

INSIDER'S GUIDE TO RECESSION- PROOFING YOUR CCM BUDGET

Key questions to ask your
existing (or new) CCM vendor
to protect your investment



INTRODUCTION



Chances are that your organization has adopted, or at least considered, a SaaS customer communications management (CCM) solution in pursuit of digital transformation. It's a big step and not one taken lightly. You will have spent several months researching, line-iteming, and securing a hard-earned budget. You will also have created metrics to justify the budget and measure the value of the investment. You've implemented quickly and you're up and running.

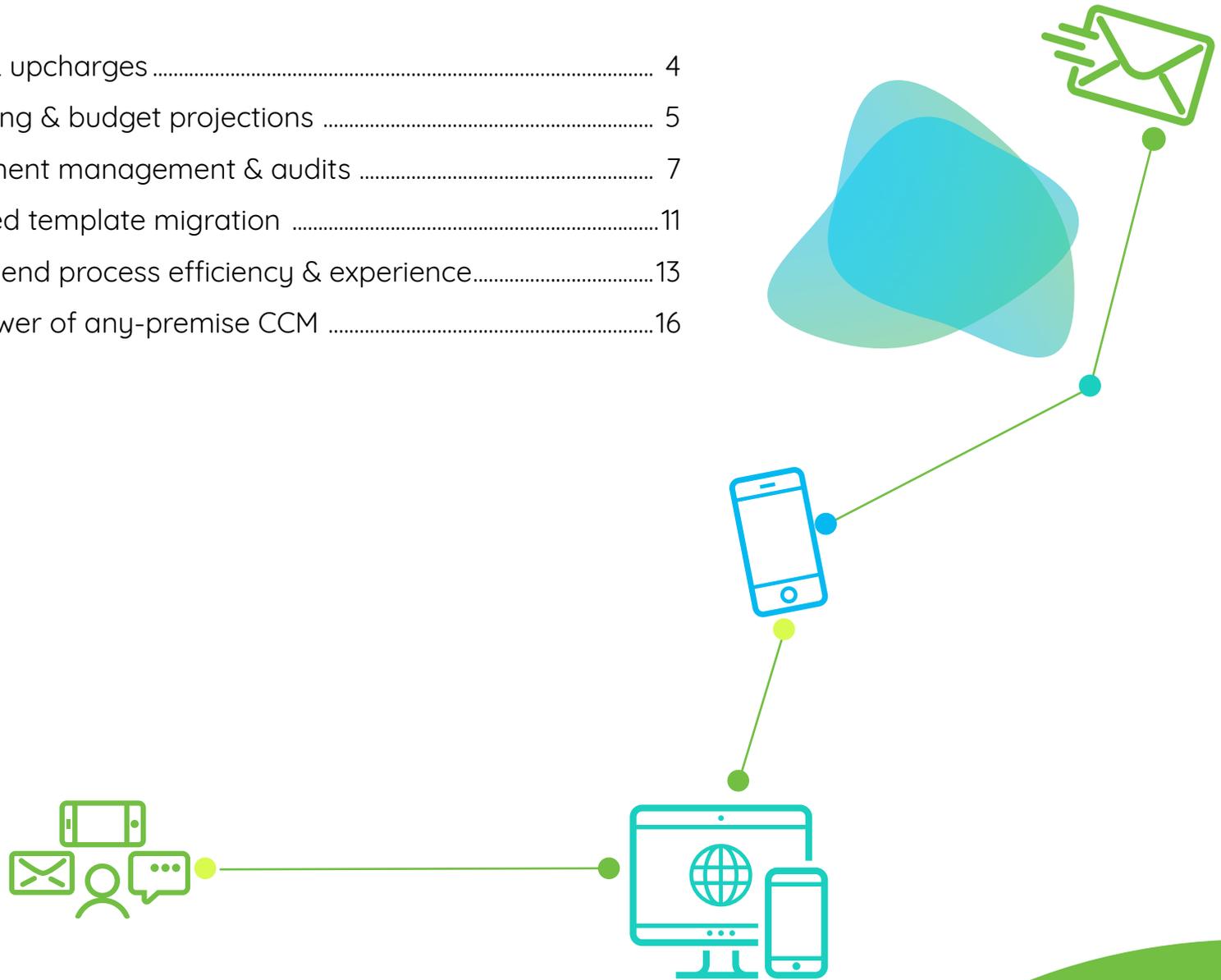
We hope the solution you chose is meeting your CCM needs. But this guide starts with a hard question: is it going the way you expected? There are a myriad of solutions that can handle your less complex customer communications applications. In fact, many likely passed your RFP processes with flying colors. But, after committing, limitations in capabilities and performance, or sneaky billing practices, might be directly impacting your ability to meet CCM goals while staying on-budget.

Maybe you've adopted a SaaS CCM solution and are finding it difficult to manage your more complicated communication needs without surprise costs from switching to on-premise deployments? Maybe you've found the design features for complex document handling are not user friendly and it's impacting time-to-value? Maybe you've learned that the budget you worked diligently to create is being prematurely drained by obscure terms and conditions that lead to unexpected overages?

In a slowed economy, there is suddenly more scrutiny on everyone's budget. If your organization is bracing for slower economic times, it's safe to assume that your key technology vendors are too. If, and when, your vendors plan for a recession, they will likely identify alternative revenue streams to offset their own increased costs and there is the potential for all of these "maybes" to become reality.

So, now is the time to control costs, reconfigure spending, and budget smarter. If you think your vendor might be trying to outsmart your budget, this eBook contains the hard questions you need to ask to get the most out of your CCM investment—in a recession year and beyond.

Chapter 1—Billing & upcharges	4
Chapter 2—Reporting & budget projections	5
Chapter 3—Entitlement management & audits	7
Chapter 4—AI-based template migration	11
Chapter 5—End-to-end process efficiency & experience.....	13
Chapter 6—The power of any-premise CCM	16



BILLING & UPCHARGES

Does your CCM platform allow you to scale communications projects effectively to deliver on your organization's customer experience vision? The success of your CCM initiatives, and the recognition you could earn in the company, depend on it. Even more so during an economic downturn, when there is more scrutiny on the value that the tech stack offers.

Here are questions that can help you tighten up spending and prevent unexpected SaaS CCM expenditures:

UNIT OF BILLING

1. What is the unit of billing?

Is the solution price based on the communication, number of users, the number of pages, or some quantity of data as a metric?

! **This matters because** if output billing is based on kilobytes of file size, pricing will fluctuate unpredictably across communication types and could exhaust your budget quickly.



UPCHARGES

1. Are new features chargeable?

FOLLOW UP: *If so, please explain.*

2. What is the maximum size of a communication before triggering overage fees?

FOLLOW UP: *Please explain file upcharge scenarios.*

! **Why does this matter?** If you aren't fully informed of the billing policies, you could drain your budget in just months and accrue unpredicted upcharges for the remainder of your contract. For example, the file size may increase because the marketing team adds more imagery, or because the number of communications doubles, or additional text is added for compliance. There are many scenarios in which file size can be altered and your teams have no idea. You need to find out if you will take any—or all—budget hits on this.

3. We are a global enterprise - in what languages is your interface configurable?

FOLLOW UP: *How many languages are included in my allotment?*

4. Are entitlements governed by output channels (print versus web versus SMS, etc.)?

Is there any upcharge or additional costs for communications that are larger than average? If so, who defines average?

! **Why is this important?** A simple file or high-res image added to a communication can bloat the volume of inefficiently rendered images, which in turn, bloats your bill.

REPORTING & BUDGET PROJECTIONS

We spend a ton of time justifying our budgets. These reporting and budget projection questions will help you uncover the answers that are often hidden in fine print and obscure terms & conditions, allowing you to keep your CCM software investment aligned with your goals and budget.

REPORTING

1. What real-time status and monthly billing reporting does your solution provide?

FOLLOW UP: *What dashboards or reports are available to clearly track my remaining volume entitlements, users, etc.?*

- !** **Why does this matter?** Budgets are hard-won; they are painstaking and precise, and must be justified at every line. Getting blindsided by upcharges is preventable. Consistent reporting on allotment usage enables you to adjust processes and implement trainings to prevent the need to secure supplementary budget. Vendors have different reporting structures, so it's critical to find one that best allows you to control your investment.



BUDGET PROJECTIONS

1. **What is the file size allotted for a “normal” communication?**
2. **What multipliers affect billing? Do you charge for batch, on-demand, and two-way communications capabilities separately?**

FOLLOW UP: *Exactly how do you charge for:*

- *Designing interactive content?*
- *Opening interactive communications?*
- *Previewing communications?*
- *Interactive communication editing?*
- *Delivering communications?*
- *Delivering via email with attachment?*

! **Why does this matter?** Some vendors have multipliers that charge you for the same communication multiple times if the rendering engine is incapable of generating multiple outputs efficiently. For example, a customer calls for a mortgage quote, which a rep initiates, but the call does not result in additional communication because the caller hangs up—you may or may not be charged, depending on the pricing structure.

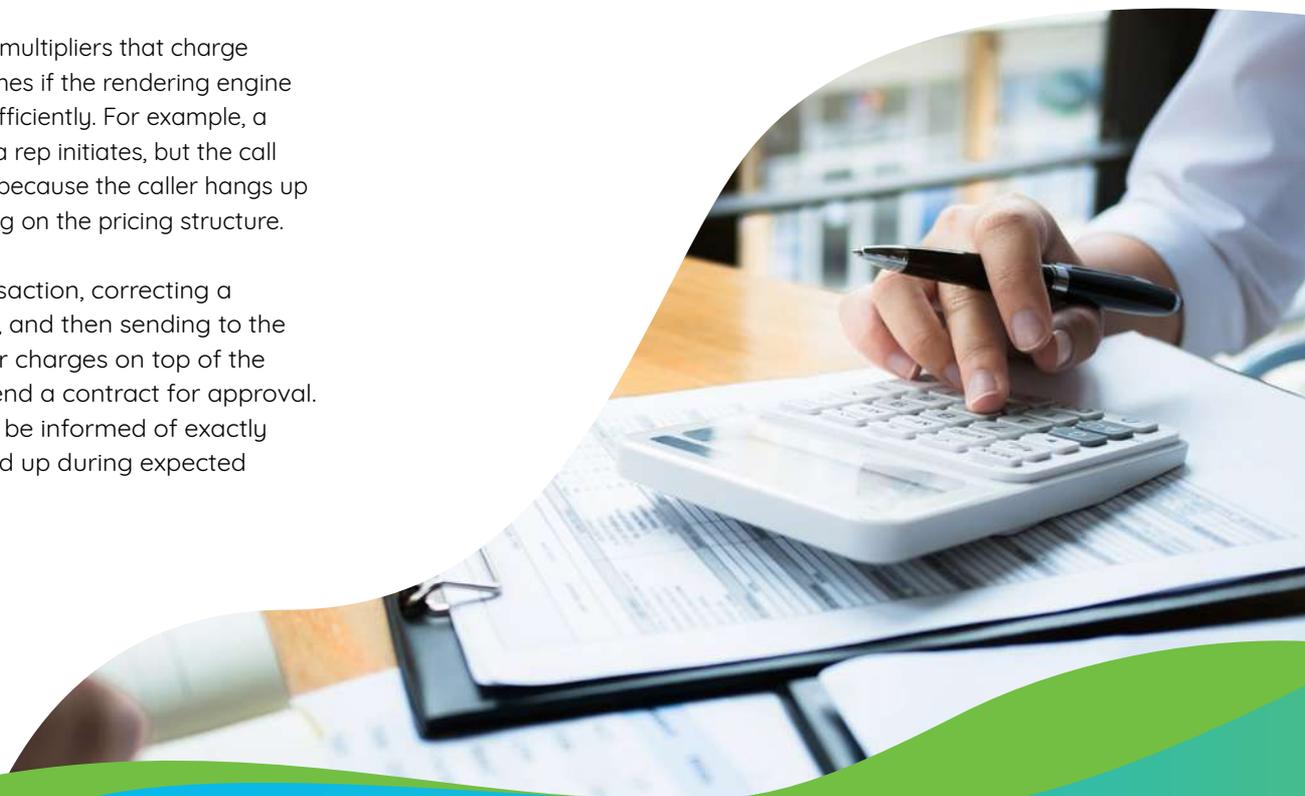
Here’s another example: previewing a transaction, correcting a mistake, re-previewing the communication, and then sending to the customer can result in duplicative multiplier charges on top of the base communication charged when you send a contract for approval. To thoughtfully plan a budget, you need to be informed of exactly what multipliers exist and how they can add up during expected business use.

3. **What percentage of customers exceed their budget for their SMS, PDF, email, and print output projects in a year?**

! **Why does this matter?** History tends to repeat itself. If existing customers typically exceed their budgets with a vendor annually, you can expect to as well.

4. **In the event of overages, I would like adequate notice to align my budget. How does your organization inform customers if they approach or exceed budgets, and with what lead time?**

FOLLOW UP: *How do you communicate draw down status on entitlements within your platform? Please explain how users or managers can track their performance against budget.*





ENTITLEMENT MANAGEMENT & AUDITS

Entitlement management enforced by contractual compliance audits offers vendors a potential revenue stream. Odds are that by increasing the frequency and scrutiny of audits, they can identify overages that lead to surprise surcharges and billing.



Below are the insider tricks on how to protect your contractual rights in the event of a surprise audit and keep your SaaS CCM investment-budget:

1. Am I compelled to allow license tracking software into my environments?

KNOW: Typically, a customer's security team has control over what, if any, license tracking system is deployed.

ACT: Ensure that any vendor-supplied tracking scripts or software go through the same evaluation for security and privacy controls that your other software must adhere to in order to run on your system. Just because there is an audit, does not mean your vendor's desire to put software on your system grants them permission to override your security and privacy policies.

2. How far back can an audit-related charges go?

ACT: Determine the cut-off back date that an audit can cover, per your contract, to ensure that the vendor only levies charges within the set time period. Ensure that your reporting does not go beyond any time period not required.

3. Do I have an NDA clause in place for both parties, as well as potential third party auditors?

KNOW: Audit NDAs can give you a lot of bargaining power later on down the line and allow you to maintain control by ensuring that your data stays yours. NDAs help ensure that incorrect data - which is often skewed in favor of the vendor - cannot be shared with the vendor by a third-party auditor without your approval. Seek to strike non-disparagement language from a first audit NDA to reserve as a bargaining chip in case of a settlement.

DEMAND ACCOUNT SPECIFICS

Ask your vendor to provide objective verification (server logs, transaction records, approval records, or other info. That could help identify problematic applications) for each communication or file size overage charge, including the following:

1. Applications
2. Users
3. Environments
4. Date/time of occurrence

KNOW: The devil is in the details and a vendor should be able to provide detailed accounting to prove overage charges. Not only does this create work for the vendor and ties them to the burden of proof, but if they cannot provide evidence that you have, for example, breached the contract by making an extra two million transactions, you might not be on the hook for it.

ACT: Compare your own internal usage reports to the vendor overages and dispute any that do not align. If there are file size overages, compare file sizes to other similar technologies to ensure the files are within acceptable industry standards. If they are not, inquire about the code - you shouldn't be responsible for large files that result from inefficient code.



TIPS FOR AVOIDING AN AUDIT

During the RFP process, ask the following questions:

- **How do you enforce contracts?**
- **What is the likelihood of an audit?**
- **What percentage of your customers have been audited?**
- **Have you received license revenue from non-compliance in the past 36 months?**
FOLLOW UP: What percentage of your total revenue does this make up?
- **What reporting, including real-time usage reporting, do you provide to customers?**
KNOW: Demanding to see how they provide real-time reporting that compares your usage against the contract terms can reduce the time and energy you spend on ensuring compliance.
- **What entitlement warning mechanisms can I expect if I am getting close to exceeding my contractual allotments?**
KNOW: This is like a mobile carrier sending a warning that a customer has used 75% of their monthly data allotment. Entitlement warning mechanisms reduce the burden of self-governance, allow for process change or prioritization to decrease the potential for overages, and give customers a warning that overage charges might be coming. Many vendors profit from overages and intentionally opt against sending entitlement warnings.

- **What mechanisms are in your interfaces to identify when user registration, number of transactions, size of communication, or other usage patterns are likely to create an unexpected overage?**
KNOW: If there are constraints in the contract about usage, then you need to know what the vendor is doing to help you understand where you stand in terms of entitlements. You may not have a problem using more than you purchased, but you are entitled to know when you are potentially breaking a normal boundary and risking an overage.
- **Do you rely on technical enforcement, contractual enforcement, or a combination of both methods to protect your software IP? Please explain your approach to licensing.**
- **How can I retrieve my design, logic, data, and delivery IP from your applications, should I decide to use another service?**
- **In what format can I obtain this IP?**
- **How quickly can I receive this IP?**
- **What are the request procedures and time frame?**

4. What, if anything, happens to your pricing or entitlements if your vendor's underlying costs radically increase?

KNOW: *In a recessionary or inflationary climate, your SaaS platform's provider (AWS, Microsoft, Oracle, Google or other) costs may radically increase. In the event of an unforeseen price increase, the vendor might try to supplement the lost revenue via overages and audits, if they do not have other recourse in a multi-year agreement.*

ACT: *Identify what recourse your vendor has to pass those increased costs onto you, and whether you've committed to a multi-year agreement with established pricing. If no recourse is specified, it's possible they will try to revenue grab in other ways, like overages and audits; prepare in advance.*



KNOW: Position yourself to switch to a more transparent vendor in the event of an unsatisfactory audit or surprise overage fees. This is possible when you ensure that the solution you invest in allows you to retrieve your design, logic, data, and delivery IP in a readable format—at any time you choose. While your vendor may guarantee access and backup in a contract, circumstances may change, and services could be terminated in the event of a bankruptcy, takeover, or other unforeseen event.

ACT: Consider leaving an anonymous review about any audit policy, experience or settlement that you consider to be negative or unfair on a public review site. Take care to omit exact numbers and identifying information about your company.

KNOW: Finance, legal, and procurement professionals are often overlooked, but will have valuable insight into these aspects of working with the vendor. Together, they can give you an educated idea if you can expect “extra unplanned purchases,” rates of maintenance increase, audits, and substantial overage fees that might occur inside of a contractual relationship with the vendor.

ACT: During the vendor selection process, expand the circle of roles accessed for reference calls to include finance, legal, and procurement professionals with over five years of implementation experience.

AI-BASED TEMPLATE MIGRATION

AI template migration—the process of transferring your existing data and documents into your CCM ether—directly impacts your ability to leverage your most powerful asset: data.

Template migration can be one of the more costly aspects of switching vendors, as well as one of the biggest pain points if your vendor lacks strong AI capabilities. Without them, you cannot truly achieve omnichannel, customer-first, digital transformation. This is particularly true for legacy enterprises. Because AI-based template migration optimizes old content and quickly migrates to new environments, it drastically decreases the time spent analyzing legacy templates. And time equals money.

If your goal is to update templates, improve design, and add new digital channels on a competitive timeline — you need to explore this area with your current vendor to determine how your projections will be impacted. You should also assess how a new vendor can support you in protecting your past investments in CCM, and let them work for you on a new solution.

EXPERT INSIGHT:

When combined, AI-based template migration, data management, and integration are a powerful accelerant for digital transformation projects — letting you implement months, or even years, sooner.

1. My team has put off migration for several years because it takes too long to define our project before writing our RFP. How can you help our team validate and improve on this work?
2. How do you ensure that all my existing content is successfully migrated to the new CCM system?
3. We understand that AI, ML, and NLP technologies assist in migrations, but how do we ensure that we have the best solution for us going forward? What are your strengths in these technologies? What weakness or limitations do you have?
4. If a communication requires data from multiple systems, what pre-processing is required before I can send that data to the CCM solution?
5. Can I send multiple files? Can these files be in different formats? Can I mix database queries, flat files, and third-party API calls in a single job?



Protecting your CCM investments

Quadient's **InspireXpress** technology earned the highest capability placement in the AI template migration use case. InspireXpress applies artificial intelligence, machine learning, and natural language processing technologies to deconstruct legacy documents at scale. This transforms your old communications into new content and templates, which form the building blocks of a true omnichannel CCM portfolio. In fact, customers have saved 90% of their pre-project analysis time, while reducing their post-implementation content management effort by 60%.

INTELLECTUAL PROPERTY

Enterprise-level customer communications management takes an immense amount of resources, from financial investment to person hours. You don't want all that work to be done only to find out that your workflows, templates, content, and designs must stay with the vendor. Past work and intellectual property should be yours to keep.

- 1. I want to back up my communications portfolio - how do I do this with your technology?**

FOLLOW UP: *Where will my communications Intellectual Property live?*

END-TO-END PROCESS EFFICIENCY & EXPERIENCE

Speed and power are not synonymous when it comes to CCM technology. Nor is “scalability” and power. Most organizations believe that smart CCM solutions offer predictive modeling, document automation or digital experiences that render data and make faster decisions. Great capabilities, yes. Speed, yes—technically, it could be there. But what you need to know is, **“is this engine built to combine these capabilities efficiently to maintain speed and scalability?”**

This is what will ultimately impact your bottom dollar.

Regardless of how scalable it claims to be, a solution built via a hodgepodge network of outsourced integrations—data work, rendering engines, and so on—lacks efficiency. The result is slow speeds, poor performance, and unpredictable costs. Often, one complex project deployed on an outsourced engine can blow your annual budget. Sometimes, if a CCM vendor demos a simple communication for you—hiding their inability to handle complexity, you realize too late that the engine is not capable of completing the project and you’re left scrambling for a backup to avoid regulatory violations, while racking up unexpected costs from switching to on-premise.

It’s hard to know what exactly is under the hood of solution providers. In all honesty, most vendors don’t really want you to know. Because often you will find a patchwork of technologies, cleverly hidden in “speedy” or “scalable” packaging.



WHAT YOU NEED TO ASK TO TRULY ASSESS HOW POWERFUL A CCM ENGINE IS:

RENDERING ENGINE + EFFICIENCY CONCERNS

1. How are clients charged for preview renderings, test renderings, and other non-production communications?
2. Explain how your underlying CCM engine technology is designed to create efficient communications.

! **Why does this matter:** Communications can be of all levels of complexity, from 100+ character SMS notifications to highly complex insurance policies and graphical wealth management proposals. If your CCM provider is built to only handle the easy communications, it'll struggle when you need power to create the complex ones. The key here is to avoid the 80-20 rule. Traditionally, organizations use the "can it do 80%?" rule to decide if it's efficient enough. Beware—if it can only do 80%, that means 1 in every 5 templates will require a completely different solution. That will come with additional cost, and the second solution may have been able to do all the easy comms anyway.

3. How do you ensure that communications are efficiently designed to use the minimum amount of space on a recipient's devices?
4. Do you own your rendering engine, or is it third party/outsourced? If it is outsourced, how can I expect predictable billing if you are charged for extra computing power during a complex job?

DESIGN CAPABILITIES

1. Is there a limit on the number of users?
2. Does my whole department have access - or is access limited?
3. What productivity benefits could you create for your customers?

FUN FACT:

Quadient Inspire's rendering engine scored a 99 out of 100 in the 2021 Aspire Leaderboard for CCM.

Over three decades, we've tasked the world's largest customer communications-focused R&D team on the planet with building the highest-rated, most innovative rendering engine on the market.

That means faster, more cost-effective communications—even for your most complex jobs. And, that's why thousands of organizations worldwide trust Quadient Inspire to handle their most complex customer communication challenges. With seamless, personalized, and consistent communications across all channels, there's no project too complex for the Quadient Inspire suite. It's intelligently engineered for optimum efficiency.

APPROVAL CAPABILITIES

1. How do approvals need to work? How many teams need to sign off communications? Does every team need to sign off in sequence, or can you create efficiencies by signing in parallel?
2. Does sign off vary from product to product?
3. How long does your approvals process take?

FRONT OFFICE CAPABILITIES

1. Do you have any issues with communications completed incorrectly by your teams?
2. How do you define, measure, and audit quality?
3. What is your overall error rate and/or quality metrics?
4. How do you ensure your users are working according to the official process?
5. How do you control high-value and high-risk communications to ensure quality?
6. Do you offer built-in scripting for prompts in front office?



Why is this important: when scripting is not built-in to a solution, an organization will need to spend additional money on higher PSO volume.

COMMUNICATIONS DELIVERY

1. What teams and/or vendors are responsible for email output management?
2. What challenges have others customers had with their vendor/teams?



QUADIENT EARNED A SCORE OF 99—THE HIGHEST EVER RECORDED—FOR OUR RENDERING ENGINE EFFICIENCY IN ASPIRE'S 2021 CCM LEADERBOARD.

- Kaspar Roos, Founder and CEO of Aspire

COMMUNICATIONS TRACKING

1. I want a full view of communications performance and interaction. How easy/accurate is it to get metrics on unsubscribes, open rates, etc.?
FOLLOW UP: *How will I be able to view my SMS metrics?*

DATA CENTER POWER

1. **Where are your data centers located?**
FOLLOW UP: *How and when do you consider expanding data centers to accommodate global enterprise or international customer needs?*

THE POWER OF ANY-PREMISE CCM

When it comes to enterprise CCM deployments, we know that a ‘one-size-fits-all’ approach is not pragmatic. Every organization has unique needs on the digital transformation spectrum.

Some organizations are just beginning their customer communication transformation journey, while others are further along. Some organizations have more straightforward communication requirements, while others are challenged with more sophisticated use cases (think high volumes, multiple pages, tables, charts, etc.). Some are ready to evolve and fully adopt SaaS customer communications, but still have enough complexity with legacy systems to keep some deployments on-premise. In short, you don’t always know what you need until you realize that you don’t have it.

Any-prem’s power is that it is uniquely designed to handle ANY project thrown at it; it enables growth at every stage, letting you scale up or down to meet your changing needs.

Quadient has built the only true any-premise CCM solution suite on the planet. Deployable on-premise, in a public or private cloud, as a hybrid, or as a hosted managed service—it’s designed to solve your customer communications needs with unmatched flexibility, portability, and efficiency.





Here's what you need to ask to learn more about the long-term viability of your CCM investment:

- 1. How many of your customers are fully deployed in the cloud?**
FOLLOW UP: *If considering a SaaS solution: How many are fully deployed in your cloud vs. using their own cloud.*
- 2. Can you point to specific examples of complex, high-volume projects successfully executed with your SaaS offering?**
- 3. What is the average complexity of a use case that your SaaS can handle?**
- 4. If I find that my communications projects are too complex for the cloud, can I switch to an on-premise deployment?**
FOLLOW UP: *Is there a cost to this?*
- 5. Do you own your on-premise engine or is it outsourced?**
- 6. Do you offer support services for navigating an on-premise engine?**



If you need...

- SAAS
- ON-DEMAND
- BATCH
- HIGH-PERFORMANCE

Then you need...



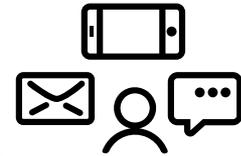
Inspire Evolve

CLOUD NATIVE (INSPIRE EVOLVE)

If you need...

- DYNAMIC COMMUNICATIONS
- HIGH DATA SECURITY
- FLEXIBLE DEPLOYMENT ENVIRONMENTS

Then you need...



Inspire Flex

FLEXIBLE (INSPIRE FLEX)



There you have it—the critical questions to put to your CCM vendor to get the most from your SaaS (or any-premise) investment during an economic downturn and beyond.

A vendor should be able to easily answer these questions to your satisfaction. And, if you they cannot, it might be time to do some CCM shopping.

The fact is that CCM projects aren't simple, but a lot of CCM solutions aren't built for complexity. Fragmented content platforms, legacy systems, departmental silos, and increasingly distributed workforces all create complexity that can be hard for CCM solutions lacking intentional, intelligent design. And this creates complexity in your budget. We hope this guide helps you avoid unexpected costs.

Connect with us today to explore how cloud-based Inspire Evolve helps you recession-proof your CCM budget.

quadient.com/customer-communications/inspire-evolve



About Quadient®

Quadient is the driving force behind the world's most meaningful customer experiences. By focusing on Intelligent Communication Automation, Parcel Locker Solutions, and Mail-Related Solutions, Quadient helps hundreds of thousands of customers worldwide simplify the connection between people and what matters. For more information about Quadient, visit quadient.com.