zoom

What's the cost of keeping your on-premises phone system?

If you're still holding on to your on-premises phone system, dealing with clunky infrastructure and costly upkeep, you're not alone. Nearly 50% of organizations still have at least a partial deployment of on-premises phone systems, and 70% of those systems were purchased more than five years ago.[1]

Source: Metrigy 2024 Workplace Collaboration MetriCast

What keeps organizations tethered?

According to Metrigy research, seven factors limit organizations from fully moving beyond their on-premises phone system:

- Legacy devices
- Scale
- Customizations
- Existing integrations
- Security
- Reliability
- *Cost*

But what if cost isn't a limiting factor? As it turns out, you can see a payback on your investment in as little as a few months after switching to a cloud-based phone system like Zoom Phone.

Debunking cost concerns

Zoom commissioned Metrigy Research to conduct a benchmark Total Cost of Ownership (TCO) study in 2025 comparing the TCO of Zoom Phone with the TCO of maintaining organizations' premises-based phone systems. All the following insights are drawn from that study.

According to the study, depending on your existing implementation, **you could pay back your entire investment in Zoom Phone in as little as 2 months.**
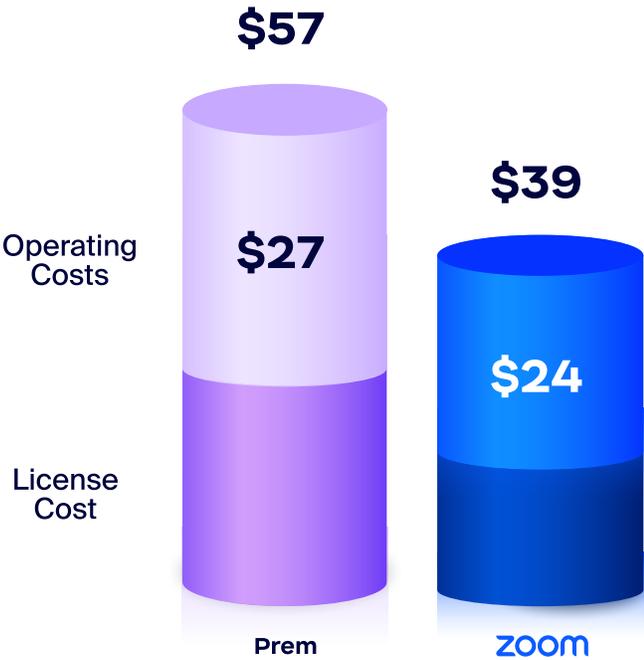
Licensing costs

57% of organizations in the study migrated to a subscription model, paying monthly for their premises-based PBX. The average monthly license cost for these organizations was $30 per user per month.

Compare that with Zoom Phone's $15 per-license per-month list price for a savings of $9 per user, which adds up to **$9,000 in monthly savings or $108,000 in annual savings for an organization of 1,000.**

License Cost

$30

$15

Prem

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Operational and maintenance costs

It pays to look at more than just the upfront price of your licenses. For a more complete picture, we're also looking at the ongoing costs to operate and maintain your on-premises system versus Zoom Phone's cloud-based phone solution.

$57

$39

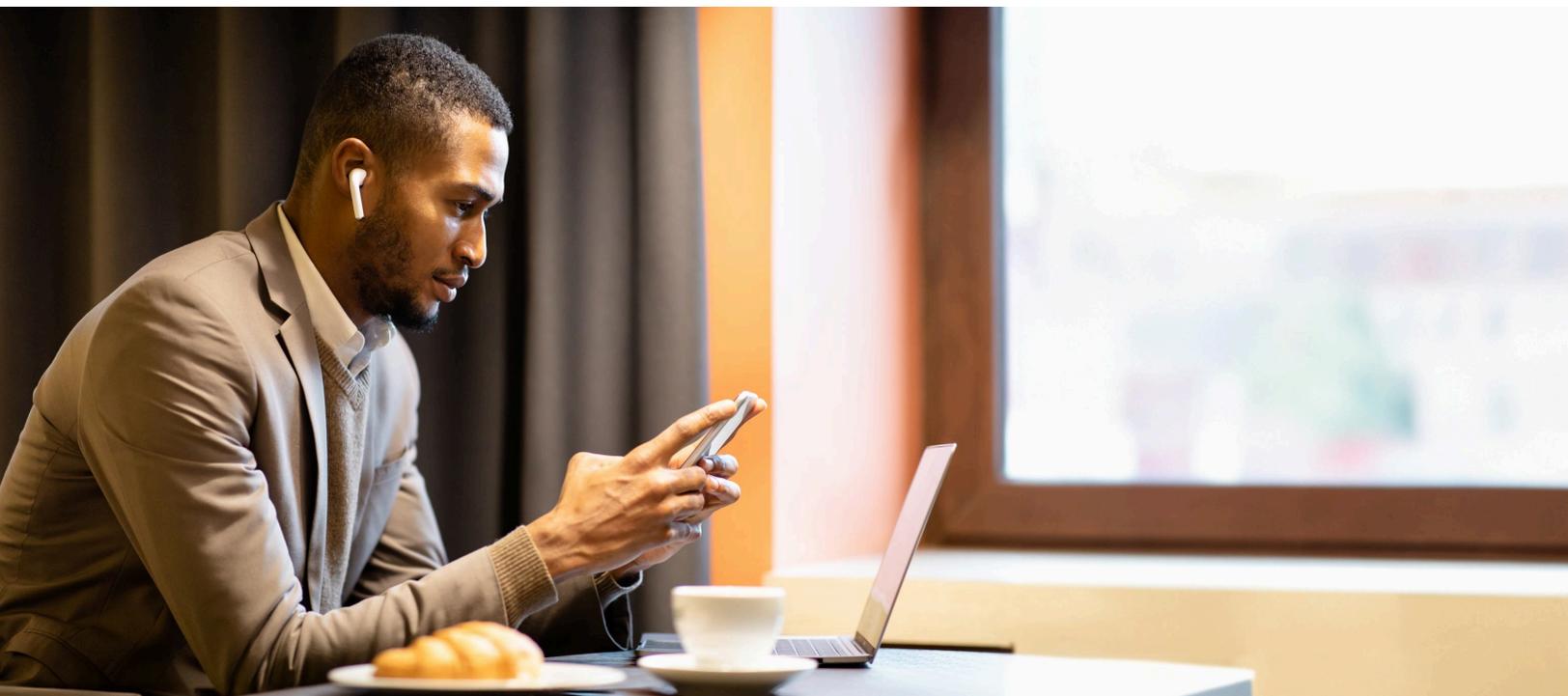Operating Costs

$27

$24

License Cost

Prem

ZOOM

Consider the time and resources it takes to maintain, repair, and upgrade your on-premises infrastructure, and it's no surprise that switching to Zoom Phone can save you an additional $3 per user per month on average.

Zoom Phone's TCO is $18 less per user per month than the average on-premises system included in the study. For an organization with 1,000 phone users, that adds up to a whopping **$18,000 in cost savings per month or $216,000 annually.**

But what if you could also save money on your PSTN costs? Premises-based systems in the survey reported a mode of spending $8 per user per month on PSTN.

Zoom Phone offers an unlimited calling option in the US and Canada. Based on the Metrigy study, organizations can potentially:
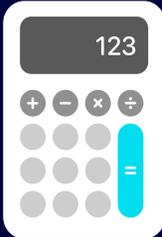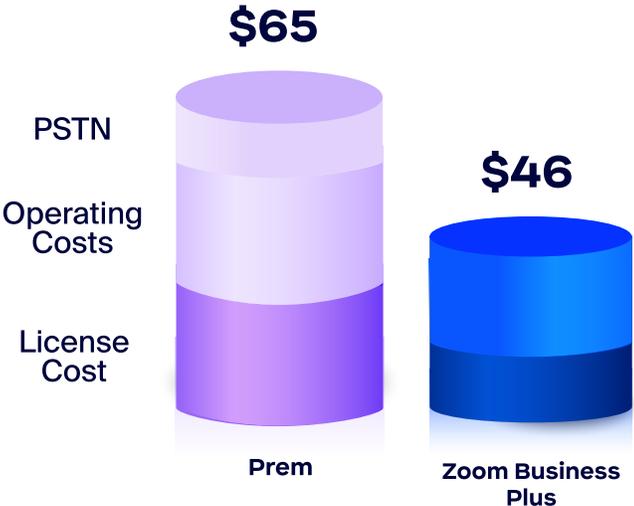
- Keep their existing PSTN contract and configuration, and enjoy as much as $18 per user per month in cost savings with Zoom Phone's Bring Your Own Carrier (BYOC) option.

- Switch to a Zoom Phone Native calling plan and save up to **$26 per user per month, or $312,000 annually for an organization of 1,000.**

| PSTN | Operating Costs | License Cost |

$65 — Prem ($8 PSTN)
$47 — Zoom BYOC ($8)
$39 — Zoom Native

Save even more when you consolidate

Your phone system is just one part of your overall communication strategy. Upgrading to an all-in-one platform could help you save more on other tools, too.

When you upgrade your legacy on-premises phone system to Zoom Workplace Business Plus, you get phone, meetings, business chat, AI capabilities like automated call summaries, and other collaborative tools at your fingertips. Your employees have what they need to work together on one platform. It gives you a simpler billing and administrative experience. And you can still save an average of $19 per user per month on phone costs alone — not to mention the other potential cost savings from replacing other business apps like chat, AI note-taking, whiteboarding, and video conferencing with Zoom.

$65

PSTN

Operating
Costs

License
Cost

$46

Prem

**Zoom Business
Plus**

How much can you save with Zoom Workplace?

Consolidate your collaboration tools, reduce your spend. See how much you could save when you take control of your app sprawl and streamline collaboration with our all-in-one platform.

Explore our ROI calculator

Make the move

Ready to move your on-premises phone system to the cloud? Chat with our team to see how Zoom Phone with AI Companion can help your team connect better and lead to real cost savings.

Talk to a Zoom expert