

HARDWARE AS A SERVICE FOR CONTACT CENTRES

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Bring BPO2SA



How to slash your cost-per-seat in your contact centre

An independent review of the benefits of Device-as-a-Service IT model for contact centres

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INTRODUCTION

The global contact centre industry is growing, with demand in the BPO / GBS sector soaring. But it's not without challenges. The financial pressures are immense, especially regarding acquiring computer equipment. Substantial start-up or campaign ramp-up costs and thin profit margins can strain capital expenditure and cash flow. Traditional means of acquiring hardware for call centres often involve significant upfront capital, posing difficulties in a highly competitive landscape.



Embracing the 'As-a-Service Economy': Agility, Efficiency, and Modern Business Practice

In today's fast-paced business environment, the 'As-a-Service Economy' is not just a trend but a fundamental shift in how companies operate. More than ever, businesses are turning to subscription-based models for everything from software like Office365, accounting tools, and ERP solutions to entire IT infrastructures hosted in the cloud.

This transformation is more than mere convenience; it's a strategic move aligning with contemporary best practices. By embracing 'As-a-Service' models, organisations can gain unparalleled flexibility, scalability, and cost efficiency. No longer burdened by significant upfront investments, companies can pivot more easily, allocating resources where they matter most and adapting to the market's ever-changing demands.

The 'As-a-Service Economy' is reshaping how businesses think about their operations and investments in technology. It's a smart, agile approach that has rapidly become the norm, allowing organisations to stay competitive and responsive in a world where adaptability is critical to meeting customer demands, seizing new opportunities, and maintaining a strategic edge in an ever-changing and fickle market landscape.

One vital extension of this trend is 'Hardware as a Service' (HaaS). As businesses streamline processes and embrace efficiency, HaaS has emerged as a best practice among financially successful global organisations. By treating hardware not as a costly asset but as a flexible, manageable service, companies are unlocking new levels of agility, freeing capital, and positioning themselves at the forefront of industry innovation.

HARDWARE AS A SERVICE

OPTIMISING OPERATIONS: THE POWER OF HARDWARE SUBSCRIPTION MODELS IN CONTACT CENTRES AND BPO

Adaptability is more than a buzzword for contact centres and BPO operations; it's necessary. Traditional IT investments can be a barrier, locking companies into rigid structures that need help to respond to the industry's ever-changing demands. Enter the subscription model, a solution that turns these challenges into opportunities.

Reduce Total IT Costs: By embracing a subscription model for hardware, contact centres can eliminate hefty upfront expenses. Monthly subscription payments align with the scale of the operation at the time and actual usage, ensuring you only pay for what you need when needed. This efficiency translates into significant cost savings.

Preserve Cash Resources: The ability to move to an opex model frees up reserves and lines of credit, preserving essential cash resources. This financial agility is crucial in a competitive environment where liquidity can be the key to seizing opportunities as they arise.

Agility to Scale: The industry's fickle nature demands flexibility. With a Hardware as a Service (HaaS) subscription model, ramping up or scaling down becomes a simple process, not a logistical nightmare. Your operations can ebb and flow with market needs, ensuring you're always right-sized.

Predictable and Accurate Budgeting: An all-inclusive, fixed monthly cost takes the guesswork out of budgeting. Transparent, predictable pricing lets you plan confidently, knowing there won't be unexpected expenses lurking around the corner.

Tax Advantages: The opex model provides notable tax advantages over traditional capital expenditure (capex) methods. By categorising these expenses as operational, businesses can often deduct them fully in the year they are incurred, enhancing cash flow and offering greater financial control and planning.

Embracing a subscription model for IT hardware needs is more than a cost-saving measure; it's a strategic alignment with modern business practice. For contact centres and BPO operations looking to thrive in today's market, this model offers reduced costs, greater flexibility, financial control, and significant tax benefits. It's an approach that's not just savvy; it's essential.

THE PITFALLS OF THE TRADITIONAL CAPEX MODEL: RIGIDITY, COSTS, AND INEFFICIENCY



Relying on the capex model can lead to challenges hindering growth and operational efficiency. The traditional approach to IT hardware investment is proving to be out of step with the rapid changes and demands of the industry:

Tying Up Capital: Significant upfront investments in hardware can lock up vital capital that could otherwise be deployed for strategic growth initiatives. These enormous expenditures may hamper investing in other critical areas, such as employee training or marketing.

Lack of Tax Efficiency: Unlike the opex model, capital investments in hardware may not provide immediate tax benefits. The gradual depreciation of assets can slow down the financial returns, making it less appealing from a fiscal perspective.

Inflexibility to Scale: The capex model lacks the agility to quickly ramp up or scale down in response to market demands. Investing in hardware means committing to fixed assets, reducing the ability to adapt to fluctuations in the industry, and potentially leading to over or under-utilised resources.

Maintenance and Downtime Costs: Owning IT hardware necessitates providing significant maintenance and support, which can be costly and time-consuming. When a PC or laptop breaks down, the ensuing downtime can lead to expensive productivity loss, further exacerbating the costs.

By clinging to the capex model, contact centres and BPO operations risk falling behind in an era where agility, cost-efficiency, and adaptability are paramount. The challenges of tying up capital, less favourable tax treatment, lack of scalability, and maintenance woes present a compelling case for reconsidering this approach in favour of more flexible and modern alternatives.

HARDWARE AS A SERVICE

THE HIDDEN COMPLEXITIES OF MANAGING YOUR OWN HARDWARE: NINE COSTLY REALITIES

In an age where efficiency, agility, and cost control are vital to success, managing your own hardware can become a complex and draining task. The traditional approach to hardware management encompasses a wide range of responsibilities and hidden costs that can divert focus from core business activities:

Procurement

From supplier management to pricing negotiations, hardware procurement is multifaceted and time-consuming. The complexity of this process may also lead to risks of malfeasance and unethical practices, adding further challenges and potential costs.

Configuration & Deployment

Includes the tasks of imaging, software loading, and configuration, adding layers of both time and complexity to the setup process.

Warehousing

Secure storage space, stock management, insurance, and shrinkage are continual concerns.

Asset Management

Record keeping, tagging, tracking, depreciation, repair tracking, and managing redundant hardware contribute to a substantial administrative burden.

Logistics

Receiving, dispatch, courier services, packaging, personnel, and insurance against damages and losses all add to the cost and complexity.

Support

Troubleshooting, fault finding, repairs logging, and managing warranties require dedicated resources and expertise.

Upgrades

Managing hardware upgrades, including components and software, is an ongoing challenge.

Insurance

Risks related to damage and theft, policy management, premium payments, and claims management are often overlooked expenses.

Disposal of Assets

Sale administration, logistics, accounting depreciation, and data sanitisation must be handled carefully to avoid legal or financial risks.

These nine realities expose the hidden intricacies and costs of managing hardware in-house. It's a picture that prompts organisations to explore more streamlined and cost-effective alternatives like 'Hardware as a Service' (HaaS), where these burdens are managed by experts, freeing up time and resources to focus on strategic growth.



HARDWARE AS A SERVICE

THE IDEAL CONTACT CENTRE OR BPO HARDWARE ENVIRONMENT: FLEXIBLE, ROBUST, AND TAILORED TO YOUR NEEDS

Having the proper hardware at the right time is paramount to be an efficient, effective, and profitable Contact Centre or BPO operation. What does the ideal hardware environment look like? It's not a one-size-fits-all scenario but a carefully crafted solution tailored to specific organisational policies, practices, individual roles, and specific technical needs, offering the flexibility to ramp up or scale down according to the market's whims.

Customised Specifications

From executives and managers to power users and agents, the hardware must match the unique requirements of each role. The choice is yours whether it's a state-of-the-art senior executive notebook or a standard powerhouse i5 Notebook from HP, Lenovo or Dell equipped with 8GB RAM, a 240GB SSD, or a higher spec.

Full Maintenance and Backup

To ensure seamless operations, comprehensive maintenance is a must. Including on-site backup units ensure your team is always fully productive.

Theft/Damage Replacement

Unexpected mishaps happen. With the next business day or on-site spare replacements, you're only a moment away from getting back on track and fully productive.

Asset Management and Tracking

Knowing where your hardware is, and its condition is crucial. Comprehensive asset management ensures that you're always in control.

Software Integration

Pre-loading all standard software onto the hardware before delivery, and ensuring all necessary applications are ready to use streamlines the process, providing tailored ready-to-use equipment.

IT Hardware Disaster Recovery/Business Continuity

In the event of unforeseen circumstances, having a robust disaster recovery and business continuity plan ensures that your business continues without a hitch. Having immediate access to appropriate hardware within hours is a strategic imperative.

By embracing a hardware environment that's flexible, robust, and tailored to individual needs, Contact Centres and BPO operators can stay ahead of the curve, maximising efficiency, reducing costs, and delivering outstanding customer experiences. It's not just about having the right tools; it's about having the right tools at the right time, place, and with the right support.



UNLEASHING THE POWER OF DEVICE-AS-A-SERVICE

Renting contact centre computer equipment rather than buying is more than a convenient option; it's a strategic enabler. It allows IT and financial decision-makers to unlock scalability, minimise downtime, manage hardware efficiently, enhance data security, and constantly have access to state-of-the-art technology. By shifting to this model, contact centres and BPO operators are not merely keeping up with industry standards but positioning themselves at the forefront of innovation.

The ability to offload hardware management responsibilities frees up crucial resources, enabling focus on core operations and strategic initiatives. In an industry where responsiveness, efficiency, and customer satisfaction are paramount, Device-as-a-Service offers a compelling solution that drives operational excellence and contributes to the overall success of the call centre. Embracing this model represents a savvy, forward-looking approach that delivers tangible benefits in a competitive landscape.

UNDERSTANDING THE IMPORTANCE OF A RELIABLE HARDWARE RENTAL SOLUTION IN THE CONTACT CENTRE INDUSTRY

To find out what it is all about, I spoke to the pioneers of this model in South Africa, Go Rentals, one of South Africa's longstanding technology rental firms. Their footprint in the realm of Device-as-a-Service (DaaS) is notable, especially in the Contact Centre space. Partnering with a provider that has such deep roots in both the hardware and contact centre industries can make a significant difference.

When it comes to finding the right DaaS solution for your contact centre or BPO operations, it's essential to prioritize:

- Industry-specific experience.
- You must get a comprehensive service offering that covers maintenance, updates, and support.
- Strong customer references showcasing their ability to deliver on promises.
- Flexibility in their offering to tailor-fit solutions based on your unique needs.

Remember that you're not just purchasing or financing IT hardware; you're buying a service. It's essential to select a provider with robust resources, systems, billing, logistics, and processes in place, specifically tailored to the contact centre industry. Traditional IT hardware resellers might be adept at supply, but delivering DaaS requires a different kind of expertise, as evidenced by companies like Go Rentals, which have pioneered this service model in South Africa.

Finally, it's wise to ensure your chosen provider is not outsourcing the rental from another company, adding potential complexities to billing, asset management, and risk complications. Look for providers that are authorized partners in the sale of DaaS. The right partnership will not only offer immediate benefits but also provide long-term value, ensuring your operations remain agile and competitive.

REFERENCES; CREDITS AND APPRECIATION

References:

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Rod is a Specialist contact centre & BPO strategic advisor consultant, industry analyst, blogger and avid promoter of BPO to South Africa. With over 45 years of experience, Rod helps leading customer services and contact centre executives and managers make good decisions by providing strategic and operational consulting, knowledge-sharing, management development & mentoring.

Credits:

Thank you to the following people who provided me with valuable insights into the DaaS market and provided access to their customers to understand the benefits first-hand for the contact centre industry.

Ron Keschner, Director - Go Rentals®

Thank you to Ron Keschner who provided me with valuable insights into the DaaS market and provided access to their customers to understand the benefits first-hand for the contact centre industry. Ron is a well-known figurehead in the IT market, with well over 20 years experience in all aspects of the IT hardware value-chain, and the radio host of the popular Blues radio show on Radio Bop.

Evan Berger, Director – Lifecycle Asset Rentals

Lifecycle Asset Rentals is a technology rental finance provider specialising in financing of end-user computing devices.



Rod Jones takes a glimpse into the intricate operations at one of Go Rentals' high-tech facilities across South Africa. Behind the seamless Device-as-a-Service offerings are complex processes and logistics that alleviate the challenges of IT hardware ownership for Contact Centres.