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# **Dial Interactive iNsights Newsletter**

Winter 2014

**Predicting Blue Skies for The Contact Center** 

# **Using Premise or Cloud Based Solutions**

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#### Greetings!

Are cloud-based services all blue skies? Like predicting the weather, it depends on many variables.

The contact center is such a critical part in generating a company's revenues and protecting its brand that there is no room for error when making such a large investment of its resources. Therefore, it's essential the technology platform selection is the right one for your company.

<u>Dial Interactive (DI)</u>, as a vendor neutral consultant, recommends doing your homework before deciding on which platform is best suited for your company's environment. Let's take a look at a few aspects of choosing cloud vs. premise-based contact center services. For the purpose of discussion DI will provide a few areas to consider. There are many more vantage points to assess. We recommend you do your research before you make your selection.



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# **→**

# **Vantage Point -Both Sides of the Coin**

For either premise-based or cloud services, there are at least two sides to look at. On one side of the coin, many smaller contact center operations like the advantage of the reduced initial capital investment, of a full-service cloud-based option.

Many mid-range and enterprise companies find the cloud is useful to try new technologies and helps to manage and mitigate risk. Even some enterprise operations have found cloud-based services to be a good option, whether a complete cloud-based platform or putting just a component of their technology platform in the cloud, for example, putting their IVR in the cloud.

However, many larger operations that have high call volumes have invested heavily in a premise-based infrastructure, skilled support staff, and/or want to maintain control over their technology and data storage so premise-based solutions are best.

Here are a few variables to consider:

- Number of locations and call volume Cloud-based services can be very compelling because they are potentially quicker and easier to implement and more straightforward. They may also require less initial up-front costs than premise-based. However, depending on your operation and call volumes, long-term costs can be considerably higher for cloud-based vs. premise-based. With the cloud the cost per call/minute could really add up long term.
- Scalability Cloud-based services can usually scale easier
  to most the peeds of fluctuating tronds, and adapt quicker to

- unexpected demands. One example is the pay as you go model, i.e., if you have a seasonal business and require your system to burst. Tipping point numbers to consider is anything more than 60% for 2-3 months.
- Need to try before you buy Cloud-based services are
  easier to pilot, which can be particularly appealing for testing
  a new campaign or technology. If you need to get up and
  running quickly, the cloud can be a solid fit and offer much
  lower initial risk and investment.
- Support Cloud-based solutions can be a good fit for small and medium-sized call centers that lack staff with the skill set required to manage and maintain complex premisebased technologies or would have a hard time acquiring such staff.
- Control Cloud-based services can take some control away at the operational level. Depending on the technology, with a cloud-based solution, the host's personnel or professional services will be responsible for making changes to and managing your platform. Owning your own premise-based system provides you more control. To some organizations, depending on their culture and requirements, this is a huge hurdle to using a cloud-based solution. Also consider that once contracted out to a cloud-based vendor, it is very difficult and costly to change systems because they are integrated together.
- Data protection. Safeguarding data is essential.
   Depending on the industry's regulations, data storage, where and how it is hosted should be a key factor in choosing the right solution.

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# **Total Cost of Ownership - Numbers Talk**

It is all about the numbers - let them do the talking. Most times, choosing between a cloud or a premise-based solution comes down to the financial evaluation. Choosing which model is right for you can be as simple as knowing how your accounting department runs.

Does your company use operating expenditures (Opex) or capital

expenditure (Capex)? Opex, paying only for what you use, as you use it, lends itself to cloud-based services, whereas Capex better suits large up-front, asset-based premise solutions.

Choosing the right solution may also be dependent on the size of your operation and call volume - for a small call volume operation with little change a cloud-based solution may be a good bet financially, whereas for a large call volume operation with lots of changes a cloud-based solution may be cost prohibitive long-term.

Each operation is unique, so it is critical for you to review various options and their financial implications based on your specific needs.





# **Data Security**

How can you be sure that your data remains secure?

Remember, data security has everything to do with policies, procedures, people, the environment, and the network and less to do with whether it is in the cloud or not. When choosing either solution, select your partners and providers carefully and it should go without saying, trust and transparency is key.

Select vendors with the right credentials and certifications such as TL 9000, SAS 70, and PCI compliant. All vendors should provide SLAs.

Here are a few questions to ask when thinking of data security and choosing a platform for your contact center:

- Is the hosting infrastructure shared or dedicated. How is it partitioned? Are data security authentication/passwords applied?
- Who is hosting the servers? Do they have good physical and network security?
- What type of network is used to access the cloud computing

facility?

- Is the connection provided over the public internet or is the network secured at layer 3 (network level, e.g., IP VPN Virtual Private Network), layer 2 (data link layer, e.g., ATM, MPLS, or Ethernet VPN), or at the physical layer 1 (private circuit or wavelength, e.g., IP VPN, Internet, VPN, or Private Network)?
- Are encryption and secure user/password processes used?
- Are other authentication mechanisms like Secure ID used?
- Is constant monitoring provided and are proactive tools employed?
- What is the business continuity plan?
- How is that data backed up?





#### **Consider Your Staff**

With cloud-based solutions, the perception is that management worries are reduced, and support is readily available. In reality, both solutions require significant planning and are complex, just in different ways.

Do you have the skilled talent internally to manage the implementation and long-term needs of a premise-based solution? It is necessary for your staff to be able to communicate, collaborate, and create with vendors and internal customers, including the business stake holders, especially those responsible for many contact center related activities. You need to have seasoned talent with some very thick skin. Oh and don't forget those people skills which can be so pivotal to the success of a project!

A key benefit of cloud-based solutions includes offsetting some of these responsibilities to a third party. On the other hand, there are also many benefits of having this staff internal to your organization. Again, the correct decision depends on your environment and long-term business initiatives.

If you have a global enterprise contact center, your key employees, especially the Senior Contact Center Technical Solutions Architect (CCTSA), need to be able to develop, design, deploy, operate, and maintain multi-services in a complex, changing environment. Like your team at DI, your staff needs to have a passion for the many aspects of contact center technologies, including VoIP networking, engineering, multi-channel routing, business visibility, quality monitoring, scheduling tools, and the ability to develop corporate direction for a multi-layered business organization.

These are no easy shoes to fill! Whether cloud-based or premise-based. Finding the right staff is like finding a needle in a haystack. Remember DI has the precision and skills to help you assess what type contact center is best for your company.





#### In Conclusion

It is clear that choosing between a cloud or premise-based solution can be challenging.

Contact centers have never before had more technology choices or ways you can deploy them. Cloud, premise-based or a mixture of the two can deliver huge potential benefits.

Needs and requirements vary. The focus should remain on the right fit for your organization, the quality of the solution, and the financials.

We can help Dial Interactive has conducted numerous

technology assessments for contact center operations of all sizes. DI can assist you in reviewing your operational requirements, vetting vendors, and recommending the products and services best suited to meet your overall business needs. Call DI today to help you answer the questions below and forecast the right path for you.

Here are some questions to process when making such an important decision for your business:

- What are your operational requirements?
- What are your business drivers?
- What time frame do you have to implement your new solution?
- How do you distribute your spending, through operating costs or purchases?
- Will you be growing or acquiring other companies?
- What are your security requirements?
- Do you have skilled staff internally or can you acquire them to manage a premise-based solution?
- How many changes do you make to your system?
- Is there a cost to make these changes?
- What is the cost per minute / per call
- What is the cost for custom reporting?
- What is the cost to change the IVR/WFM/ Email Management systems?
- How do you migrate your call data once the contract is over?



#### **Meet The Team - Jeanne Groff**

Q: Where do you live Jeanne?

A: Bella Vista, Arkansas

Q: How did you get into the Contact Center Industry:

A: First worked with Contact Centers years



major airline's Reservations centers and as a call center consultant in the Southeast Region for AT&T. Have been working with Contact Centers ever since, both in the U.S. and globally.



Q: What do you like about assessing different vendor platforms?

A: The Contact Center space is "ever-changing" with more and more vendors associated with it. Gone are the days of simpler "one- size fits all boxes or solutions", replaced by much more complexity and a dizzying array of choices. I enjoy conducting discovery to fully understand a client's call center needs and requirements, while vetting various vendors to ensure the final platform selected is the "best fit" for our client, both short-term and long-term.

Q: Tell us what you think about Premise Based vs Cloud based Contact Centers.

A: Cloud vs. premise-based solutions both have "pros and cons". The key as indicated above, is to conduct a full discovery and selection process in order to design and implement the solution that is the best fit for a client's needs.

Q: Why do you like working for DI?

A: I enjoy working with Dial Interactive because of the professionalism and expertise brought to the table by the overall culture of DI fits with my ideals of working hard and seeing "challenges as opportunities".

On behalf of the DI Team, thank you for taking the time to read DI's iNsights. We are passionate about providing quality content. Please contact us if you have any questions or want us to help you with your contact center technology needs.

Warmest regards,

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Call (954) 256-1818 today to discuss how DI can help you assess which is the right solution for you.