

Hybrid Work

Why it's time to move your on-premises PBX to the cloud



About the Author

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She is a frequent speaker and participant in industry conferences, webinars, podcasts, and other events to help educate others about the evolving unified communications and collaboration and contact center markets. Blair's blogs and articles can be found on: bcstrategies.com and commfusion.com, as well as nojitter.com.



It's clear that the future workforce will be hybrid, with some workers in the office, some working remotely, and some a combination of the two. And with these rapidly changing needs, businesses realized just how vital the cloud is to flexibility and agility.

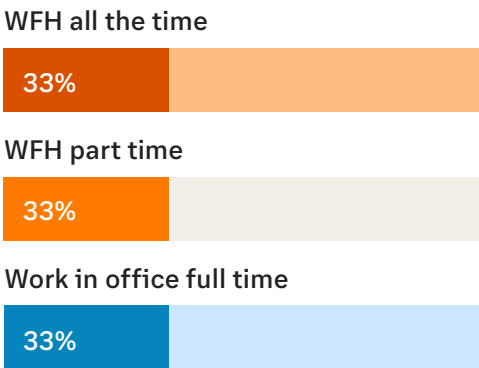
For years, the shift to cloud-based communications services was gradual, with some organizations going full force and others cautiously dipping their toes. This all changed in 2020 as employees moved en masse to work from home (WFH), bringing their business phone systems and other communication tools along with them.

Of course, organizations that already had their workflows in the cloud were poised for such a change. Employees simply took their work home, keeping operations afloat and staying productive throughout the pandemic.

Now that businesses are returning to work, the question becomes: **what role will the cloud play in the future of work?**

**Remote and flexible work:
The new normal**

The hybrid workforce



Source: COMMFusion

Successful work-from-home strategies developed during the pandemic have encouraged companies to hire more full-time remote employees. And after experiencing the benefits of WFH, many workers prefer – and even demand – the ability to work remotely at least a couple days a week.

A [study](#) by McKinsey found that three-quarters of 5,000 employees surveyed want to work from home twice a week, with more than half choosing three days a week.

COMMFusion expects 33% of workers will be in the office full time, 33% will be working from home or remotely full time, and 33% will be hybrid, or a combination of the two. For the most part, hybrid workers will be in the workplace two-to-three days a week and remote the rest of the time.

In hybrid and remote work, cloud flexibility matters

Until recently, businesses had one choice when it came to PBX and UC technology: **on-premises solutions**. The problem is, on-premises solutions are expensive and resource intensive, requiring a significant amount of IT staff to deploy, manage, and maintain.

On-premises communications solutions are also more difficult to upgrade or scale, often requiring new hardware and software. As a result, on-premises solutions are slow to implement newer, advanced capabilities in the market.

But perhaps most importantly, they also can't support the needs of today's hybrid and remote workers. Distributed and mobile teams demand flexible solutions for communicating and collaborating across locations and time zones.

As a result, cloud-based communications and collaboration services have seen tremendous growth in recent years as companies recognize their many benefits. This was further accelerated in 2020 and 2021.

Cloud solutions have overtaken premises-based solutions as organizations look to replace outdated legacy PBXs. According to Synergy Research, there's a **\$100 billion plus** market opportunity for on-premise PBX users migrating to the cloud. Synergy estimates the addressable market cloud penetration is still at **less than 10%**. This means there are hundreds of millions of employees at the cusp of a generational transformation to the cloud.

100B

The many benefits of Unified Communications as a Service (UCaaS)



The shift to the cloud becomes even more clear when you look at where investments are being made. From artificial intelligence to advanced mobility and video capabilities, almost all vendor investments are directed at cloud solutions. In fact, solutions such as team collaboration are entirely cloud-based, with no on-premises options in the market.

Speed to innovation takes place much faster in the cloud since open cloud-based platforms make adding new capabilities easier—from persistent chat to video conferencing to omnichannel contact center—enabling organizations to digitally transform.

In addition, competitive pressures and the need to “disrupt or be disrupted” are driving the push to UCaaS solutions. Businesses need to be nimble and flexible while accessing the latest technologies and innovations—however, this is only possible with cloud solutions such as UCaaS.

The growth of the UCaaS market is in large part due to the many benefits the cloud provides to organizations, including:

1. Simplicity

Deployment, management, and maintenance of communications solutions are greatly simplified, saving time and money while enabling your IT staff to focus on other things that may be closer to your core business.

Without the need for servers or ongoing maintenance and upgrades, cloud services are generally much simpler to deploy and manage, with built-in scalability, redundancy, security, and disaster recovery.

2. Cost and scalability

The cloud’s pay-as-you-go model means you only pay for the communication services and licenses you need, providing an immediate return. Businesses can easily add or remove users as needed.

This is especially important for seasonal businesses, such as florists or tax accountants, that have high

volume communication needs at certain times of the year. With little or no capital expenditures, organizations pay only for what they need and can scale up or down to best meet their needs.

3. Reduced risk

Companies are guaranteed to have the latest and greatest features as they're deployed while automatically staying current with new releases, reducing the risk of technology obsolescence and sunk costs.

As new capabilities and functionality are added—AI, voice biometrics, end-to-end security—organizations can access them right away.

4. Global reach

Multinational organizations can more easily access services around the globe at lower costs, making it easier for geographically dispersed workers to interact seamlessly. Workers around the world, regardless of geographical location, can be on the same platform, enhancing communications and collaboration throughout the organization.

5. Business continuity

The need for business continuity became exceedingly clear in the past two years.

Based on capabilities such as mobility, conferencing, web collaboration, single-number reach, and others, UCaaS allows workers to work from any location and remain productive in the event of a disaster. In addition, cloud providers offer off-site backup, redundancy, and disaster recovery, which is too expensive or hard to do on premises.

6. Mobility

With no software to download to the desktop, workers just need an internet connection and a headset to access their communication tools. On-the-go workers can receive calls, send and receive IMs, and have web and video conferences from anywhere and on any device.



7. Advanced capabilities

Organizations can access advanced features and capabilities, such as video conferencing, call analytics, and team messaging that may otherwise be cost-prohibitive with a premises-based solution.

8. Integration with third-party applications

Open cloud platforms allow companies to connect communications to a wider set of business applications by leveraging APIs and integrations.

These include integrating with CRM, ERP, productivity applications (such as Google Workspace and Microsoft Office 365), and other third-party applications. It also includes integrating best-of-breed capabilities, including messaging, video, and analytics.

Add integrations

	Box Files and content sharing	☐
	Zendesk World-class CRM solutions	☒
	Hubspot Marketing, sales and CRM software	☒
	Okta Secure identity management	☐
	Slack Team collaboration workspace	☒

9. Flexibility

Perhaps the biggest benefit of a cloud-based service is flexibility, which makes organizations more nimble and agile. When it comes to flexibility, premises-based solutions don't hold a candle to cloud-based services, which make it easy to add new functionality in minutes.

Changing at a rapid pace, much of today's on-premises communications technologies will be outdated or even obsolete within the next two to three years. As new services and functionality are developed, whether they are artificial intelligence or enhanced mobile or video capabilities, cloud users can access these capabilities immediately without having to deploy new servers or software.

The time to move to cloud UC is now

Lifecycles for PBXs have gone from 10 to 15 years, to 7 to 10 years, and then down to four years or less. With resources being focused on newer cloud solutions, many vendors are end of life-ing older legacy PBXs at a rapid pace.

When a PBX system is no longer supported by the vendor, it becomes challenging to get the proper service, replacement parts, and expertise needed. Challenges such as fewer trained workers to support legacy equipment make maintaining aging PBXs even more costly. Adding new capabilities such as messaging, video, and collaboration become more daunting, and upgrading older systems is often more costly than replacing them.

If your PBX system is aging and no longer supported by your vendor, it's time to look at new options that meet today's business needs while taking advantage of new UC capabilities that may have been previously out of reach.

Rather than simply replacing an old phone system with a new phone system, use this transition to provide enhanced unified communications capabilities, including messaging and video meetings, that make your workers more productive and effective.

UCaaS: More than the sum of its parts

Today's workers are more collaborative, requiring tools that make it easy to share information. A complete Unified Communications as a Service (UCaaS) solution goes beyond telephony, which is core, to include messaging, team collaboration, document sharing, screen sharing, and advanced video conferencing.

The right UCaaS solution should offer APIs and SDKs to provide customization and seamless integration with an organization's line of business productivity and CRM applications.

Additionally, integration with Contact Center as a Service (CCaaS) unlocks new use cases, such as enabling contact center agents to collaborate with subject matter experts throughout the organization.

Mobile devices have changed the way we work and communicate

the global mobile workforce is expected to increase to

1.87 billion people

The global workforce, in 2022

42.5%

UCaaS solutions provide mobile workers with the communication applications that fit their mobile work styles by seamlessly integrating multiple locations and connecting mobile workers with advanced call forwarding, single number reach, desktop extension, and mobile clients.

With an open platform that integrates UCaaS and brings various cloud services together, including contact center, video, and team collaboration, organizations can enhance internal and external communications and collaboration, increase efficiency and effectiveness, and better serve customers.



Mobility:
mobile app



Conferencing:
audio, web, video



APIs,
integrations



Collaboration:
screen sharing,
doc sharing



Meetings



Text, messaging,
SMS, chat



Voice, VoIP

Choosing the right type of cloud

Hopefully by now you're convinced that UCaaS is the way forward, but what's the best cloud approach and migration strategy?

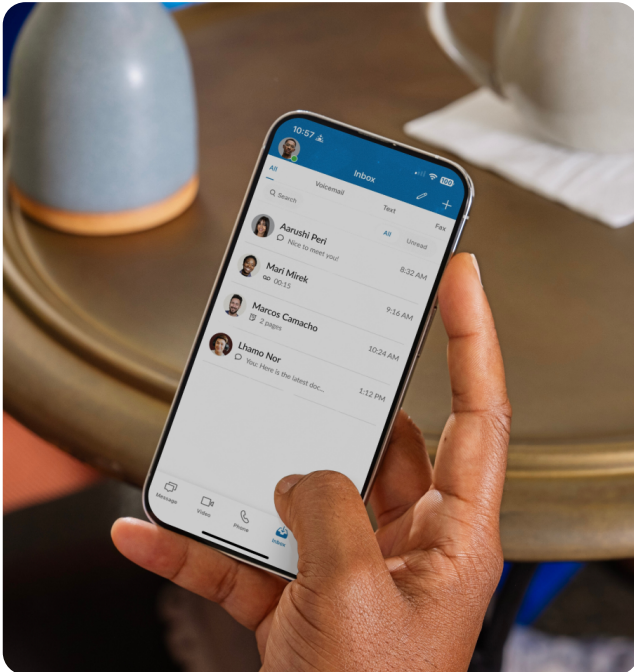
First, it's important to understand that there are various cloud options. Is it private or public? Are there multiple instances? Does it accommodate multiple tenants? Is it a hybrid deployment? Depending on the configuration, here are some key considerations:

Multi-tenant or "pure cloud":

Multi-tenant cloud services, considered "pure cloud," are the fastest-growing architecture. As the most economical option, a multi-tenant architecture takes advantage of the true benefits of the cloud, including economies of scale, fast deployment, business

continuity and redundancy, automatic updates, and more.

Most experts agree that a “true” cloud is a multi-tenant, shared, on-demand platform providing scalability and elasticity based on a shared pool of resources that are rapidly provisioned with minimal IT requirements. Organizations benefit by leveraging shared resources, capacity, and costs within the service provider’s data center.



Multi-instance cloud:

With a hosted or multi-instance architecture, each user has its own virtualized software instance on shared hardware. This option may be able to offer greater levels of customization, but at higher costs for software licenses and professional services. Deployment and activating services take longer than multi-tenant services.

Private cloud:

Private-cloud services leverage virtualized software in the company’s own data center, which means they can provide a higher level of customization. This is the most expensive option and doesn’t provide economies of scale, flexibility, and other cloud benefits.

Private cloud is generally seen as an option for regulated businesses and businesses requiring the highest levels of security, although this is changing as public cloud services have become more secure and are increasingly used by government agencies and regulated businesses.

Hybrid cloud:

Hybrid cloud services combine elements of on-premises and cloud services, with some core functionality remaining on-premises.

This model is often used as a way of transitioning to the cloud from older legacy PBXs, where a segment of workers continue to use the premises-based PBX, while others move to the modern unified communications cloud service.

Hybrid systems may also be useful for regulated businesses that require some on-premises equipment in order to meet security requirements or for large organizations with many branch locations that can't migrate to cloud services all at once.

Private cloud	Single-tenant public cloud (multi-instance)	Multi-tenant public cloud	Hybrid cloud
Virtualized software in company's own data center.	Company has its own virtualized software instance of app on shared hardware.	All users share a common (single) software instance on common hardware platform.	Mixture of on-premises and cloud-based platforms or apps.
Most expensive, longest deployment time, not as scalable, requires significant IT staff.	More expensive than multi-tenant, not as scalable, longer deployment than multi-tenant, may require more professional services.	Most cost-effective, scalable, requires less IT staff than other options, easiest to deploy globally.	Gives up some benefits of the cloud but leverages customers' existing solutions.
Provides high level of reliability, security, customization, control over operations.	May provide more customization, security, and privacy.	Least able to customize and integrate with apps and systems.	More expensive to manage than multi-tenant.

Migrating to the cloud—start with a strategy

As you prepare to migrate to the cloud from a premises-based PBX, having a migration strategy is essential.

First, define your goals and priorities. The new solution must meet your unique business needs, which requires understanding of why you're moving to the cloud. Prioritize what's most important, whether it's flexibility, scalability, cost management, advanced functionality, etc. From there, it's easier to identify the right solution and potential providers.

Next, determine the best migration approach based on business priorities and/or strategic locations. There are many options, and working with a professional services organization can help identify the best approach for your specific needs.

For small and mid-sized businesses, a flash-cut approach is generally best, providing fast access to the benefits of the new cloud solution.

For large organizations, a phased approach is generally recommended. Options for a phased approach include deploying based on user type, geography, or technology/features.



Migrating a group of users, such as the C-suite or IT organization, is a way to understand the features and functionality of the new service and set the stage for company-wide user adoption. Alternatively, starting with specific locations, such as branch offices or regions, may make sense. Look at when PBX service contracts for different locations expire and migrate those first.

Some organizations opt for hybrid cloud solutions as an intermediary approach. While the hybrid-cloud approach lets organizations leverage their existing communications technology while migrating to the cloud, it's often seen as a stop-gap approach, and there are some challenges that organizations need to consider.

Managing hybrid solutions and getting them to work effectively is often difficult, as cloud and premises-based communication platforms have different security and administration models, different dialing plans that need to be integrated, and different compliance and security methods.

With a duplication of costs, hybrid options generally end up more expensive. Without feature parity, employees on different systems will have different user experiences, making it more challenging to effectively collaborate.

To attain the scale and cost benefits of the cloud, a coexistence approach that includes migrating to an open platform in the cloud is often the right approach.

Finding the right UCaaS partner

The next step in the migration process is to select a vendor and cloud service. Here are some key attributes to look for in a platform vendor:

Unified platform:

Working with a vendor that offers a full solution, including telephony/PBX, unified communications, team collaboration, meetings, and contact center, makes it easier to get the capabilities you need without having to interact with multiple vendors.

Using the same vendor and platform for contact center, team collaboration, and UC reduces management requirements and provides end-to-end support with no finger-pointing between vendors.

In addition, a single vendor has more control over the product, including new feature releases and the ability to keep features current on both platforms.

Reliable and secure:

It goes without saying that reliability, security, and support are crucial, so look for a vendor that can provide high availability and quality of service.

For international organizations, working with a company that has global reach with geographically dispersed data centers and support centers is an important consideration.

Integrations:

UCaaS doesn't exist in isolation, and integrating well with third-party business applications has become a key area of differentiation. APIs are today's building blocks for integrating a wide range of applications and capabilities that your organization utilizes.

Look for a vendor with an open platform that offers out-of-the-box integrations, as well as APIs that will make the UCaaS solution a part of your business's day-to-day workflows.

Experience:

Choose a vendor that has lots of experience migrating organizations from premises-based PBXs to the cloud.

In many cases, a professional services engagement will be necessary, providing industry expertise and experience in network assessment, as well as designing, developing, and architecting the right solution.

Don't take chances with a new player without a long track record or strong financials—look for a provider with the experience needed to help you succeed today and with the vision to prepare you for tomorrow.

Conclusion

While organizations' digital transformation strategies, including the move to cloud services, have been in the works for years, the pandemic dramatically accelerated this transition.

Both businesses and employees recognize the benefits of remote work, and hybrid work is here to stay. Communication systems have to support workers, allowing them to work how and where they prefer.

Legacy premises-based phone systems don't provide the flexibility demanded today and in the future. Only modern cloud-based services can support mobile, remote, and hybrid workers' needs, along with the business continuity that organizations require.

It's time to move to the cloud.

For more information, please contact a sales representative. Visit ringcentral.com or call 855-774-2510.

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