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# COVID-19: The Catalyzation of Contact Center Cloudification

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## ADVISORY REPORT

### REPORT SUMMARY

COVID-19 has been an acid test for contact center platforms, with the result that cloud platforms have proven to be flexible and resilient. The move to the cloud isn't a simple process, but the 'new normal' makes it seem more necessary.

## SUMMARY

### ISSUE

The COVID-19 crisis has set the contact center at the epicenter of the customer contact process. While the trend has been slowly moving away from interactions between businesses and clients at brick-and-mortar branches, the COVID crisis lockdown took away the in-person option for almost all circumstances in one move. The result is a widely varied mix of experiences, but for most organizations, it has been a disjointed one. This is understandable, as the first priority in the early stages of COVID-19 was to make sure a minimum viable level of customer contact was achieved. But we are now moving gradually out of lockdown and GlobalData's research makes clear that companies are now reassessing their IT strategies.

For the contact center, this means that many organizations are looking to move away from legacy platforms. As they do so, the question becomes: What next? The temptation is to see the new, post COVID-19 'normal' as something radically different. However, the primary effect of the crisis has been to accelerate- in some cases significantly- the previously glacial progress of contact centers moving towards the cloud.

### KEY TAKEAWAYS

- COVID-19 has proven that cloud contact centers are resilient and flexible.
- Despite this positive experience, most legacy contact center customers will need a hybrid path to the cloud.
- Increased home working among contact center agents requires a blended workplace environment delivering consistency for agents regardless of location.
- Remote agent management and monitoring tools are mission critical for post COVID-19 contact centers.

## PERSPECTIVE

### CURRENT PERSPECTIVE

COVID-19 has acted as a catalyst for change in the contact center market. That is, it has acted as the external agent bringing about an increased rate of change in processes that were already happening- in some cases very slowly.

One such area is cloud transition. It is clear that the direction of travel is towards the cloud. The success of cloud-native contact center platform providers such as Five9 and NICE inContact points to the popularity of the cloud, while much of Avaya's recent travails have been as a result of its struggle to adjust to the cloud era. However, while Five9, NICE, and other similar providers have each gained many customers who wanted to transition from on-premises to the cloud, they have also benefitted from the growth in enterprises looking to establish new contact centers.

There has been strong growth in micro contact centers (e.g., 10 or fewer seats) which has been located almost entirely in the cloud, but the picture has been very different for large contact centers. Estimates and definitions (usually starting at 500 to 1,000+ seats) vary, but most vendors and providers accept that between 80% and 90% of large contact centers remain on-premises deployments for their core inbound/outbound platform.

There are a number of reasons for the relative sloth in cloud adoption. Economic considerations always play a role and the investment in the expense of a major IT project is something that many businesses will choose to avoid. There is also an issue of capital that is 'trapped' in contact center equipment. The need to amortize existing assets is something that cannot be ignored for many organizations.

The technical and logistical complexity of moving to the cloud (both perceived and actual) has been a significant inhibitor. Moving thousands of agents to a new platform requires significant planning to avoid disruption to ongoing operations. However, it is the technical challenge when legacy apps are involved that is likely to be a more problematic roadblock. A recent poll of audience members of an AT&T webinar for contact center in the finance industry highlighted a more widely observed trend for enterprises to cite legacy apps as their number one concern when moving to the cloud. This is a scenario in any industry where there is a reliance on mainframe-hosted, vertical-specific applications.

But COVID-19 is changing the picture by exposing the inflexibility of many legacy platforms in two ways. The first has been the need to adapt to agents not being able to work in the contact center itself. Private hosted platforms have been more resilient, but legacy physical on-premises platforms have more often than not struggled to support homeworking. There have been attempts at workarounds using virtual desktop solutions (e.g., Citrix), but the result has largely been unsatisfactory. For those already with cloud-based platforms, the greater challenge has often been providing equipment such as headsets and chairs for home-based agents rather than adapting the platform itself.

Cloud-based platforms have also proven themselves to be resilient and flexible. COVID-19 has caused unprecedented demand for many contact centers, as they have been the only point of contact at a time when many people are experiencing difficult circumstances. It has also created spikes in demand as different government announcements have occurred- e.g., for banks when new government-backed business loans have become available. Using cloud platforms to add or remove seats for human agents and to add/remove virtual agent/IVR/chatbot capacity has allowed enterprises to respond more effectively to the demand.

Most cloud contact center vendors and service providers report being able to deploy new cloud contact center instances in remarkably quick time. AT&T, for example, reports that it has in some instances been able to help legacy contact center users to create cloud contact center instances and port over call/number routing directories within 48 hours. AT&T also reports that cloud-hosted IVR has enabled customers to make significant call flow changes within 24 hours.

GlobalData's research indicates that more than 50% of enterprises expect homeworking to be much more common for the long term after COVID-19, and 60% believe that more flexible and mobile working practices will be much more commonplace. It is easy to say that this won't apply to every business or even every part of every business. However, the crisis has shown that contact center agents can work from home and deliver a high level of performance. It should also be noted there are verticals which already make use of home-based agents regularly- e.g., insurance and travel and tourism in the US. Contact center managers will therefore need to look to platforms able to support a blended workplace which includes both agents in the contact center and agents working from home. This will inevitably focus minds towards cloud-based platforms.

COVID-19 does not mean that every enterprise that has utilized a cloud contact center platform during the crisis will automatically move to a permanent cloud-based platform after the crisis, but many will. And many of those who were skeptical about the cloud before will now be planning for cloud transition further down the line.

## RECOMMENDED ACTIONS

### VENDOR ACTIONS

- **Hybrid Cloud:** Service providers should seek to offer legacy contact center platform users a hybrid path to the cloud. Most enterprises will not consider a big-bang approach and will opt to move on a per-team or per-location basis. SPs should ensure that their cloud contact center platforms will dovetail with legacy platforms with consistent call routing paths.
- **Blended Workplace:** Service providers and vendors should seek to help enterprises deliver contact center solutions that provide a consistent experience for agents whether they are working in the contact center or at home; this requires consistency regarding layout and features. SPs should also offer virtualized e-signage- e.g., as ticker tapes or banners on agent interfaces to keep agents informed of current offers/targets and/or which call stacks should be prioritized.
- **Agent Support:** Contact center agents working from home for the first time may find themselves isolated from their usual support structures. SPs should offer propositions utilizing collaboration tools to allow agents to contact other members of their team and their supervisors. Similarly, training packages in areas such as security and, if applicable, using new agent interfaces will also be required by enterprises. AI tools should also be considered to offer prompts either for sales opportunities or for policy/procedural requirements.
- **Remote Management:** Providers should ensure that they are able to offer enterprises the tools to allow managers and supervisors to continue to monitor and interact with agents when working remotely. Tools that allow supervisors to step into calls as required are essential. AI-powered voice/text sentiment tools may also alert supervisors to calls that are not progressing as they should.
- **Omnichannel:** Providers should offer contact center solutions that not only support multiple communications channels, but also offer transition between contact media as required (e.g., text to voice, or voice to video). Agent interfaces should also offer customer history and immediate context to help the agent deliver a smooth customer experience process.