

VoIP is a technology that allows you to convert your voice into data packets and send it over your Internet connection.



## Voice over IP 101

BY TYLER WHITAKER

**D**oes your head ache when you look at your phone bill? Are long distance charges getting you down? Do you wonder why taxes account for nearly 30% of your phone bill? If so, Voice over Internet Protocol, also called VoIP, may be the answer to your prayers.

VoIP is fast becoming a realistic choice for business communications. VoIP is a technology that allows you to convert your voice into data packets and send it over your Internet connection instead of the traditional phone system. Why would you want to do that? The answer is cost. Companies that provide VoIP services claim up to 50% reduction in your phone bill through low per-minute rates or fixed-price unlimited local and long distance calling plans.

Several factors make this cost savings possible. First, the wide adoption of broadband Internet connections creates extra, unused bandwidth available in homes and offices. Secondly, Internet traffic is unregulated and free from the fees and taxes of current phone service providers. Also, the unique nature of the technology used to compress and transmit voice over the Internet allows more concurrent voice conversations to occupy the same fixed-cost bandwidth.

I've played with VoIP for years in both home and commercial situations. But I was recently reminded of the cost savings while I was in Zermatt, Switzerland. Several people I was traveling with had purchased long distance calling cards at a rate of 1 Euro

(\$1.30 USD) per minute for calls to the United States. Fortunately I had my PocketPC with me. Using VoIP software from Skype ([www.skype.com](http://www.skype.com)) and a free wireless Internet hotspot at a local pub, I was able to call to the States for 2 cents a minute saving roughly 99%.

How do you get started? You have several different options. Both Skype and Windows Live Messenger ([www.msn.com](http://www.msn.com)) offer PC to PC, and PC to phone calling. This is a great way to get started with VoIP and test the functionality. You can then upgrade to VoIP services like Vonage ([www.vonage.com](http://www.vonage.com)) to use your existing phone number.

Be aware that VoIP services offer varying degrees of Enhanced 911 functionality. The flexibility to move your phone service anywhere you have an Internet connection also plays havoc on the 911 service. Read your VoIP provider's 911 disclosures so you understand what happens when you call for emergency services. Another downside is Internet connectivity and power. If either goes down, your phone doesn't work. If you live and work in areas where the power or your Internet connection has frequent outages, VoIP may not be your best solution.

As a business tool, Voice over IP has its place. For example, deploying VoIP between branch offices can significantly reduce your long distance bills. But like any technology, understanding the pros and cons can help you make the most informed and correct decision for your business.

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