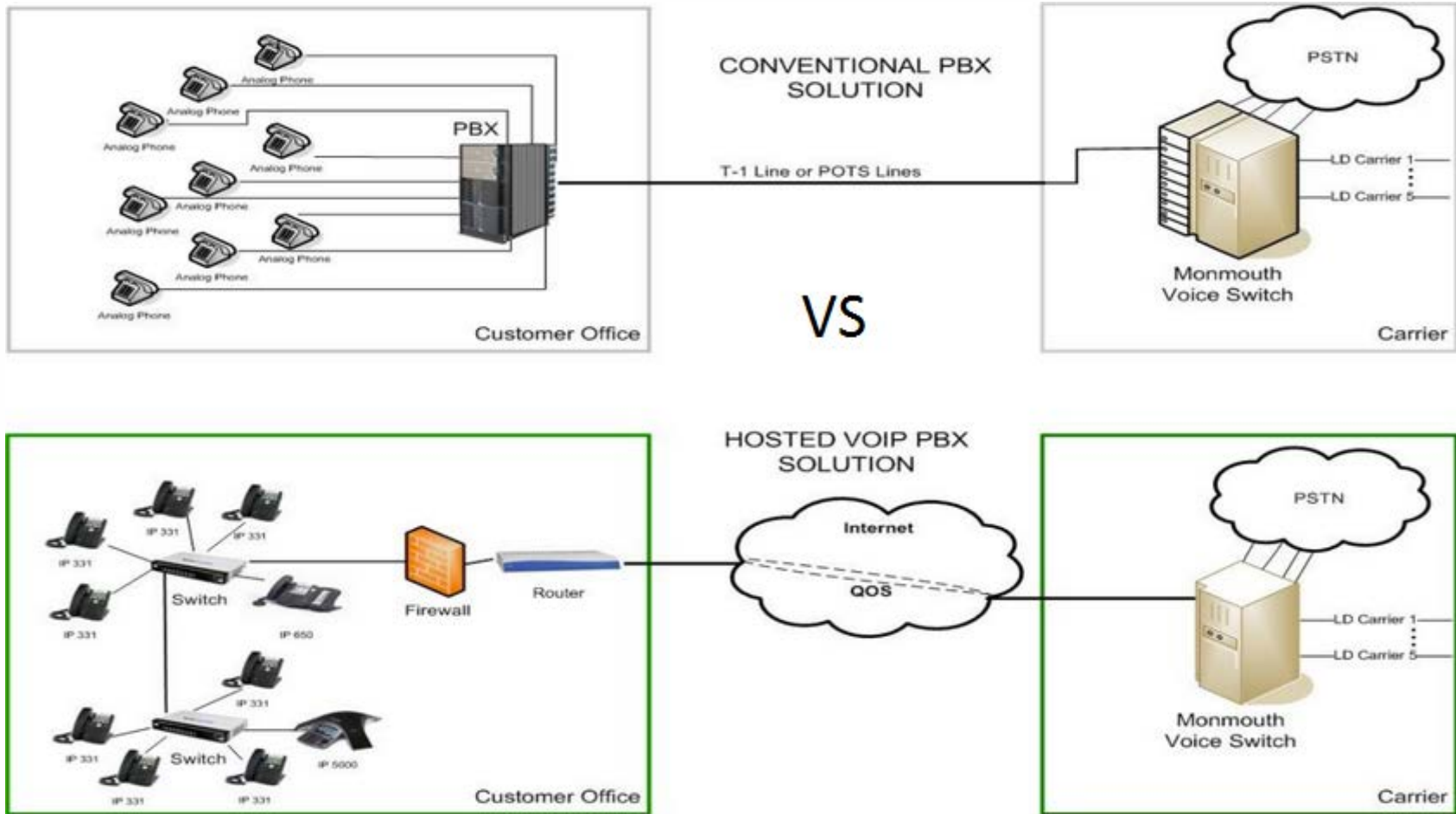# On-Site PBX Vs Hosted PBX

On-Site PBX

1. Private Branch Exchange is a physically wired switchboard system that routes external calls to a series of internal phone lines.

2. This technology also offers capabilities such as fax, voicemail, automated voice messages, and conference calling.

3. Businesses have traditionally used PBX systems to organize the volume of calls they receive and reroute them to the appropriate departments

On-Site PBX

4. Once a call enters the PBX, the caller reaches someone within the network by dialing just a few numbers, commonly referred to as an extension.

5. It is the most common PBX, manages the call easily and compatible with most of the old systems.

Hosted PBX

1. It is a hosted telephony system used by a business to route external calls through a network of internal phone lines.

2. Virtual PBX is software based and a new technology, totally IP based.

3. Hosted PBX companies handle call routing, or switching, at their own location.

Hosted PBX

4. They are responsible for managing all of the PBX equipment and software involved in virtual PBX service.

5. It is totally software based.

6. It offers easy installation, very much affordable and provides many features.

7. It works with any VoIP, SIP compliant IP phone, analog phone or softphone.

Difference

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On-Site PBX

1. **Flexibility** – Can switch to any vendors at will with PSTN lines availability
2. **Control** – Full system control is with the users
3. **Security** – More Secured device with least possibility of hacking
4. **Backhaul**– Can keep local site calls within your own network saving significant bandwidth
5. **Compatibility** – Compatible with most old systems saving cost for the new systems

Hosted PBX

1. **Flexibility** – Switching venders is difficult due to configuration of service providers
2. **Control** – No control is with the users
3. **Security** – Always a threat of hacking and reliability
4. **Backhaul**– Places all calls on internet even the internal calls leading to wastage of bandwidth
5. **Compatibility** – Not compatible with the old systems which leads to new system installation and increased cost

Difference

On-Site PBX

6. **Customization** – System can be customized according to need

7. **Upgrades** – Upgrades at will anytime

8. **Integrable via API/network** – Totally Integrable via API/ network so that other softwares can collaborate with it

9. **Direct Access** –Users have direct access to the system

10. **Compatible with PSTN** – Contain ports for PSTN lines

Hosted PBX

6. **Customization** – Only fixed set of services available at the user's end

7. **Upgrades** – Has to depend upon the service provider

8. **Integrable via API/network** – Not integrable via API/Network so the other application cannot have any collaboration with it

9. **Direct Access** – Has to go through the service provider

10. **Compatible with PSTN** – No ports for PSTN lines

Difference

On-Site PBX

11. **Call quality** – Dedicated circuit for all calls, leads to no network delays, jitter and dropped packets
12. **Fax calls** – Fax calls are better with PSTN lines as they are sensitive to the network fluctuations
13. **Cost** – As the no. of users grow large the cost of local PBX and shared voice trunk will be less

14. **Stability** – Systems are highly stable and reliable as it is hardware based
15. **Encoding** – Has control over the encoding, may select higher bandwidth, higher quality G.711 and lower bandwidth, lower quality G.729

Hosted PBX

11. **Call quality** – Its IP based so delays, jitters and dropped packets can occur if internet is not speedy enough
12. **Fax calls** – No PSTN lines so Fax calls can have issues as internet speed can fluctuate anywhere anytime
13. **Cost** – As the no. of users grow large the per-user pricing model will become expensive
14. **Stability** – Systems may become unstable having some bugs as it is software based.
15. **Encoding** – No control over the encoding so it depends upon the service provider for the bandwidth and quality, it usually provides G.729 but may switch to G.711

Examples

Scenario 1 :- SMB

ip pbx

On-Site
IPPBX

incoming/outgoing calls
using the limited bandwidth
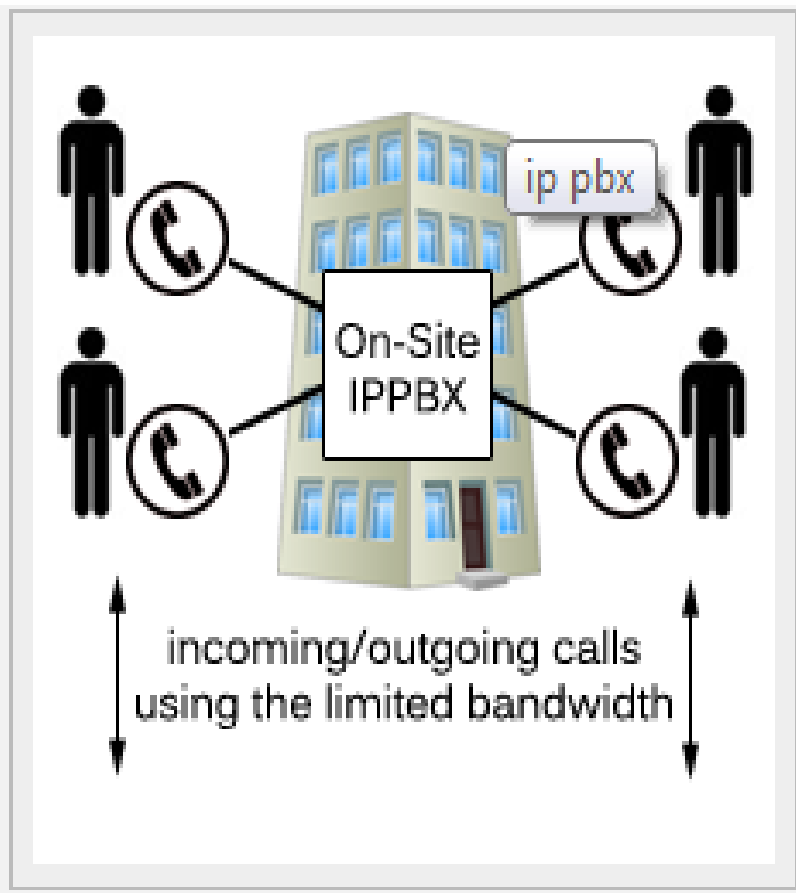
A company including 50 local workers that speak to each other on the telephone extensively. However, the company has limited bandwidth that only supports five concurrent calls.

Solution: An on-site system that will route internal calls locally, freeing up the bandwidth to support incoming and outgoing non-local calls.

Scenario 2 :- SME
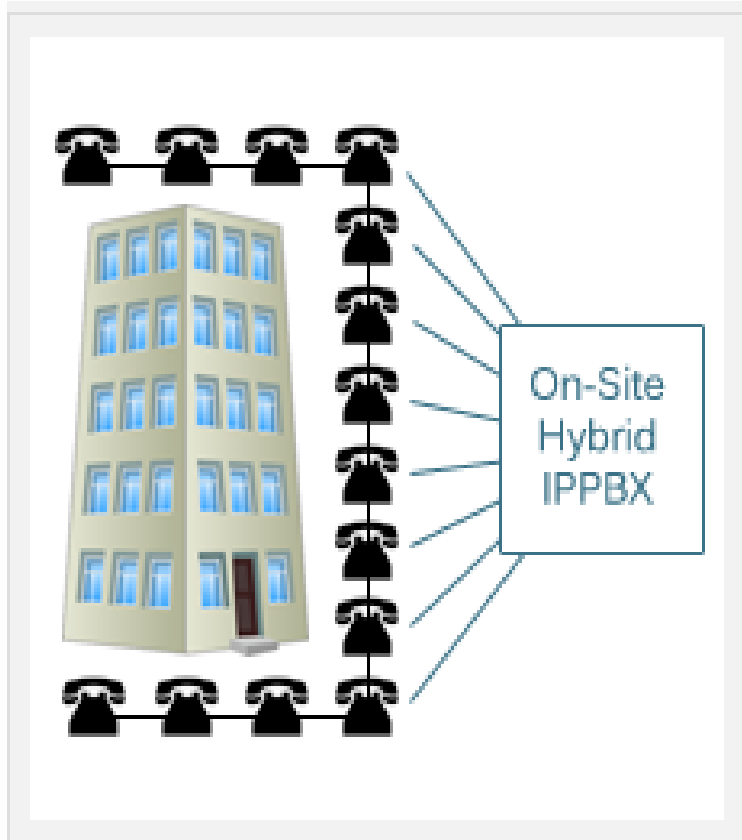
A manufacturing plant of 200 staff members with 100 pre-existing cabled analog handsets already patched. The company does not wish to lose their investment in the 100 handsets and cabling.

Solution: An on-site hybrid system linking the existing handsets and adding new IP possibilities.

Summary

Hosted PBX – Owned, operated, and hosted by the service provider off-site.

On- Site PBX – PBX present at local site, all functions and features in control of user.

Summary

To summarize this is one go we can say that On-Site PBX is better than Hosted PBX specially in:-

1. Compatibility with old systems

2. PSTN port availability

3. Call bandwidth control

4. Direct control over system

5. Security

6. Call quality

Thank You

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