POTS Line Replacement—an Essential but Overlooked Step in Communications Modernization Efforts

It's Time to Upgrade Your Organization's Mission-Critical Specialty Lines

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Communications Transformation is a Strategic Imperative

Leaders and decision-makers of organizations across industries increasingly recognize digital tools as essential for long-term success in today's rapidly evolving economy.

Technologies such as unified communications, 5G mobility, cloud services, the internet of things (IoT), and artificial intelligence (AI) are revolutionizing how businesses generate value, empower employees, and connect with customers. Among these innovations, modern communications tools are powerful enablers of productivity and catalysts for digital transformation.

Organizations are turning to cloud-based communication solutions to gain significant benefits, including:

▶ predictable monthly costs, outsourced operations and support

▶ centralized, cloud-based management and monitoring

▶ reduced downtime, improved resiliency and continuity

▶ rapid access to new and enhanced functionality

▶ improved agility to pivot quickly toward opportunities and away from emerging risks

▶ support for shifting employee needs and workstyles

IT and telecom decision-makers are investing in communications and collaboration solutions to address key priorities[1]:

79%
Improve information management

78%
Boost team collaboration

76%
Drive growth

76%
Enhance resiliency and business continuity

Cloud communications adoption is a dynamic process, enabling organizations to implement new capabilities to address changing needs and new requirements. Upgrades are often phased in strategically, ensuring that the most suitable solutions are deployed based on location, department, or specific use cases.

[1] Global Frost & Sullivan IT and telecom decision-maker survey

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Next-Generation Communications and Collaboration Solutions Deliver Tangible Benefits

Cloud communications technology has matured and gained widespread adoption across industries and customer segments. As organizations increasingly realize the core productivity and efficiency benefits of modern communication solutions, forward-thinking business leaders and IT decision-makers (ITDMs) are focusing on unlocking even greater value by advancing their communication capabilities.

Serving as the engine that powers organizational growth and adaptability, next-generation communications and collaboration solutions are becoming integral to broader digital transformation initiatives.

Cloud communications deployments are continually:

▸ enhanced for reliability and flexibility in an evolving regulatory landscape

▸ integrated with business applications and databases for workflow and process efficiency and accuracy

▸ tailored to specific use cases and user needs

IT and communications transformation projects should be designed to tackle the challenges that ITDMs identify as "significant," "very significant," or "crucial"[1]:

inability to scale or be flexible with existing IT, communications, and collaboration solutions

systems integration, managing multivendor solutions

dealing with security concerns

dealing with privacy/compliance concerns

IT/telecom skills shortage; training/upskilling requirements

KEY TAKEAWAY

Plain old telephone service (POTS) and specialty lines are perfect examples of use cases that must be part of overall modernization efforts. Integration with broader cloud communications deployments can help resolve known pain points of POTS line deployments:

▸ high cost

▸ low reliability

▸ difficult to manage, monitor, and upgrade

[1] Global Frost & Sullivan IT and telecom decision-maker survey

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Service Provider Network and Portfolio Modernization Compels Organizations to Respond Urgently

Rapid technological advancements and shifting organizational requirements are compelling service providers to evolve their capabilities to better align with market trends and more effectively withstand competitive pressures. As part of modernization efforts, providers are phasing out legacy services, such as copper lines, and, in some cases, raising prices in mature markets to improve profitability. Changes in government regulations are further accelerating this shift. For example, Federal Communications Commission Order 19-72A1 (effective August 2022) removed the requirement for incumbent local exchange carriers to offer POTS to direct business and residential customers or to resellers, such as competitive local exchange carriers.

Capitalizing on these regulatory changes, numerous providers have announced POTS decommissioning plans. AT&T announced in December 2024 its plan to phase out copper-based services across most of its network by the end of 2029, underscoring the industry's transition to next-generation solutions. This creates an urgent imperative for organizations to replace POTS with modern, future-ready technologies.

▶ 20 million POTS lines are in the process of being decommissioned in the United States.[1]

▶ POTS line prices increased by 27% from 2005 to 2020[1], a trend that will continue.

▶ Approximately 2 million legacy Centrex lines still in use are likely to be discontinued as providers prioritize next-generation cloud communications solutions.[2]

▶ Cellular costs have decreased 50% from 2005 to 2020[3], and will continue to decline, creating opportunities to replace legacy solutions with cellular alternatives.

KEY TAKEAWAY

Failing to modernize Centrex, POTS, and specialty lines exposes organizations to security vulnerabilities, regulatory compliance risks, and missed opportunities for cost reduction and operational efficiency. Replacing Centrex and POTS with next-generation solutions can significantly enhance the return on investment (ROI) for communication upgrades.

The Importance of POTS Must Not Be Underestimated

POTS lines, including a variety of analog devices and specialty lines, are an essential part of an organization's communications infrastructure. Frequently overlooked, POTS and legacy specialty lines can account for a considerable portion of communications spend but are necessary to support:

▶ important business-process endpoints (e.g., fax machines, point-of-sale terminals)

▶ safety and security infrastructure (e.g., elevator and door phones, alarm systems)

However, maintaining POTS and legacy specialty lines adds complexity to IT operations and increases the potential for error in workflows. Outdated or disparate solutions are often managed and monitored separately from the rest of the communications infrastructure and endpoints, which adds to daily staff workload and required training. Technology silos and fragmented workflows can:

▶ erode process efficiency

▶ compromise safety

▶ degrade customer service

81% of ITDMs report that their organizations will **adopt next-generation solutions** to replace specialty POTS and analog lines by the end of 2026[1]. POTS replacement solutions must be robust and resilient, compliant with industry standards, aligned with company priorities, and designed to support effective monitoring and management.

▶ In communications transformation projects, safety and security use cases must be prioritized.

▶ POTS use cases can vary based on the industry and specific organization. Examples include:
  ○ **Government/emergency services:** E911 systems; government buildings and public safety networks where reliability is imperative; dedicated emergency communication lines for coordination during crises
  ○ **Healthcare:** Emergency monitoring services in hospitals, nursing homes, and personal medical alert systems; direct emergency communication in elevators
  ○ **Retail:** Secure transaction processing in areas where internet connectivity is unreliable; alarm systems for theft prevention and fire safety
  ○ **Financial services:** Support for ATMs and point-of-sale credit card processing in remote locations; secure, compliant voice lines for sensitive communication
  ○ **Manufacturing:** Fire and hazardous material detection and alarm systems; connectivity for older, critical equipment requiring analog lines

[1] Global Frost & Sullivan IT and telecom decision-maker survey

A Holistic Approach to Communications Transformation Maximizes ROI

Communications upgrades are often implemented on an ad-hoc basis, addressing immediate tactical needs. This approach can create technology silos, hindering organizations from fully capitalizing on the benefits of comprehensive communications modernization. A holistic approach to communications transformation can:

- ▶ help ensure tighter integration across disparate solutions
- ▶ better align technology investments with broader business objectives

Organizations adopting next-generation communications solutions must carefully inventory their existing systems, services, and devices, including POTS lines and devices, to:

- ▶ identify opportunities to improve cost efficiencies
- ▶ upgrade functionality to streamline processes
- ▶ address potential security or compliance vulnerabilities

A cloud communications strategy that incorporates POTS solutions can future-proof technology deployments by enhancing infrastructure manageability and streamlining the organization's technology evolution roadmap.

Leading organizations recognize the importance of a comprehensive cloud migration strategy that ties technology adoption to business outcomes[1]:

67% of organizations have adopted a cloud-first approach for all new applications.

66% of ITDMs state that aligning IT, communications, and collaboration investments with business strategies is a "significant," "very significant," or "crucial" challenge for the IT department.

62% of ITDMs state that "a successful, competitive business requires a strategic, seamless hybrid or multicloud environment as soon as possible."

A carefully planned and executed communications transformation strategy can maximize investment returns by minimizing the risk of unexpected costs and complications. POTS replacement should not be an afterthought but an integral part of an organization's comprehensive vision for evolving its mission-critical digital foundation.

[1] Global Frost & Sullivan IT and telecom decision-maker survey

Choosing the Right Communications Provider is Crucial for Long-Term Success

Selecting a provider with a comprehensive cloud communications and collaboration portfolio, including robust POTS replacement options, enables cost and risk reduction that significantly enhances ROI through streamlined solution design, implementation, and ongoing management. A unified upgrade of your communications infrastructure with an integrated solutions stack further optimizes efficiencies because of consolidated solution administration, services billing, and device management across tightly integrated solutions.

A rigorous provider selection process is essential to meet the unique requirements of each organization. However, certain criteria are widely valued by decision-makers, including:

▶ solution features, security, reliability, and compliance
▶ geographic coverage/service reach
▶ implementation and management skill set
▶ portfolio breadth, including telco services
▶ communications migration expertise

Capabilities that ITDMs "must have" or "would like to have" when purchasing communications and collaboration infrastructure, software, and services in the next three years are[1]:

84% high scalability

83% most advanced security features

83% strongest compliance with industry regulations

83% highest reliability

83% excellent provider implementation and solution lifecycle services

81% broad technology portfolio that allows one-stop shopping

To ensure long-term success in communications transformation, organizations must prioritize reliability, security, and scalability when adopting next-generation solutions. A provider's portfolio breadth—particularly solutions tailored to unique use cases, such as POTS and specialty-line replacement—is an important consideration when selecting the right transformation partner.

CALL TO ACTION

Position communications as a strategic priority:
Communications are the lifeblood of your organization and should be central to your digital transformation strategy. By adopting modern cloud communications solutions, your organization can unlock significant cost savings, enhance productivity, improve flexibility, and strengthen its ability to respond quickly to dynamic market conditions and evolving customer needs.

Upgrade POTS and specialty lines urgently: POTS and specialty lines have a vital role in essential workflows and critical safety and security use cases and must not be overlooked in modernization efforts. Implement a holistic communications transformation strategy that integrates these systems with your broader communications infrastructure to reduce implementation and management costs, mitigate risks, and simplify future technology upgrades.

Choose the right partner for long-term success: Ensure long-term success by partnering with a trusted provider that offers a comprehensive and integrated cloud communications and collaboration portfolio. Such a provider should meet rigorous standards for reliability, security, and scalability to enable seamless and future-proof transformation.

For more information on POTS replacement options, visit:
Clearspan POTS Replacement Solution (PRS): The Modern Analog Alternative

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