



IP Voice: From cost savings to business transformation



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TalkTalk Business surveys 1,000 UK decision makers

TalkTalk Business conducted a survey of 1,000 decision makers from British businesses of varying sizes about their experience of and attitude to IP Voice services.

Find out

What is IP Voice?

Motivations for switching

The cost of downtime

The cost of PBX fraud



Introduction

TalkTalk Business surveys 1,000 UK decision makers

What is IP Voice?

Business telephony services are changing radically. Traditionally, organisations had a phone line for making calls and an internet connection for things like email and internet browsing.

Now, companies can deliver their voice services via their existing internet connection using IP Voice capable products such as SIP (Session Initiation Protocol) Trunking and Hosted Voice.

The business case for these IP Voice services has been so compelling that over **45% of UK businesses** have now adopted them.* With BT announcing that it will switch off the traditional ISDN network that most businesses are familiar with in 2025, it is a good time to evaluate alternative voice services.



By 2025 traditional telephony services will be replaced by more modern and cost-effective VoIP based services in the UK. It's a technology paradigm shift for telephony, similar to those we have seen in other industries over the years, such as the switch over from analogue to digital TV services.

* Cavell - SIP & IP Trunking Market Report & Forecast 2016

So why are so many businesses adopting IP Voice services?

For 45% of UK businesses to be using them already, and with this adoption increasing rapidly each year, there is clearly an attractive business case for products like SIP Trunking and Hosted Voice.



To answer that question, Censuswide, in partnership with TalkTalk Business conducted a survey of 1,000 decision makers from British businesses of varying sizes about their experience of and attitude to IP Voice services. Specifically, to understand their financial business case for their adoption.

CENSUSWIDE
THE SURVEY CONSULTANTS

Motivations for switching

The surveyed organisations were asked what their main motivations were for moving to IP Voice services. The responses reflected two key areas:

1. Financial benefits such as reduced costs or improved productivity.
2. Increased telephony capabilities such as greater flexibility and control.

While UK businesses have many reasons for adopting SIP and Hosted Voice solutions, the top motivation was to reduce telephony costs across the organisation.





Cost Savings

Significant savings versus traditional ISDN

Of the surveyed businesses that have already adopted IP Voice, **96% reported making savings** versus traditional voice services.

Notably, UK businesses reported **saving an average of 35%** when adopting IP Voice, versus traditional ISDN telephony services.

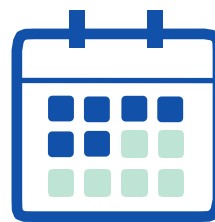


Savings were even more significant for the **1 in 4** businesses which revealed a cut in telephony costs of over **50%**. Clearly, businesses see a financial benefit from moving to IP Voice services. However, to truly understand its benefits, it is also important to look at where savings are coming from.

Businesses only pay for the services needed

The lead time to install a new ISDN line is much longer than IP Voice, and usually takes **weeks**. SIP and Hosted Voice lines, on the other hand, can be created in a **matter of minutes**.

To cope with the delay, businesses order more ISDN lines than they need to ensure the lines are immediately available when additional capacity is needed. As a result, companies relying on ISDN lines end up paying for lines that are not needed.

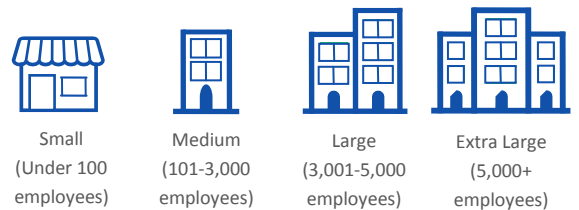


In fact, our survey found that **48% of UK businesses reported paying for telephone lines they only use for part of the year**. On average, those lines were only used for **6 months each year**.

The cost of downtime

IP Voice services inherently include Disaster Recovery capabilities that prevent, or reduce the impact of telephone services failing. This is often overlooked when making a business case for their adoption.

Yet, **39% of businesses** surveyed by Censuwide **reported losing their telephone service** in the past 12 months. What is more, the average **outage lasted 8 hours**.



	Small (Under 100 employees)	Medium (101-3,000 employees)	Large (3,001-5,000 employees)	Extra Large (5,000+ employees)
Cost of outage per hour	£4,020	£22,206	£23,174	£83,958
Average length of each outage	6hrs, 51 mins	8hrs, 14 mins	10hrs, 34 mins	11hrs, 11 mins
Average cost of each outage	£27,517	£183,088	£244,717	£938,650

The Solution

With IP Voice, Disaster Recovery features ensure that if a failure occurs, calls can be rerouted to working telephone lines to reduce the chance of them being missed. This allows businesses to reduce or mitigate the costs associated with outages.





The cost of PBX fraud

Organisations that own their own PBX phone systems, be it ISDN or SIP, are always at risk of having their system hacked and becoming a victim of fraud. This typically occurs where a third party gains unauthorised access to a PBX and uses it to make calls to international premium rate numbers that they make a profit from.

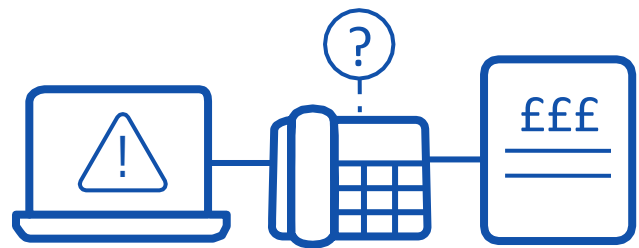
Unfortunately this fraud is common **and 27% of businesses reported being the victim of a PBX hack** in the last 5 years, which resulted in their company being billed for calls their employees didn't make.

Of the organisations that were hacked in the last 5 years, **the average cost to their business was £12,126.**

The Solution

IP Voice services enable organisations to implement intelligent features like Spend Management. Whilst Spend Management doesn't prevent fraud, it does monitor spending 24/7 and can prevent calls if certain thresholds are hit.

This automated monitoring can therefore reduce the charges that are incurred from unauthorised calls.



Business transformation International expansion

Gaining access to new international markets can be a great way to expand a client base and grow an organisation.

Of those surveyed, **46%** believe that their business **will expand internationally within the next 12 months.**

Larger companies are more likely to be planning for global growth. **59% of companies with 501-1000 employees** believe that they will expand their business internationally.

But it's not just large organisations. **33% of SMEs with 20-50 employees** also thought their business would expand.

The challenge for organisations is that this expansion can be expensive and carry a high risk of failure.

The Solution

To overcome this expense, services like International Numbers allow organisations to create a 'virtual international footprint' by using local area codes or toll-free numbers in those countries that re-direct to UK offices.

The familiar 'local' appearance of the number gives people in the country the confidence to use it and minimises costs for the UK organisation.

For those organisations that are thinking of expanding in the next 12 months, this is a great way to trial international expansion at low-cost.

For those businesses that already have international premises, a service like World SIP allows your customer to fulfil both of these requirements. It simplifies their operations; it's one provider, one international tariff for all countries and one bill. It also significantly reduces costs. Firstly by providing free on-net calls between international offices, and secondly, by providing a local breakout.





Moving office

Of those surveyed, **23% believe they will move office** within the next 12 months.

One challenge faced by these organisations is their ability to take their existing phone numbers with them.

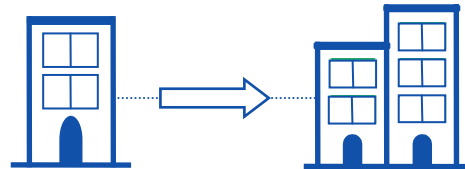
With ISDN, geographic numbers such as 01 and 02 can be automatically re-directed, but there is a recurring charge to do so.

The re-direct capability is also quite limited. Re-directs can only be done on a site basis, rather than an individual phone number. So 30 unique geographic office numbers would re-direct to just one number, for example.

The Solution

In contrast, IP Voice services aren't tied to a physical location and organisations can always take their numbers with them.

It's also possible to present these numbers on outbound calls irrespective of their location. So if an organisation in Manchester moves to London for example, it can still use the Manchester number when calling clients in that area.



Conclusion

Why the IP Voice business case stacks up

Research found IP Voice services continue to bring real benefits to businesses. In modernising their telephony services, businesses can ensure they are leveraging the benefits of IP Voice well ahead of the 2025 ISDN switch-off.

1. Adoption is on the upward curve

45% of businesses in 2016* had adopted IP Voice services and our research shows that of those that hadn't 61% plan to move in the next 2 years. 2017 is set to be the year when the number of SIP trunks overtakes the number of traditional ISDN lines.



2. IP Voice = cost reductions 55% of businesses cited cost reductions as the key motivator for switching. This motivation was robustly justified by the cost savings businesses say they have realised. 96% of those businesses that had adopted IP Voice had made a saving. The average cost saving was 35% versus traditional telephony services.



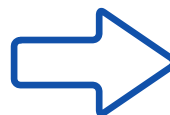
3. Corporate Governance and Risk Management

39% of businesses surveyed reported losing their telephone service in the past 12 months. The inherent disaster recovery capabilities of IP Voice help organisations mitigate the risk of downtime and its associated costs.



4. Preparing for business transformation

23% of respondents believe that their business will move offices within the next 12 months and 46% believe that their business will expand internationally. Organisations are turning to IP Voice in order to help them achieve these goals.



From the 1,000 UK decision makers surveyed, the message is clear. There is a compelling return on investment for the move to IP Voice and those businesses who haven't adopted it will soon get left behind.





Want to find out more about switching?

Get in touch with our friendly team to find out what your options are. NT Voice and Data are experts in IP voice and we work with businesses of all different sizes UK wide.

Call 01623 687750 or email sales@nottel.co.uk to start your IP journey today....

Get in touch



www.ntvoiceanddata.co.uk



01623 687750



sales@nottel.co.uk



Unit 12 H20 Business Park, Nottingham, NG15 0HT



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