



## **The Business Case for Outsourcing**

Today's fast-paced, networked economy has broadened the range of, and the need for, innovative business communications tools. For many businesses, however, the cost of upgrading their existing network infrastructure to add these tools is prohibitive. For this reason, organizations are outsourcing their communications and IT requirements, turning to managed service providers (MSPs) who already own the infrastructure and have the expertise to implement and offer managed services.

MSPs are offering reliable, secure solutions, enabling organizations to lower costs and increase productivity. Outsourcing enables a business to focus on its core competencies, while taking advantage of the expertise and dedicated staff of an MSP.

Interest in outsourcing IT and telecom services is steadily increasing as organizations take note of the resulting cost benefits and flexibility. According to a study commissioned by Cisco Systems, 65 percent of businesses planning to implement IP Virtual Private Network (VPN) capabilities are interested in outsourcing, as are 70% of those deploying IP telephony. The study also found that cost reductions can be significant – enterprises that are outsourcing are saving 25 percent or more in network and communications expenditures.

Forecasts call for growth to accelerate even more; according to a recent study of the VoIP industry by AMI Partners, North American SMBs will spend an estimated \$1.56 billion on hosted VoIP by 2010, with installed seats projected to rise to about 3 million seats by year 2010, from 393,967 in 2006.

Managed service providers bring their customers the latest technology, along with network management and monitoring capabilities that are available around the clock. MSPs offering managed voice services, for example, bring solutions tailored to meet an organization's specific requirements, from providing a complete communications network to designing a custom solution that integrates with an existing private branch exchange (PBX). Quality of service can be implemented across all network components, such as LANs, routers, and firewalls, helping to further reduce overall expenditures.

Business alternatives offered by managed service providers range from outsourcing an entire IP network to operational management of IP equipment to provisioning of specific telecommunications services. Regardless of the configuration that meets your organization's needs, business VoIP delivers consistent, superior service quality and reliability, while reducing costs and improving productivity.