



HOSTED VOICE  
FOR THE SMB  
DISTRIBUTED  
WORKFORCE

January 2009

**800.556.5829**  
1201 Western Ave Seattle, WA 98101

[www.speakeasy.net](http://www.speakeasy.net)

## OVERVIEW

A distributed workforce is one that extends beyond the confines of a traditional single office environment. The term may refer to any number of organizational arrangements, such as the following:

- » Telecommuters and flex workers – Employees work from home either full-time or on a flexible basis.
- » Road warriors – Employees stay connected while traveling and seeing clients. Or they work regularly from multiple business locations.
- » Multi-site integration – With today's technology, even the smallest branch office or a single remote contractor can be a fully connected contributor in a larger business.

Interest in distributed workforce arrangements grew initially with the spread of home broadband and mobile technology, and it has accelerated since the emergence of Voice over IP (VoIP) for business:

- » More than 50 million Americans – 23.6% – work from home occasionally. Forrester Research defines this group as any employee who brings work home, telecommutes occasionally, or connects to his employer's network from a home PC.<sup>1</sup>
- » According to the U.S. Chamber of Commerce, over 20 million North Americans – one in six workers – work from home at least once a week.<sup>2</sup> According to the Economic Policy Foundation, more than 70% of these workers are employed by companies, government or other employers.
- » Many corporations coordinate virtual work groups, enabling collaborative project teamwork regardless of employee location. A direct response to changing economics, virtual work can eliminate long commutes and enhance employee recruitment and retention.
- » A recent study by the Gartner Group estimates that by 2008, 41 million corporate employees will work virtually at least one day a week.
- » 85% of corporate real estate executives expect the number of people in alternative workplaces to increase over the next five years.<sup>3</sup>
- » Infonetics Research found that flexibility for remote workers and road warriors continues to be a leading driver of business VoIP adoption.<sup>4</sup>
- » According to Yankee Group, the primary driver of rapid migration to VoIP by contact centers is a desire to effectively and efficiently manage remote agents.<sup>5</sup>

Major U.S. corporations have taken significant leaps with distributed workforce programs. More than 42% of IBM employees are mobile workers and do not have IBM-issued offices. Over 800 JetBlue reservation sales agents and 11,400 HP employees work from home full-time. More than 37% of Sun Microsystems employees work flexibly from home or in drop-in centers and campuses. Businesses report cost savings, productivity gains, and stronger employee recruiting and retention. Employees benefit with fewer work interruptions, less time spent commuting, and better work/life balance.<sup>6</sup>

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<sup>1</sup> North American Consumer Technographics Q4 2006 Survey, as cited in *Best Practices in SOHO Research* by J.P. Gownder, Forrester Research, May 14, 2007.

<sup>2</sup> *Work, Entrepreneurship, and Opportunity in 21<sup>st</sup> Century America*. U.S. Chamber of Commerce, May 2006.

<sup>3</sup> Boston Consulting Group Corporate Real Estate Study, May 11, 2006.

<sup>4</sup> *User Plans for Voice over IP: North America 2007*. Infonetics Research, April 30, 2007.

<sup>5</sup> *Migration Costs, Vendor Loyalty and Need for "Agents Anywhere" Define Contact Center VoIP Adoption Plans*, Yankee Group, June 2006.

<sup>6</sup> Driver, Erica. *Untethering Information Workers: Rethinking Workplace Location and Layout*. Forrester Research, July 11, 2006.

Smaller businesses want and often need this kind of flexibility and competitive advantage, but have fewer resources than their enterprise counterparts. They have to move fast yet are limited in their ability to do long-term planning or make large capital investments. For these reasons and more, Hosted Voice might be a better solution for many SMBs than a premise-based IP-PBX solution.

With a hosted or managed voice service, phone system functionality is hosted on the provider network and accessible from any business location. This makes it much easier and more affordable to unite multiple offices and individual remote workers in a single phone system.

The Hosted Voice option is particularly intriguing for SMBs seeking to reduce overhead, extend geographical reach, or support remote workers. With Hosted Voice, a small business can give the appearance of being a larger company, uniting any number of locations and teleworkers without an enormous capital investment.

Compared to traditional phone service, Hosted Voice offers SMBs the following key benefits for distributed workforces:

- » **Lower up-front costs** – minimal equipment investment, no ongoing maintenance costs
- » **Scalability** – no hardware capacity limit, expand or contract easily
- » **Virtual M/A/C** – moves/adds/changes can be made instantly upon request or via web portal, no rewiring necessary
- » **Free extension dialing and call transfers** between locations – eliminate intra-company long distance bills
- » **Simplified teleworker integration** – plug a pre-programmed phone into any broadband connection
- » **One phone bill** for all locations and teleworkers – may also include broadband costs
- » **"One number"** – advanced call forwarding and other specialized features allow employees to give out one phone number and stay accessible from any phone (home, cell, hotel), without tying up lines at the main office
- » **Business continuity** – with a plan in place, companies can rapidly shift to a company-wide teleworker environment if employees are displaced from the office by a natural disaster or other unavoidable disruption

As the following case studies demonstrate, hosted VoIP opens up opportunities never before available to small businesses in terms of supporting mobile employees, remote workers, and distributed workforce models.

### **CASE STUDY: NEVER MISS AN OPPORTUNITY**

Hosted Voice has been a powerful business driver for Ballast Realty, a real estate brokerage in the South End area of Boston. With advanced call forwarding and hunt groups, Ballast's five agents can stay available constantly, wherever they are and whatever the hour of day. By serving every client in real-time, founding principal Megan Kopman says Ballast's five agents are able to sell as much real estate as a twenty person office. "Our transaction volume has skyrocketed because our people are out selling – instead of sitting in their offices checking voicemail and waiting for people to call in," says Kopman.

Ballast is a perfect example of the "one number" concept in action. Rather than giving out numerous home, office and mobile numbers, Ballast agents can give out a single business VoIP phone number and stay available to clients on their own terms. In addition to being part of business-wide hunt groups, the agents can control how their individual numbers are routed. They can simply forward all calls to a mobile phone before heading out in the morning. Or they can set up

personalized call treatments that route different callers to different numbers at different times. With Find Me / Follow Me features, one number can ring simultaneously or sequentially at up to five different phones.

With their Hosted Voice service, individual Ballast employees can use a web-based dashboard or integrated toolbar to control their own voice features. With traditional phone service, users might be able to use physical phone buttons to forward calls to a mobile phone, but they would not be able to adjust their own call routing from outside the office. Additionally, Hosted Voice allows more complex call treatments, such as simultaneous or sequential ring to multiple phones, very easily.

Hosted service also enables more efficient use of resources. When a call comes in through a traditional phone service and is forwarded out to an employee cell phone, two lines are occupied – one for the original incoming call and one for the outgoing call to the cell phone. With a hosted service, no lines would be occupied at the main office in this situation because call routing takes place on the provider network. Therefore, a small office like Ballast Realty can support a lot of mobile or remote workers without doubling up on capacity.

In addition, Hosted Voice can deliver features that are not available with IP-PBX systems, such as Remote Office. This feature is ideal for traveling employees or those who work from home occasionally. When Remote Office is active, employees can use any direct dial phone (home, mobile, hotel, etc.) as their business phone. Incoming calls to the user's normal business phone are intercepted and rerouted to the remote phone. Outgoing calls are placed through a web portal or toolbar and appear on Caller ID to come from the business office. Remote Office also eliminates the need for complex employee reimbursement processes by billing long-distance charges to the business voice account.

### **CASE STUDY: UNITE MULTIPLE OFFICES & REMOTE WORKERS**

As the leading multi-media network for trucking and its allied industries, Newport Communications employs fifty professionals – 15 in Irvine, five in Chicago, five in Northern California, and the rest in home offices across the country. Newport began the process of uniting employees in one seamless hosted VoIP phone system with an upfront investment less than 15% what they would have paid for a PBX system.

Newport needed only internet connectivity, IP phones and voice gateway equipment to implement Hosted Voice at the Irvine office. There are no ongoing maintenance costs and moves/adds/changes can be made with a quick phone call – no rewiring necessary. Scaling up or down is as easy as adding or removing a phone. For full-time teleworkers, Newport's voice provider mailed out pre-programmed phones. These phones can be plugged in to any broadband connection to instantly add the teleworker to the Newport phone system.

All employees on the new system, including teleworkers, can dial each other or transfer calls to each other with a 4-digit extension. There is no long-distance charge for these "on-net" calls, regardless of geography. This has contributed to Newport's long-distance savings and monthly phone costs are now 40% lower. The company also saves time by receiving a single bill for office and teleworker phone service, rather than reimbursing employees for disparate home services or individual long-distance calls. Because Newport uses a single provider for voice and data connectivity, their single monthly bill also includes business broadband.

So far Newport has transitioned the Irvine office and four remote employees to the new hosted system. The company plans to migrate all employees to the service within the next year.

"We have the appearance of one unified company, even though we're spread out," says Newport Communications Information Technology Manager Chris Odor. "It allows us to tie all our sales offices, editors and other employees into one system."