

## What size is right for hosted VoIP?

One of the big considerations when considering hosted VoIP or what is referred to as an Internet business phone system, is would it be right fit for the size of your organization. If your organization has less than 8 phones at a single location then hosted VoIP can be a viable choice. The ideal sweet spot would be 2 to 5 phones. But, there are some other factors that one must consider when looking at a hosted solution. For example, an organization with 3 phones at one location, 3 phones at another and a few remote workers would do well with hosted VoIP for several reasons. The remote workers would be using their own DSL or cable broadband connections, not using any bandwidth from the office locations. The office locations would be right in the sweet spot, when it comes to the number of phones per location.

What is too big for a hosted VoIP service would depend on a few factors, some of which are directly related to the Internet service's quality and bandwidth. Even though there are some very good compressed codecs in use such as G729, the bandwidth requirements for 5 lines would require 200kbps on the upload before adding in bandwidth for computer Internet access. The realistic minimum would be a 512kbps connection. And that connection would have to be stable with low latency and have no packet loss. A synchronous DSL connection of 764kbps or 1 meg each way would be a great connection, unless of course your service is a T1. Which brings us back to the fundamental question; what is the right size for hosted VoIP?

Although there is no definitive line in the sand, a serious suggestion would be no more than six to eight phones. So, seven is the number that many would have to say is probably a good maximum. But, before we carve this number in the sand, let's look further into is the typical candidates looking at a hosted VoIP solution.

To make this number even more of a guide, we must remember who the majority of customers are who are considering hosted VoIP as a business phone solution. They are typically small offices needing to update their older PBX or even more likely a new office environment with DSL or cable. They are likely looking at the price for a phone system and strongly considering getting a hosted service because of a low initial outlay of capital. Their network would typically have a low end 4 port router with a small 8 port switch. They might cringe when the suggestion of a better router comes up, like an Edgemarc which would handle SIP well, primarily because of the cost (were talking hundreds of dollars here, not thousands (maybe \$600.00-750.00)). So, low cost solutions are driving the decision making process, not as it should be lowering ongoing costs, but spending what it takes to make a stable VoIP capable LAN. Larger scale hosted VoIP roll-outs are designed and installed with some initial expense, but are cost efficient when compared to a new IP-PBX, especially over the long run, when management and upgrading are accounted to in the budgeting process. Something most new small companies are not looking at.

So, what size is right for hosted VoIP? In most cases no more than 7 phones at any one location. It would be a great fit if the location had 3 or 4 phones here and 3 or 4 there. One real sweet spot would be numerous home workers, each using their own DSL or broadband cable connection, connecting into the main location. That number could be a big number and imagine how much could be saved for a heavy call volume operation making lots of outbound calls. Low toll charges and no office space overhead. Now that's a business plan.

