



Technology evolution is
powering employee and
customer satisfaction

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1. Executive Summary

Australian companies have emerged from the Covid-19 pandemic only to grapple with the impacts of soaring interest rates, the ever-lingering threat of a global recession, dwindling Australian dollar value, and a slowing Chinese economy.^{1,2} Compounded by escalating energy prices and other inflationary pressures, firms are challenged to maintain their margins while defending and growing their customer base.

Total experience (TX) is one approach that companies can take to sustain a competitive advantage in unfavourable economic environments. The aim of TX is to provide an exceptional experience to all internal and external stakeholders (e.g., customers, channels, and employees). This holistic, people-centred approach takes into consideration the interactions between elements such as:

- **Customer experience (CX):** The aggregation of how a customer feels about their interactions with a business.
- **Employee experience (EX):** The quality of interactions of an employee across different touchpoints of a business measured by elements such as employee satisfaction, retention, and productivity.
- **User experience (UX):** The experience of how a user interacts with a company, its services, and products.
- **Multi-experience (MX):** The ability to enjoy a consistent UX when a user interacts with a company through different means (e.g., devices, wearables, apps, etc.) and modes (e.g., voice, touch, and gesture).

A successful TX strategy requires skilful orchestration of the above four elements, as well as the right technologies to enable and track their performance. Intrinsic to this are the roles played by unified communications & collaboration (UC&C) and contact centre solutions (CCS) which allow businesses to better communicate with customers across channels and improve experiences.

This report will focus on UC&C and how it can support the workplace and employees. We will also look at how CCS drive customer success. Those domains are converging, and they will be heavily influenced by AI/ML-based platforms for more data and insights and will need to adapt to the many market realities, such as changes in employee, customer, and technology requirements. Our research contends that:

- **Workplace transformation is key to improving EX:** The survey shows 91 percent of Australian businesses have either implemented workplace transformation or are considering it. The key drivers include boosting productivity, support for flexible working, and improving the utilisation of office space. Hybrid and remote working will remain in very high demand for the foreseeable future. Offering flexibility is important to attracting and retaining talent. While many organisations want to lure more employees back to the office, some will reimagine office design to better engage employees, by role, and type of work they do within the office so that they can improve EX.

¹ Reserve Bank of Australia, [Statement on Monetary Policy](#) August 2023

² Deloitte Access Economics, [Business Outlook](#) July 2023

- **Customer engagement is crucial for building brand loyalty:** The research shows that 57 percent of businesses are looking to transform CX. This is to improve customer satisfaction, make customer service more efficient and create personalisation. Most participants in the survey have also evolved frontline CCS technology from basic voice-centric services and call routing to platforms deeply integrated into the business and major platforms such as enterprise resource planning (ERP) and customer relationship management (CRM). This reflects the move to digital channels and integrating systems for deeper customer insights across channels. Some businesses have integrated back-end processes to promote self-service for customers and position agents in more strategic areas such as advising on the best products.
- **The cloud-first approach enables agility and adaptability:** For both UC&C and CEPs, cloud adoption is over 70 percent between those planning to, or have already, migrated. This is due to the overall flexibility and scale the cloud offers, as well as supporting AI/ML-based platforms and integration. In both environments, there are small pockets of customers where there will continue to be resistance due to evolving security, compliance, and/or performance concerns.
- **Trusted partners can help manage complexity:** Survey respondents indicated significant business challenges in UC&C and CEPs. For UC&C, integrating multi-vendor solutions was the top challenge followed by the need to increase end-user adoption with any new deployments. While CCS can support omni-channel strategies, businesses often lack modern systems, and security policies to support the transition. Service providers will play a key role in filling some of these gaps through advisory services, system integration, and technology roadmaps.
- **AI-enabled digital platforms are gaining traction:** The research shows that AI is being introduced at a more rapid pace into CEPs (53 percent) compared to UC&C (43 percent). For CEPs, the use cases are around improving agent support (62 percent businesses have implemented) along with interactive voice response (IVR) with skills-based routing (59 percent). For UC&C, the main use case is employee training and development (60 percent), followed by translation and transcription (38 percent). AI is also important for addressing skill shortages by doing formerly manual tasks. It can also yield improvements in both employee productivity and customer experience.

2. Agility and Adaptability Continues to be Key in an Uncertain World

When Covid-19 broke out, businesses in Australia had to pivot quickly to survive, and ICT departments had to work in overdrive in order to address a combination of new technology requirements, impacts on business processes, and changing employee and customer expectations. Workers were sent home and remote working and virtual meetings became commonplace. Secure access and endpoint security became critical. Brick-and-mortar retailers had to rely on online and digital channels to service their customers.³ There was also a marked shift of Australians using platforms like Facebook Messenger, WhatsApp, and SMS to communicate with businesses.⁴ Companies had to quickly respond and adapt to these market forces.

Global supply chains were also disrupted⁵ and businesses had to source alternatives to boost resilience. Offshore call centres were also impacted as many companies brought their customer service functions back onshore.⁶ Others accelerated the adoption of cloud services in CCS to better support remote working.

Fast forward to now, where many businesses are facing staff and skills shortages.⁷ Most companies realise that hybrid and flexible work practices are here to stay and are crucial for talent retention, particularly with Millennials.⁸ Along with this is the need to optimise EX and improve productivity in the new digital workplace.⁹ While supply chain shortages are easing,¹⁰ businesses are now challenged with optimising budgets and improving efficiency. This is in the face of headwinds such as rising energy costs, inflation, interest rate hikes, and higher borrowing costs. In the B2C space, omni-channel is becoming more commonplace, but cost-of-living pressures are making consumers more cautious with their purchases.¹¹ An excellent CX is becoming crucial for growing brand and wallet share.

In the face of these multifaceted challenges, many companies recognise that adopting a 'total experience' (TX) approach is key to sustaining a competitive advantage. TX takes into consideration employee experience (EX), user experience (UX), customer experience (CX), and multi-experience (MX). Technology is the overall enabler of this approach and within this, technologies such as UC&C and CEPs play a crucial role.

³ "Atto, S., (Nov 2021), "How COVID-19 changed the way we shop...again", Impact, Monash University, <<https://impact.monash.edu/retail/how-covid-19-changed-the-way-we-shop-again/>>

⁴ Ibid

⁵ Newton, E., (Mar 2022) "Why is There a Shipping Container Shortage?" Supply Chain Connect, <<https://www.supplychainconnect.com/supply-chain-technology/article/21236551/why-is-there-a-shipping-container-shortage>>

⁶ Parsons, L., (Jun 2020). "Call centre jobs are coming back to Australia due to global pandemic - and being on hold could be a thing of the past as companies embrace messaging apps", Daily Mail, <<https://www.dailymail.co.uk/news/article-8454305/Call-centre-jobs-coming-Australia-global-pandemic.html>>

⁷ Australian Bureau of Statistics (Jun 2023) , Job Vacancies Australia May 2023

⁸ NAB, (Jan 2023), Work life reimagined: What's next for hybrid working? Access from: <<https://business.nab.com.au/work-life-reimagined-where-next-for-remote-and-hybrid-working-57364/>>

⁹ Thomson J., and Boyd, T., (Dec 2022) Where Australia's top CEOs stand on hybrid work, Financial Review, <<https://www.afr.com/work-and-careers/workplace/where-australia-s-top-ceos-stand-on-hybrid-work-20221219-p5c7ed>>

¹⁰ NAB Group Economics (August 2023), NAB SME Business Insights: Supply Chain Update Q2 2023, <<https://business.nab.com.au/nab-sme-business-insights-supply-chain-update-q2-2023/>>

¹¹ Australia Post (2023), *Inside Australian Online Shopping*, Access from:

https://auspost.com.au/content/dam/auspost_corp/media/documents/ecommerce-industry-report-2023.pdf

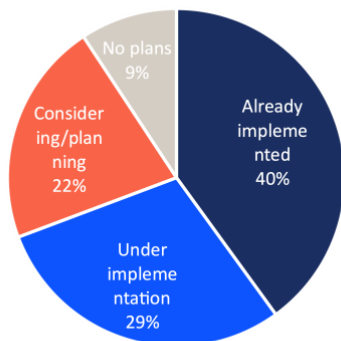
3. Workplace Transformation is Key to Improving Employee Experience (EX)

The post Covid-19 pandemic “new normal” is hybrid working. Many companies are coming to terms with how to transform their workplace to adapt to and accommodate flexible working. Improving EX, in part by revamping the traditional office, is key to attracting the best talent and reducing exposure to labour shortages.

Based on GlobalData’s research (see Figure 1 below), 91 percent of the organisations surveyed have either implemented workplace transformation or are planning to do so.

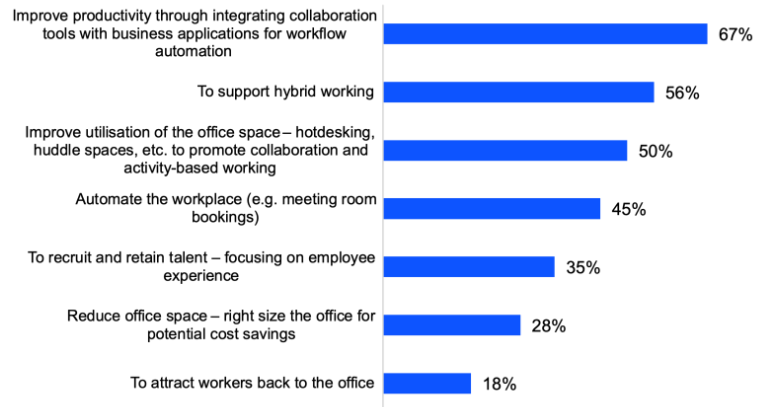
There are many ways to boost productivity within the workplace. Increasingly, this involves workflow simplification and automation, which can be achieved through integration of collaboration tools and business applications (e.g., IT management systems, CRM, ERP, and call recording). Some UC&C vendors are already pre-integrating communications solutions with key business applications to improve workflow automation.

Is your organisation looking to transform the workplace for hybrid working leveraging technology?



n=140

What are the key drivers for workplace transformation?



n=127

Figure 1: Workplace Transformation and key drivers

The key drivers for workplace transformation include productivity improvements (67 percent), support of hybrid working (56 percent), and better utilisation of office space (50 percent). The study highlights a gradual shift back to working on-site, with Australian business and IT leaders predicting that remote working will decrease from 40 percent of employees at current levels to 32 percent in two years. However, while more employees may spend more time in the office, the ability to support hybrid working will remain crucial, especially for retaining talent. A recent article in news.com.au quotes Karin Sanders, a Senior Deputy Dean (Research and Enterprise) and

Professor in UNSW's School of Management and Governance, who believes that employees who are forced back to the office for more days will become demotivated and less committed. She argues that the idea that young people must be in the office to better learn to be leaders is "old fashioned." The article notes that employers in a tight labour market may risk losing talented employees to organisations that do offer flexible work arrangements.¹²

Moreover, more meetings (see Figure 2) will continue to involve video conferencing either fully online or hybrid (e.g., through a meeting room with a mix of onsite and remote participants). This highlights a demand for businesses to upgrade their meeting rooms by replacing legacy audio-conferencing equipment with up-to-date video conferencing solutions. While face-to-face meetings are bouncing back in Australia, they are not expected to increase significantly over the near term. This suggests online video collaboration will continue to be the main method of meetings. Leading vendors have also evolved video conferencing to make the experience more engaging and of higher quality for remote users and other participants not in the same room.

Which is/will be the most common mode of conducting a meeting?

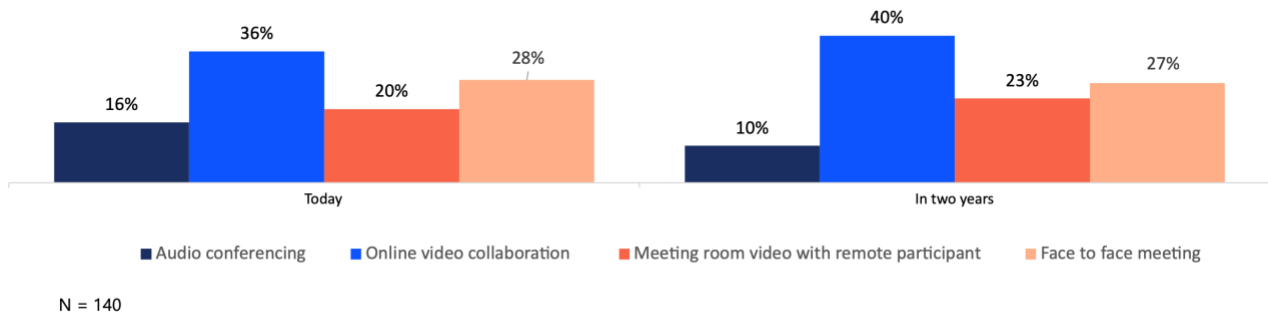


Figure 2: Change in ways of conducting a meeting.

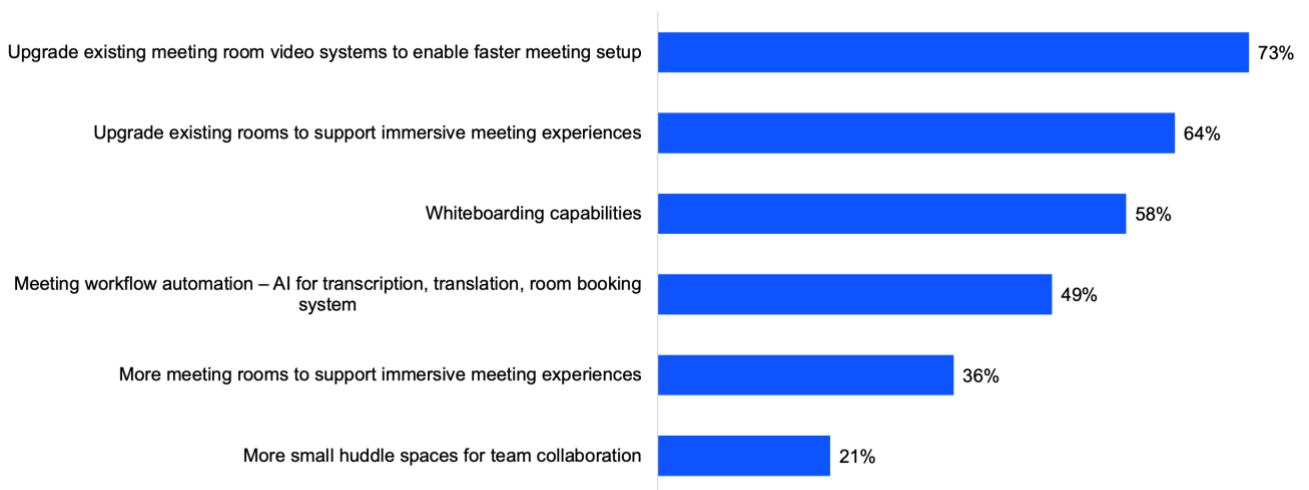
¹² Foster, A., (May 2025), "Gen Z workers blasted as 'selfish' amid calls to return to the office", News.com.au <<https://www.news.com.au/finance/work/at-work/gen-z-workers-blasted-as-selfish-amid-calls-to-return-to-the-office/news-story/be18fad67a49d7962aed2b455f43c5cf>>

“We are looking to make every room, especially video conferencing, digitally enabled and uniform to create a better and consistent user experience.”

CEO Australian Regional Hospital.

However, 47 percent of enterprises indicated that their current meeting rooms are not supporting their business needs. These respondents have indicated the need to upgrade existing meeting rooms with video systems, upgrade existing systems to support immersive meeting experiences, and add whiteboarding capabilities. Employees are looking for better meeting experiences from their offices as they spend more time working on-site. Likewise, many Australian businesses are also looking to create better UX through greater consistency room-to-room, using a more unified or even single vendor solution (Figure 3).

What are the additional requirements?



N = 66

Figure 3: Additional requirements for enhancing meeting experience

Any workplace transformation needs to focus on the end-user. With employees working from different locations, it is important to enhance security for remote access (Figure 4). While enterprises have leveraged remote working during the pandemic, they may not have thoroughly considered the security risks. This is now seen as the number one issue for enterprises. Enterprises are also looking to better monitor user experience to ensure that they are delivering the right business outcomes such as productivity and employee satisfaction.

What are the additional services or solutions required to support your workplace transformation?

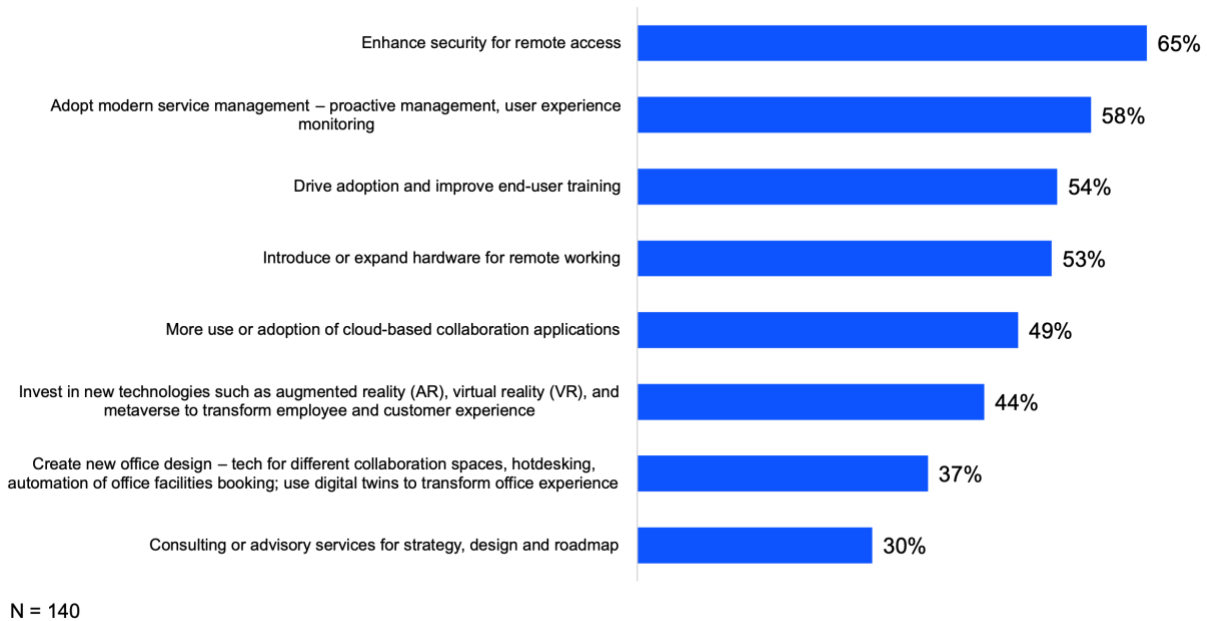


Figure 4: Additional services and solutions for workplace transformation

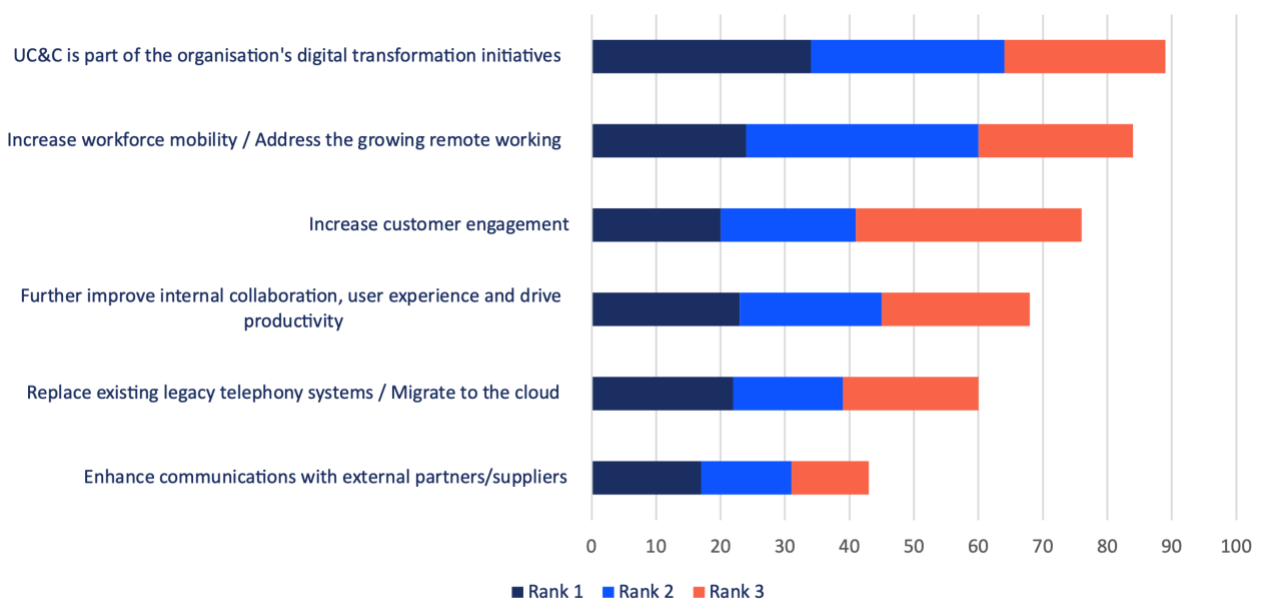
With technologies such as full-stack observability and predictive analytics, UX can be greatly enhanced since IT can pinpoint technical issues more accurately. Actions can be proactively taken before a trouble ticket is ever raised. Observability tools enable IT teams to find critical issues across distributed technology components by gathering real-time data from systems, in the form of logs, events, traces, and metrics.

In addition, while having the right technologies can help employees to become more effective, businesses need to raise their digital dexterity – the ability for employees to pivot to new digital tools. This must take into consideration the multi-generational workforce and the need to have the right tools and training to ensure successful adoption and achieve an effective digital workplace.

3.1 UC&C Plays a Key Role in Workplace Transformation

For years, UC&C has served as a foundational technology, underpinning workplace productivity. Collaboration tools were dramatically enhanced during the pandemic. This has further strengthened the ability of UC&C solutions to enable virtual collaboration and improve productivity. While most enterprises have implemented UC&C, the expectations for the technology have shifted. Most enterprises consider UC&C more strategically as part of their digital transformation initiatives, increasing workforce mobility, and addressing remote working requirements, as well as improving CX (see Figure 5). The survey results also show that UC&C is an important part of digital transformation as well as supporting remote working and improving customer engagement.

What are your organisation's top three drivers when considering a UC&C solution?



N = 140

Figure 5: Drivers for UC&C solution

There is interest among some enterprises to integrate UC&C with vertical-specific applications as well as applications for business functions (e.g., HR management software and budgeting and forecasting applications for finance, etc.). This is typically driven by lines of business looking to streamline operations and remove manual processes. For example, a regional hospital group interviewed in this study is looking to integrate UC&C with their clinical information systems to enhance workflows between patients and their caregivers.

This can improve the employee and/or patient experience, increase overall hospital productivity, and lead to better medical outcomes.

3.2 What Businesses Expect of Their UC&C Technology

Since collaboration technology is critical to business operations, there is a greater emphasis on user experience. From the IT department's perspective, it is important that the technology is simple to deploy and manage (Figure 6). Even as the workplace becomes more complex, IT does not necessarily have more manpower to spare. A solution that enables zero-touch provisioning, simplified device management, and real-time insights is preferred by businesses. Technology vendors are responding by constantly innovating and enhancing their products to gain differentiation in the market. New product features and functionality are a key consideration for enterprises in selecting their UC&C technology.

What are the key considerations for choosing your UC&C vendor?

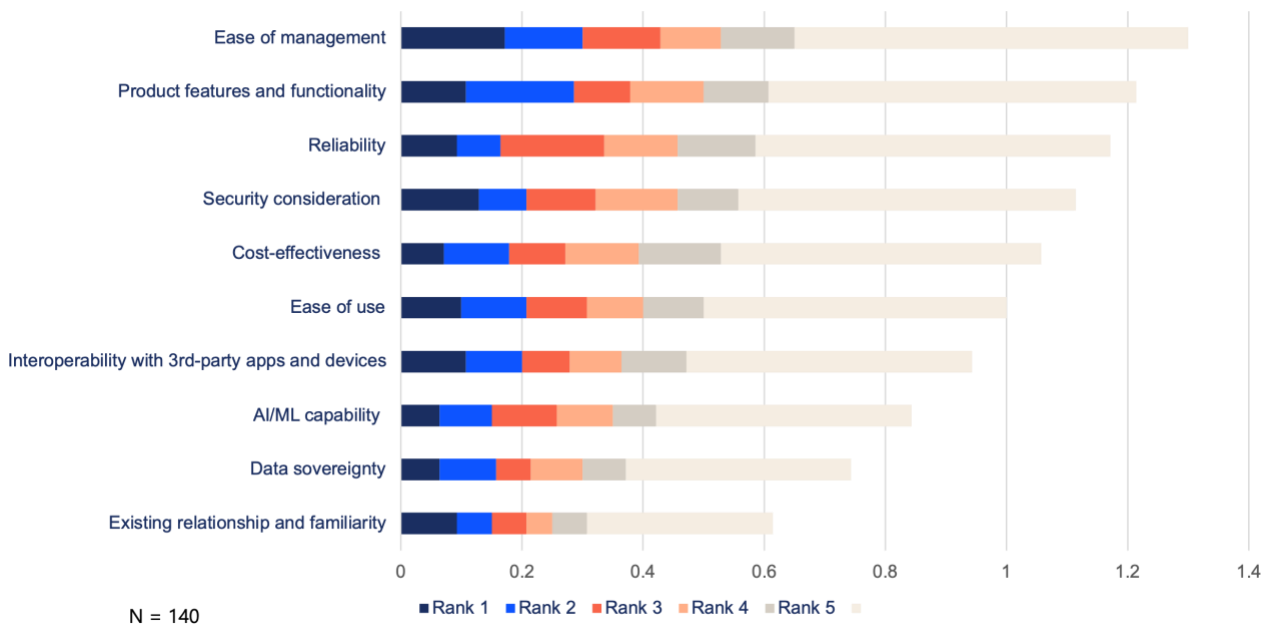


Figure 6: Key considerations for UC&C Vendor selection

However, while enterprises may go for feature-rich products, they will continue to put emphasis on the basic criteria – reliability and security. Particularly with cloud-based solutions, businesses will need to ensure that their communications systems can maintain the same level of reliability as traditional phone systems. For example, while Zoom became popular during the initial phase of the pandemic, its security issues impacted the confidence of government and enterprise customers¹³.

¹³ Vigliarolo, B., (April 2020), *Who has banned Zoom? Google, NASA, and more*, TechRepublic, <<https://www.techrepublic.com/article/who-has-banned-zoom-google-nasa-and-more/>>

4. Customer Engagement is Crucial for Building Brand Loyalty

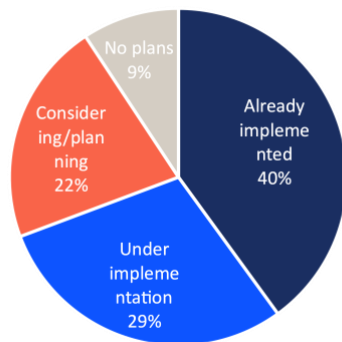
Consumers in Australia are currently under tremendous cost of living pressures and are tightening their wallets as a result. Companies are being challenged to build brand loyalty and increase wallet share, and improving CX is one way to sustain a competitive edge.

Figure 7 shows that 57 percent of businesses are looking to transform their CX, and this is higher among sectors such as BFSI, health, and logistics. This is especially crucial for B2C engagements where contact centre agents are part of the frontline selling services or offering technical advice and support. To highlight this, our survey indicates the top three drivers for CX are improving customer satisfaction, enhancing the efficiency of customer service, and offering personalised services.

We note also that Millennials and Gen Z are two different generations that both grew up alongside the technology boom. Both demographic groups are unique in buying behaviour, online and omni-channel presence and are the target of major global brands for customer acquisition and retention in virtually all industries.

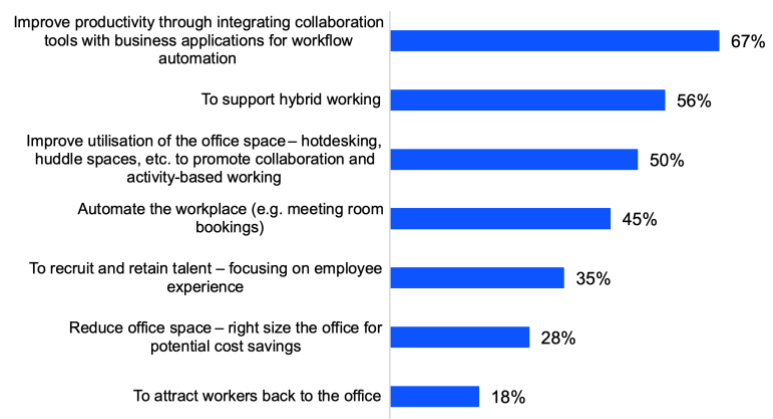
A recent report by Afterpay¹⁴ notes that over 50% of Gen Z¹⁵ start their buying journey on social media. In another report, Afterpay¹⁶ noted that Gen Z and Millennials currently account for 36% of the total retail spending in Australia. Their share of retail spend will grow to 48% by 2030, as more of Gen Z enter the workforce. Their growth in size and spending is a driver underpinning why businesses see the need to transform CX and invest in digital channels.

Are you looking to transform your customer experience?



n=120

What are the key drivers for your customer experience transformation?



n=68

Figure 7: CX Transformation and key drivers

¹⁴ Afterpay, (July 2022), *Beyond the Crops and Tiktoks*. Available at: <https://afterpay-newsroom.yourcreative.com.au/wp-content/uploads/2022/10/AP0207-GenZ-Report-V4-5.pdf>

¹⁵ Gen Z refer to those born between 1997-2012, Millennials refer to those born between 1981-1996

¹⁶ Afterpay & AlphaBeta (August 2021), *Introducing the Next Gen Index*, Available at: https://afterpay-corporate.yourcreative.com.au/wp-content/uploads/2021/08/Afterpay_NextGen_report_AUS.pdf

4.1 Personalisation is Crucial for a Differentiated CX

Studies show that customers are willing to pay more for what they perceive to be a personalised, one-to-one experience, including any tailored offerings or services that appear to be individualised to meet their needs, preferences, or priorities. For these underlying reasons, some 57 percent of business and IT leaders in Australia are looking to transform customer experience within their organisations. While the overall goal within the subset is to improve customer experience (the preference of 76 percent), businesses also want to make the CX process more efficient (See Figure 8). This is typically done with identifying and removing hidden organisational bottlenecks or driving a tighter integration across traditional and digital channels. Organisations are also looking to widen the use of data, analytics, and AI (e.g., loyalty cards, social media, buying history, browsing behaviour, etc.) to personalise products and services (including marketing campaigns and digital content). Personalised services can also involve triggering certain actions or events (e.g., in-app notifications, location-based advertisements) unique to the individual customer or channel. More than half of the businesses surveyed (53 percent) are also looking to improve customer insights across different touchpoints (social, mobile, web, chat, etc.) given the need to allow customers to choose their channel of choice to interact with the business.

What are the key drivers for your customer experience transformation?

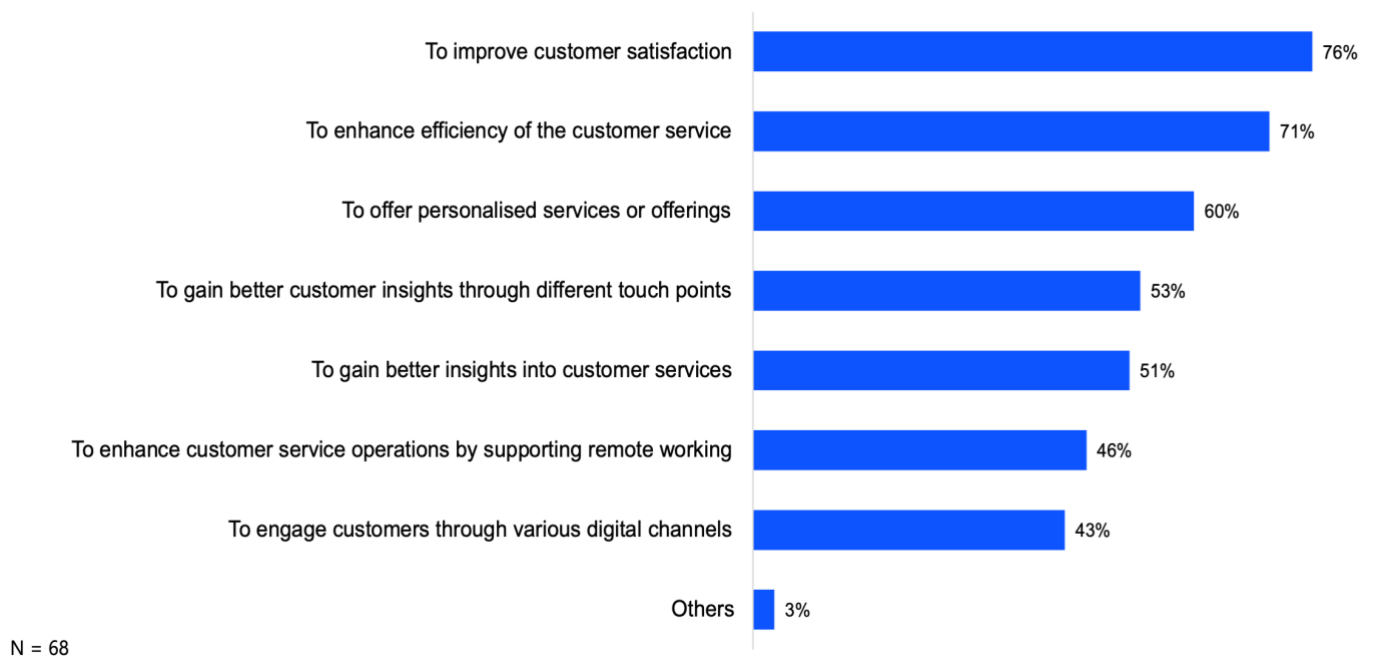


Figure 8: CX Transformation and key drivers

4.2 Contact Centre Solutions (CCS) Can Play a Greater Role in Improving CX

Out of the 120 enterprises surveyed, 44 percent have a CCS with mainly voice, IVR, and call routing function, while only 5 percent have a basic hotline for customers to call. The other 51 percent have more sophisticated CCS that are integrated with other functions such as sales, marketing, and operations. Traditional CCS required a significant level of investment and were deployed by larger enterprises with the need to support a high number of agents. The availability of cloud-based solutions has enabled more scalable and cost-effective solutions to engage customers via both legacy and digital channels. It has also extended CCS to much smaller businesses, or even individual departments for short-term purposes. While the adoption of cloud-based solutions was slow initially, it gained momentum as more enterprises migrated to the cloud during the pandemic.

The study also highlights the need for businesses to better leverage available technology to enhance their customer interactions. One of the key drivers for businesses to enhance CX is to reduce inefficient manual and paper-based processes. Digitisation and automation allow businesses to create better CX by promoting self-service, zero contact resolution, and reducing waiting times significantly for inbound voice calls. In some cases, businesses are trying to reduce the volume of voice traffic, giving customers more tools to be self-sufficient, and changing the role of the contact centre agent from relaying information that is not easily accessible in current systems to providing more hands-on advice and complex problem solving.

Moreover, businesses are faced with staff shortages especially as they bring back customer service functions onshore. Using technologies such as AI can enable customer service agents to be more effective by understanding a client's requirements before the agent takes the call.

Many businesses deploy technologies for sentiment analysis – i.e., tools to better understand context through data and/or assisting the agent in identifying the next best action given the circumstances. Understanding customer sentiment also allows sales and support managers to identify which customers require their attention most urgently. Escalation, for example, can also be triggered by keywords. Recording, collecting, aggregating, and ranking data after each call (e.g., very positive to very negative) can help managers identify problems and look for ways to improve customer outcomes. These datasets are often presented in a variety of formats or dashboards to support the needs of different executives and the business overall. Similar technologies are also used for compliance and reporting, resolving potential disputes, and improving agent training.

Most enterprises have rated Net Promoter Score (NPS) as the top metric for measuring the success of their customer service over traditional metrics such as average waiting times, first contact resolution, and average length of call.

CX needs to consider the entire customer journey, across touchpoints such as marketing, sales, payment, and delivery as well as customer service. The journey is often non-linear and difficult to predict. Nevertheless, many businesses foresee 80 percent of future revenue being generated from existing customers. CX strategies will often look to increase focus on existing customers to drive retention and advocacy.

Moreover, customers are engaging brands through different channels and businesses need to be able to engage them through their preferred means of communication. While voice, chat apps, and email are common ways to engage customers today, businesses are expecting an uptick in

webchat, social media, and video in the next two years (Figure 9). These newer channels can potentially open new opportunities to further enhance customer engagement and reach more segments. For example, embedding AI and chatbots (i.e., conversational AI) can enable automated self-service support – this is through natural language processing (NLP) to understand customer queries and responding using a knowledge database and machine learning algorithms. Another use case is making real-time product recommendations based on customer data and browsing history.

Please indicate the communications channels used to engage customers (inbound and outbound) today and how this is likely to change in two years' time?

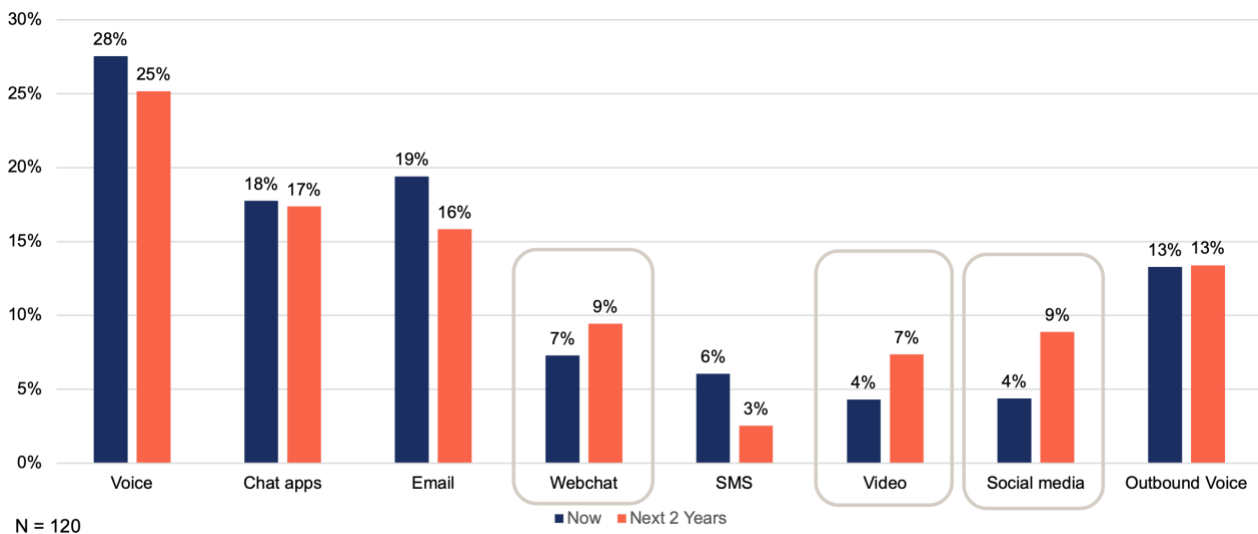


Figure 9: Usage of various communications channels

Two key criteria businesses use to choose their solution vendor are omni-channel capability as well as data management and analytics capability. This points to the desire to better engage customers through their channel of choice while having the ability to understand the overall customer journey, buying behaviours, and sentiments at different touchpoints.

Moreover, CCS are increasingly being integrated with business applications to streamline workflows. Based on this research, enterprises indicate commerce (e.g., orders and payments) and CRM as the top two most important business applications to integrate with CCS, followed by vertical-specific applications, supply chain, inventory management, and analytics, in that order. As CCS become more embedded into the lines of business, they are likely to be integrated into core systems such as CRM. This level of integration provides the means for better insights such as a customer 360-degree view, improved agent efficiencies, and an overall better CX.

5. The Cloud-First Approach Enables Agility and Adaptability

Enterprises with a cloud-first strategy are in a better position to adapt to changing economic and market conditions. The migration of UC&C to the cloud is well underway. Some 77 percent of enterprises will have or are planning to move UC&C solutions to the cloud in the next 2 years. These types of deployments can also help to mitigate some of the traditional challenges, such as ongoing support (e.g., hardware support and software updates). Cloud-based solutions offer many benefits, particularly around flexibility, regular software and security updates, and scalability. However, there will continue to be about a quarter of the enterprises that will maintain an on-premises solution over the next two years (Figure 10), due mainly to security and performance concerns. In certain verticals such as BFSI, healthcare, and the public sector, security and data protection will continue to be a challenge especially if enterprises are bound by evolving industry-specific regulations or the need to achieve the highest possible availability metrics to deliver a critical and timebound service. Nevertheless, having a hybrid approach could be beneficial as explained by one C-level executive interviewed for this study, who believes that extending part of the UC&C to the cloud can enhance resiliency.

“We are moving to a hybrid cloud scenario to improve our availability metrics from five-nines – what we get with our existing premise-based solution, to six-nines availability (or 99.9999%) with the addition of cloud. Reliability, resiliency, and availability are critical to our business.”

Head of Operations, Manufacturing

There are also some enterprises who are sweating their legacy assets (e.g., IP PBX), using multiple apps hosted on-site, and will likely add separate cloud-based collaboration tools to meet their needs. While there is an acknowledged technical debt with maintaining PBXs and paying licensing fees, some C-suite interviewees also factor in employee preferences among other considerations as exceptions. One hospital CEO, for example, mentioned older staff wanting to “keep their PBX and extension on their desk.” In this context, he explains, cloud migration is also a “change management” issue.

“Factories are an exception to our cloud strategy. They need physical desk phones which work instantly. If there is an emergency, touchscreens where you have to figure out how to log on are out of the question for us.”

Head of Operations, Manufacturing

How much of your UC&C environment is currently in the cloud now vs. on-premises?

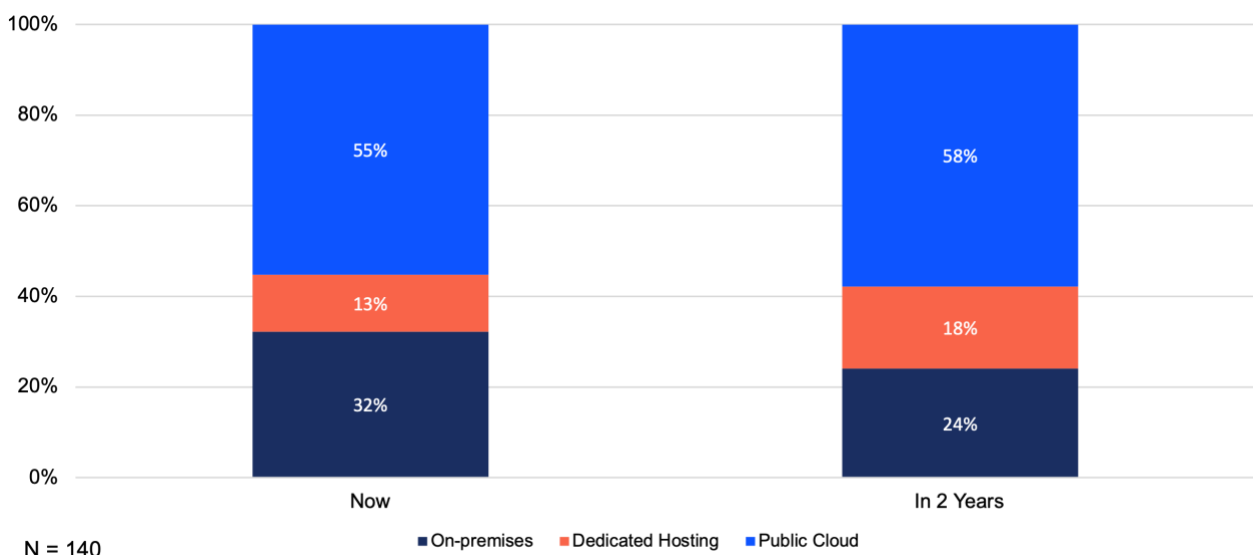


Figure 10: Migration of UC&C to the cloud

5.1 Migration of Contact Centre Solutions (CCS) to the Cloud Accelerates

While more UC&C deployments are already in the cloud, the migration of CCS to the cloud will happen at a faster pace over the next two years. Some 73 percent of businesses indicated plans to migrate their CCS to cloud-based environments. Within the next two years, only 25 percent of these ICT environments will remain on-premises. Three years ago, approximately 90 percent of all CCS workloads were premises-based.

The key reason respondents cited for the move to the cloud is to support remote working (66 percent). Having agents distributed in remote locations, including the home, helps to improve business continuity and resiliency. Other factors include scale (63 percent) and operational efficiency (46 percent). However, remote working is not suitable for all businesses, especially entities that are heavily regulated, have extra safeguards around data privacy, or provide critical public services. One interviewee, an IT leader for an Australian emergency services hotline explained the need for strict data privacy, the need for recording and call tracing, with the requirement for on-site training with social and psychological support for over 1,000 agents.

What are the reasons for migrating the contact centre solutions to the cloud?

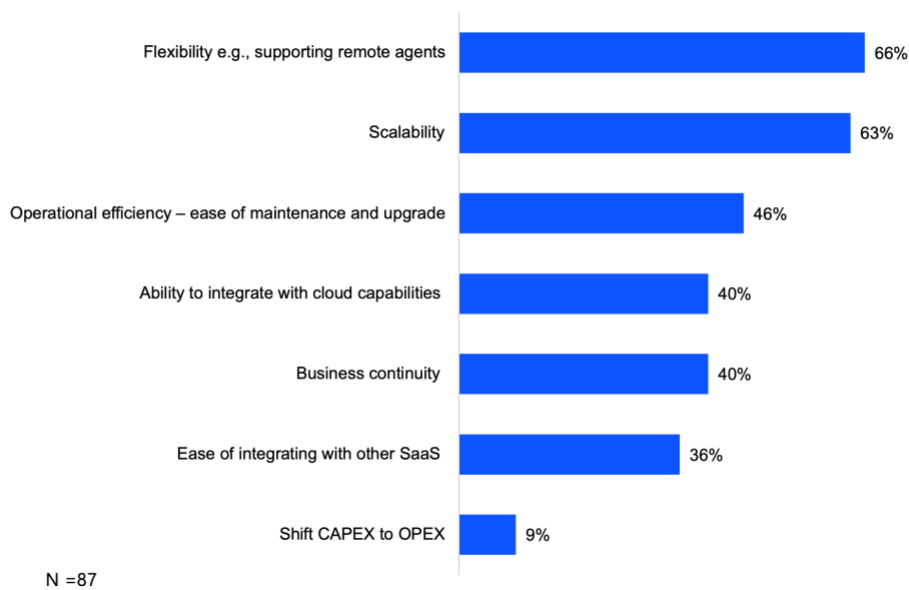


Figure 11: Migration of contact centre solution to the cloud

6. Trusted Partners Can Help Manage Complexity

While businesses are looking to achieve more with their UC&C investments, they are facing challenges especially when they consider the need to integrate solutions such as voice, video, messaging, and mobility with other platforms, such as CRM (see Figure 12). While businesses may want to engage customers across traditional and digital channels, or look to unify EX and CX, back-end integration is often very complex. As such, businesses need to consider their internal skills and capabilities (e.g., IT resources and expertise) to support the solution. They should also weigh the cost of implementation and ongoing maintenance of the solution, as well as the direct financial cost to ensure the optimal business outcomes.

What are the top three challenges of UC&C services?

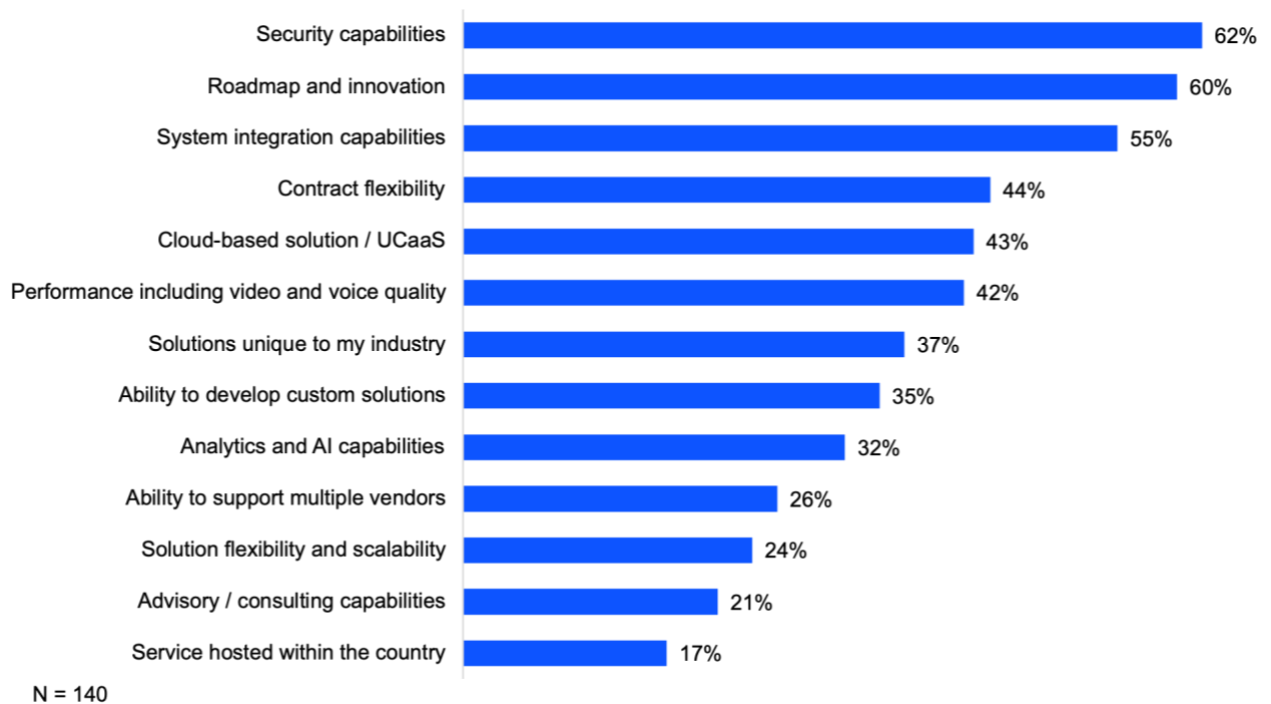


Figure 12: Top three challenges of UC&C services

Businesses also have some formidable challenges to transform their customers' digital experience. From the study, businesses believe one of the major challenges is the lack of internal expertise to drive transformation. For organisations with limited IT resources to manage UC&C in-house, they naturally look to managed services. Having a service provider that gives visibility across UC&C systems, endpoints, and networking can help to deliver better experience for end-users.

Based on the study, in 89 percent of the cases, collaboration applications are being managed by a third-party provider, while 82 percent use a third-party provider to manage voice services. While it is typical for businesses to manage hardware such as desktop and mobile phones in-house, they tend to have multi-vendor estates. This is often due to legacy reasons. When multi-vendor integrations prove difficult, enterprises will often turn to their service provider for advice and technical support. Increasingly businesses need to link technology implementations to workplace transformation and business outcomes. This is where service providers can offer a lot of value.

The survey shows that the top three requirements for choosing a managed UC&C service provider is to do with security (62 percent), roadmap and innovation (60 percent), and systems integration (55 percent).

With the rise of remote working, businesses are looking to improve overall security and data management in relation to their collaboration solutions. This includes a strategy for collecting different data streams, such as voice recordings, video, and other content, and managing this data in compliance with any local data sovereignty laws, such as General Data Protection Regulation (GDPR). When assessing the security of their UC&C, enterprises should also consider the varying levels of encryption needed to support the solution for data at rest and in transit; and how any new UC&C technology stack fits into a broader security framework such as Zero Trust.

What are your organization's top five criteria when choosing UC&C service provider?

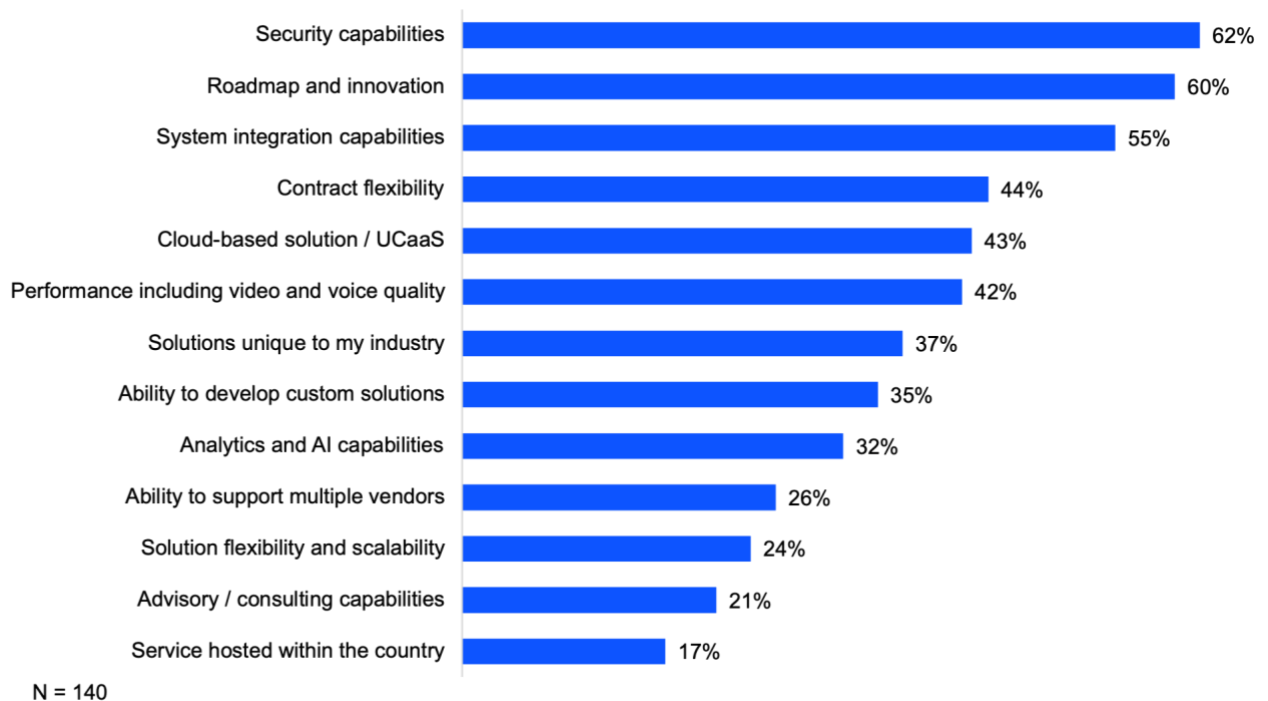


Figure 13: Criteria for choosing a UC&C service provider.

Beyond security, businesses should also look at how the product and innovation roadmaps for UC&C align with their own business objectives. This helps show the extent that UC&C solutions can integrate into other environments to support multi-vendor deployments. Having a strong service provider partner can also help enterprises keep pace with innovation, as some cloud providers release upwards of 400 features a year, and develop their own roadmap. Given the complexity with building and managing multiple environments, including rapid release cycles and vertically specific solutions, customers increasingly require extensive system integration, especially when multiple vendors are involved. UC&C vendors have developed connectors and APIs, but there are many applications and use cases where enterprises will need help with system integration and customisation. This is often sourced to external suppliers who provide the necessary skill sets and specialities to complete these often highly complex tasks.

In the case of CCS technology, 87 percent of businesses are using a third-party managed service. Off-the-shelf CCS rarely meet the needs of most organisations, especially if they are looking to transform their CX and streamline workflows. Many enterprises will have unique requirements, and some of these are industry specific. The top three criteria for choosing a managed CCS service provider: 1) the ability to develop custom solutions (57 percent), 2) analytics and AI capabilities (53 percent), and 3) the ability to support multiple vendors (43 percent). This highlights the expertise enterprises are looking for, which is not just the ability to manage the technology, but to help them tailor the CCS to their operational requirements, apply analytics to support automation, and manage a broader customer engagement partner ecosystem.

What are your organization's top five criteria when choosing a contact center service provider?



N = 140

Figure 14: Criteria for choosing contact centre service provider

When asked about how they would go about selecting their future CCS technology vendors, 49 percent of businesses indicated that they would rely on their service provider to recommend the right solution based on their requirements. It is not uncommon for an enterprise to discuss their business needs and pain points with service providers and a capable provider can recommend the appropriate solution and approach. This becomes even more relevant when considering a comprehensive CCS that can deliver basic contact centre features, but the possibility to customise and integrate it with other applications. A CCS can be a combination of different technologies including networking, security, and various business applications. The survey shows that 70 percent of businesses are looking for an integrated solution that can include networking, voice services, mobile, security, and other services.

7. AI-Enabled Digital Platforms are Gaining Traction

AI is creating an enormous amount of fanfare, both in financial markets and with the general public. Business and IT leaders are looking at AI to deliver massive improvements in productivity, operational efficiencies, and even new revenue streams. AI is also helping to overcome macroeconomic challenges. Business and IT leaders, for example, are using AI to offset skill and staff shortages by creating software bots that automate workflows to reduce manual tasks.

Within the workplace, AI can increase productivity from assisting with staff training and development through to helping IT to identify and resolve technology problems to improve UX. In virtual and hybrid meetings, AI in UC&C is enhancing collaboration, and enabling better focus on the tasks at hand via translation and transcription functionality. Enterprises are starting to use AI in workforce management, using it to better understand EX, ageing demographics, and the needs of Millennials; as well as how to better manage multi-generational workforces and remote working.

7.1 AI in Customer Experience

In customer service, AI-assisted chatbots are commonplace (Figure 15). There are several use cases in AI-assisted agent support. This includes pulling up information from multiple databases faster, scanning conversations, understanding context, and customer sentiment.

Many of these real-time data inputs can help agents make recommendations, specific to context, and identify the next best action. In some cases, AI will be used to pre-qualify leads, identify cross-selling opportunities, and identify customer pain points across channels. Using AI to assist customer service agents can often shorten resolution times, reduce churn rates, and improve customer satisfaction. More AI-enabled use cases will emerge as the technology becomes embedded in various ICT systems which will drive better CX outcomes including the ability to anticipate customer demands, improve data collection, and security.

Could you indicate top five benefits of using AI for your organisation?

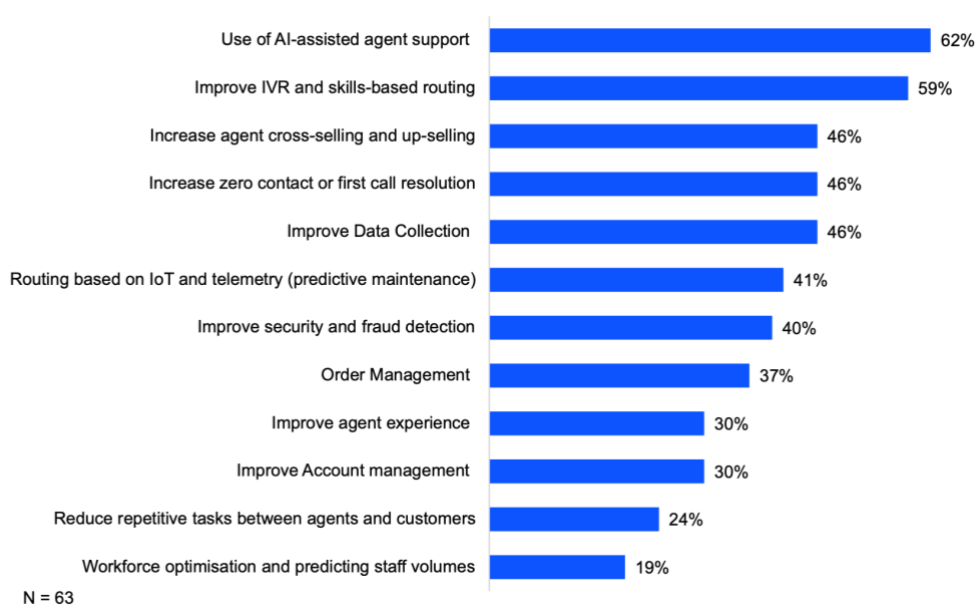


Figure 15: Top five benefits of AI

AI can also play a role in improving skills-based routing. This can include, for example, matching the customer's personality or interests with those of the agent. These tools will often be used to identify cross-selling and up-selling opportunities. More businesses are using NLP to process customer requests, automate or prioritise customer queries, and provide automated voice-based services without involving a live agent. This can be done using natural speech to interact with menus and commands.

Ultimately the goal or grail for many organisations is using AI, chatbots, NLP, and other technologies to digitise the entire customer experience. The idea is to increase the transparency of data between customer and agent, promote self-service, and reduce voice as much as possible. Instead of having an agent interpret data that is not visible or accessible to the customer to resolve an issue, the role pivots for agents to provide different types of support when a voice is needed. This can be more advisory or technical support such as assisting a customer with providing the final information to complete a complex application or facilitate a decision where human touch and interaction is still very important. These initiatives could often be assisted with creating digital portals, customer facing mobile apps, and co-browsing capabilities between a customer and live agent to select products or resolve issues together. Giving agents a single screen or 'pane of glass' and better tools to resolve customer issues is also important for elevating EX and reducing employee churn rates, which may be high in some industries.

Critical to the success of AI is the ability to integrate core platforms, such as e-commerce, CRM, or vertical specific applications into these environments. These considerations are important for improving response times, accelerating sales cycles, and improving conversion rates. Having AI as part of an integrated platform can also improve communicating with customers across channels, extending business hours, and increasing self-service through better automation. When systems are integrated there is also more scope to provide more types of analytics and abilities such as quality assurance, workforce automation, compliance reporting, and real-time agent coaching.

8. Outlook and Recommendations

As businesses continue to pursue better CX and EX, continuous innovation is essential to drive new use cases, but it can also lead to more options and complexities that businesses need to navigate. For example, generative AI has shown a lot of potential in customer interaction. While businesses want to get ahead of competition in harnessing new technology, most do not know where to start or lack the necessary skill sets. Broadly speaking, the focus moving forward is around the experience of customers, employees, and users across traditional and digital channels. It is also about fulfilling business objectives in uncertain times. It is not just about having the latest technology. Businesses looking to transform their TX should consider the following:



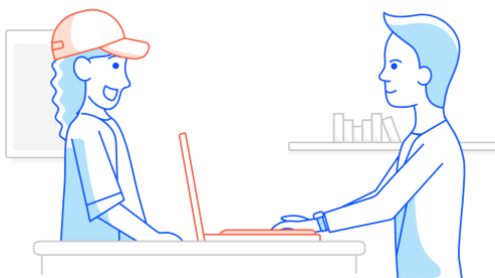
Engaging Technology Vendors Regularly: Technology has already enabled new ways of working and automated many processes. It will continue to evolve, and it is important for enterprises to engage their technology partners routinely to explore the possibilities and present business pain points they need to overcome. Technology vendors are in a race to introduce AI tools to help enterprises experiment, be more productive, and create new capabilities. These developments should be monitored regularly.



Delivering a Strong and Consistent UX: With a greater focus on end-user experience, it is important to have the right tools to monitor UX. Implementing predictive analytics can help to avoid unnecessary technical issues that degrade the overall UX. This also means that the implementation of workplace and customer engagement solutions needs to involve different lines of business for initial buy-in and ultimately user acceptance. This is crucial to ensure higher adoption.



Security and Application Performance: While businesses consider new features and functionality, it is important not to lose sight of the basics around security and application performance. With a more distributed and mobile workforce, it is important to have the necessary security measures in place to avoid cyber incidents. Whether employees (including customer service agents) are working remotely or in the office, it is crucial to provide them with the same UX. This means application performance needs to be high and consistent across different scenarios.



Consulting with Managed Services Providers: Workplace, EX, customer engagement and CX solutions are more complex than standalone UC&C and Contact Centre Solutions (CCS). It is advantageous to engage a service provider with strong expertise and credentials in these areas. Service providers that understand the business needs in the context of the industry they operate in are better placed to provide the right advice and technical capability. Service providers will often have access to a broader partner ecosystem to supplement their own. As such, they can be tapped for solution design, implementation, ongoing management, and creating a technology roadmap. This is also important for linking technology investment needs to business value and outcomes.

9. About this Study

GlobalData, an independent analyst and advisory firm, conducted this research for the Australian market. The study targeted 140 business leaders who are primary decision makers, influencers, or contributors to final decision for unified communications and collaboration (UC&C). In parallel, the study also targeted another set of 120 business leaders who are primary decision makers, influencers, or contributors to final decision for CCS technology. The study targeted businesses with 100 or more employees, across a mix of industry sectors including banking, financial services, and insurance (BFSI), government, health, education, retail, supply chain and logistics.

10. About Telstra

Telstra provides telecommunication services, advanced technology solutions, network capacity and management, unified communications, cloud, security, industry solutions, integrated and monitoring services to government, large enterprise, and business customers in Australia and globally.