

Migration to the Hybrid Cloud

Innovation for the Modern Contact Center

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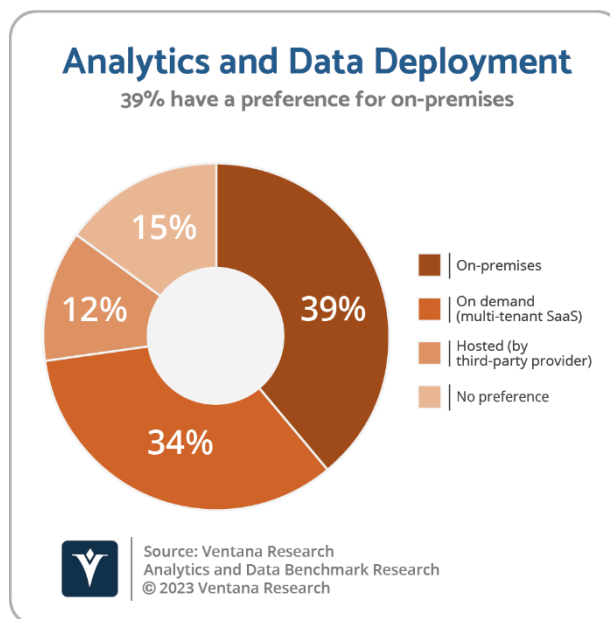
Navigating The Cloud Debate

Contact center platform vendors are transitioning to cloud offerings, but what if an organization is not ready to move all of its operations off-premises? According to our research, 39% of organizations prefer on-premises analytics and data deployment. But when an organization or its IT department is confronted with advances in technology that are perceived to be competitive, there can be pressure to adopt a complete, end-to-end solution to stay current. This can lead to throwing out what works.

Some organizations have legitimate concerns about the pace and consequences of making a wholesale cloud migration. Migrating to the cloud requires a complete assessment of privacy and data configurations: where the data is stored, if it crosses borders and the quality of a cloud provider's assurances about security and governance. Enterprises may have customers in one part of the world, data in another, and contact center operations in a third, complicating the process immensely. Large organizations operating in multiple verticals may see variations in security and privacy requirements among industries, or even among customers. Regulations and compliance practices that cover even a portion of operations can be seen as a hindrance to a full-scale migration.

When considering cloud versus on-premises as an all-or-nothing decision, it becomes considerably more complicated to make the decision because the ramifications are broader across the enterprise, and the consequences are harder to foresee. These uncertainties can stop consideration of the cloud in its tracks.

Most contact centers have existing investments that work just fine. On-premises call routing systems—specifically, automated call distributions (ACDs)—can have a very long lifespan, commensurate with the enormous investment businesses make over time. ACDs can also be tightly linked to back-office systems, and this interconnectivity can complicate migration issues. Even though technology has advanced rapidly across the contact center space, providing new operational resources and best practices, contact centers retain a conservative and risk-averse outlook. Even if a new feature derived from the cloud is desirable or attractive, it is often simpler to adopt a “wait and see” attitude. There are rarely negative consequences from not acting. Points at which new cloud technology can improve existing processes—like self-service—can be adopted individually as either a proof-of-concept project or as a temporary bridge to a fuller cloud approach.





A “rip-and-replace” move to the cloud is disruptive. When an organization considers a wholesale cloud move, the depth and complexity of the technology switch often sends planners into request for proposal mode, opening the selection process to multiple vendors instead of just relying on the on-premises vendor to handle the transition. That extra layer of complexity adds time to the transition process and forces deep assessment of existing technology needs and agent processes that may stretch out the time it takes to achieve value. With a full cloud switch, agents will likely have to be retrained on a new interface and different

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feature sets. Migration can disrupt existing processes for how work is handled, and how different systems outside the contact center integrate with agent-facing applications. This can take a temporary toll on productivity and customer satisfaction and can require some retraining of agents and supervisors.

Fortunately, there is a middle ground. A hybrid model gives organizations access to innovative features without the disruption of throwing away what works. Existing investments can be enhanced with new cloud capabilities at a measured pace, according to organizational preferences. In essence, a hybrid deployment can be seen as a migration, rather than a transformation.

Realizing the Advantages of a Hybrid Model

When deciding which model is right for an organization, buyers should define the desired outcomes and ask a series of hard but critical questions: Do we want to continue business as usual, but with increased capacity? Are we missing growth opportunities in finding talent and revenue if we try to expand only on-premises equipment, since those projects take longer to plan and implement? Will we lose the ability to explore new markets by staying with on-premises tools? Do we want to maintain current systems, but gain better operational outcomes based on KPIs? Or do we want to adopt a different model for how costs, resources and planning are managed? Each of these stances is nuanced enough to make the simple cloud/on-premises binary unhelpful.

Hybrid deployments provide a balanced approach to dealing with issues of control, performance and scale in a fashion that can be customized to an organization’s specific situation and needs. A primary benefit of hybrid deployment is added flexibility, allowing an organization to take advantage of the known benefits of the cloud. For example, new features and tools such as AI-based knowledge management or agent guidance applications can be paid for as operating expenses rather than capital expenses.

As in traditional cloud, an organization can quickly scale capacity up or down to accommodate demand, evaluating the efficacy of the cloud model in stages. Organizations can use the cloud



to accommodate a more diverse workforce by location and personas, especially by adding back-office or knowledge workers to the mix without adding capacity to the ACD. That connects the contact center to larger structures within the enterprise, allowing it to share



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platform functions like artificial intelligence and workflow automation without affecting call control on the voice channel. Additionally, the organization retains control over key systems, and resources are dedicated to the organization rather than shared among many companies, as in a public cloud.

Dividing capabilities among cloud and on-premises or private cloud can improve reliability by distributing services across different data centers and systems. IT teams can maximize the value of existing investments by managing technology until it legitimately reaches the end of its useful life span or plan a staged transition over a longer period of time. On-premises systems are often customized and configured with details that are unique to an organization's business situation. Hybridizing preserves these customizations in existing call flows, processes and staff training.

Existing voice infrastructure can remain in place while integrated digital channels are added to the mix. These new channels can then be tested in the customer base without fear of abandoning them if they prove ineffective.

An organization can utilize the cloud to add layers of extra capacity or advance front-end self-service by including chatbots/conversational AI, agent guidance and knowledge tools onto the existing infrastructure. The usefulness of an on-premises ACD does not diminish when extending a team's capabilities with cloud-based digital channels or AI tools. In fact, it is useful to think about the voice channel and voice-routing infrastructure in general as one component of a broader, connected system with software elements that are both hosted in the cloud and on-premises.

Visualizing a Hybrid Contact Center

Although a hybrid deployment could mean any mix of on-premises and off-premises technologies, the most common mode is to retain call control and telephony components via the call-routing engine on-premises or in a private cloud or managed services environment. Another option is to tie call routing directly into the public cloud, but route the calls themselves into an on-premises system in a two-way mode. That lets an organization preserve contextual information and even test out new lines of business without forcing a complete replacement of technology infrastructure. There are many software components used in contact centers that can be deployed in multiple modes and do not need to be part of a single platform. It is common to see cloud-based interactive voice response or intelligent



virtual assistant tools for digital channels such as email and chat, and some analytics tools—especially those that originate in departments like marketing or sales.

The alternative to full-blown contact center cloud computing is a hybrid model in which core elements remain on-premises or in a managed private cloud, while ancillary or next-generation components are provided via public cloud and connected to the on-premises system through open application programming interfaces and integrations. The cloud-based components are often purchased separately or on an ad hoc basis rather than as part of a combined but diversified platform, which allows an organization to put individual components on its own sites, self-managed or not, or on a vendor's servers.

Contact center planners should think about unifying purchases rather than going for point solutions. With that in mind, they should consider hybrid systems not just as a mix-and-match collection of software from different vendors, but as a way of unifying applications into a coherent platform that can be deployed in varying ways depending on the needs of the buyer and the restraints of the technology. Our research has led us to assert that by 2026, 7 in 10 organizations will move all or part of contact center technology into the cloud to attain greater flexibility and scalability.

Contact Center
Market Assertion

By 2026, 7 in 10 organizations will have moved all or part of their contact center technology into the cloud to attain greater flexibility and scalability.

 VENTANA
RESEARCH


Keith Dawson
VP & Research Director

Increasing Agility with Hybrid Deployments

As witnessed during the pandemic, organizations must be agile enough to support spikes and shifts in the business landscape. A diversity of agents and skills can be brought online quickly so that, if an existing skill becomes overrun with contacts and cannot support the volume, an organization can overflow into the cloud. Organizations can decide to separate agents into groups for voice and digital, with each being on a different routing system. Or, integrate digital channels with the capacity to overflow to cloud agents when on-premises is not sufficient, or as demand requires.

New line-of-business activities can be added quickly to support new products or a changed business condition, such as when the pandemic forced organizations to quickly spin up a new group of remote agents, or when an insurance company decides to expand its offerings, such as adding motorcycle coverage. Cloud is also seen as an opportunity to free up IT resources from direct management of contact center technology, shifting focus to more strategic projects like building analytics that integrate across different systems and departments or producing complex workflows that connect different customer experience processes. Rather than adding on-premises agents, cloud agents can support these new activities or groups.

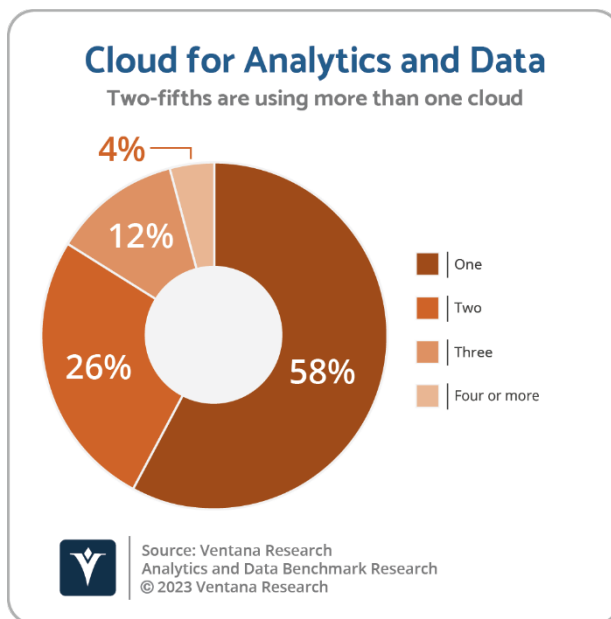


Migrating a segment like digital channels to the cloud also allows organizations to integrate back-office workers who are not phone representatives but touch customers or handle contact center tasks.

Hybrid models enable businesses to better support separate user communities. Geographic units often have specific privacy rules for where data must be held that may be different than other locations. Some groups of workers, such as claims processors and appointment planners require more advanced digital tools and must be connected directly to customers—just not continuously and not always by voice.

Internal developers can use cloud speed and flexibility to design and test applications or integrations without the risk of disrupting main operations on-premises. Better business continuity is achieved through the distribution of resources rather than having them concentrated on one site or in one cloud. In fact, our research shows that 58% of organizations use a single cloud, but 42% use two or more clouds.

Technology is moving so quickly that capital expenses do not make sense for most organizations. By using the cloud to run a proof of concept or test a new technology or process in the cloud, an organization does not incur the capital expense of adding the process to an on-premises system or ditching the on-premises system altogether. It becomes possible to run a short-term campaign testing a new offer, service or promotion where customers call into the hybrid system for agent handling. This flexibility also allows organizations to utilize tools and technologies that have a limited life cycle or do not meet requirements for capital expenses, such as deploying a chatbot/conversational AI or analytics applications.



Charting a Hybrid Course

The cloud is not a monolithic entity that provides only one option. By incorporating a hybrid element, an organization retains control while leaving the door open to full-scale migration on its own terms and at its own pace.

Create a case for a hybrid model by:

- Examining your existing technology stack to determine, piece-by-piece, whether it makes sense—financially, operationally and technically—to move to the cloud.



- Building a picture of which internal stakeholders are eager or reluctant, and which factors go into their stances.
- Identifying flexibility options, such as choosing which technology to migrate to and how quickly.

Importantly, a hybrid model affords the opportunity to be innovative without being disruptive. Organizations can migrate without having to completely transform, and gain the benefits of the cloud without losing existing investments.

About Ventana Research

Ventana Research is the most authoritative and respected benchmark business technology research and advisory services firm. We provide insight and expert guidance on mainstream and disruptive technologies through a unique set of research-based offerings including benchmark research and technology evaluation assessments, education workshops and our research and advisory services, Ventana On-Demand. Our unparalleled understanding of the role of technology in optimizing business processes and performance and our best practices guidance are rooted in our rigorous research-based benchmarking of people, processes, information and technology across business and IT functions in every industry. This benchmark research plus our market coverage and in-depth knowledge of hundreds of technology providers means we can deliver education and expertise to our clients to increase the value they derive from technology investments while reducing time, cost and risk.

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