What is Cloud?

Cloud Communications Explained

Cloud based

communication systems are part of the mainstream now and provide several advantages over traditional telephone systems. But with so much talk about Cloud, it would not be surprising if it is a little confusing or misunderstood.

There are so many advantages with a cloud based telephone or communications system, it really is worth your while to learn more.

So let's dig a little deeper into exactly what cloud means.

The biggest advantage of this model is that it makes it much easier to budget. If you are a company concerned about understanding your costs as you grow, its much simpler.

Because the core equipment is housed in a data centre elsewhere (in the 'cloud'), all the line or trunk connections are terminated there as well. So your monthly fee includes the line or trunk costs unlike a traditional premise based system.

Most plans include North American LD minutes. Again, this means your cloud solution's single price per user month is all in. No additional fees.

Ultimately it means you need to consider a broader range of costs when doing a comparison, because Cloud includes so much more in a single fee.

"Business leaders prefer opex – and, therefore, SaaS – because the predictable pricing makes forecasting much easier"

- Gerry Pearce, Vice President of Services Development, ConvergeOne

New Consumption Model

Perhaps surprising but the first thing we will address is not the technology but how you consume or pay for your cloud telephone system. Instead of having to pay for all the equipment upfront, you can pay for it on a monthly basis.

This is not totally new; we had a Telco offering called Centrex for many years. What is new is that it can be done so simply and seamlessly, including a simpler pricing model; usually per user per month.

The pricing models might depend on the feature set required – basic or advanced – that's it.

It's All About The Application

For many years the telephone system manufacturers had to build the entire system from scratch.

A real-time application like a telephone system could not be built with off-the-shelf components in the 80's. So the manufacturers designed their own central processing units, operating system and application software. They designed all the hardware to support the different devices that needed connecting, and they all had unique or proprietary telephone sets, even though they performed approximately the same functions.

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Business drivers for migrating to cloud

- Shift from CapEx to OpEx model
- Reduction in total cost of ownership (TCO)
- Pay-per-use model provides greater financial flexibility & consistency
- Outsource IT complexities
- Stay current with latest updates
- More scalable, cost-effective offering of collaboration solutions
- Simpler to scale, handle growth without concern over stranded assets
- Easier to manage multiple sites – especially when many are very small

They also had to build proprietary switching hardware to connect phones to each other.

The result of this was that you were tied to that manufacturer for upgrades and if the hardware was dated, it could require a major uplift – often called a forklift upgrade - as so much equipment had to be replaced.

In reality, the truly important parts were the application and the telephone sets.

With the introduction of new standards that brought us VoIP, we could now use the data networks used with all the other applications in the business. At the same time, improvements in the processing power of servers and the ability to seamlessly run many applications on one server, made it cost effective to use 'off-the-shelf' servers from companies like IBM and HP.

Lastly, with increased internet bandwidth it was now possible to place those servers and applications in a data centre and deliver to a business premise over the relatively lower cost internet.

Cloud was born.

Now the focus is back to what is most important – the Application and not all the hardware you needed to deliver it.

You Don't Have to be the IT Department Anymore

A large cost for any business technology is the cost to manage and maintain it all. As technology becomes more complex, it often requires specialist skills to manage it. Not every business can afford this, nor should have to do this.

Studies by technology analysts like IDC and Gartner show that the cost of the technology itself only accounts for about 20% to 40% of the overall cost to 'own' the technology during its useful life.

Cloud helps by offloading a large portion of the technology to a secure, reliable data centre where the service provider manages the daily care and feeding and complexity of the solution.

Now businesses can worry more about using the technology than managing the technology. IT staff can focus on other areas of the business and do not require the specialist skills to manage a real-time communications platform.

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Flexibility

One challenge with hardware based solutions is choosing hardware to match the size of your business. You see it in every area of technology. The amount of memory, storage, processor capacity and more, are all dependent on some size factor.

This is an even bigger challenge for businesses with multiple locations. Generally they are not the same size. You may have a medium sized 'head office' and many smaller locations. The equipment that will work at the head office may be different to the other sites. So now you are challenged with connecting it all together to work effectively for you.

What if you could just have one system and support all your locations from that system? Nirvana.

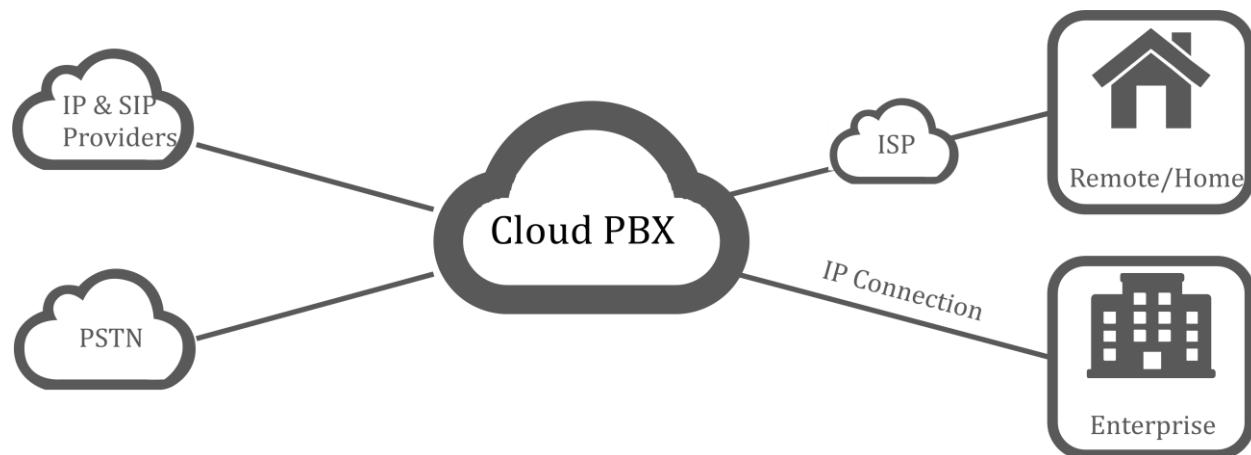Well cloud based systems do this beautifully.

Sure you could do it with a premise based system, placing a large system at your head office and using it to 'serve' the other sites. But now you have to manage the (expensive) connectivity at the head office to service the sites. Plus the hardware.

With cloud, the service provider worries about the connectivity into the data centre. You only worry about the internet connection into each site. The data centres are generally located right next to the main traffic hubs, so connectivity is simple.

Cloud also allows simpler growth, as you do not own hardware you might outgrow. Just add users as needed.

Some service providers will even offer a seasonal plan – where you may need more users for a period of time each year.

Cloud Technology can be deployed more flexibly – to any location

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Scalability

Most telephone systems come packaged to fit a certain sized business. Sizing the system to start is a challenge. Choose too small a system and any business growth means replacing hardware. Choose too large a system and you have spent more than needed.

With cloud, the core hardware resides in the cloud. You are paying a monthly fee to use it. It can grow as you grow. You do not have to choose any size to start. No stranded assets, no throwaway equipment.

Simpler Migration

If you do decide you need to change equipment, a cloud solution is easier to deploy. All you have to worry about are the telephone sets on site and your data network – internal and external. You would need to do this anyway, as almost all systems are VoIP now.

A cloud solution can be turned up faster – the hardware already exists in the data centre. Just need to think about who and how it will be used. And other than porting telephone numbers can be running in parallel with your existing system.

Check our other cloud material on our site – it might just be the answer

About Unity Connected Solutions

Unity Connected Solutions is a full service solutions integrator that specializes in IP based communications solutions: Voice, data and video.

Our goal is to provide choice, innovation and superior customer service that will drive a positive impact for our customer's business.

We are a national company with 7 sales offices and a Network Operations Centre based in Newmarket, Ontario.

Our offers include premise based, cloud based and hosted solutions. This allows our customers to make the best possible decision on how they want to consume and deploy their communications based systems as well as how they consume those services.

Through our national service team we can offer a completely managed solution or we can simply provide supplemental services to existing IT teams. With over 3,000 customers and an installed base of 5,000+ systems, from small to the very large, we have the experience to provide our customers complete peace of mind.

To Learn More

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