Contact Centers in the Clouds

Expanding your sourcing options can be a win for your center, IT and the business.

Potential benefits and risks to consider while planning your strategy.

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You can mitigate many of the risks of a cloud-based solution by starting slowly and growing after a successful implementation.

SaaS, Hosted, Cloud-based…whatever we call it, contact centers are interested. This technology option offers flexibility, speed, innovation and reliability with low demands on human and financial resources for implementation and support. Market analysts report that cloud-based seats are growing faster than the overall market. It might be time for you to put cloud-based computing on your radar.

Each of the following topics brings out the strengths of cloud-based contact center technology while serving up a dose of caution. Collectively, they'll help you ask the right questions as you entertain possibilities and plan your approach to implementation. Cloud-based computing may not be the panacea for your center's challenges, but with a clear understanding of the potential benefits and risks, you can feel comfortable adding a new set of providers to the list for consideration.

Flexibility/Agility

A primary driver for increased interest in cloud-based solutions is the need for flexibility. Three scenarios immediately leap to mind:

- Small and mid-size business (SMBs) don't have to feel left out when they see larger contact centers with the advanced features and functions they need but think they can't afford. SMBs can acquire advanced contact center applications from cloud-based vendors.

- Contact centers of any size can find it difficult to reap the benefits of a remote workforce using legacy technology. Cloud-based vendors enable a remote workforce by replacing or integrating with your legacy technology.

- Fast corporate growth or volume peaks can drive the need to scale up or down quickly. The "pay as you use" pricing algorithm can readily add and delete licenses.

The architecture of a cloud-based solution enables flexibility. Applications such as analytics may be integrated into the offering whether you choose to avail yourself of them immediately or not. When the time is right, it's much easier to enable these capabilities in the cloud than endure the expense and complexity of an upgrade to the typical premise solution. Many cloud-based vendors allow for a dedicated or shared infrastructure to accommodate their clients' internal reliability or security requirements. Some vendors offer the option to bring the cloud solution to your premise at a later date.

Cloud-based vendors are not built from the same mold. Some may not offer all of the advanced functionality you expect. Some may have premise technology that requires support and monitoring. Moreover, you still need to address your need for integration with premise systems and databases with your cloud-based vendor. Duplicating your premise CRM integration or capturing multiple data sources to get maximum value from the cloud-based analytics component may require development resources from you and your vendor. Make sure you define integration requirements fully and specify what you will do versus what your vendor will do.

Most challenges can be overcome with upfront planning, due diligence and careful vendor selection. For example, a premise component might solve security concerns—e.g., storage for call recordings. Take time to discuss your vendor's architecture and integration capabilities. As long as you have access to the data you need, most open architectures can deliver the functionality and flexibility you seek.

Table 1: Cloud-based vs. Premise Characteristics

Characteristic	Premise	Cloud-based
FLEXIBILITY	▸ Buy number of licenses needed for peak ▸ Add components through additional investment and implementation process	▸ Pay for what you use—pay for peak only during peak ▸ All components offered are available to implement quickly when needed
SPEED	▸ Generally takes more time to implement, test, move into production	▸ Could be implemented faster—procure, configure, test and go
INNOVATION	▸ You have to upgrade to take advantage of advanced features	▸ Vendor will perform ongoing upgrades
RELIABILITY	▸ Could require major investment for enhanced redundancy ▸ Must manage internally	▸ Built for reliability ▸ Define, monitor and manage to service agreements
SECURITY	▸ Have full control	▸ Data centers maximize security ▸ Define and work with vendor to address requirements
SUPPORT	▸ More internal resources to handle care and feeding	▸ Less internal support required—vendor responsible
COST	▸ Capital	▸ Services (monthly or annual operational costs)

Speed

Most companies find the typical six- to nine-month (or more) implementation timelines for premise vendors unacceptable. Once managers discover that hosted vendors can implement in weeks rather than months, interest peaks. Add the speed at which these vendors can respond to new business needs and cloud-based solutions can move to the forefront of consideration.

However, "fast" can mean that the solution does not contain all the features and functions you are expecting. "Fast" from the vendor perspective can mean their role is limited, and you must bear the bigger implementation burden. For instance, they may not account for the time to integrate IVR self-service applications. "Fast" could mean implementing the new technology to mimic the old, thereby glossing over all of the business benefits you'd hoped to realize.

Be sure to include all aspects of implementation in your RFP just as you would for a premise vendor. Set clear expectations for the role the vendor will play in transforming your contact center operations using technology as the enabler. Discuss the role of design sessions and what is included in their "fast" implementation timeline. Well-conceived, user-friendly interfaces may take a large bite out of the "time-consuming" part of a typical implementation. Ensure that the proposed timeline accounts for upfront process changes (e.g., routing, reporting, menus), as well as a phased implementation plan to take advantage of attractive technology capabilities.

Innovation

Cloud-based solutions support standard contact center features and functions—including basic IVR and reporting performance tools—for operations of all sizes. Some leverage premise-based technology for their contact center solution, sometimes providing a "simpler" user interface to frequently used functionality, while others opt to build their own solutions. Both camps invest in R&D and may apply frequent updates that help you move forward quickly with little operations disruption or demand on your team. Many are receptive to their customers' ideas for innovation and quickly incorporate product enhancements.

Reliability

Cloud-based solutions are built for redundancy and can offer strong availability and reliability. But you can't relieve yourself of responsibility for reliability just because you implement a cloud-based solution. You still need a business continuity/disaster recovery plan and you still need to define and manage your service level agreements and vendor relationships carefully.

As with a premise solution for a mission-critical contact center, you'll want to specify the requisite degree of resiliency. Look for redundant systems in multiple data centers. Ask about automatic failover and availability during upgrades. Some cloud-based vendors have standard maintenance periods when they are "down"—a big issue if your operation is 24x7. A well-designed cloud-based architecture can help you meet your business continuity/disaster recovery requirements without a big investment. In addition, a cloud-based vendor typically provides 24x7 performance monitoring of their infrastructure, giving you another degree of assurance.

You will have responsibility for the voice and data network connectivity and integration points. Some vendors will not commit to the traditional "Five 9s" (99.999%) of reliability, or exclude elements of the solution that they don't own but provide (such as third-party network providers) from their service level and response-time commitments.

Security

Often one of the primary roadblocks to considering a cloud-based contact center solution is IT's concern for data security. Cloud-based solutions can seem like a panacea since they are so tight at their data centers. However, your data crosses boundaries between you and them. Involve IT in the due diligence process to address security concerns at all integration and data storage points. These issues are particularly important if you are under HIPAA, PCI and/or other data security requirements tied to personally identifiable information, credit cards and/or other private data.

A second part of the security issue is data ownership and data management. Understand where the data resides, who "owns" the data, and what options you have for backup and redundancy. You'll want to own all of your data. You may want to back it up onto your own servers in your own data centers routinely (e.g., hourly or daily). And finally, you'll want to make sure the contract addresses what happens to your data when/if you terminate the hosted agreement.

Support

IT may find a cloud-based solution attractive given the reduced requirement for support. They also recognize that some support skills are specific to a product, component or feature and are difficult to bring in-house—especially for a small to medium business. Cloud-based vendors perform the routine and specialized support, maintenance and upgrade functions

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for their solutions. They provide the skills that may be hard for you to find or afford. They have economies of scale by supporting all users. Most cloud-based vendors provide user-friendly administrative interfaces to further reduce support resource requirements. Whatever cloud-based solution you choose, IT support responsibilities should be reduced.

However, IT should not cross the contact center off their support list. There are still administrative and support functions that IT and operations need to perform. Make sure that you understand what your company can and must do, whether it requires IT or contact center resources, and how you work with the vendor to effectively apply and optimize your new technology.

Cost structure

The cloud-based solution cost structure is appealing to many organizations. Beyond a possible startup fee and/or professional services fees, there is little to no upfront investment. (Some vendors prorate these fees into the monthly recurring costs.) Most if not all of the costs will be operations expense rather than capital investment. While you may not realize material cost savings in technology support, your requirements can be met with greater speed, agility and control without increasing IT costs. Overall, there will be lower infrastructure acquisition, pilot, test, support and upgrade costs.

The total cost of ownership can tend to be higher over three to five years. A direct comparison to premise-based solutions must consider your desire to maintain updated technology and current releases. If you tend to keep pace with market developments, the cost of cloud-based could be less or comparable to premise-based over time. While it's tempting to implement the "latest and greatest," be careful to procure only what you need or the cost keeps climbing.

Start Small and Grow

Table 1 compares sourcing options showing the characteristics and strengths of each option. You can mitigate many of the risks of a cloud-based solution by starting slowly and growing after a successful implementation. Take advantage of the cloud-based benefits and take a small step. It doesn't have to be all or nothing. Focus on a point solution that meets clearly defined requirements. Prioritize your requirements, making sure the technology or components that you implement can deliver quantifiable success.

IT and operations can work together to define the requirements and implement cloud-based technology successfully, proving value and then expanding the solution. Expanding sourcing options can be a win for the contact center, IT and your business. ⓟ

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**Increased Interest
in Cloud-based Contact Centers**

Reasons why more and more companies are considering cloud-based options:

- New capabilities quickly. Customers and management have expanded and changed their service expectations; contact centers need flexibility to keep pace.

- Competitive advantage. Service innovation is a competitive weapon; cloud-based solutions offer competitive features/functions, especially for small to medium centers that didn't think they could afford them.

- Economic downturn. Contact centers need to grow, change and expand services, but must reduce their investment risk.

- Credibility. Success of some hosted IVR, CRM and contact center vendors brings credibility to the whole market.

- IT resource constraints. Every IT department has too much on its plate; decision makers like solutions that reduce internal resource requirements.

- Limited capital dollars. Software and licenses are substantial capital investments; cloud-based services are operational costs (a preferred budget line item) and may confer savings.

- Open solutions. Premise databases and applications can be integrated readily with a cloud-based infrastructure.

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