

Companies increasingly rely on remote calling systems

As more businesses turn to Internet telephony systems, a new industry is growing that eventually could make traditional phone systems obsolete.

For decades, businesses of all sizes have relied on a private branch exchange, or PBX, to route incoming calls to company employees. Instead of paying for numerous direct lines, companies purchase a PBX to send calls to employee extensions automatically.

The device generally costs \$20,000 to \$30,000, and some large-scale systems are more than \$100,000. Despite the cost, such routing systems long have been considered business necessities.

But that may change as bandwidth becomes more readily available and businesses transition to voice-over-Internet protocol, or VoIP, telephone and data service. As telecommunications technology evolves, more companies are likely to rid themselves of their on-site exchange systems and choose Web-based solutions, said David Lemelin, a telecommunications researcher with Scottsdale-based In-Stat.

VoIP, which changes voice communications into data packets and transmits them through Internet or intranet lines, will flourish in the coming years, Lemelin said. He expects more than 3 million people will be using VoIP in the United States by 2010 -- up from 375,000 last year.

Because VoIP bundles multiple products, including voice mail, e-mail and call transfers, telephony has become complex. Companies such as TeleSphere, also based in Scottsdale, expect their off-site hosted services and industry knowledge to become popular as companies look to save money without putting a dent in productivity.

"We think the day will come when people look back and say it is an antiquated idea to have a PBX," said Clark Peterson, chief executive of TeleSphere.

Peterson hopes to find the "sweet spot" in the telecommunications world: small businesses that can't afford PBX systems.

The company also can integrate an existing PBX with its services, putting it in a prime spot for growth, Peterson said.

This falls in line with In-Stat research, which shows 30 percent of the small and midsize businesses it surveyed had experimented with hosted PBX systems. The most viable entry point for hosted PBX deployment is in companies with 10 to 300 end-users, In-Stat reported.

For PBX hosting companies, integrating current technology is a must, said Megan Fernandez, a researcher with Gartner Inc.

Companies such as Cisco Systems Inc. and Nortel have seen increased sales of their Internet-protocol PBX systems, known as IP PBX. They function like hosted PBX systems, but give customers full control over the solutions.

In 2006, IP PBX systems accounted for 36 percent of all PBX models in the country. By 2011, market share of IP PBX is projected to be 77 percent.