Tech Line

Contact Center *Technology Sourcing*

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Is good, fast and cheap a reality? Technology sourcing options have expanded — a look at the four key considerations for your center.

Contact center technology sourcing decisions are not as simple as they used to be. The unified communications (UC) movement seeks to merge fixed and mobile enterprise communications with contact center communications. The sourcing landscape includes a wide array of hosted services and support options that are as attractive to multinationals as they are to single-site centers. In fact, I recently worked with a large, global customer service organization that chose a hosted, all-in-one suite for their enterprise telephony and contact center solutions. Understanding this new landscape is crucial to making the best technology decisions for your business. The old saying, "Good, fast, cheap —pick two" may be gone. If you consider all the options carefully, you may be able to have it all.

The Decisions Have Changed

In this article, we'll looks at sourcing choices/considerations: build or buy, premise or hosted, best of breed or suite, and support options.

"BUILD OR BUY" IS BECOMING "CUSTOMIZE OR CONFIGURE"

Few organizations build applications from scratch anymore. The information technology (IT) group is under too much pressure to deliver robust applica-

tions in record time and continue to evolve them with the business needs. At the same time, the market has responded with solutions that can address nearly any contact center's needs. For those with unique requirements, IT buys an application and "customizes" it or develops integrations for a one-of-a-kind implementation. Unfortunately, the greater the customization, the less likely the "product" can evolve as the vendor upgrades their offering.

Most organizations should opt for *configuring* their applications, which leaves them with an integrated enterprise application capable of changing and growing with business needs. With configuration, prepackaged tools adjust variable options that most closely match the work environment. This means that configurability becomes one of the primary criteria when choosing technology. Fully featured solutions ("good") with impressive configurability options ("fast") are available off the shelf and require limited internal or external development resources ("cheap").

"PREMISE ONLY" IS BECOMING "PREMISE OR HOSTED FOR EVERYONE"

While premised-based solutions used to be the only game in town for most businesses, hosted

options have become "ready for prime time" with feature-rich applications at an attractive price. They've been aided and abetted by the availability of network offerings, such as multiprotocol label switching (MPLS), that become part of the solution. Hosted vendors have become more willing to guarantee the same reliability that internal IT departments provided. And hosted solutions have become more capable of guaranteeing required data security through flexibility in the location of data and offering shared and dedicated options. All of these factors helped the global service organization noted earlier to reap the rewards of increased application flexibility with lowered support requirements placed on their limited IT resources.

Hosted solutions put the "fast" in good, fast and cheap. Rapid application deployment generally means less need for IT in planning, implementation and support; however, IT will still be part of the team. They need to address application integration, security, accessibility, etc., but they'll get help from the vendors. Many hosted solutions are less invasive to existing applications and systems and can enable use of legacy systems, applications and databases without huge IT demands.

Hosted solutions subsume *software as a service* (SaaS), *cloud services* and *managed services*. These terms may be used interchangeably or with slightly different meanings, so it's important to get clarification during requirements specification and vendor presentations. Here are some distinctions:

- **Hosted** refers to technology that is located at the vendor site, not the customer's premises.

- **SaaS** refers to application delivery as a service (e.g., cost per license per month) independent of the hosting vendor or location.

- **On-demand** refers to a pricing structure based on usage in lieu of a fixed monthly fee.

- **Cloud** refers to an infrastructure in which the applications are delivered by an external host and accessed via public/private networks — can often be referred to as Cloud Computing; generally offered as a "pay as you go" service.

- **Managed** refers to a support agreement in which the vendor addresses technology operations and maintenance otherwise performed by an internal IT department. Managed services can be hosted or premise. (See the "Support Choices" section below.)

UC has traditionally been a sticking point for hosted contact center applications as many hosted vendors did not offer enterprise PBX functionality or any infrastructure or data networking options. That story is changing. Vendors that offer hosted solutions have expanded to provide a

Table 1: "Build or Buy" is becoming "Customize or Configure"

Key Characteristic	Buy and Customize	Buy and Configure
Speed	Slower to design and execute.	Faster — the tools to configure are part of the product and ready to use.
Capabilities/Features/Functions	Customization can inhibit the full use of all components throughout the enterprise.	Robust — built for all the customers (many who are like you); adds capabilities with each release.
User configuration and control	Depending on customization, end users' ability to configure may be reduced. Simple changes may require detailed requirements documentation and time to build.	Generally provide tools that end users can use to make configuration changes.
Total Cost of Ownership	Generally higher if TCO considers software development, integration and maintenance.	Generally lower.
Maintenance/Support	Relies on limited resources. Customizing can make it difficult or impossible to upgrade.	Relies on the vendor, SLAs.
Adapting to Evolving Business Needs	Evolves less readily and rapidly. May require a "restart."	Add components based on customer input, best practices and market competition.

combination of solutions that work for a broad range of organizations. Hosted/SaaS/Cloud contact center vendors include:

- Traditional premise contact center vendors

- Pure-play hosted contact center vendors

- Service providers such as telcos

- Contact center outsourcers

- Platform experts selling services

Table 2 reveals the premise versus hosted tradeoffs and can be used to establish criteria for selecting the most appropriate vendor and solution.

"SUITE OR BEST OF BREED" IS DISAPPEARING AS AN OPTION

When replacing an application, the decision is more complex than choosing best of breed or suite. Do you go to your current vendor and purchase their specific solution, easing the integration burden? Or do you pick the best application from a feature/function perspective and depend on your IT department for the integration?

While best-of-breed application implementations exist where IT departments keep a variety of legacy applications integrated and working, the market reality is that best-of-breed applications don't seem to exist much anymore. Traditional best-of-breed application vendors continue to add to their offerings to provide a complete suite of solutions. Traditional suite vendors continue to enhance their capabilities to close the gaps that drove larger organizations to avoid the "suite" strategy. In short, there are "good" choices among the faster and less costly sourcing strategies. While the suite or all-in-one vendor may not have all the bells and whistles to meet selected functional needs (yet!), it's worth checking all the options as you may be surprised to find a solution that meets your business needs — or all the important ones — with other advantages in cost and ease of implementation and support.

Suite solutions can also turn into best-of-breed solutions. It is easy to be convinced by third-party vendors that the only way to fill requirements gaps in your current solution is to integrate another application to satisfy your need. While this may be necessary, you should first evaluate the requirement to ensure that it is necessary for

Table 2: Premise vs. Hosted tradeoffs

Key Characteristic	Premise	Hosted/SaaS/Cloud
Speed	Generally takes more time to implement, test, move into production.	Could be implemented faster — procure, configure, test, go.
Capabilities	May need multiple hubs or an implementation per site. IT has to upgrade.	Can easily serve multiple sites. Vendor performs upgrades
Investment	Capital.	Services (monthly or annual operational costs).
Maintenance/Support	More internal resources to handle care and feeding.	Less internal support; vendor responsible.
Flexibility	Buy licenses needed for peak capacity and continue to buy for growth.	Pay-as-you-go; easier to plan and adjust for growth or peaks.
Control	Greater control.	Less control but improving — becomes a vendor selection criterion.
Integration	Internal development effort or vendor professional services.	Integration with legacy applications is a vendor selection criterion.
Total Cost of Ownership	Can be cheaper in the long run for large organizations, but frequent upgrades in an evolving market and support costs can drive up the cost.	Per-person licenses over the life of the application can cause TCO to be higher for large organizations. However, the lack of capital investment, the reduced cost of support, end-to-end solutions availability, and the cost of ongoing upgrades can make the cost attractive even for very large organizations.
BC/DR	Requires a detailed plan and extra cost for additional hubs and licenses.	Can be an intrinsic part of the solution.

efficient, effective operations. Second, work with your current vendor and distributor to be sure that your current solution is not capable of filling the gap. Then, consider filling the gap with a third-party vendor, but be aware of the complexity that you are bringing into your center which is counter to the market direction.

With the advent of VoIP, a new breed-of-suite vendor has emerged where the entire contact center solution was developed as a single platform, built from the ground up. In these instances, the integration of applications becomes a non-issue as the components are built as a single entity, reducing server requirements and operations, administration and maintenance complexity. Table 3 explains the differences.

Many hosted service providers create their offerings by integrating their best-of-breed choices or by reselling other hosted provider services. Either way, the hosted (or cloud) services appear to the end user as a suite.

Of course, many contact centers have a best-of-breed solution by default based on past technology decisions. For those centers, prior acquisitions shorten the list of potential vendors. These centers will probably not select a complete suite or all-in-one solution because they have a legacy environment with mixed solutions. But as these centers add new systems/application, they should consider their going-forward sourcing strategy and build toward that future state.

SUPPORT CHOICES CAN EXPAND OPTIONS

Managed support is an option for premise or hosted solutions, so considering support options expands choices even for traditional premise-based solutions. In large organizations, as information technology is centralized and internal assets become more removed from the local sites, it is sometimes desirable to provide support services through a third party. Smaller organizations benefit from managed services because of IT resource limitations.

Managed service providers (MSP) are often hosted service or SaaS providers that take the

Table 3: Differences between Best of Breed, Suite and All-in-One solutions

Best of Breed	Suite	All in One
▶ Choice in vendor per application (multivendor)	▶ Single vendor	▶ Single vendor delivers wide range of capabilities
▶ Boxes, boxes, everywhere	▶ Preintegrated components (could be third party)	▶ Common platform for multiple applications
▶ Integration, administration and vendor management burden	▶ Could still require server farms	▶ Preintegrated and with common administration
		▶ Built as one

Table 4: Tradeoffs of Premise vs. Hosted for different support options

	Premise Voice Platform (hardware/software physically located in premise facility)	Hosted Voice Platform (hardware/software in a secure, remote data center)

Local Internal Support	▶ Support provided by local telecom/IT staff
	▶ Independently build expertise in telecom system optimization
	▶ Maximize local knowledge
		▶ Local support staff manages the voice system remotely
		▶ Support may be shared
		  - Local teams — moves/changes
		  - Hosted partner — system, design, troubleshooting, support

Centralized Internal Support	▶ Centralized support team remotely manages systems for multiple sites - With today's architectures, more technology is likely centralized, as well ▶ Larger support staff can improve responsiveness ▶ Shared knowledge and best practices	▶ Centralized telecom/IT staff provides remote system maintenance ▶ Responsibilities can be shared with hosted partner (see above) ▶ Local sites follow defined trouble ticket reporting procedures
Managed Service Provider (MSP)	▶ MSP maintains and administers systems, fulfilling all IT and Operations support requirements ▶ Third-party specialized knowledge	▶ MSP (usually hosting partner) maintains and administers systems, fulfilling all IT and operations support requirements ▶ Local sites follow defined trouble ticket reporting procedures

definition of the services they provide a step further. Beyond providing access to the service applications, these providers offer a "human" service or the day-to-day and periodic operations, administration and maintenance of the application. These services can be a combination of those typically performed by IT and by the contact center internal support staff. MSPs usually offer a range of services that each client can customize.

MSP clients require service level agreements (SLAs) to ensure that service to the application user doesn't suffer. In large organizations, transitioning to an MSP can drive major organizational change with many of the internal IT staff being "re-badged" to the MSP. The re-badged staff may remain onsite or move to an MSP loca-tion. In smaller organizations, MSP resources are usually shared. In any case, the SLAs include response and repair time commitments.

Table 4, above, defines the tradeoffs inherent in each option.

IT and Business Collaboration Still Yields the Best Result

Making the best technology sourcing decisions requires a crossfunctional team that includes all of the impacted business units and IT. The choices have expanded and all are credible. The best solution depends on how IT functions and the relationship between IT and their business customers. A rogue business unit doing an IT end-around should not drive technology decisions. A coercive IT department dogmatically adhering to outdated sourcing and technology strategy should not drive technology decisions. Make decisions within the framework of synchronized technology, sourcing and support strategies to best meet the business needs.

It may be time to review the strategies based on the new reality of technology sourcing options. The new saying just might be, "Good, fast, cheap — let's get all three." ◉

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Multisite Sourcing Implications

The sourcing options are changing for large, multisite organizations, too, but there are additional considerations.

For premise solutions, the progress made in operations virtualization and support centralization drives the technology requirements. If a large, multisite organization has implemented a single, virtual support organization, then the technology solution must be integrated to provide a centralized view. Virtual support organizations are usually supported by centralized organizations for quality, workforce planning, training, application administration, etc., to some degree. These architectural and functional requirements limit the sourcing options when replacing/upgrading enterprise telephony or adding/replacing contact center applications. The ability of any vendor's solution to integrate with multisite legacy infrastructure and applications and support multisite operations becomes a key selection criterion.

For hosted solutions, the infrastructure strategy, the availability of vendor-provided network (MPLS), the location of vendor hubs, and the hosted architecture become key success criteria. Hosted vendor architectures vary. "Hosted" doesn't always mean that no premise hardware or network connectivity is required for multisite solutions. Vendors may require premise hardware for telephony line termination to avoid terminating all lines at a centralized vendor hub. Vendors may require an MPLS connection from the client's sites to the vendor hubs. This connectivity can be via the client's internal data network or via a vendor provided network. If the internal network lacks sufficient capacity or quality controls, the network will have to be upgraded or the vendor provide a hosted network solution. The location of the vendor hubs can impact line termination and network issues.

Latency caused by distance (especially global) impacts application performance and voice quality. Include a proof of concept/proof of technology prior to closing the deal and pilot the solution prior to a complete roll-out.

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