

Whitepaper

Trading Fear for Freedom

Enterprises Move to the Cloud
for Customers' Sake



WHICH-50

About NEC

NEC has delivered world-class technology solutions and services to customers across the globe, for more than a century. For over 50 years in Australia, NEC has built a sophisticated technology and anything-as-a-service company which brings together the best technology and the best people to ensure our customers capture maximum value from their IT and networking investments.

NEC connects people through reliable communication infrastructure while also helping to keep communities safe and secure with intelligent surveillance systems and the world's leading biometrics identification technologies.

Trading Fear for Freedom

Enterprises Move to the Cloud for Customers' Sake

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A photograph of a young woman with dark hair, smiling broadly. She is wearing a light blue short-sleeved dress with a dark blue polka-dot pattern and a pink belt. She is standing in an office environment, leaning against a desk. In the foreground, there is a laptop and some papers. The background shows office equipment and a window.

Introduction

Introduction

Enterprises are mid-swing in moving their IT needs from on-premises to Cloud. Most customer relationship management systems (CRMs) have already made the transition, productivity platforms such as Microsoft Office 365 and G Suite are rocketing along, and CIOs are now turning their attention to a more complex element of their portfolio, the contact centre.

A key opportunity when moving complex, resource-intensive operations to the Cloud is freedom from hardware.

The cost and effort of running your own infrastructure continues to grow in line with the demand for more business software, especially analytics.

CAPEX is clearly a major saving, but it is not the most strategically important benefit. Cloud-based contact centres can adopt new technologies much faster and more easily than an on-premise counterpart. This gives the enterprise greater time to value and access to innovations essential to competing successfully.

“We would expect all progressive enterprises to move into Cloud-based environments within two to three years,” Flamingo AI founder, Dr Catriona Wallace, says.

“One of the big advantages is that you can try new ideas more cheaply with Software-as-a-Service [SaaS]. You can turn on features for a month and trial them, then turn them off if you don’t get the return.”

Enterprises face a choice of sweating assets and sunk costs or moving to more scalable, stable and innovative SaaS platforms.

The decision has already been made by the software industry itself, according to former chair of AusContact Australia and Data Synergy non-executive chairman, Michael Terry.

“There is so much research and development [R&D] being put into Cloud applications, along with a corresponding reduction worldwide in the level of R&D for customer-premises equipment [CPE] applications that Cloud software will likely be more feature-rich over time just by the weight of numbers,” he says.

“The gap in capabilities between the two will widen and the customer will get a better deal with Cloud software.”

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Dr Catriona Wallace,
Founder,
Flamingo AI



Business Drivers

Business Drivers

Organisations are moving their contact centres to a SaaS Cloud platform because of a combination of business drivers.

They include reduction in risk, reduction in costs, increased revenue through better service delivery and improved customer experience, and reduced time to value through ease of innovation and continuous improvement.

The reduced CAPEX is often foremost in CIOs' minds when they think about moving to the Cloud.

There are usually savings to be made around reductions in datacentre space, the cost of the hardware itself and on-site technicians to maintain equipment.

The question is: what is the best way to invest a contact centres' budget?

Moving to the Cloud reduces risk in many ways, besides financial.



"If you want to consume a specific piece of software, you can just implement it,"

Riaan Van Zyl,
Senior Solutions Architect,
NEC Australia

There is less chance of vendor lock-in, and also a more secure and protected environment for contact centre services.

This is purely a reflection of scale.

A software vendor running 100 enterprise call centres within one datacentre will have a much greater investment in backup and disaster recovery, redundant internet links, and online and physical security.

Organisations that move to the Cloud reduce the level of lock-in to one vendor, a primary risk that is not often addressed with major purchases.

This creates a hotbed for exploring innovation. An organisation pays only for the number of agent licences it needs, raising or lowering that number based on demand.

It can also add other SaaS licences for complementary or competing products simultaneously with no other cost to the organisation.

"If you want to consume a specific piece of software, you can just implement it," NEC Australia senior solutions architect, Riaan Van Zyl, says.

This scenario is more difficult and more expensive in an on-premises installation. The freedom to experiment gives a CIO or CTO the opportunity to test new ideas and measure their impact before committing the organisation to a major purchase.

Business Drivers

"You don't have to spin up big projects and go get funding and people to deliver the services," NEC national solutions manager, Jim Chryssikos, says. **"Speed to market and agility helps companies innovate without having to focus on all the minute details."**

One of the most important reasons for moving to Cloud is the opportunity to increase revenue through better service delivery and improved customer experience.

The flexibility of SaaS gives CIOs the opportunity to create an ecosystem of software services that include the latest point technologies.

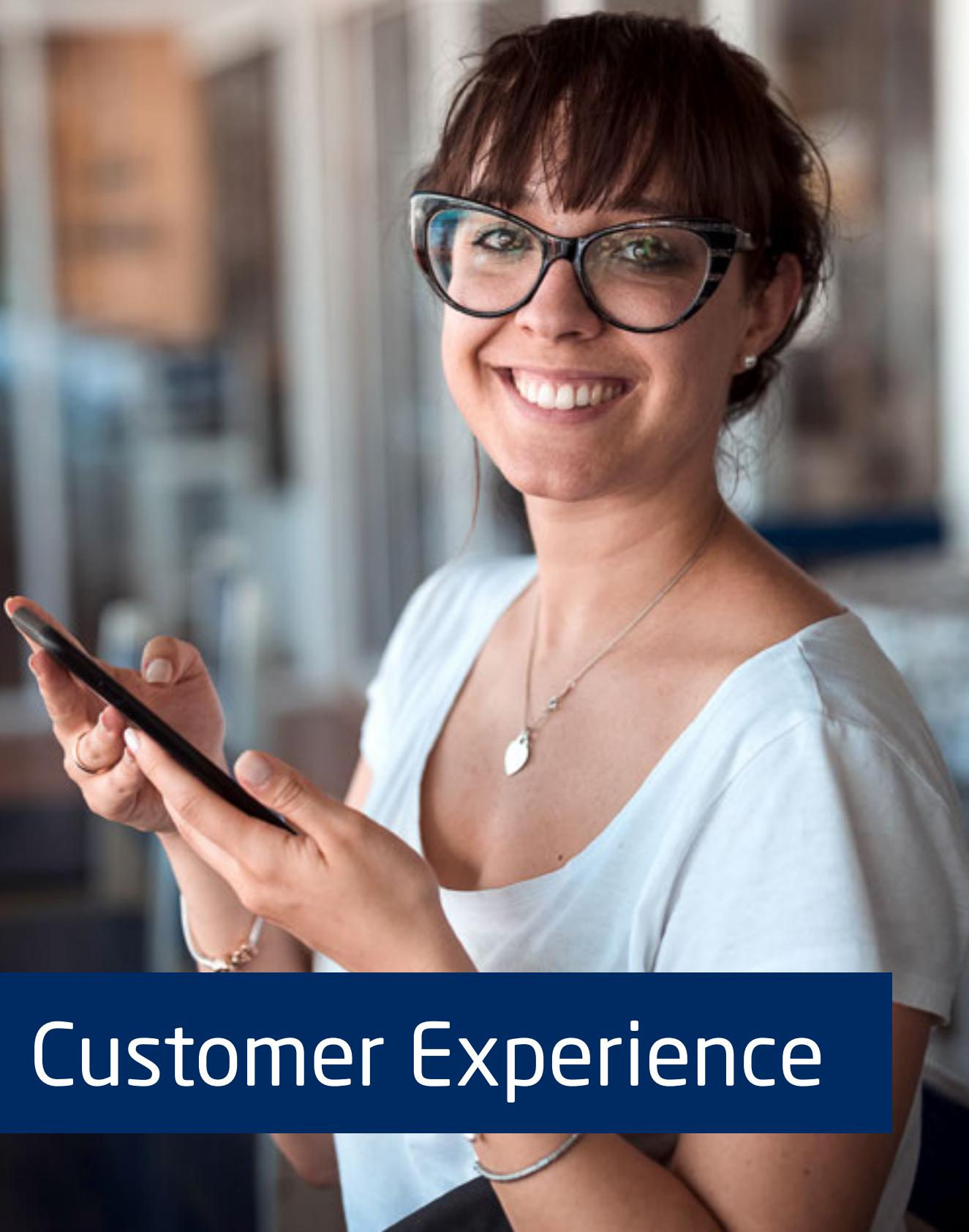
The growing trend for personalisation requires much more knowledge about the customer, their preferences and their relationship history with an organisation.

Creating a sense that a company "knows" the customer on a deeper level requires integration with knowledge management, CRMs, analytics and contact centre software to create the 360-degree view.

CIOs that want a technology stack to deliver an outstanding customer experience will find it easier and cheaper to achieve with SaaS than with an on-premise contact centre.

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Customer Experience

Customer Experience

The battles among enterprise for tomorrow's customers will be fought and won on customer experience. The level of service a company provides can be even more important than the price it charges.

"Our customers recognise that they are going to compete on how they treat their customers," Chryssikos says. **"When customers get a great experience from one provider, the rest of the market has to rise and match that experience."**

Chatbots were once hailed as the latest tools to improve customer experience at scale. However, experience has found chatbots are best used to start an interaction and then find the best agent to finalise their queries.

The first virtual assistants were overly ambitious and tried to service every scenario.

Vendors learned they could deliver a more effective customer experience by using a combination of micro chatbots rather than one huge one, Van Zyl says.

The experience for the customer is still similar to a traditional Interactive Voice Response (IVR). But, behind the scenes, a host of chatbots carry out single functions.

"It is just robotic process automation. You task the chatbot with a job such as looking for an address change, or looking for a balance," Van Zyl says.

This model also creates greater redundancy. If one chatbot falls over then only one function is affected.

"There is a clear recognition in the marketplace today that personal connections are very important."

"Our customers recognise that they are going to compete on how they treat their customers. When customers get a great experience from one provider, the rest of the market has to rise and match that experience."

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Customer Experience

The new edge in customer experience is to create personality profiles that match the personality of the customer and intent of the call to the agent best suited to handle it.

This requires running personality profiles of agents, as well, and then training them to handle different interactions, Chryssikos says.

Artificial intelligence tools are stepping into the gap to build profiles of large customer sets. They measure behavioural cues, intentions and emotions to create accurate profiles that map to every inbound or outbound user.

But profiling is only half the journey. One of the realisations of implementing augmented intelligence is the artificial intelligence (AI) needs to have something to say.

This is why every CRM vendor is suddenly chasing a knowledge management company, according to Van Zyl. Vendors have been busy keeping track of customers and their data. They have now realised they don't have enough company data. Information has to be written, versions managed and kept up-to-date, and staff trained to deliver it.

"As we transition to the Cloud we'll see that investment into knowledge management. That's the only way that intelligence can be brought to the market properly" he said.

When trialling new technologies, the best approach is to find a business problem that has resisted other solutions, Flamingo AI's Wallace says.

"If other solutions haven't solved the client's problems, then perhaps AI can fill that gap."

Wallace highlights three ideal areas for testing AI: information provision, analysis of customer data, and personalisation. A SaaS contact centre can easily connect to a different type of AI each month to find the solutions that provide the most benefit.

The most important strategic benefit of the Cloud can be summarised as access – to new technologies, internal and external systems and data sources, and “as-a-Service” products supplied by third-party providers.

These three pillars are changing three critical areas of contact centres – the omnichannel experience, the AI revolution, and the expanding practices of analytics.

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The Struggle to Get Omnichannel Right

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The biggest challenge facing organisations is consolidating data to provide an omnichannel experience. Although the term “omnichannel” has been around for 10 years, organisations are struggling to execute it because customer or journey data is in disparate systems, NEC’s Chryssikos says.

“It is not uncommon for customers to call an agent, and for the agent to discover the customer has already tried unsuccessfully to contact the company in many different ways. A successful omnichannel approach will pull all the strands together giving the agent a thorough history of the customer interaction,” he says

Trying to piece together, into one picture, what the customer wants, how the customer is interacting, the intent of the query, and the emotional state of the customer, is still very challenging, according to Chryssikos.

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Enterprises that move to the Cloud have a better chance of solving this challenge. In the past five years, many organisations have switched to Cloud CRMs such as Salesforce and Microsoft Dynamics.

Connecting two Cloud applications is far easier than navigating the defences of an on-premise setup to establish a connection.

Once integrated, an organisation can choose to use digital elements in its CRM instead, NICE Systems managing director, A/NZ, Gerry Tucker, says.

This can create a more seamless experience for both the customer and agent.

For example, an organisation may decide to deploy digital channels via its CRM and voice calls through its contact centre software.

Digital encompasses more than social; it can refer to information streams customers want to access.

Airport operators are not heavy users of contact centres for conventional customer requests. However, they are very heavy distributors of flight information.

NEC’s Van Zyl says Melbourne Airport gets a tonne of calls about arrivals, departures, and updates on delayed flights. Integrating information from internal flight systems to contact centre is much easier when both are in a Cloud environment.

The AI Avalanche

The AI Avalanche



Artificial intelligence has been one of the most hyped technologies in the past decade. The reality is that AI has taken longer than expected to mature. However, implementations are now providing the evidence that AI will soon deliver on its promises.

Analysts are predicting 30 per cent of all interactions with contact centres will be powered by AI within two years, Flamingo AI's Wallace says.

AI-powered virtual assistants supporting contact centre agents could improve productivity by up to 20 per cent by instantly giving them the knowledge they require to handle the call, she says.

This will also improve the customer experience by providing compliant and up-to-date information.

"We know that 60 per cent of customer complaints to large financial services companies come from contact centre agents providing the wrong information. This can be largely solved by using AI," Wallace says. However, CIOs need to keep realistic expectations of what AI can do. Today, AI excels at narrowly focused tasks.

"We are a couple of years away from general AI where the bots can do many workflows on behalf of the employee," she says.

AI also has a role in driving analytics into the new realm of hyper-personalisation. AI-powered analytics can create and target customers with very accurate offers.

"Whether it's analytics or AI, the Cloud provides affordable, accessible business models to enterprise and small business," Wallace says.

A close-up photograph of a man with short brown hair, wearing clear safety goggles and a blue hard hat. He is looking slightly to his left with a thoughtful expression. In the background, there are blurred industrial structures, possibly pipes or machinery, suggesting a factory or construction site environment.

Why Analytics is Best Served from the Cloud

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Analytics drives every part of a contact centre, from workforce automation to personalisation, and managing loads in omnichannel environments.

With analytics you can decide which parts of the customer experience or service provision you should automate and the order in which you should tackle it.

This will drive efficiency and directly impact on improving the customer experience, NICE Systems' Tucker says.

For example, an organisation that processes insurance claims can use automation within the Cloud contact centre to automatically fill in forms for the customer.

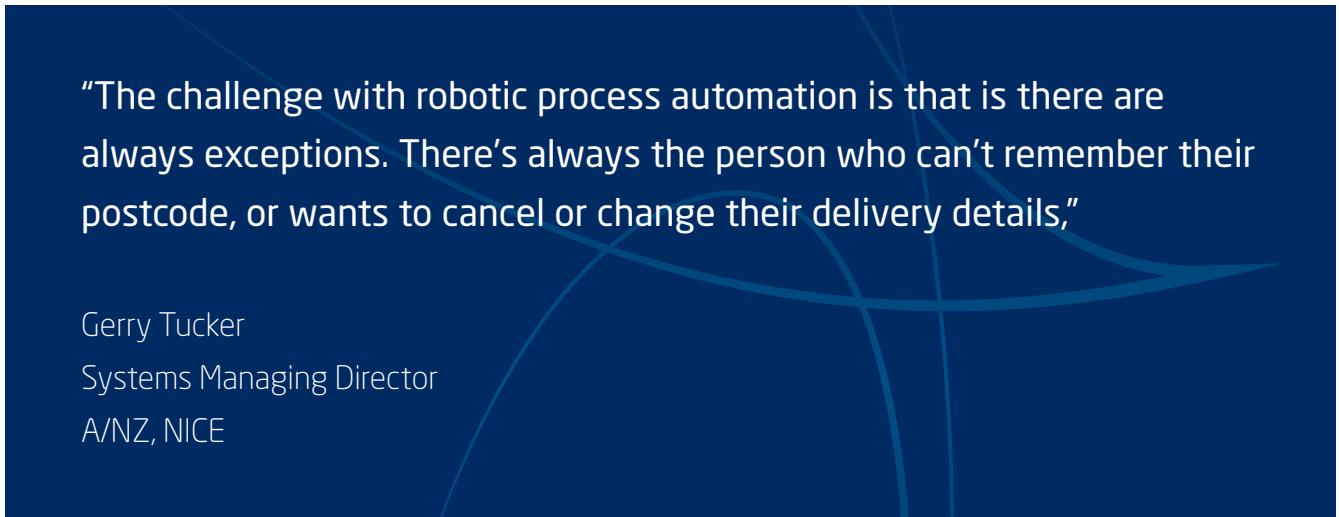
A single platform with an open set of APIs can send information directly to legacy systems.

"This allows you to ensure that you have a consistent experience because you have integrated the contact centre on the front-end with the back-end systems," Tucker says.

Some CIOs make the mistake of looking at automation in isolation. Instead of handing over a process to a robot, it's better to use automation to assist an agent instead that can then handle more requests more efficiently.

"The challenge with robotic process automation is that there are always exceptions. There's always the person who can't remember their postcode, or wants to cancel or change their delivery details," he says.

A Cloud platform ties the elements together to provide a consistent experience, at a lower cost and quicker delivery rate.



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The NEC Advantage

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One of the struggles for CIOs managing on-premise contact centres is keeping up with operational demands. On-premise requires dedicated resources to manage the environment, maintain it, add new features and oversee upgrades.

By moving to the Cloud, a CIO can hand all that over to NEC. “**That becomes our problem. Importantly, it allows CIOs to be more dynamic and to focus on their business,**” Chryssikos says.

“Our role is to tie their operation back into industry best practice and to demonstrate to the CIO what the industry is doing,” he says.

NEC can then help customers develop a business road map and development plan.

It is looking at ways to integrate technologies from other parts of its business such as biometrics. In 2020, NEC will release its unified communications-as-a-Service (UCaaS), which will integrate with CX Plus.

The Cloud-based private automatic branch exchange (PABX) will provide integrated video and audio calls, and integrated messaging and conferencing for employees outside the contact centre.

“From a customer’s perspective you get two integrated solutions from the one provider,” Chryssikos says.

Procurement is easier thanks to the one bill and one service framework.

“Our role is to tie their operation back into industry best practice and to demonstrate to the CIO what the industry is doing. From a customer’s perspective you get two integrated solutions from the one provider.”

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Conclusion

CIOs responsible for operating contact centres are accustomed to making big bets. The hard part is knowing the right move when an investment has a 10-year horizon.

The Cloud is a safe bet. It gives the enterprise lower risk in CAPEX, more power in the vendor relationship, and faster and easier access to innovative technologies.

Contact centres remain the holdout of on-premise installations. Some enterprises will hang onto their self-operated data centres for as long as possible, trapped by either a reluctance to change, paralysed by fear of migration, or ensnared by the sunk cost fallacy and devil-you-know arguments.

Those organisations that stick to on-premise centres will gradually lose their edge to more nimble, more customer-centric companies that prioritise customer experience.

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