

CLOUD USHERS IN “NEW RULES” FOR TECHNOLOGY SELECTION

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Prepare your team to get the most out of a streamlined procurement process.

BY Lori Bocklund, Strategic Contact

As a regular attendee and speaker at contact center conferences, I keep my finger on the pulse of the latest industry buzz. Recent discussions with vendors and practitioners at ICMI CC Demo confirmed what our projects tell us: Right now, the cloud is the thing—whether from traditional vendors, established cloud vendors or new vendors.

With the promise of “fast and easy,” this landscape of changing choices and enticing options attracts buyers by the droves seeking to meet business needs.

Procurement processes are undergoing change in concert with the revolution ushered in by cloud solutions. Buyers want the benefits of advanced technology without the bottlenecks that hampered premise-based

selection, implementation and upgrades. Vendors revel in simplified sales, implementation and support processes that shorten the decision cycle, get customers into production quickly and drive down costs.

With all this speed in the wind, the responsibility still falls on the buyers’ shoulders to ensure that they secure the right solutions for their environments with the implementation and post-sale support to gain value from their investments.

This article begins by outlining three key steps to prepare your team for vendor evaluations. It also discusses emerging shifts in the procurement process and how you can get the most of out of this new way of doing business.

Setting the Stage

Before you start down the path of a streamlined procurement process, you need to start with a basic assessment of “why cloud” for your center. You need to ask: What is our situation? What are our challenges? What are our drivers? **FIGURE 1** summarizes common factors influencing buyers.

Cloud offerings appeal to centers that lack sufficient resources to manage their special-

FIGURE 1: Driven to the Cloud—or Confusion?



ized technology. They get access to solution experts who are unburdened by the myriad distractions that encumber most IT departments. They also have the freedom to turn capabilities and capacity on and off, while continuously benefiting from the vendor's latest software. And, of course, they fund the solution with operating instead of capital expense, an attractive financial model for many.

Homing in on Best-Fit Options

In an ideal world, you'll make three sequential sourcing decisions. (SEE FIGURE 2.) This approach conserves everyone's precious time and energy by limiting the number of vendors in play, establishing the framework from which to make apples-to-apples comparisons, and keeping the decision process from getting sidetracked (or backtracked)!

The critical first step defines the scope of the project as well as key decision factors on which the team will base its evaluations. It also considers whether a cloud solution is a good fit for the company. An honest self-assessment can surface issues early on so that they do not become stumbling blocks

downstream. For example:

- ▶ IT may impose parameters regarding security that impact the decision to go with the cloud, or the type of cloud solution that they'll find acceptable.
- ▶ The team needs to weigh the benefits of the cloud against the desire (or need) to control network connectivity and timing for software upgrades.
- ▶ The team (IT and contact center) needs to work with finance to consider the Total Cost of Ownership (TCO) over 3-5 years.

The initial planning phase also affords the opportunity to get educated on the various forms of cloud solutions. The "true cloud" solutions are typically standard offerings delivered on a multitenant platform. Others support single-tenant solutions (SEE **SIDE-BAR**); these tend to cost more but offer more customization and control. The team needs to evaluate which option makes the most sense for your circumstances.

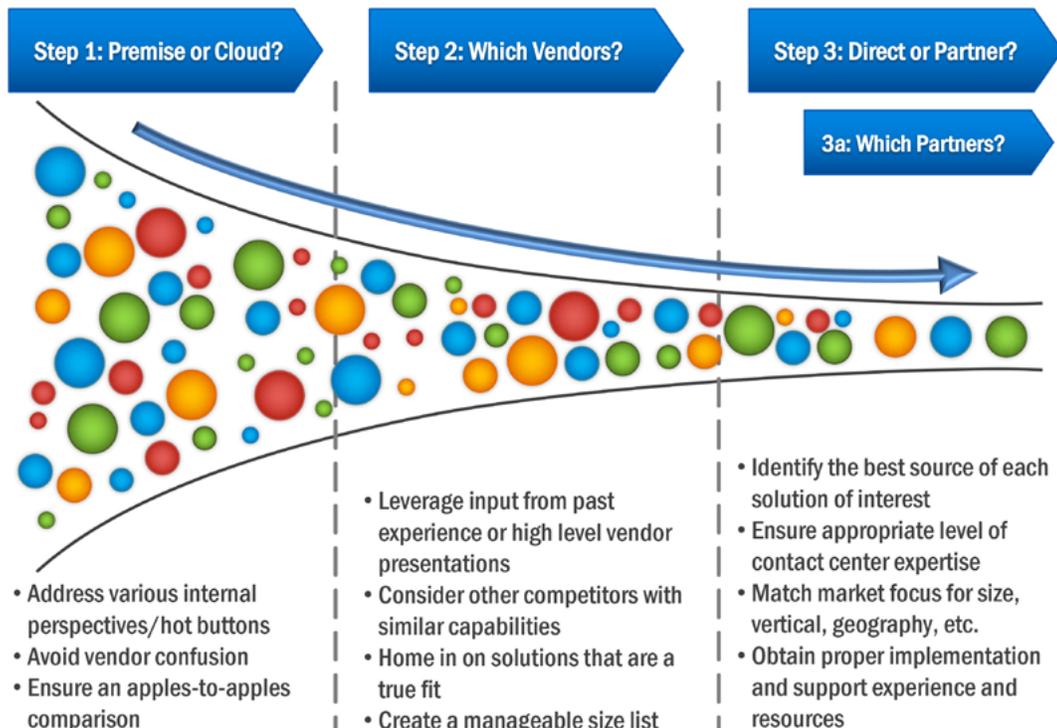
At the conclusion of Step 1, you should be clear on the things that really matter (and are non-negotiable) and the things on which you'll be flexible. You should know which sourcing option you'll pursue. And you should devise

Private Cloud Disrupts in Its Own Way

Private cloud (or single tenant) is a bit more like the "traditional" premise approach with a dedicated platform, providing a degree of control that shared tenancy does not offer. At the same time, it has some of the appeal of true cloud solutions, such as operating expense, vendor managed and a little faster and easier.

If private cloud is the better fit for your center, you may engage in a more rigorous evaluation as it is typically more complex and bigger (and therefore more revenue for the vendor). You may have a bit more negotiation leverage on SLAs and control of upgrades. Bring the same keys to success to the decision-making process, negotiation, implementation and support, but with a commensurate increase in rigor to match the project scope and requirements.

FIGURE 2: The Best Path Is Three Sequential Sourcing Decisions



a selection and implementation process that matches the size and scope of the project.

Having set the parameters for the assessment, the team can move to Step 2 and narrow its search to the appropriate vendors. Team members may have previous exposure to some vendors and have strong opinions about their offerings. Their perspectives can inform the team as one input while all appropriate options are explored fairly. The end goal should be a manageable list of vendors (e.g., 3-4) for closer examination that all fit the sourcing model and key requirements.

Once the team narrows its interests, the third decision involves determining if you will work with the solution provider directly or engage one of its partners. Vendors have different market strategies and some offer both direct and partner channels. Regardless, the choice should consider the provider’s fit for your size, vertical and geography, along with their contact center expertise and skilled resources to provide proper implementation and support.

With the right solution and provider options identified, you’re ready to hit the ground running!

Streamlined Sales Process

With the nature of true cloud solutions and associated offers, a formal Request for Proposal (RFP) gains little traction, especially for small or mid-sized centers. Some cloud vendors may choose not to participate while others may try to change the game to play by their preferred rules. The process can get stymied if too few proposals are submitted or the information gained is inadequate.

Vendors seem to prefer a process that focuses on real-time dialog and live demonstrations that showcase their offerings. It allows their “pictures to paint a thousand words” while stimulating buyer enthusiasm. They’ll respond to questions and provide pricing to accelerate the decision cycle. This approach works well for exhibiting important factors such as the user interfaces and emphasizes rapid access to much-needed capabilities and the promise of a hassle-free existence.

Enthusiasm feels good and inspires hope, especially if you’ve labored with old or troublesome technology, but don’t let it distract

from what is really important. To counter that risk, take deeper dives to understand what you’re really getting in functionality, integration, network connectivity, resiliency and reliability, implementation and support. Set the agenda, establish ground rules for demonstrations, and pursue answers to your key concerns and questions.

Streamlined Negotiation and Implementation

The bookend to an economical sales process is a streamlined contract negotiation and implementation. Multitenant cloud solutions use fairly simple, standardized agreements to deliver solutions with efficiency and keep operating costs down with consistent service offerings and support processes. They also have simple pricing, often with little or no negotiation beyond choosing the level needed to meet your requirements and the term (e.g., month-to-month or annual).

At a bare minimum, you need to read the agreements thoroughly to understand what you’re getting and what you’re not getting in the new business relationship. The Statement of Work (SOW) should clearly address the scope, approach, staffing, design, outcomes/deliverables, logistics and cost for professional services like configuration, integration, testing and training. The contract should leave no mysteries about service level agreements (SLAs), including response times, resolution times, escalation processes and remediation. Licensing counts and changes, terms and termination are also very important.

Be on the lookout for two important matters in negotiation:

- ▶ **SOW:** Vendors often bypass formal design sessions by replicating existing configurations and call flows. This practice speeds implementation and avoids the need to come onsite. However, it doesn’t give you the opportunity to gain materially new business value from the new technology. It can leave you stuck in old ways of doing things and not gaining value from your new tools. If you want help with redesign, make sure the approach (time, cost, time onsite) matches expectations.
- ▶ **SLAs:** The lowest cost licensing level may steer clear of SLAs; if you want them, you need to pay more to get them. When

present, SLAs often fall short of the “five 9s” of reliability to which you may be accustomed. Vendors may commit to 99.9% or 99.99% uptime and provide assurance that they typically exceed their commitments. You need to ask yourself: What are the cost and risk tradeoffs for no SLA? Will the level of performance suffice for our needs?

Post-Implementation Support

After crossing the finish line with implementation, you may think that your worries are over. After all, ease of support was likely a major factor in your decision to purchase a cloud solution! Nonetheless, you’ll still need to designate a person within your organization who’ll manage the relationship going forward. That person’s responsibilities will include:

- ▶ Managing performance by ensuring the vendor meets its SLAs and submits invoices that represent a true accounting for services rendered.
- ▶ Responding to issues via effective trouble reporting, assessment, communication, post-resolution debrief, and follow-up to identify and correct root causes.
- ▶ Making continuous improvements by realizing the potential of existing capabilities, evaluating and implementing new functionality, and acting swiftly to meet new business needs.

This individual also serves as the liaison to contact center management, support personnel (IT and vendor), and frontline operations. He or she must prepare each of these groups for upgrades that impact features, functions and/or the user interface to enable proper training and process adjustments. Given that upgrades proceed on the vendor’s schedule, you gain the most value if you build processes and communications protocols that allow for rapid integration of new capabilities.

With the right resource in place, you’ll sidestep the frustrations that often come with mismatched expectations regarding performance (uptime/availability), post-upgrade “surprises,” problem resolution and business value.

Winning at the New Game

Cloud is a whole new ballgame with a new set of rules for all concerned. It has the

potential to produce faster, easier technology procurement and implementation. Yet speed only works in your favor if tempered by a measure of control. By gaining clarity on your

real needs and issues, narrowing the field of inquiry, and orchestrating vendor discussions, you'll help the team maintain a united front and achieve the excellent results. ☎



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