The Next Revolution: Cloud Computing

Top reasons why more and more companies are turning to cloud-based call center software to improve their bottom line
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Why Call Centers Are Turning to Cloud Computing

It’s never been a better time to have your head in the clouds—cloud-based software, that is. In today’s economy, everyone is looking to reduce costs and improve efficiencies. Call centers throughout the nation are increasingly turning to cloud-based call center solutions. Consider the experience of outsourced customer support service Frontline Call Center. After a year of struggling with a hosted telephony provider and plagued by excessive system downtime and inadequate reporting software, Frontline switched to inContact’s cloud-based platform to carry, route and track customer calls. Over the next two years, Frontline’s annual revenues tripled to more than $2 million, average agent utilization jumped from 40% to 78%, and the agent workforce expanded from 28 to 75, including at-home agents in 12 states—all fueled by inContact’s reliable performance and robust functionality.

What is your call center’s biggest need? Does it involve cutting costs? Improving connectivity? Enhancing customer convenience? This eBook shows how the cloud-based call center model can do all of those things—and more—for your business. It’s the sweet spot you’ve been looking for.

Advantages of Cloud-based Software

For Frontline, premises-based call center equipment was not an option. The company is located off the coast of Washington on tiny Orcas Island, where both technical and financial resources as well as qualified employees are scarce. In writing her business plan in 2005, founder and president Jill Blankenship recognized that those limitations dictated the use of the cloud computing model for her new company’s phone switch, automatic call distributor, interactive voice response system and related components. That was the only way she could fulfill her vision of supplying outsourced customer service, technical support and associated services to corporate clients.

“We didn’t have the budget or maintenance capabilities for installed infrastructure, and we knew we couldn’t rely exclusively on a local workforce because the entire population of Orcas Island is less than 4,500. We needed to be able to recruit people from other areas as we grew,” Blankenship said. “Software-as-a-Service-based call centers were just emerging, and that model offered low price, low upkeep, and the ability to add home agents anywhere in the country at virtually no cost.”

Although premise-based equipment has been the de facto contact handling solution, it carries a high total cost of ownership. This high cost is created by up-front capital expenses, internal IT maintenance/support staff and frequent upgrades to support critical advances in contact handling and workforce optimization.

“Our business has grown dramatically since we switched to inContact, and there is a direct correlation. They provide us with a reliable platform, cutting-edge software and a support team I can count on.”

Jill Blankenship,
President
Frontline Call Center

A Viable Solution

Until recently, there has not been a viable alternative. However, cost concerns, the increasing trend toward at-home workers and vendor instability have all given rise to an alternative solution that is rapidly gaining widespread acceptance: cloud computing.

Cloud-based call center software, on the other hand, is about building a whole solution where the systems are up, fault tolerant, and in the event of an incident, every precaution has been made to keep the solution running for the customers. This involves geographic redundancy, mirrors, hot swap, failovers, and all kinds of other technologies designed to keep technology running.
For call centers, the silver lining in a challenging economy comes when you reach performance goals, eliminate wasteful spending and inefficient use of resources. We will cover more in-depth reasons why cloud computing is a much more productive alternative than premise-based, but here’s a quick review of why you should choose a cloud-based solution:

- **It is secure:** When call centers implement premise-based solutions, they are responsible for data security and industry/regulatory compliance. With a Software-as-a-Service-based (SaaS) solution, call centers have access to greater security measures to protect their customer information than with traditional premise-based systems.

- **Non-stop availability:** In addition to being stable and reliable, SaaS is always available to its customers. Unlike what many people think, SaaS is a hardware solution; it is just hardware that customers do not have to buy, configure, maintain or upgrade. Also, when you choose premise, you’re probably not thinking about geographic redundancy with multiple data centers, phone switches and telephony technology to ensure against natural disasters. With inContact’s cloud computing software, you get all that upon deployment.

- **Customized to fit your unique needs:** inContact specializes in call center solutions as a core business competency and understands that each call center is unique. Leading solutions are multitenant, enabling customized implementations for each customer’s needs without impacting another customer's system.

- **Bodes well for your IT folks:** Transitioning to SaaS has an important impact on the IT staff responsible for maintaining a premise-based system. Eliminating the need for 24/7 support creates opportunity for the IT staff to take a more strategic role in IT planning and to work on more important business needs.

- **Ongoing innovation:** Cloud-based call center software delivers ongoing technology innovation. inContact releases innovations four times each year, without the huge maintenance fees other companies charge. It’s provided as part of the contract at no additional cost, whereas premise-based software offers upgrades yearly or once every two years, and it’s only available through a mandatory maintenance agreement at a premium to the customer.

### Not Just a Passing Fad

Cloud computing is one of the fastest growing segments of the IT industry because it provides a more cost-effective alternative for enterprises to achieve their business objectives than traditional packaged applications. Companies are starting to realize how great cloud-based SaaS solutions can be for their bottom line. And if you think it’s just another passing fad, think again. In fact, Forrester research in March 2009 found that although SaaS will keep gaining ground in CRM and HR applications, it will also “pick up considerable momentum in online backup, Web conferencing, collaboration and IT systems management.” DMG Consulting predicted the hosted call center software market will grow 35% in 2010 and 20% in 2011. By 2013, at least 75% of customer service centers will use some form of SaaS application as a part of the contact center solution, according to Gartner.

In a tight economy, IT managers are faced with more challenges than ever. Budgets are shrinking, Web and email threats are increasing, and administrators are tasked with providing more support with fewer people. As organizations rethink how they manage critical functions like Web and email security, industry experts are recommending the cloud-computing model.

### Differences Between Cloud Computing and Premise-based

Cloud-based call center software removes the need for organizations to handle the installation, set-up and often daily upkeep and maintenance. Cloud computing lowers the cost of business solution ownership, and provides predictability of costs over time while allowing companies to focus more towards providing their core products and/or services to customers. Cloud computing provides improved
security, performance and availability with reliable access to data anywhere, anytime via an internet browser.

The most basic feature of cloud computing from a business perspective is its on-demand flexibility relative to on-premise systems. For small businesses with fixed capital constraints, a SaaS model can unlock value that would typically be stifled by either expensive IT infrastructure implementations or insufficient support by homegrown IT solutions.

To sum up these differences, here are nine reasons why cloud-based call center software is the better choice for your business.

1. Keep the Cash! Zero to Minimal Upfront Cost
   **SaaS**: It is billed as a subscription based on the number of seats or users.
   **Premise-based**: Requires a significant outlay of capital funds upfront to cover equipment, installation and configuration costs.

2. Forget About Those Hidden Fees or Extra Charges
   **SaaS**: Most solutions are billed monthly. There are no hidden fees or extra charges.
   **Premise-based**: Additional costs include: installation, integration, maintenance, security, backup, servers and internal labor.

3. Deployment Is a Breeze
   **SaaS**: Applications are on-demand, making deployment quick and easy.
   **Premise-based**: Deploying a premise-based infrastructure is time consuming and requires purchasing and installing many hardware and software components.

4. Flexible and Stress-Free
   **SaaS**: Leading SaaS solutions can easily handle fluctuations in call volume as business needs change from month-to-month, providing call centers with significant cost savings when call volumes are low.
   **Premise-based**: Hardware and telephone equipment purchases are required to accommodate maximum anticipated call volume, resulting in high capital expense and inefficient hardware utilization. Installing and activating new phone lines also takes additional time and money.

5. What’s Good for Your Employees Is Good for Your Bottom Line
   **SaaS**: Designed for at-home agent capability, without the need for hardware. SaaS solutions handle the same IVR, CTI, ACD and recording capability functions as premise-based systems, but are less expensive and more efficient to operate.
   **Premise-based**: Typically geographically bound (designed to support directly connected users). Enabling an at-home agent on a premise-based solution is often treated as a secondary hardware add-on, which becomes expensive and difficult to configure.

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Source: Yankee Group, April 2006 “VoIP and Lower TCO Will Drive Adoption of Hosted On-Demand Contact Centers”

6. Seamless Support for Multi-Site Centers
   **SaaS**: Allows multiple sites that use diverse worker models such as outsource, offshore and at-home to operate as one, reducing IT costs and routing multi-channel contacts to the right agents, regardless of their location.
   **Premise-based**: Similar to the challenge presented by at-home agents, premise-based solutions are not easily adapted to multiple centers and require additional
hardware and telecom expenditures. Worse, if a single point of failure occurs, the entire system can go down.

7. **Access to the Latest and Greatest Technology**

**SaaS:** The agile SaaS model delivers new advances on-demand without the expense of buying new software.

**Premise-based:** Upgrades are performed under annual maintenance contracts. Due to the length of product development cycles, most upgrades are outdated by the time they reach the customer.

8. **No Hassle**

**SaaS:** Your SaaS provider is responsible for upgrades and maintenance of the hardware and software. A well-designed on-demand solution does not impact existing on-site infrastructure.

**Premise-based:** While some maintenance is performed by the vendor or reseller under an additional service contract, premise-based equipment requires in-house IT resources to manage and support it.

9. **Rest Assured, You Are Secure**

**SaaS:** Call centers have access to greater security measures to protect their customer information. Types of security provided by SaaS include: physical security, fire control, backup power, systems and network redundancy, and a 24/7 network monitoring operating center.

**Premise-based:** Replicating the level of security delivered by the best SaaS providers is incredibly expensive and difficult to maintain for large centers, and not a viable financial option for small and midsize centers.

**Six Questions to Ask Service Providers**

So, now that you realize why everyone is turning to cloud-based solutions, how do you transition from premise-based and choose a service provider? To find the right solution, ask these six critical questions and see how SaaS providers measure up.

1. **What is their track record?**

   There is no substitute for experience. Find out how many calls the service provider handles monthly/annually and how large their customer base is. Do they stand behind their service with an SLA of 99.99% guaranteed uptime? Is theirs an award-winning solution that’s recognized by analysts and industry experts?

2. **Do they offer an integrated platform?**

   Avoid piecemeal solutions. Trying to create a complete solution by implementing a series of narrowly focused point solutions can create interoperability problems and be difficult to manage. Look for a service provider that offers an integrated platform, combining core contact handling functionality with a suite of workforce optimization tools.

3. **Do they lease their telecommunications and data network?**

   Know every partner involved in the solution. Find out if they lease their telecommunications and data network. The ideal service provider will control and operate the telecommunications and data network.

4. **Do they offer a SaaS solution that is compatible with existing equipment and CRM software?**

   Save money and add functionality. Integrating SaaS contact handling with existing equipment, such as a PBX or CRM systems, provides valuable feature enhancements and cost saving benefits.

5. **Does the provider offer flexible features and billing to meet your needs?**

   Take advantage of new worker models. Ask how the service provider accommodates multi-site centers, at-home workers and seasonal call volume. The best service providers offer flexible features and billing to meet these needs.

6. **What are their plans for growth?**

   Don’t partner with an unknown entity. Ask about the company’s history and how long they have been in business. Are they growing, or are they in decline?
The inContact Solution

Frontline’s revenues soared by nearly 225% in the first year alone, then jumped an additional 175% over the next 12 months despite a recession-battered economy. The switch to inContact also spurred a near-doubling of agent utilization and associated profitability during the same period.

With inContact, a SaaS service provider, you purchase a team—not just a service. inContact has deployed its cloud-based software solution to over 650 call centers, delivering exceptional customer experiences while decreasing costs, increasing revenues and providing a strategic competitive advantage regardless of size. inContact not only delivers functionality in their products but also fast and reliable access to the application, protection of sensitive data and valuable enhancements over the entire life of the subscription.

inContact is also delivered via a telecommunications and data network that it controls and operates—something no other on-demand provider can claim. inContact offers a complete, integrated solution, which includes:

Industry Experts
• More than 300 employees dedicated to your success
• Over 200 years of combined call center experience
• 13 years telecommunication experience

Proven Technology
• More than 10 billion calls handled
• On-demand solutions for call centers since 2001
• Deployed in more than 650 call centers
• Industry’s best guaranteed SLA
• Used by over 60,000 agents

Contact Handling
• Full-featured ACD with skills-based routing (phone, email, fax, chat)
• Easily integrates with your existing PBX
• CTI, IVR, and automatic speech recognition
• Drag-and-drop call routing control
• Call logging and recording
• Predictive Dialer

Agent Optimization
• Hiring technology
• eLearning with patented RightTime™ technology
• Customer surveys with real-time feedback
• Workforce Management with scheduling, forecasting, and strong agent/manager interaction
• Tight integrations into the industry’s best CRMs
• Quality Management

Network Connectivity
• Multiple carrier options
• Multi-protocol connections
• Fast and simple to scale
• Unifies multi-center organizations on disparate switch types
• Geographic, carrier, machine, and POP redundancy

Conclusion

The right cloud computing solution makes it possible for call centers to eliminate barriers created by obsolete premise-based solutions, achieve excellence in customer service and continue business success.

Find out how inContact is helping hundreds of call centers significantly reduce costs while simultaneously increasing their customer satisfaction levels.

inContact.com/results-that-speak-for-themselves