

The Total Economic Impact™ Of Cisco Webex Contact Center

Cost Savings And Business Benefits
Enabled By Cisco Webex Contact Center

October 2020

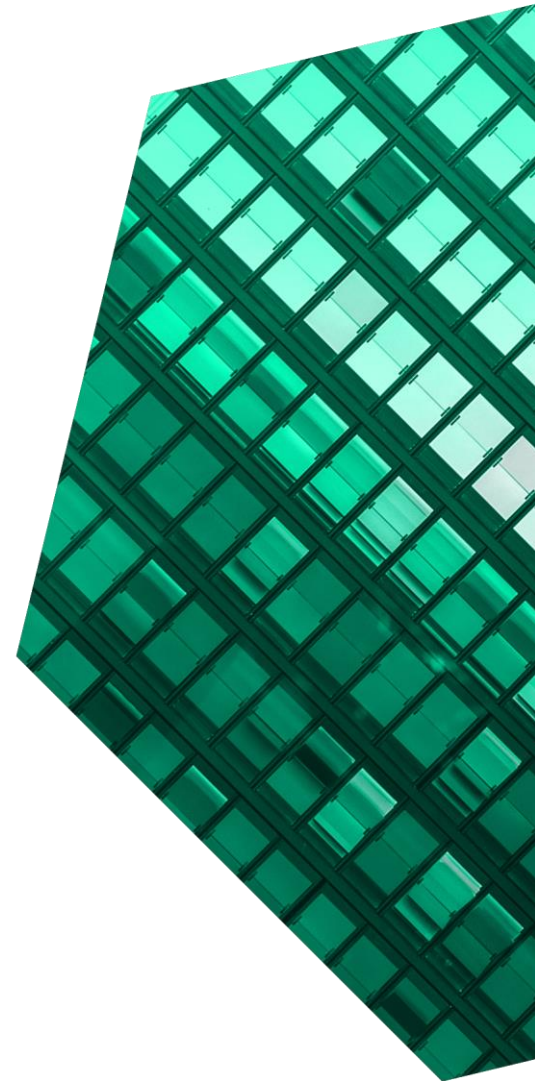
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ABOUT FORRESTER CONSULTING

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Executive Summary

Forrester's analysis of a current Cisco customer found that Cisco Webex Contact Center reduced contact center costs, improved visibility, simplified management, and boosted customer experience (CX) — while providing dependability, agility, and the ability to globally scale. The interviewed organization, with 2 million annual calls, achieved benefits of \$6,802,841 and an ROI of 262% over three years by replacing its legacy on-premises products with Cisco Webex Contact Center and its complementary set of Webex collaboration tools.

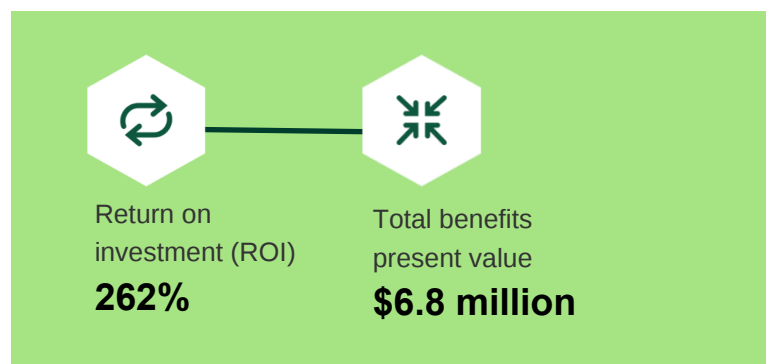
Contact centers are at the core of what it takes to properly win, serve, and retain customers for both B2B and B2C organizations. Rising customer expectations push companies to deliver ever improving CX, yet contact centers have complex suites of applications that can slow contact resolution and increase customer dissatisfaction. Enterprises need to integrate contact center software systems in order to leverage emerging AI tools and simplify agents' desktops and increase their speed and quality of contact resolution.¹

AI can also provide the contact center agents with additional knowledge and information that: 1) allows them to provide better customer service; 2) allows customers to self-serve in the best ways for them; and 3) reduces some of the burden on agents for repetitive tasks and information gathering.

Contact centers must also ensure reliability and agility at scale, doing so globally, if applicable — especially during times of global or market disruption.

TEI Methodology. Cisco commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential ROI enterprises may realize with Cisco Webex Contact Center. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Cisco Webex Contact Center for their own organizations.

Cisco Webex Contact Center. [According to Cisco, Webex Contact Center](#) brings the innovation,



flexibility, and agility of the cloud with the security and global scalability that organizations need. The service includes standard contact center functionality and reporting, skills-based routing, intuitive chatbot assistance with seamless transfer to agents, omnichannel integrated experiences, AI capabilities and complementary collaboration tools to enable teams to work together to solve customer issues the first time.

Customer Journey. For this TEI study Forrester interviewed the director of IT infrastructure for an American energy services provider which operates in most of the US states. The interviewed Organization previously struggled with an on-premises contact center with increasing costs, frequent outages, lack of updates, inability to scale, and limited capabilities. The Organization turned to Cisco Webex Contact Center because of perceived brand trust, reliability, and size of the vendor. In the past they were disappointed in smaller legacy vendors' lack of resources to keep up with contact center features and functionality.

Interviewed Organization. This TEI analysis illustrates the financial benefits, flexibility, costs, and risks which are being realized by the interviewed Organization. The Organization uses Cisco Webex Contact Center along with Webex Calling, Webex Teams, Webex Meetings, and Webex Room Devices. It has about 500 contact center agents located across the US as well as in Columbia, the Philippines, and India. The Cisco Webex collaboration platform replaced eight legacy on-premises and cloud applications from multiple vendors.

TOTAL ECONOMIC IMPACT FINDINGS

Quantified benefits. Forrester modeled \$6.8 million in three-year benefits primarily related to the Organization's investment in Cisco Webex Contact Center. On a secondary basis several of the Organization's groups also use Webex Calling, Webex Teams, Webex Meetings, and Webex Room Devices.

- **Savings of \$2.1 million from reduced IT support costs.** The deployment of the full Cisco Webex collaboration platform, including Webex Contact Center, allowed the Organization to retire eight legacy on-premises systems across multiple sites and reduce its IT support headcount by 17 FTEs.
- **Savings of \$1.9 million from reduced contact center agent labor.** Significant savings came from the reduction of contracts associated with business process outsourcing (BPO) contact center firms in Columbia, the Philippines, and India.
- **Savings of \$2.4 million from streamlined customer care support and quality management staff.** The Organization was able to redeploy customer support staff, reducing 100 FTEs down to 44 FTEs who were all previously required for the same activities.

“

With Cisco, we are able to put contact center agents on our team from across the globe, which has dramatically increased our ability to seamlessly have agents sitting anywhere in the world taking calls from the same queue. We view Cisco as rock solid globally, and that is something that has really blown our minds at the Organization.

”

— Director of IT infrastructure

“ Cisco Webex Contact Center brings our business the innovation, flexibility, and agility of the cloud with security and scalability. As a cloud-based subscription, Webex Contact Center allows us to have the latest technological advances while minimizing upfront capital investment. ”

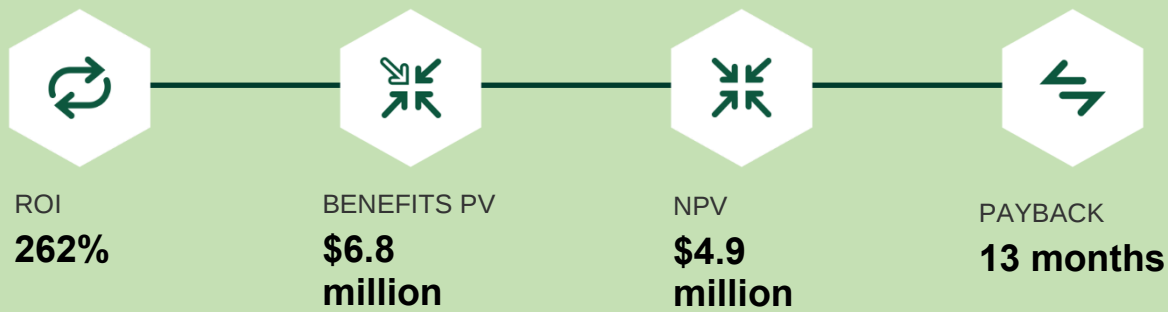
- **Cost avoidance savings of \$406,461 from replacing previous contact center and communications applications.** The Cisco Webex collaboration portfolio replaces eight legacy on-premises applications from multiple vendors.

Costs. Forrester modeled \$1.9 million in three-year costs associated with the Organization’s use of Cisco Webex Contact Center. These are qualified by the following cost categories:

- The Organization’s internal labor of \$481,326 associated with vendor selection, implementation and ongoing management.
- Cisco’s fees for Webex Contact Center result in costs of \$1,397,794.

Risks. Forrester has integrated an evaluation of risks and variability into all benefit calculations for this financial analysis. The organizational scale, variety and complexity of use cases, IT complexity, and regional and broader market forces may either hamper the realization of benefits or cause price, labor, or timeline overages.

Synopsis. Forrester’s risk-adjusted financial analysis for the Organization’s use of Cisco Webex Contact Center shows \$6.8 million in benefits versus \$1.9 million in costs over three years by switching from legacy hybrid on-premises/cloud solutions to the cloud-based Cisco Webex Contact Center, Webex Calling, Webex Teams, and Webex Meetings, adding up to a net present value (NPV) of \$4.9 million and an ROI of 262%.

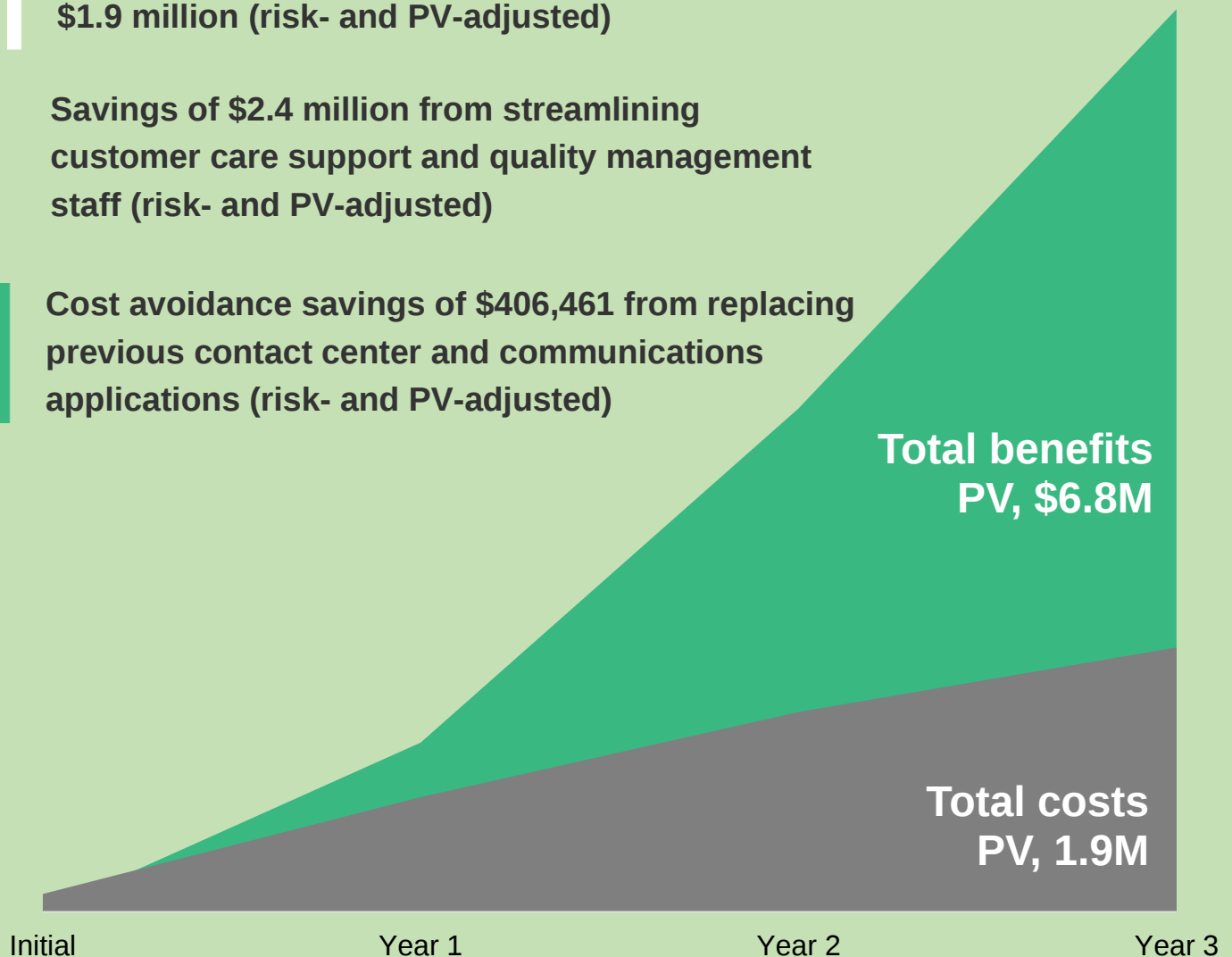


Savings from reduced IT support costs of \$2.1 million (risk- and PV-adjusted)

Savings from reduced contact center agent labor of \$1.9 million (risk- and PV-adjusted)

Savings of \$2.4 million from streamlining customer care support and quality management staff (risk- and PV-adjusted)

Cost avoidance savings of \$406,461 from replacing previous contact center and communications applications (risk- and PV-adjusted)



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ (TEI) framework for those organizations considering an investment in Cisco Webex Contact Center.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Cisco Webex Contact Center can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Cisco and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in Cisco Webex Contact Center.

Cisco reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

Cisco provided the customer name for the interviews but did not participate in the interviews.



DUE DILIGENCE

Interviewed Cisco stakeholders to gather data about the Cisco Webex Contact Center investment.



CUSTOMER INTERVIEW

Interviewed a customer (the Organization) using Cisco Webex Contact Center to obtain data with respect to costs, benefits, and risks.



FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on market factors and issues and concerns of the interviewed organization.



CASE STUDY

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

Cisco Webex Contact Center Customer Journey

■ Drivers leading to Cisco Webex Contact Center investment

INTERVIEWED ORGANIZATION

Forrester interviewed the Organization, a Cisco Webex Contact Center and Webex collaboration customer with the following characteristics:

- American energy services provider which operates in most of the US states.
- Has 7,500 employees.
- Serves 200,000 customers in the US.
- Employs 500 contact center agents around the world, e.g., US, Columbia, the Philippines, India.

KEY CHALLENGES

The Organization faced these common challenges before making its investment in Cisco Webex Contact Center and Webex collaboration:

- The Organization's legacy environment consisted of eight different systems for unified communications; however, they weren't very unified.
- Its legacy on-premises and cloud solutions were expensive; it needed 18 IT staff to maintain the eight different systems. The Organization knew they could drastically reduce their IT overhead by moving to the cloud.

"We were experiencing a number of very painful outages, so reliability was a big reason to look for a new solution. The bottom line is that our customers need to be able to reach us consistently and with good quality responses and Cisco fit the bill."



Director of IT infrastructure

- Outages started to happen with its previous contact center. The frequency of these outages caused lapses in service, lost revenue, and wasted labor.
- Legacy integrations with other systems were often expensive, difficult, and sometimes impossible.
- The legacy environment would not scale globally.

"We've had so many compliments from our people in the field that finally we're a unified company. Cisco has changed how we work; it's made us more efficient."



Director of IT infrastructure

INVESTMENT OBJECTIVES

The Organization searched for a solution that could:

- Continue the company's goal of moving all infrastructure to the cloud; and to find a software-as-a-service (SaaS) contact center vendor.
- Be part of a large, established company with an excellent reputation.
- Be deployed and updated quickly — in days and weeks, rather than in months and years.
- Provide truly unified communications.
- Consolidate all customer inquiries into a single global queue.
- Reduce labor and on-premises infrastructure maintenance costs.

- Provide the ability to repurpose IT staff who were no longer needed to support the eight different legacy systems.
- Gain immediate scalability for a global environment.
- Maximize business outcomes by improving sales conversions, revenues, retention, first contact resolutions, and customer satisfaction scores.
- Improve reliability, dependability, and call quality.
- Provide flexibility when building out options in the interactive voice response (IVR) features to use virtual agents and route customer calls to the right teams.

VENDOR SELECTION

The Organization evaluated a range of options with RFPs, business case analyses, and feature comparisons of leading contenders. It chose Cisco Webex Contact Center due to:

- Perceived brand trust and reliability from Cisco, based on interviewees' past experiences with other Cisco services.
- Cisco's network of local and global partners, that help design, integrate, and deploy Cisco's solutions.
- The ability to take advantage of Cisco Webex Contact Center's extended feature options, which include analytics, workforce management, workforce optimization, and quality management.
- Cisco's ability to support global expansion, which is needed to accommodate the Organization's international contact centers.
- The enablement of customers to engage with the Organization on the channel of their choice.
- Agent productivity being improved by automating routine tasks and connecting agents to the people and content they need.

"And so, we went looking for a vendor. Cisco started to check most of the boxes. I will say, I do not think there is a solution out there that's perfect for everyone, right? This is such a complex world. By the time you bundle in Cisco's Webex Contact Center with its extended analytics, workforce management, workforce optimization, and quality management options, you know, it was exactly what we needed in a vendor."



Director of IT infrastructure

CONTACT CENTERS DURING GLOBAL CRISIS

In response to the COVID-19 pandemic, many organizations have had to shift at least some, if not all, of their contact center workforce to working from home. These agents are facing unique challenges, from social isolation to poorly suited living conditions for work.²

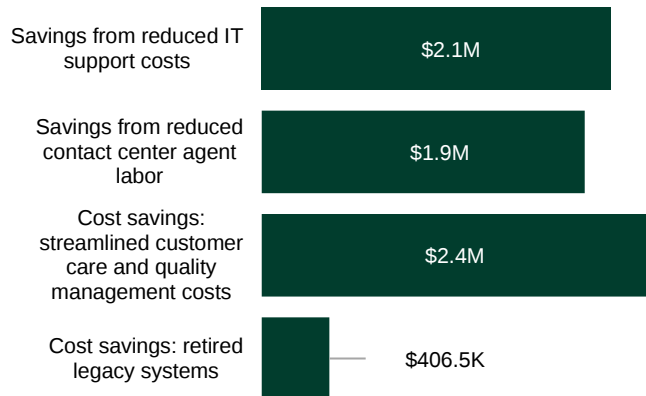
As the world watches the pandemic's effects begin to dwindle, and regardless of whether or not agents return to brick-and-mortar locations or stay working from home, Forrester recommends that businesses treat this crisis as an opportunity to design the ideal remote workforce, workflows, and interaction channels.³

Analysis Of Benefits

■ Quantified benefit data for the Organization

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Savings from reduced IT support costs	\$540,000	\$1,020,000	\$1,020,000	\$2,580,000	\$2,100,225
Btr	Savings from reduced contact center agent labor	N/A	\$1,120,000	\$1,120,000	\$2,240,000	\$1,943,802
Ctr	Cost savings: streamlined customer care and quality management costs	\$0	\$1,490,944	\$1,490,944	\$2,981,888	\$2,352,353
Dtr	Cost savings: retired legacy systems	\$100,000	\$200,000	\$200,000	\$500,000	\$406,461
Total benefits (risk-adjusted)		\$640,000	\$3,830,944	\$3,830,944	\$8,301,888	\$6,802,841

Benefits (Three-Year)



SAVINGS FROM REDUCED IT SUPPORT COSTS

Evidence and data. The Organization's investment in Cisco Webex Contact Center has allowed it to retire eight legacy cloud and on-premises systems across multiple sites.

"It's hard to quantify how much Cisco Webex solutions have saved our company, especially in the middle of a pandemic."



Director of IT infrastructure

This has resulted in reduced annual IT labor run-rate costs by an eventual 17 FTEs. Additionally, considering that Cisco's Webex Contact Center is integrated with Webex Control Hub, a unified administration experience is able to be provided for all Cisco Webex collaboration services, including Meetings, Calling, Teams, and Contact Center. It has allowed the Organization to have a simplified user onboarding experience for one or many Webex collaboration services through a single interface.

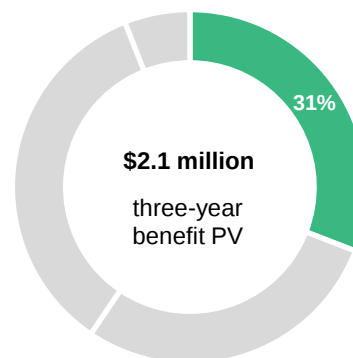
Modeling and assumptions. Factors impacting savings include:

- In order to manage and maintain eight legacy systems, the Organization required 18 IT staff at an average fully loaded cost of \$75,000 each.
- The labor associated with the overlap transition between legacy systems and Cisco products took six months, hence the Organization realized half of this benefit (\$540,000) in Year 1.
- Telephony is excluded from both cost savings and costs in this TEI analysis.⁴

Risks. Forrester uncovered moderate risks that may impact reduced IT support cost savings, including:

- Longer deployment time can delay the start of IT staff labor savings.
- Actual cost savings will depend on how quickly IT staff can be redeployed to other value-added activities.
- For readers of the case study, the fully loaded costs of IT staff could be different based on regional cost of living variations.

Synopsis. To account for these risk factors, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted PV of \$2.1 million.



Savings from reduced IT support costs: 31% of total benefits

Savings From Reduced IT Support Costs

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Previous IT labor – legacy call center and communications	Interviews/FTE	18	18	18
A2	Current IT labor – Cisco Webex Contact Center and unified communications	Interview/FTE	9	1	1
A3	IT labor savings	A1-A2	9	17	17
A4	Average fully loaded costs	Interviews	\$75,000	\$75,000	\$75,000
At	Savings from reduced IT support costs	A3*A4	\$675,000	\$1,275,000	\$1,275,000
	Risk adjustment	↓20%			
Atr	Savings from reduced IT support costs (risk-adjusted)		\$540,000	\$1,020,000	\$1,020,000
Three-year total: \$2,580,000			Three-year present value: \$2,100,225		

SAVINGS FROM REDUCED CONTACT CENTER AGENT LABOR

Evidence and data. The Organization successfully used Cisco Webex Contact Center to improve call routing, average handling time (AHT), first contact resolution (FCR) and after call work (ACW). Implementing Cisco's advanced IVR automated customer account validation reduced AHT by 20%. In addition, the following Webex Contact Center features are also contributing to the Organization's reduced contact center agent labor costs:

- Routing and queue management, in the creation of routing strategies to leverage skill assignments.
- Routing type options (skills-based, longest available agent routing, capacity-based team routing).
- Automatic call distribution (ACD). Callers are provided with queue positions and expected wait times.
- The Organization's customer validation process is handled by virtual agents. The first 60 seconds of every call are no longer handled by live agents.
- Disposition codes. Administrators can create disposition codes (wrap-up codes) that can track the reason for a call's end.

- Agent desktop. Support for a range of customer-preferred communication channels.

AHT was lowered by 20%, through virtual agents, better routing, IVR self-help, agile IVR updates, and digital improvements informed by AI.



Modeling and assumptions. Factors impacting savings from reduced contact center agent labor costs include:

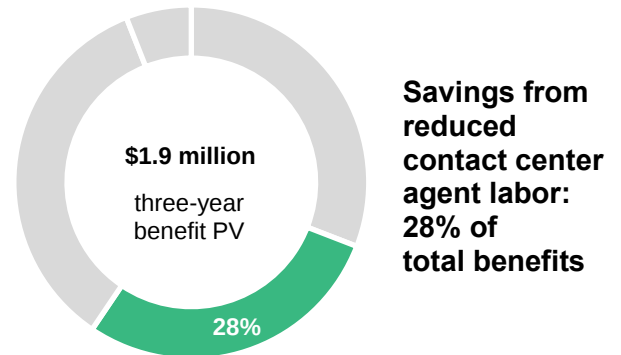
- Contact center labor expenses before Cisco were \$10M (500 agents times \$20,000/agent).
- Average agent utilization is 70%, meaning that \$7M of expenses were eligible for 20% savings.
- Year 1 was spent transitioning away from the legacy on-premises contact center to Cisco Webex Contact Center. Forrester allowed time for both normal attrition (not backfilled) and the redeployment of excess agents to other value-added responsibilities; therefore the labor savings begin in Year 2.

- The average agent cost per hour, factoring in international BPO agents is \$9.61 (\$20,000 annually divided by 2,080 hours).

Risks. Forrester uncovered moderate risks including:

- Longer deployment time can delay the start of contact center labor savings.
- Actual cost savings will depend on how quickly contact center agents can be redeployed to other value-added responsibilities.
- For readers of the case study, the fully loaded costs of contact center agents could be different based on regional cost of living variations.

Synopsis. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted PV of \$1.9 million.



Savings From Reduced Contact Center Agent Labor					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	Call center labor expenses before Cisco	500 agents * \$20,000	\$10,000,000	\$10,000,000	\$10,000,000
B2	Call center average agent utilization	Industry average	70%	70%	70%
B3	Call center expenses eligible for savings	B1*B2	N/A	\$7,000,000	\$7,000,000
B4	20% reduction (savings) in average handling time (AHT)	B3*20%	N/A	\$1,400,000	\$1,400,000
Bt	Savings from reduced contact center agent labor	B4	N/A	\$1,400,000	\$1,400,000
	Risk adjustment	↓20%			
Btr	Savings from reduced contact center agent labor (risk-adjusted)		N/A	\$1,120,000	\$1,120,000
Three-year total: \$2,240,000			Three-year present value: \$1,943,802		

COST SAVINGS: STREAMLINED CUSTOMER CARE AND QUALITY MANAGEMENT COSTS

Evidence and data. According to the interviewed Organization, the effort associated with customer care and quality management was significantly less once Cisco Webex Contact Center and its collaboration solutions were fully operational in Year 2. The Organization reduced customer care and quality management resources by 56 FTEs beginning in Year 2.

“Finally, we truly have unified communication with the Cisco Webex offerings. It allows us to increase efficiencies across the board.”



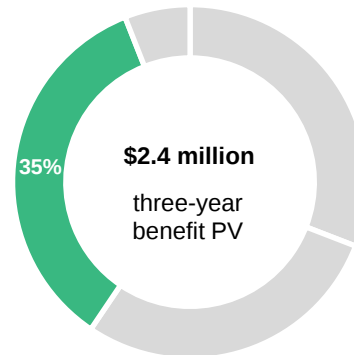
Director of IT infrastructure

Customer care and quality management staff were able to take advantage of Cisco’s unified communications solutions including Webex Calling, Webex Teams, and Webex Meetings, which resulted in significant operational efficiencies and the ability to reduce (redeploy) staffing resources.

Modeling and assumptions. Factors contributing to reduced customer experience/care staffing costs include:

- Prior to investing in Cisco’s contact center and unified communications (UC) products, the customer care and customer experience groups had a combined total of 100 FTEs.
- Benefits commenced in Year 2 as the customer care and quality management groups transitioned from legacy products to the new Cisco UC products. Forrester allowed one year for both normal attrition (not backfilled) and the redeployment of staff to other value-added responsibilities.
- The customer care and quality management groups were able to streamline and reduce

(redeploy) staff by 56 FTEs at an average annual cost of \$33,280 per FTE for a risk-adjusted savings of \$1,490,944 in both Years 2 and 3 of the analysis.



Streamlined customer care and quality management costs: 35% of total benefits

Risks. Forrester uncovered moderate risks including:

- Longer deployment time can delay the start of the reduced customer experience/care costs.
- Actual cost savings will depend on how quickly customer administrators can be redeployed to other value-added responsibilities.
- For readers of the case study, the fully loaded costs of customer administrators could be different based on regional cost of living variations.

Synopsis. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted PV of \$2.4 million.

Cost Savings: Streamlined Customer Care And Quality Management Costs					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Before Cisco: number of customer care and quality management staff	Interviews	100	100	100
C2	After Cisco: number of customer care and quality management staff	Interviews	100	44	44
C3	Reduction in staff	C1-C2	0	56	56
C4	Average costs per staff	\$16/hour* 2,080 hours	\$33,280	\$33,280	\$33,280
Ct	Cost savings: streamlined customer care and quality management costs	C3*C4	\$0	\$1,863,680	\$1,863,680
	Risk adjustment	↓20%			
Ctr	Cost savings: streamlined customer care and quality management costs (risk-adjusted)		\$0	\$1,490,944	\$1,490,944
Three-year total: \$2,981,888			Three-year present value: \$2,352,353		

COST SAVINGS: RETIRED LEGACY SYSTEMS

Evidence and data. The Cisco Webex collaboration solutions replaced eight legacy systems from multiple vendors. The Organization was able to retire these systems and avoid the costs of service and maintenance, which include application and operating system licenses and network infrastructure at an annual cost savings of \$250,000.

The legacy systems that Cisco replaced included the following: an on-premises contact center, collaboration software, video conferencing software, virtual meeting software, dialing systems, and SMS texting software.

“The Cisco Webex Contact Center was one of the best technology investment decisions we’ve ever made.”

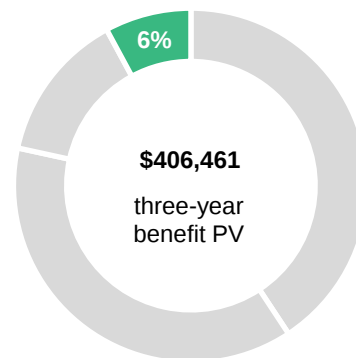


Modeling and assumptions. Factors impacting Forrester’s analysis include:

- By the middle of Year 1, the Organization was able to retire all legacy systems and \$125,000. And in Years 2 and 3, it saved \$250,000.
- Forrester has included three years of costs for the Cisco products that replaced the previous legacy systems. These costs can be found in the Analysis Of Costs section of this study.

Risks. Forrester uncovered moderate risks that impact this benefit including:

- The Organization could only provide an estimate of the costs savings for the retired systems, therefore Forrester risk-adjusted the benefit downward.
- There was uncertainty as to the exact timing of the retirement of each system during Year 1



Retired legacy systems: 6% of total benefits

Synopsis. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted PV of \$406,461.

Cost Savings: Retired Legacy Systems

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
D1	Previous cost of eight legacy systems and infrastructure replaced by Cisco	Interviews	\$250,000	\$250,000	\$250,000
Dt	Cost savings: retired legacy systems	Interviews	\$125,000	\$250,000	\$250,000
	Risk adjustment	↓20%			
Dtr	Cost savings: retired legacy systems (risk-adjusted)		\$100,000	\$200,000	\$200,000
Three-year total: \$500,000			Three-year present value: \$406,461		

VOICE OF THE CUSTOMER: THE ORGANIZATION ON CISCO EFFICIENCY

“When you are managing eight different systems or platforms you still have an administrative burden because you must learn those systems, administer those systems, integrate those systems with your directories, etc. And when all that was consolidated in the Cisco Webex Control Hub, it saved my team countless hours.”

“Webex Contact Center brings our business the innovation, flexibility, and agility of a cloud with security and scalability. As a cloud-based subscription, Webex Contact Center enables us to maximize the benefits of advanced technology while minimizing upfront capital investment.”

VOICE OF THE CUSTOMER: THE ORGANIZATION ON CISCO DEPENDABILITY

“With Cisco, we had a lot of confidence with its visibility and scalability. So, visibility, that’s the single pane of glass, the Webex Control Hub, better visibility than anything else I’ve ever seen; and scalability of course, they’re scalable as in public cloud, which is more scalable than anyone that’s in private cloud.”

“Regarding security, Cisco has an entire team internally that we can depend on to secure our infrastructure. So, I have more confidence in Cisco being secure than our previous legacy platforms.”

UNQUANTIFIED BENEFITS

The Organization discussed other benefits they had experienced but could not yet quantify. For example:

- The use of Cisco Webex Contact Center has improved customer satisfaction, which the Organization believes has had a positive impact on revenue. Customer satisfaction and retention is also enhanced with faster time-to-resolution, because of the use of virtual agents for customer validation.
- Sales conversions have improved with subsequent increases in revenue; although, it's not something the Organization has measured.
- The Organization has also accelerated revenue, as its sales force can book business faster with the efficiencies of Cisco Webex Contact Center.
- Cisco's Webex Workforce Optimization (Webex WFO) enhances contact center scheduling and managing staff. Cisco's WFO Quality Management helps measure agent efficiency and performance. It also helps ensure there are no compliance regulation issues with Sarbanes-Oxley (SOX) and Payment Card Industry Data Security Standard (PCI) compliance. And Cisco's WFO Analysis feature analyzes speech and desktop actions, which promotes the coaching of agents on best practices dealing with caller resolution.

FLEXIBILITY

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit in the future.

The value of flexibility is unique to each customer. There are scenarios in which a customer might implement Cisco Webex Contact Center and later realize additional uses and business opportunities, including:

In the future the Organization will be phasing in virtual voice chatbot agents delivering more engaged and conversational interactions with customers. The

Organization is also looking forward to using Cisco's AI, machine learning (ML), and data analytics.

Flexibility would also be quantified when evaluated as part of a specific project.

BUSINESS CONTINUITY

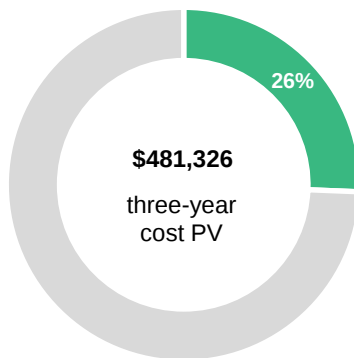
The Organization found that Cisco Webex Contact Center helped accommodate significant spikes in call volume, ensure reliability, and adapt to new customer needs with speed — in ways that legacy solutions could not have handled, as the COVID-19 pandemic took hold.

“Bringing collaboration tools together in the cloud with Cisco Webex products has delivered an unparalleled experience. The ability to switch to work-from-home overnight during these unprecedented times was seamless.”

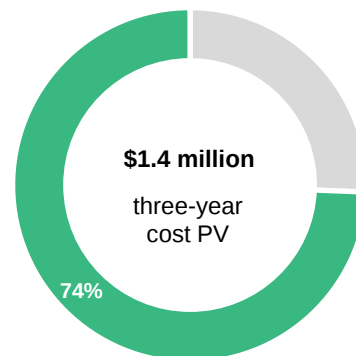
Analysis Of Costs

■ Quantified cost data as applied to the interviewed organization

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Cisco Webex Contact Center vendor selection, implementation, and ongoing management	\$180,417	\$121,000	\$121,000	\$121,000	\$543,417	\$481,326
Ftr	Cisco fees for Webex Contact Center	\$0	\$562,074	\$562,074	\$562,074	\$1,686,221	\$1,397,794
	Total costs (risk-adjusted)	\$180,417	\$683,074	\$683,074	\$683,074	\$2,229,638	\$1,879,120



Vendor selection, implementation, and ongoing management: 26% of total costs



Cisco fees for Webex Contact Center: 74% of total costs

CISCO WEBEX CONTACT CENTER VENDOR SELECTION, IMPLEMENTATION, AND ONGOING MANAGEMENT

Evidence and data. After a comprehensive vendor selection process that included 134 criteria, the Organization chose Cisco Webex Contact Center. Several important criteria evolved around the financial stability of the vendors, their status in the industry, and whether they would be acquisition candidates, which the Organization was trying to avoid. The director of IT infrastructure was asked to further describe their internal processes for vendor selection, preplanning the implementation and deployment processes, and ongoing management of Cisco's Webex Contact Center. The following job titles were involved with the above activities: CIO; director of IT infrastructure; vice president of customer care; director of inside sales; director of customer experience team; a quality assurance director; director of the workforce management (WFM); and a telephony staff person.

The vendor selection and due diligence processes took four months; another five months were added for implementation and deployment processes.

On an ongoing basis post-implementation, it takes one FTE to manage both the Cisco Webex platform and the ongoing migration of future Cisco Webex products into the Organization's IT infrastructure.

Modeling and assumptions. The vendor selection process involved eight individuals spending an average of 20% of their time over four months. At an average cost per hour of \$58.00 the vendor selection process totaled 1,110 hours, or \$64,038.

The implementation and deployment processes involved eight individuals spending an average of 25% of their time over five months. At an average cost per hour of \$58.00, the implementation and deployment processes totaled 1,733 hours, or \$100,514.

On an ongoing basis one FTE manages all of the Cisco Webex platform at a fully loaded cost of \$110,000 annually for a total of \$330,000 over three years.

Risks. Forrester uncovered low risks that may impact costs associated with vendor selection, implementation, and ongoing management.

- Labor costs represented estimated actual hours spent with the above activities.
- For readers of the case study, the hourly costs of the referenced job titles could be different based on regional cost of living variations.

Synopsis. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted PV of \$481,326.

Cisco Webex Contact Center Vendor Selection, Implementation, And Ongoing Management						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Vendor selection labor	8 FTEs at 20% over 4 months	1,110			
E2	Vendor selection average cost per hour	\$120,000/2080	\$57.69			
E3	Vendor selection labor costs	E1*E2	\$64,038			
E4	Implementation labor	8 FTEs at 25% over 5 months	1,733			
E5	Implementation labor average cost per hour	\$120,000/2,080	\$57.69			
E6	Implementation labor costs	E4*E5	\$99,977			
E7	Ongoing labor to maintain Cisco Webex platform	One FTE @ \$110,000/year	0	\$110,000	\$110,000	\$110,000
Et	Cisco Webex Contact Center vendor selection, implementation, and ongoing management	E3+E6+E7	\$164,015	\$110,000	\$110,000	\$110,000
	Risk adjustment	↑10%				
Etr	Cisco Webex Contact Center vendor selection, implementation, and ongoing management (risk-adjusted)		\$180,417	\$121,000	\$121,000	\$121,000
Three-year total: \$543,417			Three-year present value: \$481,326			

CISCO FEES FOR WEBEX CONTACT CENTER

Evidence and data. The Organization has the following Cisco Webex Contact Center licenses:

- Twenty premium concurrent agents.
- Three-hundred and forty premium standard agents.
- Seventy-six campaign manager agents.
- Three-hundred and forty workforce management agents.

The Organization has also invested in Cisco's premium technical support services, which include:

- 24X7 Cisco Technical Assistance Center (TAC) phone support, with 1-minute response times.
- Designated service management.
- Business review.
- Advance customer success.

- Advanced analytics.

Modeling and assumptions. The Organization's total agent license fees amount to \$562,074 annually. Its cost for premium technical support is \$20,000 annually.

Risks. Forrester did not risk adjust Cisco's fees as they were direct price quotes from a Cisco partner.

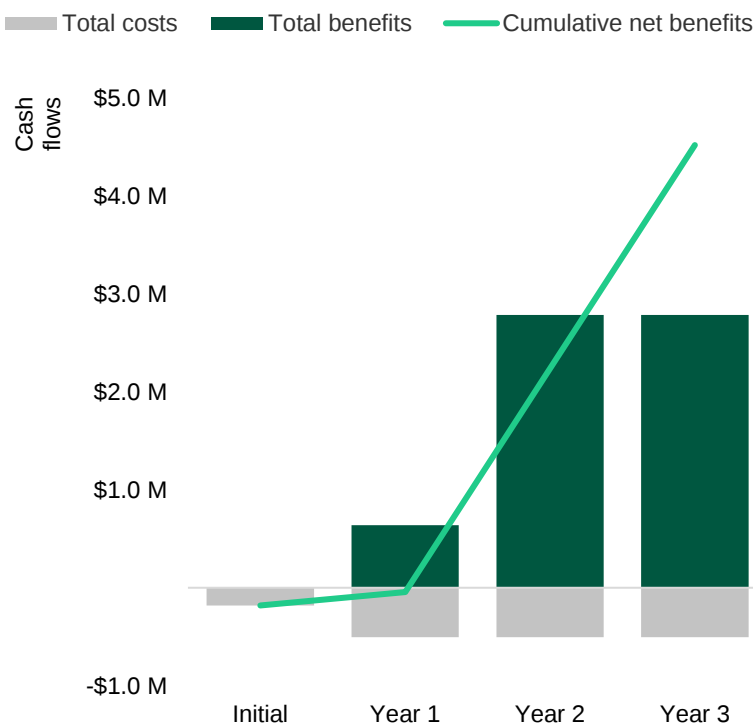
Synopsis. This cost category yielded a three-year, risk-adjusted PV of \$1,397,794.

Cisco Fees For Webex Contact Center					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
F1	Total Cisco Webex Contact Center license fees	Interviews	\$542,074	\$542,074	\$542,074
F2	Premium support services	Cisco	\$20,000	\$20,000	\$20,000
Ft	Cisco fees for Webex Contact Center	F1+F2	\$562,074	\$562,074	\$562,074
	Risk adjustment	0%			
Ftr	Cisco fees for Webex Contact Center		\$562,074	\$562,074	\$562,074
Three-year total: \$1,686,221			Three-year present value: \$1,397,794		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section for the interviewed organization. Forrester assumes a yearly discount rate of 10% for this analysis.

Cash Flow Analysis (Risk-Adjusted Estimates)						
	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$180,417)	(\$683,074)	(\$683,074)	(\$683,074)	(\$2,229,638)	(\$1,879,120)
Total benefits	\$0	\$640,000	\$3,830,944	\$3,830,944	\$8,301,888	\$6,802,841
Net benefits	(\$180,417)	(\$43,074)	\$3,147,870	\$3,147,870	\$6,072,250	\$4,923,721
ROI						262%
Payback period						13 months

Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

TOTAL ECONOMIC IMPACT APPROACH

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."



PRESENT VALUE (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



NET PRESENT VALUE (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made unless other projects have higher NPVs.



RETURN ON INVESTMENT (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



DISCOUNT RATE

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.



PAYBACK PERIOD

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Appendix B: Supplemental Material

Related Forrester Research

“AI And Automation Will Upend The Customer Service Workforce,” Forrester Research, Inc., January 3, 2020.

Appendix C: Endnotes

¹ Source: “Design Your Contact Center To Be Customer-Centric,” Forrester Research, Inc., September 25, 2019.

² Source: “Forrester’s 30-60-90-Day COVID-19 Response Plan For Customer Service,” Forrester (<https://www.forrester.com/fn/LV1a13igk5X2IIny7VD7k>).

³ Ibid.

⁴ Telephony costs vary significantly depending on the volume of inbound, callback, and outbound calls, the region, the number of direct inward dialing (DID) and toll-free numbers, and the usage of those numbers. After evaluating the financial model with telephony excluded, Forrester ultimately has chosen to exclude both new telephony costs and legacy telephony costs as the net impact was marginal at best and highly dependent on specific company needs otherwise.

The background of the entire image is a dark green color with a repeating pattern of a building's window grid. The pattern consists of a grid of squares, each representing a window. The grid is composed of thin, dark lines that form the window frames. The squares are arranged in a regular, repeating pattern across the entire image. The color of the background is a deep, forest green. The pattern is subtle and covers the entire area, creating a textured effect.

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