



## Navigating the Contact Center Purchase Decision

**NICE** inContact

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## The Time Has Come

Over the past few years, the importance of providing a seamless, context-rich customer experience has dramatically increased. Gone are the days when a company could make do with a voice-only contact center, dedicate hours and hours to manually creating reports for management or manage teams of agents with only the most rudimentary quality monitoring.

While choosing new contact center software may seem like a single decision, there are in fact a complex web of choices that will need to be made during the journey from an antiquated voice-centric call center model to providing a modern, customer-driven contact center experience.

In this paper, we will examine some of the critical decisions companies need to make. The discussion will be highlighted by comments from interviews with operations leaders at companies that have been faced with similar choices, discussing the factors that helped guide their process.

## Why Now?

When you talk to companies that are in the process of a contact center purchase decision, you often find that there have been problems with the existing system for years. Because of rapid company growth or other management priorities, the contact center “problem” has not been addressed. The growth can be organic, with higher sales leading to greater volumes of customer calls and digital interactions. Sometimes the growth is related to acquisitions and mergers that result in the combining of multiple contact centers, often using different solutions. In either case, the increase leads to a re-examination of the mission and priorities for customer care going forward.

Below we will examine some of the specific attributes of existing solutions that are often identified when companies decide the current contact center is no longer meeting the needs of the business.

### Digital Interaction Requirements

One common reason many companies investigate the options of upgrading or replacing a contact center is the need to have an integrated approach to voice and non-voice customer interactions. Most call centers were deployed at a time when handling inbound voice calls was the primary goal of the center. The systems that were purchased and implemented were engineered to efficiently queue and distribute calls to groups of agents.

As customers demanded a way to interact using digital channels, companies often created workarounds to handle email, texts or voice mail. While these workarounds ensured that *eventually* the interaction would be handled – typically during inbound voice call down-time – nothing about the process could be termed efficient.

A vice president with contact center responsibilities at a growing Midwest community bank describes the situation in the quote here.

Workarounds in a process to accommodate a lack of functionality results in inefficiencies which ultimately result in higher costs.

### Midwest Community Bank

"Customers can go to the website, hit support and send an email. It goes into an e-mail box; that's where our voicemails go as well. We've got people that work those boxes. They can listen to the voicemail and call the customer back. Or, they can look at an e-mail and e-mail or call the customer back.

So, while we currently do support email and voicemail, I can't measure them. I can't tell you how many e-mails we get in a day. I can't tell you how many voicemails in a day."

### Current System Not Fit for Purpose

Some businesses start small and want to stay that way. More often, however, entrepreneurs aspire to grow their businesses from a local to a national footprint, and perhaps even to expand internationally. Starbucks, for example, began as a local Seattle coffee shop.

As businesses expand, the demand for more sophisticated contact center functionality grows as well. Companies find themselves working with a system that fit the needs of a 100 or 200 employee business but no longer fits the needs of a growing, 1,000 employee concern.

The director of contact center operations at a mattress company with exploding sales, driven by television advertising and word-of-mouth, describes the situation the company found itself in after selecting a small, premises-based voice system with limited contact center features.

This retailer highlights several important reasons that companies begin to re-evaluate whether the current contact center software meets their business needs. Improved reporting and analytics are a key driver as the alternative is spending countless hours manually compiling reports for management that ultimately don't provide the needed level of detail. An ability to route calls more intelligently, and transfer calls easily between teams when necessary, requires more than an elementary call distribution system.

### Growing Online Retailer

"We couldn't do any skills-based routing. It was a round-robin system, so we couldn't get any kind of prioritization of how the calls came in.

We didn't have the ability to create a robust menu, so we could have different call types go to different agents.

We didn't have call recording. The level of sophistication with reporting and analytics was very minimal.

We couldn't really see in any detail what was happening with our customers, with our calls. And our volume was trending up."

## Should I Upgrade What I Have or Make a New Purchase?

Once the contact center software re-evaluation process has begun, companies are faced with the choice of upgrading the existing system or choosing a new solution. In the world of premises-based solutions, companies who speak to their current vendor about an upgrade to add routing of digital channels or a quality management system that will allow for better agent management are typically amazed at the cost. For as few as 100 agents, it often means \$500,000 or more in one-time purchase and implementation costs as well as increased monthly costs from maintenance on the new components. Why?

### Legacy Upgrade Sticker Shock

The sticker-shock many experience, when confronted with the cost to upgrade existing premises solutions, is because while the vendor may position the implementation as an upgrade, most of the time it requires a complete replacement of many key components. For example, if you are using a vintage 2010 PBX-integrated call center solution, the underlying PBX typically needs to be upgraded to be compatible with the version of the call center software being proposed.

In addition to upgrading the PBX and contact center systems, some of the new features you are looking for will likely require a third-party solution. That \$500,000 would include new servers, licenses and implementation costs for quality management software sourced from another vendor.

### Implementation and Staff Training Time

Beyond the cost of an upgrade is the investment of time required by your information technology (IT) and contact center staff to learn the new features. Some level of disruption to existing operations is also inevitable and will be similar for both an upgrade as well as a replacement. For example, legacy systems are typically tied to a proprietary telephone set, with limited telephony features in the agent desktop. Modern agent desktops will generally include softphone features – both in the case of an upgrade or a replacement.

Bottom line, given that most upgrades will typically involve the same investment in time and cost as a complete replacement; a safe path to take is to open the evaluation of new contact center software to a list of vendors, not just the existing provider. Some companies choose to give the current solution provider an opportunity to be part of the bid process. Some do not. Whether the legacy provider is invited to participate often has to do with the answer to the next decision discussed in the next section, cloud or premises?

## Should I Select a Premises or Cloud-based System?

As recently as two or three years ago, the question of choosing a premises or cloud contact center solution might have been the question that would garner the closest scrutiny. It likely would have caused the most internal debate.

Like the question of should a company upgrade or buy a new system, the cloud versus premises question has become increasingly moot for several reasons, two of them highlighted below. Contact center vendors with premises-based solutions are investing more in building and improving their cloud solutions than they do on the premises solutions.

Product development investment is pivoting to cloud because that is where market growth has been for several years. With the ready availability of cloud alternatives, companies in need of new contact center software understand they no longer need to buy perpetual licenses to handle their peak demand but can instead only pay for the capacity they use. They are choosing cloud because it offers the kind of flexibility they always wanted and now can get. Some of the other factors that are driving a cloud choice are discussed below.

### Leadership Supports Cloud Investments

One of the critical aspects of the decision process that has changed is the involvement of contact center operations leaders in the purchasing process and decision. They understand the need to create an updated customer experience and are most educated on the solutions that available on the market. Like the vice president of this community bank, they will fight back when given an early answer of no.

#### Midwest Community Bank

“When I first started, I said the word “cloud,” and I was told no.

I told my boss choosing new contact center software would be next to impossible to do because most of it is in the cloud. She had to go back and talk to the CEO and get his OK.”

What this comment highlights is that senior management, in this case, the CEO, is increasingly aware of the broader evolution of software solutions in the market, i.e., that cloud-based solutions are the next wave in technological development. A February 2018 article in *Harvard Business Review*, “[How Cloud Computing Is Changing Management](#),” illustrates the point. “Cloud is already changing organizations, by moving IT from a cost center to something with a place at the table in a lot of different meetings.”

### Effortless Scalability

Companies that are investigating new contact center software are often doing so because they have outgrown the existing system – either the range of features available or the capacity to handle an increased number of agents effectively.

#### Technology Services Company

“I definitely wanted something that was able to scale if our business continues to grow like it has been so that we wouldn't have to make another switch later on.”

As detailed by a technical project manager at a technical services company, there is a cost in management and training time for replacing an existing contact center system. Be able to scale easily going

forward, without the need to order, install and implement hardware and software, is one of the most appealing benefits of leaving the premises world and moving to the cloud.

## Location Independence

Premises-based contact center systems have traditionally required agents to be physically located with the hardware system. While alternatives for home-based workers were sometimes available, they tended to require hardware in an agent's home and often multiple phone lines.

As companies choose their next-generation contact center software, many include a requirement like that of the online retailer quoted here – that agents be able to work from home, or multiple company locations, seamlessly. For a contact center manager, seamlessly does not include waiting for equipment to be delivered or new phone lines to be installed.

### Growing Online Retailer

“When I came into the company, it had already been experiencing phenomenal growth, hypergrowth. I was tasked with creating a service environment that was scalable and included the flexibility for people to work remote, at different locations, in a really quick and seamless way.”

## Integrated UC/Contact Center or Standalone System?

The concept of the “PBX-integrated ACD” came into the enterprise communications market after the original automatic call distributors (ACDs). Initially, ACDs were re-purposed carrier switches specifically engineered to handle the typical call center calling load – more calls than agents and a need to queue calls and route them to the next agent. As the use of call centers became more common, beyond the initial application by airlines, hotel chains or telephone companies, PBX manufacturers added contact center features to their PBXs. These were generally designed to handle the internal call centers every business has, e.g., the help desk or human resources.

Some PBX companies developed large call center businesses, but they were often a small part of a much larger corporation. Call center competed with other product lines for limited research and development investment and other priorities often prevailed. From the perspective of the company using the system, upgrades and enhancements to the call center were managed by IT as part of the overall corporate information technology budget – and so also competed with other IT projects for funding.

When cloud contact center software first appeared about ten years ago, the companies that pioneered the market had a singular focus – customer experience. Also, they targeted their solutions and their messages to the people running contact center customer service and sales operations. The leaders in the cloud contact center market today remain companies that are dedicated to customer experience solutions, not to broad communications portfolios of solutions.

From the perspective of a company looking for new contact center software, your needs will dictate whether a dedicated cloud solution is the right answer or a unified communications (UC) system with a contact center feature

### Health Care Services

“This practice is very cutting edge. We're doing total joint replacements in a very new and different way, and it's been a hugely successful model.

We have a phone system from the seventies. Our phone service is not at the level that people expect when they call, and we need to invest in it. We need to have a chat function and a callback function. We need to take a stand that we're not going to have busy signals.”

set. For small, five-to-ten seat internal call centers, the integrated approach may be sufficient. However, if your center is customer-facing, your clients are likely looking for the same types of support as the patients at the healthcare services company quoted here. If that is the case, like this company, your needs will be better served by a stand-alone contact center solution.

Note that one of the advantages of the cloud is the ability to integrate, through application programming interfaces (APIs) with other software applications. Companies that use customer care requirements to drive their contact center software choice can later provide a level of integration to unified communications users, e.g., shared presence, through APIs.

## What Will I need Beyond Core ACD, IVR, and Reporting?

Historically, most companies have initially created call centers to handle inbound voice calls. As smaller proportion of firms built specialized centers concentrated on outbound calls, e.g., telemarketing firms and collections agencies.

The last few years have seen Uber disrupt the taxi and rental car industries, AirBnB take on the hotels, and alternatives like Netflix become the entertainment provider of choice for an escalating proportion of viewers. Companies in every industry are under pressure to find ways to compete with emerging — usually digital — competitors.

### Omnichannel Interaction Management

What digital disruption means to the leader making a contact center software purchase decision is that the solution chosen should give the company the ability to add the digital interaction channels that may be needed in the short term or may become important in the future. An omnichannel solution would allow a single agent to be able to view and understand the prior interactions that a customer had taken, and therefore not be forced to ask customers to repeat answers to questions they may have already answered in a web chat or text.

The good news is that cloud contact center solutions offer the ability to quickly add even a small number of agent licenses for digital interaction channels, such as email or web chat. This enables even moderately-sized companies to offer the convenience today's customer expects. Also, as this technology services leader describes, a company doesn't have to choose to implement omnichannel features immediately. They can see those features as roadmap items, easily added when the company is ready.

#### Technology Services Company

Discussing omnichannel routing, “We actually are not using that functionality today and decided not to use it. We felt like that would be something that could future-proof the solution. We could add that if we needed to later and it would be there.”

#### Midwest Community Bank

“I want quality assurance. I want to be able to listen to calls, from a coaching perspective. We're not looking for a bad call we're just looking for coaching opportunities good and bad.”

The digital transformation of industries extends beyond business models to customer care. Just as consumers are looking for application-driven ways to purchase products and services, they are looking for customer care to be

conveniently available from their mobile devices. As you look at cloud contact center solutions, make sure they offer APIs for integration to mobile applications so that you can contact center-enable your customer and agent-facing mobile applications.

### Workforce Optimization Tools

Workforce optimization (WFO) refers to a group of software tools that can be used by supervisors and operations leaders to help manage the most important asset in the contact center, inarguably the agents. The two primary WFO applications are quality management, which is a tool for coaching agents based on analyzing calls they have with customers, and workforce management, which helps with the scheduling of agents based on past data on when calls can be expected based on historical patterns.

In the world of legacy premises-based ACDs, the rule of thumb was that contact centers with at least 100 agents could begin to financially justify the cost of purchasing the hardware and software required for WFO. However, companies looking at cloud contact center software today are using these agent enablement tools in far smaller centers, sometimes with as few as ten agents. Because there is no large, initial fixed cost, companies can not only pay just for the number of agents they have, they can start with one WFO feature and add others over time.

## How Important is CRM Integration?

Before we discuss contact center integration with customer relationship management (CRM) software, let's look at the meteoric rise in the proportion of companies that use CRM. It is reported that as of 2017, **91 percent** of businesses with over 11 employees were using CRM, and 50 percent of those with ten employees or less.

One of the reasons for this high adoption of CRM is the rising popularity of cloud customer relationship management software. In the period between 2008 and 2016, the use of cloud-based CRM jumped from **12 percent of companies to 87 percent**, creating a de facto standard.

As the use of CRM, and more specifically cloud CRM, has increased, more companies are recognizing the value of integrating the contact center and the CRM applications. Integrating traditional premises-based CRM and contact center systems was typically an expensive, professional services-driven project undertaken by only the very largest centers. Today, the APIs available for both cloud CRM and contact center software make delivering an efficient, single desktop application for agents a much simpler task. The primary beneficiaries are the agents, as contact center-CRM integration allows them to quickly access pertinent customer information while on a call or other type of interaction, e.g., web chat or text, as well as log their after-call notes.

While integration to market-leading CRM solutions like Salesforce, Microsoft Dynamics, Zendesk and others is important for a large proportion of companies, it does not provide a solution for all organizations. Some companies have built custom CRM applications. Other organizations work with very industry-specific applications, e.g., those in healthcare or financial services, that they need to be tightly-integrated with their contact center software.

In a server-based application world, the work to integrate a new contact center application to these require enterprise applications would not only be time consuming – typically months – and expensive. It is often the reason that companies have avoided the long-recognized need to update the contact center. Modern contact center software, built with API-first architectural values, allows businesses to create integrations on a much faster and less expensive scale than was true in a premises application world. Companies who have moved to cloud contact centers are able to realize the vision of a single pane of glass for an agent to work from, instead of the multiple screens agents are typically required to navigate in legacy environments.

## Contact Center: Tackling the “Phone Problem”

An operations leader puts into perspective very well the situation at so many companies that suffer from ineffective contact center systems. The death of brick and mortar locations, as well as increased reliance on the internet for countless daily activities, has elevated the role of the contact center in most businesses. As seen in the comments throughout this paper, from retail to healthcare to financial services, the contact center is at the heart of an organization's communications with its customers.

Like this healthcare services firm, your company likely outgrew the existing contact center system years ago. The good news is that, with the availability of robust cloud contact center suites, a solution can typically be realized in a matter of weeks.

### College Financing Services Firm

“For my staff to log a call, they have to click through multiple screens, and it takes so much time. With CRM integration, we could shave that time, help them do their jobs easier, and have all the information in one area.”

### Health Care Services

“The phones are dead. That was the biggest pain point in this practice. We provide good service, but the organization did not invest in the phone system, and it became a constant source of aggravation for our patients and providers.

It took years to get our organization aligned around the fact that it wasn't a *phone* problem, it was a *company* problem.”

## Next Steps

Replacing your contact center software can often look like a daunting task. One of the goals of this paper was to discuss some of the “big issues” that can be stumbling blocks to moving forward.

With this perspective, challenge yourself to look at your own organization and see what you need to have in your next generation contact center. Create a short document that specifies what you need right away, what it would be nice to have, and what you want to be able to add over the next 24 months. Be sure to include all the relevant stakeholders in creating this view – from the owner or CEO, to the marketing and sales departments, and most importantly the perspective of contact center managers and agents.

Like the leaders whose comments appear in this paper, your contact center and leadership team know what is required to create a better customer experience. It’s time to figure out how to get there.

## About NICE inContact

NICE inContact is the cloud contact center software leader with the world’s #1 cloud customer experience platform. NICE inContact CXone™ combines best-in-class Omnichannel Routing, Analytics, Workforce Optimization, Automation and Artificial Intelligence on an Open Cloud Foundation. NICE inContact’s solution empowers organizations to provide exceptional customer experiences by acting smarter and responding faster to consumer expectations. NICE inContact’s DEVone developer program is an extensive partner ecosystem, providing applications from partner companies on the CXexchange marketplace that are designed to integrate with CXone. [www.niceincontact.com](http://www.niceincontact.com)

NICE inContact is part of NICE (Nasdaq: NICE), the world’s leading provider of both cloud and on-premises enterprise software solutions that empower organizations to make smarter decisions based on advanced analytics of structured and unstructured data. NICE helps organizations of all sizes deliver better customer service, ensure compliance, combat fraud and safeguard citizens. Over 25,000 organizations in more than 150 countries, including over 85 of the Fortune 100 companies, are using NICE solutions. [www.nice.com](http://www.nice.com)

## About NICE inContact CXone

NICE inContact CXone is the leading cloud customer experience platform. Only CXone unifies Omnichannel Routing, Analytics, Workforce Optimization, and Automation & Artificial Intelligence – providing a seamless customer and agent experience – as part of one enterprise-grade, cloud native platform. With its Open Cloud Foundation, CXone powers rapid innovation via open APIs, leading scalability and reliability (guaranteed 99.99 percent uptime), and carrier-grade connectivity (guaranteed voice quality).

## About McGee-Smith Analytics

Sheila McGee-Smith, the founder and principal analyst at McGee-Smith Analytics, is a leading customer experience industry analyst and strategic consultant with a proven track record in new product development, competitive assessment, market research, and sales strategies for customer care solutions and services. Her insight helps enterprises and solution providers develop strategies to meet the escalating demands of today’s consumer and business customers. She is the contact center track chair for Enterprise Connect, and her views on the market can regularly be found on [NoJitter.com](https://NoJitter.com) and through her Twitter feed [@mcgeesmith](https://twitter.com/mcgeesmith).