



THE KEY TO REDUCING TOTAL COST OF OWNERSHIP

A Faster Way to Contact Center Cost Optimization

Cost optimization is the name of the game today – and contact centers are under particular scrutiny. You're likely being asked to find new ways to cost-effectively meet ever-changing customer and business demands – even as your budget shrinks. The challenge, of course, is figuring out how to “do more with less” while continuing to improve customer service levels.

There are various actions you can take in your efforts to reduce total cost of ownership (TCO). For example, you can make changes to people (labor), contact center facilities, and contact center technology. You can also reduce TCO by improving your operational processes, which are largely driven by your choice of technology. For instance, with on-demand solutions, you move from a CAPEX to an OPEX model – all while instantly accessing the latest technology and continuous innovation.

But as forward-looking companies are discovering, hanging onto traditional, on-premise contact center solutions is often the biggest barrier to reducing TCO. On-demand contact center solutions break through these barriers, giving you fast access to the innovation needed to reduce TCO within your contact center. For example, you gain a comprehensive contact center solution available as a multi-tenant service that's accessible by managers and agents through the Internet. This model also eliminates the need to maintain, manage, and run contact center solutions on your own IT infrastructure. As a result, you no longer have the burden of continuous maintenance, endless upgrades, ongoing operations, and support. You simply pay for what you use and gain instant access to new capabilities and innovations as they become available.

LIVEOPS: REDUCING TCO WITH A PROVEN, ON-DEMAND CONTACT CENTER PLATFORM

The LiveOps On-Demand Contact Center Platform places a comprehensive contact center solution at your fingertips – giving you complete visibility and control with routing, reporting, real-time monitoring, and call recording capabilities. In contrast with traditional contact center technology, our on-demand solution delivers the innovation, best practices, and process automation needed to create new savings



**SALESFORCE.COM:
REALIZING THE VALUE OF SAAS
IN THEIR CONTACT CENTER**

“Today, salesforce.com considers having a contact center in the cloud essential to providing great customer support. We've been extremely pleased with the LiveOps platform. All of our mission-critical infrastructure is performing to our high standards, enabling salesforce.com to provide high-quality, responsive customer service across all of our customer support centers.”

Krista Anderson
SVP, Global Customer Support
salesforce.com

opportunities in technology, labor, and facilities. According to Datamonitor and several ROI studies conducted with LiveOps customers, LiveOps clients have:

- Reduced annual labor and workforce costs by up to 15% by improving agent productivity and performance while improving customer service levels
- Reduced annual technology costs by as much as 35% by using a single, on-demand platform to support all core contact center operations, which allows you to eliminate license, hardware, and database costs; in-house IT maintenance and support costs; and integration costs
- Lowered facility costs by up to 100% for companies that choose to move to a remote-agent contact center model

Equally important, LiveOps customers have successfully shifted from a CAPEX to an OPEX model, giving them greater control over IT costs, budgets, and resources. Rather than paying for IT-related capital expenses, such as software licenses, databases, and servers up front and then depreciating them over time to recoup costs, they pay a monthly service fee for everything they need. There's no large, up-front investment required, so if you decide to change, there's no financial investment to worry about. An OPEX model also increases your business flexibility by enabling you to improve your cash position, redirect capital funds where they are needed most, minimize risk (because you can easily make a change if the service does not meet your needs), and accurately budget for annual, IT-related costs.

Reduce Labor and Workforce Costs by Up to 15%

According to Datamonitor, labor costs make up 70% of all contact center costs. So finding ways to reduce labor costs and improve agent productivity can go a long way toward improving the bottom line.

The LiveOps On-Demand Contact Center Platform includes unique functionality that increases agent productivity and performance – both at the agent workforce level and the individual agent level – so you can truly “do more with less” and cut labor costs by as much as 15%. The LiveOps platform enables the virtualization of all contact centers – regardless of their location – so you can manage them as a single contact center. This means that agents can work anywhere, as if they were located inside a brick-and-mortar contact center.

Our research indicates that these kinds of innovations are enabling customers to reduce labor and workforce costs by:

- Increasing agent utilization by 15%
- Boosting agent productivity by 20%
- Reducing hold times by up to 36%
- Lowering call handling times
- Reducing transfer time by up to 76% through use of LiveOps' “transfer with audio” feature

As a result, our clients consistently achieve better business outcomes – for example, one customer increased conversion by 8.6% in just four weeks and increased agent productivity (measured by revenue per agent time) by 12%.



WEST MARINE: INCREASING COMPETITIVENESS BY DEPLOYING A VIRTUAL CONTACT CENTER

Limited by the functionality of their antiquated legacy PBX system, which was deployed within their traditional call center, West Marine wanted a new solution that would provide greater flexibility and access to the latest contact center features. Because they wanted to minimize IT costs, the new call routing system also had to be easily maintained by business users with minimal IT support. At the same time, they wanted a way to better utilize their existing workforce to improve customer experiences.

States Matthew Wise, Senior Director of External Customers at West Marine: “Moving to a remote, on-demand contact center model just made sense from a business perspective. We could gain tremendous business flexibility and innovative contact center functionality – while reducing facility costs and retaining top employees.”

These kinds of improvements – which are only available through innovative, on-demand contact center solutions – offset the monthly fees paid to access the software. At the same time, because LiveOps technologies better align agents with customer needs and enable agents to handle calls faster, you can improve customer satisfaction while reducing labor and workforce costs.

Reduce Technology Costs By Up to 35%

IT costs are another area where on-demand solutions can help you decrease operating overhead. Traditional contact center solutions require significant investments in licenses and hardware that can take months to deploy, customize, and integrate. These bolted-together applications are also costly to maintain over time – for example, due to upgrades and changes. At the same time, they increase IT complexity, which drives up maintenance, integration, and support costs; prohibits the deployment of upgrades that bring innovation; and limits visibility across your contact center operations, campaigns, and service levels. Costs add up quickly, adding up to about 7% of total contact center costs.

In contrast, a fully integrated, on-demand center solution unifies all contact center activities and helps you meet your service level agreements using a single platform. Because a comprehensive, end-to-end, on-demand solution dramatically simplifies your IT infrastructure, it can substantially reduce your technology costs. For example, you can eliminate license, hardware, and database costs and in-house IT maintenance and support costs, as well as reduce integration with third-party systems by using pre-built adaptors. These savings contribute to the 35% savings in IT costs that LiveOps customers typically realize.

In addition, you can expect to realize incremental savings in areas such as:

- **Reduced in-house IT costs:** Now IT doesn't have to purchase and manage geographically-based hardware and software deployments, configure and integrate disparate applications, and maintain them. LiveOps experts keep IT running in top form on a 24x7 basis, and software upgrades happen automatically, with no disruption to daily operations.
- **Improved IT productivity:** IT departments are no longer bogged down with contact center IT issues, such as maintenance and call routing changes, so staff can focus on IT issues more central to the business.
- **Infrastructure and capacity savings:** You can rapidly scale technology use as call volumes go up, which reduces the need to invest in additional infrastructure to handle spikes in call volume.
- **Administration cost savings:** Contact center managers can instantly generate reports or make routing changes without IT assistance, as well as empower business users to make other changes in real time.

Avoid Up to 100% of Facility and Real Estate Costs

Setting up a typical 250-person or 500-person brick-and-mortar contact center costs between \$10-20 million dollars – just in initial capital costs. It's no surprise that



THE UNIQUE BENEFITS OF SAAS-BASED SOLUTIONS

- Reduce costs
- Ease of use
- Faster responsiveness
- Rapid deployment
- Reliability and scalability

facilities alone represent about 15% of all contact center costs. But with the LiveOps On-Demand Contact Center Platform, you can avoid up to 100% of these costs by using it to set up a virtual contact center staffed by home-based agents.

The virtual model reduces the need for costly brick-and-mortar buildings and eliminates facilities-related expenses such as capital expenditures for real estate, buildings, and leases. At the same time, you can reduce labor costs by making it easier to employ higher-quality agents, as well as retain them by improving their quality of life and rewarding good performance.

Augmenting or replacing your traditional contact center with a virtual model also enables you to improve the quality, flexibility, and scalability of your traditional contact centers. You likely need a way to respond swiftly to business changes and handle unpredictably high or low call volumes – without adding costly new infrastructure or paying for idle agents. On-demand solutions make this possible and keep costs affordable.

For example, one LiveOps customer performed an analysis to determine the cost savings associated with a virtual contact center staffed by home-based agents. Because this client's call traffic patterns were very spiky, much of their cost savings derived from infrastructure that would otherwise be idle during periods of lower call volumes. The savings came primarily from leasing costs, utilities, and ongoing training and recruitment costs that are reduced due to lower attrition. This client has achieved cost savings of \$2 million per year in facilities and labor costs by leveraging the equivalent of 85 full-time agents to handle large call spikes caused by direct response advertisements.

FOR MORE INFORMATION

If you're still relying on premise-based software to run your contact center, you're likely leaving huge potential savings on the table. To learn more about how an on-demand contact center solution can help you slash labor, facilities, and technology costs – all while improving agent productivity, customer service, and business outcomes – contact LiveOps at 800.411.4700 or visit www.liveops.com.



“For the first time in over ten years, my contact center and CRM applications exceed my expectations. And as a result, we are absolutely better at what we do. Our productivity is up, our costs are down, and our customers are happy.”

Jack Sands
President, Vforce/AAA of Ohio



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