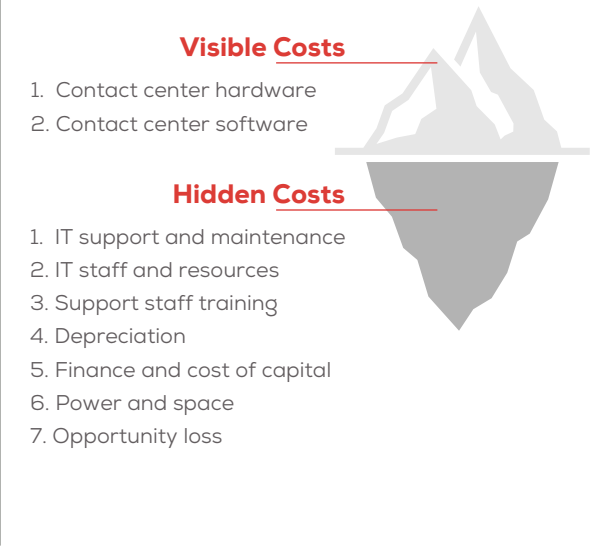# Understanding the Total Cost of Ownership

To build a proper business case, it is important to fully understand and evaluate the often hidden – and ongoing – costs associated with the ownership of hardware-based systems.

Are you considering the purchase of a new Contact Center Solution?

If so, you are most likely evaluating the pros and cons of replacing older facilities-based systems for newer on-premise hardware versus moving up to the cloud-and most importantly, trying to determine which of the two options will be the most cost-effective in the long run.

Could it be more economical in the long term to make a significant -one-time- CAPEX investment to avoid monthly recurring Contact Center as a Service charges? While this question may seem like a logical one, simply comparing the amortized purchase price of a hardware-based solution to the total monthly fees of a cloud-based solutions over the same period of time does not give you a complete picture.

- What happens once the premises-based equipment is purchased and installed?
- How much do the space and power required to host the equipment cost on a monthly basis?
- Who will install the hardware and ensure its ongoing maintenance?
- How much of your IT personnel's hours and corresponding compensation need to be allocated to supporting – and learning how to support – this new system?
- What happens if a break occurs and replacements or upgrades are required?
- When will you need to replace your new purchase, and at what cost?

Visible Costs

1. Contact center hardware
2. Contact center software

Hidden Costs

1. IT support and maintenance
2. IT staff and resources
3. Support staff training
4. Depreciation
5. Finance and cost of capital
6. Power and space
7. Opportunity loss

The following template can help you identify and evaluate some of these hidden costs that are often forgotten.

Total cost of ownership over a 5 year period		On-premise hardware	Cloud-based solution	Notes
Up - front cost				
CAPEX	CC. core hardware purchase	✓	✗	CC, ACD, CTI, IVR and PBX servers/modules
	CC. software purchase	✓	✗	Software licenses
	Back up hadware purchase	✓	✗	Critical hardware, backup servers/modules
	Ancillary/feature module hardware purchase	✓	✗	email, chat, WFM, add-on modules, etc.
Up - front set - up costs	CC. core hardware purchase	✓	✗	
	CC. software purchase	✓	✗	OEM/vendor/internal/3rd party costs
	Back up hadware purchase	✓	✗	IT costs for deployment, training and certification
	Ancillary/feature module hardware purchase	✓	✗	Loss of savings/revenues during deployment process
Recurring / Ongoing costs (over 5 years)				
Service fees	CC. software fees	✗	✓	Monthly licenses pear seat
Support and maintenance	Hardware support plans	✓	✓	
	Software support plans	✓	✓	OEM and/or vendor support plans
	IT support and maintenance staff costs	✓	✗	Turnover, training and knowledge transfer, errors, re-training
	Staffing opportunity costs	✓	✗	
Hosting utilities and security costs	Space and power	✓	✗	Server room racks space and utility costs for power, cooling NMS software operators
	Proactive monitoring	✓	✗	Man hours associated with compliance readiness and auditing costs. (PCI, etc.)
	Security costs and compliance audits	✓	✗	
CAPEX	Equipment financing	✓	✗	Financial costs associated with CAPEX investments
	Depreciating equipment	✓	✗	
One - time life cycle costs				
Repair costs	Unplanned costs	✓	✗	Repair and/or replacement of defective hardware
Upgrade costs	Software upgrade purchases and installation costs	✓	✗	Compability and interop testing, security
	Hardware upgrade purchases and installation costs	✓	✗	

Salaries & Operating Costs

IT maintenance and supporting personnel salaries represent an estimated 17% of a typical contact center's operating expenses. A decision to purchase hardware will usually negate any opportunity to downsize or significantly reduce costs in this particular area. A cloud-based contact center solution does not simply eliminate one-time costs associated with deploying and hosting equipment, it enables your organization to reduce ongoing operating expenses because maintenance, support, updates and upgrades are covered by the monthly licenses of the Contact Center as a Service model.

We're Changing the Contact Center Game.

Unlike most over-the-top cloud solutions, our Contact Center as a service solution enables your contact center to become part of your unified communications service by integrating directly with our hardened voice network; delivering increased reliability; and providing superior voice quality, with faster, more accurate resolve times.

In other words, you get a full-featured, powerful, flexible, and customizable contact center platform built right into your trusted service provider's network-us, or whoever currently serves your region.

Plus, with a Frontier powered solution you get the tools and support you need to ensure your agents are empowered to deliver optimal customer service.

- Better contact center metrics to gain actionable business intelligence for senior management.
- Provide continuous training to ensure the most effective use of our simple yet powerful service.
- Provide continued premium upgrades, updates, and other ongoing support services to keep you going into the future.

Frontier's hardened, highly redundant network makes failover and disaster recover simpler than ever. From call routing to web-based tools and support, you can rest easy knowing you can get back to work quickly in times of disruption.

Things to Consider

Opportunity Costs

Depending on the size of your organization and complexity of the solution you are considering, hardware-based deployments and implementations can take months or even years complete.

Meanwhile, your business may not experience the efficiencies and cost savings planned on when you implemented your current contact center solution. Going with Frontier means faster implementation-in weeks instead of months-so you can grow your operations that much faster.

Scalability

What happens when your business grows and you need to add more agents? More premised based equipment and software licenses need to be purchased and installed. In addition, you need to ensure that sufficient voice channels will be provisioned, which can severely impact your ability to react in a timely manner.

Frontier's equipped to handle a modernized operation. Not only can we help you increase your seat count in real-time -we also make it easier to scale down during slower periods, to make sure you're never overprovisioned.

Business Continuity

Frontier's got you covered here, too. As network providers and disaster recovery experts, we've got the tools and team needed to make sure downtime doesn't significantly impact the bottom line.

Got a question or need support?