



# Unpacking the Challenges of Migrating Large Contact Centers to the Cloud

By Alexander Michael, Global Practice Area Leader, Frost & Sullivan



FROST & SULLIVAN

*Powering clients to a future shaped by growth*





# Contents

- All Contact Centers Will Migrate to the Cloud ... Eventually . . . . . **3**
  
- Regulation and Security Determine the Resources  
Large Organizations Keep On-premises . . . . . **5**
  
- Legacy Integration Remains the Most Significant  
Migration Challenge for Large Contact Centers . . . . . **6**
  
- Contact Centre Modernization Must Deliver Increased  
Customer Satisfaction. . . . . **8**
  
- The Last Word . . . . . **9**

Frost & Sullivan recently partnered with NICE, the worldwide leader in AI-powered self-service and agent-assisted customer experience (CX) software for the contact center, to bring together a panel of thought leaders representing some of Europe's largest CX operations. We discussed how to address the cloud migration challenges specific to large contact centers and achieve excellent outcomes for customers, agents, and shareholders.

## All Contact Centers Will Migrate to the Cloud ... Eventually

The panel agreed that, ultimately, all contact center software will be deployed in the cloud and that individual organizations' business cases will dictate the migration speed. There is no specific triggering factor. To understand the migration business case, decision-makers should not analyze the CX stack in isolation. It should be viewed in the context of the wider organization, its technology choices, and its digital maturity.

Moreover, an organization's ability to harness cloud CX opportunities relies on a winning digital transformation vision. However, some pressure is building on the technology provider side. NICE continues to offer and support on-premises and cloud solutions, but many vendors in Europe are effectively dialing back their commitment to on-premises solutions and are attempting to nudge on-premises customers to the cloud. If organizations maintain a significant amount of contact center hardware on-premises and have not developed a digital CX vision, then the complex move to the cloud would be unjustifiable and encourage the organizations to remain on-premises.

---

**Cloud solutions allow you to deploy new services rapidly and remain relevant in the market.**

**You can scale on demand and provision new features faster without needing additional hardware.**

**You can gain financial flexibility, enable remote agents, and collect data across contact center communication channels to, basically, obtain a good view on the product and service improvements.**

*Natasha Davydova, Head of IT Infrastructure and Information Security, Allianz Technology*

---

## Unpacking the Challenges of Migrating Large Contact Centers to the Cloud

Hardware and network teams support on-premises platforms, and their skill sets are not immediately transferrable to the cloud. It takes time to build up the new skills required to manage the switch of assets to the cloud, which slows cloud migration for many large organizations. A good way to mitigate this problem is to adopt a step-by-step approach that migrates workloads and storage progressively in line with skills and compliance readiness. Occasionally, significant cloud migration projects outside the contact center (e.g., the migration of telephone switches that have reached the end of their service life) provide a boost.

The panel was very clear on the significance of the cloud functionality benefits, and many such benefits (e.g., eliminating latency) are not linked to individual applications or channels. Scalability and speed-to-market (i.e., the ability to introduce new services rapidly to remain relevant) are two primary cloud benefits. Because organizations continue to experience supply chain issues in the aftermath of the COVID lockdowns, not needing additional hardware to scale up a service is a much bigger benefit than it used to be. Other significant benefits include the greater financial flexibility of transforming CAPEX into OPEX, easily enabling remote agents, and simplifying management. Finally, the increased visibility from collecting data and performing analytics across communication channels contributes significantly to product and service improvements.

Some enterprises can be stuck with an on-premises system if their investment is recent and has not yet been fully amortized, but the dependency on single hardware and software vendors typical of legacy platforms can also turn toxic. This happens when vendors exploit the lock-in and increase prices or force customers into a “big-bang” move to the cloud in a single step. The panel felt a well-managed, gradual transition to the cloud (enabled by providers such as NICE) enables organizations to develop much healthier vendor partnerships.



## Regulation and Security Determine the Resources Large Organizations Keep On-premises

Some organizations choose a hybrid model, keeping certain resources on-premises despite migrating most CX stacks to the cloud. Sovereignty issues are often at the heart of the matter. The chosen contact center software provider may not be present in the region or country where an organization wishes to store its strong metadata or recordings, or, for compliance purposes, an organization may need to keep an array of data in-country.

Decision-makers are increasingly satisfied with cloud security, and requests to keep specific data on-premises are no longer very common or present serious cloud migration obstacles. Such concerns are more prevalent in large organizations, but this is due to the complexity of satisfying regulatory requirements in many geographies in addition to GDPR. That said, consuming everything from the clouds (unless there is a specific, well-articulated security concern) is becoming the general rule. Organizations have educated themselves and are better equipped to understand how data is stored inside the cloud in a perfectly secure solution.

---

**We have extreme sensitivity about call recordings, PCIDSS compliance, and the capability to audit that PCI DTMF masking works properly. We don't store call records in the cloud, we extract and delete them from the cloud and maintain them on-premises. Nobody wants their US data stored in the EU or EU data stored in Asia-Pacific, so you need to put very stringent, auditable geographic, and regulatory boundaries in place.**

*Chris Russell-Miller, Head of IT & Cyber Risk – CISO, BNP Paribas Personal Finance*

---

Regulatory compliance is not black and white and can be interpreted differently by different organizations in different situations. As such, a large organization needs a flexible, hybrid solution that enables it to maintain specific components on-premises and migrate components to the cloud CX stack to meet diverse and evolving needs.

The thought leaders agreed that proactive engagement and open dialogue with regulators was often the key to addressing regulatory challenges effectively. Helping regulators set the agenda and keeping them abreast of developments in technology and processes is far better than waiting for regulators to work through complex aspects such as recording and monitoring (with consent), outbound dialing restrictions, payment information, health data sharing, network access restrictions, communication protocols, network security, and customer data protection.

## Legacy Integration Remains the Most Significant Migration Challenge for Large Contact Centers

A significant value proposition of leading cloud-based contact center platforms like NICE CXone is the ability to orchestrate an omnichannel experience. Omnichannel has always been a powerful cloud migration driver and it would be wrong to assume it is now a done deal. Far from it.

Many companies think they offer an omnichannel experience, but they effectively only deliver a multichannel experience that serves multiple channels through different platforms. In that sense, achieving a true omnichannel experience remains a significant migration challenge. Omnichannel challenges are particularly pronounced in large organizations due to the substantial legacy applications and disparate platforms across the estate of contact centers that typically exist.

---

**Some of the migration challenges are where your contact centers are integrated into legacy applications. We have a large legacy insurance application that we must integrate with. The demand coming from our contact centers for things to be digital is forcing us to rethink those services. There are big risks because if we don't get it right, we could lose a lot of business.**

*Robert Burton, Cloud Security Architect, Bupa*

---

Large organizations cannot abandon all legacy applications as they begin to move the CX stack into the cloud to deliver on their omnichannel vision because doing so would carry an unacceptable risk. Consequently, the openness of cloud-based platforms is essential, and integration interfaces like NICE CXone AppLink enable organizations to deliver omnichannel benefits to customers while continuing to harness legacy infrastructure.

Digital channels are still underused and the integration of mobile apps into the customer journey remains far from perfect. There is significant potential for CX improvements because many large organizations remain focused on internal business applications and on traditional channels like voice, chat, and email. However, customers expect a much better, more varied channel offering and businesses are realizing that young customers are particularly averse to voice. For this reason, the banking sector, which operates some of the largest contact centers in the world, is pushing heavily to modernize its CX stacks.

---

We use the “triple-C method” to match customer intents to channels. The first C is context. Even if a specific intent would be best served by a human, the context of staff shortages, for example, might dictate a different channel.

The second C is convenience. If you have the option to bring your customer convenience, you should always do it.

And this is the success of self-service.

The third C is customer expectations. If your customer expects to self-serve certain intents, you should make it available.

*Danny Kuivenhoven, Head of Digital Transformation, Teleperformance*

---

Of course, many customer journeys are hybrid. The customer may start with a chat that triggers an automated process on a mobile app, which may turn into a voice call that turns back into a robotic chat once the customer has been directed to the right journey path. So, voice is not necessarily end-to-end anymore. It is often a regulatory requirement that digital transformation not be to the detriment of vulnerable or non-technology enabled individuals, so even the most sophisticated hybrid cross-channel journeys need an off-ramp to a voice call for specific customers.



## Contact Centre Modernization Must Deliver Increased Customer Satisfaction

Traditionally, contact centers purchased siloed systems and then struggled to integrate them. Different demographics used to exhibit distinct channel behavior. Post pandemic, it is far less obvious what everyone's channel of choice is going to be, and preference varies based on context. But it is always true that customers want a frictionless experience, and that is difficult to orchestrate without a unified, frictionless stack of CX applications.

Several panelists expressed that, as a minimum, they would target tangible NPS and CSAT score increases as a contact center modernization benefit. By giving customers a frictionless experience on the channels of their choice in a given context (e.g., web to chat to voice), customers do not have to repeat their problem to either bot or human agent, eliminating a source of irritation and anxiety. In other words, it is the complete unification of CX applications rather than the cloud migration, per se, that delivers the most significant business benefits.

---

**To deliver great customer satisfaction,  
it is critically important to have a unified system rather  
than an omnichannel system, where the same agent or  
bot can deal across all the digital channels of choice  
(as well as voice) through a single point of contact.  
That's possible with today's technologies.**

*Simon Jeffrey, Director, Enterprise-Core Solution, NICE*

---

Moreover, completely new customer journeys and much larger amounts of data are on the horizon, not least as the metaverse develops into a real economy that meshes with the traditional economy. Integrating the new channels of choice is impossible with disjointed, siloed systems. So, by moving to the cloud gradually and exploiting essential legacy systems for as long as they are viable, organizations maximize speed to market and relevance without incurring unnecessary cost and risk.

## The Last Word

Modernization enables organizations to transform a contact center into an intelligent engagement center that maximizes the value it generates for the business and customers. Agents do not have to thumb through applications on three different screens in a frenzy, but can instead concentrate on properly hearing and understanding what the customer says and then offering an appropriate solution. That is the secret behind improving NPS scores and agent workloads.

The future-proof transformation that delivers all the business benefits necessary to stay relevant to customers can only happen in the cloud, but not necessarily from day one in a forced single-step migration. A large organization with a considerable contact center estate needs to take its time to get the digital customer experience vision right and invest in a flexible, scalable CX platform that will allow it to move forward at its own pace.



F R O S T  S U L L I V A N

Growth is a journey. We are your guide.

For over six decades, Frost & Sullivan has provided actionable insights to corporations, governments and investors, resulting in a stream of innovative growth opportunities that allow them to maximize their economic potential, navigate emerging Mega Trends and shape a future based on sustainable growth.

Contact us: [Start the discussion](#)

The contents of these pages are copyright ©2022 Frost & Sullivan.