP can provide organizations with the flexibility they need to survive. Whether scaling up, or scaling down, the costs of adjusting your communications infrastructure to meet your needs are miniscule.

## **Freedom**

Emergent businesses in the SMB marketplace are using remote applications to enhance their productivity, whether they're in the office or not. Technology such as softphones enable organizations to

work from any location, at any time and still preserve the same levels of professionalism exhibited by the largest companies in the market.

Hosted VoIP is an absolutely powerful technology that is driving profitability and improving employee productivity, while providing companies with a unique competitive advantage. In today's rapidly changing business environment, organizations need to be agile and they cannot afford to be held hostage by static, on premise technology. Hosted VoIP gives business owners the freedom to adopt the latest in communications technology and the peace of mind that it automatically happens.

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