

Cloud vs. On-Premises PBX: Understanding the Key Differences

A primer for your move to the cloud

Building and sustaining a business starts with better communication. And consolidating communications in the cloud with 8x8, rather than sticking with a decentralized, outdated, and expensive legacy on-premises system, is the first step in that direction.

If you're not sure about moving your phone system to the cloud, here are some simple questions to consider:

- Do you prefer predictable, all-inclusive subscription fees or expensive on-premises equipment, annual licensing fees, upgrade fees, and maintenance?
- Do you want to reduce or completely eliminate capital-intensive upfront and ongoing hardware costs?
- Do you want to lower IT support and staffing costs or free your team up to manage higher priority initiatives?
- Do you want to eliminate costly, disruptive, and time-consuming upgrades or eliminate redundant software costs?
- Do you want to consolidate instant messaging/chat, video meetings, and telephony into one bill?
- Do you want a single provider to better meet your global communications needs?
- Do you want to embed telephony into your business apps to boost employee productivity?
- Do you want to meet the scaling demands of your company, such as employee growth or opening a new office location?
- Do you want to enable a remote and distributed workforce and adapt to changing work preferences?

For a clear idea of the major differences, we've put together this table to see how 8x8's cloud communications system compares to traditional premises-based systems, pulling data from both sides to showcase the key differences and similarities:

	8x8	On-premises PBX systems
Upfront costs	<ul style="list-style-type: none"> ■ No initial capital expenditures other than IP phones and enabling network components ■ No or lower costs for employee resources, hardware, and software maintenance 	<ul style="list-style-type: none"> ■ High initial capital costs for on-site hardware and software ■ Additional costs for maintenance agreements and support contracts
Upgrade flexibility	<ul style="list-style-type: none"> ■ Seamless, automatic, and frequent updates included in subscription ■ Upgrades, updates, and patches are included in the per-user costs and occur fast, with little to no impact on the customer's uptime 	<ul style="list-style-type: none"> ■ Limited set of additional features available beyond those initially purchased ■ Additional functionality could add to system complexity ■ Additional costs for hardware upgrades or refreshes ■ Potentially long upgrade cycles and project timelines

	8x8	On-premises PBX systems
Feature set	<ul style="list-style-type: none"> ▪ Future-proof best-in-class PBX features and functionality ▪ New features and functionality regularly introduced, including integration of third-party applications ▪ HD video conferencing and team messaging included ▪ Choice of mode and preferred device (desktop, mobile app, access via web, or desk phone) 	<ul style="list-style-type: none"> ▪ New features/functionality limited to equipment capabilities and resource availability ▪ Features are offered slowly and often at an additional cost ▪ Mobility options are limited and usually come at a cost
Implementation and deployment	<ul style="list-style-type: none"> ▪ Rapid deployment happens in just a few days or weeks ▪ No need to acquire hardware, configure it, or test it ▪ Simple to add new users, sites, locations ▪ Easy addition of new features and functionality ▪ Ability to deploy incrementally or quickly depending on business needs 	<ul style="list-style-type: none"> ▪ Typical installation takes many months, is costly and resource intensive ▪ Expensive and specialized resources are required to deploy the system ▪ System configuration is complex ▪ Additional equipment or multiple platforms likely needed to connect remote locations
Training and adoption	<ul style="list-style-type: none"> ▪ Familiar user interfaces speed adoption ▪ Self-paced online training modules for easy consumption and quick knowledge uptake ▪ Adoption kits ▪ Virtual, instructor-led classes allowing disparate teams to learn together ▪ On-site training 	<ul style="list-style-type: none"> ▪ Poor adoption rates despite end-user training and enhancement to user interfaces ▪ Training is typically partner-driven ▪ Poor user adoption, especially in remote locations
Support	<ul style="list-style-type: none"> ▪ A global network of operations and customer service centers in Singapore, Australia, the Philippines, Romania, United Kingdom, and the United States ▪ 24/7/365 follow-the-sun support ▪ Included in subscription ▪ Potential for reductions in overall support costs, including head count and third-party support personnel ▪ Redeploy IT support resources to other strategic projects ▪ Greatly reduce help desk staff because of enhanced usability and self-service options 	<ul style="list-style-type: none"> ▪ Additional costs for maintenance agreements ▪ Additional costs for internal staff, third-party support contracts, and consulting
Security and compliance	<ul style="list-style-type: none"> ▪ Highly secure and protected service implementation ▪ Advanced security technology that utilizes industry best practices ▪ Regional, regulatory, and industry compliance ▪ Several connectivity options such as over-the-top, SD-WAN, MPLS ▪ Full monitoring of service delivery ▪ QoS service guarantees 	<ul style="list-style-type: none"> ▪ Owner (that's you) assumes all responsibilities and potential risks

8x8 brings customer and employee experience together with voice, video, chat, contact center, and APIs on one cloud-native platform. With a financially backed platform-wide 99.999% uptime SLA across both UCaaS and CCaaS, the 8x8 eXperience Communications Platform™ empowers enterprises with modern communication experiences, eliminates organizational silos, boosts employee productivity, delights customers, and unifies data to reveal deeper insights for smarter decisions and a more agile business.

Ready to transform your communications? Learn more about moving to the cloud with 8x8.



8x8, Inc. (NYSE: EGHT) is transforming the future of business communications as a leading Software as a Service provider of 8x8 XCaaS™ (eXperience Communications as a Service™), an integrated contact center, voice communications, video, chat, and API solution built on one global cloud communications platform. 8x8 uniquely eliminates the silos between Unified Communications as a Service (UCaaS) and Contact Center as a Service (CCaaS) to power the communications requirements of all employees globally as they work together to deliver differentiated customer experiences. For additional information, visit www.8x8.com, or follow 8x8 on LinkedIn, Twitter, and Facebook.

