White Paper

8x8's Enterprise Engagement Management Platform: Moving Toward an Integrated Approach

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IN THIS WHITE PAPER

This IDC white paper examines the challenges of competing based on customer experience and how enterprises can support and encourage interactions between customers and employees in a more contextually rich, integrated, and intelligent manner. It presents 8x8's view of the enterprise engagement management landscape and evaluates the opportunities and challenges of 8x8's Enterprise Engagement Management platform, a fully integrated cloud communications and cloud contact center (CCC) solution delivering exceptional employee and customer experiences.

SITUATION OVERVIEW

Unified Communications and Collaboration

Unified communications and collaboration (UC&C) is a platform that combines IP telephony, messaging, IM, presence, and conferencing with collaborative applications and services, enabling seamless real-time communications and collaboration anytime, anywhere, and on any device. UC&C solutions are designed to provide a way of delivering, managing, and supporting all the various types of IP communications and collaborative applications software and services that an organization requires in both horizontal and vertical industry business processes and applications.

Interest in UC&C solutions has been growing across all business segments — from small and medium-sized businesses (SMBs) to large enterprises — driven by technology advances, more deployment choices, and growing interest in cloud, mobility, and collaboration solutions. As such, IDC estimates the combined global UC&C, UCaaS, and CCaaS (i.e., cloud contact center) markets will total $40.8 billion in 2018 (see *Worldwide Unified Communications and Collaboration Forecast, 2017-2021*, IDC #US42506917, May 2017, and IDC's Worldwide Semiannual Software Tracker, May 2017).

IDC is also starting to see integration of contact centers and UC&C environments within organizations — streamlining the benefits of a UC&C solution with a contact center solution to help solve customer-facing issues; to provide access to the right internal and external resources including partners, suppliers, and others; and to improve customer experience (CX) and customer satisfaction, among other important drivers.

UC&C delivery models range from on-premises systems to cloud-based, as-a-service solutions. When UC&C is delivered out of a communications service provider's (CSP's) cloud infrastructure rather than hosted on an enterprise's premises, it is considered a public cloud UCaaS solution. UCaaS is managed and maintained by the CSP, with service priced on a per-seat/user basis with a standard suite of features included in the monthly subscription cost.

Although enterprises are still investing in on-premises systems, cloud is quickly becoming the leading UC&C delivery model. On-premises systems give organizations control over the infrastructure and network but at a large capital and operating cost, whereas cloud delivery models eliminate the need for the organization to buy, provision, and maintain the communications system, making UCaaS often (but not always) more affordable and faster to deploy than more complex on-premises solutions. A healthy segment of the global market is also still transitioning from legacy TDM-based telephony and messaging infrastructure to new UC&C solutions and applications, with UCaaS offerings from CSPs, infrastructure vendors, and partners becoming increasingly top of mind with many organizations.

The benefits of UCaaS are compelling: lower up-front costs, more flexibility and scalability, and faster deployment times. The UCaaS subscription-based model offers a more predictable cost structure, which helps organizations streamline their operations and more effectively manage communications spending. UCaaS also requires minimal to no up-front capex and often offers more flexibility and scalability than are available with premises-based systems.

But UCaaS implementation challenges include ROI concerns, disruptions to end users, proper use case identification, and complexities associated with implementation and integration of UCaaS with existing systems. Other challenges include identifying and selecting the right solutions, features, applications, and tools for the organization and, more importantly, identifying which sources to turn to for the UCaaS solution.

CSPs are increasingly focused on selling "business solutions" to customers, compared with the traditional "technology buy" approach. Line-of-business (LOB) executives are also more active in technology discussions and are having a growing influence on IT budgets, with savvy CSPs targeting LOB for UCaaS customer engagement and "solutions selling" initiatives.

As enterprises continue to look for solutions with an easier, more intuitive and integrated user experience with anywhere, anytime access to content, the future of the UCaaS market lies in defining "business outcomes" for enterprises. CSPs can and are doing this by creating a better, more intuitive user experience through real-time communications, collaboration with context, and integrations with business systems and applications regardless of the location or device. The use of data analytics has also become more important to enterprises for driving successful business outcomes. Analytics can derive insight and value (e.g., continuous improvement) from live interaction data that has historically gone untapped.

Hosted and Cloud Contact Center Services

Hosted and CCC services automate functions related to customer service and customer experience and are often the platform for supporting communication with end customers across many channels, including phone, email, chat, and social media. CCC services can include the following capabilities: ACD, IVR, speech recognition and natural language processing, reporting and metrics tools, CTI and CRM capabilities and/or integration, workforce management including skills-based routing, online recruiting, and training platforms and other capabilities that support contact centers and customer care processes.

The CCC services market is growing and maturing. Although most organizations still use on-premises contact center solutions, many are evaluating and/or using a hosted or cloud contact center service realizing they need to move to more modern architectures in order to fully take advantage of advancements in technology that can benefit customer handling. Unlike other CRM segments such as marketing, the contact center is one of the last to experience a full migration to the cloud. The complexity of business processes, the criticality of maintaining system uptime, and the culmination of customizations over time have stymied many organizations. However, the public cloud is positioned for growth. IDC estimates that public cloud contact center offerings will represent over 50% of the total contact center revenue by 2021, up from 28% in 2017. As consumers continue to have greater expectations around communicating with companies and as enterprises continue to demand speed, flexibility, and cost reductions, CCC services will continue to evolve and expand.

The rise of digital communications combined with the general focus on digital transformation is inspiring organizations of all sizes to reconsider their customer-facing environments, of which their contact center infrastructure is a core component. Most CCC solutions offer basic capabilities such as voice, email, and chat. But as customer care channels evolve and multichannel and cross-channel requirements become more mainstream, the demand for social and mobile channels will expand and will be increasingly incorporated into the overall CCC solution. This is critical for organizations to be able to deliver a consistent customer experience across multiple communications channels, with tracking, analytics, and prescriptive handling of customer interactions. Further, organizations need to "future proof" their new environment to ensure they can manage evolutions and revolutions in customer-handling technologies and methodologies. In addition to the plethora of new features that cloud-based solutions offer, agile development and regular product update cadences enable organizations to receive the latest product enhancements and rapidly absorb them into production environments. This is a significant leap forward from multiyear product release schedules of legacy on-premises solutions.

Cost efficiency and flexibility are also contributing to CCC growth, as reducing costs is consistently ranked as a top corporate priority in most organizations. Enterprises are looking to do more with less and expect CSPs to be nimble and flexible in delivering CCC services that are cost effective and keep up with the pace of change, particularly as it relates to customer engagement.

The power to make IT budget decisions is slowly moving from CIOs to LOB executives and CXOs as is the contact center (and UCaaS) wallet share. CSPs are aligning their sales personnel to sell to LOB/CXO buyers, but as CSPs begin to integrate CCC services into their UCaaS offerings, the value proposition must also align with customer experience outcomes and LOB needs.

Migration to a CCC solution is not an "all or nothing" play but a progressive journey. Public, private, hybrid, and on-premises options will continue to coexist, with many CCC solutions based on the same software stack as on-premises solutions. But as with cloud delivery models in the UC&C market, repurposing of resources and opex-based pricing make CCC services attractive to organizations that may not have been able to access traditional contact center solutions in the past.

Contact center capability requirements vary depending on whether the organization is an SMB, a large enterprise, or in a specific vertical. As the CCC market has matured, CSPs have begun addressing the unique needs of organizations of different sizes and in disparate vertical markets, but enterprises should also seek validation through case studies, reference accounts, and partners.

The natural alignment of the contact center with communications and collaboration has resulted in the expansion of CSPs' UCaaS platforms into adjacent markets (such as the contact center) via integration with the UCaaS solution. However, many enterprises remain unaware that some CSPs are offering both UCaaS and contact center solutions, although in most instances the contact center solution is delivered via a third-party partner rather than the CSP and typically not well integrated with the UCaaS solution.

ENTERPRISE ENGAGEMENT MANAGEMENT

Customer engagement models and expectations are changing. Consumers, led by millennials, are increasingly digital natives and demand frictionless, real-time, and contextual experiences. Personalized, proactive, and contextual engagement can help companies deliver the experiences that their customers are seeking. But a lack of digital service channels often leads to customer frustration and low engagement, potential loss of revenue, and customer churn.

To remain competitive in today's fast-paced and global economy, companies recognize they must deliver a superior customer experience; yet, few customers are likely to affirm that they have received superior customer service. Instead, companies struggle with fragmenting infrastructure, with disjointed solutions for voice, contact center, collaboration, and conferencing leading to an incomplete view of their customers, lengthy time to resolution, and overall dissatisfaction for both customers and the employees serving them.

Thus CXOs in enterprises around the world are being tasked with transforming their company's CX as the organization increasingly competes on customer experience and engagement. Critical to this transformation is the increased need to support interactions between customers and employees in a more contextually rich and intelligent manner, with the goal of driving superior CX. Delivering superior CX also requires increased interaction intelligence between employees and customers.

In today's organizations, an array of communications capabilities exists internally and externally between employees and customers. However, these capabilities are predominantly individual point solutions that often do not fully address the underlying needs of the organization or its customers. As communications become more fluid, customer interactions will typically span multiple modes with a progression between chat and voice to a call transfer or screen or file sharing becoming more common. With point solutions, each of these interactions is a single customer touch point rather than a series of engagements within an overall customer journey. As a result, with point solutions there is often no way to extract key insights into customer behavior and interactions by viewing isolated individual touch points. However, when the customer experience is viewed as an end-to-end journey comprising a series of touch points and interactions, all touch points and interactions can be evaluated and understood collectively as one, enabling the organization to derive real and actionable insight into the end-to-end customer journey.

Enterprise communications can be segmented into three waves:

- On-premises solutions
- Point cloud products
- An intelligent, integrated cloud engagement solution

The first wave consisted of siloed, on-premises telephony; videoconferencing; and contact center solutions. The second wave, which began about 10 years ago, is organized around point cloud products (i.e., individual cloud-based communications, collaboration, and contact center solutions such as UCaaS,

messaging, video meetings, and CCaaS). Companies participating in the second wave developed individual pieces of solutions based on a key strength in one area with the intent of getting to market faster. The second wave saw the proliferation of cloud-based point solutions that drove lower TCO and productivity gains and presented new opportunities for moving to the cloud.

Currently, we are on the cusp of the third wave of enterprise communications – enterprise engagement management – which requires a cloud-based system of engagement where all customer and employee interactions are real time, integrated, and intelligent. Enterprise engagement management delivers additional cost savings over point solutions and accelerates revenue by harnessing the power of all employees and data across an enterprise to solve customers' problems faster by bringing the right subject matter experts and critical data together at a moment of interaction – not delayed by minutes, hours, or days. Because the enterprise engagement solution is cloud based, it is interconnected with the systems of record and delivers rich, contextual engagements and analytics that span both the systems of engagement and the systems of record.

8x8 believes that enterprise engagement management transforms the employee and customer experience. The enterprise communications market is undergoing a dramatic evolution, moving from the second wave of individual point solutions such as voice, chat, and UCaaS that are focused on the employee *or* customer to the third wave (i.e., a cloud-based, fully integrated enterprise engagement management solution that is focused on the employee *and* the customer). Gains in efficiency and revenue optimization are also realized as the market evolves toward enterprise engagement management.

Top objectives of CSPs such as 8x8 are increasing customer satisfaction and revenue while differentiating their solutions from the competition. To that end, 8x8 believes that exceptional CX requires pulling together, in real time, previously disparate data sets and engaging with customers when, where, and how they want to engage.

With an enterprise engagement management solution, employees can move easily from one communications channel to another – from a desktop phone to a mobile phone or from a chat online to a voice call with an agent, all with complete context and one-click evolution of the engagement. 8x8 asserts that this is where organizations are struggling the most and where it sees an opportunity to differentiate itself from competitors. More importantly, 8x8 believes that it can deliver meaningful value to its customers and differentiate itself even further by redefining the customer experience through more intelligent and contextually rich interactions between customers and employees via an integrated UCaaS/CCaaS enterprise engagement management platform.

8x8 Enterprise Engagement Management Platform

8x8 views enterprise engagement management as the foundation for exceptional employee and customer experience and engagement. With that in mind, 8x8's Enterprise Engagement Management platform is an integrated UCaaS/CCaaS solution that delivers one system of engagement integrated with systems of record for one set of data in one system of intelligence for faster time to resolution at a lower cost and a better customer and employee experience. More specifically, 8x8's fully integrated cloud communications solution supports the following:

- Efficient, intelligent engagement
- Interact with context
- Message with teams across collaboration tools
- Collaborate from anywhere on any device

- Integrated engagement suite with analytics
- Easily manage a single application for all engagement needs
- Reduce costs while maintaining high security compliance

The solution is flexible and configurable, allowing 8x8's customers to turn different capabilities on and off to support the changing needs of the organization as it grows and evolves. It provides a unified or integrated customer experience that combines the collective power of the enterprise so that rather than passing a customer from one person to the next or waiting to get the relevant expert involved, organizations can harness the insights of all their employees through real-time collaboration with peers and have instant access to subject matter experts. The result is happier customers, faster time to resolution, and a better experience for all employees involved in the process.

The 8x8 Enterprise Engagement Management platform also enables real-time analytics that provide data-driven insights and intelligence from every customer touch point across the organization, allowing for better decision making. Instead of piecing together data from multiple systems to create a unified view of the customer's experience, 8x8 enables organizations to view the complete customer journey as one interaction from the moment the engagement begins with the organization through issue resolution and post-call survey with analytics based on one data set for all employees and customer interactions to support critical insights and continuous improvement.

The 8x8 Enterprise Engagement Management platform is an omni-channel solution with multichannel coverage and data extensibility via a scripting language and REST APIs and, because it is cloud based, offers simple setup and configuration.

Over time, 8x8 plans to migrate its existing UCaaS and contact center service customers to the 8x8 Enterprise Engagement Management platform. However, the company plans to continue serving customers that want only cloud voice/UCaaS with a standalone offering coupled with a series of additions that will range in functionality. That way, customers can mix and match capabilities as needed across their organization and migrate up the stack to the full Enterprise Engagement Management suite at their own pace. IDC views this not as a "unified approach" initially but certainly as a "unified result."

Businesses want to deliver – and recognize that they need to deliver – superior CX because doing so is quickly becoming table stakes in an increasingly competitive world. However, most organizations are grappling with multiple internal challenges including multiple systems of engagement and systems of record, expertise being distributed and/or scattered across the organization, and lack of engagement insights, which effectively hinder employees' ability to deliver superior CX. The result is limited or lack of context and comprehension, multiple interactions required for customer service resolution, and an inability for agents to anticipate customer needs or to improve interactions with customers.

8x8 asserts that richer insights and easier engagement are obtainable through an integrated UCaaS/CCaaS enterprise engagement management solution. As a contact center representative has a conversation (whether via email, chat, or traditional voice), that engagement is the voice of the customer. The ability to capture those engagements and then automatically identify sentiment, trends, and key words enables the organization to respond quickly and drive change as a direct result of the voice of the customer. For example, a company launching a new product needs to quickly identify trends and drive insights from initial interactions with customers. With enterprise engagement management, 8x8 speech transcription and analytics enable the company to visually spot key words and quickly feed insights gained both internally to product development or other impacted departments and externally to suppliers and partners using 8x8's integrated team messaging solution.

Similarly, the contact center is often at the center of the end-to-end customer journey, so being able to derive data intelligence through every step of that journey is critical. For example, a customer shopping for a specific item of clothing calls into a contact center. The contact center agent accesses ERP data and locates the store closest to the customer that has the item in stock. The agent is able to see store availability and transfers the customer call to the available group at that store, which ultimately leads to an in-store sale. Prior to enterprise engagement management, the ability to associate the contact center call with the sale would have been difficult to achieve and the sales conversion rate lost with the call transfer. But with 8x8's Enterprise Engagement Management platform, organizations will have the data and insights for both easy call resolution and complete visibility into the end-to-end customer journey, supporting key performance indicators such as sales conversion.

IWG Case Study

The section that follows is an example of delivering a better communications and customer engagement experience through the deployment and use of 8x8's Enterprise Engagement Management solution.

Background

IWG is a leading global provider of flexible workspaces. Its companies have helped more than 2.5 million people and their businesses work more productively by providing a choice of professional and collaborative workspaces, communities, and services. The company has a network of more than 3,100 workspace centers across 1,000 cities and towns in more than 110 countries worldwide. Its companies include Regus, Spaces, No18, Basepoint, Signature, and Open Office. IWG customers are individuals, start-ups, small and medium-sized enterprises, and large multinationals across all industries.

The growing use of flexible workspace is being driven by digitalization and new technologies. As a result, workers increasingly want the personal productivity benefits of living and working how and where they want, while businesses want the financial and strategic benefits that remote workforces bring. IWG has consistently looked to use the latest technologies to help its customers improve their own productivity; as a result, IWG is a huge proponent of cloud delivery models for telephony, UC&C, and contact centers.

IWG selected 8x8 as its cloud-based communications provider in 2015. It is also an 8x8 partner, bundling 8x8's communications and collaboration services for customers in supported IWG workspace centers.

Deployment

As of May 2017, IWG and 8x8 had deployed approximately 20,000 UC seats to select IWG office centers in Germany, Ireland, the United Kingdom, and the United States. IWG has deployed 8x8's cloud-based communications services to customers and sales agents in addition to 8x8's cloud contact center to its customer service and sales contact centers in more than 110 countries.

When IWG began deploying 8x8's UC service suite, 8x8's Enterprise Engagement Management solution was not yet available. However, IWG indicated that it was a key reason it selected 8x8 as its CSP and partner. IWG cited 8x8's innovative technology road map, global presence (although it is asking 8x8 for further expansion to support its own global footprint), call quality, and robust delivery features.

Results and Benefits

IWG did not initially select 8x8 for its contact center capabilities; in fact, it wasn't aware at the time that 8x8 offered cloud contact center solutions. But Andre Sharpe, IWG CIO, indicated that a key benefit of the current 8x8 partnership is that 8x8 can offer end-to-end communications solutions across its product range. Other key reasons IWG selected 8x8 were its ability to intelligently integrate contact center and UC/telephony across the entire organization as well as for its customers. For IWG, the benefits of implementing 8x8's solution include:

- The cloud pay-as-you-grow model that requires no capex and is simple and quick to deploy
- The integrated UCaaS and CCaaS solution, which is flexible and scalable as the company grows both its customer base and its employee base
- The data and related insights via the 8x8 integrated data analytics capabilities, which help IWG further strengthen the customer experience for the more than 2.5 million people it helps be more productive worldwide

CHALLENGES/OPPORTUNITIES

In today's fast-paced and rapidly changing business environment, employee and customer experience and engagement are quickly becoming top priorities for most enterprises. The sections that follow discuss the opportunities and challenges facing 8x8's Enterprise Engagement Management solution.

Opportunities

8x8 is delivering a compelling and contextually rich, intelligent integrated real-time communications and customer engagement platform for organizations that need and value both UCaaS and CCaaS. Key strengths of 8x8's Enterprise Engagement Management platform include the following:

- **Expanded 8x8 addressable market.** 8x8's audience/addressable market expands beyond traditional individual IT/telecom and contact center/customer service and support purchasers to encompass CIOs and executives tasked with transforming the employee and customer experience.
- **Increased customer satisfaction.** 8x8's Enterprise Engagement Management platform leverages the cloud. This means that organizations can easily implement a trial deployment, which gets them up and running quickly. This significantly shortens the deployment cycle and ultimately leads to greater end-customer satisfaction.
- **Increased scale and scope.** As a global CSP, 8x8 has the scale and scope to serve multisite, geographically distributed and global enterprises. Because it is cloud based, 8x8's Enterprise Engagement Management platform is flexible, scalable, and easy to implement to meet the needs of often disparate parts of the organization.
- **Reduced cost (from a single solution).** Cloud deployments provide greater levels of automation, orchestration, provisioning, and deployment. Transitioning to the cloud can help organizations quickly scale up or down, reduce costs, improve application performance, and better allocate their resources. In addition, 8x8's Enterprise Engagement Management solution is an integrated UCaaS and CCaaS solution infused with artificial intelligence and machine learning, enabling organizations to start understanding patterns in their data.

Challenges

8x8 faces the following challenges:

- **Changing buyer behavior.** Organizations usually have separate buying centers with independent needs and have typically not taken an integrated approach to buying; rather, they have opted for a best-of-breed or single-shot approach to telephony and contact center.

- **Customer focus and education.** Even though 8x8 is successfully executing on its strategy of moving upmarket into the enterprise sector, its roots are in the SMB market. 8x8 needs to ensure it doesn't alienate its still sizable SMB customer base as it pursues its vision of an integrated enterprise engagement management solution. To that end, migrating customers large and small to the 8x8 Enterprise Engagement Management platform will require education and training about the advantages of an integrated solution.

- **Differentiation.** The UCaaS and cloud contact center markets are highly fragmented and competitive. Established contact center providers have opted for acquisition as a means to rapidly enter the CCC space, placing pressure on all vendors to spend additional time educating the market.

- **Network dependence.** 8x8 is a pure-play cloud solutions provider and relies on third parties for network connectivity. Interruptions or delays in service from these facilities could hinder its ability to provide services to its customer base.

CONCLUSION

Organizations are thoroughly engaged in digital transformation initiatives that are precipitated not only by general requirements to upgrade but also, more importantly, by a desire to compete based on new customer business models and increased customer intimacy under the customer experience banner. Siloed communication systems built to solve point problems often for a single function typically wind up reinforcing the breakdowns that slow down businesses. Traditional contact center environments and their associated solutions are most often relegated to remote areas of the business and have been primarily disconnected from the broader organization and regarded as a drain on corporate resources. Today, forward-thinking businesses are rejecting both these scenarios; instead, they are looking for communication solutions that reinforce connections between employees and customers and all their devices, apps, and modes of communication. Bringing contact centers into this merged communications ecosystem means a connected real-time environment capable of delivering a holistic, real-time, integrated environment that enables the organization to communicate rapidly internally, be aligned and aware of customer needs, and respond rapidly and in context. As more organizations digitally transform and focus on the customer experience, adopting an intelligent, integrated communications, collaboration, and customer engagement solution is the wave of the future.

About IDC

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