



MOVE YOUR CONTACT CENTRE TO THE CLOUD

Ten steps to creating a winning business case

SUMMARY

The cloud delivery model is transforming the way that businesses around the world buy and use many different types of technology. In 2012, hosted contact centre revenues exceeded on-premises contact centre product sales in North America, and it is forecasted revenues will cross \$2 million in 2014, and \$3 million in 2017ⁱ. Globally, EMEA is the second-largest market (by revenue) for hosted contact centre services. The United Kingdom, Germany, France, and the Nordics remain the top 4 in terms of market share, and continue to witness robust growthⁱⁱ. Mature markets in APAC like Australia and Japan lead the way in cloud adoption, followed by China and Indiaⁱⁱⁱ, and this is driving greater adoption of cloud based technology platforms in contact centres of all sizes.

As the market for cloud contact centre applications starts to mature, leading market analysts such as Ovum^{iv} believe that the market is shifting from a simple cost driven view to one that encompasses a wider, more comprehensive view of the operational and competitive benefits. For example businesses are now keen to exploit the direct real time control that cloud

gives to their contact centre. It's not the simple cost reduction metrics but instead the commercial flexibility of usage-based pricing which are most attractive from a financial perspective.

Whilst this wider view is positive it can make the preparation of a cloud migration business case more challenging. This short report briefly examines the top ten questions that should be considered and answered when creating a business case for cloud migration. The final business case must extend this brief thinking to include a quantifiable view of how valuable these elements are to the business and how they translate directly into key performance indicators and financial metrics such as cost reduction, revenue growth and profitability.

The material in this report is a practical, grass-roots view generated through Telstra's experience in helping businesses in Australia, Asia and Europe successfully migrate their contact centre to the cloud. Whilst not all questions will be relevant to all businesses they will hopefully provide a quick guide to best practice and act as an enabler for any successful cloud migration business case.

01

Clearly define your primary pain points and business drivers

Any technology decision – be it cloud or traditional – needs clear measurable business objectives against which the business case can be accurately evaluated. Without these business objectives the business case becomes more of a technology comparison which will focus on cost and features rather than overall impact and strategic value.

This may sound obvious but it's amazing how many businesses start to evaluate new technology platforms simply because their current platform is out of life/maintenance contract. Cloud will be mentioned and suddenly the business will be mired in evaluating vendors on cost and features alone rather than defining what the business needs the technology to deliver.

02

Highlight the benefit of real-time control to your contact centre

One of the most unique and least understood benefits of cloud contact centre applications is the ability for the people that run the contact centre to control the technology directly via a secure web browser (which can be accessed from any device). At Telstra, we talk about "putting control of the technology back into the hands of the business" and it's a theme that more and more businesses are embracing worldwide.

The real-time control means there is no need to send requests for adding agents, changing IVR flows or campaign scripts to internal IT teams or expensive 3rd party vendors. Instead Contact Centre Managers can make all the changes themselves – within minutes – through an easy to use web interface. This direct control not only saves time and money, but it means that businesses can scale their operations in real-time to cope with unexpected peaks in demand or a disaster recovery situation. So no customer should ever hear a busy signal and all calls will be managed in real-time.

This real-time control capability also allows businesses who have more predictable changes in contact or call volumes to align their spend on technology with their business performance. Increases or decreases in the number of agents accessing the cloud software can be made on a daily basis – so you are truly only ever paying for the technology you consume.

03

Highlight the the commercial benefits of a 100% Opex technology spend

The old days of having to invest millions of dollars up front for innovative technology which is then depreciated over a 3-5 year time period and slowly leaks its leading edge innovation are now thankfully gathering dust. Businesses should only pay for technology when they use it and cloud's 100% usage based pricing model delivers against this need. The OPEX only model also removes the commercial risk associated with new business ventures – if the business venture doesn't work then you stop paying for the technology – with no 5 year pay-back period.

04

Ensure you build a comprehensive total cost of ownership model

One of the biggest mistakes that businesses fall into when evaluating cloud against more traditional technology platforms is the lack of a comprehensive Total Cost of Ownership (TCO) model. A simple comparison of software licences/access costs is only the tip of the iceberg. The additional costs that come with an on-premise or hosted solution that need to be factored into any cloud TCO include as a minimum:

- Feature comparison – does everything come as standard?
- The cost of a second disaster recovery site
- Internal IT resources, or the cost of external vendor making changes to the system
- Maintenance costs – including hardware costs & downtime
- Upgrade costs – including hardware costs & downtime
- Data centre or office location costs
- Telecommunications costs
- Opportunity costs of not being able to scale/manage your contact centre in real time. This could be measured in terms of lost revenue or impact on customer satisfaction

05

Define how cloud can create competitive differentiation

Cloud is not just about reducing cost or reducing commercial risk. Any successful business case should consider how the business can operate differently with a technology platform that has real-time control:

- Can you launch campaigns faster than your competitors?
- Can you respond faster to changes in your market?
- Can you access a greater skill set of agents by allowing them to work from home?
- Are you protecting shareholder value through a robust disaster recovery solution which comes as standard at no extra cost?

And finally what's the opportunity cost of your competitors having these capabilities before you?

06

Access disaster recovery at no additional cost 100%

Cloud solutions for contact centres are accessed through a secure web browser – there are no software downloads and no need to buy any new hardware. Voice can be enabled through fixed or mobile lines and data can be carried across a wide variety of network connections.

This delivery model combined with real-time system control means that all cloud contact centre customers have a free in-built disaster recovery solution which can be activated from any office or mobile location. If a disaster recovery plan is activated then agents can simply dial into a virtual contact centre agent interface from their new location. Once reconnected to the system all agents have access to the same data and report structures.

A drag and drop Interactive Voice Response (IVR) builder can also be used in minutes to redirect call flows or change IVR messages. The flexibility of cloud-based contact centre systems means that customer service and satisfaction levels are maintained through any disaster recovery or business continuity situation.

07

Highlight the importance of rapid technology innovation

Another widely unrecognised benefit of cloud software is its ability to deliver continued innovation. Whilst traditional on-premise solutions can go months, even years without upgrades, cloud solutions will include the implementation of a regular stream of technology innovation.

A leading driver of this continued innovation is the usage based pricing model of cloud. This model means that vendors have to work harder to keep their clients – there's no contractual lock in. Which means your business will always be using the very latest cloud contact centre technology.

08

Consider a phased hybrid cloud strategy

Cloud is not the right solution for all contact centres. Contact centres with no need for rapid changes, real time control, usage based pricing or scalability can sometimes be better off sticking with traditional on-premise technology.

But it doesn't have to be an all or nothing migration. Certain elements of any business may have a greater need for cloud and many Contact Centre Managers opt to run from 50 seats of cloud contact centre software in parallel with a more traditional technology solution.

Consistent reporting is easily delivered in a hybrid environment. All elements of cloud contact centre systems can be reported on in real time and can be exported to a second centralised reporting tool – which means businesses have a single source of truth for all contact centre operations whilst using differentiated technology solutions.

Many businesses are also now using cloud as their disaster recovery (DR) solution. The solution is very low cost and can be accessed from any location in the event of a disaster.

09

Define the risks of staying on the current technology platform

By its very nature any cloud contact centre business case will focus on the risks of change and migration. But a successful business case will also examine the opportunity costs and risks of not migrating to a new technology platform. Don't wait for an incident or disaster to force the change. Key elements that should be considered include:

- What's the complete future cost of the existing technology?
- Does the existing technology meet all of our future needs? What's the road map release programme?
- Can we continue to fund IT or 3rd parties to manage technology for us?
- Will our competitors gain a competitive edge through cloud?
- Are we fully covered for a disaster recovery situation? If not what would be the cost on the current technology platform?

10

Gain the support of the CIO and his wider team

Again we finish on a point that may seem obvious but is commonly missed.

Some CIOs and IT teams can be threatened by the cloud. All this talk of the "business taking back control of the technology" is not always seen as a positive. In contrast, experience shows that often cloud migration actually frees up the Internal IT team to focus on more strategic value-adding tasks.

Defining these benefits clearly in the business case and gaining the support of the IT team to any cloud migration strategy remains an essential factor for success.

REFERENCES

- i- Frost & Sullivan, Analysis of North America Hosted Contact Center Market, 2013
- ii- Frost & Sullivan, Analysis of EMEA Hosted Contact Center Market, 2014
- iii- Frost & Sullivan, Analysis of Asia-Pacific Hosted Contact Center Market, 2013
- iv- Ovum, Decision Matrix: Selecting a Multi-channel Cloud Contact Centre Vendor, 2013

ABOUT TELSTRA VIRTUAL CONTACT CENTRE

Telstra Virtual Contact Centre (VCC) enables forward-thinking global businesses to take control of contact centre technology and create an agile, state-of-the-art service experience with greater commercial flexibility. Traditional technologies are sometimes not as agile or smart, often taking days if not weeks to change. In contrast, Telstra's new VCC gives you the best of both worlds - leading edge software innovation backed by global, highly resilient hosting and network services.

ABOUT TELSTRA

Telstra is the leading telecommunications and information services company in Australia. We provide end-to-end solutions including managed network services, global connectivity, cloud, voice, colocation, conferencing and satellite solutions. We have licenses in Asia, Europe and the US and offer access to over 2,000 PoPs in 230 countries and territories across the globe. Our extended reach means that we can offer customers smarter technology solutions to support sustainable business growth.

Contact your Telstra account representative or email tg_sales@team.telstra.com for more details.

Asia: **+852 2827 0066** • Americas: **+1 877 835 7872** • EMEA: **+44 20 7965 0000** • Australia: **+61 2 8202 5134** telstraglobal.com