

customer care solutions from Nuance



white paper ::

Clouds in the Forecast

Cloud computing is an ideal way for enterprises to deliver highly differentiated customer service applications quickly and cost-effectively – but not all cloud IVR solutions are created equal. Here's what to look for.

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top 15 technology
trends in 2010.

SOURCE: Forrester Research



Cloud computing is one of the biggest trends in the enterprise market, promising a level of unprecedented flexibility and cost saving. Forrester Research says that cloud computing will be one of the top 15 technology trends in 2010 and Gartner predicts that the worldwide cloud computing market will be worth about \$150 billion by 2013. It's no wonder. Cloud computing gives companies a highly effective way to improve efficiency, employee productivity, and customer service.

Interactive voice response (IVR) solutions are a rapidly growing example of the wide-scale adoption of cloud computing services. But, there

are distinct benefits that apply to all cloud computing solutions:

- **Value of Resources.** Cloud computing frees IT staff from mundane server updates, software compatibility, and operational issues. This allows the IT organization to work more closely with the business, shifting their focus to innovative solutions that can truly differentiate an enterprise's services, as well as contribute to job satisfaction within the IT organization.
- **Simplified Implementation.** Without the need to purchase hardware and software, integrate, and test, enterprises can get cloud computing solutions up and running in record time.
- **Scalability and Reliability.** Often the software and hardware are geographically distributed within the cloud and many have some level of built-in levels of component redundancy and virtualization to improve reliability. Enterprises can scale solutions faster and more cost-effectively than if they had to acquire and install additional software and hardware. As a result, enterprises can provide a higher level of service because they're better positioned to accommodate, for example seasonal business, or the introduction of a product that has higher-than-expected support requests.
- **Continuous Improvement.** Cloud computing users can quickly respond to changing regulatory requirements, service expectations, or marketplace conditions. Because cloud solutions are made

available constantly and are based on the needs of many, cloud users simply pick and choose the solutions that best meet their needs at a given time. This alone gives enterprises a competitive advantage in terms of, for example, deploying cutting-edge customer care features that build loyalty or surpasses the competition.

- **Cost-effectiveness.** With cloud computing, Enterprises will benefit from significantly lower up-front costs because there's no capital outlay for the software or hardware. These savings directly improve an enterprise's competitive position by freeing up capital for other uses, such as developing products and services that generate revenue and differentiate the company in the marketplace. Finally, a hosted solution can be treated as an operational (OpEx) rather than a capital expense (CapEx), eliminating wasteful equipment depreciation. In some countries, there also can be tax benefits for OpEx rather than CapEx. At the same time, a cloud-based IVR is greener because the enterprise doesn't have to invest in computing power and cooling that's not needed on a continuous basis.

Even with these benefits, it's important to note that not all clouds are created equal. To deliver mission critical customer-facing solutions, enterprises must choose cloud computing services that guarantee uptime, capacity, and security, all with levels of flexibility, support, and services that meet the needs of today's enterprise.

IVR on demand

To better understand the usefulness of cloud computing for mission critical customer-facing solutions, it helps to look at speech-enabled IVR. When a hosting provider builds, monitors and operates the IVR and speech infrastructure, enterprises should demand a level of flexibility and control with options that meet their needs today and into the future.

Leading cloud-based IVR services provide these benefits:



- For enterprises that experience seasonal spikes or occasional unplanned call volume increases, a cloud-based IVR solution cost effectively meets demands. With on-demand IVR an organization pays just for the capacity it needs and only when it needs it. The alternative is to build and maintain the extra capacity on-site diverting capital from revenue-generating initiatives or risking the possibility of not being able to provide service when customers need it most.
 - The IVR cloud can provide access to many optional technologies at little to no cost. Examples include biometrics, pre-built application components, multi-lingual speech recognition and analytics.
 - With the largest providers of shared cloud infrastructure, meaningful data is accumulated across multiple callers, geographies, verticals, and applications. Because aggregating transactional data improves performance across the cloud, these providers can introduce improvements, which benefit all cloud users.
- Cloud-based IVR services allow solutions to be delivered using evolving standards-based technologies, such as VoiceXML and VoIP. In addition, the IVR cloud maintains current security and regulatory requirements, such as HIPAA and PCI.
 - Cloud-based IVR services leverage an enterprise's existing investments in ACD and CTI technologies by providing software-based components for easy integration.

- Delivering and maintaining an IVR application requires a specialized skill set and maintaining that expertise in-house can be costly and impractical. A cloud-based service provider will offer varying levels of professional services that can be leveraged by the enterprise.
- Clouds enable faster roll-outs of new services and enhancements because there is no hardware and software to install and test. Instead, the IVR provider makes an upgrade in the cloud, and all customers gain access immediately.

selecting a solution

As the selection of cloud IVR solutions grows, organizations have more options than ever before. To get the most benefits from a cloud IVR solution, companies must have a clear strategy and know what's available and how to weigh the benefits. The cloud frees enterprises from some of the tradeoffs of the past. Companies no longer need to consider purchasing a one-size-fits-all solution that incorporates IVR along with every other self-service interface known to man. Although the all-in-one solution strategy can make sense when considering premises-based solutions because of hardware and software acquisition costs, the cloud's benefit is to allow enterprises to most effectively deliver specialized best-of-breed services, such as speech-enabled IVR.

The IVR is a mission-critical service for most organizations, so when comparing solutions, they should give strong consideration to services that provide a stringent service-level agreement (SLA) and quality-of-service (QoS) guarantees for the caller experience. It's important that the cloud IVR vendor provide a 100 percent platform uptime guarantee, as well as the ability to monitor the caller experience throughout the entire IVR ecosystem.



Many enterprises have invested heavily in contact center infrastructure, as well as in best practices and security standards. Today's IVR cloud providers offer varying levels of flexibility and control. For example, Nuance On Demand offers enterprises the ability to maintain ownership and physical control of IVR applications and corresponding infrastructure, or the freedom to have all components hosted within the cloud.

Regardless of physical location, a cloud IVR provider should be required to take responsibility for identifying issues impacting the caller experience as well as identifying potential improvements. Options offered could include pay-for-performance pricing, where the provider is rewarded for identifying opportunities to improve performance beyond the metrics achieved within the on-premises solution.

To allow enterprises to effectively evolve the solution, today's IVR cloud must provide a level of visibility into the behavior of callers and success of the self-service application. Knowledge on how callers are using the solution is critical, yet reporting and analytics tend to be a service which is often overlooked or not scrutinized early in the evaluation process.

Market share directly affects a cloud IVR solution's performance because the more solutions and call volume that a vendor has implemented, the larger its transactional database is. Those experiences are keys for improving recognition rates. For example, Nuance has successfully implemented more than 3,000 IVR applications and currently automates nine billion calls globally. These Nuance best practices along with tuning data is integrated constantly into the Nuance On Demand cloud-based IVR service, providing cost savings through higher self-service success rates and an improved caller experience.

All credible cloud providers should offer the professional services to get the most benefit from the cloud. For example, the cloud IVR provider should have the expertise— either as part of the package or an option – to offer consulting, implementation, integration and post-deployment services. The cloud provider's professional services team can deliver an end-to-end solution, or be offered to complement skills within the IT staff, both with a goal of reducing costs and time to market.

The ideal solution should include guaranteed access to the vendor's latest and greatest technologies as they become available. For example, Nuance On Demand includes core and premium technologies such as Recognizer, SpeakFreely, SmartListener, Dialog Modules, Vocalizer, Verifier and On Demand Insight. Because current versions of each are delivered within the cloud immediately, Nuance On Demand customers often benefit months or years in advance.

Like a search engine, a speech engine improves as data is collected. Some cloud-based speech systems handle billions of transactions across hundreds or thousands of customers. Speech clouds such as Nuance On Demand are enormous repositories of data that can be leveraged by all customers within the cloud. The collected 'search' data is constantly integrated back to the engine to achieve higher recognition rates, improving performance and the end-user experience.

A cloud IVR solution is only as good as the technology and service it has the expertise to deliver. It's important to choose a solution from a company that's a proven leader at all levels, including core technologies, runtime components and the industry's largest repository of speech and application data and experience. One way to identify that leadership is to look at the company's awards, customer base, track record and market share, such as the percentage of all VoiceXML deployments in a particular region or worldwide. Consider a vendor that shares your vision on customer service. You will need a vendor that can help you evolve that vision through expertise and through a cloud delivery strategy that incorporates the needs of your business and of your customers.

For many organizations, cloud IVR is a simple matter of when rather than if. Understanding the considerations is to the first step in making the right decision, a step towards simultaneously improving both the bottom line and the customer experience.

about Nuance Communications, Inc.

Nuance is in the business of helping companies better support, communicate with and understand their customers while maintaining operational efficiency goals. Nuance currently supports over 8 billion care interactions around the world. No other company has as much experience as Nuance in understanding how customers interface with a care operation. Our vision is to make every customer interaction a winning experience. For more information about our customer interaction solutions, business consulting and professional services, please visit www.nuance.com/care.

