

# Voice Over Internet Protocol

by Thomas M. Gibson

**Q: What is VoIP and how can it benefit my business?**

**A:** VoIP refers to the transmission of voice over the Internet protocol. Usually, the "voice" is a telephone call. To make VoIP work, either you or your service provider must convert your telephone call into a format suitable for transmission over the Internet. After this conversion it is transmitted to the destination, it needs to be converted back.

The main reason most businesses use VoIP is to save money. While VoIP services are generally cheaper rates than

traditional telephone services, you should know that there are some limitations. First, emergency services (911) do not work properly. Second, the voice quality can be highly variable.

Another reason to use VoIP is that it may enable you to integrate applications in a way that is useful for you or your customers. This is why eBay bought the VoIP service provider Skype recently. eBay wanted to provide its customers additional means for communicating with each other.



## 1-800-553-3260

The two main ways businesses use VoIP are:

- **By installing appropriate software in your PC.** In this case, your PC becomes your telephone (after you purchase and install a headset). Common software includes Skype and Vonage, although Yahoo! Messenger now provides this capability as well. This works best if you have a broadband Internet service such as DSL or cable.
- **By purchasing a VoIP router.** In this case, your phone switch would hook up to the router and you could use your regular telephones.

The bottom line is that you can save money by switching to VoIP, however, your overall service experience may not be equal to Ma Bell at this time! ▲

**Editor's Note:** Thomas M. Gibson is president of Gibson Consulting Group, an independent management consulting firm specializing in providing Energy/Utility and Telecommunications Services Auditing and Custom Management Programs. Gibson Consulting Group is a member of the Association of Energy Engineers (AEE), the Society of Telecommunications Consultants (STC) and is an approved Energy Star Partner. Gibson can be contacted at 724.836.5378 or via e-mail at [gcg@gibsonconsultants.com](mailto:gcg@gibsonconsultants.com).

*SMC Business Councils has just committed to installing a VoIP system, replacing current telephone equipment and linking all voice, data, and video communications as well as its Pittsburgh and Harrisburg offices.*