BUSINESS insights

SIP Trunking Can Slash Phone Costs without an Expensive Upgrade

Infonetics Research forecast that SIP trunking service revenue will hit an 89% annual growth rate through 2013[1]. The reason that this technology is experiencing such dramatic adoption is the fact that it is a robust cost-cutting solution in a weak economy. This technology can reduce your phone line costs by 50% with no new capital investment[2].

You may think that with an older phone system you cannot take advantage of such technology, but that's not necessarily true. If your system is not SIP compliant, you can use new technology known as a gateway device to add SIP trunks to your network. Your business can become SIP-enabled quickly and economically with these devices. And you won't have to replace your whole network to do it.

Why Use SIP Trunking?

SIP trunking replaces your current local and long-distance telephone service. You select how many phone lines you need for each office, how many local and toll-free numbers you require, and what enhanced services (such as voicemail or WebFax) can drive productivity for your enterprise. Many of the enhanced services can be customized for your specific business or for each employee's specific job requirements. For example, you can select find me/follow me service to ensure that an employee can always receive calls while traveling.

Other SIP features include:

- Local numbers, toll-free access, domestic and international long distance, as well as free inter-office calling
- A remote market number to gain a local presence in a market without having to establish a branch office
- E-911 service
- Directory listings and assistance
- Personal management tools
- WebFax service
- Toll-free conference calling
- Follow-me number for Presence Management functionality
- Call forwarding
- Call screening
- Sequential or simultaneous ringing
- Voicemail
- Group messaging
- Hunt groups
- Automated attendant

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Bottom Line Value

But the most solid benefit of SIP is its benefit to the bottom line. Most companies use a T1 or PRI line with 23 channels for voice traffic. Yet a business with 50-75 phones might only use 10-15 channels at any given time. Even though almost half of the capacity of these lines is being wasted, businesses will not downgrade their network for fear of not being to handle peak call volumes when the need arises. With SIP, both voice and data traffic work together seamlessly. SIP determines the most efficient use of resources to allocate bandwidth where it's needed most, ensuring both voice and data run smoothly while minimizing waste. Yet voice always has priority to protect all critical business communications.

With SIP, you can gain low cost long distance, as well as free "on net" calling between office locations. You can push back on the obsolescence of an existing phone system by adding new functionality such as automated attendants, unified messaging (visual voicemail and fax), mobility (find-me/follow-me), conferencing, and web-based call management.

If you select the right SIP vendor, you can keep existing telephone numbers and dial plans, and get local, long distance and toll free connections to exactly match what you are using today. All installation, management and support can also be handled by the vendor, with a certified installation technician enabling a complete solution that requires little internal effort on your part.

Mix and Match Technology through SIP

SIP is an open-standards-based technology. With SIP, it's possible for multiple types of telephone systems to coexist on a network without compatibility problems.

Be sure the SIP trunking provider you select will conduct a network assessment to insure that your existing network infrastructure is capable of supporting SIP voice traffic. With the right vendor, SIP trunking can get even an older phone system performing with some of the latest capabilities.

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[1] "SIP Trunking to Grow at 89% CAGR to 2013; Hosted UC Taking Off Amid Strong VoIP Services Growth," Infonetics Research, (May 4, 2009), http://www.infonetics.com/pr/2009/2h08-voip-UC-market-research-highlights.asp
[2] Data according to AccessLine Voice Services, http://www.accessline.com/SIPTrunking/interior.asp?nav=nWHATIS