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Employee, Customer Experience Transformations Deliver Measurable Value

Single-provider consolidation improves UCC adoption, employee productivity; integrations, anytime/anywhere interactions boost CX metrics

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Executive Summary

Companies are transforming both their employee and customer experiences through the use of technology. These transformations are ongoing, and no matter where organizations are in their journeys, there are nearly unlimited changes and improvements they can make as business requirements dictate. Quantifiable transformation results occur with both employee and customer engagement projects.

On the employee engagement side, our research shows most companies are using or plan to use a single provider for Unified Communications and Collaboration (UCC) applications, including calling, messaging, and video/audio/web conferencing. A single-provider strategy results in benefits such as increases in application utilization that correspond with measurable benefits such as revenue gains, cost savings, and productivity improvements. Transformations are swifter when fewer vendors are involved, primarily because of decreased learning curves, reduction in integration requirements, and both implementation and operational cost savings. What's more, when organizations consolidate into a single provider, they can more easily buy integrated services and bundled equipment that are certified to work with their employee engagement platforms.

Benefits of using a single provider aren't just anticipated, those who have already implemented such an approach have found measurable successes including:

- Operational costs decrease by 44%
- Utilization of applications increase by 33%
- Employee ratings of technology improve by 36%
- Productivity increases by 32%

Typically, separate decision-makers purchase employee collaboration and customer interaction technologies. However, companies are finding benefits in integrating the technologies used by each group.

On the customer engagement side, organizations also are consolidating providers, along with a variety of additional Customer Experience (CX) transformation projects. Integration of UCC applications with contact center platforms is among the most common. They also are adding advanced customer engagement capabilities, such as artificial intelligence. Organizations also are finding compelling benefits when they transform customer experience:

- Customer satisfaction ratings increase by 40%
- Revenue increases by 30%
- Operational costs decrease by 20%.

This report, based on a primary research Metrigy (formerly under the name Nemertes) conducted with 571 organizations in March and April of 2020, details how companies are transforming their employee and customer journeys, how they are working with providers, and what successes they are finding.

The Move to Transform Employee Experience

For years, companies have been involved in digital transformation initiatives, which leverage new and emerging technology to improve business processes or deliver new services. These transformations may affect networks, security, and various internal and external processes or interactions that may be industry-specific.

With the growing adoption of collaboration technologies, coupled with increases in employees working from home, a logical place for transformation is with employee engagement technologies. Most companies (57.5%) have completed an employee transformation project or have one underway.

Those initiatives include:
- Changing and consolidating platforms, services, capabilities
- Integrating Unified Communications and Collaboration (UCC) applications, such as calling, messaging, and meetings, with enterprise apps
- Integrating AI with UCC and CX apps
- Expanding work from home programs and associated collaboration apps
- Moving UCC platforms to the cloud
- Delivering and/or expanding online training
- Increasing adoption of team collaboration
- Expanding availability of video conferencing as well as video streaming applications
- Upgrading networks to support broader use of collaboration applications, especially video conferencing
- Adding automation to start meetings using video conferencing or screen sharing
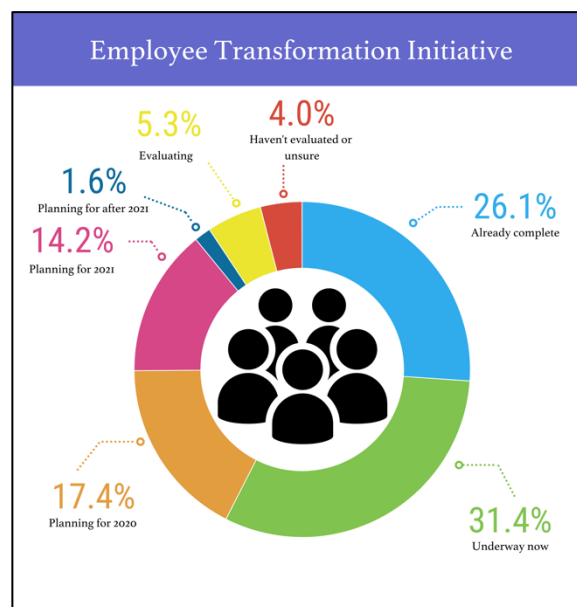- Expanding access to UCC apps on mobile devices including phones and tablets

Figure 1: Employee Transformation Initiative

UCC Provider Consolidation

Several of the employee transformation initiatives research participants cited included a deliberate effort to consolidate the number of providers they had offering various flavors of collaboration applications. Already, 24.4% of companies have integrated all UC applications under a single provider, and another 28.5% are planning to do so by the end of 2020. Consolidation reduces overhead that slows transformation projects.

In moving to a single provider, IT leaders expect improvements. (Please see Figure 2.) Most importantly, they expect that the technology is intuitive to use by delivering all collaborative apps to employees from a single provider with a similar user interface. They don't have to train employees on different interfaces, logic, and functionality.

They also expect to have management and monitoring tools that will manage multiple apps from a single interface. Almost equally as important, they anticipate utilization will increase because single-vendor application suites are tightly integrated with connectors between the apps for employees to seamlessly accomplish work tasks.
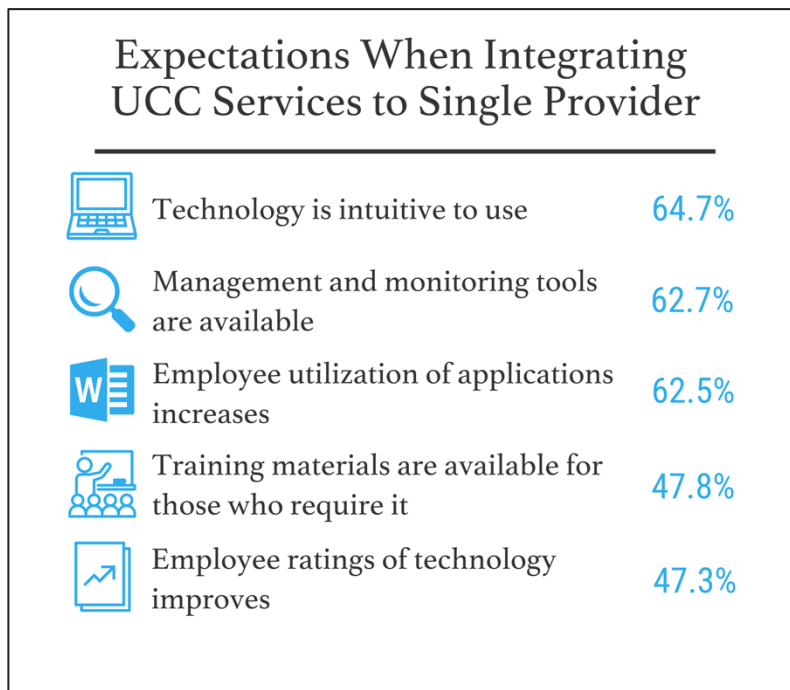

Expectations When Integrating UCC Services to Single Provider

Technology is intuitive to use	64.7%
Management and monitoring tools are available	62.7%
Employee utilization of applications increases	62.5%
Training materials are available for those who require it	47.8%
Employee ratings of technology improves	47.3%

Figure 2: Expectations When Integrating UCC Services to Single Provider

Single Provider Benefits Further Transformation

As companies continue to transform, they often need to add additional services or capabilities, such as integrated cloud services, security, network reliability guarantees and associated bandwidth, and contact center solutions, to name a few. If they have a strategic relationship

with a provider—particularly a network service provider—they can buy those capabilities from that provider.

A relationship with a strategic network service provider gives IT staffs the option to buy bundled services and equipment related to the UCC applications. Of most interest is bundling video equipment and headsets. Again, transformation is about efficiency; the ability to one-stop-shop for equipment is useful, but the guaranteed integration with existing products and services is even more valuable in the amount of time it saves during implementation. The provider also can bundle network and application management.

Single Provider Strategies Deliver Measurable Success

Those using a single provider for all UCC apps have uncovered measurable success in four key areas: Employee productivity increases, operational costs, utilization of apps, and employee ratings of company-provided technology.

Employee Productivity

The most substantial benefit of moving to a single provider is improvement in employee productivity—or the amount of time it takes to complete tasks. Nearly three-quarters of the research participants (73.4%) measured a productivity improvement through the use of an integrated, feature-rich UCC experience. The mean productivity improvement is 31.7%.

Productivity is often a "soft" benefit, or one that could be challenging to measure. Essentially, it equates to time—either taking less time to complete a task, or completing more tasks in a shorter period of time.

When employees use collaboration applications, such as meetings or team collaboration platforms, they uncover productivity improvements. For example, with meetings platforms, they may experience faster and better-quality meetings; saved time because they don't have to travel; or faster sales cycles because of face-to-face communications.

Single UCC Provider

32%

Increase in Employee Productivity

With team collaboration, they may see projects completed in less time because of the ability to keep brainstorming going despite time zone challenges, faster product development, and less
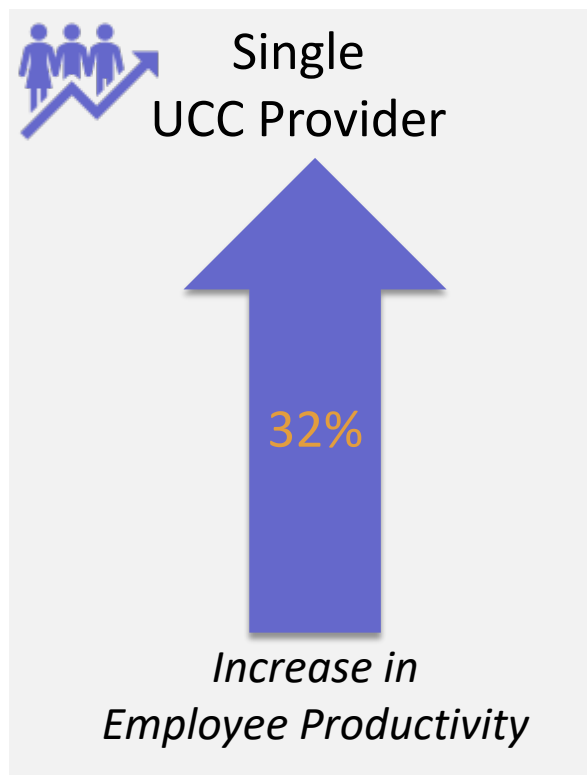
time with the small talk that accompanies live communications--ultimately freeing employees to accomplish more in an eight-hour day.

Operational Costs

UCC operational costs, including the IT staff costs, subscription, training, managed services, and maintenance, drop by an average of 44% when organizations move from using multiple providers to using a single provider.

This can result in substantial cost savings. Companies that use multiple providers spend an average of $260 monthly per license on these UCC operational costs, according to *Metrigy's 2020-21 Cost-Benefit Analysis* research study. Using a single vendor decreases the monthly per-user cost to $145.

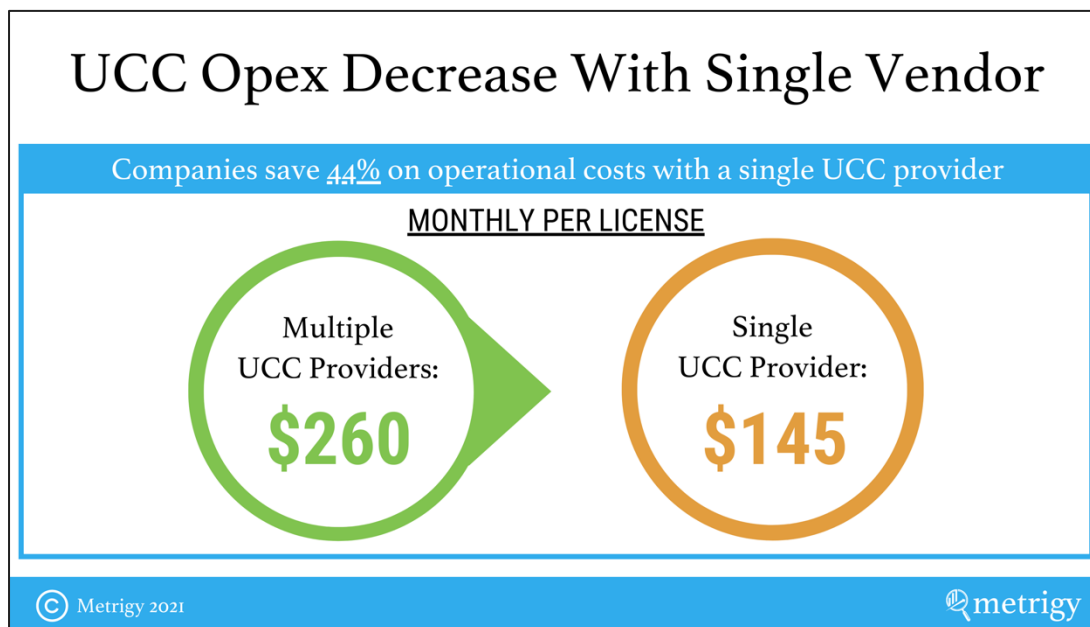For a 1,000-employee company, that totals $1.38 million annual savings.

Figure 3: Operational Cost Decrease

Application Utilization

When companies use a single UCC provider, they also see an improvement in application utilization, or the percentage of total possible application licenses in active use. When it comes to collaboration applications, not all employees use all applications available to them in large part because they weren't aware the applications existed or they didn't know why they should use them.

Given the investment organizations make to acquire the applications, IT and business leaders want to make sure employees use them to drive business value. As a result, they have started to measure application utilization.

In the research study, 60.8% measured application utilization, and they saw a 33.1% increase in overall utilization of available collaboration applications when they use a single provider vs. multiple providers.

Single UCC Provider

33%

Increase in Application Utilization
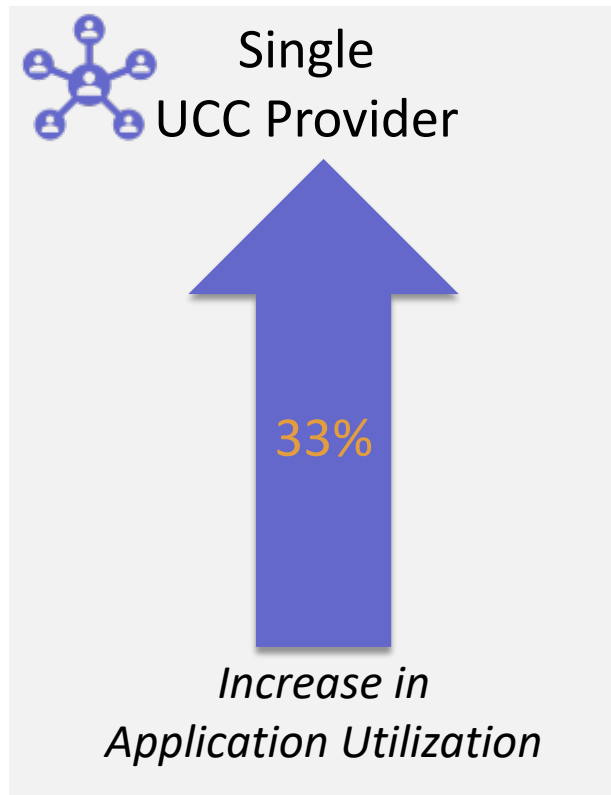
IT and business leaders may go beyond just simple utilization and also look at additional details, including time of day the applications are in use, regional or departmental differences in application utilization, or which collaboration applications are used for what purposes. They also may tie those metrics to various Key Performance Indicators. For instance, if one product development team uses team collaboration and consistently brings products to market in 70% of the time it takes other groups, it may indicate the applications play a role in the success.

Why does application utilization matter? IT staffs spend time and money evaluating the business problems or opportunities that collaboration applications can address. They then spend a significant amount of money acquiring, implementing, and operating these applications. They bought them to solve problems or capitalize on opportunities, but when employees aren't utilizing them to their fullest potential, the company is losing the value that prompted the original purchase.

Employee Ratings

As employees use more collaboration applications and realize the benefits they can deliver, their satisfaction with company-provided technologies improves. About 63% of companies conduct surveys with their employees to gauge their level of satisfaction with the technology IT provides to accomplish their work tasks.

In this research study, 60.5% of the participants saw their employee ratings improve by an average of 35.7% after they had moved to a single provider.

By delivering UCC applications from a single provider, employees don't have to become accustomed to different user interfaces. They also can leverage built-in integrations that make transitions from, say, screen sharing to video to team collaboration straight forward and seamless.

Contact Center Improvements Boost CX

In addition to improving employee experience, organizations also are focusing on customer experience improvements that typically manifest as changes to contact center platforms and associated applications.

The research participants identified six common projects that comprise their CX transformation initiatives. (Please see Figure 4.) Each of these initiatives results in measurable business improvements, including improvements in customer ratings, increases in revenue, and decreases in operational costs to support contact center technology.
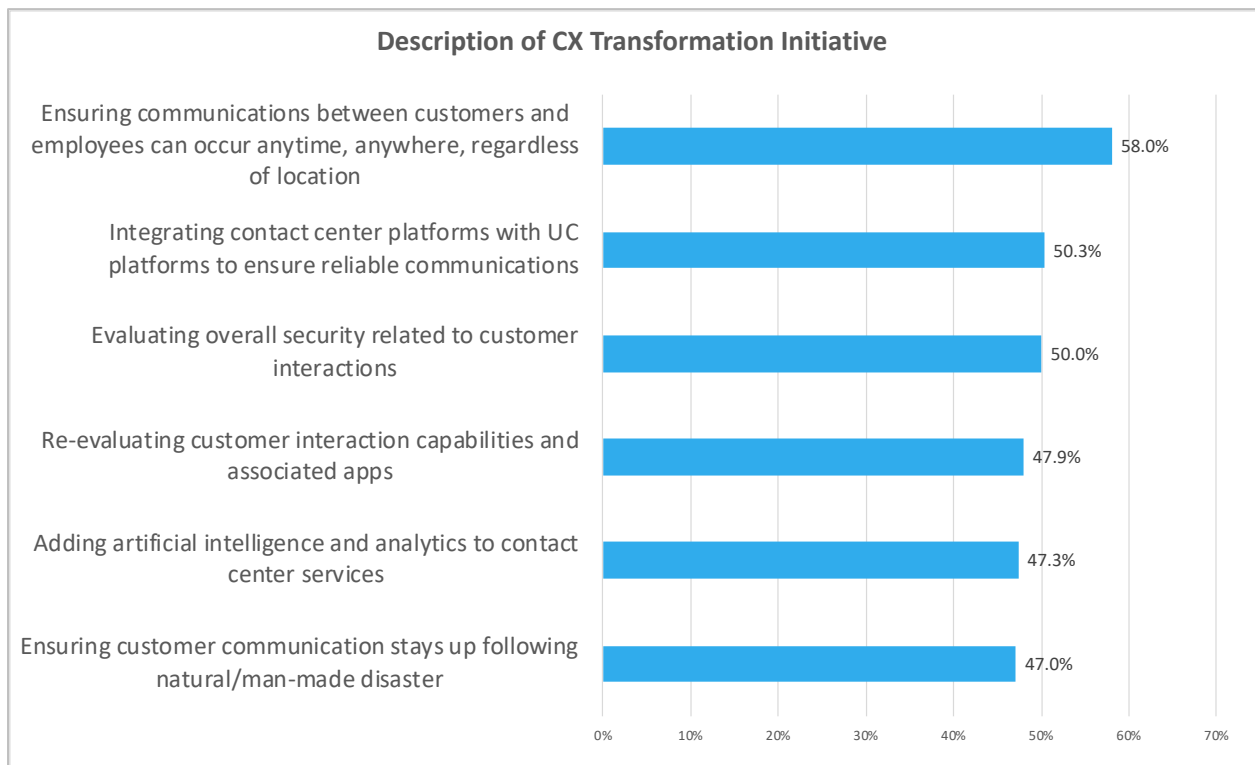

Description of CX Transformation Initiative

Initiative	Percentage
Ensuring communications between customers and employees can occur anytime, anywhere, regardless of location	58.0%
Integrating contact center platforms with UC platforms to ensure reliable communications	50.3%
Evaluating overall security related to customer interactions	50.0%
Re-evaluating customer interaction capabilities and associated apps	47.9%
Adding artificial intelligence and analytics to contact center services	47.3%
Ensuring customer communication stays up following natural/man-made disaster	47.0%

Figure 4: Percentage of Companies Doing Each CX Project

Customer Communications Initiatives

Three of the CX transformation initiatives are related to how organizations communicate with their customers. They are trying to expand the number of interaction channels, as well as associated applications, to enrich the experience for any customer question or problem. They also want to make sure customer communications channels are always open, even when there is a natural or man-made disaster. Figure 5 on the following page illustrates the business metric improvements research participants uncovered when they completed the following CX projects:

- *Ensuring communications between customers and employees can occur anytime, anywhere, regardless of location.* Whether business-to-business, or business-to-

consumer organizations, customers have moved beyond the options of landline voice and email to communicate. Mobile devices are increasingly becoming the primary method of communications, so contact center agents must have the ability to connect with customers or prospective customers over SMS, MMS, or mobile business chat. When companies have completed this project as part of their CX transformation, they see very compelling business metric improvements, the highest being a 60% boost in customer ratings. Why? Because customers are happy with the ability to communicate using their mobile device. When they are thinking of an issue, they can resolve it, regardless of their location.

- *Re-evaluating customer interaction capabilities and associated apps.* Nearly half of the research participants took a hard look at their interaction capabilities. For example, they evaluated whether to add video conferencing, screen sharing, web chat, social media interaction, and in-app chat, and then added the applications deemed appropriate for their organization. They also added agent analytics, Workforce Optimization (WFO), and industry-specific applications. Customers want multiple options for communications and to integrate those options using omnichannel. By adding additional channels and analytics to provide agents advice on, say, upsell recommendations, they increased revenue by 38%.
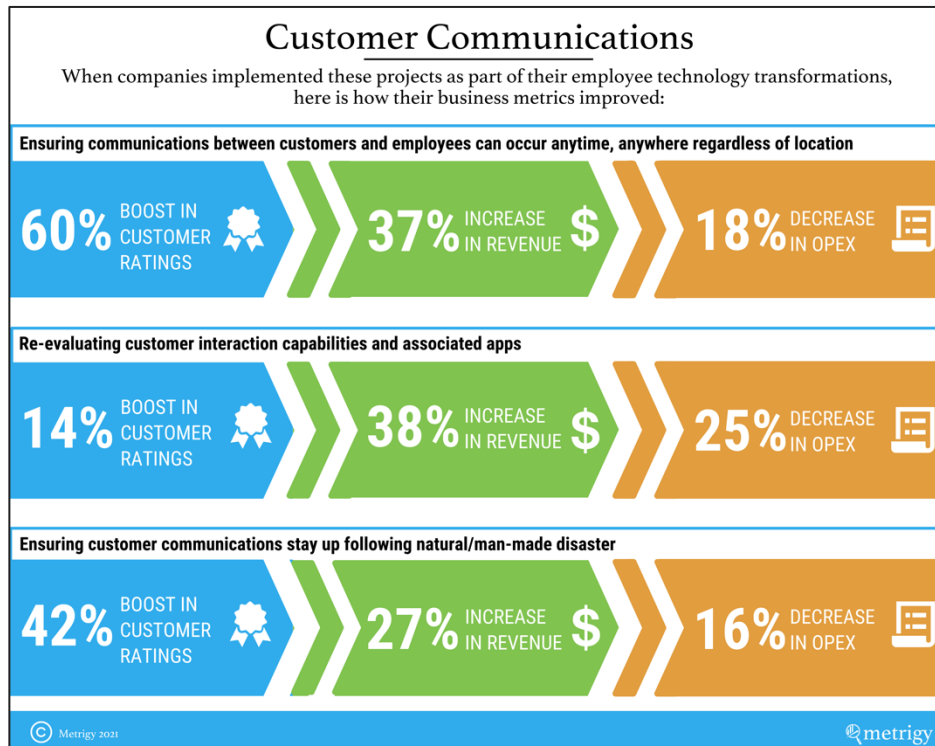

Figure 5: Customer Communications Business Metrics

- **_Ensuring customer communications stays up following natural/man-made disasters._**
Certainly in 2020, companies have learned the importance of disaster planning. By extending contact center platforms and applications to home offices, organizations can make sure they can continue operations for any disaster that could take down a contact center. Doing so boosts customer ratings by 42%.

Contact Center/UCC Integration

Organizations also integrated their contact center and UCC platforms, and saw measurable results in their business metrics. (Please see Figure 6.) They integrated these platforms for a variety of reasons, including the following:

- Create a collaboration workspace for each customer; use it to discuss upsell opportunities or to review past chats and attached files.
- Provide key customers with access to presence status of their account team, allowing them to then connect via their chosen collaboration application.
- Connect a non-agent expert to a video conference or screen share to resolve a problem.
- Use customer analytics data to help with sales and marketing activities.
- Track customer interactions for product development teams; use collaborative applications to discuss improvements with remote teams.
- Implement mobile extensions to experts, who can be looped into a contact center interaction to solve a time-sensitive issue.
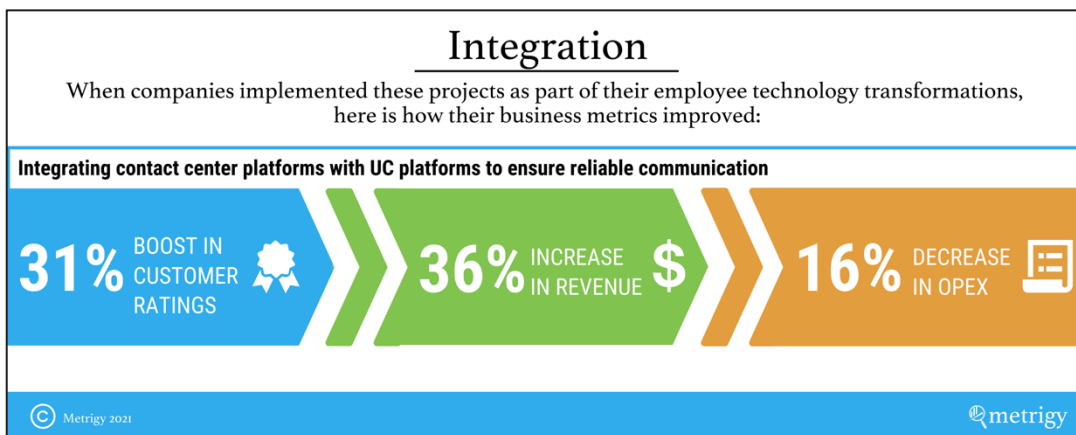

Integration

When companies implemented these projects as part of their employee technology transformations, here is how their business metrics improved:

Integrating contact center platforms with UC platforms to ensure reliable communication

31% BOOST IN CUSTOMER RATINGS   **36%** INCREASE IN REVENUE   **16%** DECREASE IN OPEX

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Figure 6: Business Integration Metrics

Evaluate Security

As in every walk of IT life, security is a vital issue. When it comes to Personally Identifiable Information (PII), companies must have solid security strategies in place to protect it. One of the transformation projects, therefore, is "evaluating overall security related to customer interactions."

Companies perform comprehensive security audits to ensure everything from network security to credit-card data are following best practices. In addition, they must make sure that anything customers say, type into webchat, or share on a video or phone/computer screen, is appropriately addressed. For example, if the interaction results in the customer sharing confidential information, such as a credit card number, account number, income, social security number, etc., and it is being translated or transcribed by Artificial Intelligence (AI), it must be encrypted for storage. When customers know companies take security seriously, they rate that provider 34% higher and are more likely to do business with them, resulting in a 28% increase in revenue. (Please see Figure 7.)
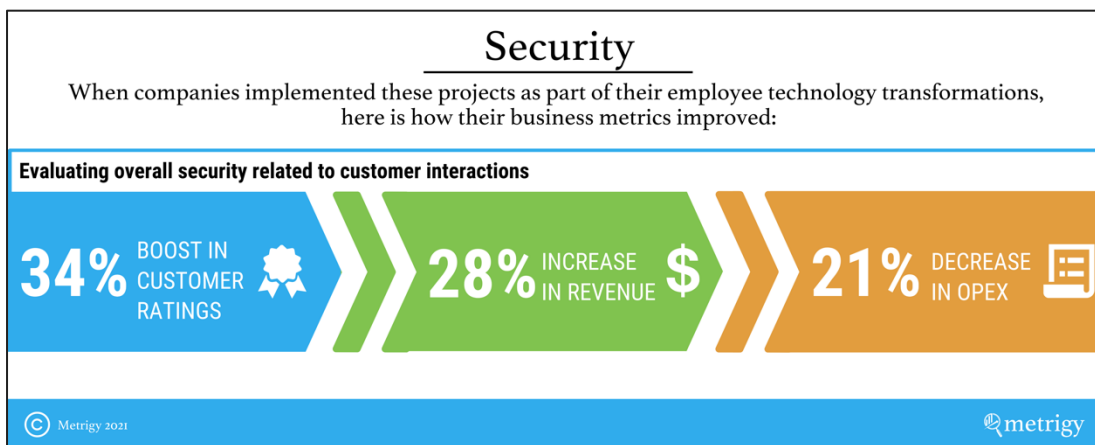

Figure 7: Security Business Metrics

Leverage Artificial Intelligence

Most companies (53.3%) use or plan to use AI to personalize CX. For example, they may connect virtual assistants to CRM data and self-service knowledge bases and provide customized recommendations. They also may do small things, like agent assistants who provide screen pops to remind agents to call Robert "Bob" and to remember he always wants overnight shipping.

Companies find benefits, such as a 26% increase in revenue and a 27% boost in customer ratings because of the value AI can bring to getting customers answers and recommendations quickly. (Please see Figure 8.)

They also see a 25% reduction in contact center operational costs because AI can automate many functions, direct customers to self-service knowledge bases, and reduce the time agents must spend solving problems. However, some organizations see an increase in operational costs initially, as they train and test the accuracy of their data sets. But on the bright side, AI projects improve customer retention by 40.3% for 85% of companies.
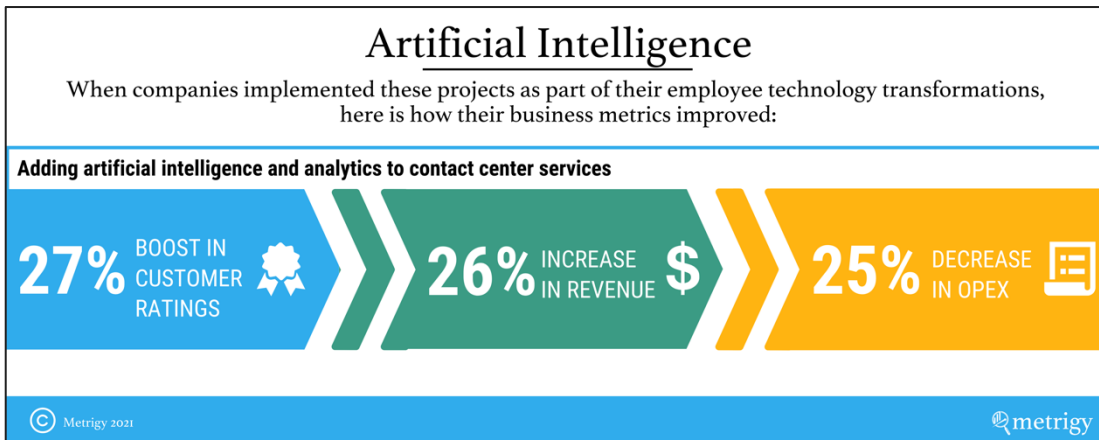
Figure 8: Artificial Intelligence Business Metrics

Conclusion

Organizations that focus on transforming both their employee and customer experience find measurable success in meaningful business metrics. When companies consolidate their UCC services to a single provider, they find improvements in application utilization, employee productivity, and employee ratings of company-provided technology, while measuring decreases in operational costs to support the applications.

Similarly, organizations find value when they transform their customer experience, with projects such as ensuring communications with customers can occur anytime, anywhere; adding artificial intelligence and analytics to the contact center, or evaluating overall security related to customer interactions. These projects result in customer ratings improvements, revenue increases, and cost decreases.

Enterprise IT leaders should consider the following:

- Technologies used for both employees and customers are vital to company success—and they should be undergoing transformation to maintain their competitive advantage. Identify business problems or opportunities that technologies can address.
- Single-vendor strategies for employee collaboration and customer interactions result in measurable success. Consider provider consolidation as a way to reduce overhead and take advantage of common user interfaces and built-in integrations. By using a network service provider, IT leaders get the benefit of consolidated UCC and/or contact center applications—plus the network services that support them.
- For any transformation project, measure baseline figures for metrics such as employee productivity, customer ratings, operational cost, and revenue. Then measure the change in KPI to document success.

Methodology

Metrigy (formerly under the name Nemertes) conducted a study for Lumen to evaluate how companies are using and transforming the technologies necessary for both employee collaboration and customer interactions. In April 2020, Metrigy interviewed and surveyed 571 companies from eight countries, with an average employee size of 7,994, and an average annual revenue of $2.4 billion. The research included companies from 40 industries, with the top being high-tech (22.6%), manufacturing (12.3%), professional services (10.2%), education (8.8%), and financial services (8.2%).

In addition to the data presented in this report, Metrigy asked vendor-specific questions. For the metrics covered, we found the following figures among Lumen's customers:

Employee Engagement

When research participants integrated their UCC applications and associated network services with a single provider, and their primary provider was Lumen, they found the following changes:
- Operational savings for Lumen: 28%
- Application utilization increase: 39%
- Employee ratings of company-provided collaboration technology: 44.3%
- Employee productivity increase: 29.2%

Customer Engagement

When research participants completed any customer transformation project, and their primary contact center provider was Lumen, they found the following changes:
- Customer ratings improvement: 45.5%
- Revenue increase: 40%
- Operational cost decrease: 37%

ABOUT METRIGY: Metrigy is an innovative research firm focusing on the rapidly changing areas of Unified Communications & Collaboration (UCC), digital workplace, digital transformation, and Customer Experience (CX)/contact center—along with several related technologies. Metrigy delivers strategic guidance and informative content, backed by primary research metrics and analysis, for technology providers and enterprise organizations.