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Deploying a Contact Center in the Cloud

A Guide to Best Practices

INTRODUCTION

With the retrenchment in consumer spending enterprises are quickly shifting gears to become customer experience-driven organizations to grow their business and improve the bottom line. In order for enterprises to be successful in this transformation, they must engage with their customers, learn how best to retain them, increase loyalty and referral business, and keep costs down. Towards this end, enterprises have been forced to rethink their customer care strategies to find the right balance between effectiveness and efficiency.

At the heart of customer care strategies is the contact center -- the central hub of communications and customer service for enterprises; it accounts for the vast majority of consumer interactions and service-related transactions in today's market. Enterprises are increasingly choosing cloud-based contact center services to access a wide range of features and functions and to effectively engage with customers across multiple channels of interaction in a quicker fashion and more economically palatable way.

Over the next several years cloud-based contact centers will continue to gain traction among enterprises as the economic and strategic advantages continue to improve and enterprises outgrow legacy infrastructure constraints. This white paper serves as a guide to best practices for enterprises deploying and managing contact centers in the cloud. Readers will:

- Understand how to think differently about the contact center and to strategically use technology and processes;
- Identify and plan for potential successes and challenges in implementing a cloud-based contact center; and
- Choose the right strategic partner to deploy a successful contact center in the cloud.

# MARKET PRESSURES CREATE THE NEED FOR CLOUD-BASED CONTACT CENTERS

The technology that contact centers choose will play a fundamental role in the success of a customer service strategy in coming years, as customer experience becomes more of a differentiator in rapidly commoditized market segments brought about by accelerated globalization. Enterprises must find a balance of technologies and processes to reinforce the relationship with the customer and provide superior levels of care. Superior care often requires personalized services, based on specific customer needs across different channels.

Every day, contact centers handle millions of customer interactions via phone, web, email, fax, SMS, paper mail, video and social media. Every year, the number of these interactions rises as customer uptake of newer channels increases.

Figure 1 shows the distribution and changes in customer engagement across different channels in the US over the past two years. Over 500 consumers were asked how they access customer service. The results show that consumers are using different channels for customer service today when compared to those they used two years ago. Customers are using paper mail, fax and physical store locations less frequently as well as phone calls with agents although the voice channel is still the most effective according to results from the same survey.

Figure 1: Consumer preferences for customer service in the US

Source: Ovum
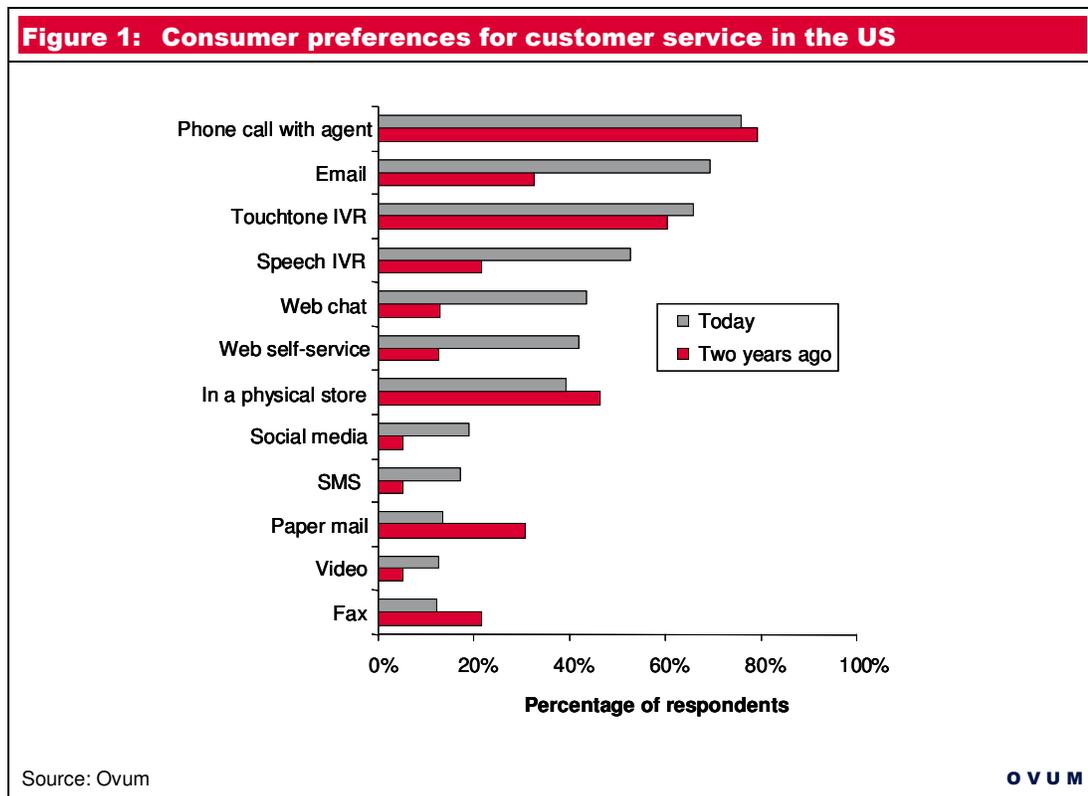
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The significant shifts are seen primarily in the use of online channels; email, web chat, web self-service, social media and video, as well as mobile, SMS, have more than doubled in just the past two years. Ovum expects this trend to continue in the future with the proliferation of smartphones and greater use of the PC, which enable customers to interact with the contact center across all channels (including voice) from a single device. Not surprisingly, the survey results show phone calls with agents continue to be consumers' preferred channel for customer service. However, the market will experience dramatic changes in the use of the voice channel over the next five years with the decline of landlines and the growing consumer usage of smartphones and PCs for phone calls with customer service as shown in Figure 2.

Figure 2: Inbound customer service & tech support calls per year in the US

Source: Ovum
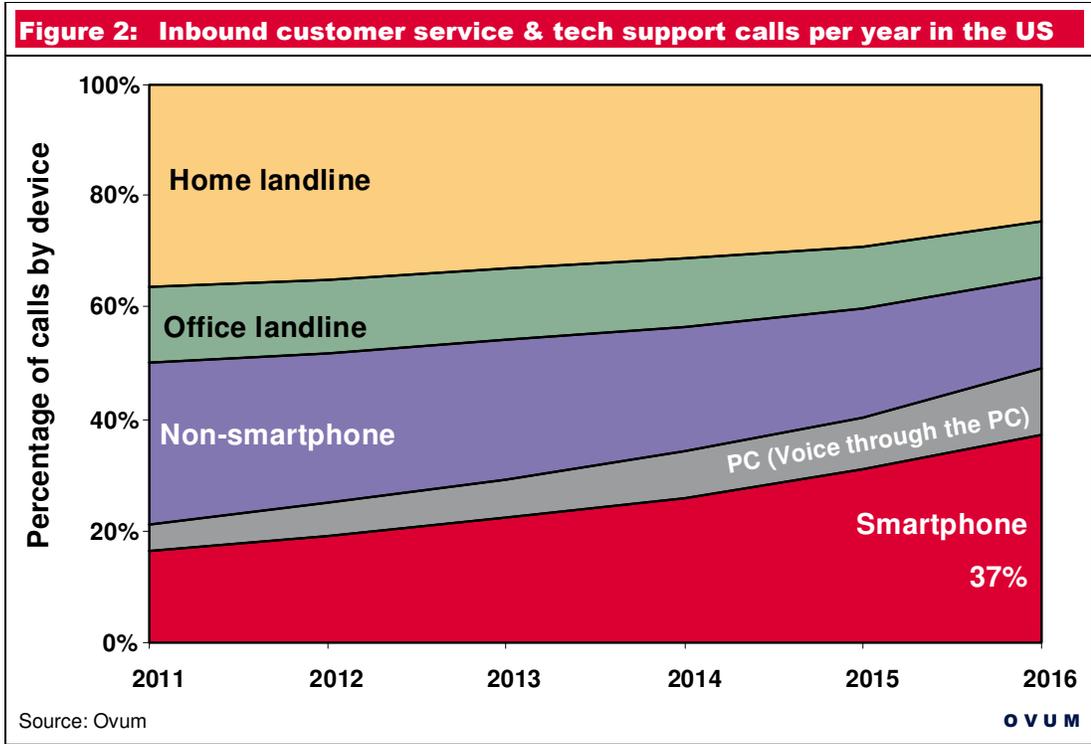
What this means is that customer engagement with contact centers will change over the next few years. Smartphones, PCs and tablets will place additional pressure on enterprises to adequately support multiple channels because these devices at their core are multimedia terminals. Customers who will use smartphones or PCs to call contact centers will likely try using other channels first before escalating their issue to a phone call with an agent. The need for enterprises to support multiple channels and to understand customer pathways within these channels (where customers can switch from one channel to another seamlessly or use channels concurrently during a single interaction) will be much stronger in the market over the next several years.

Therefore, business agility within the contact center is essential to quickly and efficiently meeting changing customer demands and behavior. Contact centers must continually refine strategies to

create the optimal blend of human resources, processes and technology to deliver superior customer service while meeting cost objectives.

Thus, while it is important for enterprises to continue to support traditional channels of interaction, it is also important for these enterprises to expand support for newer channels such as web chat, SMS, video, and social media and understand through which device they are accessing these channels. Enterprises must do this cost effectively and without disruption to existing channels and business goals.

Cloud-based contact centers are an attractive option for enterprises today because they provide access to new features/functions and expertise, more economically palatable usage-based OPEX models, and improved scalability and flexibility. In addition, quick deployment timeframes and web services have made it relatively easy for enterprises to implement a cloud-based contact center. Because of these benefits, Ovum expects adoption of cloud-based contact centers in the enterprise market to grow at a CAGR of 19.7% from 2011 to 2016.

There are many best practices enterprises must consider in order to ensure a smooth and successful cloud-based contact center deployment. Ovum has outlined 10 best practices that enterprises should follow when implementing a cloud-based contact center. A snapshot of these best practices is shown in Figure 3.

1. Start with a clean slate

An open mind is important when deploying a cloud-based contact center. Start with a clean slate and think 'outside the box' when it comes to extending the capabilities of the cloud-based contact center to business practices. You should not replicate any business processes that were dictated by the technology constraints of legacy equipment.

When switching from a premise-based to a cloud-based contact center, it is not just the physical location of the technology and payment structure that changes: there is greater choice and resource availability. You have access to a wider range of technologies and continuous technology upgrades underpinned by pre-defined service level agreements (SLAs). Deploying a cloud solution also reduces pressure on internal IT staff because cloud providers are managing administration and technical issues.

Although the common goals for any customer-centric enterprise are the same – efficient, cost effective contact centers and satisfied customers – the architecture and approach in deploying a cloud solution is significantly different from a premise-based solution. In order to take advantage of the benefits of a cloud model, you must change your way of thinking to make the most of the new capabilities and excess resources gained through reduced management time.

Figure 3: The 10 best practices for implementing a cloud contact center

1. Start with a clean slate
2. Understand the technology and resources that you already have in place
3. Link front- and back-office functions to improve the overall customer experience
4. Understand implications for security, availability and manageability for a cloud-based contact center
5. Think about contact center staffing more flexibly
6. Leverage new features and functions to offer new products and services that will improve your business results
7. Focus more on the customer and less on the infrastructure
8. Think about monitoring and analyzing your business more frequently and in different ways
9. Plan well to make future possibilities a reality
10. Use the cloud provider's contact center experience to help guide you

Source: Ovum

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2. Understand the technology and resources that you already have in place

Before making the switch to a cloud solution, you must conduct a full assessment of your technology assets and human resources in the contact center. This not only includes agents, but also the people that are dedicated to running the technology and managing agents. In so doing, you will be able to decide what to outsource in terms of technology and processes and to determine staffing requirements. Conducting this exercise will enable you to:

- Decide which technologies to keep inhouse and outsource – It's not all or nothing. Not all parts of the contact center technology stack need to be outsourced. You should continue to use sunken investments in contact center technology that still provide value to the organization. This is particularly important if when using a cloud solution for the first time and you want to migrate slowly. The cloud-based contact center is malleable and can be used to fill technology gaps as well as replacing entire legacy systems and solutions.

- Provide new performance and cost metrics to executives – CXOs do not need to see what's under the hood when it comes to contact center technology; however, they do need visibility into overhead costs and new pricing models, customer retention and quality of service. Since you are familiar with the technology you will need to justify choosing a cloud solution to CXOs in terms of cost and performance. You will also need to introduce new metrics that account for annual overhead costs and correlated performance gains.

- Account for changes in performance – Choosing a cloud solution means that contact center targets and business goals will either remain the same or become more aggressive. For example, priorities in the contact center will still be increasing first contact resolution (FCR) rates, reducing costs and improving customer satisfaction. Cloud-based contact center performance will be compared to the previous benchmarks established by premise-based solutions. You need to know how technology changes can help them achieve strategic goals. By fully understanding your own resources, your customer support team can more easily account for performance changes.

- Dedicate knowledgeable staff to the project – In both the pre- and post-deployment stages for a cloud-based contact center, you should assign dedicated contact center and IT managers to collaborate with the cloud provider. These managers should have sufficient knowledge of operations and existing practices in order to accurately communicate the business and IT needs to the cloud provider. This will ensure a successful and quick deployment.

3. Link front- and back-office functions to improve the overall customer experience

Linking the contact center with other parts of the organization provides strategic value for enterprises. The contact center – the front line or front office for customer service – should be aligned with the back-office that provides order fulfillment, product information, accounting, and supply chain and logistics. Emphasis, however, should first be placed on optimizing processes in the front-office where the interaction occurs between customer and agent or self-service application. Workflows between the front- and back-office should be designed around the interaction. Therefore, collaboration and federation of data between the contact center and the back-office is critical to improving operational efficiency, and in turn, improving the customer experience. In order to successfully link the contact center and back-office, you will need to work with partners to create and deploy integrated back-office and contact center solutions. You should also look to:

- Apply innovative contact center processes to the back-office – Certain processes that work well in the contact center can be applied to the back-office to improve customer loyalty. For example, contact centers use intelligent routing to identify and move valuable customers to the front of the queue so that agents can answer their queries

first. The same process can be applied to the back-office where items and paperwork can be prioritized according to the customer lifetime value. While this requires a degree of process re-engineering, common technology platforms and tools simplify the rollout of processes across different departments.

- Leverage session initiation protocol (SIP) and unified communications (UC) – SIP has become the standard protocol for enterprise communications delivered through IP. Any communications technology or cloud service for enterprises should have SIP support to future proof investments. SIP improves routing and calling function and works in tandem with UC where conferencing, messaging and presence capabilities provide agents with better access to back-office personnel. This results in improvements in FCR and customer satisfaction rates.

- Create a unified vision for social across departments - The use of social media for customer service is on the rise as consumers become more accustomed to venting their frustrations, promoting good service and also conducting inquiries and transactions via social network sites. One of the fundamental problems with managing social media is the silos that exist across different departments within enterprises. Social media is typically owned by the marketing department; however, with the increasing use of customer care in social the customer service department's stake in social is also increasing. It is important that departments work together in concert to provide seamless interactions in social media by using federation and setting common objectives and workflows to improve the overall customer experience.

4. Understand implications for security, availability and manageability for a cloud-based contact center

Many enterprises are reluctant to go the cloud route because they fear losing control over data, security and equipment management. Cloud providers address these concerns through a variety of measures. These include:

- Payment Card Industry (PCI) certification and compliance – Cloud providers will typically comply with the PCI data security standard, a must for enterprises. However, it is rare that cloud providers achieve PCI certification. Certification is validation that the provider meets PCI standards based on annual volume of transactions and risk assessment. Providers that handle at least 20,000 transactions per year must pass quarterly scans and take an annual self-assessment to demonstrate compliance status. Those providers that process more than 6 million transactions per year must go through an onsite audit in order to achieve certification. Providers that are PCI certified have more stringent processes and dedicated security teams in place to ensure security is not compromised.

- Hybrid managed services are available – Deploying a cloud-based contact center doesn't necessarily mean losing control of all technology and its management. Cloud providers can help you decide which parts of the technology stack you should

maintain. If required, providers offer a hybrid cloud solution with some data or technology either managed or stored inhouse.

- SLAs and clear disaster recovery plans – Downtime is not an option in today's competitive environment. Contracts between you and the cloud provider must stipulate uptime guarantee and performance. The majority of cloud-based contact centers today have 99.9% uptime guarantee, however, the need for greater reliability is growing as more mission critical tasks are increasingly handled by cloud-based contact centers. Many cloud providers are able to support 99.99% to 99.999% uptime, providing a level of guarantee that assuages performance concerns. Clear disaster recovery plans are also vital. Cloud providers typically have the ability to back up customer data in secure data centers.

- Web-based administration and tools – Many cloud providers offer Web-based tools and applications that allow easier administration across disparate locations. These tools and applications are especially important with home-based agents. Because home-based agent operations are not confined to one physical location it provides for greater business continuity. For example, a 'brick and mortar' contact center can potentially be closed down due to adverse weather conditions or other natural disasters. Web-based tools may also support full or partial management of inbound and outbound routing strategies, IVR applications and call flows, contact center announcements and agent scheduling. The level of control available should be flexible; the cloud provider can work with you to determine and assign role-based permissions which meet the needs and expertise levels of each business and even unique departments within your organization. As businesses evolve over time, the level of management may increase or decrease and providers who offer robust web-based administration tools will be able to easily adapt to your changing needs.

- Role-based login capabilities – To maintain security requirements, you should set up role-based logins for agents and managers to ensure the right data is going to the right people.

You also need to create a contingency plan in the event equipment (such as computers) is lost or stolen. While having home-based and distributed agents may make this risk higher, you need to take the necessary steps to secure customer data and use proper encryption and security methods.

5. Think about contact center staffing more flexibly

You should not be limited to your current staffing models. Cloud technology enables contact centers to change your staffing models, as it's easier to provide technology to distributed agents. This essentially virtualizes a contact center. A virtual contact center is a group of contact center assets (agent and in-the-cloud technologies) that exist in different physical locations but function as a single, fully integrated, seamless contact center operation. It combines remote agents with cloud-based contact center technologies and can work seamlessly with traditional brick and mortar

contact centers and branch locations as an extension of existing customer service operations. By using virtual contact centers as an adjunct to existing inhouse and outsourced operations, you can eliminate facilities cost, reduce overheads, access new agent talent and lower agent churn. Cloud-based contact center technology creates an opportunity for enterprises to deploy staff in different locations. Factors you should consider when planning your staffing models are:

- Staffing according to changing call volumes and scalability – Virtual contact centers make sense for contact centers with varied seasonal call volumes. Managers can easily add additional agents on a per-per-use basis and have the agents up and running quickly as agent desktop tools are made available through Web access. You also have the option of employing temporary or part-time staff. Scalability will be important if the business plans to grow its size in the short or mid-term.

- Training and specialist skills – Deploying home-based agents allow contact centers to access specialist skill sets. You should use performance tools to assess staff knowledge and ensure they have the right balance. If it is a challenge to find agents with the requisite skill sets close to the core contact center location, virtual contact centers may be a suitable option.

- When considering new staffing models, you need to monitor agents through analytics and performance tools to decide which type of staffing model works best.

6. Leverage new features and functions to offer new products and services that will improve your business results

New capabilities will help create added value beyond the initial business objectives enterprises establish when first embarking on a cloud strategy. You should be aware of new products and features that will improve business results and help you innovate and create a competitive edge. The advantage of cloud-based contact centers is that you can exploit new features and functions without having to go through any forklift upgrades as the cloud provider introduces new technologies. Additionally, you mitigate risk as you are easily able to pilot, roll out and tune new contact center applications. You should consider the following new products and features in the short-term:

- Proactive communications – A prime area for competitive differentiation among enterprises today is in proactive communications where new channels such as SMS, chat and social media are being used as well as sophisticated outbound IVR technology to help improve the customer experience and reduce costs through call avoidance. Many cloud providers offer these new proactive communications capabilities which you can dip their your in and potentially deploy on a wider scale.

- Mobile context – The smart device is becoming the central hub for communications between the customer and the enterprise as it is a conduit for multichannel communication including mobile apps and web. When calls need to be escalated to an agent from the smart device an enterprise can vastly improve the customer experience by understanding caller identity, intent and call context which can be easily

and passively established before a call is made to an agent. Towards this end, caller expectations can be better managed and enterprises can smooth the arrival rate of calls with intelligent, resource-aware call-back or during the inbound call.

- More insightful analytics – You should also consider investments in better analytics tools to understand agent performance and customer behavior. The cloud option frees up more resources for you to properly focus on these endeavors.

7. Focus more on the customer and less on the infrastructure

Cost benefits, staffing flexibility, and access to new products and features are the hard benefits associated with implementing a cloud-based contact center. However, moving to the cloud allows businesses to be more agile in their resource allocation.

You should spend more time developing strategic campaigns and refining business processes. By outsourcing the technology and its management, staff that previously spent time managing contact center infrastructure can now spend their time focusing on projects that drive greater value to the business such as rolling out a new debt collection initiative to collect micro debt or introducing new and more effective upsell and cross-sell campaigns.

This influx of new perspectives provided by personnel (who would have previously been dedicated to day-to-day management of operations) will help you be more innovative in customer service as more focus can be concentrated on the customer and less on the infrastructure.

8. Think about monitoring and analyzing your business more frequently and in different ways

Although cloud providers manage the communications platform, routing, and applications, you should frequently monitor agent performance and customer satisfaction themselves. Most enterprises would benefit from more rigorously tracking customer satisfaction. You need to understand that:

- Customer satisfaction must remain a top priority – You should not get distracted by deployment phases or technical objectives. You should adhere to the initial business objectives set forth at the onset of the implementation. Customer satisfaction must remain a top priority and this should not change either during the implementation phases or once the cloud-based contact center is up and running. Monitoring and analysis plays a critical part to ensure initial business objectives are met and customer satisfaction remains high.

- Monitoring and business performance analysis should constantly evolve – You need to introduce new monitoring and analysis approaches to consistently meet business goals and improve on them in a cost effective manner over the long-term. Consistent baseline and benchmarking practices illustrate performance trends relevant to customer satisfaction and contact center performance. Cloud deployment provides greater flexibility in reporting as it allows for realtime reporting access via a Web portal

and choice of daily, weekly and monthly reporting. With new monitoring and analytics capabilities, inherited through the cloud provider's constantly-evolving technology suite, you need to refine processes based on new intelligence gathered from segmenting and analyzing performance data.

9. Plan well to make future possibilities a reality

Enterprises need to build a tactical and strategic roadmap to achieve short- and long-term goals for contact center operations. At this point, it is important that you embed cloud solutions into this overall planning process as it provides you with the right degree of flexibility – such as rapidly ramping up and down agents for seasonality or realtime staffing changes – to support customer service needs. Agility is what will help enterprises react positively to customer-driven changes, as well as fix broken business processes and technical infrastructure issues. This is critical to achieving long term success in customer loyalty.

10. Use the cloud provider's contact center experience to help guide you

When choosing a cloud provider it is critical that enterprises consider the bigger picture. Many providers have a wealth of knowledge in contact center technology but they may not have expertise in the areas of agent performance as well as a deep understanding of specific vertical needs and processes across the enterprise. Choosing a cloud provider essentially means forming a strategic partnership: it is critical to include the cloud provider in the planning process to help you determine goals and understand all the options that are available across different scenarios and specific vertical markets.

You should work closely with the provider to integrate with existing infrastructure such as CRM and workforce optimization technologies. You need to also work with carriers to link telephony and SIP to the cloud-based contact center solution. Enterprises need to establish solid working relationships with cloud providers and form strategic partnerships that will maximize investments and improve the customer experience on an ongoing basis.

CONCLUSION

The key determinant to success for implementing a cloud-based contact center is understanding how to make incremental changes in contact center operations to optimize customer care and control costs over the long-term --without disrupting customer service delivery.

Towards this end, you should work closely with strategic partners to develop achievable business goals that are in line with technical capabilities. You should also promote cross-departmental collaboration and receive inputs from the customer service, IT, back-office, marketing and sales departments to maximize the value of a cloud-based contact center. By going down this route, you are in a better position to leverage the cloud-based contact center and build a successful high-performance customer service strategy that leads to long-term success and a customer-experience driven organization.

APPENDIX

Definitions

Cloud-based contact center

A cloud-based contact center (also known as hosted contact center) is a customer service operation where all of the traditional elements of a contact center solution (Automatic Call Distributor [ACD], Computer Telephony Integration [CTI], Interactive Voice Response [IVR], Outbound/Predictive Dialer, Quality Monitoring [QM], etc.) are provided as a network service without the need for premise-based technology. It can be purely IP-based, where all calls and data are routed via IP and all that is required on the premises is an IP network and desktops and hard/soft phones on the agent's desk; or data can be delivered via an IP network and calls delivered separately via the PSTN through the existing telephony network on the premises. The technology may be provided as a multi-tenant (i.e., one-to-many) or dedicated (i.e., one-to-one) hosted or managed service. Payment for the technology must be usage-based, either on a per agent/solution/port per day/week/month basis or based on actual technology usage, i.e., per minute/phone call/email/transaction/etc.

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