

A Forrester Total Economic
Impact™ Study
Commissioned By
Genesys

Project Director:
Liz Witherspoon
February 2016

**The Total Economic Impact™
Of The Genesys
Omnichannel Engagement
Center Solution**
A Multi-Company Cost Savings And
Business Value Analysis for
Enterprises

Table of Contents

Executive Summary	3
Disclosures	6
TEI Framework And Methodology	7
Analysis	8
Financial Summary	29
Genesys Omnichannel Engagement Center Solution: Overview.....	31
Appendix B: Total Economic Impact™ Overview.....	34
Appendix C: Forrester And The Age Of The Customer	35
Appendix D: Glossary.....	36

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

© 2016, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to www.forrester.com.

Executive Summary

Genesys commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and to examine the potential return on investment (ROI) enterprises may realize by deploying its Omnichannel Engagement Center solution. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of modernizing their system of engagement platforms for contact center and digital engagement to enable an omnichannel approach. Using the Genesys solution, enterprises are able to improve customer experience, agent productivity, and efficiency of customer service across all digital and voice touchpoints, channels and journeys. They accomplish this while significantly reducing technology and personnel costs.

To better understand the benefits, costs, and risks associated with the Genesys Omnichannel Engagement Center solution, Forrester interviewed several enterprise customers with multiple years of experience working with Genesys to modernize and evolve their contact centers into an omnichannel engagement center. The Genesys Omnichannel Engagement Center solution provides an IP-based architecture with integrated routing, self-service interactive voice response (IVR) and enables web, inbound and outbound voice and digital interactions across all channels and touchpoints, workforce optimization and in-depth reporting and analytics.

Prior to implementing the Omnichannel Engagement Center solution from Genesys, customers had deployed call center (voice only) or contact center (limited channel support) technologies — most often using solutions from multiple vendors — that had become outdated and inflexible and did not integrate seamlessly across all channels and agents, no matter their location. Given that customers now expect consistent experiences across touchpoints and often begin their journeys online and in social media, the “interaction silo” contact center approach of the past was fragmented, expensive, and difficult to maintain. It increased call handle times and transfers, frustrated customers and made it difficult for organizations to be nimble with their customer experience strategies. Agents had to switch between multiple screens to serve a customer and frequently had little information about the purpose of their call or the customer journey history. These limitations led to long handle times during which customers had to provide the same information multiple times and did not receive personalized customer service, creating distance between the customer and the brand, and leaving money on the table to upsell and cross-sell products.

With the Genesys Omnichannel Engagement Center solution, customers experience a consistent, seamless, low-effort, and personalized experience no matter the channel, and agents have more opportunity to convert customers or upsell them at critical moments in the customer journey. The organization lowers its operating costs, improves employee satisfaction, increases sales and can remain nimble to accommodate the changing demands of business and customers. Furthermore, managers have better visibility into the customer journey across all channels. Said one system architect for a contact center platform team, *“We did an extremely thorough analysis and full RFP to compare the top three vendors, and there was truly no comparable platform. The Genesys solution provides an omnichannel experience, is fully integrated and scalable, and is competitive cost-wise. We have a strong ROI.”*

The Genesys Omnichannel Engagement Center solution acts as the system of engagement for organizations to interact with their customers across all touchpoints, channels, and journeys and enables revenue generation while reducing infrastructure and operational costs.

The costs and benefits for a typical composite organization “Pinnacle”, a B2C company with 13 contact centers and 3,000 agents*, include:

- 1. 12.5% improvement in agent handle time.**
- 2. Over \$27 million in infrastructure and operational cost reduction.**
- 3. Over \$1 million in increased sales through improved conversion rates both online and with voice agent calls, due to the web chat and routing intelligence features.**
- 4. 50% reduction in customer abandonment at key points in the customer journey due to Genesys Chat.**
- 5. Benefits of \$37 million over five years versus implementation costs of \$14 million, resulting in a net present value (NPV) of over \$22.8 million.**

* See page 8 for details on the typical composite organization, based on enterprise customer interviews

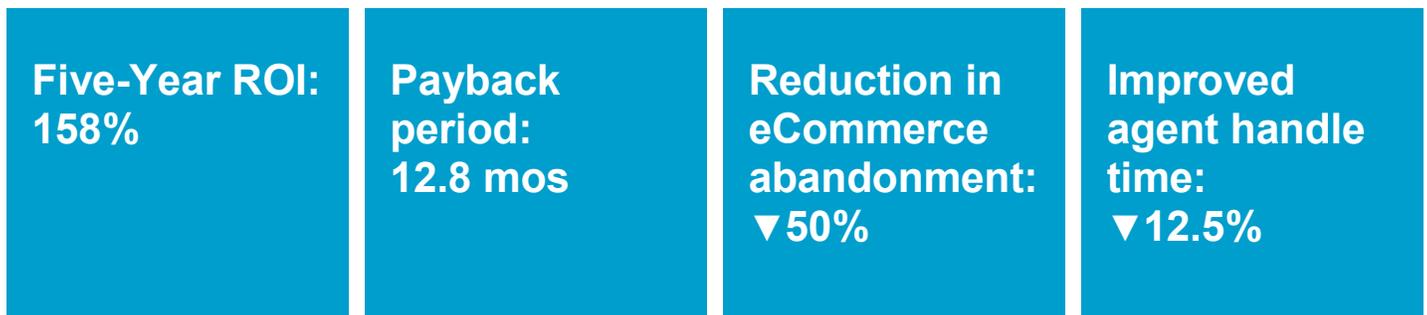
GENESYS IMPROVES CUSTOMER EXPERIENCE AND SALES CONVERSIONS WHILE REDUCING HANDLE TIME

For the purpose of communicating the results of the study and benefits, a composite organization – Pinnacle Consumer Brand or “Pinnacle” – will be used to represent the combined feedback of interviews. Our interviews with five Genesys enterprise customers based in North America, Europe, Latin America, and Asia Pacific across industries, such as banking and financial services, retail, eCommerce, and manufacturing, and subsequent financial analysis found that Pinnacle (a B2C company with 13 contact centers and 3,000 agents)* experienced the risk-adjusted ROI benefits and costs shown in Figure 1.¹

The Pinnacle analysis points to benefits of \$37,283,799 present value versus implementation costs of \$14,458,945 present value over five years, resulting in a net present value (NPV) of \$22,824,854, a 12.8 month payback period, and a 158% ROI. Pinnacle also saw a marked improvement in eCommerce conversions at critical points in the customer journey and a decrease in agent handle time by 12.5%.

* See page 8 for details on the composite organization, Pinnacle.

FIGURE 1
Financial Summary Showing Five-Year Risk-Adjusted Results



Source: Forrester Research, Inc.

› **Benefits.** The composite organization, Pinnacle, experienced the following risk-adjusted benefits that represent those experienced by the interviewed companies:

1. **Improved agent handle time by 12.5%, resulting in \$19,748,134 of benefits.** The average agent handle time was reduced from 480 seconds to 420 seconds per interaction, which provided efficiency savings for Pinnacle that resulted in \$19,748,134 over five years. The Genesys solution provides a single omnichannel desktop application to service all channel interactions and work item queues, with supporting context and knowledge through integration with CRM and other applications. This reduced the effort of the agent and increased the efficiency of call resolution.
2. **Reduction in infrastructure costs of \$19,200,000 over five years.** Pinnacle moved from outdated, multivendor contact center environments (often geographically dispersed) to the Genesys platform reduce hardware, software, maintenance, and IT labor costs. This is largely driven by the reduction in costly hardware when moving to an IP solution, along with avoiding future upgrade and software/hardware maintenance costs. Said one worldwide director of contact centers: “Genesys had figured out the process to do SIP networking when the competitors hadn’t. We saw that as a cost savings opportunity, and we’re very glad we did because it does save money.”
3. **Savings of \$8,727,049 in headcount reduction due to improved agent use or staffing automation.** Due to improved agent use resulting from workforce optimization, automated outreach, chat, self-service, and callback features, Pinnacle was able to reduce headcount by a significant amount. Although a 2% reduction in headcount was modeled for this study, one customer interviewed reported a 7% headcount reduction as a result of the solution. The Genesys Omnichannel Engagement Solution enabled Pinnacle to handle an increasing volume of omnichannel interactions with fewer agents.
4. **Over \$1 million in net revenue from improved conversion rates: digital and voice.** Pinnacle was able to improve conversion rates and increase sales as a result of the Genesys Chat and orchestration capabilities. The web chat capability reduced customer abandonment by 30% online, leading to more sales conversions. Genesys routing intelligence also was credited with an increase in the number of revenue-generating opportunities presented to agents, leading to increased upsell and cross-sell opportunities.
5. **Reduced cost to integrate new contact center agents by 50%.** Over a five-year implementation, Pinnacle will experience growth and change that required ongoing integration including acquisitions and contracting with third-party outsourcers. Pinnacle was able to cut integration costs for additional agents by half once the Genesys solution was in place, in addition to being able to get them up and running more quickly and having better visibility into their performance.

› **Costs.** The composite organization, Pinnacle, experienced the following risk-adjusted costs:

- **Total five-year costs of around \$17 million.** These costs were a combination of initial, one-time fees paid to Genesys and recurring maintenance costs:
 - **Software seat licenses.** Pinnacle had initial costs for 2,000 concurrent software licenses for its agents. This represents the blended cost of software seat licenses, the digital channel bundle, and SIP infrastructure.
 - **Annual software maintenance costs.** Pinnacle paid annual associated maintenance and support service costs for its software licenses, equaling a percentage of the initial license costs recurring annually.
 - **Hardware.** Pinnacle incurred initial hardware costs that were internal, related to Genesys products and associated data storage.
 - **Web chat agents.** To support the addition of the Genesys Chat product, Pinnacle hired specific agents who were skilled in web chat.

- **Professional services and training.** Pinnacle went through a contact center modernization process with the support of Genesys implementation consultants and technical experts. These services include the analysis and design of the Genesys solution, the installation and configuration of the Genesys solution, unit and system integration testing, the facilitation of knowledge transfer, assistance in the rollout of the Genesys environment into production, training courses on product usage, product documentation, and facilitation of the handoff to the appropriate Genesys support organizations. Professional services fees were incurred initially with Pinnacle, but these could be incurred at different phases of an organization's technology rollout, depending on when it adds capabilities.

Disclosures

The reader should be aware of the following:

- › The study is commissioned by Genesys and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.
- › Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in the Genesys Omnichannel Engagement Center solution.
- › Genesys reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.
- › Genesys provided the customer names for the interviews but did not participate in the interviews.

TEI Framework And Methodology

INTRODUCTION

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing the Genesys Omnichannel Engagement Center solution. The objective of the framework is to identify the benefit, cost, flexibility, and risk factors that affect the investment decision, to help organizations understand how to take advantage of specific benefits, reduce costs, and improve the overall business goals of winning, serving, and retaining customers.

APPROACH AND METHODOLOGY

Forrester took a multistep approach to evaluate the impact that the Genesys Omnichannel Engagement Center can have on an organization (see Figure 2). Specifically, we:

- › Interviewed Genesys marketing, sales, and consulting personnel, along with Forrester analysts, to gather data relative to the Genesys Omnichannel Engagement Center and the marketplace for the solution.
- › Interviewed five enterprise companies currently using the Genesys Omnichannel Engagement Center solution to obtain data with respect to benefits, costs, and risks.
- › Designed a typical composite organization - referenced throughout this study as “Pinnacle” - based on characteristics of the interviewed organizations.
- › Constructed a financial model representative of the interviews using the TEI methodology. The financial model is populated with the cost and benefit data obtained from the interviews as applied to the composite organization.
- › Risk-adjusted the financial model based on issues and concerns the interviewed organizations highlighted in interviews. Risk adjustment is a key part of the TEI methodology. While interviewed organizations provided cost and benefit estimates, some categories included a broad range of responses or had a number of outside forces that might have affected the results. For that reason, some cost and benefit totals have been risk-adjusted and are detailed in each relevant section.

Forrester employed four fundamental elements of TEI in modeling the impact of the Genesys Omnichannel Engagement Center solution: 1) benefits, 2) costs, 3) flexibility, and 4) risks.

Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester’s TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix B for additional information on the TEI methodology.

FIGURE 2
TEI Approach



Source: Forrester Research, Inc.

Analysis

COMPOSITE ORGANIZATION – PINNACLE CONSUMER BRAND

For this study, Forrester conducted a total of five interviews with representatives from the following Genesys customers based in North America, Europe, Latin America, and Asia Pacific regions:

- › An American multinational financial services corporation headquartered in the United States with over \$10 billion in revenue. It facilitates electronic funds transfers throughout the world, most commonly through branded credit cards and debit cards. The organization has 13 contact centers and 3,000 agents. The organization, which relied heavily on outsourcing in the past, is moving toward 85% insourcing because Genesys enables it to reduce costs and improve customer experience. The key driver for the Genesys implementation was to centralize and standardize technology across the lines of business to reduce costs, provide a standardized desktop for agents, and provide end-to-end reporting and analytics for managers to evaluate an entire customer journey.
- › A \$42 billion Chinese multinational computer technology company with headquarters in China and the United States. The company designs, develops, manufactures, and sells personal computers, tablets, smartphones, workstations, servers, electronic storage devices, IT management software, and smart televisions. The organization has 14 contact centers and around 3,000 agents. Since implementing the Genesys solution it was able to undertake an insourcing effort, moving toward having 75% of its contact center agents on the platform. The key drivers for the Genesys implementation were to replace a costly infrastructure with a more nimble IP/SIP architecture that would improve employee agent experience by consolidating the desktop and deliver an omnichannel experience with social, email, and voice.
- › A global event eCommerce leader with one of the world's top five eCommerce sites and over 32 million monthly unique visitors driving sales of over \$8 billion. The organization services 20 different international markets with 14 contact centers around the globe, the largest of which use Genesys. The organization has over 2,000 agents. The key driver for the Genesys implementation was to completely overhaul the contact center infrastructure by eliminating separate ACDs.
- › An African mobile communications company with over \$5 billion in revenue, providing voice, messaging, data, and converged services to over 55 million customers in 40 countries. The organization has an estimated market share of 58% in the region and more than 23 million customers and 3,500 agents. The key driver for the Genesys implementation was to provide a seamless customer journey for customers with a single, real-time view across customer touchpoints. The web chat feature was implemented to reduce customer abandonment in three stages of the customer journey with great success.
- › The largest private financial conglomerate in South America with over \$3.9 billion in revenue and among the largest banks in the world with operations in 20 countries and more than 4,000 branches. The organization has 18 contact centers worldwide supporting a very high digital and voice contact volume of over 160 million contacts annually. The key driver for

“We have an increasing number of customers who want to self-service – they don’t want to go into the stores or through the third party. Whether it’s to sign up as a brand new customer or upgrade their contract, we have to provide them alternate channels.”

~ Head of online and self-service, African telecommunications provider

the implementation was to integrate customer service operations into one platform, to simplify operations management, and increase productivity and customer satisfaction.

Based on the interviews, Forrester constructed a TEI framework, a typical composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization – referenced in this study as “Pinnacle” – is based on the synthesized results of the customer interviews and represents an organization with the following characteristics:

- › A global, multibillion dollar business-to-consumer organization that provides sales, customer support, and service/warranty support for its consumer products in high volume. The organization has a strong brand, global operations, a large customer base of about 20 million customers, and a strong online and offline presence. The average value of its products is \$200.
- › The organization has frequent, ongoing interactions with customers in high volumes over different channels. The leadership across the contact center, marketing, operations and customer experience wants to respond to customers’ demands to engage in a seamless customer experience no matter where they start the journey.
- › The organization has global operations across 13 contact centers, 3000 agents and adds about one to two contact centers every couple of years through acquisition, through outsource arrangements to support capacity for lines of business, or because it sells contact center customer service as part of its offering to large customers or partners.

After an extensive RFP and business case process evaluating multiple vendors, Pinnacle chose Genesys and began deployment:

- › Before selecting the Genesys solution, Pinnacle first worked with an outside consultant to determine the right solution and built a model to determine potential ROI for an omnichannel customer engagement approach with a more modern infrastructure. They built criteria for an RFP process and evaluated multiple highly rated vendors who were reviewed and rated by independent analyst firms. They compared the options side-by-side for the fit within the organization’s unique environment. Even though the contact center head had experience with a competitor’s product and had even worked for that organization, the Genesys solution was determined to be the best fit for their goals.
- › Once Pinnacle had selected Genesys to unify its customer service, it focused on replacing its outdated infrastructure with the Genesys Inbound Voice Engagement, Outbound Engagement, and Self-Service IVR with SIP phones and the G+ adaptor.
- › Pinnacle relied on the professional services team from Genesys in the implementation to assist with the initial rollout. The investment in these services was critical for deploying the solution quickly and training employees on how to use the technology. It included onsite project management and technical support for several months.
- › While deploying the solution, the Pinnacle implementation team ran the existing customer service technology in parallel to ensure that the network was reinforced and optimized to handle the traffic. Customer calls were routed initially through both systems until it was determined that the Genesys solution was tested and ready. Pinnacle selected Genesys for its capacity to expand quickly to accommodate growth, its scalability, and its reliability.
- › Once the baseline architecture was in place, the company rolled out the Genesys Workforce Planning solution and Genesys Interaction Workspace for its agents. It consulted with the Genesys professional services team to calculate a baseline ROI for layering additional tools within the environment and conducted a postmortem to confirm the impact of the tools.
- › The final stage in the deployment was when Pinnacle implemented Genesys Chat and Genesys Callback to further increase conversions and generate revenue from the digital channel. This incremental approach enabled the organization to seamlessly add additional channels while keeping costs manageable. It also enabled them to assess and refine the skillsets needed among agents to work within different channels.

- › Over a five-year implementation, Pinnacle added about 200 agents in years three and five due to the acquisition of a company and to meet the needs of a line of business to use a third-party outsourcer. These agents were integrated seamlessly and with much less cost than the initial implementation.

INTERVIEW HIGHLIGHTS

Like many global, customer-service-oriented organizations with high volumes of customer interactions and transactions, the Pinnacle leadership team determined that customer satisfaction improvements could be gained in the contact center while also reducing costs.

Situation

As part of an organizational strategy, Pinnacle wanted to improve customer experience at all stages of the customer journey. Within the past year, the organization had appointed a senior manager to oversee omnichannel customer experience with a focus on improving contact center technology. Pinnacle had reached its end-of-life with its existing contact center infrastructure technology and wanted to refresh and consolidate several technologies into one IP/SIP architecture that could support the capacity and scale of its operations. The goal was to standardize and centralize the contact center technology so that it could scale globally, withstand disasters, maximize the use of its agent talent, and ensure a positive customer and agent experience. With the wave of new channels used by customers, the senior manager — along with contact center directors and architects — wanted to be able to add new communication and digital channels and provide one view of the customer to the agent. Pinnacle sought to reduce costs, improve the omnichannel customer experience, improve agent productivity, and — ultimately — improve the customer experience.

- › The Pinnacle management team saw an opportunity to consolidate into one vendor solution that would both modernize its underlying contact center infrastructure on-premise and integrate all customer experience touchpoints — voice, web, mobile, social, or email. The Genesys platform provided an IP/SIP-based infrastructure that could orchestrate and route multichannel interactions and journeys.
- › Pinnacle is a large, globally dispersed organization that is growing steadily every year organically and through acquisitions. It sought to create a seamless experience for customers and agents around the globe, along with the technical flexibility to add new capacity quickly and easily to meet contact volume demands.
- › The Pinnacle contact center leadership team wanted to improve its call routing and queuing to take advantage of agent skillsets, occupancy, and availability to assist customers around the globe. Furthermore, with Genesys Workforce Planning, the organization could determine the most cost-effective locations to land calls at various points and direct the most valuable interactions to agents best prepared to handle their complex needs.
- › The Pinnacle marketing and customer experience team had noted an increase in expectations among its customers to have a consistent customer experience regardless of the point of entry — digital, online, or voice. In fact, most customers were now beginning their journey online or on their mobile phones, and the organization wanted contact center software that could provide a full 360° view of the customer.

“We did an extremely thorough analysis and full RFP to compare the top three vendors, and there was truly no comparable platform. The Genesys solution provides an omnichannel experience, is fully integrated and scalable, and is competitive cost-wise. We have a strong ROI.”

~ System architect for contact center platform team, financial services industry

- › The Pinnacle IT team wanted to be better prepared for disasters and ensure business continuity. In the past, weather events and other unplanned outages in particular regions of the world had disrupted the business.
- › The Pinnacle leadership team wanted to improve customer satisfaction scores and, ideally, increase revenue during interactions with its customers online, through social media, on the phone, and through email.
- › Pinnacle wanted omnichannel reporting tools in order to understand and improve agent and manager occupancy, to optimize the customer journey with the right resources and capacity for supporting peak times, and to add options that empower customers to initiate the type of contact they prefer, such as web chat and callback.

Solution

Pinnacle selected the Genesys Omnichannel Engagement Center solution for its comprehensive capabilities, flexibility, reliability, and ability to serve the organization's diverse needs as a single provider. The vendor selection team at Pinnacle viewed Genesys as a partner and solution provider that could meet the organization's immediate technology needs and evolve and grow with the organization.

Results

The interviews revealed that:

1. **Infrastructure costs, including hardware, maintenance, and IT labor, were reduced and simplified.** Pinnacle, which had been managing multiple globally dispersed contact center sites with varying technologies in place, found immediate savings by consolidating and modernizing its infrastructure with the Genesys IP/SIP architecture. The organization had been paying costly maintenance contracts and used technology that required more IT labor and hardware for it to operate.
2. **Agents were able to work more efficiently because of having a unified view of the customer, shortening average handle times.** Pinnacle was able to reduce its average handle time by 12.5% because the agents had more access to customer history and transaction data, along with IVR-gathered data about the purpose and nature of their outreach. This was due to having an omnichannel view of the customer that integrates with the customer relationship management system. The agents no longer had to toggle between multiple screens of customer information drawn from different databases. Furthermore, the agents handling the calls had skills that were aligned to customers' needs and better expertise to complete the transaction without transfer. Said one head of omnichannel customer experience from a financial services institution: *"We needed to improve our intelligence around routing all interactions to the right agent to increase our KPIs. And we also needed to know more about customer experience, and this required improving the accuracy and details of our analytics and reports."*

"We had no standardized desktop for the agents to be able to handle interactions from different contact types, as well as no true cradle-to-grave reporting. We definitely had a clear need to centralize and provide an actual enterprise platform that keeps the intelligence in-house while still having the flexibility to leverage any other partner for agent services."

~ System architect for contact center platform team, financial services industry

3. **Customer satisfaction increased because customers could be served in their preferred channel more quickly.** The head of customer experience for Pinnacle described the Genesys Omnichannel Engagement Center solution as an important component of its customer experience strategy, which improved customer satisfaction scores. As a result of the Genesys solution, the organization was able to see a positive change in Net Promoter Score (NPS) — one measure of customer satisfaction. *“One out of every five interactions on the website prompts a customer Net Promoter Score survey. We found that after we’d implemented our chat features, our NPS had gone up quite significantly — customers were enjoying the experience a whole lot more,”* said the head of online and self-service of a global telecommunications organization.²
4. **The organization became more nimble.** After implementing the Genesys Omnichannel Engagement Center solution, Pinnacle was able to expand call capacity and add agents without a difficult, lengthy, or expensive integration process. New agents — whether they were a new company acquired and folded into the parent organization or a third-party outsource provider that had a contract to provide support — were up and running in a matter of days and with little training.
5. **Revenue increased as more customers were converted at critical points in the customer journey online and on the phone.** The Pinnacle digital commerce team had identified bottlenecks in the past with both its eCommerce and voice interactions. Customers were abandoning the customer journey (and their shopping carts), which caused the organization to lose millions in potential sales. After implementing Genesys, the organization saw a marked increase in revenue both through increasing conversions and providing better queuing and routing and information to the right agent to identify upsell opportunity. Said one leader of omnichannel experience at a Latin American financial services organization, *“The personalization and optimization of the call routing provided by Genesys allowed us to improve our sales by 20%.”*
6. **The Genesys analytics and reporting capabilities enabled better business insights.** Prior to Genesys, the Pinnacle customer service team had struggled to see an end-to-end reporting of the customer’s interactions with the company. Furthermore, it didn’t have access to analytics capabilities like speech analytics and predictive analytics for managers to evaluate an entire customer journey. The organization cited the open source routing as one of the many features that enabled it to better map the customer experience journey. The worldwide director of contact centers of a computer technology company liked *“being able to see the routing structures so that when you look at the customer experience [you can] see it in a visual way. You can see it in a makes-sense format.”* In addition, the user-friendly and modern look and feel of the reporting capability was cited as benefits.
7. **Capacity planning and use of agent resources improved.** One systems architect for a financial services contact center emphasized how much better they could utilize their agents because of Genesys. She said: *“By standardizing on the Genesys Workforce Management solution, we are able to better manage, forecast, and schedule resources based on inbound volume of those channels. Our utilization and agent optimization were improved across channels — the organization could look at agents and see if they were skilled in email, chat, and a particular language voice — enabling them to maximize their talent base to get the best resource at that moment for that channel.”* Genesys enabled the firm to schedule the right resources and dynamically route the calls to the right people.
8. **Management approach to improving customer experience in all channels became more unified.** The organizations interviewed for this study were undergoing companywide transformations to make customer experience and customer satisfaction a top priority for the organization. One head of customer experience for the contact centers pointed out that he has to work in lockstep with peers in the organization — heads of the business units, heads of customer contact centers — to provide the best experience to customers: *“We are in the same business unit and sit on the same executive committee meeting; we are measured at the same level. We are pretty aligned compared to some other organizations with a common set of metrics, common budget, pooled capex, and incentives.”* In fact, one dramatic move that the organization made was to base 40% of the management team’s bonus on Net Promoter Scores.

“Based on customer satisfaction surveys in the IVRs to measure customer experience, we believe that Genesys has brought us significant value. We have seen customer experience improve because our SLAs have been achieved with less intraday variations, due to the reduction in transfer times, decreased average wait time, and a more reliable infrastructure.”

Head of contact center, business platforms, and self-service, Latin American financial services firm

BENEFITS

Pinnacle experienced a number of quantified benefits in this case study:

1. Improved agent handle time.
2. Infrastructure cost avoidance savings.
3. Reduced headcount due to improved agent use or staffing automation.
4. Reduced cost to integrate new contact center agents.
5. Increased net revenue through improved eCommerce conversions.
6. Increased net revenue from improved voice conversion rates: upsell and cross-sell.

Benefits Not Quantified

Several benefits reported by customers were either difficult to measure financially or were not as significant as those in the model. But their importance was clear as they were mentioned repeatedly by customers:

1. **Improvement in customer satisfaction scores.** An important benefit mentioned by Pinnacle was an increase in customer satisfaction scores, often measured using the Net Promoter Score (NPS) rubric. While customer satisfaction depends on a number of factors, some organizations nevertheless regarded the opportunity to provide best-in-class customer service as a strong driver for implementing the solution. They viewed the contact center as the nexus of the omnichannel customer experience and one that required great care and investment to maximize its impact.
2. **Improvement in reporting capabilities, including the look and feel.** Several customers commented on the better reporting they were able to do with Genesys that previously was not possible or wasn't user friendly. They described it as end-to-end reporting on the customer's interactions with the agents in different channels and cited these reports as critical for driving management insights on agent performance, routing strategies, and staffing models. Said one director of contact centers of a computer technology company: *"Genesys has this refreshed, real new look, while some competitors still look like the '80s. They're able to give real-time information back in a real user-friendly format so that managers in the contact centers, both real-time and also historical, are able to pull on a group level or on a specific agent level."*
3. **Creation of satisfied "super agents."** The changes in omnichannel customer service mean necessary shifts in agent skillsets, hiring, and training. Many of those interviewed for this research saw this as a growth opportunity for agents and a means of improving agent retention in a very high-turnover industry. In addition to broadening the capabilities to serve customers, the organizations are broadening opportunities for agents. Said one head of contact center technology: *"We're moving away from singular-type interactions to now multi-type interactions. And we're creating almost like a super agent. As you start saving several minutes a call on handle times and then you have all these agents around, it's important that agents that are standing around are able to handle different types of interactions."*



Improved Agent Handle Time

Pinnacle reported a 12.5% reduction in agent handle time for multichannel customer interactions due to the Genesys solution. Prior to the implementation, agents did not have one omnichannel view of the customer on their desktop workspace. They had to authenticate customers more than once or received little information about the customer prior to the interaction. Agents were not matched with customer needs based on their skills so they would have to transfer the call more than once. In some instances, an inbound call would show little more than a few characters of information about the organization calling. Furthermore, the customer may have provided valuable context through the interactive voice response but it was not visible to the agents upon transfer and they frequently had to request the same information for authentication or to capture account or product information. In the case of service issues that required lengthy descriptions with numeric values, the agents were prone to more

errors recording the information. As a result, customers had to repeat information multiple times, the agents had little historical or contextual data available about customers, and agents could not resolve issues in the first call and had to transfer up to three times.

Following the Genesys implementation, Pinnacle reduced the agent handle time from 480 seconds to 420 seconds per interaction, driven by the Genesys interaction workspace desktop, CTI screen pop capturing data and populating applications, authentication information, better routing and interaction between IVR and the agent desktop, improved skills-based routing, and improved single call resolution. The agent had increased access to customer data and history in one workspace. Furthermore, the digital capabilities reduced the manual process of reviewing email and social content from customers and copying/pasting it into the contact system for routing and follow up. Pinnacle also implemented the Genesys Callback, which further reduced handle time because detailed information could be entered — rather than told to the agents. Said one system architect from a financial services organization: *“Across the board, the agents are extremely happy with the single interface for interaction handling, including email. We definitely received really good feedback from the agents on having that single desktop interface. It has greatly increased their ability to focus on the important interactions and has enhanced customer satisfaction.”* The total benefit for Pinnacle resulting from reduced handle time over the five years was \$24,685,167.

Interviewed organizations provided a broad range of agent handle time improvements, since the nature and complexity of their products and services differed, as did the type of interaction (sales, customer service, internal employee support, or warranty support), requiring different amounts of time to handle customer issues. To compensate, this benefit was risk-adjusted and reduced by 20%. The risk-adjusted total benefit resulting from improved agent handle time and efficiencies over the five years was \$19,748,134. See the section on Risks for more detail.

Table 1
Improved Agent Handle Time

Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Year 4	Year 5
A1	Customer service monthly call volume	Year 1 = Pinnacle; Years 2-5 = 104%	2,250,000	2,340,000	2,433,600	2,530,944	2,632,182
A2	% handled in IVR		50%	50%	50%	50%	50%
A3	Customer calls routed to agents	$A1*(1-A2)$	1,125,000	1,170,000	1,216,800	1,265,472	1,316,091
A4	Pre-Genesys AHT (seconds)	Pinnacle	480	480	480	480	480
A5	AHT improvement	Pinnacle	12.5%	12.5%	12.5%	12.5%	12.5%
A6	Post-Genesys AHT (seconds)	$A4-(A4*A5)$	420	420	420	420	420
A7	Annual net improvement (hours)	$(((A4*A5)/60)/60)*((A3*12)$	75,000	78,000	81,120	84,365	87,739
A8	Annual agent salary, fully loaded	Year 1 = Pinnacle; Years 2-5 = 104%	\$40,000	\$41,000	\$42,025	\$43,076	\$44,153
A9	Hourly agent salary	$A8/2080$	\$19.23	\$19.71	\$20.20	\$20.71	\$21.23

At	Improved agent handle time	A9*A7	\$4,326,923	\$4,612,500	\$4,916,925	\$5,241,442	\$5,587,377
	Risk adjustment	↓ 20%					
Atr	Improved agent handle time (risk-adjusted)		\$3,461,538	\$3,690,000	\$3,933,540	\$4,193,154	\$4,469,902

Source: Forrester Research, Inc.



Infrastructure Cost Avoidance Savings

Pinnacle reported significant cost avoidance savings from its call center modernization effort. It indicated that a key benefit from the Genesys implementation was a reduction in infrastructure hardware and software replacement costs, a reduction in ACD/PBX/CTI and server maintenance, and lowered IT labor costs associated with managing a contact center. Prior to modernizing the contact center infrastructure with the Genesys solution, Pinnacle had a multivendor environment with a mixture of on-premises and outsourced agreements with third-party providers that was not standardized globally. It was inflexible and not scalable. The technology was based on the ACD/PBX/CTI that was reaching its end of life. The hardware and associated maintenance were expensive and needed to be upgraded. The technology did not consolidate IT labor and could not easily land and route calls through one hub. As a result, Pinnacle was not able to optimize its IT and agent labor pools and did not have a central design, development, or support for their contact center technology.

Said one SVP of global contact center technology: *“We really wanted to lighten up all of the physical forms of connectivity from a hardware perspective and virtualize as much as we could. So that was really when we made the leap from a truly physical infrastructure-heavy environment, to a lighter and more virtualized [one]; over half of our servers are virtualized, which really helped from a cost savings perspective. And that was a huge win from a Genesys perspective because it got us away from all the proprietary hardware. And the maintenance fees were also extremely expensive on the infrastructure we had — it was just inefficient. We wanted to gain efficiencies in how we deliver the calls to the agents, making sure that we had the best call agents to handle the call without having several calls all over the place.”*

FIGURE 2

Improved Customer Experience Resulting From a Consolidated Genesys Omnichannel Engagement Center Solution and Agent Desktop



Benefits of \$37,283,799 versus implementation costs of \$14,458,945 delivered over five years, resulting in a net present value (NPV) of \$22,824,854



Before Genesys: fragmented contact center approach

- Outdated, multivendor environment — inflexible, siloed, and did not integrate seamlessly across all channels and agents.
- Expensive and difficult to maintain, increased call handle times and transfers.
- Frustrated customers; organization not nimble with regard to its customer experience strategies.

After Genesys: omnichannel engagement

- Reliable, faster, and more-customized experience no matter the channel.
- Better visibility into the customer journey across channels and more opportunity to convert customers or upsell them in the customer journey.
- Reduced infrastructure costs and complexity.
- Increased agility to accommodate the changing demands of business and customers.

Source: Forrester Research, Inc.

Following the Genesys implementation, Pinnacle experienced a one-time elimination of projected hardware upgrade costs in the third year of \$1.5 million, along with lowering significant, recurring maintenance and IT labor cost. These savings were achieved by eliminating costly switchgear such as ACD/PBX; lowering refresh, maintenance, and toll-free transport costs; moving from physical servers to virtual servers; sharing traffic for all channels; utilizing open standards; and incorporating a light, software-only footprint. Furthermore, the modernization of the contact center reduced the annual hardware and server maintenance costs that recur annually. In addition, the IT personnel costs are reduced when switching to a modern IP/SIP architecture that requires less investment of IT labor. The IT staff could be centralized into one contact center team instead of different ones supporting point solutions around the company. They were no longer managing a legacy multivendor, multilocation infrastructure. As a result, Pinnacle saved around \$2-4 million annually for on-going maintenance costs and IT labor and a \$1.5 million savings in Year 3 due to a one-time hardware elimination benefit in addition to maintenance savings. The total benefit resulting from infrastructure cost avoidance over the five years was \$24 million.

Interviewed organizations were in different stages of their modernization efforts, with some doing full replacements and others updating their architecture in stages. Furthermore, the organizations varied in the location and distribution of their contact centers. To compensate, this benefit was risk-adjusted and reduced by 20%. The risk-adjusted total benefit resulting from infrastructure cost avoidance savings over the five years was \$19,200,000. See the section on Risks for more detail.

TABLE 2
Infrastructure Cost Avoidance Savings

Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Year 4	Year 5
B1	Number of agents	Source: Pinnacle	3,000	3,000	3,200	3,200	3,400
B2	One-time elimination of projected upgrade cost	Source: Pinnacle			\$1,500,000		
B3	Annual ACD/PBX/CTI maintenance cost	Source: Pinnacle	\$840,000	\$840,000	\$896,000	\$896,000	\$952,000
B4	Annual server maintenance costs	Source: Pinnacle 50% in first year phasing out legacy system	\$1,200,000	\$2,400,000	\$2,560,000	\$2,560,000	\$2,720,000
B5	IT labor savings — annual cost of contact center IT personnel	Source: Pinnacle	\$1,260,000	\$1,260,000	\$1,344,000	\$1,344,000	\$1,428,000
Bt	Infrastructure cost avoidance savings	B2+B3+ B4+B5	\$3,300,000	\$4,500,000	\$6,300,000	\$4,800,000	\$5,100,000
	Risk adjustment	↓ 20%					
Btr	Infrastructure cost avoidance savings (risk-adjusted)		\$2,640,000	\$3,600,000	\$5,040,000	\$3,840,000	\$4,080,000

Source: Forrester Research, Inc.



Reduced Headcount Due to Improved Agent Use Or Staffing Automation

Pinnacle indicated that, in addition to improved agent handle time, the overall agent efficiency and use levels increased, enabling the firm to reduce headcount. Prior to the Genesys solution, the Pinnacle omnichannel contact center leadership had less visibility into the agents' workflow and was not able to optimize its agent resources. In the past, the organization had queue-based routing rather than intelligent routing and did not have workforce optimization tools to plan for capacity needs. The Genesys Omnichannel Engagement solution enabled the organization to handle an increasing volume of omnichannel interactions with fewer agents. The Genesys solution leveraged real-time intelligence on workforce skills and proficiencies, which allowed for a balanced distribution of calls across the overall workforce instead of being dependent on a specific setup of queues to deliver interactions to agents. This resulted in better scheduling and enabled the agents with the right skills to handle specific calls, fewer transfers because calls can be resolved with the first agent, and fewer overall load-balancing issues with the agents. Through a better understanding of omnichannel demand and the workforce requirement to support it, Pinnacle was able to reduce its headcount by 2%. Individual customers reported reducing headcount by as much as 7%. This benefit was calculated beginning in the second year because the first year consisted of a technology roll-out process and agents and their management teams were still familiarizing themselves with the system. The managers required time to collect data on agent performance

and customer journeys to analyze and optimize the process. Only then could they realize the reduction in headcount. The total benefit resulting from reduced headcount over the five years was \$10,908,811.

Interviewed organizations provided a range of agent occupancy rate improvements, headcount reduction, or hiring avoidance, along with differing agent salaries. The skillsets of agents vary dramatically and in some cases require hiring additional agents to handle new channels, and in other cases consolidating into a multiskilled super agent. One customer implemented Genesys Chat using voice agents and had to course-correct later when those agents did not have transferable skills to the chat channel. To compensate, this benefit was risk-adjusted and reduced by 20%. The risk-adjusted total benefit resulting from reduced headcount due to improved agent use and staffing automation over five years was \$8,727,049. See the section on Risks for more detail.

TABLE 3
Reduced Headcount Due To Improved Agent Use Or Staffing Automation

Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Year 4	Year 5
C1	Number of agents	Pinnacle		3,000	3,200	3,200	3,400
C2	Annual fully burdened agent cost			\$41,000	\$42,025	\$43,076	\$44,153
C3	Percentage reduction in full-time equivalents	2% Source: Pinnacle		2%	2%	2%	2%
Ct	Reduced headcount costs due to improved agent utilization or staffing automation	$C1 * C2 * C3$		\$2,460,000	\$2,689,600	\$2,756,840	\$3,002,371
	Risk adjustment	↓ 20%					
Ctr	Reduced headcount costs due to improved agent utilization or staffing automation (risk-adjusted)			\$1,968,000	\$2,151,680	\$2,205,472	\$2,401,897

Source: Forrester Research, Inc.



Reduced Cost To Integrate New Contact Center Agents

Pinnacle indicated that a key benefit from the Genesys implementation was a reduction in cost to integrate new contact center agents. Prior to Genesys, the Pinnacle technology team had to rely on third-party outsourcers' routing engines, applications, and call recording and monitoring functionality when expanding its agent pool by outsourcing or acquisition. As a result, Pinnacle lacked full end-to-end visibility into the agent pool and had to spend significantly more money during these integrations. After implementing Genesys, Pinnacle only had to buy the configuration of the new agents and set up the appropriate roles, and they would be able to access skills-based routing within the Genesys environment. The flexibility of the Genesys architecture meant lower integration costs, driven by: 1) expanding the IVR port capacity without incurring additional IVR infrastructure costs and 2) adding direct connectivity to outsourcers or third-party platforms without incurring additional infrastructure costs. In addition to the integration savings, this also means better transparency of information for operational decision-

making because of the seamless screen integration of agent desktop and administration interface, leading to lower administration costs. The total benefit resulting from reduced cost to integrate new contact centers over the five years was \$1,320,000.

Interviewed organizations provided a range of circumstances under which they would expand agent pools. In some cases they saved money to outsource to a third party, and in others they spent more. Furthermore, their business environments and the extent to which they were growing or acquiring new companies ranged. To compensate, this benefit was risk-adjusted and reduced by 10%. The risk-adjusted total benefit resulting from reduced cost to integrate new contact center agents over five years was \$1,188,000. See the section on Risks for more detail.

TABLE 4
Reduced Cost To Integrate New Contact Center Agents

Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Year 4	Year 5
D1	Number of agent pool expansions acquired or integrated through a third-party vendor	Source: Pinnacle 200 agents added; 20% increase			1		1
D2	Estimated cost avoided for the additional contact center to be added	Estimated at 20% of the initial infrastructure cost avoidance for a modernization project			\$660,000		\$660,000
Dt	Reduced cost to integrate new contact center agents				\$660,000		\$660,000
	Risk adjustment	↓ 10%					
Dtr	Reduced cost to integrate new contact center agents (risk-adjusted)				\$594,000		\$594,000

Source: Forrester Research, Inc.



Increased Net Revenue Through Improved eCommerce Conversions

Pinnacle indicated that it was able to increase revenue significantly as a result of using the Genesys Omnichannel Engagement solution for customer experience. Sales are frequently and increasingly online and in the mobile channel. When customers hit a snag in the customer journey for these channels, they will immediately turn to another channel — web chat or calling customer service. The organization has a significant volume of eCommerce transactions because of its self-service features and integration of customer data from all channels. After an analysis of the customer's journey via eCommerce, the Pinnacle digital commerce team identified key transaction points where customers abandoned the transaction. By implementing the Genesys web chat feature in those points, the organization reduced customer abandonment by 30%. This benefit is calculated beginning in Year 3 and is assumed to begin once the proactive web chat feature is fully operational. Furthermore, Pinnacle needed to hire 30 more web chat agents to handle the channel with the right skillset in years 3 through 5. Based

on Pinnacle's call volume, it is assumed that 30 additional agents can handle the load. The total benefit resulting from increased net revenue through improved eCommerce conversions over the five years was \$936,480.

Interviewed organizations represented a wide range of industries, primarily serving consumers. Their transaction volumes through eCommerce and over the phone differed, along with the percentage of calls and online interactions that were sales-related. In addition, the products they sold ranged from financial products to mobile equipment to entertainment events with a range of average conversions. To compensate, this benefit was risk-adjusted and reduced by 20%. The risk-adjusted total benefit resulting from increased revenue from improved conversion rates over five years was \$749,184. See the section on Risks for more detail.

TABLE 5
Increased Net Revenue Through Improved eCommerce Conversions

Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Year 4	Year 5
E1	Customer base	Pinnacle			20,000,000	20,800,000	21,632,000
E2	% of customers interacting with the digital channel in a sales transaction capacity	5%			1,000,000	1,040,000	1,081,600
E3	Conversion rate for eCommerce	2% Forrester Research			20,000	20,800	21,632
E4	Average revenue per closed sale	Pinnacle			\$200	\$200	\$200
E5	Previous abandonment rate at key points in customer journey, pre-Genesys web chat	60%			12,000	12,480	12,979
E6	Abandonment rate at key points in customer journey, post-Genesys web chat	30%			6,000	6,240	6,490
E7	Profit margin	25%			25%	25%	25%
Et	Increased net revenue through improved eCommerce conversions	(E5-E6)*E4*E7			\$300,000	\$312,000	\$324,480
	Risk adjustment	↓20%					
Etr	Increased net revenue through improved eCommerce conversions (risk-adjusted)				\$240,000	\$249,600	\$259,584

Source: Forrester Research, Inc.



Increased Net Revenue From Improved Voice Conversion Rates: Upsell And Cross-Sell

Pinnacle indicated that it was able to increase revenue significantly as a result of using the Genesys solution for omnichannel customer experience. When a customer called customer service for a sales-related inquiry, the Genesys solution enabled an opportunity for the agent to upsell and cross-sell products. The omnichannel contact center experienced an increase in conversions for inbound voice calls after implementing Genesys. This is due to having better access to historic customer data from all channels, providing a better opportunity to close, upsell, or cross-sell when speaking with them. Those benefits were realized in years 2 through 5 after the system had been fully operational for one year, although they could be realized sooner depending on an organization's implementation timeline. The total benefit resulting from increased net revenue from improved voice conversion rates over the five years was \$1,085,819.

Interviewed organizations represented a wide range of industries, primarily serving consumers. Their transaction volumes through eCommerce and over the phone differed, along with the percentage of calls and online interactions that were sales-related. In addition, the products they sold ranged from financial products to mobile equipment to entertainment events with a range of average conversions. To compensate, this benefit was risk-adjusted and reduced by 20%. The risk-adjusted total benefit resulting from increased revenue from improved conversion rates over five years was \$868,655. See the section on Risks for more detail.

TABLE 6

Increased Net Revenue From Improved Voice Conversion Rates: Upsell And Cross-Sell

Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Year 4	Year 5
F1	Average monthly call volume	Pinnacle A1		2,340,000	2,433,600	2,530,944	2,632,182
F2	Percentage of agent-handled calls that are able to generate revenue	3%; increasing to over 5%		3%	3.75%	4.68%	5.85%
F3	Monthly number of revenue-generating opportunities	F1*F2		70,200	91,260	118,638	154,229
F4	Conversion ratio pre-Genesys	5%		5%	5%	5%	5%
F5	Conversion ratio post-Genesys	10%		10%	10%	10%	10%
F6	Average revenue per closed sale			\$200	\$200	\$200	\$200
F7	Profit margin			25%	25%	25%	25%
Ft	Increased net revenue from improved voice conversion rates: upsell and cross-sell	$((F3*F5*F6)-(F3*F4*F6))*F7$		\$175,500	\$228,150	\$296,595	\$385,574
	Risk adjustment	↓20%					
Ftr	Increased net revenue from improved voice conversion rates: upsell and cross-sell (risk-adjusted)			\$140,400	\$182,520	\$237,276	\$308,459

Source: Forrester Research, Inc.

Total Benefits

Table 7 shows the total of all benefits across the five areas listed above, as well as present values (PVs) discounted at 10%. Over three years, Pinnacle expects risk-adjusted total benefits to be a PV of more than \$37,283,799, or \$12,427 per agent license.

TABLE 7
Total Benefits

Ref.	Benefit	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Present Value
Atr	Improved agent handle time	\$3,461,538	\$3,690,000	\$3,933,540	\$4,193,154	\$4,469,902	\$19,748,134	\$14,791,204
Btr	Infrastructure cost avoidance savings	\$2,640,000	\$3,600,000	\$5,040,000	\$3,840,000	\$4,080,000	\$19,200,000	\$14,317,964
Ctr	Reduced headcount due to improved agent use	\$0	\$1,968,000	\$2,151,680	\$2,205,472	\$2,401,897	\$8,727,049	\$6,240,791
Dtr	Reduced cost to integrate new contact center agents	\$0	\$0	\$594,000	\$0	\$594,000	\$1,188,000	\$815,108
Etr	Increased net revenue through improved e-commerce conversions	\$0	\$0	\$240,000	\$249,600	\$259,584	\$749,184	\$511,977
Ftr	Increased net revenue from improved voice conversion rates: upsell and cross-sell	\$0	\$140,400	\$182,520	\$237,276	\$308,459	\$868,655	\$606,754
	Total benefits (risk-adjusted)	\$6,101,538	\$9,398,400	\$12,141,740	\$10,725,502	\$12,113,841	\$50,481,022	\$37,283,799

Source: Forrester Research, Inc.

COSTS

Pinnacle experienced a number of costs associated with the Omnichannel Engagement Center solution:



Costs

Total five-year costs of \$17,688,103. These costs were a combination of initial, one-time fees paid to Genesys and recurring maintenance costs:

- **Software seat licenses.** Pinnacle experienced initial costs for 2,000 concurrent software licenses for its agents. A concurrent seat licensing is based on the number of simultaneous users accessing the program. Because not all 3,000 agents work simultaneously, they are all able to have access to the Genesys Omnichannel Engagement Center solution by sharing 2,000 licenses. This represents the blended software license cost of software licenses and related documentations applicable for a standalone digital channel bundle and IP/SIP infrastructure enablers. This price includes the expansion of 200 agents in years 3 and 5.
- **Annual software maintenance costs.** Pinnacle paid annual associated maintenance and support services for its software licenses, totaling up to a percentage of the initial license costs recurring annually.
- **Hardware.** Pinnacle incurred initial hardware costs that were internal, related to Genesys products and associated data storage.
- **Web chat agents.** To support the addition of the Genesys Chat product, Pinnacle hired specific agents who were skilled in web chat.
- **Professional services.** Organizations with a contact center modernization initiative undertake it with the support of Genesys implementation consultants and technical experts. These services include the analysis and design of the Genesys solution, the installation and configuration of the Genesys Omnichannel Engagement solution, unit and system integration testing, facilitation of knowledge transfer, assistance in the rollout of the Genesys environment into production, providing training courses on product usage, provision of product documentation, and facilitation of handoff to the appropriate Genesys support organizations. Professional services fees were incurred initially with Pinnacle, but these could be incurred at different phases of an organization's technology rollout, depending on when an organization adds capabilities.

These represent the mix of internal and external costs experienced by Pinnacle for initial planning, implementation, and ongoing maintenance associated with the solution for a total of \$17,688,103 over five years.

Professional costs vary from organization to organization, depending on the organization's technical infrastructure, resources, and global scale. Depending on the legacy environment, the time and effort required to implement the solution could vary. To compensate, this cost was risk-adjusted up by 10%. See the section on Risks for more detail.

TABLE 8
Total Costs (Risk-Adjusted)

Ref.	Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Present Value
F1	Number of concurrent agent seat licenses	2,000		200		200	2,400	
Ftr (risk-adjusted)	Hardware, software, maintenance, web chat agents and professional services to support 2,000 concurrent seat licenses						\$17,688,103	\$14,458,945

Source: Forrester Research, Inc.

FLEXIBILITY

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for some future additional investment. This provides an organization with the “right” or the ability to engage in future initiatives but not the obligation to do so. There are multiple scenarios in which a customer might choose to implement the Omnichannel Engagement Center solution and later realize additional uses and business opportunities. Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix B).

Many organizations seeking an omnichannel approach to customer engagement already have replaced legacy contact center infrastructures, and their infrastructure is based on VoIP for inter-site routing or agent phone. The platform and peripherals use proprietary protocols to integrate with third-party applications. The platform requires a significant refresh to move to a modern full SIP architecture, but the existing infrastructure does not have to be replaced completely. In this case, the infrastructure cost avoidance would experience less savings around server maintenance and there would likely be no one-time upgrade cost avoided because that transition has already happened prior to implementing the VoIP solution. However, the organization making this transition would still experience IT labor savings and lower maintenance costs. [For a custom ROI analysis, please contact Genesys](#) and they will work with you to predict the actual savings for your environment based on a detailed analysis and benchmark data.

RISKS

Forrester defines two types of risk associated with this analysis: “implementation risk” and “impact risk.” Implementation risk is the risk that a proposed investment in Genesys Omnichannel Engagement Center solution may deviate from the original or expected requirements, resulting in higher costs than anticipated. Impact risk refers to the risk that the business or technology needs of the organization may not be met by the investment in Genesys Omnichannel Engagement Center solution, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for cost and benefit estimates.

TABLE 9
Benefit And Cost Risk Adjustments

Benefits	Adjustment
Improved agent handle time	Improvement was risk-adjusted and reduced by ↓ 20%
Infrastructure cost avoidance savings	Improvement was risk-adjusted and reduced by ↓ 20%
Reduced headcount due to improved agent use or staffing automation	Improvement was risk-adjusted and reduced by ↓ 20%
Reduced cost to integrate new contact center agents	Improvement was risk-adjusted and reduced by ↓ 10%
Increased net revenue through improved eCommerce conversions	Improvement was risk-adjusted and reduced by ↓ 20%
Increased net revenue from improved voice conversion rates: upsell and cross-sell	Improvement was risk-adjusted and reduced by ↓ 20%
Costs	Adjustment
Professional services fees	↑ 10%

Source: Forrester Research, Inc.

Quantitatively capturing implementation risk and impact risk by directly adjusting the financial estimated results provides more meaningful and accurate estimates and a more accurate projection of the ROI. In general, risks affect costs by raising the original estimates, and they affect benefits by reducing the original estimates. The risk-adjusted numbers should be taken as “realistic” expectations since they represent the expected values considering risk.

The following impact risks that affect benefits are identified as part of the analysis:

- › Interviewed organizations provided a broad range of agent handle time improvements, since the nature and complexity of their products and services differed, as did the type of interaction (sales, customer service, internal employee support, or warranty support), requiring different amounts of time to handle customer issues. To compensate, this benefit was risk-adjusted and reduced by 20%.
- › Interviewed organizations were in different stages of their modernization efforts, with some doing full replacements and others updating their architecture in stages. Organizations varied in the number and location of their contact centers. To compensate, this benefit was risk-adjusted and reduced by 20%.
- › Interviewed organizations provided a range of agent occupancy rate improvements, headcount reduction, or hiring avoidance, along with differing agent salaries. The skillsets of agents vary dramatically and in some cases require hiring additional agents to handle new channels, and in other cases consolidating into a multiskilled super agent. One customer implemented web chat using voice agents and had to course-correct later when those agents did not have transferable skills to the chat channel. To compensate, this benefit was risk-adjusted and reduced by 20%.
- › Interviewed organizations provided a range of circumstances under which they would expand agent pools. In some cases they saved money to outsource to a third party, and in others they spent more. Furthermore, their business environments and the extent to which they were growing or acquiring new companies ranged. To compensate, this benefit was risk-adjusted and reduced by 10%.

- › Interviewed organizations represented a wide range of industries, primarily serving consumers. Their transaction volumes through eCommerce and over the phone differed, along with the percentage of calls and online interactions that were sales-related. In addition, the products they sold ranged from financial products to mobile equipment to entertainment events with a range of average conversions. To compensate, both benefits related to increased revenue due to Genesys were risk-adjusted and reduced by 20%.

The following implementation risk that affects costs is identified as part of this analysis:

- › Professional costs vary from organization to organization, depending on the organization's technical infrastructure, resources, and global scale. Depending on the legacy environment, the time and effort required to implement the solution could vary. To compensate, this cost was risk-adjusted up by 10%.

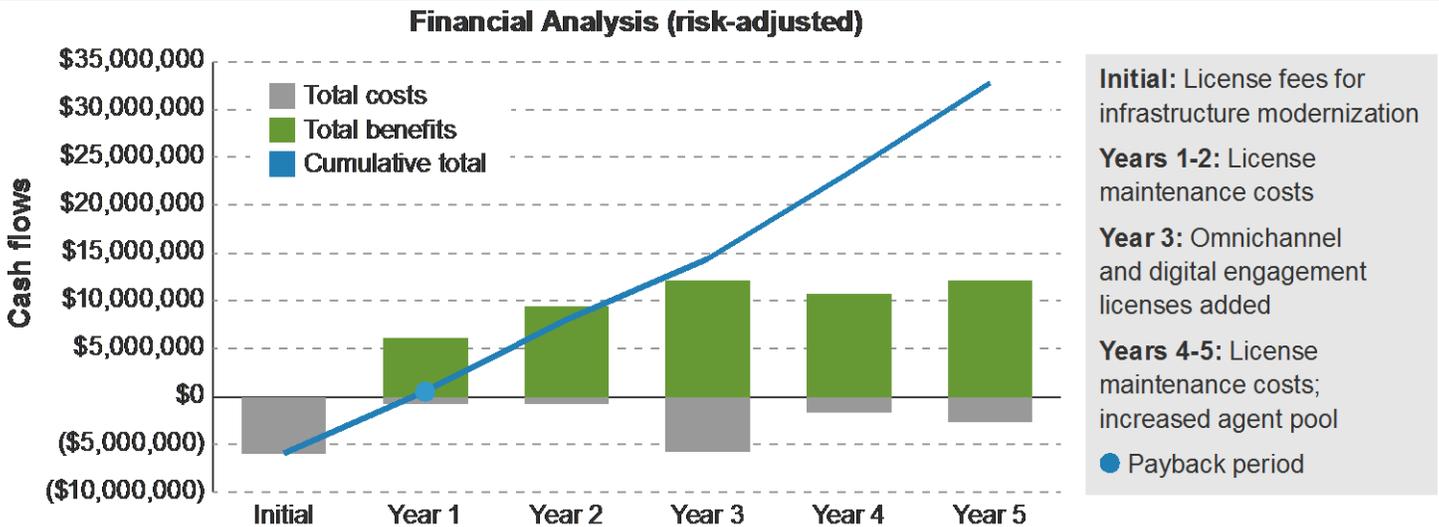
Table 9 shows the values used to adjust for risk and uncertainty in the cost and benefit estimates for Pinnacle. Readers are urged to apply their own risk ranges based on their own degree of confidence in the cost and benefit estimates.

Financial Summary

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for Pinnacle's investment in Omnichannel Engagement Center.

Figure 3 below shows the risk-adjusted ROI, and NPV values. These values are determined by applying the risk-adjustment values from Table 9 in the Risk section to the unadjusted results in each relevant cost and benefit section. After the Initial costs of \$5,917,500 for implementation fees, licenses and infrastructure, Pinnacle realizes benefits of \$6,101,538 in Year 1 compared with costs of \$750,000. Around 13 months, the organization hits the payback period (shown below as a blue circle on the line) and realizes benefits of \$9,398,400 compared with costs of \$750,000. In Year 3, the organization realizes \$12,141,740 in benefits compared with \$5,774,854 in costs (which reflect product expansion and additional agent licenses). In Year 4, the organization realizes benefits of \$10,725,502 compared with \$1,764,356 in costs. Finally, in Year 5 the organization realizes \$12,113,841 in benefits compared with costs of \$2,731,393.

FIGURE 3
Cash Flow Chart (Risk-Adjusted)



Source: Forrester Research, Inc.

TABLE 10
Cash Flow (Risk-Adjusted)

	Initial	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Present Value
Total Costs	\$5,917,500	\$750,000	\$750,000	\$5,774,854	\$1,764,356	\$2,731,393	\$17,688,103	\$14,458,945
Total Benefits	\$0	\$6,101,538	\$9,398,400	\$12,141,740	\$10,725,502	\$12,113,841	\$50,481,022	\$37,283,799
Total	\$5,917,500	\$5,351,538	\$8,648,400	\$6,366,886	\$8,961,145	\$9,382,448	\$32,792,918	\$22,824,854
ROI								158%
Payback period (months)								12.8

Source: Forrester Research, Inc.

Genesys Omnichannel Engagement Center Solution: Overview

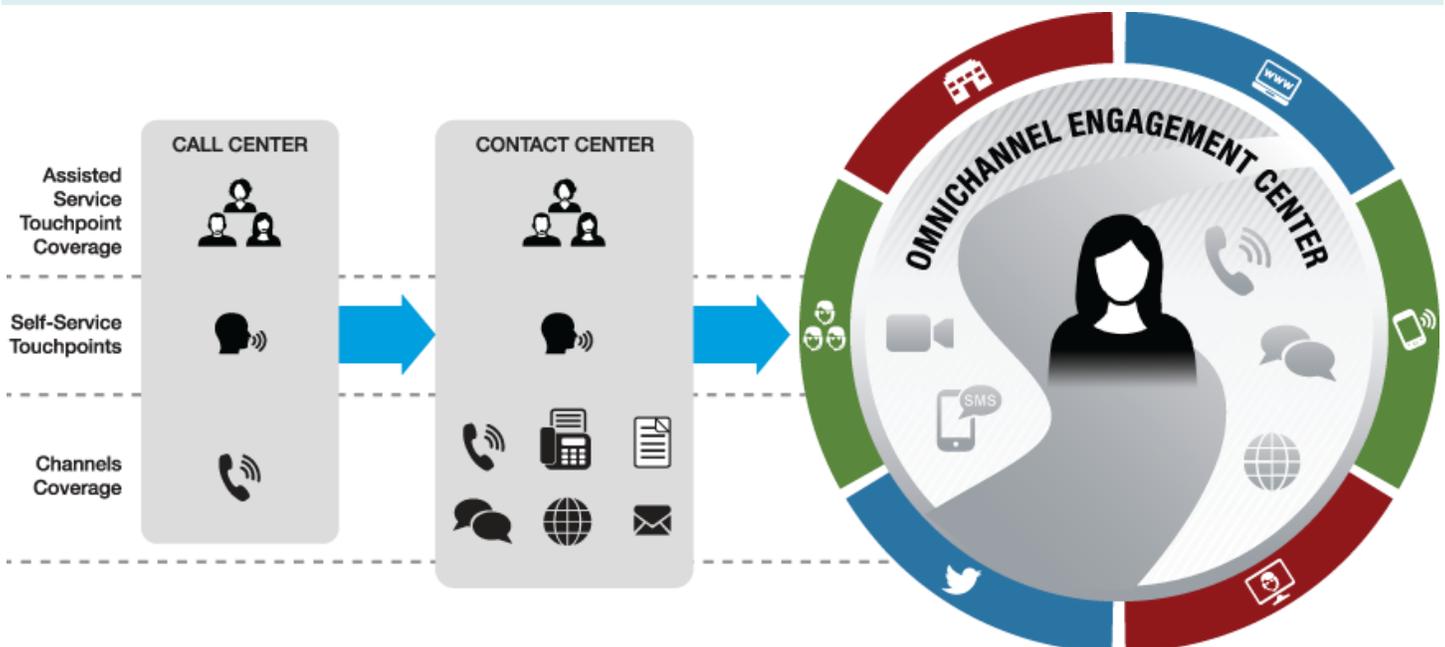
The following information is provided by Genesys. Forrester has not validated any claims and does not endorse Genesys or its offerings.

Customer demands have increased and channels have proliferated while the internet of things (IoT) is becoming a reality. Companies are standing face-to-face with a customer base that demand an intuitive and frictionless experience. As customer demands have increased, the world is changing fast and traditional approaches to revenue growth, cost reduction, and improved customer loyalty are no longer enough. Positive engagement now requires effective use of digital channels and analytics with the power of human touch. Progressive companies are responding to this changing landscape and are moving to differentiate their customer experience.

As the number of customer touchpoints have exploded and customer expectations for simplicity and personalization have expanded, enterprises need a simple, unified, approach to engaging their customers. There is broad industry consensus that companies and governments need to manage customer interactions across journeys and touchpoints, and over time, to deliver a low effort experience that results in strong customer advocacy and lower cost of operations.

Organizations are building out the next generation of customer engagement (Figure 4), the Omnichannel Engagement Center that involves the contact center, website, mobile apps and social networks. The Genesys Omnichannel Engagement Center solution acts as the system of engagement for organizations to better interact with their customers across all touchpoints, channels and journeys.

FIGURE 4
Next Generation Omnichannel Customer Engagement



Source: Genesys

As the system of engagement, the Genesys Omnichannel Engagement Center solution provides dynamic and real-time omnichannel journey management and is used by Genesys customers to manage the customer journey life cycle, which includes the design, orchestration, monitoring and tuning of the customer journey to meet the continued and evolving needs of customers.

The Genesys Omnichannel Engagement Center solution (Figure 5) is powered by the Genesys Customer Experience Platform. The single platform provides customers with a pre-integrated set of capabilities to lower their cost of ownership. The Genesys Customer Experience Platform is adapted for specific markets through the three Editions (Premier Edition, Business Edition, and Enterprise Edition), which in turn support Cloud and Premise deployment options.

FIGURE 5
The Genesys Omnichannel Engagement Center Solution



Source: Genesys

FRAMEWORK ASSUMPTIONS

Table 11 provides the model assumptions that Forrester used in this analysis.

The discount rate used in the PV and NPV calculations is 10% and time horizon used for the financial modeling is five years. Organizations typically use discount rates between 8% and 16% based on their current environment. Readers are urged to consult with their respective company's finance department to determine the most appropriate discount rate to use within their own organizations.

TABLE 11
Model Assumptions

Ref.	Metric	Calculation	Value
C1	Hours per week		40
C2	Weeks per year		52
C3	Hours per year (M-F, 9-5, excepting holidays and vacations)		2,000
C4	Hours per year (24x7)		8,736
C5	Contact center agent (fully loaded)		\$40,000
C6	Number of agents		3,000
C7	Company growth rate		4%
C8	Average transaction value (e-commerce and voice)		\$200.00
C9	Customer service monthly call volume		750,000

Source: Forrester Research, Inc.

Appendix B: Total Economic Impact™ Overview

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders. TEI assists technology vendors in winning, serving, and retaining customers.

The TEI methodology consists of four components to evaluate investment value: benefits, costs, flexibility, and risks.

BENEFITS

Benefits represent the value delivered to the user organization — IT and/or business units — by the proposed product or project. Often, product or project justification exercises focus just on IT cost and cost reduction, leaving little room to analyze the effect of the technology on the entire organization. The TEI methodology and the resulting financial model place equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization. Calculation of benefit estimates involves a clear dialogue with the user organization to understand the specific value that is created. In addition, Forrester also requires that there be a clear line of accountability established between the measurement and justification of benefit estimates after the project has been completed. This ensures that benefit estimates tie back directly to the bottom line.

COSTS

Costs represent the investment necessary to capture the value, or benefits, of the proposed project. IT or the business units may incur costs in the form of fully burdened labor, subcontractors, or materials. Costs consider all the investments and expenses necessary to deliver the proposed value. In addition, the cost category within TEI captures any incremental costs over the existing environment for ongoing costs associated with the solution. All costs must be tied to the benefits that are created.

FLEXIBILITY

Within the TEI methodology, direct benefits represent one part of the investment value. While direct benefits can typically be the primary way to justify a project, Forrester believes that organizations should be able to measure the strategic value of an investment. Flexibility represents the value that can be obtained for some future additional investment building on top of the initial investment already made. For instance, an investment in an enterprisewide upgrade of an office productivity suite can potentially increase standardization (to increase efficiency) and reduce licensing costs. However, an embedded collaboration feature may translate to greater worker productivity if activated. The collaboration can only be used with additional investment in training at some future point. However, having the ability to capture that benefit has a PV that can be estimated. The flexibility component of TEI captures that value.

RISKS

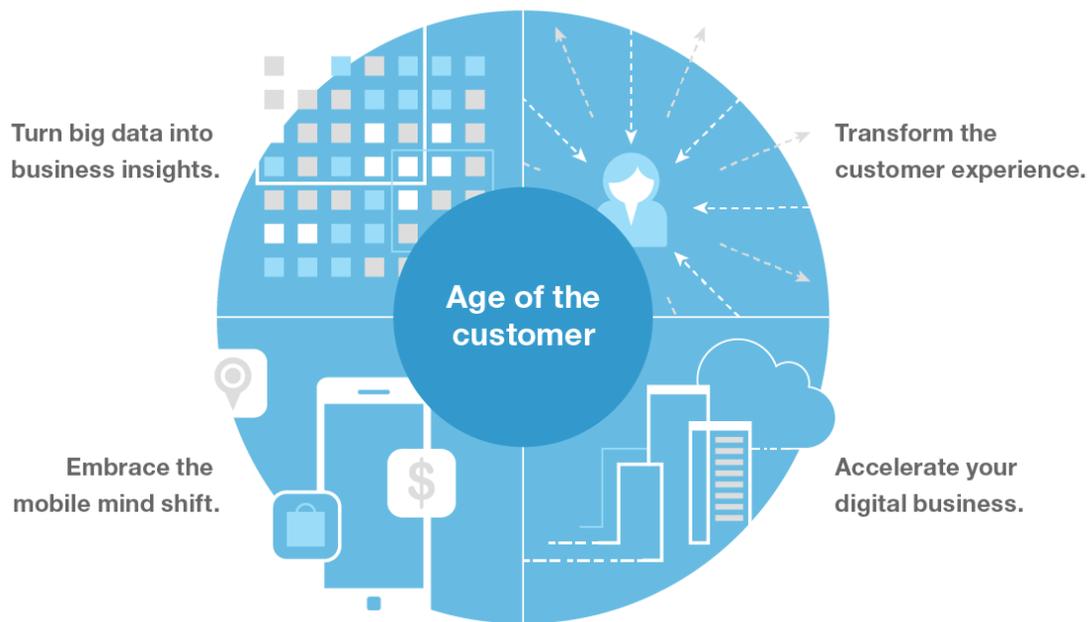
Risks measure the uncertainty of benefit and cost estimates contained within the investment. Uncertainty is measured in two ways: 1) the likelihood that the cost and benefit estimates will meet the original projections, and 2) the likelihood that the estimates will be measured and tracked over time. TEI risk factors are based on a probability density function known as "triangular distribution" to the values entered. At a minimum, three values are calculated to estimate the risk factor around each cost and benefit.

Appendix C: Forrester And The Age Of The Customer

Your technology-empowered customers now know more than you do about your products and services, pricing, and reputation. Your competitors can copy or undermine the moves you take to compete. The only way to win, serve, and retain customers is to become customer-obsessed.

A customer-obsessed enterprise focuses its strategy, energy, and budget on processes that enhance knowledge of and engagement with customers and prioritizes these over maintaining traditional competitive barriers.

CMOs and CIOs must work together to create this companywide transformation.



Forrester has a five-part blueprint for strategy in the age of the customer, including the following imperatives to help establish new competitive advantages:



Transform the customer experience to gain sustainable competitive advantage.



Accelerate your digital business with new technology strategies that fuel business growth.



Embrace the mobile mind shift by giving customers what they want, when they want it.



Turn (big) data into business insights through innovative analytics.

Appendix D: Glossary

Discount rate: The interest rate used in cash flow analysis to take into account the time value of money. Companies set their own discount rate based on their business and investment environment. Forrester assumes a yearly discount rate of 10% for this analysis. Organizations typically use discount rates between 8% and 16% based on their current environment. Readers are urged to consult their respective organizations to determine the most appropriate discount rate to use in their own environment.

Net present value (NPV): The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.

Present value (PV): The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Payback period: The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Return on investment (ROI): A measure of a project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits minus costs) by costs.

A NOTE ON CASH FLOW TABLES

The following is a note on the cash flow tables used in this study (see the example table below). The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1. Those costs are not discounted. All other cash flows in years 1 through 5 are discounted using the discount rate (shown in the Framework Assumptions section) at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations are not calculated until the summary tables are the sum of the initial investment and the discounted cash flows in each year.

Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

¹ Forrester risk-adjusts the summary financial metrics to take into account the potential uncertainty of the cost and benefit estimates. For more information, see the section on Risks.

² Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.