

# Use Hosted Platforms To “Unify” Customer Contact

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**In a time of technology transitions, many enterprises will find it’s better to opt for a service rather than CPE.**

**C**ustomer contact activities are the place where business communications need the most flexibility and consistency, and where software technology is going to be changing the most. The staff requirements to support change and the continual investment to avoid technology obsolescence will make it difficult for business organizations to continue to take direct responsibility for managing and supporting call center hardware and application software on premise. Hosting and multisourcing of staff may be the answer for many businesses.

Hosting is where customers pay for the applications and services on a “pay by the drink” basis (what is coming to be known as software-as-a-service or SaaS). Service providers invest in the hardware and software infrastructures; customers simply use the applications and services and reap the benefits.

## Satisfying The Business Priorities First

As Table 1 shows, improved customer satisfaction and related issues represent business managers’ highest priorities for mission-critical customer contact technologies. This is followed closely by improved first contact resolution (FCR) and time-to-value to support the first two goals. All three of these key objectives are becoming more complex because of two basic technology factors:

■ Changes in how consumers get information,

communicate and do business over the Internet as mobile, multimodal and “always on” contacts; and, more specifically,

■ Changes in how voice telephony applications will be implemented and used as part of software-based IP communications, popularly known as VOIP, IP-telephony, or as part of Unified Communications (UC). These new capabilities will include a new ability for business process applications to “intelligently” initiate real-time contacts with people, referred to as “communication enabled business processes” or CEBP.

So although business management may understand and want to maximize all three of the above-mentioned operational priorities, there is much confusion on the technology management side about how to implement new customer contact technologies most easily and cost effectively. This is particularly true given the traditional “bias” toward owning technology—a stance that is now being replaced by the more flexible but still evolving SaaS model.

A 2006 Yankee Group study showed TCO savings of 28 percent to 45 percent over a three-year period (depending upon the number of agents) for hosted rather than traditional on-premise call center telephony technology. Savings are derived by eliminating the complexity of creating and supporting an on-premise environment that is both labor and capex intensive relative to a hosted model. Every business must now consider the additional benefits of exploiting hosted services to support multimodal customer contacts in the new UC environment of business communications.

## Customer Contact Is Not Just Telephony Anymore

Although traditional customer contact activities have included both inbound and outbound call handling, the second-most critical business priority for contact center technologies, “improve first contact resolution,” focuses on

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TABLE 1 Business Priorities

	Priority
Improve customer satisfaction, retention and loyalty	3.34
Improve First Contact Resolution (FCR) to achieve 1	3.02
Time to Value (speed) and lower operational costs to support 1. and 2.	2.70

inbound call handling, where the customer is the “contact initiator.”

Outsourcing call center staffing “on demand” is a popular alternative available to satisfy the need for 24x7 live assistance across time zones in a global environment, or for accommodating heavy traffic spikes. However, providing “multi-sourced” staffing with common customer contact software tools is also a major challenge that needs to be addressed, both from a service consistency perspective, as well as from a technology management view.

Dealing with multiple software applications and different service providers introduces another big problem for contact center operations, i.e., managing interoperability, software integrations, and ongoing software updates across the complex spectrum of this mission-critical application domain. Making things now even more complicated is the need for “unified” customer contact capabilities, driven by consumers who increasingly initiate contacts online and from multimodal mobile devices (“consumer UC”).

#### **Impact Of IP, UC And Mobile Communications**

IP communications, including VOIP and IP-telephony, are facilitating the efficient “virtualization” of customer contact resources, i.e., customer information, business applications and people resources. This not only facilitates efficient management and use of available resources, but also will reduce operational and support costs.

Unified Communications has most value for mobile, “always on” users with real-time contact needs that vary dynamically depending upon their circumstances, e.g., those driving a car who must communicate “eye-free”/hands-free, or those in a public or noisy environment, where speech is


inappropriate or not possible. While UC flexibility benefits have been highly promoted to enterprise personnel, similar benefits can also accrue to the growing ranks of mobile consumers. This, in turn, will require customer contact activities to support the mobile, “multimodal” consumer, who will be using the new breed of “smartphones” (e.g., the Apple iPhone), along with traditional telephone callers and the growing online customer population.

The requirements for supporting the three key business objectives for customer contact technologies mentioned in Table 1 have not gone away, but, because consumer communications and access to information are becoming more personalized and multimodal, the traditional telephone-only, hardware-based call center approach is really no longer adequate for effective and efficient customer support.

The bottom line is that every business that needs technology to support its customers cannot afford to simply stand still or continue to invest only in telephony technologies that are so obviously changing. The challenge, then, for every business organization is to find practical ways to cost-effectively move towards the technology future, while maximizing current technology investments and servicing traditional callers.

#### **Maximizing The Two Biggest Business Objectives**

Of the three primary objectives in Table 1, the first two benefit the customers most directly. Those technologies that enhance the customer “experience” will be most valued by customers, particularly if their role as “contact initiators” to resolve their personal problem can be noticeably simplified and expedited. Whether through an effective



**Service will become more challenging as customers use more mobile, multimodal contact methods**

## **Shifting To Unified Communications**

According to a 2006 market study by CRMGuru.com, Internet support ranked equally as effective as well-trained agents for improving customer experiences and satisfaction. IP networks are also facilitating contact access to a variety of “virtual,” customer-facing support personnel, including home agents, enabling more convenient, efficient, and flexible live assistance from online information through “push-to-chat” and “push-to-call” features.

Such “contextual” online contact initiations will slowly but surely replace many traditional manual, direct TDM dial-up voice connections. In the business world, such timely customer contact support provides real ROI to business processes that will exploit VOIP, Internet telephony, and, of course, the big “UC Migration.”

There is, unfortunately, still much confusion in the industry about exactly how to migrate both

existing telephony technologies and end users to the new world of UC. All you have to do is read some of the many press reports from VoiceCon San Francisco 2007 that highlighted enterprise UC rather than just telephony.

First, the analysts all try to define UC, then they quote various experts about the ROI values of UC, and, finally, they try to identify and compare various technology product and service offerings. As UC Strategies.com analyst Blair Pleasant pointed out in her VoiceCon presentation, “UC is not a single product, but a concept.”

Not only are the basic UC application technologies still evolving, both for enterprise organizations and consumers, but figuring out who will supply which pieces of Unified Communications technology to the enterprise is a difficult task □

“self-service” application (online, voice IVR, mobile, multimodal interface), or by enabling faster access to appropriate live assistance, the ultimate goal is always customer satisfaction.

On the one hand, customer contact technology must offer the flexibility of new forms of contact initiation, while at the same time enabling customer-facing staff to be just as flexible in responding to such contacts. The fact that customers are becoming more mobile and multimodal in their communication habits means that servicing them only as traditional telephone callers will not only be a big mistake, ineffective and inefficient for customer expectations, but it may also cause the loss of cost benefits from consolidating communication technologies.

Two key factors drive change in enterprise customer contact technologies:

■ **Why to change—**

Requirements to reduce “pain” to customers and to customer contact operations.

■ **How to change—**

Solutions that can fix the problems quickly and cost effectively.

**Current “Pain”**

Listed below are typical “pain” situations commonly found with legacy technologies. These can justify making a transition to new contact center technologies.

■ **Business Continuity**—Natural disasters and man-made problems have always posed a threat to centralized resources. In an increasingly global and 24x7 customer support environment, having alternative automatic backup at other locations will be a key objective for any new customer contact technology implementation.

■ **Increased Support Capacity**—When current resources cannot support customer demand, a new means of adding capacity to resources must be found. However, investing in customer contact technology that is not “future-proof,” just to satisfy current resource capacity problems, would be a big mistake because of the disruptive changes taking place in the industry.

■ **Increased Requirement for “Expert” Customer Assistance**—As online self-service applications reduce the demand for live assistance for simple issues, the demand for agents to access greater expertise in more complex matters is increasing, within both the organization and external partner organizations.

■ **Customer Mobility**—Increased use of cell phones and “smartphones” by mobile customers is creating greater demand for immediate connections to live assistance, as well as driving use of speech for user interfaces.

■ **Enterprise Support Staff Multisourcing—**

Because of staff turnover and retention problems within the contact center, global economy/mobile customers, and a general shift away from location-based staffing, enterprise organizations are increasingly relying upon outsourced, offshore, and “home” agents to be available “on-demand” for customer assistance, delivered by the same hosted platform for a unified view of all their call center operations.

■ **Hosting Provides Common Customer Contact Infrastructure Consistency—**

The multi-sourcing approach to staffing requires different customer-facing staff to share the same operational tools, information and management framework in order to provide consistency in customer support across the network.

**Coming “Pain” With New IP Communications**

Although the above factors may justify the need to consider replacing or supplementing current customer contact technologies, the following concerns should be included in implementation planning, because any implementation must be “future-proofed” for tomorrow’s needs.

■ **Satisfying the demands of next-generation mobile “always on” consumers and multimodal mobile devices—**

The next generation of consumers will be using mobile, multimodal devices and will want to exploit all the benefits of more timely, personalized notifications about service problems before they have to report them, along with the option of real-time access to live assistance in any modality that is appropriate at the moment.

■ **Exploiting multimodal self-service business applications—**

In order to both minimize customer contact support staffing and provide greater customer satisfaction, the rich benefits of combining speech input and visual outputs for multimodal mobile devices will be exploited in self-service business applications. Such applications will require new tools for interface design flexibility and consistency, usage management and metrics for effectiveness evaluations and maintenance. More importantly, this will also impact traditional Customer Relationship Management (CRM) strategies as it will base the use of critical live assistance selectively on the specific type of call (not just the identity of the customer), and will also reduce the use of such assistance by quickly returning the customer to self-service applications.

**Emerging CRM tools will focus on using live assistance selectively and emphasizing self-service**

■ **Supporting proactive delivery of customer-centric information**—Communications Enabled Business Processes (CEBP) is the new buzzword for describing the ability of a business process application to initiate a time-sensitive contact to an individual customer and/or customer support staff in the most effective way available. CEBP supports automatic notifications as part of a structured application work flow process that monitors key business activities and will rely on the flexibility of UC facilities available to individual customers, including presence and availability status.

In addition, new issues of presence federation across multiple enterprise and consumer communication service networks, privacy, regulatory compliance and end-to-end contact reporting will have to be addressed.

■ **Video contacts**—Multimodal “smartphones” include video capabilities, which will open up this form of information exchange for future customer contact support.

■ **Security management**—As more information access, delivery and transactions take place over IP networks, there will be an increasing need to protect both customer privacy and enterprise information.

■ **Managing ever-changing “virtual” customer-facing staff**—Multisourcing will continue to be exploited and such staff resources must be provided with consistent information and software tools for their job responsibilities, as well as the ability to be managed in different ways.

■ **Supporting more integrated and complex network and application software infrastructures**—Business application software infrastructures are being restructured in SOA frameworks to facilitate their use in a “virtual” network environment, which is also multimodal and device-independent.

## The Harsh Reality Of Customer Contact Implementations

As organizations start planning to support their mobile and multimodal customers with converged, software-based IP communications, they will quickly find that supporting such technology internally will be both difficult and expensive. There are a number of practical reasons for this:

■ CPE approaches are inherently inflexible to meet the coming need for multimodal 24x7 contact capabilities.

■ Old TDM call center technology, designed for premise-based voice-only communications, is not flexible for current, much less future multimodal needs; is both expensive and hard to retrofit; and is being abandoned by technology providers and replaced by open, industry standard, Session Initiation Protocol (SIP)-based servers and software clients.

■ IP-telephony is moving toward software-based functionality, which can support greater flexibility for customization and remove location-based hardware dependency. This is making telephony technology more difficult to maintain, as software changes for the IP environment will become more complex and will represent an ongoing responsibility to test and install.

■ Online voice self-service applications (IVR) will have to be consolidated and integrated with multimodal business process applications to satisfy mobile customers, making such technology an ideal candidate for hosted, on-demand services (servers, mobile software clients).

■ Customer contact resources (people, applications) are becoming more “virtual” and must support a distributed operational environment, rather than any particular site or any specific application system. There is no longer a need to have traditional CPE systems.

**Supporting the new contact modes via CPE will be both difficult and expensive**

## Hosted Customer Contact Applications Today

This is a checklist of typical customer contact applications that are available on a hosted service basis for telephony.

Breaking the traditional CPE lock for these functions today provides a practical starting point for hosting multisourced staffing and for easily migrating to the more complex future of unified, multimodal customer contacts that will exploit IP-telephony, presence-based routing, unified messaging (including voice-to-text visual voice messaging), instant messaging and automated, proactive contacts to mobile, multimodal customers.

■ Call Routing IVR

■ Application Self-Service IVR

■ Speech recognition IVR Interfaces

■ Agent Scripting

■ Blended Queuing

■ Dynamic Skills-based Routing

■ Screen pop/CTI

■ Scheduled callbacks

■ Voice Message Routing

■ Preview Dialing

■ Progressive/Predictive Dialing

■ Outbound Campaign Management

■ Real-time Reporting

■ Historical Reporting

■ Integrated Reporting

■ Live Call Monitoring

■ Quality Assurance Recording

■ On-demand Recording

■ 100 percent Recording

■ End –To-End Operational Management

■ Back Office Integrations

■ CRM Integration

■ Workforce Management □

**Will you have the in-house IT expertise to manage these complex new systems?**

## Criteria For Selecting Hosted Service Providers

In considering whether to move to hosted contact center technology, look for capabilities that satisfy basic service needs both for today and into tomorrow. Hosted service providers for customer contact software applications must meet these practical requirements:

- Provide an SLA (service level agreement) with a guarantee that will satisfy your particular needs.
- Be a trusted and security-minded service provider. Customers should look for SAS70 certification (SAS is the ISO equivalent for service providers).
- Make technology available through “best of breed” software relationships and business partnerships that will ensure reliability, ease of integration, and functional flexibility.
- Supply references, in particular those that are

similar in size and complexity to yours. If the vendor lacks such similar users, you may not want to be the guinea pig for your type of needs.

- Provide a detailed statement of work during the sales process, not after. This, of course, means that customers must understand all of their requirements going in.
- The vendor must be experienced in integrating and managing both existing and new technologies end to end. Customization will be required.
- Timing—If fast implementation is important to you, be sure the provider can commit to all aspects of an implementation/delivery schedule. Time to value will be measured by how soon your solution can be implemented and your agents can handle customer contacts.

Set the bar higher than required in the past, because tomorrow’s needs will be even more demanding! □

- Mobile users (customers, field personnel) will need integration/federation of contact accessibility between enterprise wired/wireless network applications and carrier mobile services.

- CPE requirements based upon proprietary hardware platforms and endpoint devices are no longer practical or adequate for device independence of multimodal customers and agents.

- Technology management and support for both customer contact applications and network infrastructures will need to be centralized, consistently applied, and remotely located (“virtual”) in order to minimize support costs for more complex applications and to increase efficiency of support. New IP-based customer contact technology will run into a fundamental problem of inadequate in-house IT expertise and a questionable ROI for investing in such staffing.

### End-To-End Change Management

Because customer contact applications, particularly self-service applications, will constantly be changing to keep up with real-world customer needs, customer contact activities will need “end-to-end” integration and management for all applications and for cost-efficient change management. Such changes will be driven by a combination of feedback from different types of end users and by tracking and evaluating activity data to identify business process performance problems.

Also, customers will be using personalized handheld devices, not just standard wired voice telephones for business interactions. This shift will create a new need for both consistency and flexibility across all modes of contact, making support more complex and difficult for traditional telecom staffs.

### Consolidating The Development Of New Customer Contact Applications

With IP-based communications, any new contact center application software implementation or change can be more easily designed and selectively trialed to ensure acceptability to stakeholders and users. Centralized and hosted solutions should facilitate this feedback loop. Once finalized, application changes should be implemented easily, rapidly, consistently and cost-efficiently on a centralized basis across all networks (wired, wireless) to application servers and device clients, for use by all customers.

Any major migration from traditional call center technologies to IP-based customer UC capabilities will require a fast, easy and cost-effective trial, that can only be efficiently accomplished through a hosted service approach that includes all the customer contact applications involved on an integrated, end-to-end basis. Practical implementation decisions cannot be made just by guesswork or by “best practice” examples from other organizations, because business organization needs are not identical and all require some degree of customization.

Centralized integrations will be a critical consideration for future operational needs of customer activity support—even if these are not tracked at a customer-specific level today. Because this is a logical, evolutionary change, it will be important to be prepared with the right technology at the right time.

### Who Should Be Your Hosted Service Provider?

The leading players in the hosted/managed contact center market (based on reports from Gartner and SaddleTree Research) include:

## Call To Action

Implementing new customer contact technology means doing some homework for the future and changing the way traditional call centers work:

- Don't continue to invest in traditional CPE or CPE piece-parts. This is yesteryear's paradigm based upon expensive, proprietary hardware, rather than on open, networked software. Start looking at the new alternatives now and compare the benefits, risks and ROI values.

- Identify both current and expected "pain" points, including new requirements for security and regulatory compliance.

- Reevaluate internal IT organizational capabilities and costs for future needs.

- Research available providers for hosted/managed services and know their differences in terms of both application offerings and support capabilities.

- Select a service provider on the basis of trust, comprehensive capabilities for supporting all elements of customer contact application needs (end-to-end), and objective expertise in dealing with both current and future "pain points."

- Test, trial and learn to confirm what you will really need from customer contact technologies and service provider support. Don't underestimate the importance of vendor provided customer support to you—this is crucially important.

- Embrace the inevitable change coming from your customers and prepare for a graceful migration with the right choice of hosting partner.

- Look to the future of customer contact, not just the past, for making your next technology move□

**The challenge is to selectively migrate customer contact applications while maximizing current technology investments**

- **Technology vendors:** Nortel, Aspect, Genesys—Premise-based hardware, full featured. High cost, inflexible to modify deployment size, requires lengthy professional services engagement. Offered through partners as a managed service as opposed to a hosted/on-demand service.

- **Carriers:** Verizon, Sprint—Resell call center hardware as a managed service along with discounted telephony services. Lengthy deployment cycle, good system reliability, minimal customer service and support.

- **Application Service Providers (ASPs):** Echopass, Avaya—Echopass has a fully integrated, end-to-end, multi-tenant, on-demand call center service as a SaaS model, with fast 60- to 90-day deployment, SAS70 certified, with guaranteed SLA. Good for the distributed multi-site enterprise. Avaya offers a managed service directly and through partners and carriers that typically require a 5-year commitment, which will be very attractive to Avaya installed-base customers. Also includes pure software application or "all-in-one" telephony application developers that will support their own customer contact components on a hosted service basis, but not other components.

- **Outsourcers:** Convergys, Teletech—Provide agent staffing in addition to managed technology service. High cost, requires system integration, uses proprietary technology that is hard for client to customize.

- **Systems Integrators:** IBM, EDS—Provide custom integrated services. High quality offset by high cost, long deployment cycles and associated lengthy professional services engagements. Good choice for complex international and 1,000-plus seat single-site deployments.

### Summary

IP communications are enabling enterprise migration toward "open" software infrastructures that facilitate communications interoperability, integration of business processes with people wherever they are, and device-independent wireless mobility.

The challenge for enterprise organizations is how to selectively migrate customer contact applications to the converging world of unified communications and mobility, while maximizing current technology investments and future-proofing their new technology investments beyond the "immediate" future.

Because both network infrastructures and ongoing software evolution and maintenance create an increasingly difficult, complex and expensive responsibility, the new opportunity to exploit SaaS wherever possible is enabling faster and lower-cost implementations of new application capabilities. At the same time, it is bringing relief to inexperienced and overloaded IT resources. Hosted, "on demand" services provide more operational flexibility, as well as significant financial benefits, by shifting budgetary requirements from opex to capex.

While the growing movement to hosted and/or managed technologies is being recognized as a practical shift and trend away from the traditional enterprise requirement to support "on premise" technologies, a practical challenge to every organization moving in this direction is the selection of the service provider that can best support enterprise needs, today and tomorrow□