What is voice over IP (VoIP)? Like many modern communication tools, the technology has evolved over a relatively short period, though few other solutions offer such an intriguing marriage of cutting-edge and commonplace. By bringing the flexibility, scalability, and affordability of internet-based solutions to the standard landline phone, cloud telephony solutions have taken technology from the "Howdy Doody" era and made it revolutionary again.

Current-day advancements have made the IP phone even more viable and desirable for a slate of organizations, ranging from mom-and-pop shops to multinational mega-corporations (and everything in between). Today, VoIP has considerable utility in business settings, making it a technology all organizations should familiarize themselves with.

A Brief History of VoIP

If you remember the days before the internet's current ubiquity, you undoubtedly recall a time when phone lines carried the internet, not the other way around. And though it may seem strange that the first VoIP tools were created when most users were still on dial-up, it wasn't to bring phone service to the internet "just because." Instead, the tools offered an affordable alternative to costly long-distance and international calls, according to BeBusinessed.
Of course, the story's in the details. As the history of VoIP notes, breaking the first user's words into transmittable chunks of data and reconstructing them on the other user's end was no small feat, and early takes on the technology looked nothing like the tools of today. The earliest attempts at digital transmission only worked online and required users to have the same software installed on both their PCs, with no ability to call out to landline phones.

Things have only progressed from there, and the "simple" idea of holding a phone call over the internet has become a full-fledged industry. In terms of functionality, modern VoIP is indistinguishable from landline systems at worst, and it generally offers more features in a broader range of use cases. Further, it provides a greater degree of technical flexibility, simplicity, and affordability compared to wireline.

A Better Alternative

For businesses, governmental agencies, and other organizations with moderate-to-complex phone needs, this combination couldn't have come at a better time. Installing, managing, and paying for a private branch exchange (or similar wireline service) can quickly become a costly can of worms. The challenges grow as the business does, especially where branch offices and other common examples of business distribution are involved.

Indeed, both large and small distributed businesses provide perfect examples of all the advantages a properly equipped VoIP solution offers. Where adding a new location to a wireline branch exchange can require serious effort and complexity, mostly any location with an internet connection can loop into a company's existing footprint with the emergence of cloud-hosted solutions. In turn, this makes formerly complex tasks (such as adding extensions or moving a transferring employee's number to a new building) easier than ever.

For a growing company, this could mean the ability to offer enterprise-class phone features without paying for the setup and continued use of a private exchange. An established company with a presence in multiple regions, on the other hand, can avoid dealing with a tangled web of local communication providers with a bit of administrative magic resulting in better volume discounts and less finger-pointing. A single point of contact when bugs or other concerns arise is far better than yet another round of whose-fault-is-it roulette.

VoIP's advantages have only gained breadth and depth with the continued emergence of cloud technology. Where on-premises business VoIP systems — that is, solutions requiring back-end hardware at the organization's physical locations — may necessitate hardware expenditures and baseline technical knowledge, providers of cloud-hosted tools handle the hardware and many associated complexities. This makes adding locations, provisioning features, and carrying out other tasks as simple as logging in to a self-service portal. For smaller organizations, this means an even lower barrier to high-end calling features and an improved customer-facing experience. Meanwhile, larger companies get the full-featured slate of phone tools they need while reducing per-location hardware and maintenance costs, among other advantages.

Though it's easy to describe VoIP as technology that allows users to place calls over the internet instead of phone lines, the technology offers much more than that. In its short history, VoIP has grown from a niche alternative to a leading contender for phone service in large and small businesses alike. In that sense, companies looking to modernize or simplify their existing phone service are well-advised to give it a look — in either event, VoIP can make it happen.

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