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From Cost Center to Innovation Center

Flip the cost model for your contact center with the cloud.

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For many businesses, the contact center is where they invest to resolve customer issues, deliver personalized customer experiences, and nurture long-lasting customer relationships. However, the way traditional contact centers are set up today focuses largely on cutting costs, while innovating customer service gets put on the back burner.

On one end of the cost spectrum are the large capital expenditures of owned, staffed, and physically managed buildings that run in-house hardware and software. On the other end is technology, telephony, and integration work required to tie together physical infrastructure with multiple software products. Because of this complexity, businesses are often forced to choose—cut costs or innovate for better customer experiences.

We believe another approach is possible: Not just adjusting or reducing the associated cost model, but also turning it on its head. Instead of on-premises systems that lock you into an up-front cost with limited flexibility, a cloud-based, AI-enhanced contact center can lower costs while allowing for innovation that will deliver better customer experiences and more revenue. So what does this look like in practice?

Flipping the cost model

Traditional contact centers share some of their DNA with traditional data centers—specifically their roots in real estate, large staffs, and capital commitments to

equipment and software. Multiple licenses, on-premises servers, maintenance contracts, and staff have to be tuned to accommodate peak needs even during non-peak times. For example, one financial services company needs to scale up to 11,000 agents during tax season and then down to 6,000 a month later. Planning for this with a traditional contact center solution means paying for the maximum number of agent licenses and servers up-front for the duration of a multiyear contract, even if almost half of those licensed seats will be unused and the on-premises servers will be underutilized the majority of the year.

We take a different approach to pricing at AWS. In contrast, **Amazon Connect**, AWS's cloud contact center, charges per usage—period. That applies not only to foundational contact operations, but also to all contact center features, including AI-powered automatic transcription, sentiment and issue detection, and voice-powered customer authentication. As normal and peak times come and go, companies pay only for the time agents are actually interacting with customers.

In 2020, AWS commissioned Forrester Consulting to quantify those benefits, and the findings of the resulting **Total Economic Impact™ study** showed that switching to Amazon Connect saves the average contact center customer \$4.3 million in cloud technology costs, 31% of subscription costs, and \$4.6 million in agent labor savings.

In an interview for the Forrester study, a vice president at one global financial information company said that after migrating 750 agents to Amazon Connect they gained immediate cost savings and efficiency—and never looked back. The company saved over 40% a year as a result. Separately, another company in the healthcare industry told me that Amazon Connect's consumption-based pricing slashed its contact center costs by more than 80%.

At the same time, the average Amazon Connect customer enjoyed enhancements in customer service that led to \$2.6 million more operating income. Overall, Forrester found using Amazon Connect provides a three-year 241% return on investment.

Innovate for better customer experiences

In addition to technology costs, cloud contact centers can also decrease operating costs while increasing customer retention, leading to more revenue. Every organization wants better customer service, whether it's for internal employees seeking information technology (IT) help, customers inquiring about orders, or citizens looking for local information. Part of that is solving their problems quicker, which also turns out to make things less expensive. If we solve the problem efficiently the first time, that costs a lot less than having multiple follow-up calls and potentially frustrating and losing a customer. And a happy customer becomes a loyal customer, increasing retention.

For example, a retail customer was able to increase customer satisfaction and first-contact resolution 15% by leveraging AI capabilities in Amazon Connect to automatically equip their agents with the information they need to resolve customer issues as quickly as possible. And by automating responses to frequently asked questions, our customers have decreased their customers' time in queue and freed up agents to handle the most urgent requests. One technology company used AI-powered natural language chatbot and deflected calls to messaging channels, speeding time to customer resolution while saving 20%.

All this means that customers get answers to questions faster and don't have to wait on hold.

Cloud-based solutions also enable contact centers to react more quickly and pivot for changing customer service needs. Sometimes we want to innovate and sometimes we are forced to, as we learned during the COVID-19 pandemic. At the beginning of the pandemic, one customer urgently needed to set up a contact center to answer questions about testing sites. They were able to start accepting calls in under an hour all while cutting contact center costs by 50%.

Even when not reacting to global catastrophes like COVID-19, our customers need to constantly innovate to meet changing customer needs. This has traditionally been hard—hard to know where to start and hard to move quickly and easily. One ticket exchange company told me that making changes to their contact center used to take up to a month, but with Amazon Connect they are now able to easily make changes in one day. In addition, Amazon Connect's AI capabilities give them insight into what changes they may need to make. They are using Contact Lens for Amazon Connect to analyze customer calls in real time, and the insights they get help them understand what changes they need to make to resolve issues faster and increase customer satisfaction.

It's become a cheeky aphorism that "the cloud is just someone else's computer;" but in truth, it's a new way of doing business. The cloud is more than just where operations take place, as Amazon Connect illustrates, it offers flexibility and cost-efficiency that change how, and how quickly, things get done. For companies that depend on their contact centers as the main point of contact between their brand and their customers, this is more than an adjustment. It's a new way of thinking about customer service in which costs go down, effectiveness goes up, and results speak for themselves.

To learn more about Amazon Connect, AWS's cloud contact center solution, [click here](#).