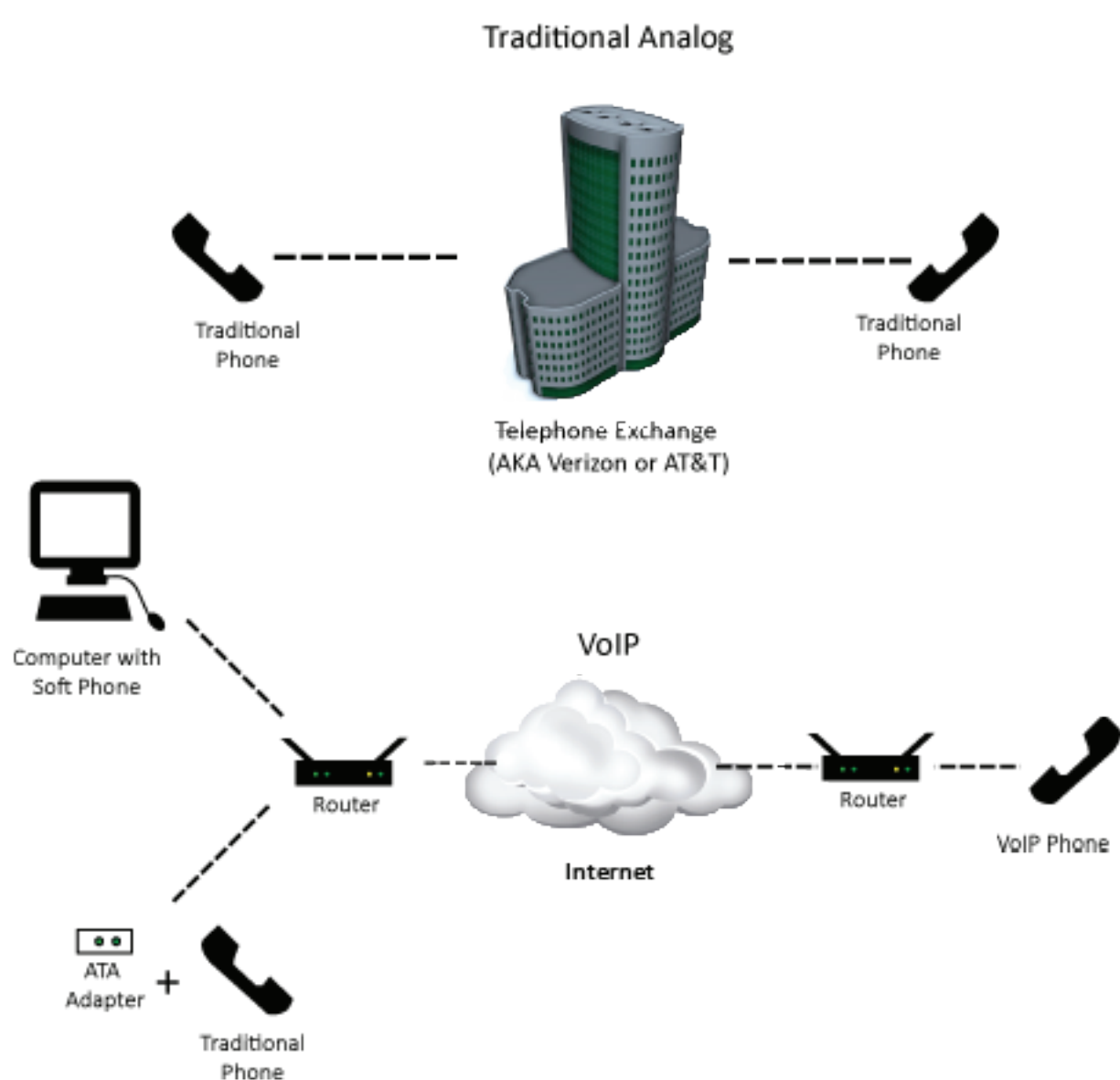# VoIP Simplified

Voice over Internet Protocol - VoIP

This image shows a simplified comparison of the difference between how traditional phone service and VoIP calls are routed.

Traditional Analog

Traditional Phone — Traditional Phone — Telephone Exchange (AKA Verizon or AT&T)

Computer with Soft Phone — Router — Internet (VoIP) — Router — VoIP Phone

ATA Adapter + Traditional Phone

Simply stated, VoIP is a technology that allows voice calls to travel over the internet. The "protocol" defines how the voice is converted to a data packet so that it can be sent over the Intranet.

One basic requirement for a good quality VoIP experience is that you need to have a good quality, reliable internet connection and a minimum amount of available bandwidth.

What are the benefits of VoIP?

Cost – One main benefit of VoIP is that it will cost your business less in calling charges. Typically you pay a per-minute rate based on what zone your call is made from and where you are calling to. In the VoIP world, charges are similar to cellular where you pay one flat per-minute price regardless of where you are calling domestically. Long distance calls, specifically international calls, typically become much less expensive over a VoIP network. With VoIP, if you are calling "on network" calls are free, regardless of where in the world the call originates or terminates.

Portability – With VoIP, your phone number is a virtual number and therefore can be taken with you wherever you go. The phone device can use the same number virtually everywhere as long as it has proper IP connectivity. Many businesspeople today bring their IP phones, softphones or Mobile VoIP App on their cell phone when traveling and use the same numbers everywhere. For business this is extremely important as you no longer need to be concerned about moving your business and having all of your customers have to "find" you again. Or in the case of a disaster, with a Cloud Based VoIP Solution you could set up shop and take customer calls from the nearest Starbucks, McDonalds or any other location that has a Wi-Fi connection.

Features – Features and More Features – An IP PBX comes with many features that are not available with traditional service unless you have an expensive phone system, Centrex lines or unless you pay a monthly fee for each feature. IP PBXs offer features that allow you to take or place calls on your "office extension" from virtually anywhere you are in the world as long as there is an internet connection. Never again miss that important call or feel like you can't go on vacation because you will lose track of what is happening at the office. Learn more about all the features VoIP has to offer.

VoIP Fact:
The penetration of VoIP phones among U.S. business will reach **79%** by 2013. **Source: In-Stat Research**

VoIP | Analog

VoIP is offered a couple different ways:

Once you make the decision to move your business phone service to VoIP, you will need to decide what type of VoIP Solution you will go with, either a Premise based or Cloud based solution. Below is a simplified explanation of each.

Premise Based Solutions -- You can purchase IP PBX equipment that resides at your home or business that will convert the voice transmissions to data packets. This equipment connects to your network and typically requires a capital investment and an experienced VoIP technician to manage it.

Cloud Based Solutions – A Cloud based solution (also known as Hosted IP PBX) allows you to access the technology and equipment that is managed by your service provider over the internet. The benefits of this is that there is virtually no capital investment and the human resources for managing the VoIP equipment are provided by the Service Provider you choose.

Once you have decided on the type of VoIP solution to go with, you will need to choose a Service Provider. Learn More about choosing a cloud solutions provider.

Additional Resources:
- Checklist for Choosing a VoIP Solutions Provider
- VoIP and Related Definitions
- Complete List of IP PBX Features