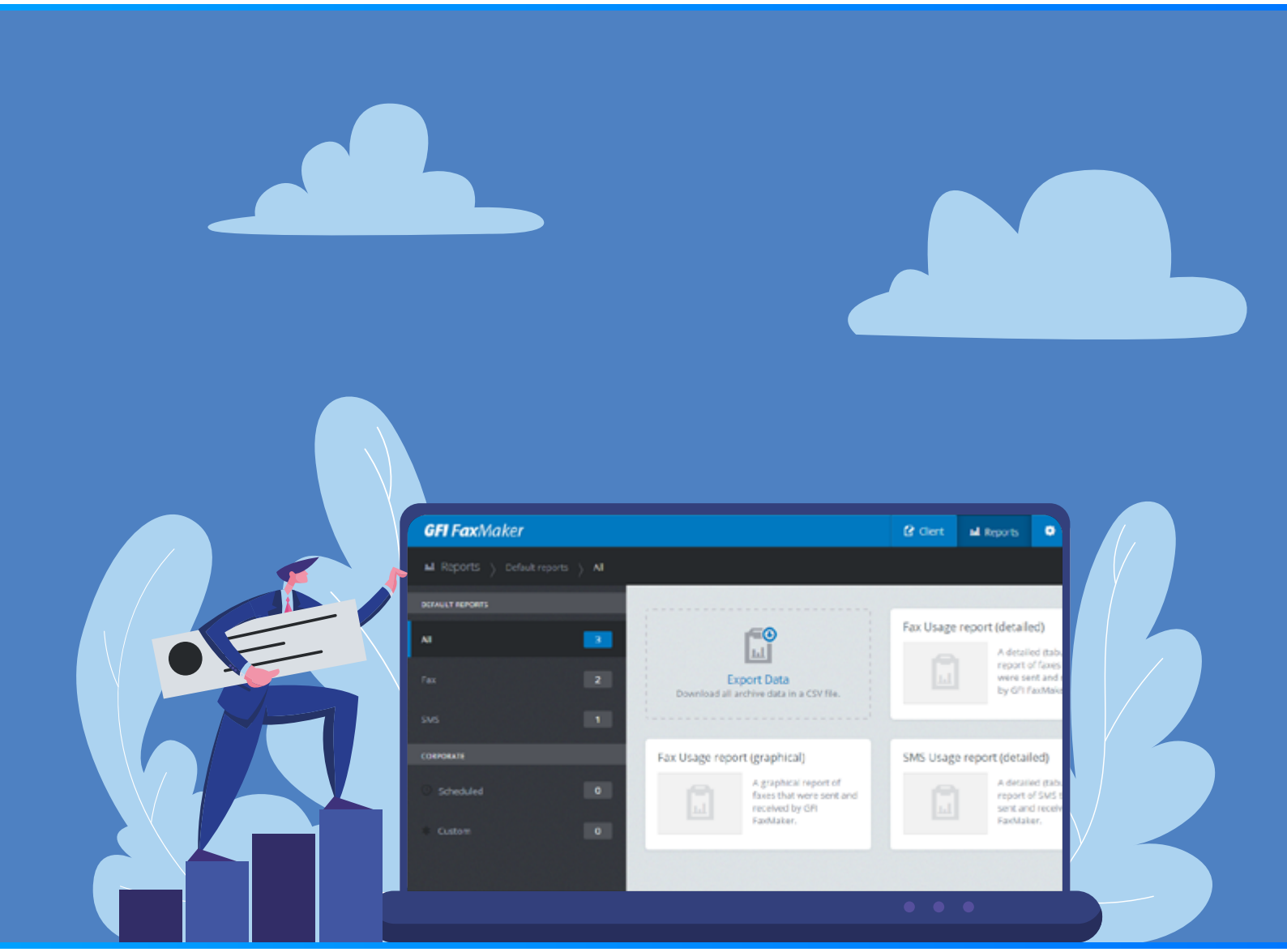
WHITEPAPER

The benefits of digital faxing compared to traditional fax machines



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Introduction

A viral joke has been going around for years that reads:
“Could you fax over a copy?”
“No, I can’t fax because of where I live.”
“Where’s that?”
“The 21st century.”

How many decades have gone by now in which people predict that fax machines will become nonexistent? We’ve all heard the jokes, but the bottom line is that these jokes are only still relevant today because of the fact that so many places do still fax. Nobody would find that joke funny if people weren’t constantly actually asking you to fax over a copy.

People seem to keep hoping that faxing will finally disappear because it has so many complications attached to it, especially in the age of the internet when everything is already online. Why do we have to print out something from our computers, physically go to a fax machine to send it, then collect and store the receipt, when we could much more simply email the file?

Why is faxing so universally hated?

More than just the simple inconveniences stated above, faxing can create so many additional problems that make it one of the most hated tasks of office life.

First of all, traditional fax machines transmit at the slow rate of one minute per page, which can seem like an eternity when we are so used to faster-than-light emails. Considering the information that the fax machine must condense - a document consisting of words, images, or both - the process could take even longer.

And this says nothing of the various fax-related issues that can interfere with daily responsibilities, such as dealing with a frustrating paperjam or running out of ink. Furthermore, small offices fighting over one fax machine, or a busy phone line can eat into potential productive hours even more.

In addition to this, if your business is within any highly-regulated industry, a simple blunder--such as being one digit off when typing in a phone number or improperly disposing of old faxes--could lead to tens of thousands of dollars worth of fines per incident. This brings the stress of handling faxes to incredible proportions.

Why abandoning fax is not an option for many

For businesses that must stay compliant with fax-related regulations, let's review some of the steps that your office staff must always follow in order to avoid non-compliance penalties if they are using traditional fax machines:

- Use a cover letter
- Save speed-dial numbers for frequent fax recipients to prevent misdialing numbers
- Verify any new numbers with a test fax
- Put policies in place to immediately respond if a fax is sent to the wrong number
- Put policies in place for storing, copying, and disposing of faxes
- Make sure your fax machine is in a secure room where only authorized personnel can access it
- Make sure delivery is successful

From the wasted time-resources spent sending a fax manually, to the high possibility of human error, it might be hard to see why fax is still such a dominant means of communication.

However, even with all of these difficulties, the reality remains that fax is still the only option for many industries, such as legal, healthcare, and finance. Whether they want to move onto new technologies or not, people in highly regulated industries have no choice but to continue with faxes.

The legal industry, in particular, must stick to faxing not only to make sure that the privacy of their clients is protected but also to have a legally-binding signature on documents, something that just isn't possible with email.

Additionally, personal privacy is of utmost importance to governments in the US, Europe, and many other parts of the world. This means that sending emails with confidential information just isn't going to cut it. With the possibility of hacks, phishing schemes, and other potential complications, email does not meet stringent security standards.

However, we all know that faxing has the potential to be insecure, too, so these industries must take extreme precautions to make sure that they stay compliant.

Being absolutely certain the fax number is correct, not allowing unauthorized people to access the machine, and properly storing fax records for many years are just some of the rules those in the healthcare, legal, and finance industries must follow.

On top of this, each industry has its own rules as well. All American healthcare providers, for instance, must follow HIPAA (Health Insurance Portability and Accountability Act).

Whether it's a mistyped number or mishandling storage of the documents, errors can result in HIPAA fines that have a range of $100 to $50,000 per incident, up to $1.5 million per year. In 2018 alone, a total of $28,683,400 worth of HIPAA violation fines were levied.

Along similar lines, the finance industry's fines for mishandling data are similarly harsh. Recently, for instance, Tesco Bank was fined $21 million by the UK's Financial Conduct Authority (FCA) due to a preventable cyber attack in 2016.

With GDPR (General Data Protection Regulations) fully-fledged in Europe, companies are learning that they have no choice but to take privacy seriously. This means that for those in highly scrutinized and heavily regulated industries, fax remains the only option.

Software-based faxing to the rescue

Accepting that faxing isn't going away anytime soon, particularly within these industries, it's time to consider the available options. Let's say that there's a way to maintain compliance, stay secure, and maintain the legality of fax-related documents without the typical pitfalls of physical fax machines. Seems too good to be true, doesn't it?

FoIP, or Fax over Internet Protocol, is a relatively new way of faxing in which the documents are sent and received over a VoIP network instead of the traditional Public Switched Telephone Network (PSTN).

Although it took a while for FoIP to be accepted by businesses, it's now widely utilized in software-based faxing solutions because of its numerous benefits. When using this method and bypassing the PSTN completely, transmission costs are typically lower, and all compliance-related matters are much more efficient.

With software-based faxing, sending and receiving faxes isn't only restricted to fax machine to fax machine, but it also opens the door to the possibility of sending transmissions between fax machines and emails.

This approach is a relatively simple adjustment from traditional faxing because existing fax infrastructure and old fax numbers can be kept while transitioning to a software-based faxing solution.

Key benefits of software-based faxing

Now that you understand the essentials of software-based faxing and FoIP, you're probably wondering if it's worth the trouble. Here are the benefits of this technology over traditional faxing, considering both end users and administrators:

- Send documents in a much more secure way than simply emailing files
- More simply adhere to security compliance guidelines such as HIPAA and GDPR
- Have the possibility to receive fax reports on-screen rather than waiting by the fax machine for a sent or received response
- Fax large, multipage documents just as quickly as single pages
- Increase mobility and help remote workers by allowing users to access faxes on their devices instead of only through the physical fax machine in the office
- Leverage existing networks to utilize FoIP and eliminate the need for fax lines
- Easily archive the image files, helping with storage, sorting, forwarding and compliance
- Simplify backup storage, disaster recover, and redundancy
- Lower costs by wasting less time and physical resources
- Automatically route incoming faxes to the correct recipients
- Easily monitor fax usage and create reports when needed

How can software-based faxing be deployed

As with many technologies, software-based faxing can be deployed using a cloud service, an on-premises fax server, or as a hybrid of the two. If you choose on-premises deployment, your company can also decide between physical fax servers or virtual machine (VM) fax servers.

Each deployment method has its benefits and its drawbacks. Let's discuss a few.

- **Control**

  There's no doubt that having your fax solution hosted on-premises in your own data center gives you more control. The sword swings both ways here, though.

  Yes, you have more control over your data, servers, software, and infrastructure to fix problems.

  However, if you are not investing the proper resources into managing your solution, you also have the potential to create many more problems. Depending on your infrastructure and resources, the control could be either a drawback or a benefit.

  It's important not to underestimate the time and money required from your IT team to stay up-to-date on all needs with an on-premise solution, including daily management, routine maintenance, and any sudden issues.

- **Deployment time and cost**

  When it comes to setting up an on-premise solution, regardless of server type, it does take more time to learn the ropes and get everything configured properly. Cloud-based deployments are often much quicker in terms of setup.

  On the other hand, an on-premise solution requires a higher initial investment but can minimize recurring costs, while cloud-based solutions are the opposite.

  Virtualizing fax servers can help with the reduction of infrastructure costs thanks to the better utilization of server resources. If you choose to opt for an on-premise VM fax server, you can run additional workloads on the same physical server and balance the total utilization around an optimum level at all times. However, cloud-based deployments are still generally more cost-efficient in terms of initial investments.

- **Scalability**

  Typically, it is more expensive and time-consuming to scale your business with a self-hosted solution rather than one on the cloud.

  This certainly isn't always true, but companies with an on-premises software-based fax solution need to consider server sizes and the possibility of requiring multiple servers, multiple gateways, and more.

  Virtualization can be a good middle ground option as it eases the issues with scaling to some extent.

  If your business is likely to stay around the same size, an on-premise solution would work just fine for you. Otherwise, it might be easier to consider a cloud-based solution.

- **Compliance**

  Following strict compliance laws can be difficult no matter which service you choose. If you properly research and decide on a cloud-based service that has strict compliance regulations, it is easier for most companies to leave the responsibility in the hands of a large provider.

However, this burden also goes back to the first point, control. If you have your own on-premise fax solution, you must take on more responsibility and resources. If properly maintained, you can be certain you are following all compliance regulations, rather than leaving the responsibility in the hands of another corporation.

The decision between cloud-based or on-premise deployment has to be made based on your unique requirements. If you are looking to scale, want less IT resources invested, a smaller up-front investment, and easier compliance, a cloud solution is probably best for you.

Although, if your company is planning on maintaining a relatively stable size, you have the time, money, and IT department to manage your solution, and you desire or require greater control over your data, an on-premise fax server is likely your best choice.

Conclusion

As much as we'd all like to hope that faxing is gone, continuing to make jokes about the obsolescence of the fax machine, we all know it's here to stay.

While some people believe that email-only is the easiest form of communication, electronic faxing can give you the best of both worlds. Through software-based faxing, businesses can have all of the benefits of this older technology updated for the modern Internet age.

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- Easy to use for people who need to fax
- Simple, flexible deployment for administrators
- Built-in security and reporting for compliance with regulations

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