HP's revitalized workforce optimization suite is worth a fresh look

Publication Date: 27 Jul 2015 | Product code: IT0020-000139

Keith Dawson

Ovum view

Summary

When contact center buyers look to acquire workforce optimization (WFO) tools, they more often than not gravitate to the two largest vendors in the space, Nice and Verint. This de facto competitive duopoly has fostered fierce continuous innovation among all the tier-1 and tier-2 companies in the space, to the point where there is little functional difference between the players in their core feature sets.

Ovum believes that the marketplace is looking for (and has room for) a third major participant and that HP is well-positioned to fill this role. It offers a combination of expertise, scale, and a keen understanding of the market's direction.

WFO is an essential component of contact center operations, to the point where the core features are purchased by default in more than 90% of sites. In the past they would often be sold along with the automatic call distributor (ACD); increasingly, though, WFO encompasses more complex analytic systems that have more in common with other IT-based enterprise software than with telephony-centric call routing. This shift opens the door to a major firm such as HP to leverage its existing relationships, both in the contact center space and the larger enterprise IT realm.

The buyers and their needs have changed

WFO is a product category in transition. The core functions of today's WFO suites were originally separate products themselves, created by niche vendors that were then acquired and knitted into broad suites. They were purchased in two ways: by contact center operations buyers (with an assist from IT) or as part of the ACD vendor's management software bundle.

The industry has shifted in several important ways. The technology has matured and stabilized for core functions and vendors have innovated into new areas, notably analytics. As call routing has moved away from the stand-alone ACD and embraced software, WFO has come uncoupled from the ACD manufacturer. The argument that a business needed WFO from the same vendor as its ACD has lost its effectiveness.

At the same time, those extended WFO capabilities appeal to a wider audience than just contact center buyers. Marketing departments find the variety of analytics functions to be very valuable: journey mapping, customer feedback analysis, speech and text analysis to understand customer behavior – these are a marketer's dream. Marketers and contact center operations professionals therefore come together in an alliance to present a unified buying environment in which the WFO suite becomes a fully fledged platform for enterprises to manage their customer relationships, often in deep integration with CRM and business intelligence systems.

HP has changed

HP's division devoted to WFO was actually one of the originators of the category in the 1990s: as etalk it was an early developer of software for quality evaluations and coaching. In 2005 etalk was acquired by Autonomy; in 2011 HP acquired Autonomy. HP went through a period of turmoil related to

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

the Autonomy acquisition, leaving the legacy etalk product teams largely intact, but without enough marketing support to maintain a high level of awareness or to challenge the duopoly for market share.

But despite inattention from the parent company(s), the product sets continued to be sold, developed, improved upon, and are now known as HP Qfiniti 10 and HP Explore 5. Qfiniti is the main workforce optimization suite, including essential elements such as interaction recording, agent scheduling, forecasting, some analytics, and performance evaluation. Explore is a high-end, multichannel, voice of the customer analytics tool.

Even in the absence of attention from the parent company, the WFO suite remained attractive to many high-profile contact centers. HP now boasts as WFO customers four of the top five healthcare companies, two of the top five telcos, and three of the top five technology companies. Qfiniti has an installed base of 4.2 million global contact center seats and production systems scale to more than 40,000 seats on a single system. Clearly, lack of attention did not prevent the WFO team maintaining and even extending the platforms' technical capabilities. Among long-time contact center buyers, those who were familiar with the etalk legacy, HP remained a viable potential vendor even if it only minimally engaged with the marketplace.

The big questions around HP's WFO these last few years has been why such a longstanding vendor with an excellent offering had so little market awareness and what, if anything HP would ultimately do to provide support for its contact center business.

It appears that in 2014 HP's upper management became aware of the jewel hiding in the remains of its Autonomy purchase. The WFO team is now one of four business units in a combined customer engagement software division; together they present multiple software platforms aimed at different aspects of managing customer interactions and relationships across the enterprise. The work currently under way at the WFO unit includes innovation in how contact center data is used by other departments within businesses, which is at the cutting edge of contact center software R&D. HP is also tackling extremely interesting problems in scalability and system deployment, with announcements expected later this year.

Ovum believes that HP's technology is every bit as robust and full-featured as that from Nice and Verint and that HP's offerings should be considered by every serious contact center buyer. Many businesses will find that HP's combination of long-term contact center expertise and experience selling hardware, software, and services to IT departments gives it an enterprise-wide view of business problems (and, presumably, solutions).

The WFO suite will change

Ovum believes that what we call "WFO" in 2020 will be significantly different from what we saw in 2010 or earlier. Instead of single-purpose tools agglomerated on an ad hoc basis into suites, the sector is moving toward platforms that are more tightly unified. They will still be operational necessities for contact centers, but thanks to the emphasis on developing advanced analytics they are becoming essential software for enterprises. With each step developers make toward including more types of interactions, more channels, and different types of data, the WFO suite transforms from something that improves agent productivity to a platform for understanding customer communications and behavior.

© Ovum. All rights reserved. Unauthorized reproduction prohibited.

What enterprises should do

Enterprises with existing WFO tools that come from multiple vendors should begin consolidating the core services (call recording, workforce management, and quality management) into a single platform from a single vendor. They should also look beyond that core toward unified platforms that include more advanced enterprise features such as journey mapping, customer feedback, and advanced analytics.

There is no doubt that enterprises looking for new platforms will, of necessity, consider the offerings from the two main vendors in the space and will be well served if they do. But they should be fully aware that those two options are not the only ones; HP deserves a fresh look and a side-by-side comparison. Based on its experience, technology, feature set, road map, and extensive knowledge of the IT landscape, Ovum believes the company should definitely be in the mix.

Appendix

Author

Keith Dawson, Principal Analyst, Customer Engagement

keith.dawson@ovum.com

Ovum Consulting

We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at consulting@ovum.com.

Copyright notice and disclaimer

The contents of this product are protected by international copyright laws, database rights and other intellectual property rights. The owner of these rights is Informa Telecoms and Media Limited, our affiliates or other third party licensors. All product and company names and logos contained within or appearing on this product are the trademarks, service marks or trading names of their respective owners, including Informa Telecoms and Media Limited. This product may not be copied, reproduced, distributed or transmitted in any form or by any means without the prior permission of Informa Telecoms and Media Limited.

Whilst reasonable efforts have been made to ensure that the information and content of this product was correct as at the date of first publication, neither Informa Telecoms and Media Limited nor any person engaged or employed by Informa Telecoms and Media Limited accepts any liability for any errors, omissions or other inaccuracies. Readers should independently verify any facts and figures as no liability can be accepted in this regard – readers assume full responsibility and risk accordingly for their use of such information and content.

Any views and/or opinions expressed in this product by individual authors or contributors are their personal views and/or opinions and do not necessarily reflect the views and/or opinions of Informa Telecoms and Media Limited.

CONTACT US

www.ovum.com

analystsupport@ovum.com

INTERNATIONAL OFFICES

Beijing

Dubai

Hong Kong

Hyderabad

Johannesburg

London

Melbourne

New York

San Francisco

Sao Paulo

Tokyo

© Ovum. All rights reserved. Unauthorized reproduction prohibited.