



Direct Routing or Calling Plans: which approach to Microsoft Teams telephony is right for your business?

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Abstract

The use of Microsoft Teams as a full business telephony replacement solution is gaining traction, but organizations are not always aware of the options available to them for connecting Microsoft Phone System to the public telephony network. This matters because there are distinct differences that have a bearing on critical issues such as pricing, geographical reach, implementation and support. Here we explore the two main options: Calling Plans and Direct Routing as a Service, looking at what types of businesses they are most suitable for and what needs to be considered in the decision-making process.

Introduction

Microsoft Teams leads the pack when it comes to virtual workforce collaboration tools – partly for its ubiquity (coming as it does with Office 365) but more importantly for its functionality, including messaging, document sharing and audio/visual conferencing. Now, more and more organizations are accessing business calling within Teams using Microsoft Phone System as an enterprise telephony solution, replacing existing phone systems.

It's an attractive proposition for organizations looking to streamline their communications capabilities and rid themselves of on-premises PBX (private branch exchange) systems and equipment. And for users, it's joined-up and easy to use, enabling them to make and receive phone calls to and from Teams and non-Teams users alike. However, there are different ways in which calls can be routed and charged for and it's vital to select the right one for your business.

More and more organizations are accessing business calling within Teams using Microsoft Phone System as an enterprise telephony solution

What is Microsoft Phone System and how does it work?

With a traditional enterprise telephony solution, outbound telephone calls are routed from a private branch exchange (or PBX) to the public switched telephony network (or PSTN) and on to the call recipient. Microsoft Phone System is no different – it's essentially a virtual PBX hosted by Microsoft in the cloud that can



connect calls to the PSTN. It allows users of Microsoft's collaboration tools – previously Skype for Business, and now Teams – to make and receive phone calls external to their organization. An additional Phone System license is usually required for this service.

When deploying Phone System, organizations need to determine the best way to provide users with a connection from Phone System to the PSTN. There are two main choices for hassle-free connectivity:

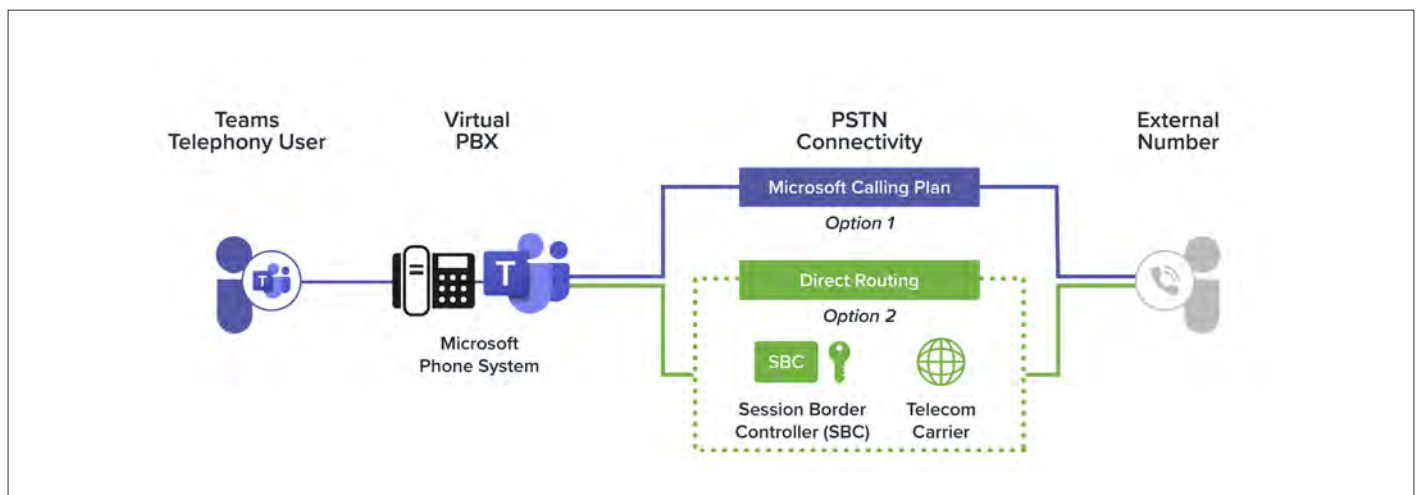
- **Microsoft Calling Plans**, where Microsoft is the call carrier routing calls to the PSTN through its infrastructure, and users have a pre-packaged bundle of minutes for a set monthly fee; or
- **Direct Routing as a Service (DRaaS)**, where a managed service provider routes Teams calls to the PSTN via its own network infrastructure, delivered and priced in a way which is tailored to a customer's specific needs.

There is no difference in the core Teams telephony functionality you get with these two call delivery methods and the user experience is the same. However, there are significant differences between the two in the critical considerations of: cost, coverage, flexibility, service and support.

Microsoft Calling Plans - a simple approach for smaller organizations

Calling Plans are an “off-the-shelf” solution. They are simple to deploy, but can be relatively expensive, inflexible and limited in terms of coverage and support. They are best suited to smaller organizations with fewer than 100 users.

Deployment: With Calling Plans, Microsoft provides the connection between Phone System and the PSTN over its own infrastructure. Each user is given a phone number for inbound calls (or their existing number is ported across) and has a fixed bundle of minutes for outbound calls.





You can choose between domestic Calling Plans (where international calls will be charged as extra) or domestic and international Calling Plans.

Fixed cost: Calling Plans are priced on a per user per month basis. The standard domestic Calling Plan for users in the US currently costs \$12 per user per month for 3,000 domestic minutes, and the standard domestic and international Calling Plan costs \$24 for an additional 600 international minutes. Prices are comparable in other countries. In reality, few users will come close to using this many minutes, so although minutes can be pooled between users on the same Calling Plan, you can end up paying for more minutes than you need.

With Calling Plans, Microsoft provides the connection between Phone System and the PSTN over its own infrastructure

Coverage: Calling Plans are only available for certain geographies in Europe and North America, as well as Australia and Japan (18 countries in total at the time of writing). Organizations that have users in other locations will need to deploy a Direct Routing solution for those users if you want them to use Teams telephony.

Service and support: Microsoft does not offer support with Calling Plans to assist with migration and deployment - businesses will need to manage everything themselves.

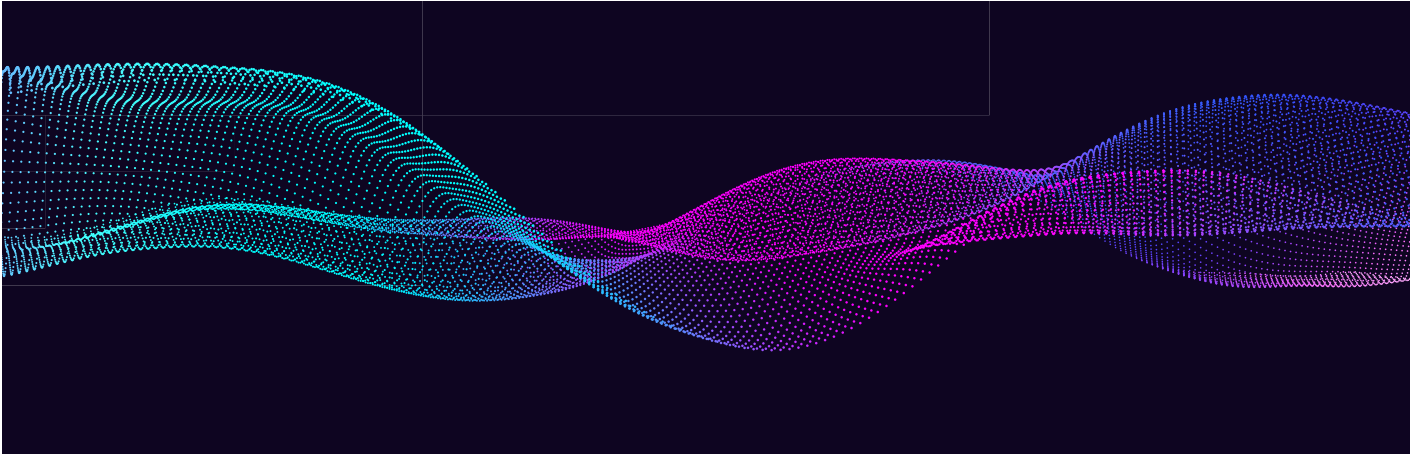
Calling Plans cover

Australia	Japan
Austria	Netherlands
Belgium	Portugal
Canada	Puerto Rico
Denmark	Spain
France	Sweden
Germany	Switzerland
Ireland	United Kingdom
Italy	United States

Direct Routing as a Service – the enterprise-grade solution

Direct Routing is a more sophisticated solution and will be the most suitable option for larger businesses with more than 100 users. It provides greater flexibility, wider geographical coverage and better value. It can be more complex to deploy, which is why organizations are increasingly opting to use a managed service provider to deliver it for them (which we call "Direct Routing as a Service").

Deployment: Direct Routing connects Phone System to the PSTN by routing calls through a managed service provider or a carrier network. It can be self-managed, but cloud-based, partner-hosted Direct Routing as a Service (DRaaS) solutions are attractive to many because the provider manages the whole service end-to-end.



With DRaaS there is no need to have a physical PBX phone system located on the business premises, with its associated equipment and costs, and no need for specialist internal expertise to manage the infrastructure.

Flexibility on cost: You are free to choose your own provider who can design a bespoke package that meets your organization's unique requirements, with different bundles for different user-types. By offering just the right number of minutes for users' specific needs, DRaaS has a comparatively lower price point per user than Microsoft Calling Plans - plus there is scope to negotiate on pricing. That's especially important for larger organizations with economies of scale to leverage or those with complex needs, such as an international footprint, or specialist requirements like contact centers or a duty to record calls for legal compliance purposes (known as compliance recording).

Coverage: DRaaS providers can offer Teams telephony calling in almost all countries around the world. Where local regulations restrict the use of cloud telephony, some managed service providers can deploy specialist telephony gateways called Session Border Controllers (SBCs) so that Teams telephony can be used in a compliant way.

Service and support: A managed service provider can plan and implement the migration for you and provide ongoing support. That includes configuring the SBCs that act as gateways between Phone System and the PSTN and setting up voice routes and policies. They can help to optimize your corporate network for Teams telephony to eliminate any issues that could impair call quality. They can also port across existing direct dial phone numbers or provide new ones as required. If organizations have call centers or call recording requirements, a managed service provider can integrate Teams with complex third-party telephony solutions.

Direct Routing as a Service has a comparatively lower price point per user than Microsoft Calling Plans - plus there is scope to negotiate on pricing

Summary

By incorporating enterprise telephony into Teams with Microsoft Phone System, organizations no longer need to be tied to legacy, on-premises phone systems – all their communications tools are seamlessly joined up in the cloud. It sounds easy – and so it should be, providing you know what your options are in terms of the way calls are delivered and priced so you can choose the right one for your business.

While Calling Plans can work well for smaller businesses with a limited geographical footprint, for larger organizations, Direct Routing is likely to offer the flexibility, scope and cost-effectiveness they need. Using a managed service provider to deliver a comprehensive Direct Routing as a Service solution means you can have a bespoke system that's exactly tailored to your requirements, in which design, deployment, service and support are all part of the package.

With one forecast predicting that in less than five years, more than 90% of Teams telephony users will be using Direct Routing for PSTN connectivity, the direction of travel is clear. Partner-hosted cloud-based Direct Routing solutions are the way forward for most businesses, offering the right combination of convenience, cost, coverage and control.

To find out more about how LoopUp can simplify the process for implementing Microsoft Teams Direct Routing for your business, [contact a member of our sales team](#).

About LoopUp

LoopUp provides a global solution for secure, reliable cloud communications using cloud voice with Microsoft Teams and Direct Routing.

We include an integrated best-in-class remote meeting solution for premium remote meetings.

Our fully managed voice network was built for the high demands of professional services. It uses 13 carefully chosen Tier 1 carriers, and features auto-failover, PESQ scoring on all routings and real time carrier redundancy. We choose the optimal carrier to connect each call. This improves audio quality and resilience, and reduces costs.

We are Microsoft Certified Gold Partners and have been a Microsoft voice partner since 2010.

Our expertise is in the modern workplace, including security and compliance. We provide consultancy services and support from our modern workplace advisory consultants.

We offer bespoke solutions for contact center and call recording.

We combine all this with consultancy for Microsoft-based Unified Communications, Collaboration, and Telephony using Teams. Our services include network analysis and performance, transition design and management, enablement, training, adoption and support.

We are the trusted partner to more than 5,000 enterprises, including 20 of the world's top law firms.

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