

## Before you switch to Spectrum for your Hotel Phone System!

CSM South has provided quality and affordable telephone systems to businesses and the hospitality industry since 1984. In that time, we have seen the industry change from analog telephones, to digital, to premise based VoIP and then branching off to hosted or cloud- based VoIP. Differing from our competition, CSM South offers a range of products to suit each business vertical and model perfectly.

For general business, we represent Mitel (both cloud and premise), NEC (premise), and LogMein/ Jive (cloud), among other legacy and cloud products. In the hospitality industry, we have found the best products to be a hybrid VoIP, premise- based system from either PhoneSuite or NEC. Why is this, with so much hype about the cloud? Let's look at the details.

### Why the cloud pricing model doesn't work for hotels

The way that cloud based VoIP phone systems are priced is a recurring price per user, or "seat", that is paid monthly. Benefits of this is that the amount paid typically covers phone service, ongoing maintenance, and the hardware as well. This works well for businesses such as law firms or doctor offices who have a large volume of calls to almost every phone in the office and a wide range of features and functions are required for business. However, in the hospitality industry, there are typically only a handful or business or office type telephones and many room and courtesy telephones which only make a small quantity of calls per month, besides calls to the front desk. So, in effect, hotels are paying for phones, or "seats", that don't really make any money for the property. As an example, take a typical 96 room hotel:

- 92 Analog room phones
- 4 Courtesy phones (pool, conference room, etc)
- 5 Business phones including Front Desk

On a cloud telecom pricing model, there is a fee associated with each phone. Here are some estimated, but typical rates:

92 Analog room phones	\$12 per phone	\$1,104.00
4 Courtesy phones (pool, conference room, etc)	\$12 per phone	\$ 48.00
5 Business phones including Front Desk	\$22 per phone	\$ 110.00
Total Telecom Bill (before tax)		\$1,262.00

As you can see, the lions share of the monthly cost is for the room phones. So, what is to be done to avoid this? The answer is surprisingly simple. Instead of a cloud product, hotels should install hybrid VoIP systems such as PhoneSuite or NEC. Here is an example, for our same fictional hotel, utilizing this technology:

- 92 Analog room phones
- 4 Courtesy phones (pool, conference room, etc)
- 5 Business phones including Front Desk

Total Telephone System on 60-month lease (before tax)	\$329.00
PRI (or Sip trunks) for line Service	\$300.00
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Total monthly telecom bill (before tax)	\$629.00

Shocking, isn't it, a full half the cost of the cloud system! And, at the end of the lease term of 60 months, the property will own the equipment, so the \$329 monthly payment is satisfied, bringing down the cost to less than a third that of the cloud product.

Basically, price is the primary reason that hotels and other hospitality properties should consider ditching the cloud or upgrading their aging PBX to a hybrid PhoneSuite or NEC. Call CSM South today to learn more!

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# NEC

