



Cloud Contact Center: Understanding the Total Cost of Ownership

Evaluating Hidden and Ongoing Costs Associated With
the Ownership of Hardware-Based Systems

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metaswitch

A decorative graphic on the left side of the page features a dark blue background with a network of white lines connecting various colored dots (blue, orange, white) to form a complex, abstract pattern.

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Are You Considering the Purchase of a New Contact Center Solution?

To build a proper business case, it is important to fully understand and evaluate the often hidden – and ongoing – costs associated with the ownership of hardware-based systems.

If so, you are most-likely evaluating the pros and cons of replacing older facilities-based systems for newer on-premise hardware versus moving up to the cloud. And, most importantly, trying to determine which of the two options will be the most cost-effective in the long run.

Could it in fact be more economical in the long-run to make a significant “one-time” CAPEX investment to avoid monthly recurring Contact Center as a Service charges? While this initial question may seem like a logical one, simply comparing the amortized purchase price of a hardware-based solution to the total monthly fees of a cloud-based solutions over the same period of time does not give you the complete picture.

Common Questions

- » **What** happens once the premises-based equipment is purchased and installed?
- » **How** much does the space and power required to host the equipment cost on a monthly basis?
- » **Who** will install the hardware and ensure its ongoing maintenance?
- » **How** much of your IT personnel’s hours and corresponding salary and non-salary compensation needs to be allocated to supporting – and learning how to support – this new system?
- » **What** happens if a break occurs, and replacements or upgrades are required?
- » **When** will you need to replace your new purchase, and at what cost?



Total Cost of Ownership over a 5 Year Period		On Premise Hardware	Cloud-Based Solution	Notes
Up-Front Costs				
CAPEX	CC Core Hardware Purchase CC Software Purchase Backup Hardware Purchase Ancillary / Feature Module Hardware Purchase	✓ ✓ ✓ ✓	✗ ✗ ✗ ✗	CC, ACD, CTI, IVR and PBX servers & modules Software licenses Critical hardware backup servers & modules SMS, email, chat, WFM, etc, add-on modules
Up-Front Set-Up Costs	CC Core Hardware Purchase CC Software Purchase Backup Hardware Purchase Ancillary / Feature Module Hardware Purchase	✓ ✓ ✓ ✓	✗ ✗ ✗ ✗	OEM and/or Vendor costs OEM/Vendor/Internal/3rd Party costs if applicable IT manhours for deployment, training & certification costs Loss of expected savings/revenues during deployment process
Recurring / Ongoing Costs (over 5 years)				
Service Fees	CC Software Fees	✗	✓	Monthly licenses per seat
Support & Maintenance Costs	Hardware Support Plans Software Support Plans IT Support & Maintenance Staffing Costs Staffing Opportunity Costs	✓ ✓ ✓ ✓	✓ ✓ ✗ ✗	OEM and/or Vendor support plans OEM and/or Vendor support plans IT salaries, benefits, overtime, management, etc. Turn-over, training & knowledge transfer, errors, re-training
Hosting Utilities & Security Costs	Space and Power Proactive Monitoring Costs Security Costs and Compliance Audits	✓ ✓ ✓	✗ ✗ ✗	Server room rackspace & utility costs for power, cooling NMS software operators Manhours associated with compliance readiness & auditing costs (PCI etc.)
CAPEX	Equipment Financing Costs Depreciate of Equipment Costs	✓ ✓	✗ ✗	Financial costs associated with CAPEX investments
One-Time Life Cycle Costs				
Repair Costs	Unplanned Costs	✓	✗	Repair and/or replacement of defective hardware
Upgrade Costs	Software upgrade purchases & installation costs Hardware upgrade purchases & installation costs	✓ ✓	✗ ✗	Compatibility & interop testing, security testing, etc. Compatibility & interop testing, security testing, etc.

✓ Additional cost

✗ No additional cost

Salaries & Operating Costs

IT maintenance and supporting personnel salaries represents an estimated 17% of a typical contact center's operating expenses. A decision to purchase hardware will usually preclude any opportunity to downsize or significantly reduce costs in this particular area.

A cloud-based contact center solution does not simply eliminate the one-time costs associated with deploying and hosting equipment. It enables your organization to reduce ongoing operating expenses because maintenance, support, updates and upgrades are covered by the monthly licenses of the Contact Center as a Service model.

Other Things to Consider

Opportunity Costs

Depending on the size of your organization and complexity of the solution you are considering, hardware-based deployments implementations can take months, even years to be completed.

Meanwhile, your business is not benefiting from the efficiency gains and cost savings you were expecting from your new Contact Center platform. Metaswitch's Cloud Contact Center, powered by Telax, can be implemented in weeks, so you can start positively impacting your bottom line much faster!

Scalability

What happens when your business grows, and you need to add more agents? More premised based equipment and software licenses need to be purchased and installed. In addition, you need to ensure that sufficient voice channels will be provisioned, which can severely impede your ability to react in a timely manner.

Thanks to its ability to provide users with On-Demand scalability and bursting capabilities Metaswitch can not only help you increase your seat count in real-time, but also let you scale down during slower seasons to make sure you are never over-provisioned.

Business Continuity

Relying on a hardware-based contact center solution means your operations are at the mercy of anything that can affect the facilities in which the equipment is housed.

In the event of a power failure or natural disaster, Metaswitch's cloud-based nature and remote agent capabilities can make failover and disaster recovery simpler than ever before. By allowing calls to be routed over the PSTN or mobile networks, and thanks to its web-based agent console, if a disaster occurs, your agents can get back to work quickly ensuring that you remain open for business.

To learn more, visit us at <https://www.metaswitch.com/solutions/unified-communications-solutions/contact-centers>



We're Changing the Contact Center Game

Unlike most over-the-top cloud solutions, Our Cloud Contact Center solution enables your contact center to become part of your unified communications service by integrating directly with our hardened voice network; delivering increased reliability, superior voice quality, and faster more accurate resolve times.

The only full-featured, powerful, flexible, and customizable Cloud Contact Center platform built right into your Service Provider network.

Plus, with a Metaswitch powered solution you get the human capital you need to ensure your agents are empowered to deliver optimal customer service. At **NO ADDED COST**, we'll help:

- » **Recommend** better contact center metrics to gain actionable business intelligence for Senior Management.
- » **Provide** continuous training to ensure the most effective use of our simple yet powerful analytics and reporting tools.
- » **Offer** ongoing staff training leveraging industry best practices to improve the collection and aggregation of optimal contact center metrics for your goals.