

FORRESTER®

# The Total Economic Impact™ Of 8x8 Contact Center

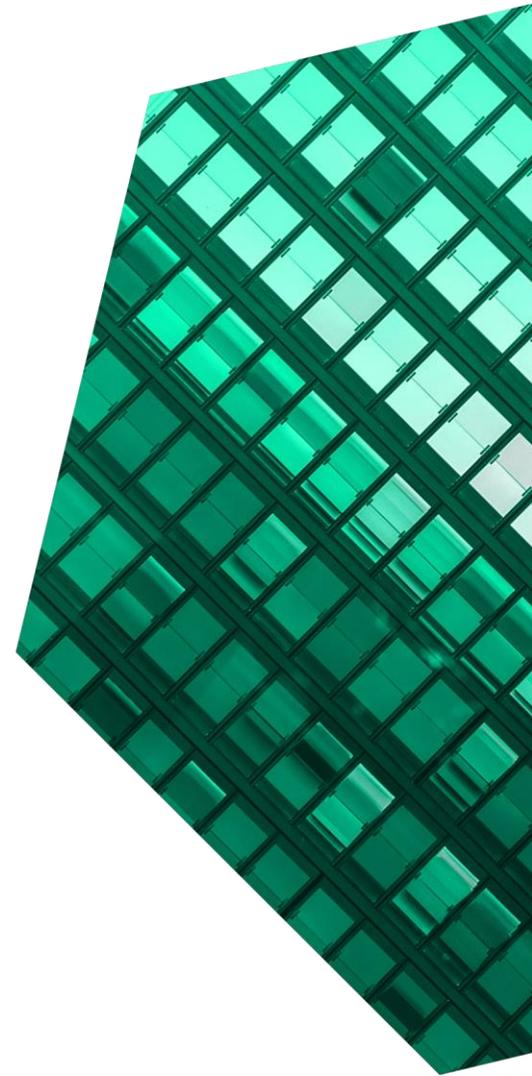
Cost Savings And Business Benefits  
Enabled By 8x8 Contact Center

DECEMBER 2021

## Table Of Contents

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<b>Executive Summary .....</b>	<b>1</b>
<b>8x8 Contact Center Customer Journey .....</b>	<b>6</b>
Interviewee's Organization.....	6
Key Challenges .....	6
Solution Requirements/Investment Objectives .....	7
Use Case Description .....	7
<b>Analysis Of Benefits .....</b>	<b>8</b>
Savings Through Migration From Legacy Systems To 8x8 eXperience Communications Platform.....	8
Profit Due To Increased Answer Rate .....	9
Telecom Minute Usage Savings.....	10
Unquantified Benefits.....	11
Flexibility .....	13
<b>Analysis Of Costs .....</b>	<b>14</b>
Contact Center License fees.....	14
Contact Center Support Costs .....	15
Contract Interface And Support.....	15
<b>Financial Summary .....</b>	<b>17</b>
<b>Appendix A: Total Economic Impact.....</b>	<b>18</b>
<b>Appendix B: Endnotes.....</b>	<b>19</b>



### ABOUT FORRESTER CONSULTING

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## Executive Summary

8x8 Contact Center is a complete and secure solution that helps organizations facilitate strong employee engagement and operational effectiveness for customer success. Built on the 8x8 eXperience Communications Platform, 8x8 Contact Center ensures productivity, flexibility, and business resilience with global communications and collaboration support for remote and hybrid employees.

8x8 commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying [8x8 Contact Center](#).<sup>1</sup> The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of 8x8 Contact Center on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed and collected data from key contact center decision-makers at an organization with experience using the 8x8 Contact Center solution and platform. Forrester used this information to project a three-year financial analysis.

Prior to using 8x8's Contact Center solution, the primary interviewee noted how his organization had fragmented platforms and multiple technology providers, significant downtime, impediments to doing simple transactions like transfers of calls between groups, and no overall technology strategy. As new leadership was brought in, it became apparent that the organization needed a unified and more comprehensive contact center strategy. Costs needed to be better understood and managed; there needed to be easy linkages and communications across organizations within the company; and communications and technology needed to enable customer service and revenue, not block and limit them.

### KEY STATISTICS



Return on investment (ROI)  
**158%**



Net present value (NPV)  
**\$4.78M**

After an RFP process and the selection of 8x8, the head of customer support for the organization noted that he now had reliable contact center technology and benefited from much-needed cost savings. More importantly, he now had the means and a provider partner to quickly respond to a work-from-home business model to meet the challenges of the COVID-19 pandemic. The flexibility of the 8x8 Contact Center solution, the utility of the eXperience Communications platform, and the responsiveness of 8x8 as a service organization combined to provide unexpected and significant gains in contact center revenues. 8x8's unified and comprehensive solution proved key to controlling costs, improving customer service, realizing material revenue gains, and producing an NPV over a three-year period of \$4.78 million.

## KEY FINDINGS

**Quantified benefits.** Risk-adjusted present value (PV) quantified benefits include:

- **Contact center license fee savings of \$5 million.** 8x8 Contact Center license fees provided immediate savings compared with those of the previous supplier. Moreover, the COVID-19 pandemic plus normal business growth triggered a change in firm's business model that more than tripled the calls coming into its contact center. The number of Contact Center agents increased from 250 to 900 to meet the demand, causing an even greater license fee savings than originally anticipated. The savings from migration from legacy systems to the 8x8 cloud-based Contact Center platform accounted for a risk-adjusted three-year PV of more than \$5 million.
- **More than \$52 million increase in annual contact center revenue due to improved contact center answer rate.** The organization's contact center answer rate prior to deploying 8x8 was, according to the interviewee, "30% at best." After deploying 8x8 Contact Center, the answer rate tripled to 90%. Three-year Contact Center revenues attributable to the increase in answer rate along with the 8x8 platform's ability to quickly add agent positions totaled more than \$52 million over three-years. The profit attributable to the increased answer rate and the increased revenue was a risk-adjusted three-year PV of \$1.9 million.
- **Telecom minute usage cost savings of \$822,000.** The firm's 8x8 Contact Center concurrent license model includes 4,000 minutes of usage. This calculation is based on the total minutes of usage across all agent positions against a free usage amount of the number of licenses, multiplied by 4,000. Compared with the organization's previous supplier, 8x8 saved more than \$1 million over three years for a three-year risk adjusted PV of more than \$822,000.

**Unquantified benefits.** Benefits that are not quantified for this study include:

- **Partnership and responsiveness.** The interviewed customer spoke repeatedly about the responsiveness, cooperation, and support from 8x8, using the word "partnership" to describe the ongoing relationship. Not all challenges and problems can be foreseen and prevented, but according to the interviewee, 8x8 regularly demonstrated the ability to act quickly and with the customer's best interest in mind.
- **Speed of deployment.** 8x8 was able to deploy 200 agent positions within eight weeks, along with 736 non-contact center sites in an even shorter time of 7 weeks. 8x8 also quickly responded to the customer's requests for additional agent positions, the opening of a new offshore contact center location, and especially the sudden need for work-at-home requirements with the outbreak of the COVID-19 pandemic. As the customer shared, none of this would have been possible with the previous set of suppliers.
- **Availability of 99.999%.** Prior to 8x8, the interviewee experienced a considerable number of failures related to contact center operations. 8x8 essentially eliminated those concerns and issues. Since deploying 8x8's platform, "downtime" (the term used by the customer) has become a nonissue.
- **Unified communications across the entire enterprise.** The interviewee chose the 8x8 eXperience Communications platform to support communications requirements for all employees across the enterprise. The decision to engage 8x8 included X Series licenses for contact center solution agents. While 8x8 Contact Center can operate independently, with X Series, the customer has the advantages of powerful contact center functionality plus the use of common communication and collaboration tools throughout the enterprise. This means that the

contact center operates not as an island but as a key component of the entire customer experience.

- **Improved customer and contact center employee experience.** The customer shared examples of improved customer experience and improvements in agent satisfaction with the move to the 8x8 platform. The ability to make call transfers between stores, service centers, and contact centers was one example cited as evidence of improved experiences by end customers and contact center agents. Other examples described by the interviewee were the tripled answer rate, the ease of establishing a work-at-home environment during the COVID-19 pandemic, and the major jump in contact center revenues.

**Costs.** Risk-adjusted PV costs include:

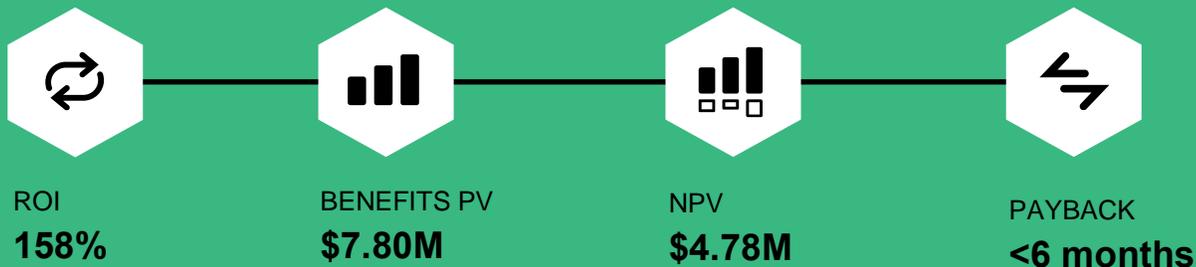
- **Contact Center license fees of \$2.7 million.** The interviewee's multiyear contract with 8x8 included a cost per month, per contact center license/agent position. The cost per license included 4,000 free minutes of usage per agent position. While some agent positions exceeded the 4,000-minute threshold, the organization didn't exceed the pooled minutes for the total number of licenses multiplied by 4,000, so no usage charges were incurred over the three-year study period. The three-year PV for Contact Center licenses was \$2.7 million.
- **Contact Center support costs of \$178,000.** 8x8 charged a flat monthly fee for Contact Center support regardless of agent licenses. The annual fee was approximately \$70,000, with a three-year PV of \$178,000.
- **Resource costs to manage and support the 8x8 contract of \$141,000.** The interviewed customer shared that no internal resource was fully dedicated to the 8x8 contract. FTEs supported the contract on an as-needed basis for

changes like the growth in agent positions and the opening of new contact centers. In addition, minimal time was spent with 8x8 on regular meetings and reviews. The interviewee estimated that the equivalent of 50% of an IT resource's time at start-up, and an ongoing 30% equivalent of an IT manager's time. The three-year risk adjusted PV cost for implementation and ongoing support was \$141,000.

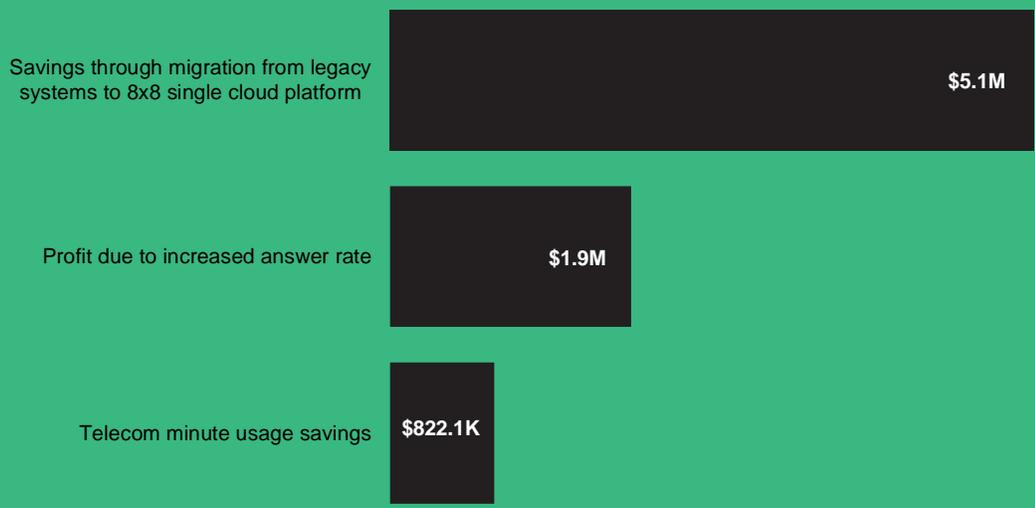
The interview and financial analysis resulted in the organization experiencing benefits of \$7.80 million over three years versus costs of \$3.02 million, adding up to a net present value (NPV) of \$4.78 million and an ROI of 158%.

**“8x8 says they can meet a challenge in 12 weeks. We say eight weeks. We agree on 10 weeks. They deliver in seven weeks.”**

*Head of customer support, automotive and cycling retail and services*



### Benefits (Three-Year)



**“I think of 8x8 as a partner, not a supplier.”**

— Head of customer support, automotive and cycling retail and services

## TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interview, Forrester constructed a Total Economic Impact™ framework for the organization considering an investment in the 8x8 Contact Center solution.

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 the 8x8 Contact Center can have on an organization.

### DISCLOSURES

Readers should be aware of the following:

This study is commissioned by 8x8 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 8x8 Contact Center.

8x8 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.

8x8 provided the customer's name for the interview but did not participate in the interview.



### DUE DILIGENCE

Interviewed 8x8 stakeholders and Forrester analysts to gather data relative to the 8x8 Contact Center.



### DECISION-MAKER INTERVIEW

Interviewed the decision-maker of an organization using 8x8 Contact Center to obtain data with respect to costs, benefits, and risks.



### FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interview using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the decision-maker.



### 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.

# 8x8 Contact Center Customer Journey

## ■ Drivers leading to the Contact Center investment

### INTERVIEWEE'S ORGANIZATION

Forrester interviewed the head of customer support using 8x8 Contact Center. Subsequent discussions occurred with others in customer support. The organization has the following characteristics:

- Provider of automotive and cycling products and services.
- Consumer and B2B services-focused business.
- Conducts business in physical, field, and digital locations, including stores, garages, vans, call centers, and online.

### KEY CHALLENGES

Before implementing 8x8 Contact Center, the interviewed customer's contact centers had limited functions and operations. Agents had no easily available access to information to properly respond to inquiries and no visibility into the company's customer relationship management (CRM) systems and other tools used by the lines of business. Call transfers between contact centers and retail outlets or service centers were limited or unavailable. Downtime in the contact centers due to system failures was an ongoing problem. Operating costs were thought to be high given other alternative suppliers and solutions. Multiple suppliers provided technology, with no overall strategy across the lines of business.

The interviewee noted how his organization struggled with common challenges, including:

- **Contact center downtime.** Prior to 8x8, the customer's contact center was supported by "an old legacy on-premises system run from a server in a server room." "Downtime," the term used by the interviewed customer, was the biggest concern. It negatively impacted business

revenue, fueled customer complaints, and caused workforce disruptions.

**"We were disjointed, with different systems being used in different areas ... [and] a lot of downtime in the contact centers."**

*Head of customer support, automotive and cycling retail and services*

- **Disconnected phone and operating systems.** "Disjointed" was the word the interviewee used to describe the state of phone systems and technology across the different retail outlets, service centers, and the three contact centers. In some cases, even simple call transfers could not be made between contact centers, stores, and service centers.
- **Independent operations across the enterprise.** The interviewee's company operated independently, where each retail outlet and center were run as a kind of small business. Corporate leaders were challenged to demonstrate value to all the service centers, retail outlets, and contact centers. The organization needed better strategies, communications, and technologies to achieve cost savings, both locally and companywide.

## SOLUTION REQUIREMENTS/INVESTMENT OBJECTIVES

The interviewee’s organization searched for a solution that could:

- Provide its contact centers with an upgrade to the existing legacy system for greater reliability, cost savings, analytics, and flexibility.
- Establish a unified approach with a technology platform that integrated contact centers, retail outlets, service centers, and the launch of a combined website.
- Create integration among all the contact centers with respect to CRM systems, time-of-day coverage, interactive voice response (IVR) analytics, and other reports and tools.

After an RFP and business case process evaluating multiple vendors, the interviewee’s organization chose to deploy 8x8 XCaas (eXperience Communications as a Service), which delivers contact center, voice communications, video, chat, and API solutions on a single global cloud communications platform.

- Early implementation “took approximately 100 hours of time and was actually quite easy,” according to the interviewee.
- The contract with 8x8 included professional services support and made the transition to and deployment of 8x8 Contact Center quick and nearly seamless.
- To deal with previous unanswered-call volumes, the organization added 60 agent positions to the 140 existing stations within eight weeks during the initial deployment.
- The 8x8 agreement included the eXperience Communications platform for all employees in the enterprise. The organization deployed 736 sites within seven weeks.

### Key assumptions for initial deployment

- **\$3,400 annual savings per agent position**
- **Rapid initial deployment of 200 agent positions**
- **Cloud-based technology**
- **Global reach**

## USE CASE DESCRIPTION

The interviewee’s organization wanted to replace its on-premises and aging telephony and contact center equipment. These devices had limited functionality, were no longer supported by the supplier, had significant downtime, and were costly to operate. The solution it sought would be more cost-effective, allow for better integration among locations, and provide greater flexibility to meet the changing demands of the business. With the decision to partner with 8x8, the firm achieved immediate savings on a cost-per-license basis as well as minute-usage costs. Call answer rate jumped almost immediately from 30% to 90% and has improved steadily since then, with minimal Contact Center downtime.. When the COVID-19 pandemic impacted normal business operations, 8x8 Contact Center enabled a work-from-home environment for its agents. The customer shared, “I wouldn’t have been able to do that without the 8x8 system.” Over a short period, the organization quickly added 600 contact center agents as more business volume moved to calls in the contact center versus visits to retail outlets. Contact Center revenue rose dramatically over the three-year study period, with a \$52 million increase.

# Analysis Of Benefits

■ Quantified benefit data

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Savings through migration from legacy systems to 8x8 eXperience Communications Platform	\$811,300	\$2,596,160	\$2,920,680	\$6,328,140	\$5,077,482
Btr	Profit due to increased answer rate	\$511,824	\$859,864	\$967,347	\$2,339,035	\$1,902,708
Ctr	Telecom minute usage savings	\$157,485	\$406,135	\$456,901	\$1,020,521	\$822,094
Total benefits (risk-adjusted)		\$1,480,609	\$3,862,159	\$4,344,929	\$9,687,696	\$7,802,284

## SAVINGS THROUGH MIGRATION FROM LEGACY SYSTEMS TO 8X8 eXperience COMMUNICATIONS PLATFORM

**Evidence and data.** The interviewee’s organization operated its three contact centers and 140 agents with outdated legacy equipment and servers in server closets. Issues and concerns related to operating models, performance, and cost plagued the organization:

- Contact centers, retail outlets, field workers, and service centers operated independently and were not tied into an overall call-answering process.
- The firm lacked analytics to adequately measure and monitor activities and volumes.
- Contact center costs were high, including agent workstation licenses, salaries, and support costs.

From a disjointed and independent business operation, the lines of business collaborated on a holistic communication and contact center strategy, whereby: 1) all calls could be routed and answered appropriately; 2) analytics would allow teams to monitor and manage volumes; and 3) contact centers would tie into the CRM systems and other tools.

The organization realized savings shortly after implementing 8x8 Contact Center:

- Contact center monthly license fees per agent declined immediately compared with previous configurations.
- The number of licenses grew dramatically due to changes in business models and the increased call volumes during the COVID-19 pandemic. However, the cost per license remained steady with the four-year agreement; the initial three-year term included an additional year due to expansion.
- The business achieved cost savings while also adding scalability, analytics, reliability, and, as the interviewee described it, a “supportive partnership.”

**Modeling and assumptions.** Based on the initial interview and follow-up discussions, Forrester estimates that the organization:

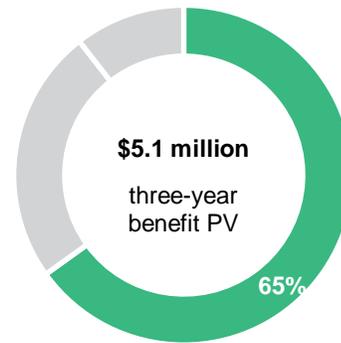
- Has 250 Contact Center licenses in Year 1, 800 licenses in Year 2, and growing to 900 in Year 3.
- Saves more than \$3,400 per license.

**Risks.** Risks that could impact the realization of this benefit include:

- The number of Contact Center licenses required.

- The cost per license.
- The amount spent on legacy solutions.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of nearly \$5.1 million.



Savings Through Migration From Legacy Systems To 8x8 eXperience Communications Platform					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Contact Center licenses (average)	Interview	250	800	900
A2	Annual savings per license	Interview	\$3,416	\$3,416	\$3,416
At	Savings through migration from legacy systems to 8x8 single eXperience Communications platform	A1*A2	\$854,000	\$2,732,800	\$3,074,400
	Risk adjustment	↓5%			
Atr	Savings through migration from legacy systems to 8x8 eXperience Communications Platform (risk-adjusted)		\$811,300	\$2,596,160	\$2,920,680
<b>Three-year total: \$6,328,140</b>			<b>Three-year present value: \$5,077,482</b>		

**PROFIT DUE TO INCREASED ANSWER RATE**

**Evidence and data.** Prior to 8x8, the organization’s answer rate for calls made to the contact centers, retail stores, and service centers was only 30%.

- Each location managed calls independently, with little ability to route or transfer calls.
- As shared in the interview, the call answer rate jumped from 30% to 90%, as the 8x8 platform ensured that the Contact Centers could answer all incoming calls to any location.
- Hundreds of agent positions were added as needed thanks to the scalability of the 8x8 platform.
- When the COVID-19 pandemic hit, stores and centers needed to restrict in-person access. The 8x8 cloud-based Contact Center platform allowed

agents to work safely from home. The platform scaled easily to accommodate the hundreds of agents added to meet call demand in the Contact Center. “Without 8x8, I wouldn’t have been able to run a contact center remotely for more than a year,” said the head of customer support.

- The increased answer rate led to dramatic jumps in contact center revenue.

**Modeling and assumptions.** The interviewed customer provided the data on Contact Center revenue increases over time.

- The call answer rate rises from 30% to 90%; two-thirds of this increased revenue is attributed to the 8x8 Contact Center platform.
- The answer rate continues to climb past 90% at an estimated rate of 5% per year.

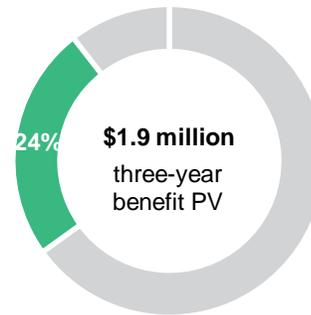
- The increased revenue attributable to the increase in answer rate is \$12 million in Year 1, \$18.6 million in Year 2, and \$21.7 million in Year 3, for a three-year total of \$52.3 million.
- Forrester applies a conservative operating margin of 5% to calculate profit from the increased Contact Center revenue.
- Years 1 and 2 in the model are actual customer results. Year 3 totals are based on six-month actuals and projections for the full year.

**Risks.** Risks that could impact the realization of this benefit include:

- The revenue attributed to the Contact Centers may change over time.

The profit margin may change due to changes in business operations.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of more than \$1.9 million.



Profit Due To Increased Answer Rate					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Contact Center revenue per week	Interview	\$345,000	\$552,000	\$621,000
B2	Weeks per year	TEI Standard	52.1	52.1	52.1
B3	Proportion of Contact Center revenue due to 8x8 functionality (30% to 90% increase in answer rate)	Interview	67%	67%	67%
B4	Annual increase in answer rate (5% per year)	Interview	1.00	1.05	1.05
B5	Operating margin	Annual report	5%	5%	5%
Bt	Profit due to increased answer rate	$B1 \times B2 \times B3 \times B4 \times B5$	\$602,146	\$1,011,605	\$1,138,055
	Risk adjustment	↓15%			
Btr	Profit due to increased answer rate (risk-adjusted)		\$511,824	\$859,864	\$967,347
<b>Three-year total: \$2,339,035</b>			<b>Three-year present value: \$1,902,708</b>		

### TELECOM MINUTE USAGE SAVINGS

**Evidence and data.** Prior to 8x8, the customer was charged for the minutes of telephony it used. This charge was in addition to the agent position license fees and support costs.

- The contract for 8x8 Contact Center includes 4,000 free minutes per agent license.
- The total minutes used in the Contact Centers are pooled and compared against the total of 4,000 multiplied by the number of agent licenses. To date, the minutes used have not exceeded the

pool of free minutes, so no usage charges have been incurred.

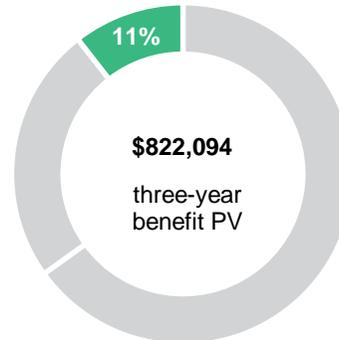
**Modeling and assumptions.** Based on the initial interview and follow-up discussions, Forrester estimates the following:

- Actuals for average monthly minutes usage in the Contact Centers are employed for Years 1 and 2, with projections for continued growth in Year 3.
- While telephone usage charges can vary by volume and type, an average cost per minute of 1.38 cents per minute is applied.

**Risks.** Risks that could impact the realization of this benefit include:

- The estimated rate for minute usage may be higher or lower.
- The projected minute usage may change.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$822,000.



### Telecom Minute Usage Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Average Contact Center minute usage per month	Interview	1,056,663	2,725,005	3,065,630
C2	Months per year	TEI Standard	12	12	12
C3	Blended savings per minute compared with previous supplier	Interview	\$0.0138	\$0.0138	\$0.0138
Ct	Telecom minute usage savings	C1*C2*C3	\$174,983	\$451,261	\$507,668
	Risk adjustment	↓10%			
Ctr	Telecom minute usage savings (risk-adjusted)		\$157,485	\$406,135	\$456,901
<b>Three-year total: \$1,020,521</b>			<b>Three-year present value: \$822,094</b>		

### UNQUANTIFIED BENEFITS

Additional benefits that the customer experienced but was not able to quantify include:

- **Partnership and responsiveness.** Throughout the interview and in subsequent conversations,

the customer spoke of the responsiveness, cooperation, and support his organization received from 8x8. The customer used the word “partnership” to describe the ongoing relationship. As in any business, not all challenges and problems on a customer’s or

supplier's side can be foreseen and prevented, but according to the interviewee, 8x8 regularly demonstrated the ability to act quickly and with the customer's best interest in mind to meet any business challenges.

- **Speed of deployment.** 8x8 deployed 200 contact center agent positions in eight weeks during the initial deployment. This was in addition to the 736 sites deployed in seven weeks that included stores and auto centers. 8x8 also responded quickly to customer requests for hundreds of additional agent positions, the opening of a new offshore contact center location, and the sudden need for agents to work from home during the COVID-19 pandemic. The near-immediate requirement for a work-at-home contact center business model was key to not only maintaining business operations but also accommodating the unexpected contact center's revenue growth. As the customer shared, none of this could have happened with the previous set of suppliers, especially in terms of the speed with which 8x8 deployed additional agents and implemented the platform for an offshore call center.
- **Reliability.** Prior to 8x8, the interviewed customer experienced a considerable number of failures and downtime related to the contact center's operations and network. 8x8 essentially eliminated those issues with its 99.999% uptime. Since the deployment of 8x8's platform, downtime has become a nonissue and uninterrupted operations are the norm. The interviewee did not have data or measurements of the negative consequences of previous downtime prior to 8x8. But he was very complimentary of 8x8 for taking the many downtime complaints from users off the table.
- **Unified communications across the entire enterprise.** The interviewee chose the 8x8 eXperience Communications platform to support

communications requirements for all employees across the enterprise. The decision included X Series licenses for Contact Center solution agents, which is the focus of this study. While the 8x8 Contact Center can operate independently, X Series provides customers with powerful contact center functionality along with collaboration and common tools across the enterprise. The contact center does not operate as an island but as one component of the entire customer experience. Examples of shared tools include results reporting; video; and combined customer tracking for in-store, service, and contact center transactions.

- **Improved customer and contact center employee experiences.** While the interviewed customer had no tracking of overall customer satisfaction or contact center employee satisfaction levels, he provided examples and anecdotal evidence that both had improved after moving to the 8x8 platform. The ability to have call transfers between physical stores, service centers, and contact centers was one example cited as evidence of improved experiences by customers and agents. Tripling the answer rate, providing a work-from-home environment, and the dramatic jump in contact center revenues were also noted examples of noticeably improved customer and employee experiences.

## FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement 8x8 Contact Center and later realize additional uses and business opportunities, including:

- **Enhancing self-service and eliminating frustrating IVR experiences.** 8x8 Intelligent IVR uses a powerful combination of AI speech and natural language processing (NLP) technologies to enable faster and easier identification of customer journey issues.
- **Providing customers with complete freedom of channel choice.** 8x8 Digital Channels is an interaction-routing solution that ensures consistency and continuity across all digital channels. All interactions are handled within a single intuitive workflow and backed by holistic reporting.
- **Integrating CRM systems and other business tools used by retail stores and service centers.** 8x8 Contact Center can provide additional links between customer touchpoints in contact centers, visits to the stores and service centers, and website traffic.
- **Increasing outbound communications in contact centers.** The primary purpose of contact centers is to respond to calls, requests, and inquiries. Contact centers can also stimulate interest and generate additional sales through voice and digital outreach programs, processes, and tools.
- **Using contact center performance measurement to improve efficiency and effectiveness.** Capacity and availability management, performance reporting and adherence, incident and problem management, and continuous service improvement are examples of processes and programs that 8x8 can assist with to provide greater value to Contact Center operations.

**“We use 8x8 for call screening, call recording, customer survey tools, quality management, speech analytics, workforce management, integrated into our Salesforce CRM, [and] even payments over the phone.”**

*Head of customer support, automotive and cycling retail and services*

- **Providing support for Microsoft Teams.** As a certified Microsoft solution, 8x8 Contact Center for Microsoft Teams provides a full suite of omnichannel contact center functionality. 8x8 Contact Center can be integrated with Teams to simplify customer engagement workflows and provide collaboration across an organization.
- **Deploying with Google Chrome** 8x8 Contact Center is a Chrome Enterprise Recommended (CER) Solution and can be deployed on a Chrome OS device (or using the Chrome browser on Windows, Mac OS, or Linux.) This approach is simple to set up, manage, and use.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in [Appendix A](#)).

# Analysis Of Costs

■ Quantified cost data

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Dtr	Contact Center license fees	\$0	\$431,400	\$1,380,480	\$1,553,040	\$3,364,920	\$2,699,896
Etr	Contact Center support costs	\$0	\$71,520	\$71,520	\$71,520	\$214,560	\$177,860
Ftr	Contract interface and support	\$63,000	\$31,500	\$31,500	\$31,500	\$157,500	\$141,336
	<b>Total costs (risk-adjusted)</b>	<b>\$63,000</b>	<b>\$534,420</b>	<b>\$1,483,500</b>	<b>\$1,656,060</b>	<b>\$3,736,980</b>	<b>\$3,019,092</b>

## CONTACT CENTER LICENSE FEES

**Evidence and data.** License fees were fixed throughout the four-year period of the customer's initial 8x8 Contact Center contract. The only difference in year-over-year license fees was the number of agent positions/licenses. 8x8 Contact Center is a cloud-based platform that easily scaled to meet the increase in agent positions. During the implementation, the customer also established an offshore contact center, another activity that the 8x8 Contact Center platform easily accommodated.

**Modeling and assumptions.** Based on the initial interview and follow-up discussions, Forrester estimates the following:

- The average number of contact center licenses is 250 in Year 1, 800 in Year 2, and is on track to average 900 positions in Year 3.
- Per the customer's three-year agreement, the cost per license is fixed.

**Risks.** Risks that could impact the realization of this benefit include the number of Contact Center licenses required by the business.

**Results.** The three-year PV for this cost is \$2.7 million.

Contact Center License Fees							
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3	
D1	Average number of Contact Center licenses	Interview		250	800	900	
D2	Cost per license per month	Contract		\$143.80	\$143.80	\$143.80	
D3	Months per year	TEI Standard		12	12	12	
Dt	Contact Center license fees	D1*D2*D3	\$0	\$431,400	\$1,380,480	\$1,553,040	
	Risk adjustment	0%					
Dtr	Contact Center license fees (risk-adjusted)		\$0	\$431,400	\$1,380,480	\$1,553,040	
<b>Three-year total: \$3,364,920</b>				<b>Three-year present value: \$2,699,896</b>			

### CONTACT CENTER SUPPORT COSTS

**Evidence and data.** As with the Contact Center license fees, the interviewed customer paid a fixed monthly support cost for the four-year contract. This covered professional services support for guidance and making requested changes to the platform.

These changes included adding up to 850 additional agent positions. 8x8 support also provided key guidance to create the remote work-at-home environments for all agents due to the COVID-19 pandemic.

- Additional support included guidance and help with linking the various CRM systems, such as Salesforce, to the Contact Center platform and operations.
- Other examples of 8x8 support noted by the customer were assistance with IVR analytics, IVR

journey maps, and the build and transition to an offshore contact center.

**Modeling and assumptions.** Based on the initial interview and follow-up discussions, Forrester estimates a fixed monthly charge of \$5,960 for Contact Center support for the length of the three-year contract.

**Risks.** As with the license fees, the interviewed customer did not consider there was risk in the cost per license as it was a fixed amount for the three-year contract. Therefore, this cost element was not assigned a risk factor.

Risks may vary with other customers based on contract terms such as length of contract and cost per agent position.

**Results.** The three-year PV for the Contact Center support costs is \$178,000.

Contact Center Support Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Contact Center monthly support costs	Contract		\$5,960	\$5,960	\$5,960
E2	Months/year	TEI Standard		12	12	12
Et	Contact Center support costs	E1*E2	\$0	\$71,520	\$71,520	\$71,520
	Risk adjustment	0%				
Etr	Contact Center support costs (risk-adjusted)		\$0	\$71,520	\$71,520	\$71,520
<b>Three-year total: \$214,560</b>			<b>Three-year present value: \$177,860</b>			

### CONTRACT INTERFACE AND SUPPORT

**Evidence and data.** The interviewed customer discussed the amount of internal IT support that deployment and ongoing management for the platform required.

- The interviewee stated, “8x8 made it easy for us.”
- The interviewee estimated that the organization had invested fewer than 100 hours of IT FTEs’ time to deploy 8x8 Contact Center.

- After the initial deployment, the interviewee described the ongoing management as “light-touch,” involving multiple IT resources as part of their day-to-day responsibilities.

**Modeling and assumptions.** Based on the initial interview and follow-up discussions, Forrester estimates the following:

- The customer’s staff involvement for initial deployment is spread across several IT resources. He estimates that ongoing

management requires 50% of a skilled IT FTE’s time.

- Ongoing support for 8x8 is estimated to require 30% of a less-skilled FTE’s time.

**Risks.** This cost can vary from uncertainty related to:

- Greater involvement by customer resources than estimated for the initial deployment and ongoing support.

- Future changes and unforeseen business circumstances that may require more internal support.

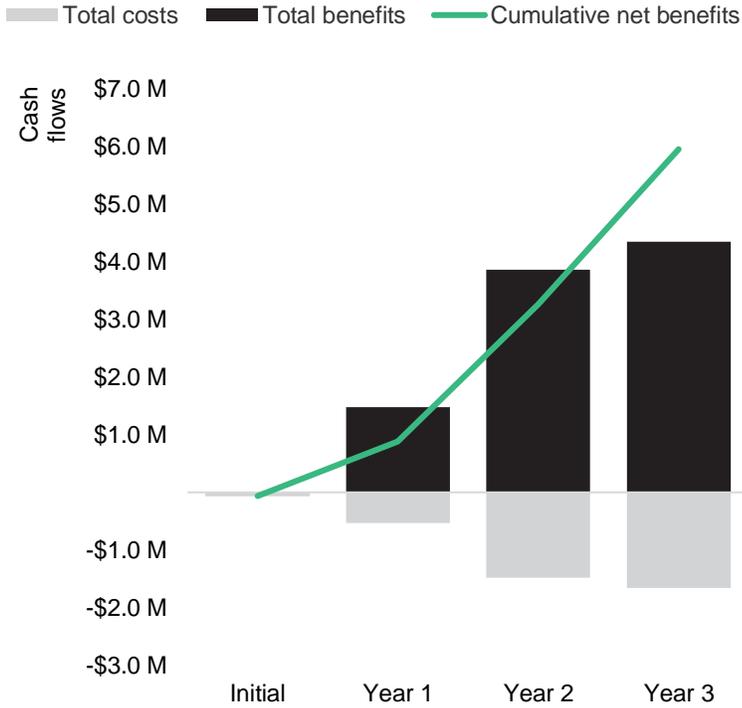
**Results.** To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$141,000.

<b>Contract Interface And Support</b>						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Average salary for IT interface and support for 8x8 contract	Interview	\$120,000	\$100,000	\$100,000	\$100,000
F2	FTE time dedicated to 8x8 contract	Interview	50%	30%	30%	30%
Ft	Contract interface and support	F1*F2	\$60,000	\$30,000	\$30,000	\$30,000
	Risk adjustment	↑5%				
Ftr	Contract interface and support (risk-adjusted)		\$63,000	\$31,500	\$31,500	\$31,500
<b>Three-year total: \$157,500</b>			<b>Three-year present value: \$141,336</b>			

# Financial Summary

## CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

### Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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.

### Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$63,000)	(\$534,420)	(\$1,483,500)	(\$1,656,060)	(\$3,736,980)	(\$3,019,092)
Total benefits	\$0	\$1,480,609	\$3,862,159	\$4,344,929	\$9,687,696	\$7,802,284
Net benefits	(\$63,000)	\$946,189	\$2,378,659	\$2,688,869	\$5,950,716	\$4,783,192
ROI						158%
Payback (months)						<6

# 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."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.



## 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: Endnotes

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<sup>1</sup> 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.

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