

On-Premise Phone Systems: Relevance and Advantages in 2025

Published April 14, 2025 25 min read



The Enduring Relevance of On-Premise Phone Systems in 2025

Introduction

Over the past decade, many predicted that cloud-based [VoIP](#) and [UCaaS](#) (Unified Communications as a Service) would completely replace traditional on-premise phone systems. Yet in 2025, on-premise [Private Branch Exchange \(PBX\)](#) systems remain **widely used and strategically important**. In fact, industry research shows that roughly 40% of all new unified communication system

shipments in 2024 were still on-premises deployments [nojitter.com](#). A late-2023 survey likewise found **80% of organizations still operate an on-premises PBX and plan to retain it**, with most even budgeting upgrades over the next five years [nojitter.com](#). These data points underscore a “PBX long tail” – a slow decline but persistent presence of on-premise systems well into the future [nojitter.com](#). This report examines *why* on-premise phone systems remain relevant in 2025, detailing their key advantages, comparing them to [cloud-based alternatives](#), and exploring the specific scenarios and industries where they continue to shine. We also discuss recent technological developments (hybrid architectures, integrations, AI-driven features) and provide a forward-looking outlook on the role of on-premise communications in the coming years.

(Note: “On-premise” here refers to enterprise-owned phone system hardware/software managed on-site or in private data centers, as opposed to fully hosted, multi-tenant cloud telephony services.)

Key Advantages of On-Premise Phone Systems

On-premise phone systems confer several **distinct advantages** that appeal to IT professionals and business leaders who prioritize control, security, and tailored functionality. Below are some of the key benefits that keep on-premise PBXs relevant in 2025:

- **Ultimate Control and Security:** Organizations maintain direct oversight of their communications infrastructure with an on-prem system, enabling strict [security measures](#) and reducing exposure to third-party risks [nojitter.com](#). Sensitive call data and metadata stay within the company’s own network, minimizing the risk of breaches or unauthorized access via outside providers [nojitter.com](#). This level of control is especially valued in sectors handling confidential or regulated information (e.g. patient health data or financial transactions) [megalegend.com](#). Companies can implement custom firewalls, encryption, and access controls on the PBX, achieving *superior security* compared to one-size-fits-all cloud platforms [megalegend.com](#).
- **Customization and Integration:** On-premise PBX solutions can be **highly customized** to meet specific business needs, compliance requirements, or workflow preferences [nojitter.com](#). IT teams can configure bespoke call routing, IVR menus, or reporting features that align exactly with their operations. Moreover, on-prem systems often integrate more seamlessly with *legacy equipment and internal applications* [megalegend.com](#). For example, a company can tie its PBX into on-site databases, CRM/ERP systems, or factory floor equipment for unified communications. This deep integration ensures continuity with existing technologies and

processes, minimizing disruption during upgrades or transitions megalegend.com. Cloud PBX offerings, by contrast, may have limited integration options or require adapting processes to the provider's features.

- **High Reliability and Resilience:** For organizations where uninterrupted communication is mission-critical, on-premise systems offer proven reliability. Because the call control and switching occur locally, internal calls do not depend on an internet connection or external cloud uptime. **Voice quality and connectivity tend to be more consistent**, especially in areas with unstable bandwidth megalegend.com. If the internet goes down, an on-prem PBX with local PSTN/ [SIP trunks](#) can still maintain phone service (e.g. branch offices can call each other or reach outside lines through local carriers) empowering.cloud. This *business continuity* during WAN outages is a major advantage. In essence, on-prem telephony is less susceptible to external network failures, providing a safety net that cloud solutions address only via special failover appliances. (Notably, even leading UCaaS providers offer optional on-site survivability devices to keep phones working during outages empowering.cloud – an acknowledgment of the reliability benefits of local infrastructure.)
- **Regulatory Compliance and Data Sovereignty:** Certain industries and governments have stringent [regulations around communications](#). On-prem systems allow organizations to **keep voice data and recordings on-site or within country borders** to meet data sovereignty laws empowering.cloud. For example, banks and government agencies often require heightened control and auditability for voice communications in order to comply with security protocols and privacy regulations nojitter.com. A premises-based PBX enables the level of logging, encryption, retention, and oversight these regulated environments demand. In healthcare, on-prem phone systems help ensure HIPAA compliance by limiting external access to patient communication records. Globally, some countries also mandate that telephony services be provided via local infrastructure or licensed local providers empowering.cloud – a scenario where self-hosted PBXs with approved local carriers are the only viable solution.
- **Cost Structure and ROI Considerations:** While **cloud telephony shifts expenses to predictable monthly OpEx**, on-premise systems involve upfront CapEx for equipment and setup. This can be an advantage for organizations that prefer to **own assets and amortize costs over time**. Once the PBX is purchased and deployed, the ongoing costs (maintenance, occasional upgrades, SIP trunk fees) can be lower than continual per-user cloud subscriptions – particularly for larger enterprises with stable user counts megalegend.com. Over a typical 7+ year lifespan of PBX hardware, companies can achieve a strong return on investment by fully utilizing their initial capital expenditure nojitter.com. Additionally, owning the system outright provides cost predictability: after the payoff period, the communications platform incurs

minimal recurring charges, essentially *lowering TCO in the long run* [vitalpbx.com](#). Many telecom decision-makers appreciate this long-term budgeting certainty. Of course, organizations must also account for IT staff and maintenance costs, but those with existing IT resources often find on-prem systems economically attractive at scale. In short, for companies that **prioritize long-term cost control over low upfront cost**, an on-premise PBX's cost structure can be favorable [megalegend.com](#).

In summary, **control, customizability, reliability, compliance, and cost management** are core strengths of on-premise phone systems. These advantages explain why many enterprises – even in 2025 – continue to view on-prem solutions as the *best fit* for their requirements, despite the popularity of cloud alternatives.

On-Premise vs Cloud: Where On-Premise Excels

Cloud-based VoIP/UCaaS solutions offer benefits like rapid deployment, easy scalability, and offloaded maintenance. However, there remain critical areas where on-premise phone systems still outperform or provide unique value compared to the cloud:

- **Dependence on Connectivity:** Cloud UC requires reliable internet 24/7; any disruption can cripple voice services. On-premise systems excel in scenarios with limited or unreliable internet. They keep internal and external calls flowing **independently of WAN connectivity**, leveraging local trunks and LAN routing [megalegend.comempowering.cloud](#). This makes on-prem ideal for locations where broadband is slow, expensive, or outage-prone (manufacturing plants, rural facilities, etc.). Even in well-connected offices, a local PBX provides a *critical fallback* for emergency calling and continuity if the cloud service or ISP has an outage [empowering.cloud](#).
- **Performance and Quality:** Because voice traffic in an on-prem PBX can stay within the local network (for internal calls or site-to-site over private links), it often yields **lower latency and higher voice quality** than cloud calls that must traverse the internet. There is no added jitter from long internet paths or congested public networks. Businesses that demand crystal-clear voice (e.g. trading floors, customer contact centers) may prefer on-prem for this deterministic quality of service. Cloud voice quality is continually improving, but on-prem lets IT fully control QoS and network prioritization on-site.
- **Security and Data Control:** With on-premises, voice packets, call records, and metadata reside under the company's own security umbrella. In contrast, cloud telephony means trusting a provider with sensitive call data and potentially having that data stored in multi-tenant

environments. For organizations paranoid about espionage or data leaks – for example, defense contractors or research labs – the *zero-trust approach* of keeping communications off third-party clouds is a significant advantage. Custom security hardening (encryption standards, access rules, even air-gapped voice networks) is achievable with on-prem but generally impossible in public cloud UC services megalegend.com.

- **Feature Customization:** Cloud UC platforms deliver a rich feature set, but they are essentially **one-size-fits-all**. An on-prem system, by contrast, can be **tailored with niche features or integrations** that a cloud provider might not support. For instance, a business could program its PBX to interface with a proprietary CRM for screen-pop notifications, or integrate with factory-floor sensor systems to trigger automated calls during equipment alarms. If a company needs highly specific call flows, custom IVR logic, or integration into in-house databases, an on-prem solution offers the flexibility to implement those modifications. Many on-prem PBXs expose APIs or scripting that skilled IT staff can use to extend functionality in ways a closed cloud service would not allow.
- **Legacy and Analog Support:** Despite the IP revolution, many organizations still use analog phones, fax machines, overhead paging systems, or older endpoints that are deeply embedded in their operations. On-premise PBXs typically come with **analog gateway modules and legacy protocol support** to accommodate these devices. They can act as a bridge between old technology (e.g. analog emergency phones in elevators, alarm lines, or industrial DECT phones) and modern VoIP networks. Cloud providers, in contrast, often require additional adapters or simply don't support certain legacy integrations. Thus, enterprises with a mix of new and old equipment often find on-prem systems to be a more cohesive solution megalegend.com.
- **Predictable Costs at Scale:** For large deployments, the cumulative subscription fees of cloud UCaaS can exceed the cost of owning a PBX over a few years. Organizations that have thousands of users or very high call volumes may see cost benefits in **avoiding per-user monthly charges**. After the initial investment, adding users on an on-prem system might only entail minimal licensing or no cost at all, as opposed to paying for each additional cloud seat indefinitely. Moreover, on-prem calls routed via SIP trunks or PRI lines might incur lower usage charges than cloud telephony minute rates for certain call patterns. In essence, for *stable or growing enterprises*, owning the infrastructure can provide better economies of scale compared to renting it from a UCaaS provider megalegend.com. (Conversely, organizations with highly fluctuating needs or limited IT resources often lean toward cloud – but those are not the scenarios where on-prem shines.)

It's worth noting that **hybrid models** are emerging to combine the best of both worlds. Some enterprises use cloud UC for certain user groups or collaboration features while retaining on-prem PBX for core telephony (or vice versa). This can yield a balance: cloud for flexibility and remote workers, on-prem for critical voice trunking and custom needs. We discuss hybrid trends in a later section. Overall, on-premises systems continue to excel in *control, reliability, customization, and cost efficiency* under the right circumstances – factors that often outweigh the allure of pure cloud in many enterprises' cost-benefit analyses.

Industry Use Cases Favoring On-Premise Solutions

While virtually every industry has some on-premise communications footprint, certain sectors have stood out for their continued reliance on in-house phone systems. Below, we highlight a few industries where on-premise PBXs remain **strongly preferred** in 2025, and why:

- **Healthcare and Hospitals:** In healthcare, reliability and privacy are paramount. Hospitals and clinics need phone systems that **work even during internet outages or disasters**, as internal coordination and emergency calling must never be compromised. On-prem PBXs ensure that doctors can still reach departments or patients' rooms if the cloud or WAN fails – a vital capability for patient safety. These systems also integrate with on-site paging systems, nurse call buttons, and medical device alarms for a unified communication response in emergencies [affiliatedcom.com](https://www.affiliatedcom.com). From a compliance standpoint, keeping call records and patient communication logs on-premises helps maintain HIPAA and patient privacy compliance without transmitting data through third-party servers. Given these needs, it's no surprise that many hospitals stick with well-proven on-prem solutions; for example, Mitel's on-premise phone platforms are commonly deployed in healthcare for their reliability and integration features [affiliatedcom.com](https://www.affiliatedcom.com). Overall, the healthcare industry prizes the control, custom integrations (e.g. for code-blue alerts or mass notification), and uptime that on-premise telephony provides.
- **Financial Services (Banking & Insurance):** Banks, trading firms, and insurers handle extremely sensitive data and are subject to heavy regulatory oversight. They require communications that are **secure, auditable, and under their full control**. On-premise systems allow financial institutions to enforce their own encryption and security policies and to log and archive calls internally for compliance (e.g. meeting Dodd-Frank or MiFID II call recording rules) without reliance on a cloud vendor. The on-prem model also supports integration with in-house banking applications – for example, tying calls into core banking systems or client databases for a more efficient workflow. Moreover, many banks operate in campus environments or branch

networks where internal call quality and connectivity need to be rock-solid (for trading desk communications, time-sensitive transactions, etc.). A locally managed PBX delivers the needed low latency and resiliency. It's therefore common to see finance sector organizations delay or limit cloud telephony adoption. In fact, a recent analysis showed about **72% of banking firms still rely on premises-based communication systems** in some capacity [nojitter.com](#), citing control and data protection as key drivers [nojitter.com](#). For these firms, the risk profile and compliance demands tip the scales in favor of on-prem solutions, at least for core voice infrastructure.

- **Government and Public Sector:** Government agencies – from local municipalities up to federal departments and defense – often maintain on-premise phone systems due to security and sovereignty concerns. Sensitive government communications (police and fire departments, defense communications, intelligence agencies, etc.) are typically kept on closed networks. An on-prem PBX can be isolated within a government-owned data center or facility, ensuring that no outside entity can access or intercept calls. Even civilian agencies prefer on-prem for **secure handling of citizen data and compliance with data residency laws**, especially when dealing with law enforcement or judicial matters. Additionally, governments appreciate the longevity and controlled cost of on-prem systems, since public-sector budget cycles often favor making a one-time capital investment and using it for a decade or more. Notably, **over 86% of government organizations were still using premises-based PBX solutions** as of a recent industry survey [nojitter.com](#). Many also require interoperability with legacy radio systems, fax/telex, or older emergency phone networks – something easier to accomplish with on-prem PBXs that can be custom-configured. Finally, in terms of national strategy, keeping critical communication infrastructure on-premise (and not dependent on foreign-owned cloud providers) can be seen as a matter of sovereignty and security in government sectors.
- **Manufacturing and Industrial:** Factories, plants, and industrial sites frequently opt for on-premise phone systems because of their **rugged reliability and local connectivity**. Manufacturing operations often reside in areas with spotty internet, or they encompass large campuses where internal communication must remain functional even if external links drop. On-prem PBXs connect office staff with production floor lines, warehouse phones, and even analog courtesy phones on the plant floor without requiring internet bandwidth. They also integrate with industrial notification systems – for example, a PBX might interface with alarm systems to broadcast emergency messages via overhead paging and phone speakers simultaneously. Cloud systems have difficulty matching that *real-time local integration*. Moreover, manufacturing companies tend to have stable workforces and can amortize PBX costs over many years, making the economics favorable. They also avoid recurring cloud fees for potentially hundreds or thousands of factory phones that see only intermittent use (e.g.,

emergency phones or shift supervisor stations). Statistics back this up: **over 90% of companies in sectors like packaged goods and energy still favor on-premise PBX solutions** for their communications [nojitter.com](https://www.nojitter.com). These businesses value the **stability, on-site control, and custom integrations** (like linking to SCADA systems or machine sensors) that on-prem phone systems deliver.

(Other sectors: **Education** – Schools and universities often keep on-prem phone systems for similar reasons: campus-wide paging, emergency readiness, and cost control for large institutions. A recent finding noted about 84% of educational institutions still use on-premise communications [nojitter.com](https://www.nojitter.com). **Retail and Hospitality** – Multi-location retailers sometimes maintain on-prem or hybrid systems to ensure each store/hotel can operate phones independently if networks fail, and to integrate with point-of-sale or guest services systems on-site. In general, any environment with unique operational needs or compliance requirements is likely to retain an on-premise communications component.*)

In all these use cases, the common theme is that **one size does not fit all** for communications. Industries with specialized needs – be it compliance, integration, or reliability – continue to find significant value in on-premise phone systems in 2025. The prevalence of premises-based PBXs in these sectors underscores their enduring role as *indispensable infrastructure* for certain organizations [nojitter.com](https://www.nojitter.com).

Technological Developments in On-Premise PBX Systems

Far from stagnating, on-premise telephony has evolved considerably in recent years. Vendors and open-source PBX communities have introduced new features and architectures that keep on-prem systems modern and competitive with cloud offerings. Key technological developments include:

- **Hybrid Deployments and Cloud Integration:** Rather than “all-or-nothing” choices, many enterprises are adopting **hybrid unified communications**, wherein an on-prem PBX is augmented with cloud-based services. Modern on-prem systems can integrate with cloud collaboration platforms (such as Microsoft Teams, Zoom, or other UCaaS apps) to provide a seamless user experience. For example, Avaya’s architecture allows on-premises call control to be extended with cloud-based contact center features and multi-channel communication tools [siliconangle.com](https://www.siliconangle.com). Similarly, Mitel’s new hybrid framework (announced in 2024) lets customers keep their **Mitel PBX on-premises for telephony control while using Zoom’s cloud platform for meetings and AI-driven features**, effectively blending the two environments [stocktitan.net](https://www.stocktitan.net). A June 2024 global survey found **92% of mid-to-large**

enterprises were considering hybrid deployments that mix on-prem and cloud elements stocktitan.net – a strong validation of this trend. Hybrid setups offer the flexibility of cloud (for remote work, advanced features) *plus* the control and voice resilience of on-prem. They also ease migration: companies can move certain functions or user groups to the cloud at their own pace while still leveraging existing PBX investments.

- **Integration with Business Applications (CRM/ERP):** Today's on-premise UC systems are designed to **streamline workflows** by integrating communications with enterprise software. Most leading PBXs (Cisco, Avaya, Mitel, as well as open-source systems like Asterisk/FreePBX and 3CX) provide APIs or built-in connectors for popular CRM and ERP platforms. This enables features like **screen pop-ups with caller info from the CRM, click-to-dial from customer databases, automated call logging in CRM records, and integration of presence/IM with corporate directories**. By tying telephony into sales, support, or manufacturing systems, companies can improve efficiency and get more value from their phone platform. For example, a customer support center might integrate its on-prem PBX with a ticketing system: when a client call comes in, the PBX triggers a screen pop of the client's support history for the agent, improving service speed. These deep integrations are often easier to implement on self-hosted systems where the IT team has access to the backend and can customize modules or use open standards. The result is a **communications solution tightly aligned with business processes**, which cloud services may not fully replicate if they lack certain integration capabilities out-of-the-box.
- **Mobility and Remote Access Features:** A notable advancement is that on-premise PBXs have added many features historically associated only with cloud solutions. These include **mobile softphone apps, web-based calling, and remote user support**. Through VPNs or Session Border Controllers, remote employees can securely connect their laptops or smartphones to the corporate on-prem PBX and use it as if they were on-site. Innovations like WebRTC gateways allow browser-based calling via the PBX for users on the go. In essence, *modern on-prem systems support remote and hybrid work models*, countering the notion that only cloud systems enable mobility. Improved software clients and fixed mobile convergence mean that on-prem communications can extend to any device anywhere, while still keeping call control centralized on-prem. This evolution was accelerated by recent needs (e.g. pandemic remote work), and it ensures on-prem solutions remain viable for a distributed workforce. One industry commentary noted that advances in technology have enabled on-premise PBXs to offer **mobility and remote access features that were once the domain of cloud services**, helping on-prem keep pace with user expectations megalegend.com.

- **AI-Driven Call Analytics and Features:** Artificial Intelligence is transforming communications, and on-premise vendors are embracing it. **AI-driven call analytics** – such as speech-to-text transcription, sentiment analysis, and intelligent call routing – are being integrated into on-prem solutions, sometimes via cloud augmentation. For instance, 3CX (a popular self-hosted IP PBX software) introduced an AI-powered transcription and analysis engine in 2024 to provide affordable real-time call transcripts and insights for calls handled on its platform [3cx.com](https://www.3cx.com). Other on-prem contact center suites have added AI features like virtual assistants or AI noise cancellation. Avaya's on-prem Call Center Elite now includes an AI-based noise removal feature to improve call clarity [siliconangle.com](https://www.siliconangle.com). Similarly, Mitel's next-gen CX platform for on-premises contact centers incorporates **generative AI** (through a partnership with an AI vendor) to enhance customer interactions [nojitter.com](https://www.nojitter.com). These additions mean that being on-prem doesn't equate to missing out on cutting-edge capabilities – enterprises can deploy AI enhancements either on local servers or via hybrid cloud links to get the same benefits (like automated call summaries or chatbot integration) that cloud users enjoy. As AI continues to advance, expect on-prem systems to further integrate machine learning for call scoring, predictive dialing, and more, often in a *hybrid AI* model (local PBX handling calls, cloud AI processing data).
- **Modern Architectures and Management:** On-premise PBX systems have modernized under the hood as well. Many are now **software-based and virtualizable**, allowing them to run on standard servers or in private cloud environments (company-owned data centers or virtual machines) rather than proprietary hardware. This makes deployment and scaling more flexible – e.g. an IT team can spin up a new PBX instance on their VMware or Hyper-V infrastructure, or even host their PBX software in an IaaS cloud like AWS/Azure (under their control). Additionally, management interfaces have improved with web-based dashboards and analytics, often comparable to cloud portals. Some solutions offer centralized management of distributed on-prem PBXs, ideal for enterprises with multiple sites. The emergence of **open-source telephony platforms** (like Asterisk, FreeSWITCH) has also spurred innovation and customization in the on-prem space, giving organizations more choices to tailor a system. In short, the on-prem PBX of 2025 is not a dusty old phone switch – it is likely a *software-defined communications platform* with APIs, virtualization support, and hooks into AI and cloud services.

These technological developments have allowed on-premise phone systems to remain **competitive and capable** in a cloud-centric era. By blending on-prem strengths with selective cloud integration and advanced software features, the latest generation of PBXs offers a best-of-both-worlds proposition. This continual innovation is a key reason why many enterprises feel confident sticking with (or newly investing in) on-prem solutions today.

Future Outlook: The Road Ahead for On-Premise Systems

Looking forward, on-premise phone systems are expected to remain a significant part of the business communications landscape, albeit with a gradually narrowing focus. Industry forecasts do show cloud communications continuing to grow, but not to the total exclusion of on-prem. Analysts project the on-prem PBX market share to *only modestly decline* in coming years – for example, one analysis predicts a dip from roughly 41% of the UC market to about 38% over the next five years nojitter.com. This suggests a slow erosion, not a precipitous collapse. In practice, what we are likely to see is an **enduring niche (or “long tail”) for on-prem systems**: organizations that truly need the unique benefits of on-prem will continue to invest in them, even as more routine use cases migrate to the cloud nojitter.com.

Several factors will shape the future role of on-premise phone systems:

- **Hybrid Environments Become the Norm:** The clear trend is toward hybrid deployments. Rather than debating “cloud vs on-prem,” many enterprises will use **a mix of both**, picking the right tool for each scenario. As noted, an overwhelming 92% of larger organizations are considering hybrid approaches stocktitan.net. We can expect on-prem PBXs to often be paired with cloud UC services – for example, a company might keep an on-prem PBX at headquarters and factories (for reliability and integration), while using a cloud UCaaS for mobile employees and collaboration features. Unified dialing plans and federation between on-prem and cloud systems will improve, making the user experience seamless. This hybrid model prolongs the life of on-prem investments by extending their capabilities with cloud services, and conversely allows cloud-centric organizations to incorporate the **resiliency of on-prem** where needed (through local gateways or appliances). In the future, “on-prem vs cloud” may cease to be a binary choice; instead, it will be about orchestrating **the optimal blend** of the two.
- **Continued Relevance in Regulated/Mission-Critical Settings:** On-premise systems will remain *the go-to choice* in sectors where control and bespoke requirements trump the benefits of standardization. We expect **government, defense, healthcare, finance, and critical infrastructure industries** to stick with on-prem solutions for the foreseeable future due to security and compliance imperatives. Similarly, any organization for whom downtime is unacceptable (public safety, critical manufacturing) will keep an on-prem element for failsafe operation. These high-value niches will ensure there is a steady (if smaller) market for new on-prem PBX deployments and upgrades. Indeed, surveys show the majority of current on-prem

users plan to **continue investing in their PBXs** rather than rip-and-replace – in one 2023 survey, 80% of organizations with a PBX said they intend to upgrade it within 5 years [nojitter.com](https://www.nojitter.com). The vendors that serve these segments are adapting strategies accordingly.

- **Vendor Landscape and Innovation:** The vendor ecosystem for on-premise communications is consolidating and evolving. Some traditional PBX manufacturers have exited or deemphasized the on-prem market recently (for example, NEC ceased selling PBXs outside Japan in 2024, shifting to partner-led cloud offerings [nojitter.com](https://www.nojitter.com)). Others, like Avaya, have restructured and refocused on their largest enterprise customers and hybrid solutions [nojitter.com](https://www.nojitter.com). However, **there is a resurgence of interest by certain providers** to dominate the remaining on-prem/hybrid space. Mitel, for instance, has repositioned itself to double down on hybrid-premise communications after clearing its debt in 2025, seeing opportunity to capture customers that still want on-site solutions [nojitter.com](https://www.nojitter.com). Industry analysts note that macro factors – cybersecurity concerns, geopolitical issues, cost considerations – have even **“created some momentum back towards on-premises/hybrid cloud”** recently [nojitter.com](https://www.nojitter.com). We will likely see ongoing innovation from these focused players (and open-source projects), ensuring that on-prem tech stays modern. Expect features like enhanced AI, improved management, and tighter cloud integration to continue filtering into on-prem products. The line between a “cloud” and “on-prem” system may further blur as vendors offer software that can be deployed in either mode (e.g. single-tenant private cloud instances that are functionally similar to on-prem PBX, but hosted off-site just for one customer).
- **Use-Case Driven Deployment:** In the future, companies will make communications architecture decisions based on **specific use-case requirements rather than trend alignment**. On-premise systems will be chosen for *strategic reasons*: when an organization needs absolute control, custom capabilities, or guaranteed uptime independent of external networks. Cloud will be chosen when simplicity, rapid scalability, or ubiquitous access are the priority. We foresee a continued healthy coexistence. For example, a multinational might use cloud UC globally for typical office workers, but deploy on-premise PBXs at remote industrial sites or in countries with strict telecom regulations – achieving compliance and reliability locally, while connecting into the global cloud system via gateways. **Scenarios that favor on-prem will persist (and so will the solutions to serve them)**. As long as there are remote regions with poor connectivity, governments with secret communications, businesses with legacy integrations, or executives who demand dedicated control, on-premise phone systems will retain their relevance.

In conclusion, the narrative that “the PBX is dead” is an oversimplification. More accurately, the PBX is *evolving* and finding its durable role in a hybrid, cloud-integrated world. Organizations will increasingly combine on-premise and cloud capabilities to meet their needs, and on-prem systems will continue to thrive in the niches where they outperform. The coming years will likely see on-premise phone systems become **more specialized and high-end**, catering to the complex use cases, while commodity voice needs gravitate to the cloud. IT leaders and telecom decision-makers in 2025 should thus view on-premise solutions not as outdated artifacts, but as **powerful tools for specific problems** – offering unmatched control, security, and reliability when those attributes are paramount. With a clear-eyed understanding of their advantages, costs, and latest innovations, businesses can confidently determine if and where an on-premise phone system remains the *best fit* for their communication strategy in the years ahead.

Sources:

1. Lisa Schmeiser, *No Jitter* – “Why Enterprise Premises UC Systems Remain a Good Investment,” Jun. 2025. (Industry stats on on-prem PBX adoption and advantages) nojitter.com
nojitter.com
2. Matt Vartabedian (interview with Brent Kelly, Omdia), *No Jitter* – “Ask an Analyst: UCaaS, CCaaS and AI Trends in 2023,” Dec. 2023. (Survey of on-prem PBX usage and “long tail” trend)
nojitter.com nojitter.com
3. *VitalPBX Blog* – “On-Prem PBX in 2025: Full Cost Breakdown And Is It Still Worth It?” Oct. 2023. (Discussion of TCO, when on-prem makes sense) vitalpbx.com
4. *MegaLegend Tech Blog* – “The Enduring Value of On-Premise PBX vs Cloud VoIP,” Sep. 2024. (Advantages of on-prem: security, reliability, cost, legacy integration; market share stats)
megalegend.com megalegend.com
5. Tom Arbuthnot, *Empowering.Cloud* – “5 Reasons On-Premises Telephony Remains Key (even with UCaaS),” Mar. 2023. (Reliability of local PSTN, survivability, regulatory factors)
empowering.cloud empowering.cloud
6. **Mitel & Zoom Press Release**, Techaisle Survey – *StockTitan/GlobeNewswire*, Jun. 18, 2024. (Hybrid communications survey: 92% of enterprises consider hybrid deployments)
stocktitan.net
7. Zeus Kerravala, ZK Research – quoted in *No Jitter* “Mitel Repositions for Hybrid Success,” Jun. 2025. (Analyst insight: momentum back to on-prem/hybrid due to macro factors) nojitter.com

8. **No Jitter Industry Data** (Lisa Schmeiser, 2025) – Premises PBX shipments and usage by industry (education, banking, government, etc.) [nojitter.com](#) [nojitter.com](#)
9. *Avaya ENGAGE 2023 Coverage* – SiliconANGLE, Jun. 2023. (Avaya hybrid cloud approach; on-prem contact center extended with cloud, AI noise reduction feature) [siliconangle.com](#) [siliconangle.com](#)
10. *3CX Product News* – "V20: AI-Powered Call Analytics," Oct. 2024. (On-prem PBX adding AI transcription/analytics features) [3cx.com](#) [3cx.com](#)

Tags: on-premise systems, pbx, telecommunications, unified communications, voip, it infrastructure, enterprise telephony, communication technology

About ClearlyIP

ClearlyIP Inc. — Company Profile (June 2025)

1. Who they are

ClearlyIP is a privately-held unified-communications (UC) vendor headquartered in Appleton, Wisconsin, with additional offices in Canada and a globally distributed workforce. Founded in 2019 by veteran FreePBX/Asterisk contributors, the firm follows a "build-and-buy" growth strategy, combining in-house R&D with targeted acquisitions (e.g., the 2023 purchase of Voneto's EPlatform UCaaS). Its mission is to "design and develop the world's most respected VoIP brand" by delivering secure, modern, cloud-first communications that reduce cost and boost collaboration, while its vision focuses on unlocking the full potential of open-source VoIP for organisations of every size. The leadership team collectively brings more than 300 years of telecom experience.

2. Product portfolio

- **Cloud Solutions** – Including *Clearly Cloud* (flagship UCaaS), **SIP Trunking**, **SendFax.to** cloud fax, **ClusterPBX OEM**, **Business Connect** managed cloud PBX, and **EPlatform** multitenant UCaaS. These provide fully hosted voice, video, chat and collaboration with 100+ features, per-seat licensing, geo-redundant PoPs, built-in call-recording and mobile/desktop apps.
- **On-Site Phone Systems** – Including CIP PBX appliances (FreePBX pre-installed), ClusterPBX Enterprise, and Business Connect (on-prem variant). These offer local survivability for compliance-sensitive sites; appliances start at 25 extensions and scale into HA clusters.

- **IP Phones & Softphones** – Including CIP SIP Desk-phone Series (CIP-25x/27x/28x), fully white-label branding kit, and *Clearly Anywhere* softphone (iOS, Android, desktop). Features zero-touch provisioning via Cloud Device Manager or FreePBX "Clearly Devices" module; Opus, HD-voice, BLF-rich colour LCDs.
 - **VoIP Gateways** – Including Analog FXS/FXO models, VoIP Fail-Over Gateway, POTS Replacement (for copper sun-set), and 2-port T1/E1 digital gateway. These bridge legacy endpoints or PSTN circuits to SIP; fail-over models keep 911 active during WAN outages.
 - **Emergency Alert Systems** – Including **CodeX** room-status dashboard, **Panic Button**, and **Silent Intercom**. This K-12-focused mass-notification suite integrates with CIP PBX or third-party FreePBX for Alyssa's-Law compliance.
 - **Hospitality** – Including **ComXchange** PBX plus PMS integrations, hardware & software assurance plans. Replaces aging Mitel/NEC hotel PBXs; supports guest-room phones, 911 localisation, check-in/out APIs.
 - **Device & System Management** – Including **Cloud Device Manager** and **Update Control (Mirror)**. Provides multi-vendor auto-provisioning, firmware management, and secure FreePBX mirror updates.
 - **XCast Suite** – Including Hosted PBX, SIP trunking, carrier/call-centre solutions, SOHO plans, and XCL mobile app. Delivers value-oriented, high-volume VoIP from ClearlyIP's carrier network.
-

3. Services

- **Telecom Consulting & Custom Development** – FreePBX/Asterisk architecture reviews, mergers & acquisitions diligence, bespoke application builds and Tier-3 support.
 - **Regulatory Compliance** – E911 planning plus **Kari's Law**, **Ray Baum's Act** and **Alyssa's Law** solutions; automated dispatchable location tagging.
 - **STIR/SHAKEN Certificate Management** – Signing services for Originating Service Providers, helping customers combat robocalling and maintain full attestation.
 - **Attestation Lookup Tool** – Free web utility to identify a telephone number's service-provider code and SHAKEN attestation rating.
 - **FreePBX® Training** – Three-day administrator boot camps (remote or on-site) covering installation, security hardening and troubleshooting.
 - **Partner & OEM Programs** – Wholesale SIP trunk bundles, white-label device programs, and ClusterPBX OEM licensing.
-

4. Executive management (June 2025)

- **CEO & Co-Founder: Tony Lewis** – Former CEO of Schmooze Com (FreePBX sponsor); drives vision, acquisitions and channel network.

- **CFO & Co-Founder: Luke Duquaine** – Ex-Sangoma software engineer; oversees finance, international operations and supply-chain.
 - **CTO & Co-Founder: Bryan Walters** – Long-time Asterisk contributor; leads product security and cloud architecture.
 - **Chief Revenue Officer: Preston McNair** – 25+ years in channel development at Sangoma & Hargray; owns sales, marketing and partner success.
 - **Chief Hospitality Strategist: Doug Schwartz** – Former 360 Networks CEO; guides hotel vertical strategy and PMS integrations.
 - **Chief Business Development Officer: Bob Webb** – 30+ years telco experience (Nsight/Cellcom); cultivates ILEC/CLEC alliances for Clearly Cloud.
 - **Chief Product Officer: Corey McFadden** – Founder of Voneto; architect of EPlatform UCaaS, now shapes ClearlyIP product roadmap.
 - **VP Support Services: Lorne Gaetz** (appointed Jul 2024) – Former Sangoma FreePBX lead; builds 24x7 global support organisation.
 - **VP Channel Sales: Tracy Liu** (appointed Jun 2024) – Channel-program veteran; expands MSP/VAR ecosystem worldwide.
-

5. Differentiators

- **Open-Source DNA:** Deep roots in the FreePBX/Asterisk community allow rapid feature releases and robust interoperability.
 - **White-Label Flexibility:** Brandable phones and ClusterPBX OEM let carriers and MSPs present a fully bespoke UCaaS stack.
 - **End-to-End Stack:** From hardware endpoints to cloud, gateways and compliance services, ClearlyIP owns every layer, simplifying procurement and support.
 - **Education & Safety Focus:** Panic Button, CodeX and e911 tool-sets position the firm strongly in K-12 and public-sector markets.
-

In summary

ClearlyIP delivers a comprehensive, modular UC ecosystem—cloud, on-prem and hybrid—backed by a management team with decades of open-source telephony pedigree. Its blend of carrier-grade infrastructure, white-label flexibility and vertical-specific solutions (hospitality, education, emergency-compliance) makes it a compelling option for ITSPs, MSPs and multi-site enterprises seeking modern, secure and cost-effective communications.

DISCLAIMER

This document is provided for informational purposes only. No representations or warranties are made regarding the accuracy, completeness, or reliability of its contents. Any use of this information is at your own risk. ClearlyIP shall not be liable for any damages arising from the use of this document. This content may include material generated with assistance from artificial intelligence tools, which may contain errors or inaccuracies. Readers should verify critical information independently. All product names, trademarks, and registered trademarks mentioned are property of their respective owners and are used for identification purposes only. Use of these names does not imply endorsement. This document does not constitute professional or legal advice. For specific guidance related to your needs, please consult qualified professionals.