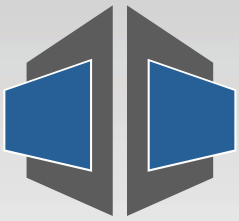
Signs You Need to Buy a New Phone System



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The business environment is moving faster and growing more competitive every year. Companies have to do whatever is necessary to keep up. Using the most up-to-date technology is a key part of keeping up. In fact, it can make all the difference. If you don't have state-of-the-art technology, you risk falling behind your competitors. Phone systems are one of the most important technical products any business uses. So they're one of the first things you should consider upgrading.

If you do upgrade, your new phone system will inevitably be VoIP (Voice over IP). It will be cheaper to buy than a traditional system, and can save you money on phone bills, while being easier and more convenient to maintain. It will also provide powerful new features that can vastly improve your company's communication efficiency. This will make employees more productive and increase customer satisfaction and experience.

The crucial question is this: When is just the right time to replace your old system with a new one? The best times are those when something happens that gives you a powerful incentive to change sooner rather than later. That's not to say that just having an old system isn't reason enough to justify change, given all the benefits a modern system would bring. But changing is a lot easier when a specific event occurs indicating that change is necessary. Continue reading to see what situations are most likely to necessitate a new system. Some might sound familiar.

Sign #1: Your Phone System is Becoming Technically Obsolete

The most common reason companies change phone systems these days is that their existing traditional system has just gotten too old, and has grown technically outdated. When that happens, repairs become expensive. The system is no longer supported by the manufacturer. Parts are harder to find. Many businesses can share stories about a 20-plus-year-old phone system that still works fine. But even if they still function, these old systems cost more and more to repair and service with every year that goes by. The manufacturer might not make the equipment any more, so parts are harder to find. It may even be necessary to buy used replacement parts when something breaks. Additionally, traditional systems are harder to manage than modern ones, requiring more expertise by service professionals with specialized training. And with less and less service available, finding a technician can be very expensive.

Thus as your system gets older, it is best to be proactive and do the research for a new phone system before your decades-old dinosaur breaks with no options for repair. In most cases, the system has already "paid" for

itself. And in general, it's best to invest money when you have time to research. That way you won't be caught without phones for days if the old system fails and has to be replaced.

With the increased ease of management, fewer repairs needed, potentially lower cost of phone calls and improved efficiency for employees using the system, it is not uncommon for a new VoIP phone system to pay for itself within 12 to 18 months.

Sign #2: Your Office is Moving

Moving an Old System

One of the best times to get a new phone system is when an office or company is moving locations. Any time there is a move, one of the most frequently asked questions is "What do we do with our current networking and phone equipment?" If you decide to take it with you to your new location, there are substantial costs. You'll need to have a phone technician or vendor:

- Evaluate the current office's layout and needs
- Uninstall the old system
- Transport the system to the new offices
- Reinstall the system to the previous office's setup and needs
- And finally, test the system thoroughly to ensure nothing broke and all extensions, voicemail boxes, and other components of the system are working as they were.

Not to mention, if you want to move your old phone system, you can't use it while it's being serviced. That means you often have to move the system over a weekend or holiday, which adds an often detrimental factor into the equation: limited time. Moving systems of any kind, not just phone systems, takes significant planning to execute, and the less time available (a weekend only has two days) the more susceptible you are to taking short cuts and making errors.

Buying a New System

By contrast, if you were to get a new VoIP system for the new office, it would save you at least these moving costs. And by eliminating the move you can ease many of the pressures and problems associated with moving a business. By deciding to get a new system, you have:

- Fewer expenses involved with the move by not having to uninstall and transport equipment
- Time to evaluate your current setup and needs
- Time to install the new system properly and without errors caused by rushing installation
- Cost savings by not having to add extra cabling just for phones (since VoIP runs over your corporate data network)
- Ability to test thoroughly prior to employees' arriving
- No downtime where customers can't reach the business while the phone system is being uninstalled

In short, moving offices is the perfect time to consider a new system because a business has more time, and more time often results in fewer errors. And the costs of uninstalling, transporting and reinstalling an old system could be 20 percent to 50 percent of the cost of a brand new system.

Sign #3: No More Capacity

Your company is growing. Great! How many ports does your old phone system have left? Probably not as many as you thought. One of the biggest "growing pains" a company experiences is outgrowing its infrastructure – phone systems included.

When a company purchases a big-ticket item like a phone system, the question of "How much growth should we prepare for?" always comes up. Even if the system has two times the capacity needed at the time of purchase, a growing business is bound to max out the system eventually. The problem is most systems have an absolute maximum number of phones or devices (fax machines, etc.) the system is capable of supporting,

and there is nothing that can be done to increase it.

You might, of course, add ports by buying more equipment of the same type, and running it in parallel with your existing gear. But with a traditional system, that may require some time-consuming – and costly – juggling of wiring, extension numbers and other technical elements. In addition, you'll need equipment in every location where you have employees – locations that may shift rapidly as you expand. And when it's all done, you'll still be stuck with expensive but outdated technology that is hard to maintain and offers limited features.

All of this means it might make more sense to buy a new VoIP phone system than to try to expand using your existing traditional one. With VoIP, you can add users more easily. It doesn't matter where the users are, as long as they are connected to your IP network. So you don't need to put additional equipment in every physical location where you want to add employees. And there won't be any hard-wired limits on the capacity your VoIP system supports, although more users may require more processing power, more bandwidth and perhaps additional user or extension licenses depending on the system. If you do need more processing power, you can add another server to your existing one. Because the two will communicate as if they were one, you will gain some redundancy at the same time. And of course VoIP systems are considerably cheaper per user or extension than traditional ones.

> When expanding your company, adding more ports to a traditional system may end up being more pricey than simply buying a new VoIP system.

There is also the hosted VoIP option, which can support adding any number of phones as long as a business has enough bandwidth, since the phone system is actually "hosted" at the provider's premises. Today, many hosted VoIP services offer almost all the features that premises VoIP systems do, including Web meeting, video conferencing and other unified communications capabilities.

Sign #4: Increasing Call Volume

Whether a business is growing and/or is seasonal with spikes in activity during certain parts of the year, a common problem is not enough incoming/outgoing phone lines. It is common in a business that has grown

quickly for an employee to pick up the phone and realize there are no phone lines open to place a call. Conversely, a customer can get a busy signal when trying to place an order or ask service questions. In either case there is lost productivity leading to lost revenues.

Similarly to when you're trying to add users, with traditional systems the only way to deal with a shortage of incoming/outgoing lines is to add ports. In this case, it involves ports that support circuits or trunk lines between your premises and your telecom provider's. But here, too, moving to a new VoIP system may be the ideal solution. First, it will make adding call capacity easier, because VoIP systems' capacity doesn't depend on hardware ports. And, again, it will give you more modern features and capabilities.

Sign #5: You're Opening a New Office

A business opening an additional office location will obviously need a phone system to support that office. But what's not so obvious is that it might make sense to look at options to upgrade the company's entire system at the same time, including existing locations. Upgrading the entire system sounds like a large, one-time task, but it will pay off in the end.

Why? Because VoIP is scalable and capable of supporting multiple locations, so the phone systems of all your offices and facilities can work as one. You can manage everything from the current location and avoid more management and equipment costs compared to installing a separate, standalone system at each remote office. With VoIP, the phone system at the new office is essentially running off a data connection between the offices. It's easy to manage and will only nominally increase the time and effort this takes compared to what it would take to maintain and monitor two systems separately.

Additionally, a new company-wide system will let you seamlessly integrate calling between new and old offices. Customers can call a main line and have their calls routed to a particular office location by selecting the appropriate number in a menu, or have them transferred to a separate location just as if the other extension was in the same building.

Other features like "Find me/Follow me" let employees work at any number of locations and have their calls, emails, and voicemails delivered to them just as if they were at their own desks. These features and more help unify companies that have multiple locations. And they may just tip the scale in favor of buying a new unified VoIP system for your entire company when you open up a new office.

Sign #6: You Need More Functionality

Another reason a business might need to upgrade its phone system is that even though its current system might function properly, it doesn't have enough features to keep up with the needs of today's businesses. A common feature in new phone systems is the ability to track and monitor calls. This is essential if a business has a call center or inside sales team, both of which make a large volume of calls per day. Statistics like calls per hour, hours on the phone per day and connect rates are a great way to quantitatively evaluate employees.

Even if you don't have a call center or need reporting on how many calls were made per day for evaluating performance, new VoIP systems can track calls per day/week/month to aid in auditing telecom costs and provide valuable information on which to base decisions. Are we paying too much for service? Can we improve customer wait/hold time? What region are most of our customers and sales calling from? Getting data to answer questions like these can save a business thousands.

When Hosted VoIP Makes Sense

- More than one location
- Less than 50 employees
- You currently outsource technical and IT work to a professional
- Tighter budget – hosting involves less equipment costs

When On-Premises VoIP Makes Sense

- The company is 100+ employees in size
- Customization needed – custom reporting
- Security is high concern
- Your company has dedicated IT staff familiar with performing regular upgrades and patches