



## A Business White Paper

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# Why Hosted? Go Beyond the Traditional Contact Center

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## Executive Summary

The contact center today is characterized by a conflict between its history and its current capabilities. Many businesses are discovering that making traditional premises-based solutions support new sophisticated customer contact management requirements entails a considerable amount of time, capital expense and expertise. As a result, companies and government agencies looking for a way to benefit from the powerful new contact center systems are turning to hosted contact center solutions.

Contact centers began as basic premises-based call centers that limited their mission to answering customer complaints and keeping costs low. There is a strong tendency – stemming from this early and simple history – to think of the contact center as just another department to be developed internally by corporate IT. Because of this history, contact centers are most often situated on the business premises.

However, today's contact center has grown in prestige because it has proved its value in a variety of crucial ways: as the welcoming customer front door for a virtual age; the delivery point of customer service that improves a company's reputation; a sales center that can direct customers to new products; the department that leverages computer-telephony integration and global networks to link data, customers, and agents anywhere in the world; and an "information turnstile" that collects data on every customer who passes through.

Not surprisingly, many mid-sized companies that try to combine the traditional premises-based approach with today's full-featured contact centers struggle to cope with high costs and daunting technical challenges. As the bills pile up and the maintenance contracts need signing, many CEOs and CIOs wonder if there isn't a better way.

Qwest believes that a better way is a hosted contact center. The hosted solution allows companies to maximize investments in existing facilities and limit new capital expenses while adding new customer contact features. It recognizes that for nearly all mid-sized companies the contact center must act as a powerful and valuable service that supports multi-channel integration, leverages global high-speed networks, and utilizes computer-telephony integration (CTI) and speech-recognition technology, all at a reasonable cost. For many companies, this new contact center requires the integration of a new deployment model: the hosted model.

Qwest knows the advantages of choosing a hosted solution, and can answer many of the questions customers and prospective customers have. The first is, what is a hosted solution and how can it help my business?

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## The Hosted Contact Center

The differences between a premises-based and hosted contact center are dramatic.

The premises-based contact center typically features an automatic call distributor (ACD) linked to the interactive voice response (IVR), Computer Telephony Integration (CTI) server, E-mail server, Web interaction server, workforce management application, and predictive dialer for outbound campaigns. For the many businesses with multiple locations, or that have grown through acquisitions, this environment is made even more complex due to disparate systems with redundant equipment that creates a management and reporting nightmare.

Hosted contact center solutions transfer this infrastructure and management to the network. As a network-based system, Qwest helps companies access as much or as little capability as they need with little or no capital expenditures. Hosted systems absorb the sizable investment in infrastructure costs as well as system management and maintenance costs and offer customers access to powerful services at a modest rate. In this hosted model, Qwest takes on the responsibility and cost of developing and maintaining network interfaces to data sources, servers, tools for data conversion, and business intelligence tools. Hosting enables organizations to outsource the technology infrastructure, retain data control and security, and select and pay for only the services they need. Here is a real-world example:

*The start-up business celebrated as consumers flocked to its pre-paid debit cards, but the success of the product threatened the success of the company. The firm's premises-based contact center could not cope with the thousands of customers who called to monitor and replenish their accounts, and expanding the contact center was too expensive.*

*Qwest's hosted contact center solution eliminated the need for a capital outlay, increased call capacity, and let the company retain control over the application. Now when customers call they reach interactive voice response (IVR) ports at the Qwest server farm. Qwest provides a carrier-grade, fully redundant network, security and technical expertise, and it uses Genesys Voice Platform (GVP) IVRs compatible with virtually any environment. In addition, the pre-paid debit card company benefits from Qwest's pricing model. They only pay for the resources they use.*

In addition to reducing the expense and complexity of enhancing or establishing a contact center, and allowing companies to fluctuate usage and pay only for what they use, hosted features and functionality allow companies to ignore geography when planning agent availability. Network-based hosted solutions have visibility to all agents in the virtual

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contact-center universe, so there is no geographical limitation in the selection of an agent. Once the agent is selected, the hosted system transfers the call to that specific agent. When the agent answers, the network-based ACD system connects the caller to the right agent the first time, eliminating the need to transfer calls between centers.

## Return-on-Investment

One of the most convincing benefits of the hosted contact center is how it allows companies to contain and accurately predict costs, which in turn helps guarantee that ROI estimates are realized. In many premises-based situations, companies find that initial capital outlays, ongoing maintenance and support costs, required upgrades, and fluctuations in equipment usage delay ROI for years and sometimes prevent its realization altogether. But a hosted solution eliminates such capital expenditures, maintenance fees, and support fees. It also lets companies acquire additional IVR ports or routing capabilities quickly and as needed to cope with seasonal spikes in demand. As a result, firms can be more confident that they can predict and can control costs.

*In the western United States a state agency turned to Qwest to handle its 211 information service. During the autumn fire season, calls spike in reaction to news coverage of area wild fires. Qwest answers those calls in the IVR, which prompts callers to input data and also performs automatic number identification (ANI) to segment calls for possible routing. Callers who want to speak with agents are routed to the correct agent group for more detailed fire information. The agency uses only a modest amount of Qwest resources when call demand is low, but when volume jumps the extra capacity is immediately available without the cost or hassle of adding infrastructure.*

One aspect of the ROI equation that companies must consider is the value of their existing infrastructure. Many companies that consider hosted solutions already own IVRs, PBXs, and ACDs and understandably balk at a forklift solution that requires them to start from scratch. There is no need to sacrifice an investment in legacy infrastructure. A hosted solution should be designed to work with existing systems and enhance them, not replace them.

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*An online personal computer catalogue business with an Avaya ACD faced spikes in call volumes when special offers were posted. The jump in call volumes increased the need for IVR ports and routing capability to the company's 140 agents, 75 percent of whom were offshore. Instead of adding capacity to meet peak demands – capacity that would sit idle when demand subsided – the company kept its 800 number and shifted its call center to Qwest. The hosted system captures IVR transaction data and applies the company's business rules to implement routing strategies. Qwest instructs the company's Avaya ACD where to send the calls and agents initiate screen pops of customer data as needed.*

## Security and Control

Companies considering a hosted solution have questions about the security of the operations, their data, and the control they will have over their customers' contact center experience. Hosted solutions are designed to securely offer services to many companies at once, and the scale of hosted solutions allows for large security investments that are often superior to what a mid-sized company can obtain on its own.

When it comes to data security, the facilities possessed by regional Bell operating companies (RBOCs) such as Qwest and other large telecommunications firms offer great data protection. Security measures include stringent firewall management, virtual private network (VPN) restricted access, user login restricted access, and data encryption. A key part of security is network reliability, and companies seeking hosted solutions should look for vendors offering "carrier grade" networks. Such networks are designed to offer at least 99.999 percent reliability, limiting downtime to no more than five minutes per year. Hosted solutions can also provide customers access to fully redundant networks that are proactively monitored and managed on a 24x7x365 basis. This monitoring is crucial, as the host is responsible for hardware and software upgrades.

## The Hosted Customer

Companies – and organizations within companies – that can benefit from hosted solutions can be found in a range of industries, including finance, healthcare, education, state and local government, retailers and media firms. Government agencies are under pressure to reduce budgets and do more with less. Mid-sized companies want to focus on their core competencies and reduce capital expenditures. But regardless of the differences, they all face one or more important challenge:

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- Supporting 50 to 300 agents to handle 1,000 to 4,000 calls per day
  - Preserving an investment in existing infrastructures
  - Coping with rapid growth and quick access to additional capacity and flexibility
  - Avoiding large technology expenditures so cash can be invested in the core business
  - Matching capacity to fluctuations in demand to avoid over- or under-investment

Large businesses with call volumes reaching 1 million per week can also benefit from hosted solutions. They want transparency across all their contact centers in order to identify and enforce best practices, only to find that their heterogenous systems make gathering data very difficult. One such company benefited from Qwest's hosted solution:

*A national healthcare company had over the years made acquisitions that left it with a variety of legacy platforms running proprietary applications. The multi-vendor infrastructure made gathering analytics across the enterprise impossible, and without common reporting there was no way to compare the performance of the individual contact centers. This problem, and concerns about the cost of multiple maintenance contracts, led the company to consider a hosted solution. Qwest's ability to apply the Genesys open solution was especially attractive. The healthcare company had a large investment in existing ACDs and did not want to replace them.*

*An estimate of required IVR ports was based on existing traffic, and all of the company's IVR and routing needs were transferred to Qwest's hosted solution. Call volumes almost immediately overwhelmed the allotted IVR ports. No calls were lost, because Qwest makes sure that it has 25 percent more IVR capacity at the ready for each customer in order to handle overages. But the experience revealed a previously undetected problem: the company did not have enough local trunking at its contact centers and it was dropping a lot of customer calls.*

*"The company was initially concerned about a lack of control because the routing is on our network," said Jeannette Romero, Senior Product Manager - Qwest Contact Solutions. "But they have actually gained greater control because now they have greater transparency into the activity of their entire operation."*

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## Conclusion – Why Hosted?

Contact centers have now evolved to a point of complexity, expense, and importance that marks a transition in how companies need to deploy them. The premises model that worked for many companies when the contact center was less complex – and that still works for the largest companies – burdens many other firms with unnecessary costs and upkeep, causing many businesses to forgo the features they need to be competitive in order to stay within budget.

For these reasons, the hosted model is becoming increasingly popular. It offers companies compatibility with legacy systems, state-of-the-art features, customized capacity, low costs, security, control, and transparency. Hosted benefits include:

- **Flexibility** – Hosted solutions are tailor made to fit the needs of any size business and can grow with the customer's changing needs
- **End-to-end solution** - Hosting brings the right technology together for optimal solutions, including a full suite of products and applications (not just the contact center, but also toll free lines, trunking, data network, TDM/VoIP)
- **Security and reliability** - Hosted carrier grade network with full redundancy.
- **Dedicated Support** - Contact center network support specialists that help customers stay focused on their core business to increase productivity and maximize technology investments.

## About Genesys

Genesys, an Alcatel-Lucent company, is the world's leading provider of contact center and customer service management software — with more than 4,000 customers in 80 countries. Genesys software directs more than 100 million interactions every day, dynamically connecting customers with the right resources — self-service or assisted-service — to fulfill customer requests, optimize customer care goals and efficiently use agent resources. Genesys helps organizations drive contact center efficiency, stop customer frustration and accelerate business innovation.

## About Qwest

Qwest Contact Center Solutions® is comprised of several flexible, scalable and highly reliable Qwest network hosted contact center services that can work independently or together to assist customers in managing their inbound and outbound contact centers. These services include routing and distributing of voice, Web chat and email requests to live agents regardless of geographic location as well as caller self service interactive voice response applications. The portfolio includes: Qwest® Hosted IVR, Qwest® Notify, Qwest EZ Route, Q Routing® and Qwest® Toll Free Service. Qwest was recognized by Genesys as the 2007 North American Partner of the Year.

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