

VoIP

BUYER'S GUIDE

10 QUESTIONS TO ASK

Essential information about your Voice over IP options

VoIP is the Future.

There’s a lot of buzz about Voice over IP these days. People are talking about how it can lower costs and simplify management. Businesses are getting excited about how advanced features can help them compete. With everybody talking, sometimes it’s hard to get straight answers.

Why VoIP Now?

For small businesses, VoIP technology opens doors that have never been open before. Even on a tight budget, you can enjoy a complete communications system with productivity and mobility features like nothing you’ve experienced. And with the increasing convergence of media and software applications, VoIP is rapidly becoming the essential foundation for a future-focused business.

Getting Started.

Before you can leap into the future, you need to understand the basics. You need to know what VoIP is, what it offers, and how to choose the right solution for your business. That’s what this guide is all about.

“VoIP Buyer’s Guide: 10 Questions to Ask” is a service of Speakeasy, a nationwide Broadband and Voice over IP provider focused on the unique needs of small business.

We created this guide because we saw a need for clear, succinct Voice over IP education to help you make smart choices for your business. We want you to be able to ask the right questions and get exactly what you need, no matter what provider you choose. It’s all part of our mission to simplify communications for small business.

To learn more about Speakeasy services, our voice-optimized private IP network, and our industry-leading customer support, we invite you to visit www.speakeasy.net.

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1. What are my phone system options?

Before VoIP, true phone systems were often beyond the price range of small companies. Many businesses had no choice but to juggle multiple vendors and cobble together multi-line telephones, answering machines, and costly monthly phone company services.

Old News: Traditional Phone Systems

There are several ways for users to share telephone company lines:

- **PBX (private branch exchange)** – used primarily by large companies, a PBX acts as an automated switchboard, and provides features such as voicemail and ring groups
- **Key Systems** – essentially very small PBXs for 5-40 extensions
- **Centrex (central office exchange service)** – all routing occurs at the local telephone company rather than on your premises

These options are not ideal for most small businesses:

- Major up-front investment or lease commitment
- Ongoing costs for physical maintenance and expertise
- Expensive to change or expand
- Rising long distance bills
- Unsuitable to more technically advanced communications
- Proprietary technologies – you only get what the phone company provides

New Standard: Voice over IP

VoIP can deliver most of the functionality of traditional phone systems, plus savings and productivity features never before available. Experts agree that VoIP is the new standard for business phone service.

2. What is VoIP?

Voice over Internet Protocol or VoIP – also known as broadband voice or digital voice – is a technology that allows voice calls to travel over computer networks, instead of traditional phone lines. The idea of VoIP began with the first PC-to-PC telephony applications in 1995, and it has now matured into a fully developed leading-edge technology.

How VoIP Works

VoIP works by converting voice information into digital data packets that can be sent over a WAN (wide area network, like the Internet) or LAN (local area network, like your office network). When calls reach standard phone lines, the data is translated back into an analog format and calls are indistinguishable from traditional phone calls.

VoIP Options

Businesses seeking a full-featured IP phone system have two options:

Premises-based – IP-based PBX equipment installed at your business, plus standard phone line(s) from your local phone company

- Typically requires lease and maintenance agreement of 5+ years
- 2nd broadband connection required for data
- Per line charges

Hosted – phone system functionality hosted by your VoIP provider, no standard phone lines needed

- Requires only IP phones and voice gateway connected to your modem/router
- One broadband connection for both data and voice
- Per user charges

For a table that compares these two options in more detail, see page 17.



3. Is VoIP right for my business?

Business VoIP can deliver any or all of the following advantages:

Total Cost of Ownership Savings

- › Start-up costs up to 60% less than traditional phone systems
- › Reduce or eliminate maintenance costs
- › Dramatic long distance savings
- › One network for data and voice reduces infrastructure costs

Simplified Administration

- › Easy to move, add, and change users and system features
- › Web-based administration options
- › Individual users can control their own features

Scalability

- › No limit to capacity, especially with hosted service
- › Expand or contract with minimal expense

Advanced Features

- › All the standard Class 5 features, like Caller ID and 3-way calling
- › Productivity boosters like voicemail as email
- › Integration with email and web-browsing applications
- › Selectively forward calls from key contacts
- › Have calls search multiple phones (home, cell, etc.) to find you
- › Enjoy local phone numbers in any area code(s)

Great for Multi-Site Businesses

- › One phone system for all locations
- › Share one receptionist or Auto Attendant
- › Make free calls between locations (4-digit dialing)

Great for Mobile Employees

- › One number can follow you wherever you go
- › Take VoIP on the road with a laptop “softphone”
- › Remote office features enable VoIP calling from any phone
- › Eliminate expense reports for long-distance calling

“Future Proof”

- › Growing convergence of data, video, and voice services
- › Be ready for new multimedia applications

Choose VoIP if you want to:

- | | |
|--|---------------------------------------|
| › Lower operating expenses | › Handle rapid growth |
| › Save time | › Improve responsiveness to customers |
| › Coordinate a decentralized workforce | › Prepare for the future |
| › Increase flexibility | |



Knowing What You Need

Before you start shopping for a VoIP provider, take a little time to develop a clear idea of what your business needs and can afford.

Cost

To know whether a provider can save you money, you'll need to know exactly how much you're paying now. Consider the following as you assess your current expenses:

- PBX or Key system lease, purchase, and/or maintenance
- Phone lines, local calling
- Long distance or toll charges
- Voicemail
- Multi-site costs
- Adds/Moves/Changes
- Network and phone system administration
- Management of multiple vendors
- Service interruption losses
- Expense reports from remote or traveling users

Capabilities

Think about how your company will use your phone system. Identify your "must-have" features, and consider how VoIP features could improve the way you do business. See page 12 for more about features.

Whether you currently have a PBX or not, a comprehensive and detailed description of call routing and call handling scenarios will be critical to the proper implementation of any VoIP solution. In particular, specific call transfer scenarios for heavy users such as your receptionist or traveling employees need to be fully understood by your VoIP provider in order to meet your expectations, as all VoIP applications do not handle calls exactly the same way.

Capacity

Make a list of all the people in your office who need a phone. Take note of which individuals:

- Need a dedicated number
- Make long distance calls
- Travel for work or telecommute

Don't forget about other equipment that requires a phone line, such as credit card equipment and fax machines. Depending on the type of equipment and your provider, these items may be compatible with VoIP, or you may have to maintain one or two lines with the phone company.



4. How do you ensure call quality?

A business-class VoIP provider must be able to guarantee call quality.

Bandwidth

It takes a lot of bandwidth for VoIP calls to sound as good as or better than traditional phone calls. Networks that are fine for data may not be up to the demands of VoIP. Talk to any potential VoIP provider about whether upgrades will be necessary on your company's internal network.

Also talk to potential VoIP providers about the broadband requirements of your VoIP service. These are usually based on a maximum number of simultaneous calls. You may need to upgrade your connectivity, and you will often enjoy better call quality if you have the same provider for both VoIP and broadband.

Be sure to choose a broadband provider who can guarantee;

- Low latency
- Low jitter
- Very low packet loss

All three are critical to voice quality. Latency issues can cause echo, jitter can result in choppy calls ("stutter"), and packet loss can result in dropped calls.

Quality of Service (QoS)

QoS maintains bandwidth for voice calls by giving voice data a higher priority as it travels over the network. If there is network congestion, VoIP data packets are prioritized, so call quality does not suffer.

QoS applications are built in to some VoIP systems, as well as some routers. They can also be purchased separately as upgrades. Make sure you talk to any potential VoIP provider about how they manage QoS and what guarantees they can offer.

5. What happens if my connectivity goes down or my power goes out?

VoIP is dependent on broadband connectivity and electrical power. That means a line failure or power outage could interrupt your service. You need a VoIP provider who can minimize these risks to your business.

Service Level Agreements

Ask about uptime guarantees for both your broadband service and your VoIP service. Find out how you will be compensated for any disruption to your business, and how quickly providers will respond if your service goes down. Can they guarantee an average repair time?

Business Continuity

Many businesses are concerned about business continuity in case of a natural disaster or other major service interruption. If this is important to you, ask potential VoIP providers what kind of redundancy and recovery benefits they provide.

In this area, hosted VoIP services offer an advantage that premises-based services simply can't deliver. Because all phone system functionality is hosted by your VoIP provider, it doesn't go down when there is a failure at your business location:

- Your callers will never get a busy signal.
- Voicemail will continue to operate.
- By accessing your service on the web from another location, or contacting your service provider, you can forward your calls to employee cell phones or home numbers.
- If internet connectivity is available at an alternate location, complete service can be re-established quickly.



6. How can these calling features help my business?

You've probably heard that VoIP can improve your productivity. But what does that mean? How can a phone system help you compete? Be sure to talk to any potential provider about what your business does and find out what VoIP can do for *you*.

Solutions and features vary, but most of the advanced functionality made possible by VoIP technology falls under one of these categories:

Accessibility

- › Selectively forward calls from key contacts.
- › Have calls to your business phone ring simultaneously or sequentially to alternate numbers, such as your mobile phone and home phone.
- › Enable customers in another state or country to reach you by calling a local number.

Portability

- › Access VoIP features from any phone.
- › Take your VoIP phone with you when you travel.
- › Make VoIP calls with a laptop "softphone."

Productivity & Collaboration

- › Receive voicemail messages as email.
- › Select a phone number in your computer's address book, or highlight one in your web browser, and dial the call with a click of your mouse.
- › Coordinate web or audio conference calls.
- › Integrate VoIP with tools you already use, such as CRM applications.

Some providers will allow you to "mix and match," giving premium features to power users and basic service to employees who just need a dial tone.

7. What will it cost?

Here are the possible costs you should discuss with any potential VoIP provider. To fully understand your total cost of ownership, compare these costs with your current solution, considering all the factors listed on page 8.

Start-up Costs

- › IP phones
- › IP-PBX or voice gateway
- › Lease or purchase options
- › Any additional hardware or infrastructure needs

Monthly Phone Costs

- › Hosted solutions are priced per phone seat
- › IP-PBX solutions are priced per line

Long Distance

- › Per minute rates for domestic long distance
- › Per minute rates for international calls
- › Are unlimited long-distance plans available?

Features and Add-ons

- › Which features are standard and which increase costs?
- › Can you "mix and match" to meet different employee needs?
- › Are there add-on services you need, such as Auto Attendant or 800 numbers?
- › Are conferencing services available?

Connectivity

- › Will what you have work, or do you need an upgrade?
- › Can you get broadband and VoIP from the same provider?



8. How will you ensure a smooth transition?

Customizing, installing, and launching a VoIP solution is not an overnight process. Expect it to take at least a month, perhaps several or more. Ask potential VoIP providers to outline their process for you and clarify the key contacts at each step.

The following are some of the factors that can affect the length of your transition:

- Condition of your local area network (LAN)
- Broadband installation, if needed
- Porting your existing telephone numbers
- Defining users and call flow specifications
- Choosing, ordering, and installing hardware
- Testing equipment and features

LAN Design

The design of your local area network may be the single best predictor of success or problems with your new VoIP system. The “right” LAN architecture is different for every business. Look for a VoIP provider who will take the time to evaluate your needs, consider best practices, and help you make an educated decision.

9. What about maintenance, administration, and scaling?

Maintenance

For premises-based VoIP systems, you will probably need to invest in a long-term maintenance agreement. Hosted services will require little or no maintenance beyond keeping your internal network healthy.

Administration

You will need to assign at least one person in your business to administer your VoIP system. Ideally, this administrator will be able to manage the system from any location with a web-based tool. Individual users may have limited access to the tool to manage their calling features. When you’re considering a system that includes web-based administration, ask if you can see a demonstration or screenshots.

Adds, Moves, and Changes

Will your system include room to grow? How easy or complicated will it be when you need to add, move, or change employees? What will it cost? If you expect to grow rapidly, consider reserving a block of phone numbers and ordering extra phones.



10. What kind of customer support and training do you provide?

The last thing you want is a VoIP provider who's going to leave you hanging after service is installed.

Customer Support

Even if you never have a problem with your service, you need to know where to go when you have questions. And if you do have a problem, you need to know that it's going to be handled fast by someone who takes your business seriously.

There are two key things to look for in a VoIP provider's customer support model:

Access – Is support available 24/7/365? How quickly will someone answer your call or call you back? Can you get help online, or only by waiting in a phone queue? Is on-site support available?

Expertise – How many people will you have to talk to before you get to someone who knows enough to help you? Many companies have tiered support systems that pass you up a chain from one person to another, with lots of repetitive questions in between.

Training

If users don't learn to use your VoIP system properly, your business will miss out on the competitive advantages it can offer. You need to be sure that your VoIP provider will support this learning process.

Ask about:

- Printed and online resources
- In-person training options
- Ongoing user support (resource centers, newsletters, etc.)

VoIP Options Comparison

VoIP Solution	Premises-based	Hosted
Description	IP-based PBX plus standard phone line(s) from local phone company	One broadband connection for voice and data, scalable hosted PBX application
Dedicated PBX equipment	Yes	No
Proprietary phones	Yes	No
Equipment lease and maintenance agreement	Typically 5 yrs +	None required
Moving, adding, changing employees	Labor and PBX equipment required	Web-based management
Free 4-digit dialing between locations	Requires dedicated lines between sites	Included, no additional circuit required
Internet access	2nd line required for data	1 line for both data and voice
Conference calling	Separate vendor	May be included
Disaster Recovery	Single point of failure	Redundant system, no busy signal
PBX features: v-mail, hunt groups, auto-attendant	IP-PBX	Included in service, no additional equipment
Capital investment	PBX + IP Phones	IP Phones
Monthly service	Per line charges	Per user charges
Long distance (rates usually lower than traditional phone service)	Per min rate	Per min rate, unlimited plans typically available



VoIP Buyer's Checklist

This chart summarizes key points in this guide and will help you compare potential VoIP providers for your business.

	VoIP Providers		
	A.	B.	C.
Hosted or Premises-based?			
Also provide broadband service?			
Quality of Service management?			
Service Level Agreements satisfactory?			
Calling features right for my business?			
Web-based administration?			
Disaster Recovery benefits?			
Start-up cost			
Monthly service cost			
Unlimited long-distance included?			
Free calls between locations?			
Conferencing services included?			
Easy and affordable to scale?			
Clear installation and transition path?			
Adequate training resources?			
Reliable customer support?			

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