6 THINGS TO CONSIDER BEFORE INVESTING IN VOIP

Voice over Internet Protocol, or VoIP, is a great cost-saving alternative to traditional telephone service that enables voice data to be transported over IP networks, like the Internet, instead of the public switched telephone network (PSTN) or a cellular network.

Because VoIP is inexpensive, has a worldwide reach, and operates on a few simple principles, it's exploded in popularity in recent years—especially among both small and large businesses that incur significant long-distance telephone expenses. However, it's not all fun and free calls. Below are six things to consider when you're deciding whether or not to invest in VoIP.

1. Regulation vagaries

Much of the government regulation of VoIP is still being worked out. The U.S. government hasn't decided whether VoIP is going to be regulated as phone service or whether to tax it. VoIP isn't available worldwide because some governments fear the loss of tax revenue or control.

2. Compatibility

Although older VoIP equipment may still have some compatibility issues, current VoIP products from different vendors generally work together.

3. Cost

For all the popular talk about VoIP being free, it isn't truly free. Any VoIP system has costs associated with its implementation—equipment, high-speed Internet access, and gateway service. So, although it's inexpensive, it's a long way from being free. For organizations with a high volume of long-distance calls, especially to international locations, VoIP almost always pays for itself quickly. However, private users or organizations with a low volume of long-distance calls primarily within the U.S., may find that a standard service is actually more economical in the short- to mid-term.

4. QoS

VoIP depends on having a fast, reliable network to operate. A fast network connection with guaranteed bandwidth is not a problem in a corporate intranet where you have complete control over the network. However, if you're using the Internet for VoIP, you're using a public network that may be subject to slowdowns that cause drop-outs and distortion. You may find that your

high-speed Internet connection is faster than the actual Internet and that the quality of your connection is generally unacceptable or is unacceptable at times when Internet usage is high. There are four common network issues that can cause problems with a VoIP system:

– **Latency** is a delay in data transmission. With VoIP, this usually results in people speaking over one another because neither can tell when the other is finished talking.

– **Loss.** Losing a small percentage of voice transmission doesn't affect VoIP, but too much (more than 1%) compromises the quality of the call.

– **Jitter—**is common to congested networks with bursty traffic. Jitter can be managed to some degree with software buffers.

– **Sequence errors—**or changes in the order of packets when they're recompiled at the receiving station, degrades sound quality.

5. Emergency services

If you subscribe to a VoIP gateway service that enables you to use your VoIP phone like a regular phone, be aware that you may not be able to call 911 for emergencies. If 911 service is important to you because you don't have an alternative way to call 911, shop for a VoIP provider who does provide this service.

Consider, too, that VoIP needs both working Internet access and power to work. If you lose your Internet service, your phone goes, too. And, unlike regular phone service that can keep basic telephones working when the power goes out, VoIP needs power—if you lose power, you lose your phone.

6. Moving forward

Before VoIP technology becomes truly universal; the current worldwide PSTN will have to migrate to a packet-based IP equivalent. Industry inertia alone dictates this will not occur instantly. The current worldwide PSTN system has grown to what it is over a period of 125 years. Given the sheer complexity of the existing PSTN, the migration to an IP packet network will probably occur during several decades.

As migration from the PSTN to IP-based networks proceeds, businesses and home users will gradually discover reasons of their own to implement VoIP. It won't happen right away, but we predict that VoIP will become a big part of telecommunications in the not-so-distant future. Although it's not quite as convenient as conventional phone service, VoIP can offer serious savings—particularly if you now regularly pay for multiple overseas phone calls. Keep in mind

though, VoIP isn't a one-size-fits-all solution. But with a little planning, VoIP could spell savings for you.

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