

Whitepaper

# HOSTED IVR AND CONTACT CENTER SOLUTIONS

The Compelling Case for Adoption

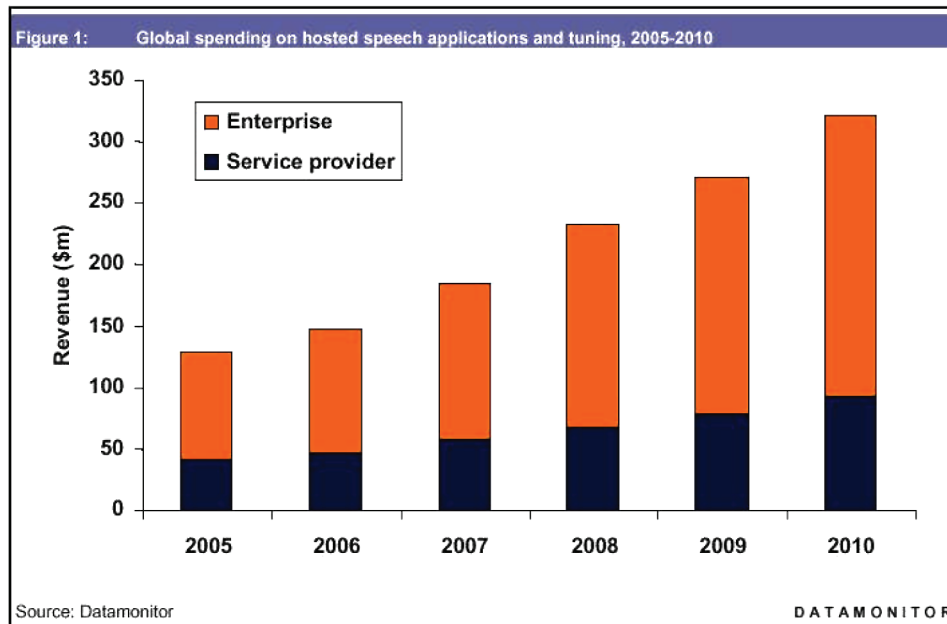


# Hosted IVR and Contact Center Solutions

*The increase in VoIP technology adoption is having an interesting impact on hosted IVR and contact center solutions and their providers. Like their enterprise counterparts, hosted service providers are adopting VoIP quickly, and there are more hosted IP-based services than ever before. This is good news for enterprises because hosted IVR and contact center services provide a number of advantages over on-premise solutions, especially for small and medium-sized businesses.*

## A Proven Solution

A recent report by Datamonitor, Understanding the Market for Hosted Speech Applications (Strategy Focus), reveals that the number of businesses that are deploying speech solutions in a hosted environment is growing at a strong rate. In parallel, spending on hosted speech application development and tuning is also growing. The following chart shows that global spending on hosted speech application development and tuning will grow from \$128 million in 2005 to reach \$320 million by 2010 at a CAGR of 20.1%. Spending in the enterprise market will increase from \$86 million to \$228 million, while spending in the service provider market will grow from \$42 million to \$93 million at a CAGR of 17.1% over the same timeframe.



## VoIP Technology Makes Hosted Solutions More Compelling

Why the move to VoIP? As always, money is a great motivator. A VoIP connection between the hosted service provider and the enterprise allows calls to be transferred over the Internet without the cost of a traditional phone network.



Envox Americas  
+1 508 898 2600  
us.sales@envox.com  
us.support@envox.com

Envox EMEA  
+44 1252 618853  
euro.sales@envox.com  
euro.support@envox.com

Envox Asia Pacific  
+65 6365 2873  
asia.sales@envox.com  
asia.support@envox.com

# Hosted IVR and Contact Center Solutions

Plus, analysts have pointed out that VoIP-based enterprises and service providers can more easily connect their networks and applications, thereby lowering the cost and pain of adopting hosted solutions. VoIP, therefore, allows hosted service providers to lower their service delivery costs — either to attain healthier margins or to remain competitive in a price-sensitive market.

In addition, VoIP allows hosted service providers to pack more services into their offerings. For example, industry analysts have pointed out that VoIP allows hosted service providers to deploy speech-enabled voice solutions faster and with a lower TCO compared to their TDM counterparts. With price being a major barrier to adoption of speech-enabled solutions, VoIP is making speech-enabled applications a more attractive option — even for smaller enterprises.

## The Benefits of Hosted Solutions Begin with Lower Start-Up Costs

Aside from the punch that VoIP adds to hosted services, this deployment method significantly reduces the time, cost and complexity of offering cutting-edge IVR and contact center solutions. First, it eliminates much of the start-up costs associated with on-premise solutions. The enterprise avoids the capital cost of buying voice servers, Web servers, telephony hardware, speech recognition software licenses, and other system components. Plus, the enterprise does not have to dedicate valuable space to the IVR and contact center systems. There are few, if any, back-office maintenance costs because the solution provider maintains the applications and server infrastructure. The company doesn't need in-house development expertise for the same reason, and there are no training costs because in-house IT doesn't have to keep up with the hosted technology.

Having infrastructure issues handled by the hosting provider significantly reduces time-to-market. Because the network and voice solution infrastructure is fully deployed and tested, the time (and unexpected delays) associated with creating the functional specification and voice user interface are eliminated. Application development and system integration time is lower because the telephony, speech technology, and application licenses are already integrated. The testing phase will also be shorter as the infrastructure is already proven in production environments. Even if application changes are required, the entire infrastructure is under the hosted service provider's control so there is less wasteful back-and-forth between the service provider and the enterprise to reconcile differences between data and voice communications. The service provider can just issue a standard specification for the interface to the enterprise and because the interface has also been proven, it's likely that the enterprise will be able to easily adapt to the specification.



Envox Americas  
+1 508 898 2600  
us.sales@envox.com  
us.support@envox.com

Envox EMEA  
+44 1252 618853  
euro.sales@envox.com  
euro.support@envox.com

Envox Asia Pacific  
+65 6365 2873  
asia.sales@envox.com  
asia.support@envox.com

# Hosted IVR and Contact Center Solutions

Many hosted service providers also offer packaged applications that can be leveraged to further reduce time-to-market. This saves the cost of developing voice user interfaces, which is a highly specialized skill that few companies can afford to maintain in-house. The only major up-front cost customers incur in this scenario is for slight customization of the solution provider's application.

## Hosted Solutions Enable Enterprise Growth

Hosted solutions have always been a great way to manage growth, especially for companies experiencing rapid growth and uncertain conditions, such as demand spikes and seasonal demand. Additionally, they are a good tool for reducing the risks associated with adopting new, rapidly changing technology. In the case of hosted IVR and contact center solutions, speech technologies — such as speech recognition, speaker verification, and text-to-speech (TTS) — are all rapidly advancing technologies. VoIP itself is also a rapidly changing technology because of the adoption and evolution of the SIP standard. To a large extent, hosted services shield their users from these underlying technologies. The hosted service provider must incur the costs of keeping up to date with technology advances. If they don't, their customers can readily switch to another hosted service provider. Enterprises that use hosted solutions, therefore, can respond to market changes and new technology faster because they don't have a capital investment in their own software/hardware infrastructures.

## Hosting Offers Tangible Results

Cost savings alone is enough to justify the move to a hosted deployment model. Consider the following example illustrating the time and cost savings of a hosted 96-port IVR solution, delivered on Envoy OnDemand, and a comparable on-premise (or customer premise equipment, CPE) deployment. 96-port, speech-enabled

### Cost Comparison:

	Envoy OnDemand	CPE Deployment	Savings
Start-up Costs	\$ 33,000	\$373,563	91%
Operating Expenses Year 1	\$307,385	\$142,154	(116%)
Total Costs Year 1	\$340,385	\$515,717	34%

A review of the time and effort involved in developing the solution also shows a significant time to market benefit.

### Time-to-Market Comparison:

	Envoy OnDemand	CPE Deployment	Savings
Project Time (days)	71.5	125.5	43%



Envoy Americas  
+1 508 898 2600  
us.sales@envoy.com  
us.support@envoy.com

Envoy EMEA  
+44 1252 618853  
euro.sales@envoy.com  
euro.support@envoy.com

Envoy Asia Pacific  
+65 6365 2873  
asia.sales@envoy.com  
asia.support@envoy.com

# Hosted IVR and Contact Center Solutions

## Final Considerations

While the concept of hosted voice services is not new, with the emergence of VoIP, expect more enterprises to consider outsourcing some, or all, of their customer service infrastructure. When considering a hosted voice solution, pay close attention to the reliability of the network and the level of redundancy offered. These are often the key metrics that service providers use to differentiate their services and the results can vary. Also, carefully review the service level commitments that the hosted service provider offers. With a good choice of hosted service providers, plus the benefits of VoIP and hosted services, you can assure that you'll stay ahead of the competition.



**Envox Americas**  
+1 508 898 2600  
us.sales@envox.com  
us.support@envox.com

**Envox EMEA**  
+44 1252 618853  
euro.sales@envox.com  
euro.support@envox.com

**Envox Asia Pacific**  
+65 6365 2873  
asia.sales@envox.com  
asia.support@envox.com