

Practical guide

**BUILDING A BETTER[™]
BUSINESS CASE FOR
CX TRANSFORMATION**



Agility is no longer optional; it's the key to survival. The pace of change in the experience economy demands it.

Rigid legacy systems that hold you back are dinosaurs – and they're quickly going extinct. Customer experience (CX) transformation is more urgent than ever.

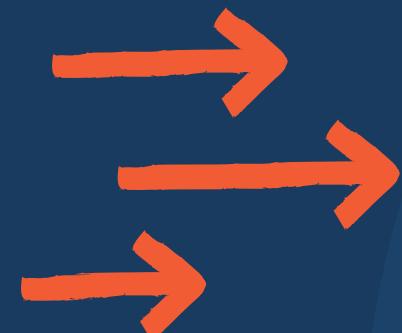
Whether you're migrating to the cloud, investing in artificial intelligence (AI) capabilities or embarking on a digital transformation, your initiative depends on executive approval and investment.

To get that, you'll need to build a compelling business case.

Here's how.

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New world. New strategies.

Building a business case seems straightforward: Propose a solution, include a clear cost-benefit analysis and outline the implementation. Convince your executive sponsor to sign off and you're on your way.

But nothing in the experience economy is that simple. As organizations shift focus from individual interactions to holistic customer relationships — and redefine CX to extend beyond the contact center — internal relationships and dependencies also shift.

End-to-end customer engagement is now an interconnected effort that pulls sales and marketing into the conversation alongside contact center and IT management. And with growing recognition that the employee experience is a key driver of CX success, human resources has a vested interest, too. That puts a lot of stakeholders at the table.

You need new strategies for building your business case.



Overcoming inertia

Change is rarely easy. The bigger the change, the bigger the challenge to start. The resulting inertia can be difficult to overcome — and the status quo can seem like an attractive option.

There are many reasons why a business case might fail to win approval. But they all come down to one thing — stakeholders weren't convinced of the value and viability of the proposed solution.

Even if expected benefits outweigh calculated costs, the stakeholders might still hesitate, believing:

- The risk is too great
- The disruption will be too painful
- Competing initiatives take priority

To gain their approval and investment, you'll need to counter these concerns as you develop your business case.

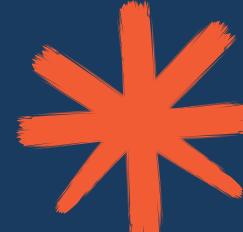
77% OF CEOs are increasing investment in digital transformation in response to the COVID-19 pandemic

24th Annual CEO Survey, PwC



The risks OF INACTION

To remain competitive, you'll need the agility to pivot - no matter what the future holds. It's why you're building a case for CX transformation. Now, you have to convince the stakeholders that inaction isn't an option.



Objection #1 **Change is risky**

Change isn't risk-free. But neither is the status quo. As the competition retools to incorporate AI and build agility into their tech stacks, a wait-and-see approach carries its own risks. And the longer you delay your CX transformation, the greater the risk of falling behind nimbler competitors.

Objection #2 **Disruption is painful**

Change, by definition, creates disruption. But rapidly evolving customer expectations, increased pressure from more agile competitors and the shift to an experience-focused economy will be even more disruptive. Disruption is inevitable; what's important is that you're ready for it.

Objection #3 **We have higher priorities**

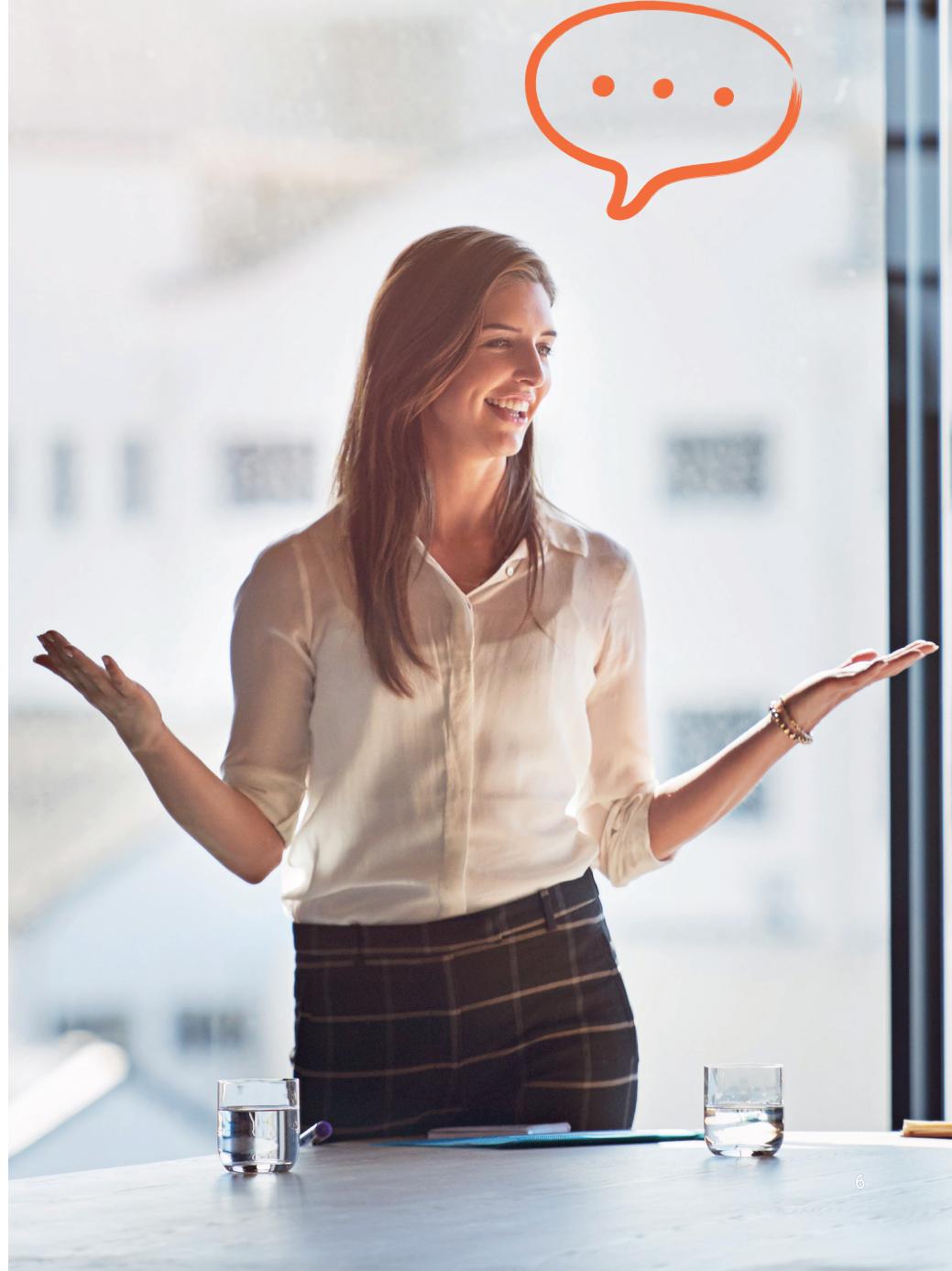
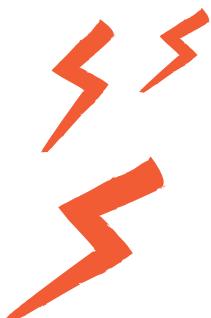
Customers are the lifeblood of every business. But keeping them happy – and loyal – grows more difficult each day. They want convenient, fluid journeys from a brand that truly understands them. Fail to deliver and you lose revenue. Nothing's more important than the customer experience.

Five critical strategies for success

The value and viability of your proposal might seem apparent. There's a clear need, an obvious frontrunner to solve the problem and enough data to support your case.

You shouldn't assume your stakeholders will naturally see it all as clearly as you do. To help them see the full picture, you'll need to invest time and energy into these five strategies:

1. Lay the groundwork for consensus
2. Calculate the actual TCO
3. See the big ROI picture
4. Practice the art of the practical
5. Tell a compelling story



STRATEGY 1: LAY THE GROUNDWORK FOR CONSENSUS

Building consensus is a team effort

To gain approval for your proposal, the stars might not have to align. But the executive team must. If you already have broad internal support, the decision makers are more likely to find willing partners across the table instead of adversaries they need to win over.

You can lay the groundwork for that consensus by consulting colleagues across business functions to get them invested in the proposed solution before the executive team considers it.

Start by aligning IT and CX leadership. Then, include all teams that play a role in the customer experience. And consult finance early and often as you build your case. If you begin building consensus on day one, you'll increase the likelihood of approval.

You'll also set the stage for a successful implementation. CX transformation doesn't occur in a vacuum. It requires a coordinated effort that anticipates and drives widespread operational changes.



"A genuine leader is not a searcher for consensus but a molder of consensus."

Martin Luther King, Jr.

Leading the charge **FOR CONSENSUS**

Align with business strategy

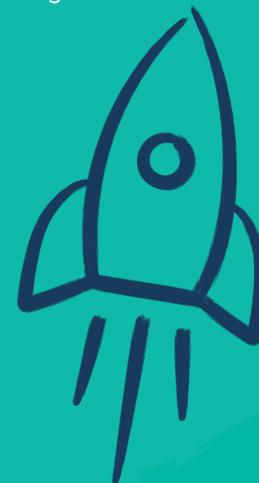
Your goals for CX transformation might be to improve key metrics like average handle time (AHT) and FCR or to deflect increased call volume with better self-service. But those objectives won't resonate with all stakeholders. You'll need to demonstrate how they align with broader organizational goals like boosting efficiency, increasing customer loyalty or improving employee retention.

Find shared goals and priorities

The C-suite can be a battleground of competing goals. But there's often more overlap in priorities. High attrition impedes the CFO with concerns about the cost of replacing agents, while the CMO worries about lost prospects and a plunging Net Promoter Score (NPS). These all share a common goal – retaining high-performing agents who keep customer satisfaction high.

Consider the context

It's helpful to see objections and concerns within a broader context. When facing pushback, consider the competing demands others must weigh, the past experiences that inform their current values and even external forces that impact internal processes. With this context in mind, you can more effectively address genuine concerns and find common ground.



Empathy is essential

It's tempting to view CX transformation as just a tech investment. But all the tech in the world won't transform your organization without significant cultural change.

That shift requires a solid commitment from all affected business units to adopt the new solution, modify workflows and support behavioral change.

To get that level of commitment, you'll need to start earning buy-in from the beginning. Take the time to listen and learn about others' pain points and goals.

Engaging with empathy builds strong cross-functional partnerships that generate trust. It also allows others to plan ahead to be part of the solution — then share in the success.



Cooperation is key. Don't just present your case and try to win over others. Be open and responsive to their needs and goals.



People cannot commit to something they don't understand. Be generous with your expertise and share information.



Understand the values and experiences of those you're trying to engage. Use that context to inform your advocacy for transformation.



Recognize the investment in legacy work that you might need to unravel. Acknowledge the challenges and address them in your planning.

Building consensus

A major airline engaged Genesys to explore the business case for expanding its existing CX solution. To establish consensus, a diverse group of stakeholders participated in a value-mapping exercise. It revealed the business context and value components important to each stakeholder. And that laid the groundwork for consensus.

WHAT WE LEARNED

Two key figures emerged within this organization's stakeholders: the CMO and CFO. Each had strong nuanced expectations for the new solution – and they valued competing goals and priorities.

The CMO was laser-focused on revenue recovery. Her highest priority was redefining the airline's customer engagement strategy to build loyalty and improve long-term customer advocacy.

The CFO was determined to streamline the company's IT and contact center operations. He was intent on finding opportunities for cutting costs and improving efficiency.



HOW THESE INSIGHTS SHAPED THE BUSINESS CASE

By taking the time to understand the values and pain points driving these competing initiatives, we discovered a point of alignment – agent attrition.

For the CFO, every agent lost meant the company was burdened with the cost of recruiting and onboarding a replacement. The CMO understood that tenured agents deliver exceptional customer experiences more consistently, which keeps NPS high and builds loyalty.

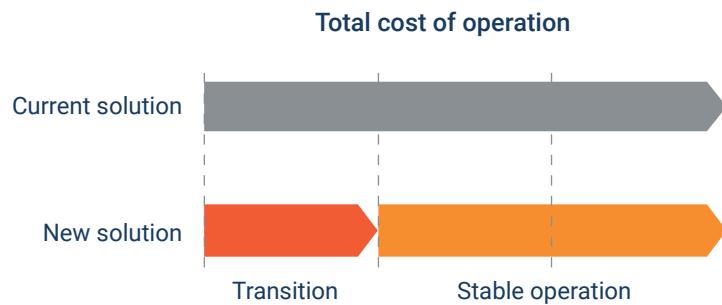
With this new insight, the business case shifted focus to make workforce engagement capabilities a cornerstone that could drive consensus.

STRATEGY 2: CALCULATE THE ACTUAL TCO

Think beyond ownership

When calculating costs, think beyond ownership to operation. You'll need to calculate costs in a way that allows for a direct comparison of your proposed solution and your current system.

The immediate costs of acquiring and implementing a new solution might outweigh the cost of operating your current system. But when you include secondary costs like hardware maintenance and security management over several years, the true total cost of operation (TCO) for each becomes clearer.



ASSESS THE WHOLE ICEBERG

It can be useful to think of the TCO as an iceberg. The obvious costs, like a solution's licensing fees, sit above the water line. But the costs hidden beneath the surface likely are much larger. For a fair comparison, you'll need to calculate all associated costs, like facilities, personnel and professional services.

CALCULATE LONG-TERM COSTS

The short-term costs associated with any transformation can overshadow the operational costs of your current solution. Calculate the TCO across three to five years so you compare the status quo to the transition costs **plus** stable operational costs for the new solution.

WEIGH THE PRICE OF FUTURE FLEXIBILITY

You might not be able to predict the future, but one thing is certain – you'll need the flexibility to adapt as the experience economy continues to evolve. A solution that improves the flexibility of your infrastructure provides the power to pivot – and that yields additional savings.



Consider these costs

In addition to obvious fees like software licenses, look beneath the surface to calculate these less-visible costs.

Maintenance	Annual maintenance cost for your current system
Professional services	Internal and external costs associated with maintenance and upgrades
Training	Costs of all training for existing systems and third-party applications
Facilities	Costs associated with data center facilities: electricity, security, rental, maintenance
Periodic costs	Costs of patches, equipment, repairs, disaster recovery and other unplanned expenses
Server maintenance	Costs of upgrades and updates, including the cost of personnel needed to execute
Third-party software	Subscription and maintenance costs
Personnel	Costs associated with project management, development, testing and system maintenance



Calculating TCO

A large Asia-Pacific financial services conglomerate engaged Genesys in 2020 to calculate the long-term business case for migrating its contact center applications to the cloud. Like many enterprises with legacy on-premises CX systems, it struggled to shift 5,000 agents to remote work. The company's wide-ranging suite of poorly integrated point solutions made the transition even harder. To make matters worse, rapidly changing customer preferences – combined with stagnating revenue – created a perfect storm of business challenges.

The company needed to move to the cloud but had to understand the true costs first.



On-premises model too inflexible



Remote working requirements



Shifting consumer preferences



Too many tools



Lack of integration



Falling revenues post-COVID



Balancing business needs with financial realities

To keep up with changing customer preferences and shift its operations to a remote workforce, the organization needed to expedite its cloud migration. The sooner it could make the transition, the better.

But stagnating revenue and the increasingly uncertain future of the global economy meant the company had to make a shrewd financial decision. The cloud migration would need to be structured to minimize the cost. And stakeholders had to be certain of the costs they calculated.



ALMOST TANKED BY THE TCO

At first, the cloud migration appeared cost prohibitive.

The organization's current on-premises solution required \$3 million in maintenance for core applications and \$1.75 million in additional third-party solutions for chat and recording.

The all-in-one, cloud-native CX solution from Genesys that would meet its needs came with an annual subscription cost of \$10.75 million.

With a nearly \$6 million difference, the case for migration didn't look good. But when the company added up the less-obvious costs associated with its current solution, the balance shifted.

The actual TCO comparison

Once all associated costs were included, the TCO for its current solution rose to more than \$15 million per year. Migrating to the cloud would save 6.5% in the first year, conservatively. With a more comprehensive TCO analysis in hand, the organization's leadership confidently signed off on the strategic cloud migration initiative.

	Current solution	Genesys solution
Maintenance/subscription	\$3,000,000	\$10,750,000
Professional services	\$2,800,000	\$2,296,000
Training	\$480,000	-
Facilities	\$1,200,000	\$108,000
Periodic costs	\$2,250,000	\$765,000
Server maintenance	\$1,900,000	\$95,000
Hardware	\$1,250,000	\$262,500
Personnel	\$1,100,000	\$440,000
Third-party software	\$1,750,000	-
Total	\$15,730,000	\$14,716,500

One-year TCO
optimization

6.5%

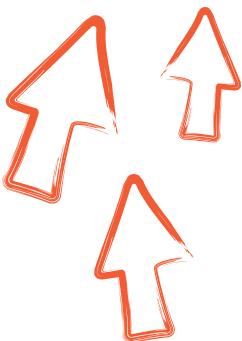
STRATEGY 3: SEE THE BIG ROI PICTURE

Expand your view for the full ROI

From an industry perspective, the ROI for CX transformation has been demonstrated time and again. But calculating a more specific ROI for your organization can be complex and multifaceted.

To resonate with stakeholders, you'll need to translate expected improvements in metrics like occupancy and FCR into cost savings or increased revenue. But that's just the beginning.

To see the full value potential, widen your view beyond the primary use cases and KPIs.



QUANTIFY THE SECONDARY BENEFITS

CX transformation initiatives offer benefits beyond your primary goals. A solution chosen to provide smoother omnichannel journeys and effective self-service options will improve key metrics like wait time and abandon rates. But the same solution will also improve the agent experience, which can boost morale and retention rates. You shouldn't overlook that additional value.

ASSESS THE FULL BUSINESS IMPACT

The impact of CX transformation won't be limited to the contact center. Your ROI calculations should reflect the broader effects across the organization. Migrating from an on-premises solution to the cloud could free up IT resources by reducing maintenance burdens. Investing in AI-powered predictive engagement could yield efficiencies that reduce costs for sales and marketing. And with a transformation that connects siloed data and systems, the contact center might emerge as an intelligence hub that informs all business functions that affect the customer experience. That creates widespread value.

The hidden value of future possibilities

Improvements in efficiency, capacity and revenue have a direct impact on the bottom line. But CX transformation can also create opportunities for increased agility, rapid innovations and better competitive positioning. These strategic effects might be less obvious, but they often have even greater long-term value than the more easily quantified cost savings and revenue growth.

To convey the value of these strategic impacts, note the possibilities they generate.

With **INCREASED AGILITY**, we could pivot to meet customers on the channels they prefer — even as their preferences change.

With **IMPROVED CAPACITY**, our agents could devote time to more valuable interactions like increasing cart value with effective up-selling.

With **MORE ABILITY TO INNOVATE**, we could differentiate faster with functionality that sets us apart instead of just keeping the lights on.



The value of future capabilities

In 2021, an 850-seat contact center for a major telecommunications provider began building a case for migrating its core operations to the cloud. With most of the stakeholders in IT and operations groups, the company initially focused on the operational efficiencies and cost reductions it expected as returns on the proposed investment.

Migrating to a Genesys cloud solution would yield improvements in agent occupancy and decrease handle time on inbound voice interactions. With this first pass at calculating the ROI, it identified almost €500k in savings.

But the cloud platform's continuous deployment of new capabilities changed the equation. Something transformative was just over the horizon – and it would generate even larger returns.



Broader business benefits

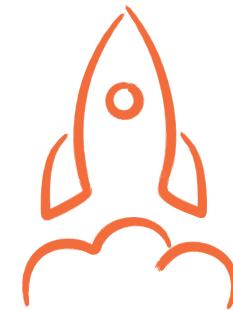
With the upcoming addition of AI-powered predictive engagement, the expected returns on migrating to the cloud platform rose to new heights. With this capability, the organization could transform its approach to customer engagement.

AI-powered bots could understand a customer's intent and engage proactively to offer the right assistance at the right time. And when a human interaction was needed, agents would be armed with the full conversation and context, empowering them to focus on cross-selling opportunities. Predictive engagement promised to drive conversions and revenue.

To assess the potential benefits of the new capability, the organization consulted stakeholders from the marketing department who determined the returns would be substantial.

When the full ROI was calculated, the benefits of predictive engagement approached €3.5 million per year and made up more than 85% of the business case for cloud migration.

THE FULL ROI



Genesys solution/850 users

Inbound voice AHT optimization (6 sec.)	€ 82,047
Improved agent occupancy (2%)	€ 394,348
Predictive engagement conversion	€ 2,078,622
Predictive engagement up-sell / cross-sell	€ 1,421,625
Predictive engagement productivity	€ 34,465

STRATEGY 4: PRACTICE THE ART OF THE PRACTICAL

A goal without a plan is just a wish

The right solution is useless if you can't implement it — it's time to get practical. The TCO and ROI calculations demonstrate value. The implementation plan should demonstrate viability.

Your plan doesn't need to include every step of the implementation. But it does need enough detail to convince stakeholders it's actionable, practical and likely to succeed.

It also should demonstrate you're well-prepared to lead the charge, so you'll need to include more than a basic timeline.



Planning BEYOND THE BASICS



Time to value

Your implementation plan should help stakeholders visualize time to value. Mark anticipated value realization milestones.



Measuring success

Explain how you'll monitor, measure and report the success of the new solution. Include relevant KPI targets.



Risk mitigation

Be transparent about risks and have a clear plan to mitigate them. Offer a direct comparison to the risks of the status quo.



Proof points

Support your case with success stories, industry benchmarks and trend data to provide context for your proposed solution.



Vendor relationship

Include evidence of the solution provider's ability and willingness to be an innovation partner instead of just a vendor.



Internal support

Indicate the broad internal support of multiple business units and their anticipated roles in reaching your success targets.



Organizational impact

Outline the expected impact on staffing, operational processes and potential realignment of business functions.



Knowledge transfer

Lay out a plan for required training and knowledge transfer for agents, IT and other affected employees.

The art of the practical

A 1,200-seat contact center had followed a policy of best-in-breed solution adoption over the previous eight years. It had acquired separate solutions for call routing, digital channels, workforce engagement management (WEM) and interaction analytics. Over time, it had built a comprehensive system with the precise mix of necessary capabilities.

It also had created a massive IT headache. To keep it all functioning as a single ecosystem, the contact center had become the de facto systems integrator for a wide range of separate solutions. Managing those integrations consumed IT resources. And as the burden grew, so did the risk it created.

Leadership knew it was time to replace everything with a unified cloud platform. They also knew that migrating patchworked systems to the new platform could be daunting.

But having the right partner and an informed plan can ensure a smooth implementation.

IMPLEMENTING FOR VALUE REALIZATION



Understanding the organization's need to balance investments with ongoing returns, the Genesys team recommended a rollout plan structured around a central consideration — time to value.

1. Migrate mission-critical call routing and digital channels first.

With this transition, the organization will break even on the initial investment before rolling out additional capabilities. It's a quick win that builds momentum and earns a return that can fund the next phase.

2. Roll out WEM and interaction analytics.

Interaction analytics deliver considerable returns, but it can take months to realize the value. By rolling out analytics capabilities at this stage, the organization can begin collecting data for future optimization. Meanwhile, it can keep the momentum going with agent assistance and performance-boosting workforce engagement capabilities.

3. Use interaction and performance analytics to optimize customer and employee experiences.

Now it's time to reap big rewards. The data collected from workforce management and conversation analytics will inform further optimization. That leads to better customer and employee experiences — without the IT headache.

STRATEGY 5: TELL A COMPELLING STORY

Shared stories drive change and innovation

The path from data to action can be lengthy. The quickest way to bridge that distance is with a story.

In our data-driven world, we're inundated with so much information it's often impossible to make sense of it all. A business case packed with information just adds to the data fatigue — unless you guide your stakeholders through it with a compelling story.

Stories help us connect with ideas and with one another. They translate data into a common language that resonates with our goals and aspirations.

A compelling story enables us to focus on shared visions and values. That makes it a powerful catalyst for change.

"Purposeful storytelling isn't show business. It's good business."

Peter Guber
CEO, Mandalay Entertainment



Craft your story FOR MAXIMUM IMPACT

Connect the dots

Telling a compelling story isn't about embellishing the truth. It's about connecting data and information in a meaningful way to reveal that truth. You'll need to tell a story that draws meaning from the connections between industry trends, current performance, business strategy and the projected impact of your proposed solution.

Balance volume with value

The right data points provide concrete support for your business case. But too much data can obscure the main storyline. Sift through the data and include only what's necessary to tell a compelling story that helps stakeholders make an informed decision. If necessary, include additional data in an appendix.

Translate to resonate

As you lay the groundwork for consensus, you'll gain insight into the needs, concerns and goals of your stakeholders. Use those insights to translate information and ideas into language that resonates with the full range of decision makers. Tell a powerful story that connects with their values and goals to help them see the end-to-end value stream.



A compelling story *

Consider the metrics from an organization that found itself facing a range of business challenges – from high agent attrition to plunging customer loyalty.

The CX leader heading this transformation initiative knew the data would support his case. But, by itself, it wouldn't tell the whole story.

JUST THE FACTS

- Average speed to answer: **400 seconds**
- Agent occupancy: **91%**
- Employee NPS (eNPS): **-33**
- Agent schedule adherence: **70%**
- Agent attrition: **46%**
- Transactional NPS: **-5**

THE STORY THE CX LEADER SHARED WITH STAKEHOLDERS

Like many organizations today, we're facing a sustained surge in interaction volume. To handle it, we've pretty much chained our agents to their desks. It's not a good long-term solution.

Agent occupancy is so high that we're seeing significant burnout. Dissatisfaction and disengagement are spreading. That's reflected in a plunging eNPS. And some of our best agents are leaving. Attrition has hit an all-time high. The agents who remain are overwhelmed. They're constantly looking for ways to ease the workload, so adherence to schedule is a growing problem.

It's no surprise customer experience is taking a hit. Key metrics like average speed to answer are headed in a bad direction. As a result, our transactional NPS has been in a freefall for the past year. Customers are unhappy – and it's only getting worse.

We need to solve this. Hiring more agents isn't the answer. It doesn't align with our current cost-reduction efforts. It also wouldn't buy us the flexibility to scale or the agility to keep up with rapidly changing customer preferences.

But with an investment in a composable CX platform with strong digital capabilities and integrated workforce engagement tools, we could solve these challenges – and lay the groundwork to innovate and adapt more easily to whatever happens in the future.

Map out your transformation

In the modern experience economy, the only constant is change. And it demands agility. Rigid systems are no longer a viable option — neither are rigid processes.

To stay competitive, you'll need to transform your technology landscape and your company culture for greater agility and the capacity to innovate. It's a monumental task that depends on strong support from a broad range of stakeholders. Some of them might not share your vision. For them, CX transformation might sound nice but unnecessary.

You'll need to convince them it's vital. With the right strategies, you can build an airtight business case that demonstrates exactly what's at stake — and how much there is to gain. And it'll jumpstart your transformation.



LAY THE GROUNDWORK FOR CHANGE

When you're ready to start building your case for transformation, get expert guidance for managing organizational change in the *Practical guide to managing change in your contact center*.



[Get the guide](#)



ABOUT GENESYS

Every year, Genesys® orchestrates more than 70 billion remarkable customer experiences for organizations in more than 100 countries. Through the power of our cloud, digital and AI technologies, organizations can realize Experience as a ServiceSM, our vision for empathetic customer experiences at scale. With Genesys, organizations have the power to deliver proactive, predictive, and hyper personalized experiences to deepen their customer connection across every marketing, sales, and service moment on any channel, while also improving employee productivity and engagement. By transforming back-office technology to a modern revenue velocity engine Genesys enables true intimacy at scale to foster customer trust and loyalty.

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