Decision Points **Cloud versus On-Premise Comparison**



On-Premise Capital Purchase vs. Cloud Based Service Model

Hosted or on-premise: the dilemma

SMBs are often faced with the dilemma whether they should go for a hosted or an on-premise solution. There is really no right or wrong answer but companies need to assess their business needs and infrastructure before making a decision. Video Conferencing as a Service (VCaaS) can save your company significant up front and on-going IT expenses.

In practice, when compared to on-premise applications, cloud-based services reduce hardware, software and internal IT needs. The low cost of entry to start using hosted applications and the savings of not paying a large up front capital expenditure are promising reasons to start using the cloud. Speed of setup and implementation also make moving to the cloud an attractive option to consider.

The following table on the back outlines the advantages for cloud based video and disadvantages of an on-premise delivery model.

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Feature	On-Premise Obstacles	Cloud Hosted Solution
Pricing	Heavy Upfront Investment Traditional, on-premise solutions have heavy upfront costs, unpredictable expense spikes (often associated with annual software licenses), growth fees, server and equipment failures, and ongoing maintenance costs.	Pay-As-You-Go, Monthly Pricing Cloud solutions offer predictable, monthly pricing, generally charged on a flat per user, per month basis. This makes budgeting easier and streamlines your cash flow, since you don't have to worry about depreciation of expensive upfront capital expenses.
TOC (Total Cost of Ownership)	Capital Expense With on-premise video solutions, you need to budget for significant hardware and software capital expenses. Additional costs come in the form of administrative staff and other maintenance-related expenses.	Operating Expense In the services model, there are no initial upfront commitments for infrastructure, hardware or licensing, and ongoing IT costs are minimal, so the returns are immediate, which results in much shorter payback periods, and faster ROI.
Deployment Time	Weeks or Months Because of the upfront capital investments, It takes several weeks or even months to properly setup and configure most on-premise solutions. There may be other expenses such as bandwidth and network equipment needed to support.	Days Customers can deploy in days, rather than weeks or months, because there is no hardware or software to install and provision. Also to consider is the cost for Datacenter, Bandwidth, Switches, Routers and Firewalls.
Scalability	Growth and Adoption When your company grows, your infrastructure must grow even faster. Scaling an in-house video environment requires planning and additional budget (to purchase more MCU's, licenses, servers and software licenses). The problem is worse if your company is downsizing, since you have already invested in and configured your system for a specified number of users.	Easy to Add and Subtract Users The platform maintains extensive hardware and software resources, we can scale smoothly and easily. This is specifically designed for scalability, allowing you to only use and pay for the resources you need.
Administrative Controls	Technical Expertise Required With most on-premise video environments, in-depth technical knowledge is required to setup new users and perform scheduling tasks and managing video operations.	Web-based Control The solutions allows you to manage your entire environment, including all access methods, meeting scheduling, existing video integration and more, with just a few clicks.

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