Comparing Fax Servers to Hosted Fax Solutions
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Abstract
Today faxing continues to be a dominant communications tool. While e-mail may be the “killer app,” the fact is, many industries still rely heavily on faxes to transmit data between two or more parties. Insurance companies, real estate agencies, mortgage brokerages, legal firms, and healthcare organizations are just a few of the many businesses where faxes are embedded into the workflow of many business processes where faxes are sent and received in heavy volume. Corporations struggle to reduce costs and effectively manage their fax infrastructure. Fax servers promised easier administration and cheaper faxing but most deployments fail to meet their goals because of unexpected, ongoing costs and unpredictable capacity needs. Hosted fax solutions eliminate administration and maintenance costs and offer pay-per-use price models.

Fax Servers
Fax servers are network-accessible platforms that extend fax capabilities to the desktop, thereby automating the process of sending and receiving faxes. Fax servers emulate multiple fax machines.

Fax servers include the following components:
• An underlying hardware platform
• Embedded fax modems or cards
• Telephone lines
• Client software
• Administration software
• Application development tools

With fax servers, users send and receive faxes directly from their workstations, eliminating the inefficiencies related to manually sending and receiving faxes. Peter Davidson of Davidson Consulting estimates the labor cost of manually sending a fax with a fax machine to be $3.20 (USD). Fax servers were the first step in eliminating the proliferation of analog phone lines and significantly reduce the labor costs associated with fax machines.

While realizing reduced labor costs, deploying a fax server requires other significant initial capital investment and places a costly burden on IT resources. For example:
• Initial inventory assessments on fax phone line capacity requirements.
• Ensuring system compatibility and integration.
• Ongoing software and hardware upgrades.
• Ongoing telecom costs.
• Significant maintenance and long-term capacity management.
• High downtime potential.

Projects to deploy fax servers typically take 8-10 weeks, involving the coordination between the IT department, the telecom provider and the fax server vendor.

Top three reasons in-house fax server strategy fails:
• Demands high initial capital and deployment costs, ongoing monthly fees for fax lines and DIDs and regular costs associated with software and hardware maintenance.
• Demands ongoing peak and average telecom capacity management.
• Demands in-depth redundancy and disaster recovery planning.
**Hosted Fax Solutions**
Hosted fax solutions leverage existing technology deployments such as email and the Internet to send and receive faxes. Like fax servers, hosted fax services provide simple client access allowing faxes to be sent and received from email. Hosted fax solutions enable web access, which is important for mobile workers. Additionally, XML interfaces allow for fax delivery automation via existing investments, such as CRM and ERP.

Hosted fax solutions require no added hardware or software, and can be used immediately, allowing organizations to allocate IT resources to core systems. Critically, the only costs incurred with this type of service are usage costs. There are no hidden costs for maintenance, upgrades, capacity expansion or redundancy.

The fax market has evolved much the same way computers have. Computer usage began with mainframes, which evolved into client servers and most recently, has progressed into web-based applications. Similarly, the fax market has evolved from fax machines to fax servers, and now, to hosted fax servers. The hosted fax server market has realized significant growth and is projected to continue:

Worldwide Fax Service Revenues, 2004 – 2009

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<tbody>
<tr>
<td>Revenues (M)</td>
<td>$704</td>
<td>$770</td>
<td>$886</td>
<td>$1,029</td>
<td>$1,214</td>
<td>$1,435</td>
<td>16.8%</td>
</tr>
<tr>
<td>Annual Growth</td>
<td>9.4%</td>
<td>15.1%</td>
<td>16.1%</td>
<td>18.0%</td>
<td>18.2%</td>
<td></td>
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</table>

**MyFax: An elegant fax solution**
MyFax is a hosted fax solution that lets you send, receive and manage faxes using existing email, the web or handheld devices. MyFax addresses all enterprise fax requirements like scalability, availability and accountability, security, compliance and cost efficiency. In doing so, it eliminates the need for fax machines, in-house fax servers and everything that goes with them, like supplies, dedicated lines and long distance charges.

MyFax is a cost-effective fax solution that allows users to send and receive faxes directly from their workstations.
- No additional hardware or software is required.
- As easy to use as email.
- Automatically track, file and forward incoming and outgoing faxes from email.
- No lost or misplaced faxes. Automated email confirmations ensure delivery and receipt of all information communicated by fax.
- 99.95% uptime, available 24/7, never busy.
- Account management tools enable real-time account modifications and generation of usage reports according to agent/workstation, client, or campaign/project.
- Integrate with CRM, ERP and other software and web applications through powerful open API's.
Easy to administer, MyFax leverages your existing email/Internet infrastructure, providing different fax solutions adaptable to your business needs or your IT environment.

- Desktop fax solution;
- Mobile fax solution and
- Transactional fax solution – integrates and automates fax into your business applications and IT infrastructure.

Rapidly implemented, MyFax has the ability to provision 1000s of users within one business day. MyFax implementation methodology prioritizes business needs first and retains the flexibility needed to evolve in addressing the enterprise wide requirements.
# Comparing MyFax Hosted Solution to Fax Servers

<table>
<thead>
<tr>
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<th>Fax Servers</th>
<th>MyFax</th>
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<tbody>
<tr>
<td><strong>Capital Investment</strong></td>
<td>Hardware, Software, Telecom setup</td>
<td>None</td>
</tr>
<tr>
<td><strong>Telecom Needs</strong></td>
<td>Capacity for peak usage&lt;br&gt;Redundant access required</td>
<td>None</td>
</tr>
<tr>
<td><strong>Telecom Fees</strong></td>
<td>Monthly fees for fax lines and DID numbers</td>
<td>None</td>
</tr>
<tr>
<td><strong>Long Distance</strong></td>
<td>High</td>
<td>None</td>
</tr>
<tr>
<td><strong>Setup Time</strong></td>
<td>8-10 weeks</td>
<td>Up and running within hours</td>
</tr>
<tr>
<td><strong>IT Knowledge Required</strong></td>
<td>High – requires expertise in fax server software, fax hardware, and telecom facilities.</td>
<td>None</td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td>Client and server software upgrades needed for file compatibility and features. Hardware upgrades needs. These could be as high as 75% of the initial cost.</td>
<td>None</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>Generally no redundancy or continuous monitoring.</td>
<td>99.5% availability&lt;br&gt;Redundant servers&lt;br&gt;7x24x365 monitoring tools &amp; personnel</td>
</tr>
<tr>
<td><strong>Scalability</strong></td>
<td>Strictly limited capacity by capital and telecom choices. Increasing capacity requires new hardware, sometimes new facilities and 10-12 weeks to deploy and test.</td>
<td>On-demand capacity</td>
</tr>
<tr>
<td><strong>Cost per transaction</strong></td>
<td>Long distance cost per minute for long distance traffic.</td>
<td>Fixed cost per transaction</td>
</tr>
<tr>
<td><strong>Monthly cost</strong></td>
<td>Annual software maintenance. Monthly fees for each fax number.</td>
<td>Low monthly fee per active fax number</td>
</tr>
<tr>
<td><strong>Total cost of ownership</strong></td>
<td>High</td>
<td>Minimal</td>
</tr>
<tr>
<td><strong>IT environment impact</strong></td>
<td>High – increases complexity of IT environment and introduces new risk.</td>
<td>None</td>
</tr>
<tr>
<td><strong>IT overhead</strong></td>
<td>Depending on the size could end up in escalated expenses.</td>
<td>None</td>
</tr>
<tr>
<td><strong>Administration and Reporting</strong></td>
<td>Good</td>
<td>Feature rich – online administration, and tracking.</td>
</tr>
<tr>
<td><strong>Physical security</strong></td>
<td>Servers are located in the customer office with often no disaster recovery or business continuity plan, unless specifically implemented at an even higher cost.</td>
<td>World-class security infrastructure&lt;br&gt;Disaster recovery&lt;br&gt;Business continuity plan</td>
</tr>
<tr>
<td><strong>Document security</strong></td>
<td>Document is not secure but is located within the customer office.</td>
<td>PGP, HTTPS, VPN, SFTP secure communications</td>
</tr>
<tr>
<td><strong>Web access</strong></td>
<td>Limited functionality compare to the desktop capabilities.</td>
<td>Standard offering</td>
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Realize significant cost savings with MyFax

*MyFax vs. 4 line Fax Server case study*

Faxing environment assumptions:

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<tbody>
<tr>
<td>Number of unique fax numbers</td>
<td>100</td>
</tr>
<tr>
<td>Total Monthly Inbound Volume</td>
<td>5,000</td>
</tr>
<tr>
<td>Total Monthly Outbound Volume</td>
<td>5,000</td>
</tr>
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**Total one-time Costs**

- **4-line fax server**: $13,708
- **MyFax**: $1,995

Save 85% on upfront, one-time costs with MyFax

**Total Monthly Costs**

- **4-line fax server**: $1,372
- **MyFax**: $900

Save 34% on monthly costs with MyFax
### Year 1 Costs

- **4-line fax server**: $34,976
- **MyFax**: $21,135

Save 40% in year 1 with MyFax

### Three-year Total Cost of Ownership

- **4-line fax server**: $77,512
- **MyFax**: $59,415

Save 23% over three years with MyFax

### MyFax vs. 1 T1 with 24 open channels Fax Server case study

Faxing environment assumptions:

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
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<tbody>
<tr>
<td>Number of unique fax numbers</td>
<td>500</td>
</tr>
<tr>
<td>Total Monthly Inbound Volume</td>
<td>50,000</td>
</tr>
<tr>
<td>Total Monthly Outbound Volume</td>
<td>50,000</td>
</tr>
</tbody>
</table>
5 Years Total Cost

Save over 45% year after year with MyFax

Year 1 Detailed Costs

Save 64% in year 1 with MyFax
Year 3 Detailed Costs

Save 47% in year 3 with MyFax

Year 5 Detailed Costs

Save 48% in year 5 with MyFax
Conclusion

Today, fax has a new face. Still an integral part of the business environment, it has been infused with new technology to make it more convenient, secure, inexpensive and efficient.

Hosted fax solutions, like MyFax, eliminate the time, effort and cost issues associated with fax servers, but retain all of the same functionality. At the same time, security and control through the advanced, easy to use administration and reporting tools are increased.

Contact MyFax and ask for a consultation that will help identify your fax service needs, including a total cost of operation (TCO) analysis.

About MyFax

MyFax is the fastest growing Internet fax service used by individuals, small, medium, and large businesses to send and receive faxes using existing email accounts or the web. MyFax offers services in North America and Europe, including the United Kingdom, to industries recognized among the fastest growing adopters of internet fax including finance, insurance, real estate, healthcare, transportation and government. More than 15,000 new customers subscribe to MyFax each month. Additional information is available at www.myfax.com and www.myfax.uk.com.

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