

THE VALUE OF THE HOSTED CONTACT CENTER MODEL



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HOSTED CONTACT CENTERS – AN INTRODUCTION

Competitive enterprises around the world understand the importance of superior customer service as a key competitive differentiator. In order to enhance the customer experience, while simultaneously reducing operating costs, enterprises are faced with the challenge and opportunity to leverage next-generation technology and deployment models to improve the effectiveness and efficiency of customer service operations.

Hosted contact center services have been gaining acceptance in the industry over the last few years due to its compelling value proposition that addresses critical business needs.

First, a hosted contact center model allows enterprises to deflect high upfront capital expenditure, and move to an operational expense cost structure. An Op-ex based model also offers enterprises the flexibility to scale their customer interaction capacity up or down to meet swings in volume, drastically reducing the risk of capital over-investment. This greatly eases the problems enterprises face when confronted with seasonal fluctuations in call volumes and creates contact centers better able to match available resources to actual demand.

The hosted contact center service model also offers enterprises improved utilization of existing assets. For enterprises with geographically distributed call centers, integrating and maintaining on-premise call center infrastructure and applications is a significant overhead expense. IT staff headcount increases as the enterprise adds additional sites, even though they may not be fully utilized.

On-demand contact centers, on the other hand, allow agents around the world to be provisioned and centrally managed from the service provider's hosting facility as business levels dictate. In addition, as enterprises move toward complex interaction models that blend in-house, remote, and outsourced agents into a single virtual contact center, it becomes possible for a hosted agent to reside in any organization and focus on which calls best suit an agent's skill set. In the global business environment, this means that enterprises are able to shift customer interaction capacity to multiple locations around the world to rapidly control overhead expenses without the significant delay and sunk costs involved with implementing an in-house contact center infrastructure.

Finally, the hosted contact center model also shifts the burden of technology upgrades to the service provider. This allows enterprises to keep pace with technology innovations such as unified IP infrastructure that enables backend database integration, self service interactive voice recognition (IVR) features, with customer portals that offer self-service as well as agent assisted solutions and traditional voice assisted calls.

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Challenges with Low Value On-demand Hosted Services

Unfortunately many hosted contact center providers offer limited resources and experience across business regions. This has resulted in numerous enterprises experiencing reliability problems that have negatively impacted productivity, revenue, and customer goodwill, while the service provider worked out the bugs in the system.

Reliability is of critical importance for hosted contact center service providers since one of the key reasons for using a hosted service provider is to guarantee business continuity. Hosted contact center service providers must be able to ensure seamless global connectivity and network services critical to new virtual, outsourced contact centers in emerging markets such as India, Philippines and other contact center destinations around the world. In addition, a hosted service provider must be capable of rapidly increasing capacity for a customer faced with increasing call volumes due to changing business conditions or emergency situations where a contact center might go offline due to a natural or man-made disaster.

The fact remains however, that many hosted contact center service providers focus almost exclusively on the cost reduction value proposition. Although lower costs are an enticing proposition, many of these providers lack the deep experience in facilitating flawless customer interactions and are incapable of providing the level of flexibility that the on-demand hosted contact center business model should provide to enterprises. In the final analysis, the problems created by many fledgling service providers results in increased costs as well as customer satisfaction problems for enterprise clients. By failing to deliver on the promised potential of on-demand hosted solutions, these providers have created the perception that the technology is not ready for enterprise-class customers, forcing many enterprises to continue utilizing telephone-based routing to a single contact center.

Customer Benefits

For an enterprise facing the decision of replacing outdated contact center technology or searching for a cost-effective alternative, the flexibility and cost efficacy offered by a Hosted Contact Center makes a strong business case in favor of a managed on-demand service instead of returning to a more costly in-house solution. However, when an enterprise is using legacy equipment that hasn't reached the end of its lifecycle, but needs to open additional contact center locations, Hosted Contact Centers allow the business to expand and fully integrate its contact center operations without purchasing additional hardware and software infrastructure. In short, Hosted Contact Center IP-based service facilitates the move towards a converged contact center platform and gives enterprise customers the ability to expand rapidly, without the cost and implementation time required for expanding a premise-based solution.

Customers will also be looking for high-performance global IP MPLS networks with a key focus on secure network infrastructures. Security services will enable multinational

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enterprise customers to leverage a full portfolio of hosted services without needing to invest in specialized security infrastructure and information security personnel. As part of a Service Providers commitment to information security, Hosted IP Contact Center services will provide enterprise customers with the flexibility to store sensitive customer data on their own equipment or with a different service provider in order to ensure higher levels of customer data privacy.

Hosted IP Contact Center services also provides enterprises the ability to analyze and improve contact center operations through integrated reporting and provisioning tools that allow enterprises to make strategically informed decisions on traffic distribution, ensuring that network assets and personnel are used efficiently and in line with corporate goals. In addition, since some customers have high priority status, the managed hosted solution enables enterprises to prioritize and route defined customer groups based on business priority, relationship, technical skills, and more. It also allows customers to route themselves to self service attendants and increases overall customer satisfaction for enterprise clients.

Hosted IP Contact Center services also provide customers with the applications, tools and services to maximize enterprise productivity and ensure rich customer experiences. These solutions are free of legacy equipment in order to leverage the cost savings of a service providers IP MPLS network, which enables them to pass on substantial cost savings to enterprise customers.

As a full-service on-demand / hosted offering, the service includes technology updates, freeing an enterprise's internal IT staff for other business critical projects.

Domestic contact center services based on full-service on-demand hosted offerings have become a mature deployment model particularly in Europe and North America, and are beyond the transition from the "early adopter" to the "early volume" stage of life cycle.

Beyond the experience and maturity of the hosted service for domestic enterprise application, there are also specific benefits for two types of customers:

1. Multinational enterprises
2. International and emerging market business process outsourcers

While there is some overlap in the benefits each customer can expect when adopting a hosted / on-demand contact center service, there are several differences that make it worth discussing each type of customer separately.

Multinational Enterprises

Hosted IP Contact Center services offers a wide array of benefits for enterprises with geographically distributed call centers that route customer calls to offshore facilities or

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BPO partners in Asia. A commonly discussed benefit among enterprise customers focuses on cost reduction resulting from leveraging call centers and BPO partners in Asia.

Hosted IP Contact Center services also provide customers with a single SLA that guarantees voice and data quality through to the last mile and a single point of contact and accountability if service issues arise. Hosted Contact Centers also provide identical levels of control and risk management as a premise-based solution, while providing enterprise customers with access to a full suite of contact center applications and infrastructure that leverages the latest and best technology available to the industry. Enhancing the value proposition of the service even further, enterprise customers are able to forego investments in software, infrastructure, and IT personnel as contact center technologies continue to evolve.

Hosted IP Contact Center services can also be used for competitive differentiation due to the fact that it is an IP-based solution that takes full advantage of multi-channel communications (SIP), VoXML, and other technologies that allow enterprises to transform cost centers into revenue generating engines via increased cross-sell and up-sell from their contact centers. The multi-channel capabilities also provide a competitive differentiation as enterprises are better positioned to provide a richer customer experience via telephone and online to better meet the needs of all customers.

BPO Providers

Hosted IP Contact Center services offer a wide array of benefits for established BPOs as well as emerging competitors that provide North American and EMEA companies with contact center services. For BPOs working with demanding North American and European clientele, Customers should also consider tier I infrastructure, call aggregation, and transport from a single provider that understands the rigors of partnering with multinational corporations.

Hosted IP Contact Center services allows BPO providers the ability to offer contact center virtualization services that aggregate contacts and centralize routing decisions, while providing a highly differentiated contact center service with superior redundancy. Providing a reliable and differentiated service is critical for BPOs in India and the Philippines that operate in the competitive global market. North American and European enterprises needing BPO services are increasingly demanding and expect more than lower costs from BPO partners. To service these customers, BPOs have needed to invest large amounts of capital in platforms, tools, and system integrations, while fighting to maintain profit margins in an industry where customers insist on shorter service contracts. Hosted IP Contact Center services service gives BPOs additional flexibility to cope with demanding multinational customers.

Hosted IP Contact Center services also allow BPO's to implement the Hosted Contact Center with their own branding. Thus, BPOs can now have their own branded contact

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center service, based on a field tested tier I platform, network, and hardware infrastructure that is hosted, managed, and maintained by a Service Provider. Since the Service Provider manages the technology road map with its own IT staff that tests, implements, and manages all hardware and software infrastructure upgrades, including software patches and security issues, BPOs can focus on customer acquisition and retention, rather than coping with IT related issues. This allows BPOs in growing regions such as India and the Philippines to reduce customer churn by focusing more attention on metrics that increase customer satisfaction and bottom line profit margin.

The Service Provider model provides a wide array of benefits for BPOs of all sizes in emerging markets that provide agent seats for multinational corporations. However, with the Hosted Contact Center services, small BPOs can leverage the same call aggregation and transport benefits as larger competitors while also branding the service as their own. This effectively puts BPO newcomers on an equal technological footing as larger competitors, without making the capital expenditure that more established BPOs have made. Furthermore, leading SP's will have highly developed partner ecosystems which includes companies in India and the Philippines, BPOs in this region can quickly and more easily create go-to-market packages that include feature rich partner applications, back-end integrations, and any needed customizations to get the business up and running. With the services and partner ecosystem, SP's can facilitate the movement of a small BPO up the value chain and cement its status as a trusted partner for demanding multinational corporations.

Tata Communications – Contact Center Hosting with Depth

Tata Communications has performed highly as a multinational service provider offering and managing the business needs of some of the largest and most demanding global enterprises and contact center business process outsourcers (BPOs) around the world. The extensive experience of Tata Communications in rapidly growing Asian markets has given the company in depth understanding of both traditional voice and data services, aggregation, IPVPN, and managed WANs, all key underpinnings of managed / hosted contact center infrastructure.

Tata Communications offers solutions to the global carrier and enterprise markets by leveraging its extensive Voice and Data network capabilities around the globe. The company's network spans 4 continents with hundreds of thousands of miles network fiber in order to provide global connectivity and managed communications solutions, with unequalled flexibility and scalability.

Tata Communications owns its own network with existing PoP's, as well as owned or partnered last mile connections into growing business centers including India and the Philippines; the company can easily help enterprises needing to shift their customer interactions to offshore outsourcers. Due to the fact that Tata Communications is the largest service provider in India with most extensive IP backbone in the country, it has been responsible for supporting all of the major BPOs with both voice and data services for several years.

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An Agile Hosted Contact Center Service

Built atop best of breed contact center technology leveraged by contact centers of the world's leading customer service organizations, Tata Communications Hosted Contact Center allows enterprises to utilize cutting edge contact center features and functionality in a seamless on-demand offering.

The shared allocation of infrastructure provided by Tata Communications robust multi-tenant infrastructure helps dramatically reduce costs, giving the service a positive return on investment that can be achieved by most customers within 12 months. Because it built, owns, and maintains its own network, Tata Communications eliminates third party network charges and markups that contribute to a large percentage of the cost of many competing hosted contact center offerings. These savings are passed on to Tata Communications customers, making its service not only extremely robust, reliable, and secure, but also highly economical. The pricing model of the service allows enterprises to fully support site and channel redundancy and business continuity without the costly investment in premise equipment for each site that would be required for an in-house solution. To better serve customers in different regions as well as those with global operations, Tata Communications provides support, administration, and reporting around the clock 365 days a year.

Tata Communications Hosted Contact Center sits above a global MPLS network with a wide global footprint. While many providers claim to offer similar network and backbone strength with top-tier applications and service, most are regional carriers that focus on specific geographies. Tata Communications Hosted Contact Center was designed to provide even greater flexibility for its customers and offers a wide array of custom options, ranging from fully hosted and managed to a combination of premise equipment and managed hosted solution. This permits enterprises to leverage previous investments, while offering the flexibility to take advantage of Tata Communications infrastructure when needed.

To meet the unique needs of its customers, Tata Communications has partnered with a number of global and local systems integrators with specialized skills to ensure successful implementation and integration. Tata's partners can assist with consulting services and integration with existing CPE infrastructure such as PBX, ACD, CTI, IVR systems, CRM systems, and back-end databases.

Finally, for enterprises wanting to work with BPO partners, Tata Communications history makes it an ideal choice due to its network routes in Asia and a continued heavy investment in its Indian backbone. Since Tata Communications is a leading telecommunications provider, mobile operator, and ISP in the Indian market, the company understands the business challenges and requirements of this growing region better than most competitors. Tata Communications also maintains deep relationships with leading BPOs in the Indian market, as well as strong relationships with operators in emerging BPO areas such as the Philippines.

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