

## Customer Care On Demand: Speeding Deployment Cycles While Reducing Risk

*Enterprises of all sizes use third-party outsourcers to support their customer care efforts in the most cost-effective ways possible. In the wake of downsizing or "right-sizing" in the IT department, many lack the resources to support self-service applications over the phone. In this document, we look at the strategies and tactics followed by hosted service to accelerate the time it takes to deploy new services while reducing the technological risk of making the transition to IP-based networks and new delivery platforms.*

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## Key Findings

For a variety of reasons companies large and small look to third-parties to support phone-based customer care:

- **Complexity and risk avoidance drive demand for third-party hosting** – Enterprise spending for hosted solutions remains on par with capital spending on premises-based systems. Our assessment showed 2007 spending at \$873 million and we expect growth in the 15% range over the next five years.
- **Hosted services support “transition without disruption”**– Third-party service providers (MSPs, ISPs and ASPs) play an important role as enterprise decision-makers look to third parties to accelerate the time it takes to deploy new applications, monitor both system and application performance and manage application life-cycles.
- **Hosting is an integration point** – Packaging strategies place hardware, software and technical support personnel “in the cloud” as the core resources to support multimodal care and achieve business objectives.
- **Old segmentation strategies no longer hold true** – Previously, Opus Research differentiated between “pure plays,” hybrids and incumbent carriers, but these distinctions no longer apply to a community of solutions providers that address business objectives rather than pure voice-application hosting.
- **Winning offers are the product of partnerships** – More than ever, service providers purvey “best-of-breed” solutions from multiple sources for transport, applications, monitoring, analytics and reporting.
- **Not an “either/or” decision** – A new crop of requests for proposals (RFPs) prompt vendors to offer both premises-based and hosted solutions, as well as a “hybrid” approach.
- **Pricing depends on implementation objectives** – New delivery schema remove emphasis on “commodity” minutes, making performance- or success-based pricing more possible. But the industry, as a whole, is not moving from well-understood and accepted “per-minute,” “per-port” and “per-seat” pricing.
- **A blip in the BPO opportunity** – Changes in enterprise IT topologies has driven significant spending on business process outsourcing (BPO); customer care and phone-based self service is a comparatively small subset of the overall opportunity.

## Table of Contents

Key Findings .....	ii
The Growth of Customer Care "On Demand" .....	1
Market Quantification .....	2
Budgetary Concerns and Technological Triggers .....	4
The International Perspective – Privacy Policy is Important .....	4
IP-Telephony's Impact .....	5
RFPs Doing Double Duty .....	5
A New View of the Vendor Landscape .....	6
Experience and Skills Are Major Differentiators .....	7
The Evolving Nature of "Pure Plays" .....	8
Angel.com: Putting 'On Demand' On the Block .....	8
Nuance On Demand: Keeping Technologies Current .....	9
Beyond "Beyond": Nuance Touts "World Class Interactions" .....	10
Voxeo Integrates Premises-Based and Hosted Solutions .....	10
Sizing Up Microsoft/Tellme .....	12
"We're All 'Hybrids' Now" .....	13
CPE Specialists Feel the Pull Toward a Dual Approach .....	14
Partner with Application Specialists .....	14
The Convergys Case Study: Promoting a One-Stop-Shop .....	15
Open Hosting Supports a Flexible Approach .....	16
SIP Makes Way for More Value-added Service .....	17
Convergys and Intervice: To the Aid of the Installed base .....	17
VoltDelta – Marketing Apps as a Service .....	18
First Data Customer Care: "Rock Solid Run-Time" .....	19
Not to Discount Others .....	20
New Opportunities for Incumbents .....	20
AT&T Accommodating the Transition to IP and VoiceXML .....	20
Catching up with VoiceTone .....	21
Verizon Business – "Broad-Based and Multidimensional" .....	23
A Three-Tiered Set of Offers .....	23
Qwest's Contact Center: Right Sizing On Demand Services .....	24
The Ten Minute Drill: Review of Requirements .....	25
Experience is Key to Better Experience .....	26
Reducing Both Technical and Financial Risk .....	27

**Table of Figures**

Figure 1: Firms Reviewed for This Study ..... 1  
Figure 2: Enterprise Spending on Speech Self Service ..... 3  
Figure 3: Estimated Market Share of Voice ASPs ..... 6  
Figure 4: Tellme’s Components ..... 12  
Figure 5: Convergys’ Self Service Vision ..... 16  
Figure 6: AT&T’s Inbound Services Topology ..... 21  
Figure 7: AT&T’s VoiceTone Platform ..... 22

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