

## The Business Case for a Hosted Contact Centre

Businesses large or small, commercial or governmental, for profit or altruistic – all face one critical factor; the effective use of capital. No matter what the foundation of the business is, we are all interested in doing “more” with “less.”

This factor is equally important during the evaluation of Contact Centre operations. The financial undertakings needed to acquire, maintain, manage and own a contact centre operation for the long term will naturally compete with other parts of the business for investment capital.

That is, until now.

Contact Centres typically require a telephone system and possibly other technologies, all of which are located on site. Usually, this hardware is located in an IT server rack or attached to a wall in an inconspicuous area of the building. By contrast, a “hosted” Contact Centre will have similar hardware but it will reside in another facility, outside of the business. A hosted Contact Centre should at a minimum provide all the capabilities found within an on-premise installation, but most importantly, a hosted Contact Centre should provide more services and functionality for less money.

Imagine, if you will, being the owner or manager of a 25 seat contact centre. Yesterday, with your on-premise solution, you had a standard contact centre. Today, with a hosted contact centre you have the functionality and information available to you that would only be found previously within the largest of contact centres, which employs hundreds of agents and have access to millions of dollars in capital!

Capital outlay is removed with a hosted solution because you no longer have to buy the hardware and physically locate it in your facility. Rather than purchasing an asset (i.e. - the phone system) that quickly depreciates you now rent the entire operation as a service. When renting the services of a hosted facility, you have the flexibility of renting it for a specific project, for a month, for a year, or for whatever term suits your needs. When complete, just turn it off. By contrast, if you’d purchased the phone system you would have ownership costs whether you use it or not, and for what may be a very lengthy term.

In this conceptual example, the hosted Contact Centre is able to provide more functionality for much less cost. But “conceptual” is for the accountants. Let’s examine a couple real examples.

### Queensland Public Sector Union (the “QPSU”)

The QPSU is a 20,000 member organization for employees working in the Queensland public sector. These include nurses and other health care professionals, university employees, police, firemen, etc. At any one time the QPSU is actively involved in a large number of industrial and other campaigns, as well as negotiations on behalf of their members.

The success of these campaigns relies upon the active involvement of the majority of QPSU members in the affected area; the higher the level of active membership, the greater the

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chances of success. In order to maintain contact with their membership, the QPSU owns and operates a 15 seat contact centre. This contact centre is housed on an NEC IPX phone system with the Genesys Call Centre Platform, and is augmented by the Propensity Interaction Management tool system.

In late 2007, Australia held its Federal Election to elect the government in power over the coming three years. As an organization entrusted with the welfare of their members, the QPSU felt that a change in government, from Coalition to Labor, best represented the needs of their membership base. So in June 2007, the QSU embarked on a telemarketing project which focused on bringing information to their membership in the hopes that their vote in the upcoming election would reflect the strategy to change governments.

The project required their call centre capabilities to grow from 15 agent seats to 75 agent seats for a three month period in order to run a membership contact program during the Election campaign. Each agent needed to have automated access to the membership database, the calling patterns needed be able to be targeted geographically, dialing must be automatic with member responses being recorded, and the responses had to be able to be analysed to segment further calling patterns.

The initial projections of the QPSU regarding the cost to execute this project were as follows:

Additional Genesys Licenses	\$120,000
Telstra Primary Rates – Install	\$5,700
Additional Propensity Licenses	\$8,000
Telstra Primary Rates – Monthly x 4 mos.	\$14,400
Normal Telephone Call Costs	\$ 6500 est.

At a minimum, this three month project was going to cost QPSU over \$154,000 to ramp up and contact a large segment of their membership several times over the coming months. Clearly, this was an expensive use of membership funds, and the QPSU needed to find a way of doing **more with less**. Enter PipeVines.

Using the PipeVines **Call Centre on Demand** and **Business Process Management on Demand** suites, QPSU was able to launch the additional 60 agent seats in under 14 days, and did **much more, for much less**.

A large, robust PipeVines data link was installed in the QPSU head office in Brisbane, and connected to PipeVine's secure data facility in Sydney. With PipeVine's flexible pay-as-you-go arrangements, the total cost for the QPSU campaign was as follows:

PipeVines Monthly Service Fee	\$25,615
Set up and configure	\$4,500
Telephone Call Costs <sup>1</sup>	\$2,030
<b><u>Total project cost</u></b>	<b><u>\$32,145</u></b>

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<sup>1</sup> 18,348 telephone calls to landlines and 1341 telephone calls to mobiles.

At the conclusion of the election, the QPSU had achieved the following objectives:

- Using the PipeVines Hosted Contact Centre, the QPSU had contacted all members in targeted areas at least once during the initial round of member contact.
- Using the PipeVines Business Process Management (BPM) On Demand tools during the initial round of calling, the QPSU was able to identify member voters who were potential “swing” voters, and what their individual personal touch points were should they be willing to change their voting preferences from Coalition to Labor.
- During subsequent rounds of calling, using the PipeVines BPM On Demand and Contact Centre On Demand tools, the QPSU was able to specifically target these swing voters and highlight the shortcomings of the current government specific to the individual touch point of the person they were talking with.
- Ultimately there was a change in government from Coalition to Labor. By analyzing the data from BPM On Demand, the QPSU was able to compare voter results in the electorates they targeted relative to electorates they did not. The results affirmed that the efforts of the QPSU greatly influenced the voting results in targeted electorates.
- At the conclusion of the project, the PipeVines Hosted Contact Centre was removed and the QPSU returned to their normal 15 seat contact centre, with no further costs.

### **Mortgage House Australia (Mortgage House)**

Mortgage House is a national provider of housing mortgage loans, with franchise and company owned stores located throughout Australia. Its’ Sydney corporate office houses both the company management and loan servicing teams, as well as a 15 seat contact centre used to address the needs of their customers.

Mortgage House was looking to update their older Siemens phone system to one with industry best practice call centre technology, including IVRs, queuing and 100% call recording. In addition, they required a workflow management system to better align the customer service requests with the operations of not only their business, but with the operations of partner-lenders as well.

Having investigated several possible suppliers, Mortgage House found it faced the prospect of a \$650,000+ capital investment, in order to meet their desired contact centre and business needs.

By contrast, PipeVines now provides Mortgage House with a complete solution for approximately \$6000 per month, INCLUDING telephone call costs and GST.

Once again, **more for Less.**

As a Contact Centre manager preparing to compete with other parts of the business for investment capital – isn’t it about time you asked how PipeVines can help you achieve **More For Less?**