



# Differentiate your business with a cloud contact center

## A guide to selecting a partner that will enhance the customer experience

An Ovum White Paper

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### INTRODUCTION

Businesses must become agile and provide differentiated service as customer demands and expectations change. Moving beyond simple phone transactions, customers are taking matters into their own hands and turning to their peers, the web and social media to find answers.

Contact centers play a major role in determining the customer's perception of a company. Often seen as brand ambassadors, agents are the main interaction point for customers. It is therefore critical that they deliver personalized communications in the channels that customers prefer. Businesses should use cloud technology to add multichannel tools and support growing demand for chat, social, SMS and video.

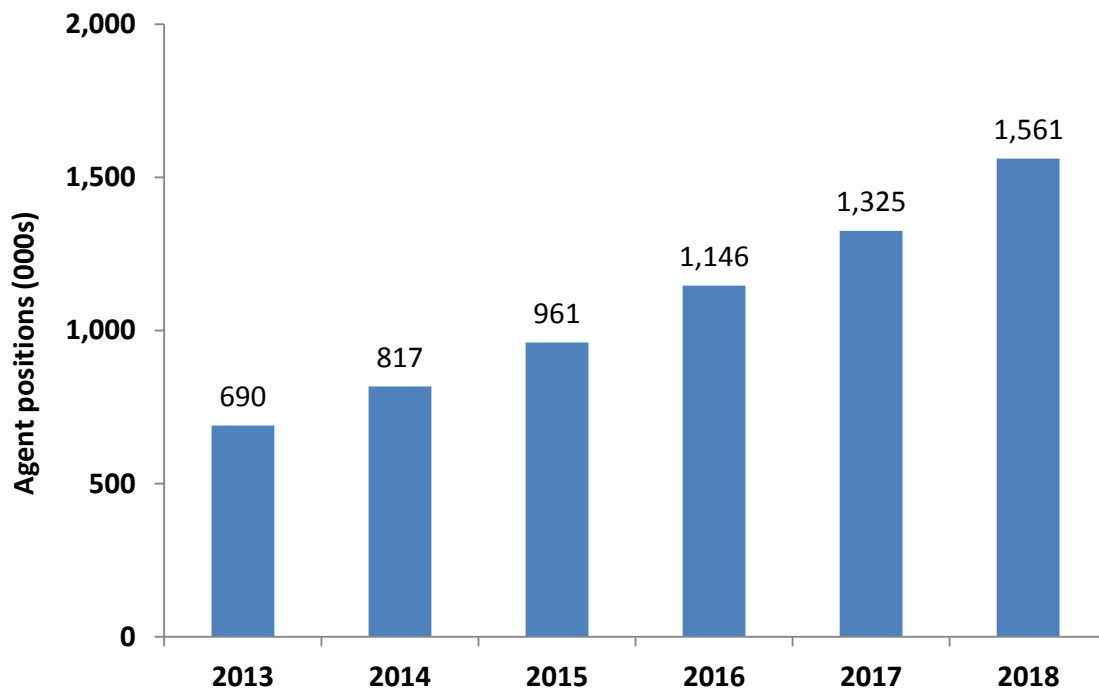
Cloud solutions allow contact centers to gain access to new technology capabilities and channels on demand with the ability to scale up quickly. They offer the best technology innovation as well as the ability to scale agents up and down as business needs change. This whitepaper provides background on cloud contact centers, their advantages and the essential considerations for selecting a vendor. It describes:

- Trends surrounding the adoption of cloud contact center technology;
- The advantages of selecting a cloud contact center solution;
- Key factors to review when selecting a vendor and contact center platform;
- Recommendations and a maturity model that businesses can use to develop a cloud contact center roadmap.

## ADOPTION OF CLOUD CONTACT CENTERS IS INCREASING

Cloud technology makes it easier for businesses to unite their technology investment strategy across departments, integrate solutions, and migrate to cloud technology on a modular basis. Today cloud capabilities are widely available across different technology sets. Cloud contact centers in particular have become more reliable, customizable and flexible providing more than just a way for businesses to alter expenditure. Service-led software deployments were traditionally considered for individual applications, such as CRM or IVR, but cloud solutions are now a viable option for entire contact center suites, from routing and self-service to workforce optimization and analytics tools. Vendors have developed clear roadmaps for contact centers wanting to migrate from existing on-premise deployments as well as for greenfield contact center investments.

**Figure 1: Global cloud contact center seats, 2013-2018**



Source: Ovum

The number of agents using cloud contact center technology is expected to grow rapidly as shown in Figure 1. Ovum predicts that this high growth will continue over the next five years as more contact centers realize the benefits of cloud solutions. In North America the number of cloud-based agent positions will grow at 18% from 2014 to 2015, while in Europe the number of cloud seats will grow at 16% from 2014 to 2015. Double-digit growth is expected to continue over the next five years in both



regions. Businesses have gained confidence in cloud technology as it has matured and become more reliable. Limited internal resources and the need to quickly add new features are also contributing to this significant uptick in the number of cloud contact center deployments.

## WHY CHOOSE A CLOUD CONTACT CENTER?

**Figure 2: Business benefits for cloud contact centers**

Benefit	How?
<b>Cost savings</b>	Initial outlay is reduced with a pay-as-you-go model, allowing you to pay for only what you use. Cloud contact center solutions lower support costs and eliminate expenses for upgrades, ensuring business continuity and minimal disruption to contact center service levels. Contact centers gain rapid ROI.
<b>Rapid deployment</b>	Cloud contact centers require less installation and are therefore easier to scale and administer. Faster deployment times enable contact centers to be operational in a matter of weeks rather than months. Businesses can rely on service providers' expertise during implementation phases to reduce costly mistakes.
<b>New services</b>	IT staff can spend time designing and developing new contact center services for customers, such as mobile support applications, instead of managing and deploying core infrastructure. Security needs can be outsourced to service providers to manage; this particularly benefits smaller contact centers that do not have in-house resources or know-how.
<b>Differentiated service</b>	With access to the latest upgrades and product capabilities innovation is continuous. Businesses can adapt quickly and focus on delivering the highly personalized services customers are demanding today.
<b>Greater efficiency</b>	Cloud technology permits flexibility in adding new features; agents gain more visibility into customer needs across different channels. In addition, supervisors can run their contact centers efficiently with valuable tools, including coaching and robust reporting.
<b>Assured performance</b>	Enterprise-class cloud contact center providers must guarantee uptime and reliability. They will have additional data centers and backups, typically making their solutions more reliable than an in-house contact center solution.

Source: Ovum

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In addition to offering a change from capital expenditure to operational expenditure, cloud contact center solutions offer numerous other benefits to businesses, such as rapid deployment, access to the latest capabilities, and freeing up internal resources. Figure 2 lists some of the advantages for businesses that are considering investing in a new cloud contact center platform.

While cost savings, deployment times and scalability are important factors, businesses should also think about the ways a cloud contact center can improve the customer experience. Contact centers can be used as a hub to deliver exceptional service and to generate revenue by refocusing resources and creating a tailored migration plan that matches customer channel and interaction volume requirements.

## **ROI and cost considerations**

In addition to the initial outlay involved, decision makers should think about future costs and expansion when selecting a deployment model. Contact centers need to collaborate across the business since the broader company strategy and introduction of new products and services directly impacts customers. Changes to billing structure, for example, could result in a larger volume of customer questions online and contact centers must be staffed and prepared to handle these fluctuations. Businesses should create a customer service technology plan that takes into consideration potential customer trends beyond the initial buying period.

The following questions will help determine whether cloud solutions make sense for a business:

- Will you be expanding your contact handling capacity within the buying period?
- What are the current and future expectations for contact channel management?
- Is your business looking to use the contact center to differentiate and personalize the customer experience?
- Does the business have sharp swings in interaction volume due to seasonality or workforce change?
- What are the requirements for cloud solutions across other areas of the business that impact the contact center technology and integration needs?
- How are existing resources, including space, technology and staff utilized?

Contact centers should address whether cloud solutions have already been implemented in other parts of the business. There may be cloud-based applications that can pave the way for a wider acceptance of cloud in the contact center. These could include CRM applications or enterprise applications that either have a customer-facing component, or that have persuaded some skeptics that the cloud is a cost-saver and a flexibility enhancer. Collaboration and buy-in from stakeholders in other



departments are essential in determining whether a business's choice of deployment mode is a tactical or a strategic question.

## **HOW TO SELECT A CLOUD CONTACT CENTER SOLUTION**

As the number of vendors offering cloud contact center solutions grows, businesses need a set of criteria to evaluate the different offerings. They need to consider existing platforms and resources, technical capabilities and how their requirements will evolve in the future, alongside vendor reliability and proven deployments. Ovum has defined three core categories that businesses should review before finding the right vendor and platform for their support organization.

### **Internal resources**

Management, staff skills and existing solutions have an impact on investments in new technology. It makes sense to have an agreement throughout the business regarding deployment strategy for applications that will create a cohesive experience going forwards. The new contact center platform must be able to integrate with existing telephony and infrastructure. Businesses should review:

- IT team capacity – This includes existing staff responsibilities and expertise as well as technology requirements.
- Integration requirements – Managers need to assess the applications and data that will be integrated with the new platform to ensure interoperability.
- Security – Businesses may have certain applications or data sets that must remain in-house. They need to correlate these existing security needs with any new contact center tools.
- Agent and supervisor desktop tools – If switching from an existing solution, managers should also consider how a new application impacts agent training. Familiarity with particular toolsets or features can help agents get up to speed on new applications. Similarly, supervisors require applications that are simple to manage and administer.

### **Contact center capabilities**

Once businesses have carried out an internal review of their capabilities, they should prioritize contact center applications to invest in. When looking at new platforms they should consider which tools most align with their needs, such as:

- Customization – There is a need to address unique business branding, reporting or feature sets. Cloud solutions were historically considered less practical for highly customized requirements but this is not the case with today's products.



- Reliability – Businesses require a standard uptime guarantee. Does the vendor provide SLAs with an uptime guarantee, and does the vendor have failover sites and backups to protect against unexpected outages?
- Features – Businesses should draw up a list of essential and desirable functionality for their platform, considering whether they will deploy a full suite of multichannel routing tools to the cloud or point applications, such as IVR or CRM. Feature parity between on-premises and cloud contact centers means that it will be easier to migrate from one deployment model to another with minimal impact on customers or employees.
- User interface – Agents need to be trained quickly and a familiar experience will help them to get up and running quickly. In addition, decision makers should have easy access to administration and reporting.
- Channels – Contact centers may not need to deploy all channels initially but should ensure that the contact center platform has an array of multichannel options. They should review ease of adding new capabilities at a later date when customer demand grows or resources become available.
- Hybrid – If there is a requirement to keep certain data or applications online, a vendor that offers a customizable mix of premise-based and cloud capabilities makes most sense.

## Vendor offering

- Enterprise-class security and scalability – Security and scalability are vital in selecting a cloud contact center platform. Vendors must offer end-to-end security, high availability, redundancy and standard industry certifications. When switching to the cloud, contact centers gain a security advantage over their competitors by leveraging the expertise of their provider.
- Complete solution – Contact center capabilities should be comprehensive with support for workflow across departments and employee actions. Understanding the applications included and the vendor equipment will be valuable in ensuring smooth upgrades and reliability.
- Maturity of the solution – In addition to features, maturity of the technology and vendor experience with provisioning cloud tools should be a factor in decision making.
- Monthly usage pricing – Pricing should map to monthly usage, based on the number of interactions for the contact center. Contract commitments should include discounts based on volume and there must be an option to scale up or down based on demand.
- Services capabilities – Businesses need assistance during the deployment phases to ensure a smooth transition period as well as access to experts for troubleshooting.



Decision makers should review the vendor's professional services and support teams, working with local teams that have specific cloud contact center and industry expertise. In addition, 24/7 support must be available, 365 days per year in order to maintain consistent support to customers in the case of any contact center issues.

- Reputation and financial security – Existing use cases or customer examples can help a contact center determine whether a vendor is a good match for them. Vendor market positioning is also important in ensuring that they will be a strong source of support in the future.
- Future roadmap – in addition to reliability for the future, a vendor should have a clearly defined roadmap to help businesses innovate and stay ahead of competitors. Businesses should look for a cloud contact center provider that can ensure continuous innovation, so they can use customer service as a differentiator.
- Partnerships and integration – Technology partnerships and easy integration with existing tools are key for future implementations and evolution of the internal technology stack. A commitment to open standards ensures the contact center stack will be adaptable and easy to integrate as the market evolves.

## **DECISION MAKER RECOMMENDATIONS**

### **Convene relevant stakeholders**

Businesses, irrespective of size should determine a strategy for IT deployment that makes the most sense for the company as a whole rather than individual departments. IT teams need to collaborate with external departments to determine how a cloud contact center solution integrates with existing applications; for example, billing, CRM or customer analytics tools. Decision makers must gain consensus by sharing the benefits and reliability of the offering with colleagues in departments such as marketing, IT, and finance. This is critical to getting the internal resources and buy-in needed to deploy new cloud technologies. In addition, customers expect a connected experience when they reach out to different departments with questions and concerns. Businesses should use technology to connect customer data points and ensure a smooth interaction even when the customer is transferred to a different department or across channels. When it comes to cloud, executives need to look at interdepartmental needs, challenges, and constraints in order to create a more forward-thinking technology strategy.

### **Assess segments of technology for off-site viability**

Once stakeholders have been gathered, they should work through an IT requirements analysis, assessing existing technology and important data for integration. They may find key segments of information that need to remain on-premise for security or compliance reasons. Vertical sector and



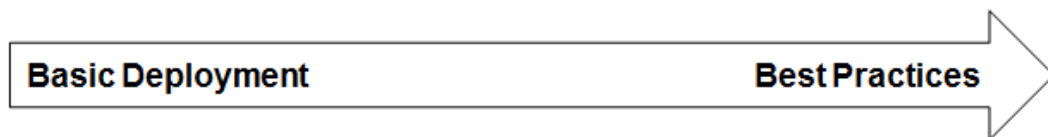
customer data sets will influence this. In addition, there may be certain contact center tools that need to be prioritized for cloud. For example, contact routing and IVR may be pushed to the cloud, whereas call recording and customer analytics may remain on-premises for the initial rollout and moved to cloud later.

**Benchmark maturity and migrate gradually**

Figure 3 is a realistic snapshot of how enterprises implement cloud technologies. Enterprises typically add cloud-based capabilities in phases, when the tools become relevant to their technology requirements.

**Figure 3: Maturity model for cloud-based customer service**

	<b>Level 1 Implementation</b>	<b>Level 2 Consolidation</b>	<b>Level 3 Optimization</b>	<b>Level 4 Transformation</b>
<b>Objectives</b>	Improved efficiency and cost savings	Improved efficiency and customer satisfaction	Improved effectiveness and loyalty	Alignment of customer experience with corporate goals
<b>Engagement strategy</b>	One to two channels	Multichannel	Cross-channel	Data and workflow sharing across entire enterprise
<b>Cloud contact center investments</b>	Hybrid architecture - Mix of cloud and premise-based infrastructure	Customer service migration - Most customer service technologies are in the cloud	Customer-centric cloud - Channels fully integrated and rich context available	Customer experience cloud - Seamless switching among channels and departments



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Initially in the implementation phase, many enterprises are focused on operating efficiency and holding down costs. As they evolve and gain more capabilities, they can then start to think about using cloud tools as a way to boost customer retention and loyalty, and to align customer experience across departments.

A cloud-based contact center gives businesses the ability to not only improve the customer experience but use it as a differentiator for their business; they gain access to the latest technology and can scale quickly to meet customer demands. But they should also realize that migration to cloud will gradually transform their business as they gain applications and expand the channel set. An initial implementation may begin with core channels, such as voice and email, utilizing the technology to improve efficiency and save on resources, without having to make a significant financial up-front outlay.

### **Select a partner that supports expansion and contact center evolution**

Businesses need to find a partner that best matches their needs with price, functionality and support in the short- and long-term. The vendor must offer enterprise-class, scalable solutions with guaranteed security. Businesses that are looking to evolve to cloud for the first time or create a new contact center need a vendor that offers comprehensive support services in order to smooth migration and speed time to value. Once a cloud contact center has been deployed, businesses need the ability to expand the number of seats, increase channel support options or add applications to meet demand. As discussed throughout the paper, a vendor that takes into consideration future contact center evolution is essential.

### **Prioritize the customer experience**

Cloud contact centers should be deployed to drive continuous business innovation. By selecting the right cloud solution, decision makers gain the ability to quickly deploy new multichannel capabilities as well as confidence in the reliability of their technology. Businesses should use these new found tools to tailor their contact centers quickly to meet customer needs and deliver a differentiated customer experience.



## **APPENDIX**

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