Premise-Based vs. Hosted PBX
Total Cost of Ownership Comparison

A hosted Internet protocol private branch exchange (IP PBX) system can provide an easy way for small to medium businesses (SMBs) to move to voice over Internet protocol (VoIP) and get a new range of features and capabilities. While there are several IP PBX options, hosted applications are usually quicker and cheaper to install.

Regardless of the size of your company, a hosted PBX VoIP Phone system solution will optimize operations and monthly savings. Not only from a cost point-of-view but also from an operational workflow.

Hardware & Phones (Up-front costs and installation)

An on-premises PBX is inherently more expensive during implementation due to the purchase of the IP PBX and related systems, handsets, softphones, training, and gateways/routers. With an IP PBX system, there is more sunken systems cost up front. IP PBX system has no local redundant CPU, disk, mem, PRI..IP PBX system has no geographical redundancy (in case of electricity outage, disaster, PRI trunk outage. PBX System is limited by number of incoming calls and callers will get fast busy. At UniVoIP, never get fast busy. IP PBX is limited to host phones only in your location. How you will serve staff working from home (if needed), executive constantly in meetings/visits/.. and never be at the office. IP PBX vendors are charging for new features. We don't.

Finally, IP PBX vendors are not giving management control of their servers to the customer. UniVoIP does A cloud-based phone system has a cost advantage in overall up-front costs.

Ongoing equipment upgrades

Services are generally seen as more expensive than equipment, but often it is forgotten that after the initial PBX purchase for an on-premises solution, the costs of equipment and services include maintenance contracts and upgrades. Operations and administration hold the biggest cost savings for a cloud-based phone system over an on-site PBX. With on-premises PBXs, there are maintenance and support contracts for system upgrades and helpdesk access, in addition to employee resources dedicated to system administration, inventory management, security management, and technical support in-house. With a cloud-based service, these operations are built into the service, freeing staff up to focus on other parts of the business. The service fees for a cloud-based system are the key cost factor, while eliminating the cost of phone lines, hardware and software upgrades, and the redeployment of IT staff to manage on-site PBX assets.

MAC (Moves, Adds & Changes)

A business choosing an on-premise phone system must either pay a third party "interconnect" or reseller firm that is certified by the appropriate equipment vendors to do Move Add and Changes or pay to have members of its own in-house IT team appropriately trained and qualified as well as ensure ongoing training to maintain necessary vendor certifications.

Voice trunks (Local and long distance charges)

Cloud based solutions allow a business to use existing data connections or provision a dedicated IP connection, which can offer significant cost savings over dedicated PSTN phone lines (or SIP trunks), and local and long distance charges. With a customer-owned IP PBX, phone lines and local and long distance charges can make up 30%-45% of the overall cost to own and operate the phone system; while monthly charges been un-predictable. A cloud-based helps alleviate this cost burden and provides fixed monthly charges including all local and long distance calls.

3 Years TCO		
	230 users	
	Premise	Hosted with UniVoIP
Hardware & Phones	$142,140	
Maintenance	$10,137	
Software assurance (update/upgrade)	$17,057	
MAC (Move/add/change)	$3,000	
Employee Costs (managing system)	$50,000	
Voice trunks (FXO, PRI, SIP)	$18,000	I
Long distance Charges	$9,900	N
Geographical Redundancy	Not Available	C
Disaster Recovery tool	Not Available	L
WAN Survivability option (as opposed to relying on a single PRI trunk)	Not Available	U
Single bill for all Telecom (dialtone and phone system)	Not Available	D
5 years experience serving Nonprofit organizations	Not Available	E
Customer Users Administration	Not Available	D
Lifetime warranty	Not Available	
Unlimited free email/phone US based Support (including MAC)	Not Available	
Unlimited calling US/Canada	Not Available	
Always up to date and no need for customer to manage systems	Not Available	
TOTAL 3 YEARS COST	**$ 250,234**	**$ 173,566**