THE "GOTCHAS" OF CLOUD-BASED CONTACT CENTER SOLUTIONS

Take a dose of caution when moving to a cloud-based solution. Lessons learned from early adopters.

By **Ken Barton,** Strategic Contact

Contact Center
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www.contactcenterpipeline.com

Ken Barton
Strategic Contact

There is a growing trend to migrate from premise-based contact center platforms to hosted or "cloud" based solutions (aka, SaaS or CaaS). The attraction is obvious: "Let the experts handle the technologies specific to routing and managing our contacts, and let IT focus on our core business systems." Agents can reside anywhere—your center, a home office, an outsourcer's location—while the systems that route contacts, provide reporting and support other adjunct functions reside in "the cloud" in your vendor's data centers. And the fee-based, "software as a service" (SaaS) pricing model can be quite attractive for those who struggle to get capital dollars in their budgets.

But buyer beware: There are some unpleasant surprises that can pop up if you don't do your homework in carefully defining requirements, selecting a vendor, reviewing the contract details and negotiating appropriate pricing and service level agreements. And even though part of the appeal is the ability to implement faster than a premise-based solution, keep in mind that "speed kills." Further, once you are on a platform, it's not that easy to switch. So take your time to get it right up front and it will reap dividends as you implement and for the long haul.

Architecture

The first focus is architecture. While part of the reason to consider a hosted solution is that the technology is the vendor's responsibility, you want to make sure that it will live up to your expectations. And while some centers are eager to pursue a cloud-based solution because they think it frees them from the need to involve already constrained IT resources (and IT may be all too happy to hear the news), this is one of those areas where you really need to work together to ensure that the solution fits. Here are two key things to consider:
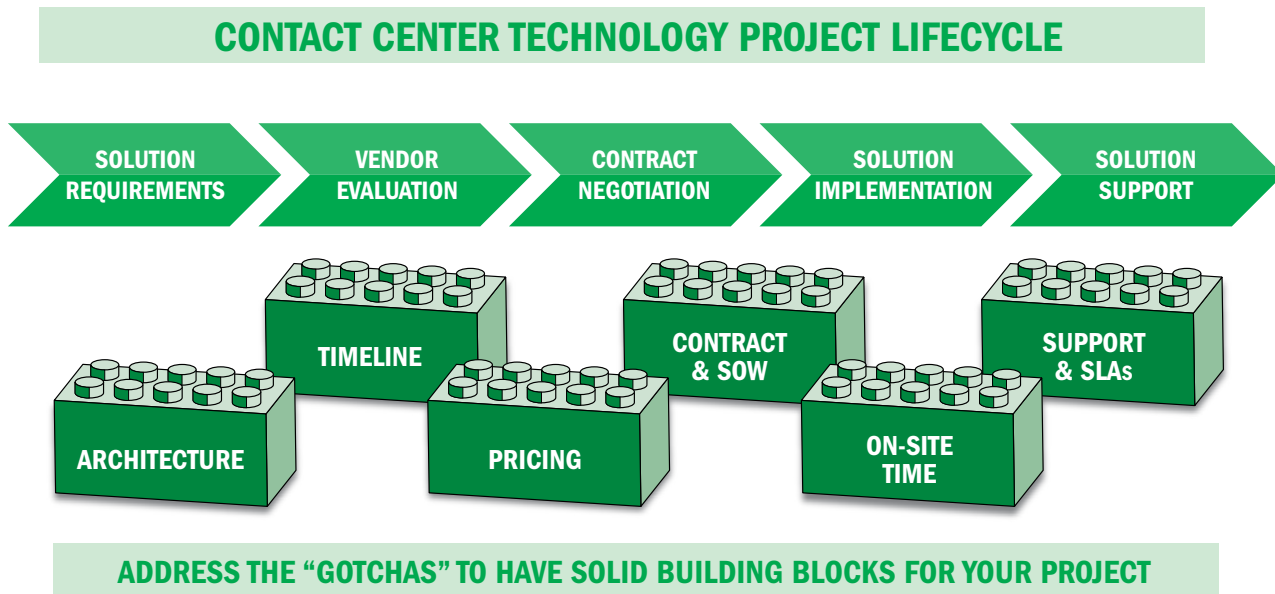
SOLUTION ARCHITECTURE

Don't assume that because it is a hosted solution you don't need to know what is behind the curtain. You need to review the architecture of the solution to determine compatibility with your network, systems and endpoints, understand voice and data flow, and make decisions on connectivity (e.g., public network access vs. dedicated circuit to the provider's data center, what type of circuits, from whom, etc.). You also need to understand what the desktop will look like and how it will work—both from an integration perspective, and from a user interface perspective for voice communications as well as data and text. A properly designed architecture can mitigate performance risks, eliminate compatibility surprises and optimize the user experience for the agent.

REDUNDANCY AND RESILIENCY

One of the big benefits of a hosted solution can be redundancy and resiliency. A reputable firm will have their architecture deployed across diverse data centers, with network and circuit redundancies to provide a guaranteed high level of availability. Some firms will load-balance your calls across two (or more) data centers for the highest level of resiliency and disaster recovery. Ask suppliers what their architecture offers for redundancy and resiliency, and what, if any, extra charges they may apply for advanced disaster recovery options. And make sure that you understand how they will support *your* specific service. Even if they have two or more data centers, it won't help you if your solution is only supported from one center without any sort of failover in the event of an outage.

Contracts

Contracts are one of the worst places to let speed be your No. 1 driver. Take time to review the contracts in detail, understand the vendor's position and negotiate terms you can live with. As

CONTACT CENTER TECHNOLOGY PROJECT LIFECYCLE

SOLUTION REQUIREMENTS → VENDOR EVALUATION → CONTRACT NEGOTIATION → SOLUTION IMPLEMENTATION → SOLUTION SUPPORT

ARCHITECTURE · TIMELINE · PRICING · CONTRACT & SOW · ON-SITE TIME · SUPPORT & SLAs

ADDRESS THE "GOTCHAS" TO HAVE SOLID BUILDING BLOCKS FOR YOUR PROJECT

Figure 1: "Gotchas" and the project lifecycle

you enter into negotiation, keep these key parameters in mind:

CONTRACT TERM

Some providers will show a low per-agent per-month rate, but require a three-year (or longer) term. State your expectations up front as you define requirements, and engage with the vendor in the evaluation process in understanding their expectations.

LICENSING AND PAYMENT STRUCTURE INTERVALS AND INCREMENTS

Another appeal of hosted solutions is that, if you have seasonal peaks, you can adjust your licensing levels (and fees) to accommodate your changes without paying for idle technology for a good part of the year. But keep in mind that some vendors will let you flex per month while others will use the maximum across a broader timeframe. Some charge minimum fees regardless of number of seats—an important caution for small centers. (You may have only four seats but have to pay for 10!) Make sure you understand how agile vendors are in turning licenses on or off and the associated billing that goes with it.

SCOPE

Make sure that the contract covers all aspects of the proposed solution, including a detailed listing of features (e.g., skills-based routing, voice and screen recording, CTI screen pops, workforce management, outbound dialing, voice mail, etc.). The contract should also specify license pricing, professional services (which is typically spelled out in a separate Statement of Work), any customer-provided equipment or network services, service level agreements (discussed below), training costs and estimated travel costs. Also make sure that any third-party provider involved is either included in the overall contract, or provides the same detailed elements as those just mentioned.

ELEMENT	DEFINITION	VENDOR A	VENDOR B	VENDOR C	VENDOR D
Toll Free	Customer call via toll-free network (to hosted center)	$0.020	$0.014	$0.040	$0.050
IVR	Time navigating prompts, customer self-service, customer look up; can include time connected to agent, as well	$0.000	$0.012	$0.024	$0.050
Inbound	Inbound call to agent (from hosted center)	$0.000	$0.010	$0.025	$0.050
Outbound	Outbound call from agent	$0.012	$0.012	$0.025	$0.034

Table 1: Representative variable per-minute costs

Pricing

Pricing goes hand in hand with the contract and can vary significantly from one vendor to another. Nobody likes surprises that bust an approved budget, so getting the scope and pricing clear can be a huge factor in your project's success. Here are some of our top hot buttons:

LICENSING FEES BY MEDIA OR FUNCTION

Many people start simple but will want to add media, such as email or chat, or add functionality, such as workforce management or quality monitoring. Make sure the structure for these fees is clear from the get-go, even if you won't be implementing it all up front. Your need to understand your Total Cost of Ownership (TCO) for Day 1 and for your future.

IMPLEMENTATION/SETUP FEES

These fees could be billed up front, included in the service fees, or worst case, missing in your original quote. They can also range from a few thousand dollars to tens of thousands of dollars or more. You might find that some vendors will not quote a Statement of Work for professional services until you pay for a minimum "due diligence" exercise, or get the contract for the monthly service in place and then need to develop the SOW for the implementation. They may also have minimums. Give them the opportunity to ask lots of questions to get the information they need to estimate these costs. Demand at least a range or a not-to-exceed price with some assumptions up front.

TOLL-FREE, INBOUND AND IVR USAGE

Vendors charge in a variety of ways for calls through their system. You may have to use their preferred toll-free vendor, which could result in a higher per-minute rate than you are currently paying. You may see an additional per-minute charge for all inbound calls to your agents. Also, some vendors charge for the time your customers spend navigating your prompts and menus in the IVR. Adding insult to injury, still others charge for all three (toll free, inbound, IVR) for the entire duration of the call, arguing that the call is still routing through their IVR system (one way to implement). Understanding these charges beyond the licensing fee is essential for your hosted solution to meet budget and TCO expectations. Table 1, above, shows some examples of the variable, per-minute costs. And vendors may charge the full minute, or may charge increments or round up for fractional minutes of time.

OTHER ELEMENTS

Licensing, implementation and usage charges seem like they cover the bases. But there can be other elements that the vendor requires you to provide, or considers a fundamental part of the solution with its own little price tag. Make sure that any circuit or associated equipment costs are either provided by the vendor or estimated internally based on the defined specifications.

Support and Service Level Agreements (SLAs)

When you're putting the delivery of contacts into someone else's hands, you better make sure that they have the same commitment to success that you do. You don't want to learn about the limitations of the vendor's support when something goes wrong. Spend time up front to understand and mitigate risks and prepare for the "what if" scenarios.

It is critical that you explore the vendor's support resources, processes and tools, and insist upon a detailed SLA as a part of the contract. SLAs provide a formal guarantee for system availability and up-time, remediation in the event that those parameters are violated, and methods to measure and monitor performance. It is not acceptable for the vendor to claim that they can't be held responsible for network outages or other obstacles to system access and performance.

Here are some key things to look for in the vendor's support offering and their SLAs:

- Definitions that impact availability: uptime percentage, degraded service (and levels, as appropriate), outage

- Response- and resolution-time commitments by level

- Hours of support coverage (including differentiating staffed time vs. on-call time)

- Trouble ticket or outage reporting and escalation procedures and timing (including media used, communications methods for updates, and reporting methods for results and trends)

- Monitoring and reporting (method, tools, hours of monitoring coverage, access to information, etc.)

- Notification procedures of outage or issues and resolution (including any variations by hours)

- Upgrade hours, frequency, notification requirements, potential impacts

- Testing processes for upgrades (and for restoring to previous versions, if necessary)

- Remediation details such as credit amounts, procedures to request credit

- Termination for Cause clause

Often a hosted contact center solution partners with other vendors to provide a complete hosted solution, such as network connectivity and services, IP-PBX, quality management, IVR, etc. Ensure that you understand whether or not the primary vendor is responsible for all problem reporting and resolution, or whether you need to solicit SLAs for each vendor. It is always best to have a single responsible party, if possible, to avoid the inevitable finger-pointing when something goes wrong.

Other Gotchas

Finally, here are two other key elements to make sure you understand the difference between promises and realities as you prepare for implementation.

TIMELINE

We all too frequently hear hosted vendors state that they can be operational within three or four weeks from contract signing. The reality is that much more time should be allocated for planning. It is true that the systems are already there, operating and in production (for other clients). However, planning and design takes time to accurately capture and program all necessary translations, such as call flows, agent configurations, after-hours treatment, IVR menus, etc. The timeline will be longer if you seek to make changes at implementation and not just duplicate your current environment (which we recommend to drive business value). Dedicated circuit installation and connectivity to the data center (if required) can take up to four months alone. Internet access is fast to set up and low cost, if that will meet your needs. Just make sure that this is acceptable from a security, bandwidth, quality and reliability standpoint.

ONSITE DISCOVERY, PROGRAMMING AND TRAINING

Hosted vendors often do not want to come on site for data collection, configuration, testing and/or training. Often, they do these activities remotely with limited personal interaction. This can lead to incorrect configurations, misunderstanding on how the whole ecosystem is supposed to operate, missed ways to optimize your existing environment, as well as inadequately trained agent, management and support staff. Consider vendors that offer the option for (or even insist on) onsite discovery and training as a differentiator.

Keep Taking that Dose of Caution

In our opinion, taking the time to do things right and applying a careful dose of due diligence at each step in the technology project life cycle is always a good thing, regardless of your sourcing strategy. But these tips are based on Strategic Contact's work with a variety of companies who are arguably the early adopters of cloud-based technology. As we help them select hosted solutions, review specific contracts, Statements of Work, and SLAs, implement new hosted solutions, and review issues and define remedies when hosted solutions aren't living up to expectations, we learn something new each time.

The reality is that this marketplace is still maturing and evolving. Over time, we expect challenges will become less prevalent, solutions and offerings will develop further, and both buyers and sellers will routinely ensure success and satisfaction for all involved. In the meantime, take an extra dose of caution and try to learn from others' experience as you head into your hosted solution pursuit. ℗

Ken Barton is a Consultant at leading independent contact center consulting firm Strategic Contact.

✉ ken@strategiccontact.com
☎ (954) 942-3598

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