



Navigating the Contact Centre Purchase Decision

RingCentral[®]

Contents

The Time Has Come.....	3
Why Now?	3
Digital Interaction Requirements	3
Current System Not Fit for Purpose	4
Should I Upgrade What I Have or Make a New Purchase?	4
Legacy Upgrade Sticker Shock	4
Implementation and Staff Training Time.....	4
Should I Select a Premises or Cloud-based System?	5
Leadership Supports Cloud Investments	5
Effortless Scalability.....	5
Location Independence	6
Integrated UC/Contact Centre or Standalone System?.....	6
What Will I need Beyond Core ACD, IVR, and Reporting?.....	7
Omnichannel Interaction Management	7
Workforce Optimisation Tools.....	7
How Important is CRM Integration?	8
Contact Centre: Tackling the “Phone Problem”	8
Next Steps	9
About RingCentral.....	9
About RingCentral Contact Centre.....	9
About McGee-Smith Analytics.....	9

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 centre, dedicate hours and hours to manually creating reports for management or manage teams of agents with only the most rudimentary quality management tools.

While choosing new contact centre 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 centre model to providing a modern, customer-driven contact centre 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 centre 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 centre “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 centres, 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 centre 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 centre is the need to have an integrated approach to voice and non-voice customer interactions. Most call centres were deployed at a time when handling inbound voice calls was the primary goal of the centre. 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 centre 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 centre 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 centre 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 centre features.

This retailer highlights several important reasons that companies begin to re-evaluate whether the current contact centre 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 prioritisation 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 centre 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 centre solution, the underlying PBX typically needs to be upgraded to be compatible with the version of the contact centre software being proposed.

In addition to upgrading the PBX and contact centre 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 centre 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 centre 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 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 centre 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 centre 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 centre 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 centre 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 organisations, by moving IT from a cost centre to something with a place at the table in a lot of different meetings.”

Effortless Scalability

Companies that are investigating new contact centre 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 centre 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 for Flexibility and Business Continuity

Premises-based contact centre 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 centre 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 centre 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.”

A cloud contact centre application also supports robust business continuity alternatives, the need for which has been highlighted by the work-from-home and shelter-in-place orders issued globally in response to the COVID-19 pandemic. Organisations found that while they may have had business continuity plans in place, those plans were often centred on potential issues in individual offices. They were focused on how to respond if an office had to close for a snowstorm, power outage, or natural disaster. Another planned-for emergency was a data centre failure. But few were prepared to quickly deploy a full-scale work-from-home initiative across all locations.

Integrated UC/Contact Centre 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 centre calling load – more calls than agents and a need to queue calls and route them to the next agent. As the use of call centres became more common, beyond the initial application by airlines, hotel chains or telephone companies, PBX manufacturers added contact centre features to their PBXs. These were generally designed to handle the internal call centres every business has, e.g., the help desk or human resources.

Some PBX companies developed large call centre businesses, but they were often a small part of a much larger corporation. Call centre 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 centre 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 centre software first appeared about ten years, the companies that pioneered the market had a singular focus – customer experience.

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.”

Also, they targeted their solutions and their messages to the people running contact centre customer service and sales operations. The leaders in the cloud contact centre market today remain companies that are dedicated to customer experience solutions, but the need to be part of a broader communications portfolios of solutions persists.

From the perspective of a company looking for new contact centre software, your needs will dictate whether a dedicated cloud solution is the right answer or a unified communications (UC) system with a contact centre feature set. If your centre is customer-facing, your clients are likely looking for the same types of support as the patients at the healthcare services company quoted here. Collaboration between your frontline and back office is absolutely necessary if you want your contact centre to serve patients as efficiently and productively as possible.

With the post-COVID emphasis on business continuity, where customer care agents are remote from other company departments and personnel, access to company-wide resources has become an even more significant requirement. The need for a suite of tightly integrated solutions that include unified communications and contact centre has become even greater.

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 centre 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 centres to handle inbound voice calls. As smaller proportion of firms built specialised centres 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 centre 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 centre 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 centre solutions, make sure they offer APIs for integration to mobile applications so that you can contact centre-enable your customer and agent-facing mobile applications.

Workforce Optimisation Tools

Workforce optimisation (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 centre, inarguably the agents. The two primary WFO applications are quality management, which is a tool for coaching agents based on analysing 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 centres 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 centre software today are using these agent enablement tools in far smaller centres, 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 centre 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 2020, the use of cloud-based CRM jumped from **12 percent of companies to 87 percent**, creating a de facto standard.

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.”

As the use of CRM, and more specifically cloud CRM, has increased, more companies are recognising the value of integrating the contact centre and the CRM applications. Integrating traditional premises-based CRM and contact centre systems was typically an expensive, professional services-driven project undertaken by only the very largest centres. Today, the APIs available for both cloud CRM and contact centre software make delivering an efficient, single desktop application for agents a much simpler task. The primary beneficiaries are the agents, as contact centre-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 organisations. Some companies have built custom CRM applications. Other organisations work with very industry-specific applications, e.g., those in healthcare or financial services, that they need to be tightly-integrated with their contact centre software.

In a server-based application world, the work to integrate a new contact centre 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-recognised need to update the contact centre. Modern contact centre 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 centres are able to realise 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 Centre: Tackling the “Phone Problem”

An operations leader puts into perspective very well the situation at so many companies that suffer from ineffective contact centre 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 centre in most businesses. As seen in the comments throughout this paper, from retail to

Health Care Services

“The phones are dead. That was the biggest pain point in this practice. We provide good service, but the organisation 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 organisation aligned around the fact that it wasn't a *phone* problem, it was a *company* problem.”*

healthcare to financial services, the contact centre is at the heart of an organisation's communications with its customers.

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

Next Steps

Replacing your contact centre 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 organisation and see what you need to have in your next generation contact centre. 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 centre managers and agents.

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

About RingCentral

RingCentral, Inc. (NYSE: RNG) is a leading provider of global enterprise cloud communications, collaboration, and contact centre solutions. More flexible and cost-effective than legacy on-premises systems, the RingCentral platform empowers employees to work better together from any location, on any device, and via any mode to serve customers, improving business efficiency and customer satisfaction. The company provides unified voice, video meetings, team messaging, digital customer engagement, and integrated contact centre solutions for enterprises globally. RingCentral's open platform integrates with leading business apps and enables customers to easily customise business workflows. RingCentral is headquartered in Belmont, California, and has offices around the world. www.RingCentral.co.uk.

About RingCentral Contact Centre

RingCentral Contact Centre allows businesses to increase first contact resolution rates by providing fast answers to customer questions thanks to real-time collaboration through cloud technology across the organisation. It supports the ability to start conversations with customers across multiple touchpoints via voice, SMS, social, or email, with true outbound omnichannel and inbound routing. [RingCentral Contact Centre](#).

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 centre track chair for Enterprise Connect, and her views on the market can regularly be found on NoJitter.com and through her Twitter feed [@mcgeesmith](https://twitter.com/mcgeesmith).