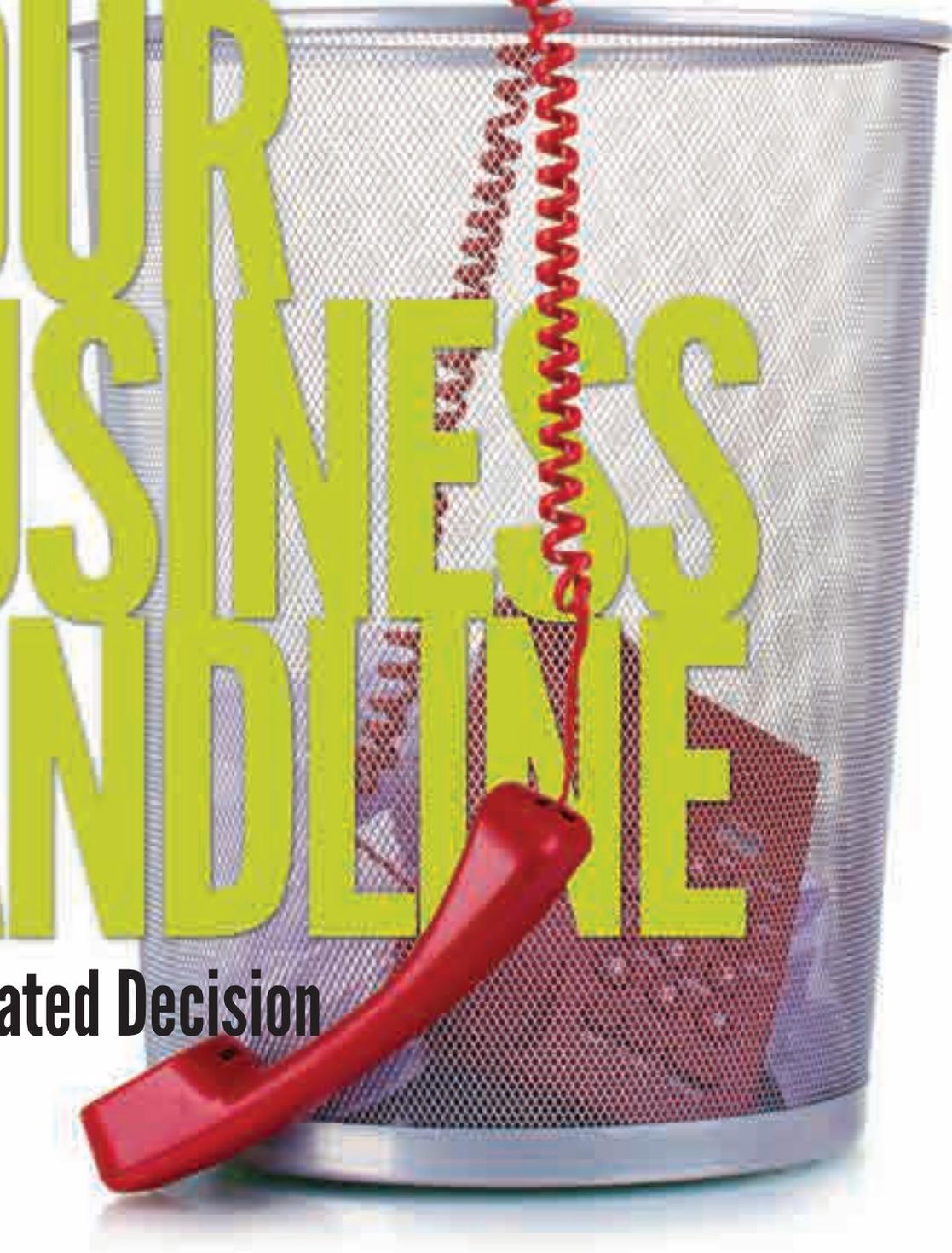


DROPPING YOUR BUSINESS LANDLINE



A Complicated Decision

By Kerri Fivecoat-Campbell



For many Americans, the decision to drop the landline at home is a no brainer. According to a study released last year by the Centers for Disease Control and Prevention, 36.5 percent of adults live in a wireless-only household. That number represented an increase from a 2010 study showing that just 24.9 percent of adults lived in a wireless-only household that year.

Business owners are also increasingly seeking out alternatives to landlines, but they're finding that the decision is more complicated at work than it is at home.

Most businesses, especially larger ones, have been sticking with the traditional "plain old telephone service" (POTS) for a variety of reasons, including call quality, availability, the idea of a central call center, and integrating technologies.

"Today, landlines are [still] used, and they will be used until some technologies don't need it," said Jon Rees, CEO of Allied Communications, a data/voice systems integration consultant. "For instance, fax machines and alarm systems: these two technologies are very sensitive to VoIP (Voice Over Internet Protocol) and really hate SIP (Session Initiation Protocol)."

Still, some small businesses are looking for ways to cut expenses—and cutting the landline can be a good way to do that (although cost savings vary by location, plan, and availability). This is especially true for "techy" or younger small-business owners who aren't afraid of the new technologies and believe that landlines will soon go the way of phone booths and brick-sized cell phones.

TEXAS-BASED SPORTING GOODS COMPANY MAKES THE LEAP

PowerLung, a sporting goods equipment manufacturer in Houston, has been in business since 1999. When the company opened, Carolyn Morse, president of the company, had POTS installed in the business. In 2009, one of the company's four employees moved to Austin, which created a huge jump in long-distance service expense.

"The phone bills were getting outrageous," said Morse.

Morse decided to start using Skype, which allowed the company to obtain a separate number for the off-site employee. Still, if a call came in for him at the main number in Houston, the receptionist would have to take a message and relay it to the employee.





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As the company expanded, with another employee in San Francisco and Morse relocating to France for a year, Skype became increasingly burdensome because calls couldn't be transferred from the main number. It also wasn't available in some locations outside of the United States.

Morse knew the company couldn't go back to landline service, and the most attractive option seemed to be a VoIP.

Morse was concerned that changing to a VoIP system would lead to problems with the company's slower DSL connection, which also sometimes created issues with Skype. But as faster broadband became available, Morse says, that obstacle disappeared. Making the switch brought all of her employees throughout the world onto the same system, while allowing customers—wherever they are—the ability to reach a company representative immediately.

Morse said the decision wasn't cut and dried even then; there was another hurdle. “We didn't have the tech experience, which was a big consideration,” Morse said.

But she still wanted to find a phone system that provided a wider network than POTS, saved them money, offered services allowing an increasing number of remote workers access to the line, and enabled continued growth.

THE PROS AND CONS OF DUMPING THE LANDLINE

The first question you should ask yourself before you make a telecom switch is why you're thinking of dumping your landline.

If the old POTS system has been working well for you and long distance isn't costing you a fortune, or if you have a retail-based operation, then you probably have no reason to look at dumping your old system immediately.

However, if you're finding that you're using your cell phone more and your business landline less, or you need something to service multiple locations with interoffice calls, then it's time to start looking at alternatives to your POTS system.

CELL PHONE ONLY

If you have a one-person operation, are out on the road with no one else to answer your phone in your office (whether you work from home or have a brick-and-mortar building), live in a large metropolitan area, and aren't constantly in places such as basements, tunnels, or attics, your cell phone might serve as a convenient substitute for your POTS landline. Individual cell phones may also work if your employees are contractors or are always on the road and have a portfolio of customers who don't need access to a centralized number.

“A challenge of getting rid of the landline and only using cell phones is the concern around 9-1-1 access,” said Melinda Curran, president and founder of Resource Communications Group in Nashville, Tennessee. “If you call from a cell and cannot talk for some reason, the dispatcher cannot tell where you’re at.”

Yet another consideration in using only a cell phone is connection problems during times of disaster. “During Hurricane Sandy and its aftermath, my business and home landlines continued to work, allowing me to stay connected to clients,” said Belinda Plutz, president of Career Mentors, Inc., in New York City. “People I knew with only cell service were scrambling to find places to charge their phones, if the cell towers were not affected. Even those with car chargers were strangled by lack of gas to fill their tanks.”

If you do work from home (or might due to an emergency), having that landline is key, according to some business owners. “I recently moved into a new house and decided not to get a landline in the new house,” said Trevor Lohrbeer, CEO of Lab Escape in Asheville, North Carolina. “I’m now reversing that decision and ordering a landline. I do a lot of web meetings and calls, and I’ve been told that the voice quality of my cell phone, even with a high-end headset, isn’t as clear as it could be.”

As attractive as it might be to have only your iPhone or smart phone as your business line, most business consultants do not recommend using the cell alone. Barry Maher, an author and business communications consultant, says it’s not a good idea, no matter the size of your company. “If what you’re running is a hobby and not a business, drop the landline,” said Maher. “If it’s a business, you want to use the best possible tools—and the best possible tool for clear, reliable phone conversation is a landline. When you have to use the cell phone, by all means, use it. But if you don’t even have a landline, people are

naturally going to wonder what other tools you may be lacking.”

If you don’t think your cell phone will provide you with the tools you need to effectively run your business, but you still want to drop the landline, there are other options.

SKYPE

Morse already outlined some of the problems with using a Skype-based system:

(1) It does not work well if you have off-site employees and need to transfer calls from a central number.

(2) It doesn't include all countries (for example, India).

(3) If you're in an area that still has a slower Internet connection, fuhgeddaboutit.

However, Skype can be an attractive alternative if you don't foresee the above issues being a concern.

Dan Sapozhnikov, co-founder of AdGate Media in New York, looked at all of the options—including traditional landlines, VoIP, Google Voice, and Skype—when they moved their offices earlier this year.

MAIN ADVANTAGES TO VoIP:

It's extremely easy to add to, move, or change—whether you're adding or replacing employees, changing offices, or using a remote home office.

Your office phone can “follow you”—if you aren't at your desk, the same phone can ring your cell or home office or even on a temporary phone you set up.

“We found that a Skype phone number along with an unlimited Skype account was the best mix of reliability and price,” said Sapozhnikov. “We pay \$6 per month for unlimited phone calls in the United States and Canada and have yet to face any problem with quality.”

GOOGLE VOICE

If you have a great Internet connection, Google Voice might be the option for you. One of the biggest benefits is that it is free for unlimited calls inside the United States. Calling from Google Voice to landlines in most of the rest of the world is 2 cents per minute, and calling mobile phones outside of the United States is typically 10 cents per minute.

Jay Soriano, founder of Soriano-Media.com, said that Google Voice is perfect for a small company or a single proprietor because it can be forwarded to your cell phone. “Plus, you can choose your own number. I was lucky enough to land a vanity number, which is great for branding,” Soriano said.

Robert McGarvey, a self-employed freelance writer, uses a combination of Skype and Google Voice for his business. He recently wrote for the business Internet site, Mainstreet.com, “A Google Voice plus is that you can download the app to a smartphone, and it is very simple to toggle it to make all of your calls or to only make calls outside of the country.”

“The biggest drawback is answering incoming calls,” said William R. Speirs, CEO of Metrink in New Haven, Connecticut. “You have to have your headset on and set up before someone calls. This leads to a lot of ‘we'll call you’ meetings. However, given the cost of landlines, it's not too painful to switch.”

VoIP

The biggest buzzword in telecommunications since Bell invented the telephone is “VoIP,” which is an Internet-based broadband telephone service that some argue will eventually completely replace POTS.

Ari Rabban, CEO of Phone.com in Newark, New Jersey, lists the main advantages to VoIP:

(1) It's extremely easy to add to, move, or change—whether you're adding or replacing employees, changing offices, or using a remote home office.

(2) Your office phone can “follow you”—if you aren't at your desk, the same phone can ring your cell or home office or even on a temporary phone you set up.

(3) Some VoIP services have apps that you can download to laptops, tablets, or smart phones that will let you dial out of those devices using your office number as your caller ID.

(4) VoIP will also save you on international calls—or if you are calling from abroad.

(5) If you encounter a catastrophic situation, be it Superstorm Sandy or an unfortunate personal office disaster (fire or flood, etc.), landline phones may not work, or you may not be able to access your office. With a good VoIP solution, you can easily reroute your phones to your cell or to a temporary office.

(6) Many VoIP services also come with other business-phone service features (welcome greetings, extension dialing and dial-by-name directories, as well as voicemail transcription, Internet fax, and conference calling).

The downsides include the following:

Some people still argue that landlines are more reliable. Rabban says, “With most VoIP solutions, quality should not be of any concern, and many let you test for free before you make the move. Since it is not hard to set up, it is easy to test.”

Also, you must make sure that you have enough bandwidth to support your calls, or you could be missing valuable clients. “Internet down could be a problem, but again, Internet and broadband are much more reliable than in the past—plus, with most VoIP services, one can easily reroute to another phone such as your mobile until the local office Internet is fixed.”

Zach Grogan, a team leader at WRH Realty Service, which manages more than 80 multi-family and office properties around the country, including Dallas/Fort Worth and Houston, said that his company is convinced of the benefits of VoIP and that it is in the process of eliminating POTS systems at all of its properties. "I believe in complete replacement, from the typical desk phone to the fire alarm and security equipment," said Grogan.

A VoIP service is the choice that Morse made for PowerLung in Houston. Many VoIP companies offer everything from basic to premium service. To access the benefit of having reliable service with tech support and room for growth, she chose a middle-ground package with RingCentral. The cost, not including equipment (which is something you have to consider, as equipment for some VoIP services can be quite expensive and can negate your savings from cutting your POTS), is \$140 per month. The plan allows PowerLung to have a centralized number that allows calls to be transferred to extensions internally on site as well as externally for employees who work offsite. Their plan also includes call conferencing, a toll-free number and direct-dial numbers for employees. PowerLung also leases the equipment for less than \$30 a month, which didn't bind the company to expensive equipment they weren't sure would outlive evolving technology. The system also allows the company to register with 9-1-1 and sends faxes to email; in addition, the system is set up to ring to another customer service representative if the main representative is on the phone.

One thing PowerLung's package does not include is video conferencing, but it offers the company an option to have a pre-recorded message (such as one warning that a call may be monitored) and allows the company room to grow into a full-service call center.

One of the most important things for Morse and her company was to have plenty of instruction and support so all of the employees could comfortably use the system and all of the perks it offered.

"They have instructional videos, and I recommend everyone watch

them before the system is implemented so questions can be formed and answered," said Morse. "In the beginning, it was still a little rough for us because we don't have the tech experience. But this company has great support, and they've been great for over three years."

Morse concedes one of the downsides of VoIP: when the Internet server is handling a lot of traffic at prime times, the connection can be slower and is sometimes less than optimal.

It's for that reason that Curran recommends using a combination of service, which if effectively evaluated can still save a company money. "VoIP uses the Internet and using one or the other, whether it is a landline or the Internet only, is putting all of your eggs in one basket," said Curran. "If you have VoIP, you might want to keep your landline or cell phone as a backup."

The bottom line is that the days are gone for one answer and option for business communications. Business owners have the power to make the decision to stick it out with their local POTS company or change over to new technology that may give them more options and allow them room to grow without increasing their bills or making them pay multiple bills to local phone companies in various locations.

The key, Curran said, is analyzing your needs based on cost, availability, quality, and your particular company's needs. The world of business telecommunications is your oyster. **N**

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