



UCaaS vs. VoIP: What's the Difference?

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As the business communication landscape evolves, organizations are bombarded with a host of applications and tools whose capabilities overlap.

Unified communications as a service (UCaaS) and VoIP, for example, are often used interchangeably. But the functionality, scalability and business impact of these services are quite different. Let's examine UCaaS vs. VoIP and the differences between them so you can make a sound choice regarding the strengths and limitations of each technology.

What is VoIP?

It used to be that enterprises used a private branch exchange (PBX) -- on their own analog or digital network -- to handle basic call routing and voicemail services.

With the evolution of corporate LANs and WANs, voice and multimedia services shifted to IP networks, and VoIP became the standard for voice transmission. Because voice and multimedia streams must occur in real time, corporate networks use quality of service (QoS) to prioritize this traffic and ensure packets reach their destination without any noticeable jitter.

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Legacy PBXs, meanwhile, were replaced by UC servers; these servers are typically deployed within private data centers connected directly to the corporate LAN. UC servers are also sometimes deployed in a distributed manner across multiple branch offices. This approach improves performance, trims latency and reduces the need to send voice and multimedia packets to a central location for subsequent transmission. Distributed servers also serve as gateways to the public switched telephone network for localized access.

What is UCaaS?

The popularity of MSPs led more organizations to offload the care and feeding of VoIP to external providers. IT shops no longer need to build infrastructure and deploy physical UC servers within their network. Instead, businesses partner with UCaaS providers and gain access to voice, video, messaging, presence and other multimedia communications services over the internet.

These services are growing in popularity due to their reduced management costs and deployment flexibility. The only caveat is that companies need enough internet access and bandwidth to ensure that real-time streams can be transmitted at low latency and without interruption.

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The differences between UCaaS and VoIP

These days, both VoIP and UCaaS offer similar business communication services. UCaaS tends to be more feature-rich, however, and those features can be rolled out to end users more rapidly. UCaaS also offers better external integrations outside of the organization.

Server placement is another key differentiator. With VoIP, UC servers are deployed and managed in-house. UCaaS is fully deployed and managed by a third-party cloud provider and accessed over the internet.

VoIP delivers a closed platform for businesses free from reliance on third-party providers. This can be a strategic advantage for organizations that operate out of only a handful of physical locations or for those that struggle with reliable internet access. UCaaS, on the other hand, delivers far more flexibility for remote workforces that operate in work-from-home settings -- or those that operate multiple branches across geographically dispersed locations.

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Assessing UCaaS vs. VoIP

For businesses that do not have highly distributed workforces and wish to maintain full control over their communications services, VoIP is a valid option. Most business leaders, however, are finding that acquiring and keeping skilled UC practitioners is becoming an increasingly difficult challenge.

UCaaS offers all the benefits -- and more -- of localized VoIP systems without the headaches of managing UC systems in-house. As long as internet connectivity is reliable, UCaaS is quickly becoming the go-to choice for most.