Back to Basics:

All-in-One versus Individual Best-of-Breed Solutions

Don Van Doren
President
Vanguard Communications

Joe Staples
CMO
Interactive Intelligence, Inc.

Table of Contents

Introduction

For years, companies have debated the trade-offs between all-in-one communications solutions, where all the applications are available from a single vendor on a single platform, vs. best-of-breed or point solutions, where customers procure individual applications from various vendors integrating those applications within their environment. While recognizing that there are advantages to both approaches, recently the trend has shifted more toward the all-in-one model.

Don Van Doren, president of Vanguard Communications and Joe Staples, chief marketing officer for Interactive Intelligence, recently sat down to discuss the relative advantages and disadvantages of all-in-one vs. best-of-breed communication offerings, and to respond to the questions that customers typically ask when facing a purchase decision. Their insight goes to the core of the issues and provides a thoughtful analysis designed to be used by customers during the evaluation stage.

Q: All-in-one can't really mean "All" in one. What applications can a customer reasonably expect to be able to get from a single communications vendor?

Van Doren: The "all" refers to the range of applications needed to support a specified business activity. And this becomes more comprehensive over time. As an example, all-in-one for a call center a decade ago would build on basic PBX functionality to include ACD, IVR, quality monitoring, and workforce management. In today's contact center, that ACD has to route, manage, monitor, and report on multiple channels, not just telephones. There is also a need to get more information to agents by accessing expert systems or by using unified communications capabilities to get real-time connections to specialists inside and outside the center.

Staples: That's the same trend we're seeing, Don. For example, modern contact centers are now looking for additional capabilities as well, such as post-interaction satisfaction surveys, content management, and speech analytics.

Van Doren: There is another important distinction, too. What is the origin of these various capabilities that comprise the all-in-one solution? Are they all developed by the vendor offering the solution, or are some of the components OEMed from other suppliers or added through a corporate acquisition. There isn't necessarily anything wrong with the latter approach, but there are potential implications for how well the components work together, pass information, enable robust reporting, and ease administration of all the components.

Staples: Yes, just because the sales person sells all the items doesn't mean it's an all-in-one platform. A single company may offer a solution that includes ACD, outbound predictive dialing, IP PBX, and IVR, but unless each of those applications was developed on the same underlying platform, the customer could still be strapped with multiple administrative interfaces, costly integration projects, and a lack of functionality. In the end, those problems typically equate to an increase in long term operating costs.

Q: Okay, so focusing on operating costs, beyond the obvious savings associated with lower integration costs, are there other savings that can be associated with selecting an all-in-one solution vs. point systems?

Staples: There really are a number of factors that drive down the total cost of ownership of all-in-one solutions, making them more economical to own and operate than their multipoint counterparts. A lot of times those costs are "under-known" by IT staffs and product selection committees. In addition to the integration costs, which can be significant, there is a major all-in-one cost saving from reduced administrative overhead. A study by BenchmarkPortal showed that, on average, an all-in-one contact center of roughly 200 agents will require one quarter of the administrative resources to manage the system than those with multipoint systems.

Other factors that make all-in-one more cost effective include a reduction in the cost of managing the vendor relationships (fewer vendors), system maintenance costs, reduced power consumption, and upgrade costs. Overall, the BenchmarkPortal study showed that the total annualized technology cost per agent in an all-in-one environment is less than half that of a multipoint offering.

Q: Should customers worry about decreased functionality if they move away from the best-of-breed multipoint specific offerings?

Van Doren: Decreased functionality is something to consider. In the past, all-in-one solutions tended to have state-of-the-art functionality in their flagship components, and rather basic capabilities for others. Of course, as suppliers advance their offerings, those basic functions are getting better with added features, easier administration, or more comprehensive reporting. In many cases, all the components are now "good enough" to satisfy the enterprise's needs.

However, what's really important is for the enterprise to understand its source of competitive differentiation, and whether specialized capabilities in the contact center will contribute to that. We have seen situations where specific functionality was needed to provide unique, differentiating services for the calling customers. In those cases, going with a more standard solution, even if part of an efficient all-in-one suite, may not be the answer.

Staples: I'd agree with Don that best-of-breed does deliver unique functionality for a very specific application. However, are the trade-offs to gain that functionality really worth it? It reminds me of the PBX feature wars in the early '80s and '90s. Each vendor touted their 425 features, but most customers still only used a small portion of those features. A pragmatic approach is to ask yourself, will I use that extra best-of-breed functionality or is what I get from the all-in-one application sufficient? I believe that in most cases, any reduction in functionality will be offset by the all-in-one operational cost savings.

Van Doren: In many cases, Joe, you're probably right. Of course, another factor is the corporate culture. Some companies have strong IT departments that like to get involved in tailoring the functionality to meet specialized needs and making the components work together well. In those situations, they sometimes feel that they really can get enough differentiation to make it worthwhile.

Staples: Perhaps. But I'd really question whether that's realistic. As these systems get more complex and more capable, we (and other companies like us) have teams of people doing nothing but working on these enhancements. Most companies can't afford to dedicate such resources.

Q: To get to an all-in-one deployment, is it necessary for a customer to throw out everything they have already invested in?

Van Doren: Of course, the answer will depend on where a particular enterprise is starting and what configurations they want to have in the long term. Theoretically, a best-of-breed solution may allow a phased implementation approach, where a particular component is added into the mix, then another, and so on. However, such an approach would need careful planning to assure that added components will be compatible with the existing environment but also will support the long term vision. And this approach could potentially require multiple integrations — to current and to future environments. And all-in-one solutions can be phased in, too.

Staples: Right, Don. All-in-one doesn't mean all-at-once. A good all-in-one platform will still have certified integrations to third-party CRM systems, call recording systems, workforce management applications, and other PBX or IP PBX platforms. A customer can choose to keep those other products or slowly over time migrate away from them as they continue to deploy the added functionality from the all-in-one platform.

Q: What are some of the key questions a customer should ask of an all-in-one vendor prior to making a purchase decision?

Van Doren: A key issue, as I mentioned before, is to understand the source of the different components and how and how well they are integrated under the skins. Here are a number of questions: Are these components "bolted together" modules from different suppliers? How are they integrated with each other? To what degree can the solution be integrated with existing equipment? How is the administration done, and is it truly integrated, too? Do the reporting capabilities bring together information from all the components, captured and calculated on a comparable basis?

Staples: To add to your point Don, there are plenty of "all-in-one imposters," for lack of a better term. Companies that have acquired several other companies, put all the products in the sales person's bag and told them to "go sell all-of-them." That really misses the primary benefits to the all-in-one approach — single point of administration, pre-integrated applications, etc. So customers would do well to ask vendors to elaborate on the each of the applications, where they were developed, and how completely and seamlessly they are integrated with the other applications on the platform.

Q: Does the move to the cloud, or to a hosted communications offering, negate the need to look at the all-in-one vs. multipoint choice?

Staples: As some portion of business communications, and more specifically the contact center, moves toward a hosted model, there is an even greater need for customers to get a single source for the applications they require. It could become a procurement nightmare if you had to look to multiple hosted providers for various applications, all with the hope that they could be integrated. Bottom line is that for hosted offerings, the need for a customer to seek an all-in-one platform is even greater than it is with premise-based equipment.

Q: You made mention earlier about reduced power consumption for all-in-one solutions. How real is that?

Staples: Power consumption is not only an expense concern for IT groups, but it is an environmental concern as well. Using a software-architected all-in-one solution can mean the difference of twenty or more servers in a server room vs. two or three. The savings are real and it can be a strong contributor to a company's "green" strategy.

Van Doren: Server counts in general are becoming more of an issue, and not just because of power consumption. Clearly, hardware costs and sometimes support or licensing costs also rise with the number of servers. But all-in-one doesn't guarantee low server counts, either. It depends on the underlying architecture of the solution. The architecture is certainly a factor that enterprises purchasing solutions should consider.

Q: Any last comments?

Van Doren: I mentioned architecture several times. Architecture is destiny. By that, I mean that the capabilities you will be able to deploy in the future will be built on the architectures of the solutions you purchase today. Labels like "all-in-one" or "best-of-breed" provide some indication of how different components of a complex offering come together. However, you have to get under the covers to really understand how these are put together and how they will work in your environment. Be sure that you are getting the platforms you need now to support your vision for your customer interaction strategy of the future.

Staples: Don, I think you've made a lot of good points — the need for a solid architecture, planning your deployment with a long term vision in mind, and considering the many cost implications associated with the all-in-one vs. best of breed choice. I clearly fall into the camp of being on the side of the all-in-one offering. I just think there are so many reasons why it makes better sense. From the cost reductions around administration and integration, to the ease of deployment, to the benefits of dealing with one vendor, I think it all adds up to a cleaner, more streamlined approach. From my experience, for the most part the all-in-one offerings have matured to the point that they have the level of functionality that customers require. And in the end, I think a good in-depth evaluation will prove that out.

Vanguard Communications

Vanguard Communications Corp. is an independent consulting company founded in 1980. Vanguard helps clients achieve business goals through more effective communications systems and processes. The company focuses on better customer interactions through contact center and self-service improvements, on better internal collaboration among field staff and knowledge workers, and on the growing convergence that unified communications will bring.

Vanguard consultants are seasoned professionals. They bring business acumen, operational experience, and technical thought leadership to each client engagement. Vanguard consultants are featured speakers at industry conferences, and contribute regularly to trade publications.
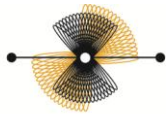

Interactive Intelligence, Inc.

Interactive Intelligence Inc. (Nasdaq: ININ) is a global provider of unified business communications solutions for contact center automation, enterprise IP telephony, and business process automation.

The company has developed an all-in-one IP communications software suite that's scalable and standards-based, offering single-platform architecture with inherent multichannel processing to deliver comprehensive applications minus the cost and complexity introduced by multipoint products.

Founded in 1994 and backed by more than 3,500 customers worldwide, Interactive Intelligence is an experienced leader delivering a comprehensive solution-set composed of premise-based and on-demand Communications as a Service (CaaS) offerings, including software, hardware, consulting, support, education and implementation.

The Authors
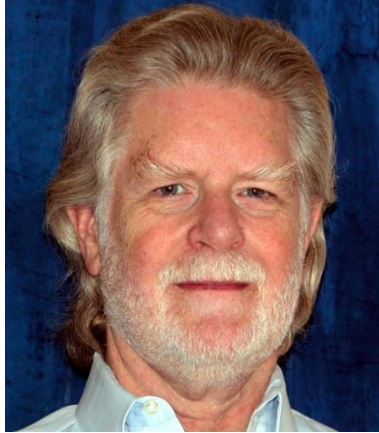
Don Van Doren is President of Vanguard Communications Corp, an independent consulting company that helps clients plan, design, and implement effective customer interaction solutions. Most of Vanguard's work is with enterprises that seek to improve their contact center and self-service technologies and processes, and to integrate the customer experience as a fundamental component of meeting business goals.

Over the past decade, Don's research, client work, and writing has been increasingly focused on the emerging field of unified communications (UC). He co-founded UniComm Consulting, an independent consulting firm that helps enterprises understand the potential for UC in their business, develop strategies, identify applications, and assist with implementation.

Don works on client assignments in strategy, design, and the use of new processes and technology to achieve business objectives. He is a frequent author and speaker. Don has an undergraduate degree from Yale University and an MBA from the University of Michigan.

Joe Staples serves as chief marketing officer for Interactive Intelligence. He oversees the global marketing efforts of the company's award winning contact center and communication product lines. Mr. Staples lends more than 25 years of experience in technology and marketing to Interactive Intelligence, including specific assignments in the areas of contact center automation, computer telephony, unified messaging, mobile wireless, computer networking, and computer-based education. Mr. Staples is a frequent industry presenter, author of various communication-related articles, and an active blogger.