



# Calculating the real cost of a business phone system

How a cloud phone system ultimately gives you more for your money



When it comes to getting a new phone system, it's essential to look beyond the basic cost. A new private branch exchange (PBX) might start at a few thousand pounds. But if you've got more complex needs, like branch satellite locations, that price can shoot up. And then you could be looking at hundreds of thousands to get what you need.

But even those numbers don't tell the whole story. In this white paper, we'll look at the large, but easily overlooked, costs of a premise-based phone system. And we'll explain how a cloud-hosted system can offer serious savings – perhaps even tens of thousands for bigger businesses.

And that's not all. You'll see that cloud-based phone systems have greater flexibility to evolve as your business does. Giving you a really budget-friendly way to work smarter. You can easily add new people as they join your team, get the latest features, or expand to a new location – all without being stung by hidden costs.



## Total cost of ownership: more than meets the eye

The most obvious outlays for an on-premise system are the things you can see. Like the PBX hardware and phones. Because the PBX costs an average of £1,000 per employee, it's clearly a big-ticket item. But look closer. There are hidden costs too – and they can quickly mount up. Put it all together, and your total could be much bigger than you first thought. In fact, the hidden costs may end up being more than you originally spent on the basic hardware.



### The top five hidden costs of an on-premise phone system

Companies are surprised to find that the obvious components – the PBX and phones – aren't the biggest part of the overall cost of their system. A careful look at the budget uncovers some interesting facts:

#### 1. PBXs need upgrades, maintenance and trained resources

Network upgrades. License fees. Installation. The highly trained teams you need to maintain your PBX and roll out upgrades. It can all add up. Not to mention slow things down during upgrades and installations – which can cost you in productivity.

#### 2. Telecom costs can strain the IT budget

You need trunk lines to connect the PBX in your building to the main lines. Then lines for local calls and long distance. And it's very likely that you'll have to install more phone lines than you really need right now – and keep paying for them – in case your business expands.

#### 3. Extra services cost a lot more

Conference calling, video conferencing and web meetings – if you need them, they're going to cost you. And they're often charged per minute, which makes it tough to budget.

#### 4. Connecting locations is complex and costly

You need specific hardware and systems behind you if you want fast, reliable communication between your sites. And if you have mismatched hardware, like PBXs from different makers in different offices, it can be a management nightmare. That means wasted time, and maybe even a specialist team to get everything running smoothly.

#### 5. It's hard to know what's coming next

With a premise-based system, every feature, service or maintenance agreement can become an added cost. And the fact you can't future-proof these systems is a looming problem for companies. Which is why all-encompassing cloud systems are starting to take the lead.

## How do cloud systems compare?

Using a cloud-based, unified collaboration system can streamline the way you work. It helps your teams connect seamlessly; gives you the tools to make changes fast; reduces your costs. And it declutters your workplace – you can get rid of your old PBX hardware because everything's hosted in the cloud.

- **Ditch the specialists** – bring staffing costs down. With cloud systems, anyone in your IT team can make changes and add phones or numbers using a web interface.
- **Free up time** – everything is handled in the cloud by your provider. This reduces operational expenses and means your IT team can focus on what really matters to your business.
- **Save on line rental** – because all voice and unified communications traffic travels over the internet, you won't need to pay for separate lines.
- **Stay secure** – system updates are done automatically. So you'll always have the latest – and safest – versions.
- **Do more** – a smarter system helps your people work faster. Quicker dialling; easy ways to forward calls to mobile devices; seamless integration with your business apps and CRM platforms. It all helps your people stay more productive than ever, helping boost your bottom line.
- **Upgrade handsets** – simply rent the phones you need. You're not tied into any long-term contracts, so it's easy to upgrade to the latest models, if you want.
- **Work anywhere** – mobile apps give your people access to all the same features on their mobiles as they have in the office. That saves you carrier costs, especially for conference calls, video meetings and when travelling abroad. It also means you can provide excellent service to customers so you've got the best chance of keeping their business.
- **Get free calls** – calls between offices on the same system won't cost you a penny.
- **Stay future-proof** – you can add or change your service easily through a web interface. That means limited upheaval and no extra hardware costs if you're moving offices or adding new sites to a growing business.



## Final word: you'll save time and money with a cloud system

You can probably see why businesses of all sizes have been upgrading. By moving your communications to the cloud, you'll reduce costs and operational expenses. Time that's currently spent setting up IT hardware, adding employees, updating systems and training staff becomes yours again to channel in a more profitable way. So you get a better result for less effort and lower costs. It's a smarter way to work.

Cloud solutions take the risk out of IT budgeting – because there are no nasty surprises. You just get a predictable monthly bill with simple, understandable costs.

And it's not just about the cost. With automatic updates, you'll have the peace of mind that you're always working from the latest system. And that means you'll always have up-to-the-minute security. Plus, working from the cloud brings your teams together. Everyone can work from the same system, with easy access to powerful features like video conferencing and web meetings. Even on their own devices. So they can collaborate more easily and get more done. And that could ultimately make more profit for your business.

Here at BT, we've got years of experience setting up cloud-based phone systems. We can bring you leading cloud technology from our best-in-class partners. Our teams are dedicated to managing your services, saving you time and money. We'll help you deliver faster results through better teamwork. We'll make it easier for you to provide your best service to customers. And we'll be there for you once it's all up and running, for whatever you need afterwards.



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