

Hosted Solutions: An Option For Your Contact Centers?

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The recent economic turbulence has certainly had an impact on equipment purchases in many enterprises' contact centers. Organizations are freezing projects and/or looking at ways to reduce costs. But if you can no longer limp along with an aging system or need to add new capabilities, many enterprises are turning to hosted solutions. What's interesting is that as we emerge from the downturn, hosting is remaining an attractive alternative.

A few of the benefits of hosting

Hosted or on-demand services (IVR and/or ACD) have been slowly gaining traction, but the recent down economy has boosted this market segment. On paper it looks like a possible solution to the economic challenges many companies are going through today, including:

- ◆ Extending the contact center to lower cost geographical areas in order to reduce labor costs
- ◆ Improving the customer experience (and hopefully retain customers) by offering new contact center features and capabilities.
- ◆ Increasing self service use or offering partial automation to reduce costs.

These are just some of the challenges you may be facing in the near term. How can hosted services help?

- ◆ Little to no capital hardware and software costs (some may be required to support connectivity and integration).
- ◆ Generally quicker implementation times.
- ◆ Pay by the "bite", e.g., per call, per minute, per agent seat, etc. (though there may be some upfront implementation charges).
- ◆ Embedded geographical flexibility and multi-site disaster recovery options (depending on provider).

Key issues to consider

So, if hosted solutions are such a great idea why isn't everybody doing it already? There are several key issues and questions for organizations to work through before making the leap. The following are probably the four issues that seem to be the biggest roadblocks we see to going hosted.

Integration - This seems to be the first thing that comes up when discussing hosted services. "How is it going to connect to my IVR?" or "I have an existing CTI screen pop application running." Frankly, if you're looking at a hosted ACD and have an in-house IVR, integration is probably going to involve some sort of network transfer arrangement to get a call from your location back out to a hosted ACD data center. This may add costs that make the whole idea economically unattractive.

What we are seeing instead is a trend of moving to an On-Demand or hosted IVR platform first, then looking at hosted ACD later. This simplifies integration and callflow challenges (especially in a multi-site scenario), as well as the ability to more easily support CTI data transfer to your Screen Pop application.



Security – Most of the security red flags for hosting typically come from banking and financial services organizations. They are concerned about identity theft, fraud, or compromised data. Certainly taking responsibility for security provides more control. In addition, enterprises with regulations regarding sensitive information (e.g., HIPAA for health care) need to consider compliance issues. However, there are some hosted providers working successfully with major financial and health care institutions today - just be sure to ask about their certifications and experience first before going any further in your evaluation.

Administration and control – This is more of an internal issue than a technology limitation. One point we hear raised is that “we can change the IVR on the fly” or something like that. Without getting into the whole root cause analysis of *why* you have to change things on the fly, if you’re migrating from touch tone to speech recognition, you can pretty much say good bye to changing things “on the fly” regardless of whether it is in-house or hosted. Speech applications require an increased level of effort when making design changes or enhancements. You won’t be able to knock out some new tweak in an afternoon, drop it in and forget about it. This is a change management issue whichever way you go with Speech (and it should be with touch tone as well).

In terms of ACD changes, there is a middle ground where customers can make changes to agent skillsets, etc. or modify reports, while leaving the potential system crashing changes to the vendor. Often, the need for total control is built into a company’s DNA because of the nature of the business, a rigid organizational structure, or a “build it here” mentality. But more and more, these companies are seeing advantages to on-demand services, whether it’s to enable them to focus on core competencies, or if they realize that their technology brain trust will eventually leave or retire.

Connectivity – Another area that might be a showstopper is agent telephone sets. A lot of the vendors are rightly moving to IP to support the agent endpoint, but what does that mean to *your* budget? Do you have to buy more networking gear? How about new IP Phones? Beefed up desktops to support USB headsets right into the PC? You may have perfectly functional telephone sets that for a larger center may be difficult to just throw away. Some vendors still offer non-IP methods of getting calls to the agent, namely using the existing voice path of the agent’s phone either through a “nailed up” connection or through call by call routing. Both basically used the same method:

1. The agent signs into a desktop application communicating with the hosted ACD.
2. The agent provides a telephone number that the ACD system calls.
3. Once the connection is made, the system simply ‘pumps’ calls to the agent on the open line, or it makes an outbound call to the agent each time it has a call for them.

If you’re faced with the need to make changes or add capabilities with a limited budget, hosting might be something to consider. The market has changed quite a bit over the last few years - there are new players and capabilities out there, and lots of competition.

Making your decision

One final note, we advise clients to work through the hosting vs. CPE solution decision before issuing any RFPs, because you are really comparing apples and oranges. Things that are important in one solution are not so in the other. IVR design tools are a good example. If you’re buying a premise based solution and intend to manage it yourself, then this is something

to understand in detail. If the hosting provider is taking care of IVR application design and development, the tools used are really not important.

Trying to compare features, administration, costs, support, etc. of hosted and CPE concurrently has a tendency to make the evaluation much more complicated further down the road. Take a look at hosting vs. premise based platforms from a high level perspective to see which approach makes sense for your organization, and then conduct a deep vendor evaluation process.

In summary, the economic turbulence has brought hosted option alternatives into better focus for enterprises. And, there are characteristics of a new generation of hosted solutions that will warrant consideration even after the business climate recovers.

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