



# HOSTED CALL CENTRE FUELS PRODUCTIVITY WHILE LOWERING COSTS

Our advance towards ecommerce, global distribution, and remote support delivery has been good for the call centre business. As companies have transitioned from localized, brick and mortar structures to new models of product and service delivery, the call centre has emerged as the key contact point for partners and customers in their interactions with suppliers. The industry has proved a strong growth segment,<sup>1</sup> particularly in Canada, where the call centre has served as the foundation for economic revival in several Atlantic provinces and is showing no signs of slowdown. A recent global survey published by Deloitte in 2013 has found that 77 percent of contact centres expect to maintain or grow in size in the next year or two, driven by the need to support business growth.<sup>2</sup>

But the call centre is itself undergoing transition. While remote customer interactions have become increasingly important to the business, in the customer-centric world of today, consumers, partners, and suppliers have come to expect communication on demand and they now have the social tools to 'vocalize' any hesitation or frustration they experience in communicating with a business. As a company's primary medium for responding to queries or mitigating customer dissatisfaction, call centres are under growing pressure to live up to this expectation through the delivery of accurate and timely information. To perform at

their best, call centres depend on responsive and reliable systems. However, many large facilities remain challenged by a lack of metrics by which they can measure or improve operational efficiency.

Under pressure to improve service, the call centre is also joining the ranks of the mobile workforce. Use of home-based agents for call centre staff is now well entrenched, especially in larger facilities, due to the personal productivity benefits associated with telework, and to industry-specific advantages such as lower attrition among home workers (30% in typical call centres) and the greater likelihood that remote positions will be filled by individuals with college degrees.<sup>3</sup> According to Deloitte, while only 10% of small businesses (up to 100 employees) and 42% of medium sized call centres have over 10% of their contact centre staff in remote locations, in the large segment (more than 500 employees), 63% rely on a staffing model made up of 10% or more remote agents.<sup>4</sup>

Another trend in the customer support industry is the shift away from the outsourcing of call centre functions to large factory facilities in favour of using in-house staff resources. This approach is common in smaller organizations which may not have the budget to contract large, professional outsourced services. For this group, hosted telephony

1. "The annual growth in Canada's telephone call centres outstripped overall economic expansion by more than four times from 1998 to 2006. The industry's average revenue growth in that period was 28% per year, compared with 6% for the economy in general." Call centres: A growth industry. Statistics Canada.  
2. 2013 Global Contact Center Survey Results. Deloitte Consulting LLP, March 2013.  
3. Working Successfully with Gen Y, Call Centre Times, 2013  
4. 2013 Global Contact Centre, p. 18.

offers a cost-effective solution that enables the organization to deliver call centre services that might otherwise have been out of reach and which allow the business to better position vis-à-vis the competition. Hosted PBX, for example, requires no CAPEX for deployment of onsite infrastructure, while offering a lower TCO than on-premise systems.

Whether it's a large call centre under pressure to perform, the distributed, home-agent based model, or the smaller on-premise company call centre – Hosted PBX provides reliable and remote access to cloud-based telephony to facilitate creation of the virtual call centre.

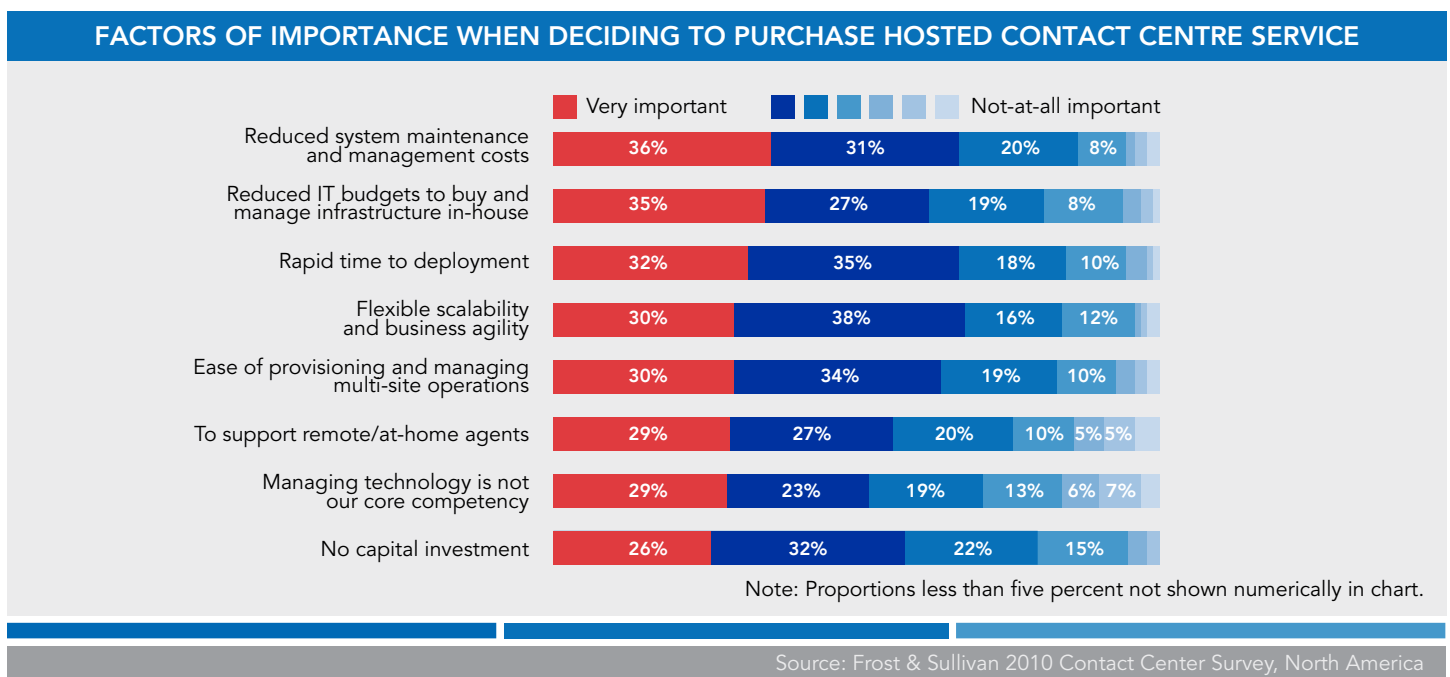
## HOSTED CONTACT CENTRE SERVICES GROWING STEADILY AT 11 PERCENT PER YEAR — TWICE AS FAST AS PREMISE-BASED CALL CENTRES

User concerns over security, the need to leverage existing hardware and software investments, and a reluctance to relinquish control of corporate telephony in hosted contact centre deployments are a familiar discussion points in the cloud vs. on-premise debate. However, adoption drivers for the hosted contact centre demonstrate that many of these issues have been addressed – while providing insight into the key benefits of cloud telephony in the call centre.

The growing popularity of the Hosted PBX approach to call centre delivery has been quantified in a study from analyst firm Frost & Sullivan. In North America, Frost & Sullivan estimated the total market value, comprising best-of-breed, and full-suite hosted and cloud contact centre solutions, at

\$1.4 billion in 2010, based on a growth rate of 11.6 percent per year. This was contrasted with market sizing for premise-based contact centre systems product revenues (exclusive of maintenance costs) of \$1.7 billion – based on growth of 6.1 percent per year. For Frost & Sullivan, these varying growth rates reveal “a significant market trend. The hosted/cloud model is not just a viable, but, increasingly, a preferred model to deploy contact center [sic] technology.”<sup>5</sup> In terms of key call centre applications, Frost & Sullivan found similar preferences for the hosted approach: for example, over the 2011-2017 period, researchers calculated a CAGR of 11% for hosted IVR (interactive voice response), as opposed to 7.4% for on-premise IVR and a 19% and 5.3% CAGR for hosted ACD (automatic call distributor) solutions, respectively.<sup>6</sup> These cumulative market shifts would suggest that barriers to adoption of hosted contact centre have largely been overcome. In the figure below, the relative importance of various factors in the decision to purchase hosted contact centre services are outlined.

Interestingly, these decision drivers address not only perceived barriers to cloud-based call centre, but also trends in the industry. While respondents to Frost & Sullivan’s survey of call centre operators tended to rank each of the purchase factors relatively highly, they have singled out management capabilities as a key benefit, weighing these as “important” or “very important” with some consistency. Scalability and business agility, rapid time to deployment, ease of provisioning, and management of multi-site operations, for example, are valued attributes that suggest customers achieve greater control over call centre systems through the hosted model, while servicing the needs of organizations that are experiencing rapid growth. The chart also highlights the importance of financial matters – reduced IT budgets for infrastructure spend, no upfront capital investments, and



5. Frost & Sullivan, Cloud Contact Center Market Trends: Movement from Best-of-Breed to Suites. Executive Brief.  
 6. Frost and Sullivan – NA Contact Center Systems Market – July 2012.

reduced system and management costs associated with hosted models – showing a new emphasis on TCO in decision making, which may render reliance on existing infrastructure investments less advantageous. Cost benefits would also appeal to the growing group of smaller businesses who are now able to build their own on-premise facilities with hosted options. Though identified as less critical than management or financial issues, the survey also pointed to capabilities around support of remote, at home workers as an important consideration for over half of call centre respondents.

The appeal of cloud in call centre PBX makes a good deal of sense. Physical PBX can be a very complex environment, involving the support and maintenance of multiple locations and systems across a distributed organization. Maintenance is a labour intensive process that requires the use of trained and certified administrators.<sup>7</sup> But with Hosted PBX, these systems are centralized under one IP-based network for consolidated control. The network is managed by the hosting provider: as in any cloud solution, maintenance, support, and administration of the software and systems are taken over by the provider, including the responsibility for technology refresh. Software licensing and solution and equipment procurement become a thing of the past, removing the risk of technology obsolescence, and the provider's security certifications and redundancy offer levels of reliability that are typically hard to match on-premise.

But beyond these advantages that are generic to the cloud approach, hosted call centre solutions provide capabilities that address the unique needs of the call centre for increased operational efficiency. Through the features listed below, businesses are better able to monitor, measure, and manage call centre productivity and, ultimately, achieve new levels of service delivery.

- Web-based portals for remote management of call features, messaging changes, and the delivery of prompts from remote locations.
- Detailed real-time and historical call reporting to identify peak times, allowing management to make better staffing decisions.
- Supervisor dashboards that enable monitoring and management of all calls to provide better insight into individual agent performance.
- Cloud scale to support the quick addition of agents or supervisors to manage changing call centre staffing needs.

## IMPROVING CUSTOMER SATISFACTION WITH HOSTED CALL CENTRE

Reaching out to a business for call centre support can be a frustrating exercise. Challenges range from finding the right number to call, to being inundated with lengthy recordings urging the caller to return to the website, to the need to punch in an abundance of information before speaking to a live agent who may or may not have appropriate language skills. When the outcome is customer frustration, the result is lost opportunity for the business.

In the science of optimizing the customer experience, a number of suggestions for improving support performance stand out. Key suggestions include:

- measure agent performance and make sure agents are satisfied with their jobs,
- use voice, which is still the channel preferred by most customers for service and support, and
- survey customers on contact centre performance in order to improve.<sup>8</sup>

Hosted PBX offers capabilities to address each of these issues. While remote call monitoring can provide insight into agent satisfaction and performance, the solution is essentially a voice-based call system, which provides a number of management metrics that businesses can use as the basis for developing performance improvement strategies.

Customer expectations are changing. While AHT (average handle time) has served for some time as the measure of success in call centre operation, it is no longer viewed as synonymous with 'quality.' Today, first call resolution (the percentage of calls handled on first call and, therefore, unlikely to call back) is considered a more reliable measure of performance. Other common productivity measurements include customer satisfaction (CSat), agent utilization rate (AUR) or Occupancy (OCC), cost per contact (CoC), average speed answer (ASA), and abandonment rate (ABN) – the percentage of calls that get disconnected before an agent picks up. Abandonment is viewed as a particularly important metric to follow because it can alert managers to a potential issue with the phone line – a critical situation in a call centre environment.

Tracking these metrics is the first step in improving processes and, ultimately, customer satisfaction. Hosted PBX can help, as it provides a number of features for monitoring and reporting on CSat indicators, in addition to capabilities that empower a business to take action to improve satisfaction.

7. Steve Shepard. Hosted PBX: The Top Five Advantages For Your Enterprise.

8. Al McClain. How Can Contact Centers Be Less Painful for Customers? Retailwire, August, 2013.



Hosted PBX enables a business to:

- Listen into live agent calls for real-time coaching through supervisor dashboards.
- Compare call activity between team members.
- Use skills-based routing for greater control of call routing for first call resolution.
- Change auto attendant, messaging and prompts as required to improve call flow.
- Spread team members across locations or home offices and place incoming callers into organized call queues for more effective management of inbound calling.

## WHO CAN BENEFIT FROM HOSTED CALL CENTRE SOLUTIONS?

The long answer is you – if you are a small to medium-sized business looking for access to cost-effective, advanced call centre functionality, a facility that requires cloud scale to support rapid growth or customers' peak seasons/traffic/campaigns, a multi-site business that needs to centrally manage multiple contact centres, the enterprise that needs remote telephony capability to support its expanding pool of remote agents, and, ultimately, businesses that wish to improve customer service – in short, all businesses exploring means to build competitive advantage.

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