


# Is your phone system holding you back or **helping you fly?**



See why your PBX is restricting  
your growth and how you can unleash  
your business's true potential



# Modern businesses need **modern communications** to thrive



Technology can – and should – improve business communications. For SMBs in particular, modern communications technology can enable you to:

- compete on equal terms with much larger businesses
- grow without having to invest heavily in new offices, hires, resources and equipment

**Read this guide to understand how your phone system may be damaging your profitability and the benefits Cloud Communications can offer you.**

## See inside to discover:

- ✓ Why your traditional phone system is no longer a match for modern businesses
- ✓ Why an effective communications system is vital for your growth
- ✓ The damaging indirect costs you're paying for a PBX
- ✓ The benefits that Cloud Communications give you

# Traditional phone systems are no longer a match for **modern businesses**

At the heart of business communications for decades, the Private Branch Exchange (PBX) was designed to enable office-based employees to communicate with each other and the outside

## The traditional PBX model

How the system does and doesn't work.



**Purchase** – You buy the kit and install it in your office



**Ongoing management** – An employee has to manage it



**Maintenance** – You pay a third-party to maintain it



**Upgrade** – If you want more features, you pay for an upgrade



**Outgrow it** – If you outgrow it, you throw it away and buy a new one



**Failures = Serious disruption** – If you experience PBX failures, you experience serious business disruption

## The great divide between phone and IT systems

Traditional phone systems exist largely in isolation from IT systems: one was about making and receiving phone calls; the other was about digital communications and managing information. The fact that both were essentially about communications was ignored.

## Today's Cloud Communications

The worlds of telecoms and IT have converged to deliver seamless Cloud Communications.



**Employees are mobile**



**Teams are virtual**



**IT has moved to the cloud**

All of which means that traditional PBX systems are now hindering, rather than helping, today's digital businesses.

# Communications are now a critical **enabler** of **success**



**Effective, flexible, high-performance communications systems are now critical to every business.**



## **Mobility**

Increasingly mobile and dispersed workforces rely on communications support.



## **Customer expectations**

Communications are essential for meeting rising customer service standard expectations.



## **Staying competitive**

To repel threats from lower-cost competitors, communications are key in improving productivity.



## **Responsiveness**

Responding quickly to rapidly changing market conditions and new competitors requires effective communications.



## **Collaboration**





Communications are the lifeblood of the new age of business collaboration with suppliers, partners and customers.

**If your communications aren't up to speed, your business will soon fall behind.**









# The **true costs** of an outdated phone system

## The direct costs you're paying for an on-premise PBX:

-  Facility costs
-  Maintenance charges
-  Upgrade costs
-  Obsolete equipment write-offs

## However your indirect costs are even more expensive:

-  Poor service = lost customers
-  Inflexible working = loss of talent
-  Poorly equipped employees = lost productivity
-  Missed opportunities = missed
-  Outdated systems = increased
-  Routine administration = wasted IT expertise



The arguments in favor of replacing an out of date phone system have often focused on the direct costs, however the real costs to a business struggling on with an outdated phone system are much greater than the direct costs.



# Poor service = lost customers

**Many customers still prefer having a phone call when dealing with service issues, so if your phone system doesn't deliver the experience they want, your customers could soon be someone else's.**

## Existing customer value

Given the extra expense of acquiring a new customer compared to retaining an existing one, losing customers is hugely damaging to profitability.

## Rising expectations

Customer service expectations continue to rise and, despite the Internet and mobile apps, many consumers still prefer a phone call – but they demand rapid responses and a seamless experience without having to repeat themselves.

## Is your phone system delivering?

If your PBX doesn't connect your callers first time to the right person with access to the right information, you're putting your customer loyalty and profitability at risk.



**89%** of business leaders believe that customer experience will be their primary basis for competition.<sup>1</sup>



**75%** of consumers think calling is most effective for a quick response – but 53% are irritated if they don't speak to a real person immediately.<sup>1</sup>

**Rising customer service expectations are often judged by phone call experiences.**





# Inflexible working = **loss of talent**

**Every business is only as good as its workforce – and attracting then holding onto your best people are now partly determined by how supportive, flexible, agile and efficient your communications and IT systems are.**

## **Better people means better business**

Losing or being unable to attract top quality employees damages your ability to be competitive, while high levels of employee churn increase costs.

## **Your systems say a lot about you**

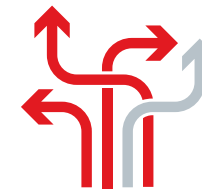
The quality of your communications and IT systems can influence the quality of employee that you attract and retain.

## **Digital natives' demands**

Younger workers expect to be able to share information easily and instantly, seamlessly switching between communications methods such as voice, video and messaging.

## **Lack of delivery means departures**

Traditional phone systems can't deliver the flexibility and functionality that both young and old employees now take for granted. If they can't work the way they want, your best employees will leave.



**75%** of employees rank workplace flexibility as their most important benefit.<sup>1</sup>



**75%** of the workforce will be made up by the Millennial generation (born between 1982 and 2003) by 2025.<sup>2</sup>

**You need to ensure that your communications systems meet the needs of all your workers.**



# Poorly equipped employees = **lost productivity**

**Today's workforces are increasingly dispersed, but they still need to communicate and collaborate effectively – wherever and whenever. If employees don't have access to the communication and collaboration tools they need, their productivity is adversely impacted.**

## Dispersed workforce

More and more businesses now have a mix of mobile workers, home workers and freelancers collaborating with office-based staff.

## Information access

All your people need access to the same information and tools, and they all need to be in contact at any time, from any location.

## Productivity and profitability

Restricted access to the tools they need negatively impacts your people's productivity – and lower productivity means lower profitability.

## PBX inflexibility

Traditional PBX systems were designed for office-based personnel – not a flexible, mobile workforce – and can damage employee productivity.

## Modernization benefits

Improving productivity is often the primary reason why firms replace a PBX with modern communications solutions.



**By 2020, mobile workers will account for nearly three-quarters of the US workforce.<sup>1</sup>**



**Improved productivity was the number 1 driver of Unified Communications adoption in a PwC survey of UK small to medium-sized**

**Traditional PBX systems were not designed for flexible working and can damage employee productivity.**





# Missed opportunities = missed revenue

**Physical presence is no longer needed for selling into a new location or launching a new service – but if you're hamstrung by out of date communications, you'll struggle to access new opportunities.**

## Maximizing opportunities

In today's markets, ideas can be copied very quickly and new competitors can emerge at any moment, so maximizing every opportunity is critical to success.

## Virtual expansion

Cloud Communications systems enable firms to establish a virtual presence in new geographies quickly and cheaply, so you can expand without investing in new offices or equipment.

## Collaboration is key

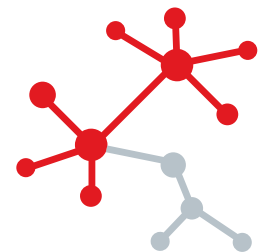
Seizing new opportunities is often about quickly building the right alliances – across teams, companies, suppliers, partners and customers – and being able to collaborate easily and flexibly.

## Restricted agility

Traditional phone systems are designed around closed networks and fixed, physical locations – they can't deliver the unrestricted agility you need to be more responsive, flexible and collaborative.



**81%** of executives believe that industry boundaries will dramatically blur as platforms reshape industries into interconnected ecosystems.<sup>1</sup>



**68%** of UK small to medium-sized businesses report collaborating with each other by sharing skills, experiences and networks.<sup>2</sup>

**Today's businesses need agility to seize new opportunities, but traditional phone systems restrict rather than enable agility.**



# Outdated systems = **increased downtime**

**Unlike Cloud Communications platforms – which feature built-in redundancy and support seamless working from any location – an on-premise phone system significantly increases your risk of a costly outage.**

## Outage risks

An outdated on-premise phone system puts your business at risk of a major IT or communications outage, which could result in lost sales, reduced productivity and damage to your reputation.

## Risks remain with in-site redundancy

Adding in-site redundancy could as much as double your costs, and even that won't help if your premises are unusable because of a major incident such as fire, flood or electrical outage.

## Risk increase with non-approved tools

If your system doesn't provide the functionality that employees expect, they will source their own tools – increasing your risk of IT failures while leaving you more vulnerable to data breaches and compliance failures.



**80%+** of IT and Line-of-Business Managers admit using non-approved applications in their jobs.<sup>1</sup>

**The lack of any redundancy for a PBX outage caused by natural disaster or human intervention puts businesses at risk of a major failure.**



# Routine administration = **wasted IT expertise**

**The IT resources of many non-enterprise businesses are both stretched and costly – focusing them on managing an ageing phone system is particularly wasteful.**

## Wasting value

Your scarce IT resources should be focusing on projects that add value to your business and support your growth, not tied up trying to maintain your outdated phone system.

## Using technology productively

Technology is now at the heart of much business innovation, so your IT staff should be exploring opportunities to enhance your services and help you operate more effectively. If their time is consumed with routine administration and support, their ability to add value is severely restricted.

## The cost of inefficiency

With the average pay, excluding benefits, for an IT Operations Manager being £44,364 per year in the UK and \$80,000 in the US<sup>1</sup>, these are expensive resources to have tied up on routine administration.

# £44k



**Average pay for  
an IT Operations  
Manager in the  
UK.1**

# \$80k



**Average pay for  
an IT Operations  
Manager in the  
US.1**

**Would you rather have your expensive IT resource focused on maintaining your PBX or on adding value to your business?**

# Why you should switch to cloud communications

Traditional on-premise phone systems no longer match the needs of today's modern businesses. We are now living in the age of Cloud Communications.

## Expand your opportunities

By freeing you from the constraints of a physical location and a fixed workforce, Cloud Communications enable you to expand your opportunities.

## Ensure seamless experiences

You can now integrate multiple communications and collaboration services into a single solution, enabling you to deliver the seamless experiences that your employees and your customers increasingly expect.

## Work smarter, anywhere

Enabling access to all the information and tools your employees need – anywhere and anytime – Cloud Communications can significantly improve your people's productivity.

## Reduce your risks

Cloud Communications feature the built-in resilience and security you need to significantly reduce the risks of damaging downtime.

## Free up time

Because your service provider manages and maintains your Cloud Communications solution, you are free to focus on adding more value to your business.

## Stay ahead with the latest technology

By ensuring you're always upgraded to the latest technology, Cloud Communications help you stay competitive and at the forefront of business communication developments.



**93%** of employees felt **productivity** had been **improved** by their organization adopting unified communications and collaboration tools.<sup>1</sup>

**Switching to Cloud Communications maximizes your profitability and unleashes your business's true potential.**



## Claranet Hosted Voice

Break free from the constraints, costs and risks of a disjointed PBX voice estate, and take back control of the role telephony plays in your business.

Unite your office staff, homeworkers, remote and mobile users within a single, fully featured unified communications solution that is cost-effective, flexible and straightforward; delivering the service you need, whatever your business.

Reduce costs and transform your communications at the same time by investing in a pay-as-you go solution that will always be up-to-date, leveraging our investments and expertise to help you quickly get the results you need.

### Contact us for more information:

Email us: [hostedvoice@uk.clara.net](mailto:hostedvoice@uk.clara.net)

Call us: **0203 795 9376**

Visit: [claranet.co.uk/communications/hosted-voice](http://claranet.co.uk/communications/hosted-voice)

The longer you shackle your business with an outdated phone system, the more growth opportunities you're missing out on.

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