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Build It in the Cloud

Optimizing Communications for
Growth in Manufacturing

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Good business communication requires the right tools. This holds especially true for manufacturers, who depend on the uninterrupted flow of business-critical information not only with customers, but also between departments and across multiple production facilities. The technology that makes these connections possible has changed a lot in the last decade; the old way of managing communications, like an 'on-premises' copper-wire based phone system, is not only outdated and expensive, but can also be a limiting factor in business efficiency and growth.

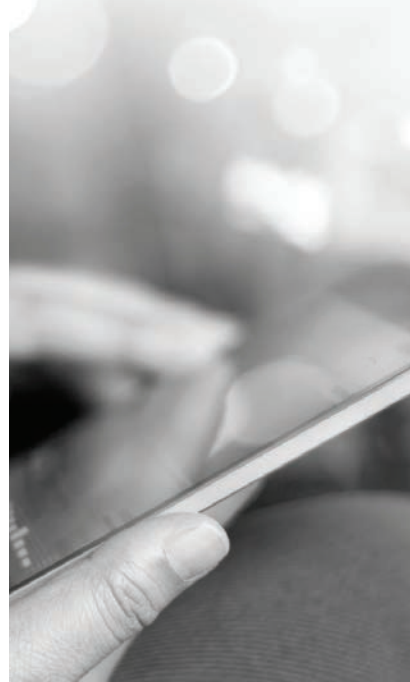
In 2016, according to a survey by Gartner, 41% of total IT expenditures were on telecommunications services. So, while it's usually new technology and applications that get most of the attention, the foundational systems that enable communications are still significant — especially so for manufacturers.

The reason is that modern manufacturing demands efficient communication to facilitate fast decision making and collaboration. Its value and importance

to the industry is on par with other advancements like the Internet of Things, robotics and automation, and self-driving-vehicles for materials transport — all of which drive modern facilities towards Industry 4.0.

As Cloud Program Manager at InfoZen, as well as the NASA WESTPrime program supporting cloud and web services operations, Sandeep Shilawat has a clear perspective on the role and potential of cloud communications for a manufacturer. “Cloud-based telecommunications should really be thought of within the context of a larger IT modernization strategy for building a competitive advantage,” notes Shilawat. “It is exciting to consider the possibilities for how cloud-based communications, the Internet of Things, and AI automation will give rise to new kinds of jobs and create a whole new set of opportunities for manufacturers.”

But, change can come hard for the industry, particularly given the fact that manufacturing can be a hardware-intensive business. These are companies used to buying, operating, and maintaining large,



“Our cloud-based platform always keeps me connected. With the app on my phone, I can be anywhere - China, India, Europe - and never miss a call.”

Fraser Mackay, EVP, Kanata Blanket Company

on-premises equipment. But in the face of real-time problems like an equipment breakdown or a rush customer order, fast decision making and communication become vital to both profitability and customer satisfaction.

To take on these challenges, progressive companies have learned that cloud communications systems are a quick and cost-effective way to modernize any manufacturer’s telecommunications infrastructure.

Being in the business of production, it’s understandable that many manufacturers are not

aware of, or haven’t adopted, newer technology like cloud-based communications. Unless they’ve suffered a major outage or are dealing with constant repairs, telecommunications isn’t usually high on anyone’s list of priorities.

But, just because something still works doesn’t mean it is still serving all the needs of the business. It’s an industry where “the way we’ve always done it” seems to do things well enough most of the time. That said, it’s hard to ignore an average ROI of 25-35% or an extensive list of key business improvements that a cloud-based solution can provide.



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Communication Is Vital to Your Business

Just as the upside is not always apparent, many of the problems and extra expenses that legacy communications create for manufacturers can also go unnoticed. Usually it's because people and companies are used to doing things a certain way, without always considering if there is a better way. Whether that's exorbitant phone bills, hokey workarounds, or a poor customer experience, sticking to the status quo can incur both direct and indirect costs to your business.

With a broad range of technical leadership experience in cloud, DevOps, big data, enterprise applications and solutions, Shilawat has seen firsthand

how transformative cloud-based communications systems can be for manufacturers. "Many people would be surprised to know how far the technology has come and the ways companies are using it. Chatbots and automated AI systems are not only the future of telecommunications, they are transforming the industry NOW."

Communications technology has evolved and manufacturers need to keep up. Therefore, companies should be actively improving their processes and systems that manage it just as they do with every other part of their operation.

What are some symptoms or upcoming business changes that manufacturers unknowingly experience that indicate their communications strategy needs an update?

- Phone costs are too high or difficult to quantify
- IT spends a lot of time “keeping the lights on,” the amount of which cannot be quantified
- Managers are unable to measure performance with metrics like how long customers are kept on hold or how often calls go unanswered
- Adding or changing phone numbers or locations is burdensome to IT, becomes disruptive because it takes too long, or requires help from a third-party vendor or vendors
- A fixed number of lines means customer calls can’t always get through and limits the number of employees that can be added; getting an outside line is problematic at times
- A company is attempting to use their phone system and employees as a contact center, providing a poor customer experience
- A new facility is opening, expanding, or facing a large upgrade
- A company’s current phone and communications contracts are expiring



The reality is manufacturing requires high-touch, high-maintenance customer support at every step — both before and after purchase. Manufacturing orders also tend to be both large and costly, adding to customer urgency and expectations. A reassuring voice on the phone, demonstrating that their rep will always be available, is not a nice to have — it's essential.

Urgent decision making is a common requirement of manufacturing too. Although it has its place, email can be a very poor way to communicate in these situations, often getting lost among the hundreds received every day. There are many times when a phone call is the only way to clearly explain instructions and expectations - as well as intent - when important decisions need to be made.



“Our office really enjoys the ability to message each other when we have questions, need assistance from fellow co-workers or are planning office events without having to run around to find what we need.”

Caitlin Royster, Protowels,
Production Control Specialist

What's Wrong with the Status Quo?

When weighing a change to the current communications strategy and assessing the importance of their communication infrastructure, manufacturers should not only understand the benefits of a change but also be aware of the cost of inaction.

At its best, failing to act is a missed opportunity to save money on phone bills. But, it's also a missed opportunity to make significant positive change in a business, like increasing operational efficiency, improving service to customers, and being better poised for future growth. Whether it for communications, production, or business continuity, or-

ganizations that fail to invest spend more in the long run, when the cost of maintaining outdated hardware and opportunity costs are considered.

No company would attempt to operate using a PC that is 20 years old. The sheer risk of a catastrophic failure would erode any attempt at cost savings. In much the same way, why would a business rely on phones that haven't innovated in similar ways? Which could your business go longer without — working PCs or working phones? The answer puts the importance of communications into perspective.



Beyond the obvious hard savings on long distance and international calling charges, there are many other benefits to cloud communications.

- No hardware required with nothing to upgrade or maintain
- Scalability to any size operation and number of locations
- Minimal maintenance with no support training
- Centralized management across locations and countries
- Consolidation of telecom providers into a single point of contact and predictable invoice
- Updates and changes made at the local level whenever needed
- Reduced security risks by unauthorized third-party applications and vendors



Connecting the Company

Modern manufacturing requires more communication than just basic telephone lines. For manufacturers to operate efficiently, communication is about sharing data and information too.

For many existing phone systems, there is no actionable data captured when phone calls are made. When a phone rings, whether it gets answered or not, there is no record of it. Conversely, a cloud-

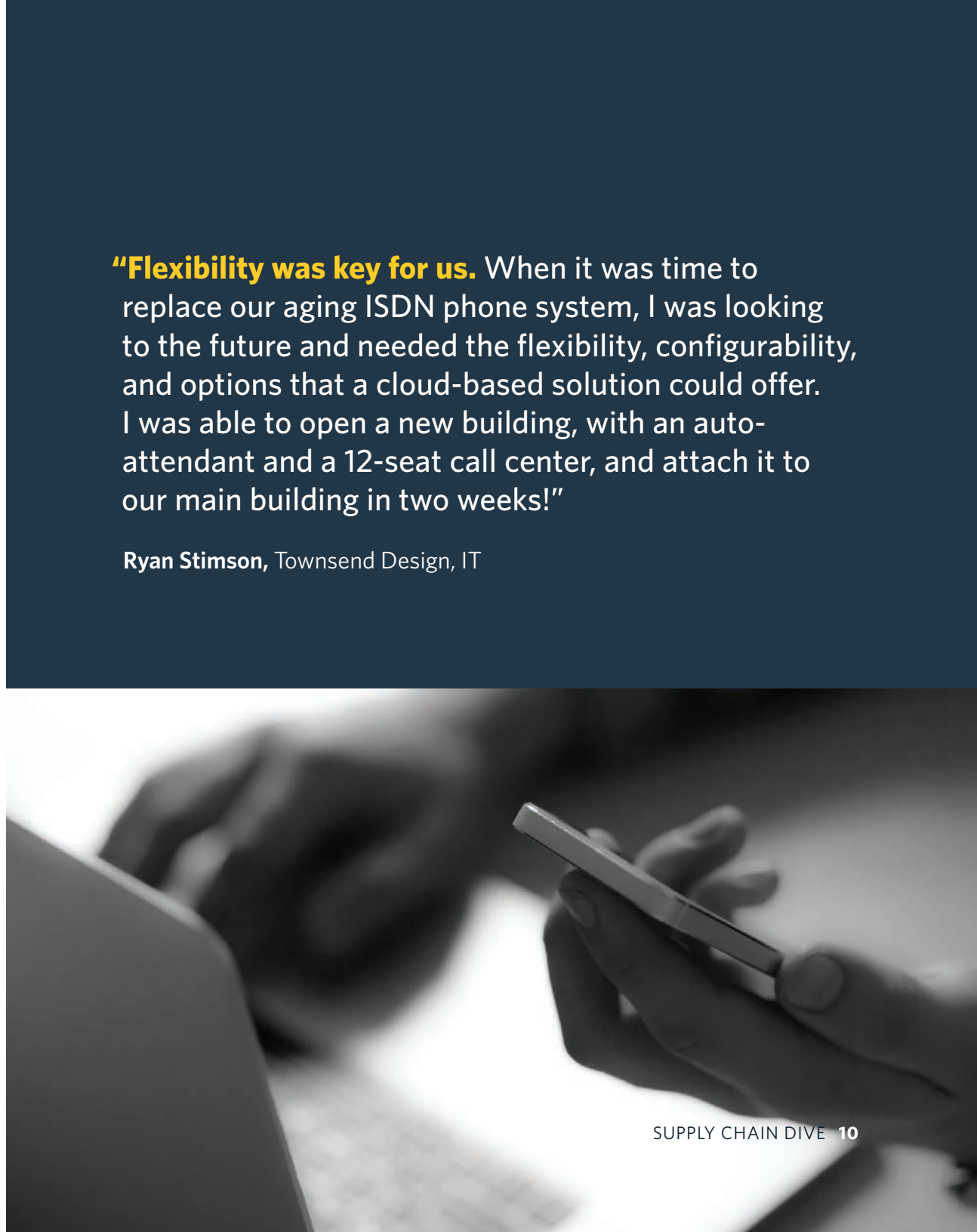
based system can capture actionable information concerning everything from internal calling activity and channel usage to customer interaction data like hold times, call abandonment, and call volume by time of day. Using this data, businesses can make more informed decisions on everything from employee training to customer service staff - and even connect their communications platform to any number of other internal applications to create greater business value.

Such examples include integrations with CRM (customer relationship management) platforms like Salesforce, in which calls can be auto-logged in the system, providing business a single system of record across all available customer interaction channels, not just emails. Meaningful data - like talk time, customer touches, call recordings, among other data points - can all be automatically captured in a CRM. Likewise, embedding communications in the preferred CRM also helps customer service reps consolidate the number of applications needed to resolve customer issues, by allowing call routing and collaboration in a single interface. Other key platforms like Microsoft Dynamics and Outlook can be integrated in similar ways so that data moves freely and remains accessible in the normal course of business, while minimizing the need for multiple, disparate application screens.

A cloud-based platform is very much about optimizing other workflows as well, such as

“Flexibility was key for us. When it was time to replace our aging ISDN phone system, I was looking to the future and needed the flexibility, configurability, and options that a cloud-based solution could offer. I was able to open a new building, with an auto-attendant and a 12-seat call center, and attach it to our main building in two weeks!”

Ryan Stimson, Townsend Design, IT





improving inbound “catches” by making it simple for calls to be seamlessly routed to other departments or offices within the organization. Intelligent and skills-based routing can also automatically direct callers to the best equipped person to resolve their issue.

A unified platform makes it easy to consolidate disparate phone systems and communications tools into an intuitive, centralized interface. In addition to basic features like the ability to make or receive calls on a desk phone, laptop, or cell phone, many companies leverage a range of applications to manage other types of communication like instant

messaging, web meetings, sales support, and conference calling.

“The breadth of integration a cloud-based solution enables for a company is significant. Consolidating applications and platforms can make life easier,” notes Shilawat. “But, there are short term adjustments, and even costs, that come with such a transition. The most significant savings and benefits will come during the maturity phase.”

In the end, it’s more efficient – for both IT and the end user – to have all the communications and collaboration technologies they need in one

place. There is similar benefit to a contact center because it is much easier when an agent has information about the caller readily available or has the flexibility to shift between email, chat, and phone, whether handling a high volume of customer requests or seeking to find the right answer the first time by leveraging internal resources across the business. With a unified communications strategy, connecting all areas of the business, the wall between those tasked with serving the customer and the remainder of the business breaks down, enabling all of your employees to have a stake in the customer experience and provide their expertise to resolve issues, provide insight, and delight customers.

Your IT Department Has Better Things to Do

With on-premises systems, it's usually the "IT Guy" or Office Manager who becomes responsible for everything by default. This includes not just the phone system, but any additional messaging and collaboration applications — not typically systems in IT's core skill set, nor how their time is best spent. On top of maintaining and training on these varied applications, the burden of managing multiple local providers with different service level agreements and contract dates is inefficient at best.

Decentralized systems have a tendency to diffuse accountability and represent more of a burden than an asset to the organization. Internally, this can take the form of disagreements among departments over who owns phone system maintenance, dealing with local and long distance service providers when issues arise, and where this activity sits in terms of main priorities. Externally, finger pointing among the various providers



themselves, makes it difficult to identify the root cause of problem and create a cohesive strategy for remediation.

Centralizing the oversight of communication, whether simple moves and adds or applying a universal change immediately across all of your locations, creates a truly unified communications platform - reducing the demands on your IT resources or whomever bears the responsibility currently. In addition, the simple shift from terminal-based, proprietary interfaces to modern, web-based administration can help IT maintain overall control while offloading simple changes to regional groups using an auditable permissions scheme.

On-premises systems are also at greater risk for uncontrollable outages, like from natural disasters or inclement weather. With cloud communications, the phone is no longer the single point of failure because remote access



and rerouting capabilities ensure calls will always get answered.

Cloud-based communication solutions are hosted over the Internet, meaning there is no single point of failure as it's not tied to any one facility. If a location loses power, calls can automatically be rerouted to other facilities not affected by the outage or to employees' mobile

devices. This enables staff to communicate with customers and each other with minimal impact on daily operations or the customer experience. The result is that the business is less susceptible to harsh weather or random outages. Companies can worry about getting to the root cause of the outage, instead of dealing with the "symptom" of not being able to communicate the associated downstream problems.

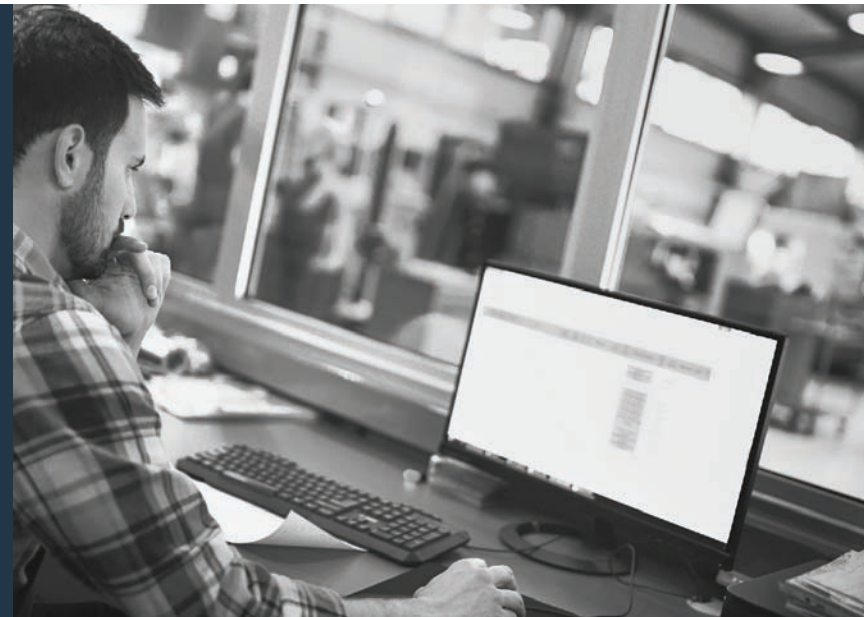
Another important advantage of a cloud-based communications platform is it eliminates the need for “shadow IT” — that is, the proliferation of non-sanctioned, and often insecure, communication and collaboration tools. While seemingly benign, these applica-

tions operate outside the view of IT and information security, representing a security risk to your organization and a blind spot in your compliance and reporting programs. With a consistent, enterprise-wide communication and collaboration platform, all employees

and locations operate under the umbrella of IT, reducing risk and minimizing the need for customized training for each location.

“Everything is digital AND analog. I can use both the digital interface on my Mac and on my physical phone. I can use a headset on my Mac or my physical phone. I can check visual voicemail on my computer or my desk phone. It’s GREAT.”

Brandon Siggard, Liquid Health, CEO



The Solution Changes How Manufacturers Operate

Thanks to constantly shrinking lead times and delivery windows up and down the production supply chain, a manufacturer's success hinges on communication now more than ever. The global nature of modern supply chains only serves to make the challenge, and importance of efficient communications even more clear. For multinational companies, where a robust business continuity plan is always a priority, a unified communications platform is one of the easiest and most sound ways to improve the speed of disaster recovery, enact consistent compliance and security, and ensure company-wide communication remains open.

Today's manufacturing is more customized than ever, meaning orders require high-touch, person-to-person involvement from a lot of parties all along the way; disruptions from unreliable phone and communications systems simply cannot happen. With a consistent, cloud-based platform across your entire business, you can leverage all employees to more quickly handle customer issues and provide expertise on everything from product selection to shipment location.

Switching to a cloud-based platform leaves one less physical thing to worry about. Mainte-



"We now have easy access to information and the ability to communicate with each other. For our manufacturing operation **communication is key to our success."**

Kendall Palmer, ProdeW, Engineer



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nance goes away, as do the overhead costs and need for constant training on new applications and for new employees. It's the perfect example of a change that allows companies to focus on their core competency — in this case, building quality products efficiently and providing top notch customer service.

Along with removing the burden of maintenance, cloud communications minimize capital expenses (CAPEX). On-premises systems require large CAPEX investments that are almost by definition either insufficient for where the company is going, or too robust for what they need now. There is no middle-ground, which leaves the manufacturer either paying too much for what they need, or not having the full solution their business requires.

The Operating Expense (OPEX) model of a cloud communications solution allows companies to pay only for the communications they need now, and to scale as needed when their business grows, expands, or changes. This means a business can limit their expenses to only those it needs, aligned with the actual lines, services, and even facilities they require.

As a manufacturer grows and evolves, cloud-based services make the process of maintaining and scaling communication easier. Because there is no “copper network” needed, new facilities and employees can be brought online quickly with no additional infrastructure costs. It's essentially plug-and-play to add a line anywhere with an Internet connection — so companies can save that capital for other equipment and expenditures.

Where to Go from Here?

The first step toward gaining some of the benefits of a cloud communication solution is taking an inventory of your company's current needs, and where it may be heading. Matching your business requirements to the right solution is critical, but needs to be built on the right service levels and expectations to ensure the provider can deliver those solutions.

As with other delivery contracts, a financially guaranteed Service Level Agreement should ensure quality of service and uptime, with a quantifiable level of performance. Without

some kind of guarantee, many of the benefits cloud communications provides can be lost to excessive downtime and frustrated customer experiences. With these guarantees, and adequate testing by the provider, you can be assured of a reliable communications network from the high bandwidth connections of your headquarters to the single, public Internet service of remote offices and employees.

When selecting a cloud-based communications partner, they will ask you many of the obvious questions, including how many users and locations you have and what your current spend is for services like inbound, outbound, and conferencing calling. But with options like integrating with CRM systems, remote workers, and video conferencing, understanding the available options will not only make you a more informed buyer — it will also make the value you get out of your investment pay off much sooner.



Since the benefits go deeper than just cost savings, here are some additional questions you should be prepared to answer, or consider yourself, about your company's needs:

- What other services do you use besides phone and conferencing? (video conferencing, web meetings/webinars, chat applications, collaboration tools like Slack) and how many separate vendors are you managing for all these services?
- Do employees use other, non-sanctioned technologies to communicate and collaborate (aka "Shadow IT")?
- Do you have any contracts ending or are you weighing upcoming capital investments related to your phone system or phone service?
- What are other immediate savings or benefits you are looking to gain from your communications strategy?
- How much time is your IT department spending on telecommunications (e.g. implementations, move/adds/changes, vendor management, troubleshooting, etc.)?
- What kinds of metrics/insight into customer interactions would help improve your business?
- Do you know what your customers' experiences are like speaking to your service or sales reps?
- What is the impact on your business when your current phone system goes down?





With this information, you will be in the best position to evaluate how a cloud-based communications platform will benefit your company.

The decision to make this type of business change is not a small one. Updating a core system that touches every person, department, and customer should be evaluated and tested thoroughly. And of course, any supplier-partner needs to have experience and a proven track record of success with companies like yours.

Shilawat offers this advice to manufacturers evaluating potential cloud-based solutions, “Remember that selecting your provider must be a strategic choice. Cost savings are often a given, but the level of service and customer support a provider will deliver over time shouldn’t be overlooked.”

Chances are, most manufacturers who take a serious look at a cloud communications will quickly see its potential as a transformative business change for their own operation.

“Our cloud-based phone system is a one-stop shop for all our communication needs in the office. **It’s easy, reliable and direct.**”

Jon Anderson, STI Firearms, Domestic Account Manager



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