

On-Premise vs. Cloud-Based

Which Phone System is Right for Your Business?

ON-PREMISE VS. CLOUD-BASED

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When choosing a phone system, businesses are often faced with one critical decision: Go with an on-premise or cloud-based solution?

With an on-premise solution, your phone system is centrally stored at your location, and you're responsible for service and maintenance. On the other hand, a cloud-based solution uses your Internet connection to connect to the cloud, requiring no additional hardware except for phones.

Let's take a look at the features of both options, to help you decide which is a better fit for your business.

On-premise

Cloud-based

Costs

- Up to 40% more costly than cloud-based, requiring cabling, hardware, closet space, electricity, & cooling
 - Pay in advance for planned growth
 - Multiple locations require multiple systems
 - Pay for all upgrades and maintenance
- No hardware costs except the phones themselves
 - Pay only for what you need and use
 - Multiple locations are supported by one phone system in the cloud
 - Most features and upgrades are included in cost

Installation

- Time-intensive setup, requiring the installation of significant hardware
- Quick and easy setup and installation due to minimal hardware deployment

Scalability

- Harder to scale, requiring thorough planning (and detailed, accurate forecasting)
 - Takes weeks or months to add or delete phone lines
- Scales to your needs as you grow, using exactly what you need, when you need it
 - Phone lines can be added or deleted quickly

Maintenance

- Requires an IT specialist to manage & make changes
- Other than phones, no maintenance required

Upgrading Features

- Time to market varies
 - Upgrades require manual updates from an IT specialist
- Time to market is immediate
 - All upgrades are made available automatically through the cloud

Mobility

- Mobile compatibility is complex & expensive
- Anyone can connect from multiple devices

Disaster Recovery

- Redundancy is possible, but costly
 - Recovery is typically slower, negatively impacting customer experience
 - Geo-redundancy, while possible, requires double the space, hardware, software, and capital
- Built-in failover in the event of Internet or power loss
 - Calls automatically rerouted to other data centers so customer experience is not affected
 - Geo-redundancy is built in, with no need for a capital outlay for space, hardware, or software