The Business Value of a Cloud-Based Contact Center

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Gaurav Patil, Russ Klein
Executive Summary

In April of 2011, Aberdeen Group surveyed 129 contact center professionals to distinguish Best-in-Class companies from Industry Average and Laggards. Analysis of the respondent data revealed that the primary pressure driving forward the evolution of the respondents’ contact center initiative was increased customer demand. Contact centers are under pressure to reduce costs and improve customer satisfaction. Aberdeen research shows that Best-in-Class companies are adopting new service delivery models to improve the availability of contact center resources. A flexible infrastructure that supports the changing business needs ensures quality customer service giving the Best-in-Class a reduced cost, improved customer satisfaction, and higher call center uptime.

Best-in-Class Performance
Aberdeen used the following three key performance criteria to distinguish Best-in-Class companies:

- 75% of calls resolved in the first touch
- 17% decrease in number of customer complaints over the past 12 months
- Average cost of $10.60 per call over the past 12 months

Competitive Maturity Assessment
Survey results show that the firms enjoying Best-in-Class performance shared several common characteristics, including:

- 95% ensure that individuals or teams are assigned responsibility for contact center performance analysis
- 79% engage in regular and consistent performance monitoring
- 74% measure customer satisfaction against corporate goals
- 64% make information available for the agent on-demand during the call (i.e. detail analytics, customer contact, and transaction history)

Required Actions
In addition to the specific recommendations in Chapter Three of this report, to achieve Best-in-Class performance, companies must:

- Make detailed customer transactional information available for the agent before the call begins
- Enable hosted Interactive Voice Response (IVR)
- Build business intelligence into their contact center technology strategy
- Leverage a Unified Communications (UC) platform

Research Benchmark
Aberdeen’s Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations.

How Does Your Performance Compare to the Best-in-Class?

- Compare your processes
- Receive a free, personal PDF scorecard
- Benefit from custom recommendations to improve your performance, based on the research

Take the Assessment
Receive Your Free Scorecard

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Chapter One:
Benchmarking the Best-in-Class

Business Context
As commoditization pressures in a global economy drive down margins on the product side, organizations are looking to leverage their service operations to differentiate themselves through contact center excellence and, in turn, improve overall business performance. As shown in Figure 1, the top pressure felt by contact center managers is the need to understand and address increasing customer demand. In addition, the contact center manager is expected to deliver valuable insights harvested from customer interaction.

Figure 1: Top Market Pressures Driving Organizations to Focus on Improving Contact Center Service Request

<table>
<thead>
<tr>
<th>Pressure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased customer demand</td>
<td>64%</td>
</tr>
<tr>
<td>Need to understand customer trends</td>
<td>34%</td>
</tr>
<tr>
<td>Aging or obsolete contact center systems or infrastructure</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, May 2011

This April, Aberdeen Group surveyed contact center managers to understand their infrastructure and solution architecture. We discovered that a new disruptive technology has changed the nature of traditional contact center outsourcing: cloud services. Aberdeen’s September 2009 benchmark report, Business Adoption of Cloud Computing, predicted the impact of cloud computing on the contact center manager as an effective blurring of the lines between in-sourcing and out-sourcing. As shown in Figure 2, that report showed the top business driver contact center managers are contending with is the need to reduce costs and enhance...
competitiveness. Their customers increasingly want to interact with contact centers at the time and in the manner of their choosing.

**Figure 2: Business Drivers for Cloud Adoption**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Percent of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall cost of IT infrastructure</td>
<td>45%</td>
</tr>
<tr>
<td>Enhance competitive advantage</td>
<td>31%</td>
</tr>
<tr>
<td>Inflexibility of current infrastructure</td>
<td>19%</td>
</tr>
<tr>
<td>Need to support additional users or services</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, September 2009

The opportunity is to leverage the cost-savings and flexibility of outsourcing without opening core business process to third-party governance and to take advantage of innovation without the threats of IT support cost increases and business interruption.

**Figure 3: On-demand vs. On-Premise Architecture**

<table>
<thead>
<tr>
<th>Architecture</th>
<th>Percentage of Respondents, (n = 117)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Premise (traditional)</td>
<td>63%</td>
</tr>
<tr>
<td>Both Hosted / On-Demand and On-Premise</td>
<td>15%</td>
</tr>
<tr>
<td>Internal Private Cloud</td>
<td>12%</td>
</tr>
<tr>
<td>Hosted</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, May 2011
Today, as shown in Figure 3, a new landscape of contact center deployment methods have entered enterprises. Twenty-seven percent (27%) of contact center managers surveyed in the last several weeks indicated that cloud is a part of their IT strategy. That 27% is partly comprised of net-new contact centers that only came into existence because of the new delivery model. However, most are migrations from traditional, on-premises infrastructure and software to cloud-based models.

The Maturity Class Framework
Aberdeen used three key metrics from the areas of agent performance, process efficiency, and customer satisfaction to break down the Aberdeen maturity class framework into Best-in-Class, Industry Average, and Laggard organizations:

- First touch resolution
- Average cost of a call over the past 12 months
- Change in the number of customer complaints over the past 12 months

Best-in-Class organizations averaged 75% of calls resolved on first touch. The Best-in-Class averaged only $10.60 per call over the past 12 months and received fewer customer complaints than their Industry Average and Laggard peers.

### Table 1: Top Performers Earn Best-in-Class Status

<table>
<thead>
<tr>
<th>Definition of Maturity Class</th>
<th>Mean Class Performance</th>
</tr>
</thead>
</table>
| **Best-in-Class:** Top 20% of aggregate performance scorers | - 75% of first touch resolution calls resolved  
- $10.60 is the average cost of call over the past 12 months  
- 17% decrease in number of customer complaints over the past 12 months |
| **Industry Average:** Middle 50% of aggregate performance scorers | - 60% of first touch resolution calls resolved  
- $38.59 is the average cost of call over the past 12 months  
- 5% decrease in number of customer complaints over the past 12 months |
| **Laggard:** Bottom 30% of aggregate performance scorers | - 33% of first touch resolution calls resolved  
- $112.75 is the average cost of call over the past 12 months  
- 15% increase in number of customer complaints over the past 12 months |

Source: Aberdeen Group, May 2011
The Best-in-Class PACE Model

Best-in-Class organizations share many common characteristics that underpin their successful contact centers. The implementation or adoption of these characteristics is key to the performance - and performance improvement - of Best-in-Class organizations. This requires a combination of strategic actions, organizational capabilities, and enabling technologies that are summarized in Table 2.

Table 2: The Best-in-Class PACE Framework

<table>
<thead>
<tr>
<th>Pressures</th>
<th>Actions</th>
<th>Capabilities</th>
<th>Enablers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased customer demand</td>
<td>• Optimize use of available resources</td>
<td>• 24 x 7 access to contact center resources</td>
<td>• Computer telephony integration</td>
</tr>
<tr>
<td></td>
<td>• Implement performance monitoring</td>
<td>• Call/issue routing</td>
<td>• Automated call distribution</td>
</tr>
<tr>
<td></td>
<td>• Purchase new solutions</td>
<td>• Contact center data analysis</td>
<td>• Hosted IVR</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Alignment of contact center goals with overall company</td>
<td>• Hosted PBX</td>
</tr>
<tr>
<td></td>
<td></td>
<td>goals</td>
<td>• Operational BI (real or near real time reporting analytical tools)</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, May 2011

Best-in-Class Strategies

When it comes to managing the contact center, the Best-in-Class are implementing performance monitoring and increasing the monitoring of call center agents and call activity.

Figure 4: Best-in-Class Strategies for Improving Contact Center Performance

<table>
<thead>
<tr>
<th>Percentage of Respondents, (n = 129)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement performance monitoring and increase monitoring of agents and call activity</td>
</tr>
<tr>
<td>Optimize use of available resources</td>
</tr>
<tr>
<td>Purchase/acquire new solutions or upgrade existing tech infrastructure</td>
</tr>
<tr>
<td>Recruit, retain or outsource contact center agents</td>
</tr>
</tbody>
</table>

Another key strategy adopted by the Best-in-Class is the ability to optimize the use of available resources. Having said that, almost one third of the survey respondents indicated that procurement of additional IT resources and software solutions is part of their contact center strategy. But all their
monitoring and optimization efforts and all the data center resources they have budget enough to fund cannot keep up with the dramatic rise in communication channels and data sources.

**Figure 5: Multi-Channel Rise Favors Web 2.0 and Social Media**

"Our organization avoided multi-million dollar upgrade by moving to cloud based contact center platform, shifting from a cap-ex model to op-ex."

~ Director of IT  
Relationship Management  
North America

Figure 5 shows that phone and email are essentially ubiquitous, whereas internet-based channels continued their steep rise as channels of concern to contact center managers. Five new social media and Web 2.0 channels -
relatively unexplored in 2008 - have reached over 50% penetration into contact center operations.

As a result, contact center managers are faced with new data management, integration, and analytics challenges. It is in these secondary areas that those with a cloud strategy find added benefits from their deployment decision for an on-demand strategy. Figure 6 shows the perceived benefits of a cloud strategy, comparing those who have one against those who do not.

**Figure 6: Cloud Adopters Find Expected and Unexpected Benefits**

<table>
<thead>
<tr>
<th>Perception</th>
<th>On-Premise-Traditional</th>
<th>On-Demand-Cloud</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simplified tariffs</td>
<td>5%</td>
<td>17%</td>
</tr>
<tr>
<td>Hosted solutions offer the benefit of improved scalability</td>
<td>33%</td>
<td>50%</td>
</tr>
<tr>
<td>Simplify operations and upgrades</td>
<td>38%</td>
<td>33%</td>
</tr>
<tr>
<td>Easier to manage the funding model</td>
<td>23%</td>
<td>38%</td>
</tr>
<tr>
<td>Streamline the business process</td>
<td>25%</td>
<td>33%</td>
</tr>
<tr>
<td>Reduce and simplify telecom costs</td>
<td>22%</td>
<td>33%</td>
</tr>
<tr>
<td>Provide a platform for innovation</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>Create a competitive advantage</td>
<td>15%</td>
<td>29%</td>
</tr>
<tr>
<td>Flexible On Demand licensing</td>
<td>38%</td>
<td>54%</td>
</tr>
</tbody>
</table>

Percentage of Respondents, (n = 129)

Source: Aberdeen Group, May 2011

In all cases, the places where benefit is perceived by those who do not have a cloud strategy are realized by those who do - and to a greater degree. For example, only 5% of respondents with no cloud strategy have the perception that cloud can impact tariff complexity. Meanwhile, as a percentage, over three times as many respondents with a cloud strategy indicated that they perceive benefits in the domain of tariff complexity. Such unexpected benefits reveal themselves to the organization over time. The longer an organization has had a cloud strategy in place, the more varied and numerous the identified sources of ROI from cloud migration.

This is consistent with findings from the Q2-2011 Aberdeen Business Review data which shows that organizations with any cloud adoption at all tend to leverage cloud-related architectures and services for three or more core business applications. Seldom do organizations have just one or two cloud-deployed applications. Nowhere is this more the case than in the contact center. One hundred percent (100%) of organizations that indicated they are using a cloud or SaaS application in their customer service operations
also indicated they are using SaaS for sales force automation or well as for marketing automation. In Chapter Two, we will look at the specific benefits that organizations are enjoying as a result of their decision to take a strategic approach to cloud migration for their core contact center operations.

Aberdeen Insights — Strategy

Aberdeen's February 2011 benchmark report, *Deriving Business Value from On-Demand Contact Center Solutions*, shows that the business value of outsourcing contact center services with an on-demand provider is wrapped in potential benefits that extend well beyond cost savings. For example, 28% of organizations choose to outsource because they don’t have or can’t attract the people skills they need. Outsourcing gives them access to a much greater pool of resources. Forty-seven percent (47%) choose outsourcing because it allows them to focus on their core business, moving activities that are not core competencies out of the way so that key staff can focus on critical business activities. This also allows them to avoid staffing underutilized positions and carrying the extra infrastructure required for disaster resiliency.

Comparing those with cloud as part of their contact center initiative against those with purely traditional contact center infrastructure, we find many interesting contrasts. Those with cloud have:

- A more diverse set of benefits recognized from on-demand applications and infrastructure
- Fewer problems with performance monitoring
- More applications and data sources integrated into a unified view
- The perception that application integration is easy
- Broader adoption of Best-in-Class enabling technologies
- Better performance in key metrics

Each of these will be explored in Aberdeen's continuing research on the business impact of cloud computing.

In the next chapter, we will see what the top performers are doing to achieve these gains.
Chapter Two: Benchmarking Requirements for Success

The selection of contact center solutions, their underlying architecture, and their integration with business intelligence and business process management systems plays a crucial role in the ability to turn these strategies into profit.

### Fast Facts
- **90%** of the Best-in-Class companies are currently leveraging automated call distribution
- **75%** of the Best-in-Class are currently leveraging hosted Interactive Voice Response (IVR)
- **73%** of the Best-in-Class are currently leveraging computer telephony integrations

### Case Study — Software Provider
An organization in San Francisco CA has developed a Software-as-a-Service (SaaS) solution for stakeholder engagement, sustainability, and corporate responsibility. The company's insights help organizations address important sustainability issues, including stakeholder governance, philanthropy, supply chain, risk management and carbon accounting.

Developing its own premise-based software application based on traditional methods was 'daunting,' according to the Founder and CEO. After two years of development, the company made a strategic decision to turn off its servers and build its solution as a native application on a leading cloud provider platform. The CEO commented, “Instead of working on infrastructure, we were free to focus on innovation.”

Their decision was driven by cost, time, and quality. The company needed to go to market with a world-class software solution based on a credible platform from which clients could entrust their data.

While it was not possible to compute a specific ROI in this case, the company reported that it realized the following key benefits:

- Faster time to market
- Enabled new and lower-cost pricing model
- Faster customer adoption
- Easier implementation and ease of use
- Scalability, reliability and security
- Enhanced collaborative power of the solution

Cloud computing allowed the company to focus on innovation and the business problem at hand without the distractions and costs of ramping up and maintaining an IT environment.

### Competitive Assessment
Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories: (1) **process** (the approaches they take to execute daily operations); (2) **organization**
(corporate focus and collaboration among stakeholders); (3) **knowledge management** (contextualizing data and exposing it to key stakeholders); (4) **technology** (the selection of the appropriate tools and the effective deployment of those tools); and (5) **performance management** (the ability of the organization to measure its results to improve its business).

These characteristics (identified in Table 3) serve as a guideline for best practices, and correlate directly with Best-in-Class performance across the key metrics.

**Table 3: The Competitive Framework**

<table>
<thead>
<tr>
<th>Process</th>
<th>Best-in-Class</th>
<th>Average</th>
<th>Laggards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alignment of contact center goals with overall company goals</td>
<td>76%</td>
<td>67%</td>
<td>62%</td>
</tr>
<tr>
<td>Individual or team is assigned for responsibility of contact center performance analysis</td>
<td>95%</td>
<td>68%</td>
<td>62%</td>
</tr>
<tr>
<td>All contact center activities are in compliance with industry standards</td>
<td>73%</td>
<td>58%</td>
<td>43%</td>
</tr>
<tr>
<td>Centralized global reporting</td>
<td>67%</td>
<td>53%</td>
<td>39%</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Information is available for the agent on demand during the call (i.e. detail analytics, customer contact, and transaction history)</td>
<td>64%</td>
<td>59%</td>
</tr>
<tr>
<td>Performance</td>
<td>Regular and consistent performance monitoring</td>
<td>79%</td>
<td>67%</td>
</tr>
<tr>
<td>Customer satisfaction is measured against corporate goals</td>
<td>64%</td>
<td>59%</td>
<td>43%</td>
</tr>
<tr>
<td>Computer telephony integration</td>
<td>73%</td>
<td>61%</td>
<td>48%</td>
</tr>
<tr>
<td>Automated call distribution</td>
<td>90%</td>
<td>76%</td>
<td>66%</td>
</tr>
<tr>
<td>Technology</td>
<td>Hosted Interactive Voice Response (IVR)</td>
<td>75%</td>
<td>42%</td>
</tr>
<tr>
<td>Hosted Private branch exchange (PBX)</td>
<td>55%</td>
<td>50%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, May 2011

"Our organization achieved cost efficiencies by outsourcing contact center work to a third party on a pilot program basis for Texas and Oklahoma region. We are currently evaluating the opportunity to expand for North America."

~ Managing Director
Logistics / Supply Chain Industry
North America
Capabilities and Enablers

Based on the findings of the Competitive Framework and interviews with end-users, Aberdeen’s analysis of the Best-in-Class demonstrates that the success of the contact center strategy depends on a combination of specific capabilities and technology enablers. Best-in-Class companies leverage several capabilities in order to achieve elevated operational performance.

Process

Ninety-five percent (95%) of the Best-in-Class are actively creating teams and assign them responsibility for contact center performance. Against the backdrop of an increase in customer demand, the Best-in-Class establish responsibility for performance analytics.

The Best-in-Class identify the alignment of contact center goals with overall company goals as a top process capability (currently implemented at 76%). Alignment of goals in the contact center with the overall company goals demonstrate their concern for their customers’ experience.

Figure 7: Process Capabilities

"Utilizing customer support automation via cloud-based applications allowed my organization to be able to effectively report on products and customer service performance to drive the world-class customer support strategy."

~ Director of Customer Service
Mobile Gaming Industry
North America

Organization

Regulatory compliance refers to organizational efforts to ensure that personnel are aware of and comply with relevant laws and regulations, and that processes are in place to ensure such compliance. The Best-in-Class have deemed compliance of activities with industry regulations as a top organizational capability.

Aberdeen looked at the change in non-compliance frequency over the past 12 months. Contact center managers focused on achieving compliance in
operational activities have seen an 8% reduction in the change in non-compliance frequency, compared to only a 2% reduction for those who don’t focus on compliance. Furthermore, a reduction in non-compliance frequency leads to fewer customer complaints.

However, the cost of compliance is not small. The average cost of a call over the past 12 months for contact centers that are in compliance with all activities is 22% more than for operations free of regulation. The 22% additional cost comes from activities such as total call recording, security and access control, problem resolution guides, and detailed activity reporting, necessary in highly regulated industries.

**Figure 8: Organizational Capabilities**

![](image)

Source: Aberdeen Group, May 2011

Another organizational capability common among the Best-in-Class is a centralized approach to global reporting. With centralized global reporting, contact center managers can make timely and reliable data available to improve decision making across business units. Best-in-Class contact center managers have a reporting system that calls out the most critical information first. Highlighting issues and exceptions allows them to manage performance by exception, focusing the agent or expert where he or she is actually needed.

**Knowledge Management**

Eighty-three percent (83%) of the Best-in-Class have implemented contact center data analytics which, among other things, allows 64% of them to make the right information readily available to call center agents during the call — information such as customer profiles, contact history, and
transaction history can help a contact center agent be better prepared for a call with the customer.

**Figure 9: Knowledge Management Capabilities**

<table>
<thead>
<tr>
<th>Percentage of Respondents, (n = 129)</th>
<th>Best-in-Class</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact center data analysis</td>
<td>83%</td>
<td>63%</td>
</tr>
<tr>
<td>Information is available for the agent on-demand during the call</td>
<td>64%</td>
<td>53%</td>
</tr>
<tr>
<td>Detailed customer transactional information is available for the agent before the call begins</td>
<td>48%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, May 2011

Another Best-in-Class knowledge management capability revolves around making detailed customer transactional information available for the agent prior to the start of the call. Despite the challenges of reducing costs and improving efficiency, the main goals of a contact center are to improve customer satisfaction, improve customer satisfaction rate, and increase customer retention. Arming the agent with all the pertinent information at the start of the call results in a much more successful interaction with the customer.

**Technology**

The technologies being used in the contact center include all types of solutions, for example, performance analytics, quality monitoring, call recording, computer telephony integration, enterprise reporting, and IVR analytics. The most pronounced differentiator between the Best-in-Class and all other companies is in the area of analytics, which plays a huge role in contact center agility. Operational business intelligence and information management are key strategic enablers.

Figure 10 shows the technologies the Best-in-Class are implementing in the contact center and compares that against on-demand and on-premise approaches.
The higher adoption rates among those with hosted or on-demand solutions (the gold bars) is significant. These technology enablers have all been shown to correlate with Best-in-Class performance. Organizations that choose to outsource contact center infrastructure and services have easier access to a wider range of competitive advantages. On-demand providers have already taken into consideration that their cloud-based contact center needs to have the technology solutions listed above to make their contact center more agile for their customers.

With many contact center managers transitioning from an on-premise solution to on-demand solution, Figure 10 is a perfect example of how cloud-based providers are taking advantage of their delivery model to improve their customers’ contact center performance.

**Performance Management**

Performance monitoring in the contact center is essential in allowing contact center managers to monitor agent calls, receive SMS or email alerts, and correct problems before they impact the end user. Measuring performance requires access to customer contact information, transaction history, interactions during the call, coaching programs, troubleshooting results, root-cause history, and quality of service.
As seen in Figure 11, 64% of the Best-in-Class are more likely to measure customer satisfaction against corporate goals. Creating a set of baseline benchmarks for customer service helps contact center managers evaluate the impact of changes to the process or to the supporting technology and also helps them detect anomalous activity more quickly.

**Business and IT Agility**

In this chapter, we have seen that Best-in-Class contact centers:

- Align their goals to the goals of the organization
- Understand the cost of compliance
- Take a strategic and unified approach to information management and reporting
- Monitor constantly
- Have access to a broad array of technology tools

These best practices are the essential building blocks for business agility and the ability to execute on strategic programs. However, they are possible only when the IT staff can devote sufficient resources to these activities while still meeting service-level agreements.
Figure 12 shows that cloud migration eventually results in better performance across the broader (and more significant) business metrics: customer satisfaction and cost of support.

**Figure 12: ROI on Cloud Migration**

<table>
<thead>
<tr>
<th>Change in number of customer complaints over the past 12 months</th>
<th>Change in total support costs over the past 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Premise: (n = 74)</td>
<td>On-Demand: (n = 25)</td>
</tr>
<tr>
<td>-18%</td>
<td>-2%</td>
</tr>
<tr>
<td>-20%</td>
<td></td>
</tr>
<tr>
<td>-15%</td>
<td></td>
</tr>
<tr>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>-5%</td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Aberdeen Group, May 2011

But cost reduction is just one of the benefits of cloud migration.

The increasing demand from the workforce for anywhere, anytime access to critical business resources can be addressed more readily with a cloud-based infrastructure.

Another benefit of the cloud is the ability for IT to shift focus from application support, equipment monitoring, and storage management to more innovative projects. With the burden of constant server updates and other computing issues lifted, IT engineers can focus on converting technology into productivity and profit for their organization.
Chapter Three: Required Actions

Whether a company is trying to move its performance in contact center solutions from Laggard to Industry Average, or Industry Average to Best-in-Class, the following actions will help spur the necessary performance improvements:

Laggard Steps to Success

- **Make information available to the agent on demand during the call.** Sixty-four percent (64%) of the Best-in-Class are currently leveraging information that is made readily available to call center agents during the call such as detail analytics, customer contact, and transaction history. Laggard organizations need to make this a key strategic capability. Only 43% of Laggard organizations are making use of this.

- **Measure customer satisfaction against corporate goals.** The Best-in-Class also show that they value measuring customer satisfaction against corporate goals. Best-in-Class are currently implementing this at 74%, while the Industry Average are implementing at 53%. Laggard organizations are trailing behind the others at only 39%. Goals such as enhancing customer service and optimizing lead generation and delivery help contact center managers meet customer needs. The degree to which corporate goals are met correlates directly with customer satisfaction rate improvement.

Industry Average Steps to Success

- **Investigate hosted alternatives to traditional Interactive Voice Response (IVR).** The Best-in-Class identified hosted IVR as one of their top initiatives. Figure 10 in Chapter Two shows that not only do 75% of the Best-in-Class currently use hosted IVR, they are over 30% more likely to do so than the Industry Average. Laggard organizations, recognizing this, are broadly planning adoption of this technology, making it all the more imperative that the Industry Average take note.

- **Ensure that all contact center activities are in compliance with industry standards.** The Best-in-Class have deemed compliance of activities with industry regulations as a top process capability. Best-in-Class companies are 15% more likely to be doing this than Industry Average. A focus on compliance in contact center activities leads to an 8% reduction in the change of non-compliance frequency and a corresponding reduction in the number of customer complaints.

### Fast Facts

**Best-in-Class companies are:**

- √ 45% currently leveraging document management search integration that enables automatic delivery of documents to the call center/agent

**Compared with:**

- √ 39% of the Industry Average are currently leveraging document management search integration that enables automatic delivery of documents to the call center/agent

- √ 24% of Laggards are currently leveraging document management search integration that enables automatic delivery of documents to the call center/agent
• **Promote centralized global reporting.** With a centralized global reporting system, contact center managers can make timely and reliable data available to improve decision-making across business units. Contact center managers need a system that creates reports that call out the most critical information first. Highlighting issues and exceptions would allow contact center managers to manage performance by exception, focusing the business user's attention where it is actually needed. The Best-in-Class are actively making use of a centralized global report at 67%, compared with the Industry Average at 53%.

**Best-in-Class Steps to Success**

• **Make detailed customer transactional information available to the agent before the call begins.** Forty-eight percent (48%) of the Best-in-Class are currently taking this action. Even though adoption is relatively low, it should be something any contact center manager takes into consideration. Being readily able to assist a possibly frustrated customer prior to the call offers the agent a tremendous advantage.

• **Make operational business intelligence an integral part of the contact center strategy.** BI deployment enables better information management from the back-end data source to the operational dashboard, better creation of decision-supporting business insight, and speedier dissemination of that information to the operational decision-makers in the organization. The Best-in-Class have to realize that BI is a journey and not a destination. Even though 48% of the Best-in-Class are actively using BI in their contact centers, the journey does not stop there. The Best-in-Class must actively push forward looking at all types of analytics and dashboards in making their contact center more agile.

• **Leverage a Unified Communications (UC) platform.** Only 37% of Best-in-Class companies are actively making use of a UC platform. Contact center agents can better equip themselves by integrating messages from many sources. The Best-in-Class can benefit from this because UC solutions consolidate both real time and batched data into reporting and analytical tools. Aberdeen's March 2010 Analyst Insight, *Unified Communications: Unleashing Transformation, Efficiency, Collaborations, and Compliance* confirms that with the use of a UC platform, companies are more responsive, decreasing the time required to address the initial customer request.
Aberdeen Insights — Summary

In Figure 3 we saw how contact center managers describe their architecture. Sixty-three percent (63%) of respondents indicated that their architecture is on-premise. While 27% of respondents indicated they are migrating to the cloud and a steady 9% to 10% are fully outsourced. In Figure 6 we saw the rewards for adopting cloud infrastructure and on-demand applications in the contact center and noticed that all of the benefits of cloud anticipated by contact center managers with no cloud strategy are realized to a greater degree.

As is the case for nearly a third of our survey population, the strategic application of cloud infrastructure and on-demand contact center services can have a profound impact on an organization’s contact center, especially if it suffers from any of these symptoms:

- Core business applications lack needed functionality
- Spikes and prolonged lulls in activity are costly to the organization
- Difficulty integrating data from new sources
- Difficulty creating unifying views of the business process across applications
- Trouble deploying or leveraging business analytics solutions
Appendix A: Research Methodology

Between April and May 2011, Aberdeen examined the use, the experiences, and the intentions of 129 enterprises using contact center solutions in a diverse set of business enterprises.

Aberdeen supplemented this online survey effort with interviews with select survey respondents, gathering additional information on contact center strategies, experiences, and results.

Responding enterprises included the following:

- **Job title**: The research sample included respondents with the following job titles: Executive (20%); Director (22%); Manager (19%); Consultant (12%); Contact center Manager (8%); Managing Director/General Manager (6%) and other (13%).

- **Department / function**: The research sample included respondents from the following departments or functions: Information Technology (24%); Customer Service Support (22%); Business Development/Sales (11%); Operation (10%); and corporate management (9%) and other (24%).

- **Industry**: The research sample included respondents exclusively from retail industries. The largest segments represented were: IT consulting / services (19%); Telecommunications services (11%); Software (13%); Insurance (10%); Financial Services (8%); Health / medical /dental services (7%); Computer equipment, hardware or peripherals (5%); Aerospace and Defense (3%) and other (24%).

- **Geography**: The majority of respondents (59%) were from North America. Remaining respondents were from the Asia-Pacific region (11%), Europe (23%), South/Central America and Caribbean (3%), and Middle East and Africa (4%).

- **Company size**: Twenty-four percent (34%) of respondents were from large enterprises (annual revenues above US $1 billion); 31% were from midsize enterprises (annual revenues between $50 million and $1 billion); and 35% of respondents were from small businesses (annual revenues of $50 million or less).

- **Headcount**: Forty-eight percent (48%) of respondents were from large enterprises (headcount greater than 1,000 employees); 29% were from midsize enterprises (headcount between 100 and 999 employees); and 23% of respondents were from small businesses (headcount between 1 and 99 employees).

### Study Focus

Responding executives completed an online survey that included questions designed to determine the following:

- The degree to which contact center solutions are deployed in their operations and the financial implications of the technology
- The structure and effectiveness of existing operational BI implementations
- Current and planned use of contact center solutions to aid operational and strategic activities
- The benefits, if any, that have been derived from cloud-based initiatives

This study is aimed to identify emerging best practices for contact center solution usage in a variety of applications, and to provide a framework by which readers could assess their own management capabilities.
Table 4: The PACE Framework Key

<table>
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<th>Overview</th>
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<td>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</td>
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<td><strong>Pressures</strong> — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</td>
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<td><strong>Actions</strong> — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</td>
</tr>
<tr>
<td><strong>Capabilities</strong> — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</td>
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<td><strong>Enablers</strong> — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</td>
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Source: Aberdeen Group, May 2011

Table 5: The Competitive Framework Key

<table>
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<th>Overview</th>
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<td>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</td>
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<td><strong>Best-in-Class (20%)</strong> — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</td>
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<tr>
<td><strong>Industry Average (50%)</strong> — Practices that represent the average or norm, and result in average industry performance.</td>
</tr>
<tr>
<td><strong>Laggards (30%)</strong> — Practices that are significantly behind the average of the industry, and result in below average performance.</td>
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In the following categories:
| **Process** — What is the scope of process standardization? What is the efficiency and effectiveness of this process? |
| **Organization** — How is your company currently organized to manage and optimize this particular process? |
| **Knowledge** — What visibility do you have into key data and intelligence required to manage this process? |
| **Technology** — What level of automation have you used to support this process? How is this automation integrated and aligned? |
| **Performance** — What do you measure? How frequently? What’s your actual performance? |

Source: Aberdeen Group, May 2011

Table 6: The Relationship Between PACE and the Competitive Framework

<table>
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<th>PACE and the Competitive Framework — How They Interact</th>
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<tr>
<td>Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</td>
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Source: Aberdeen Group, May 2011
Appendix B: 
Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- *Deriving Business Value from On-Demand Contact Center Solutions*; February 2011
- *Unlocking Business Intelligence in the Contact Center*; September 2010
- *Unified Communications: Unleashing Transformation, Efficiency, Collaboration, and Compliance*; March 2010
- *Business Adoption of Cloud Computing*; September 2009

Information on these and any other Aberdeen publications can be found at [www.aberdeen.com](http://www.aberdeen.com).

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