What is VPN? A virtual private network, or VPN, facilitates remote access to servers. It is generally a low-cost option to use the Internet to make secure connections between a private network and users. VPN allows administrators of the network to help remote users access the network securely and quickly. It is increasingly common for businesses to use a VPN to allow employees to connect to a company server from their home computers. Companies with offices located far from each other, or even overseas, can utilize VPN so that distant offices can transmit data securely.

**How It Works**
A VPN server is set up to allow all clients to connect using a connection manager profile. The client's computer is connected to a virtual port via tunneling protocols. These tunneling protocols are known as PPTP, or point-to-point tunneling protocol. The remote user's computer is connected to the network via the Internet only after being authenticated and authorized. The client's computer places a call, and the remote access server picks it up, determines that the connection is secure and safe and then transfers data as requested between the client and the private network. The session lasts for as long as there is a connection between the client and the server.

The benefit of VPN technology is that communication and data transfer is secure, fast, dependable and private, and it can be expanded rather quickly.
disadvantages to such a setup are primarily cost and smaller bandwidth than other options.

**Types Of VPN**

With two types of VPN connections, there's a setup to meet any need. Site-to-site VPN and remote access VPN both provide the client the ability to transfer data securely. Site-to-site VPN works via routed connections between different groups over the public network. This may be between separate offices or other organizations entirely. For site-to-site, sites are generally fixed and feature dedicated equipment for communication.

Remote access VPN arranges encrypted connections securely between remote computers and the company's private network via a third party. An example of remote access VPN is a company that has a large number of sales agents with business laptops working remotely from the road, and they connect to the home office via the Internet.

**Security Measures**

VPN connections employ the latest technology when it comes to secure connections, including authorization, data encryption and authentication. Such measures create a safe and secure tunnel through which private data can travel between computers.

Source:

http://www.life123.com/technology/computer-networking/vpn/what-is-vpn.shtml