

Why this is the year to migrate your contact centre from on-premise to the cloud



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Whitepaper

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Introduction

State of the market

The contact centre market has been undergoing a significant transition for the last five years, with rapid advancements in technology fuelled by ever-growing customer demand for a higher quality experience. Enterprises have been caught in the middle of this transition, struggling to understand how to maintain and update their contact centre to match increased consumer demand while maintaining cost-effectiveness.

A significant part of this change has been the shift from on-premise (either on-site or hosted in a private data centre) to multi-tenant, publicly hosted cloud-based contact centres (also often called CCaaS or Contact Centre-as-a-service). Many organisations now view on-premise contact centres as legacy technology, mirrored by vendors ending support for their on-premise deployments. This is evidenced by these vendors trying to sell cloud add-ons/features to their legacy customer base, struggling to remain feature competitive, managing large amounts of legacy technical (and actual) debt, and retracting support for everyone outside their largest customer base.

Within this market, organisations find themselves at different stages of digital transformation.

Many have begun or completed a cloud transformation journey. Cavell's latest Contact Centre Decision Market research indicates that 37.6% of UK agents are already cloud-based. A further 26.7% are already in a hybrid deployment, embracing cloud features or on a transitional journey. 35.6% of agents are still on-premise, but all Cavell's research indicates this number is due to change rapidly in the next few years, with the number of on-premise agents dropping from 395,000 in 2024 to only 208,000 by 2025 (fig. 4). A large reason for this increase in rate of change is desire for new cloud services, but also competitive concerns as many companies are watching their competitors become cloud-enabled and reaping the benefits, but there are more reasons that companies are choosing to migrate now.

UK Split of Cloud vs On-prem vs Hybrid Contact Centre Agents

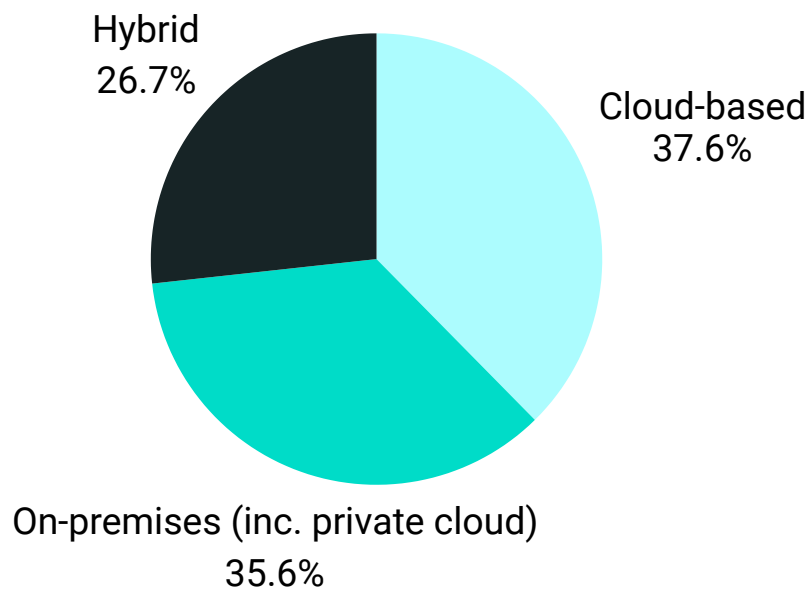


Figure 1. Cavell's January 2025 Contact Centre Decision Maker survey data on agent deployment types in the UK, which demonstrates that the over one third of all agents are now cloud-based

Why are more companies choosing to migrate now?

As cloud-based contact centre services have matured in availability and quality, many companies have transitioned away from legacy on-premise deployments. This shift has been primarily driven by the demand for greater operational efficiency and access to innovative features that cloud deployment models can deliver quickly, cost-effectively, and at scale.

Companies that have successfully migrated to cloud contact centres find that they can easily add or remove new features, integrate with and manage many more new channels, and receive more frequent updates and security support.

Omnichannel is also a significant motivation to move to the cloud. More and more companies want a contact centre that can handle and integrate multiple channels, such as voice, email, chat, and social and consumer platforms.



Cavell's latest research reflects this. UK contact centre managers report that while **more than 70% of businesses still use email and phone (figure 2)**, many are adopting omnichannel approaches and turning to technologies like Live Website Chat, Social Media Messaging, and Consumer Messaging platforms.

Cloud offers the ability to integrate these channels more seamlessly and host them together in a shared, integrated ecosystem.

Automation also plays a significant role here, with 35% of companies reporting that they have started to rely on automated website chatbots. One of the most critical frustrations amongst consumers identified in Cavell's Voice of the Consumer Report in 2024 was automated systems not understanding the issue and being repeatedly transferred. All of these indicate the need to fully integrate chatbots into the contact centre stack to ensure that any calls or chats are seamlessly transferred with minimal need to reshare information about the ongoing discussion, interaction history and other broader customer details.

This integration is achieved best when these solutions are a) provided by the same provider and b) hosted in the cloud, which enables seamless integration and easier scaling and management. This will become even more relevant as the industry moves toward AI-powered chatbots that require this data even more to deliver a high-quality experience.

UK's Most Used Contact Centre Channels

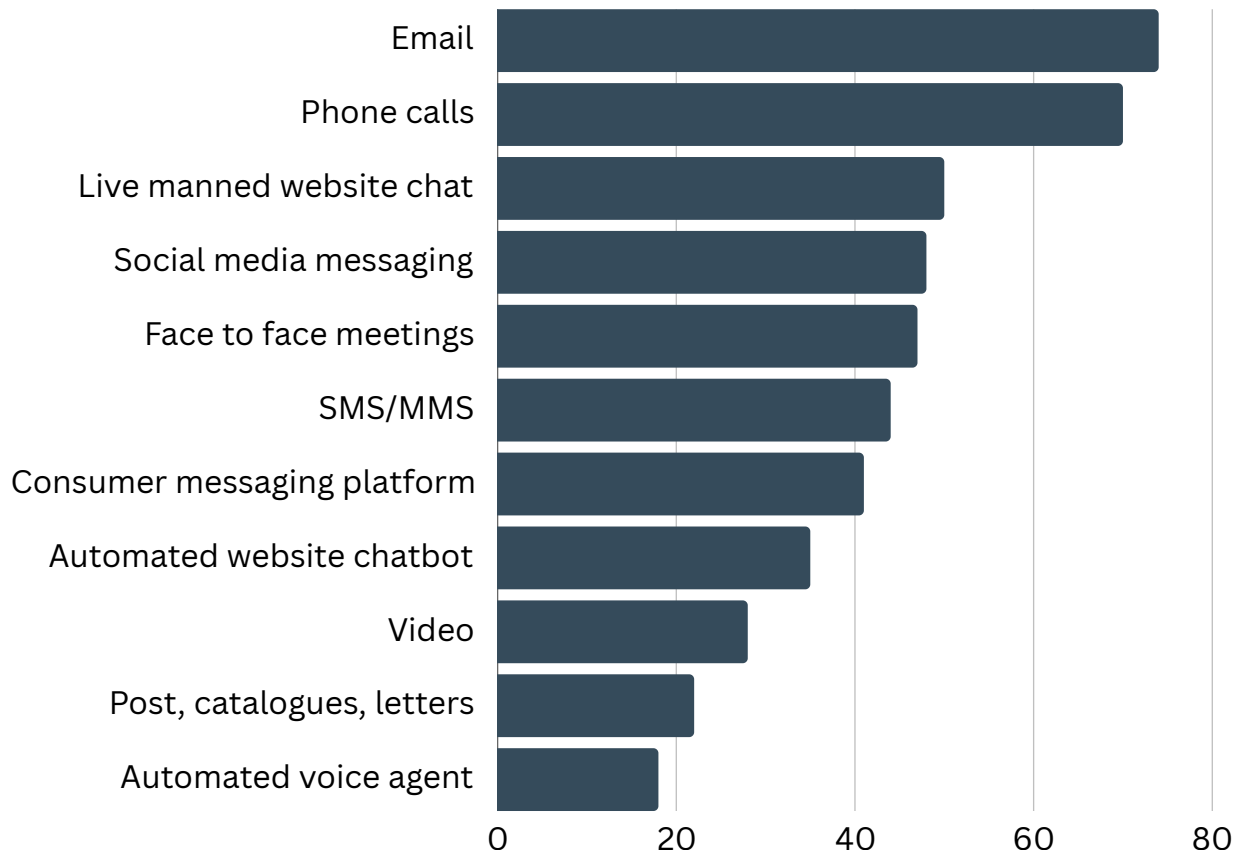


Figure 2. Cavell's January 2025 Contact Centre Decision Maker survey data showing which contact channels are used at each company.

According to Cavell's latest Contact Centre Decision Maker Survey, cloud adoption continues to accelerate.

Over 63% of respondents who still have an on-premise contact centre reported that they plan to migrate within the next 2 years, and only 11% said they did not intend to migrate at all. Most of those choosing not to migrate are doing so due to some external issue, such as regulation or compliance.

When do those with an on-premise contact centre expect to migrate to cloud?

I'm not planning to move my solution to a publically hosted Cloud PBX

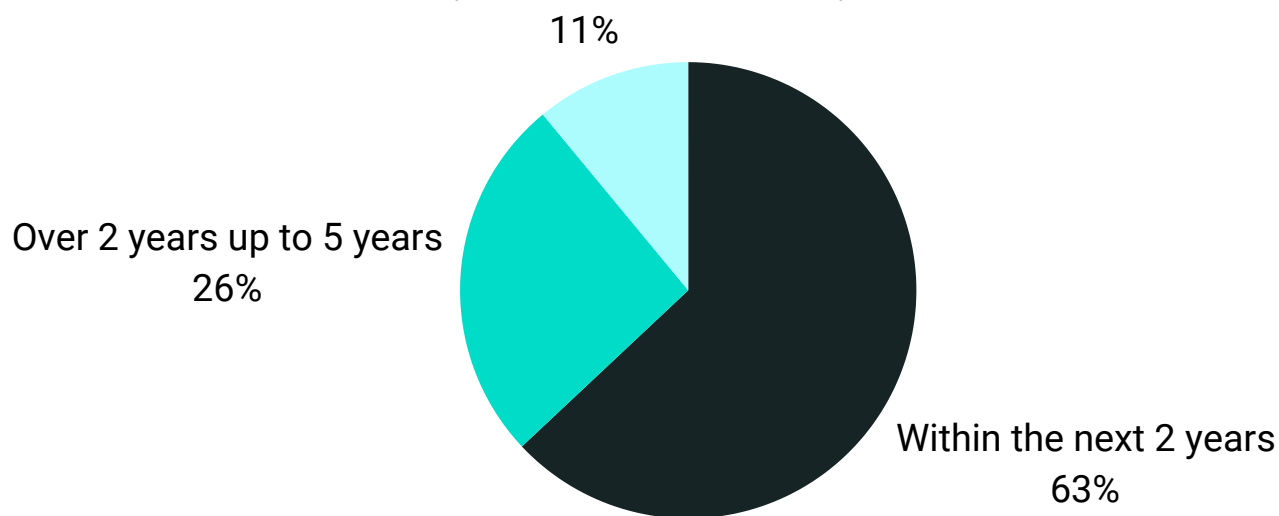


Figure 3. Cavell's January 2025 Contact Centre Decision Maker survey data charting planned migration to the cloud of respondents with an on-premise contact centre which shows that the majority of companies still on-premise plan to migrate within the next 2 years

This shows the clear trend that many companies are planning a migration to the cloud within the short term. This is part of the reason that Cavell's forecasts indicate consistent growth in the UK cloud contact centre market, with the total market value projected to be £425 million by 2028 . Much of this growth will be fuelled by companies currently operating on-premise systems making the strategic decision to migrate to cloud-based solutions.

What concerns do they have?

However, the prospect of completely migrating from on-premise to cloud-based solutions can appear daunting for many organisations. The transition involves technological change, significant process adaptation, and associated costs and potential risks. New digital solutions must comprehensively address all existing use cases that have often evolved over many years of operation.

The cost of migration must also be considered, particularly in times of economic uncertainty. However, these costs may eventually be offset by the savings from no longer having to maintain, support, and host an on-premises solution. They are still a daunting prospect for many companies. Some businesses also prefer to stick with already paid-for, tried-and-tested legacy technology rather than invest in new solutions.

Cavell predicts that the majority of these companies will face an incident that forces them to migrate, either due to reaching the end of support for their product or due to the need for new capabilities that their legacy systems cannot support.

Despite these challenges, the risk of staying on-premises cannot be ignored. Many on-premise vendors are ending support for their products or struggle to match the innovation of their more agile cloud-based competitors, particularly as we enter the era of artificial intelligence.

This whitepaper aims to assuage business fears about potential pitfalls and lay out the primary motivations for this transition so that readers can feel empowered to seize the latest wave of AI-fueled cloud momentum.

Why the time has run out for on-premise contact centres

Why are some companies still on-premise?

Many organisations continue to operate some form of on-premise contact centre deployment. For some, this represents their entire contact centre infrastructure; for others, it's a legacy system functioning in a specific branch, location, or use case. Cavell's research (Fig. 1) indicates that 63% of UK contact centre agents are still deployed in an on-premise or hybrid model.

In specific, highly regulated industries within the UK, on-premise solutions remain mandated or necessary due to specific compliance requirements. Many of these use cases can be found in the public sector, the healthcare industry, emergency services, or financial services.

However, even within these industries, hybrid approaches leverage the power of the cloud, such as using a cloud contact centre while maintaining compliance and call recording on-premises. These use cases will continue to exist where organisations require complete control over hardware, specific data security protocols, and physical access to infrastructure. What the future holds for these highly regulated industries is unclear, as they are balanced between a demand for advanced capabilities and government regulation. While regulations may be relaxed further for financial, healthcare, and specific public sector organisations, allowing some to move to the public cloud, others will be forced to remain on-premises or, at the very least, in a privately managed cloud.

However, many on-premise contact centres are deployed in organisations with no specific regulatory need for this approach. They are hampered by inflexibility, limited scalability, and complex and slow maintenance cycles.

In these situations, companies could quickly find themselves at risk.

Why are on-premise contact centres considered “legacy” by many in the industry?

Outside of specific security/regulatory use cases where you need to maintain active control over not just the contact centre operations but also infrastructure, on-premise deployments are now widely considered legacy technology – a perspective increasingly shared even by vendors that offer these solutions. Several major vendors have strategically decided to provide ongoing support only to their largest (and most profitable) on-premise customers, communicating to others that support will not be available indefinitely. Unless you are one of those large customers of these legacy providers, you must assume that your legacy provider has already or will soon decide that your solution is obsolete.

In addition, many vendors are finding that the burden of maintaining this legacy infrastructure has become too great and has begun to hamper the evolution of their technology. This is particularly challenging when many agile cloud startups move in on their turf without the same legacy debt. The reality is that from a vendor perspective, a cloud contact centre is a stronger proposition for both revenue, maintenance and development, which is why they are changing their focus.

Considering the specific implications in the development use case, an agile cloud company can decide if it needs a new feature, rapidly develop it, and then easily push that update to its customers. Vs, companies stuck in a slow on-premise update cycle, where new updates might only be deployed in the annual or six-monthly update process. Many on-premise vendors have acknowledged this and are turning to cloud-based add-ons to enable new features to be deployed that cannot be enabled solely on-premise.

Is it time for my company to move off-premise?

Companies that are currently using an on-premise contact centre have many questions to ask themselves:

Product support

- Has my product been declared end-of-life?
- How long is left on the provider's support commitment?
- What is my plan for when my product is no longer supported?
- Does it remain secure in today's advancing security standards and frequency of attacks?
- Does the manufacturer and/or its partner networks have the legacy skills and hardware to support me long-term?

Limitations

- Does the product meet my needs in the next 2-3 years?
- How does the product handle remote workers?
- How will the product tackle new compliance requirements, AI-powered fraud or other up-and-coming threats to contact centres?
- Is the solution efficient enough, smart enough, and does it bring the best version of the capabilities I need?
- Does the vendor want to support your size of company on its platform? Or is their strategy to refocus on larger customers?

Features

- Are there features I want that cannot be deployed or are prohibitively priced to build on-premise?
- Do I want AI or any AI-powered features?
- Are my customers satisfied with the current quality of customer service I offer them?
- What are my competitors doing to improve their customer service?

These questions provide essential input to help organisations determine whether migrating to a cloud-based contact centre has become an urgent issue for them.

With many companies finding the answer to these challenging questions is 'yes'; Cavell anticipates an acceleration in cloud contact centre adoption rates. The number of on-premise contact centre agents in the UK is projected to decline by approximately 13.8% annually, representing a reduction of approximately 220,000 agents between 2023 and 2028.

UK On-Premise Contact Centre Agent Count (2023-2028)

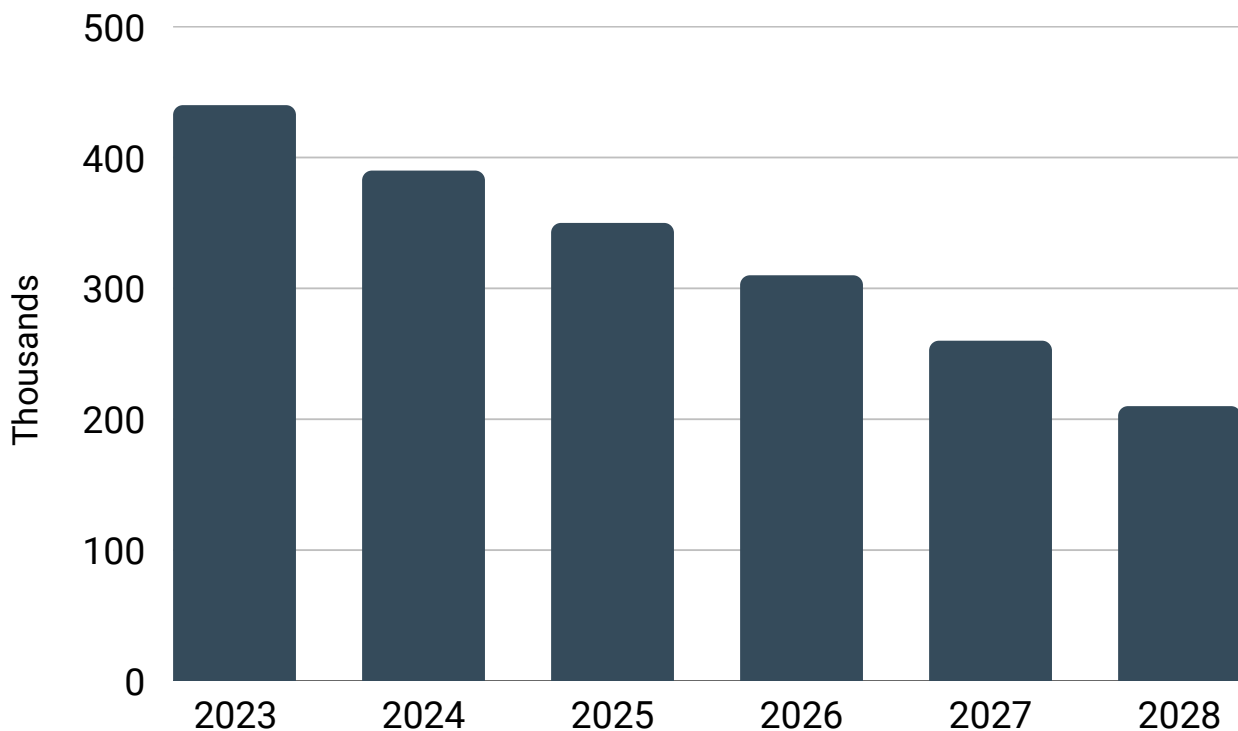


Figure 4. Cavell's UK Contact Centre Agent Forecast 2024 demonstrates a drastic fall in on-premise contact centre agent count by 2028

The silver lining – the benefits brought by cloud contact centres

The case for cloud

While the diminishing future of on-premise solutions provides compelling impetus for transition by itself, there are numerous positive reasons to migrate to cloud contact centre platforms.

This explains why Cavell's research shows consistent growth in contact centre agent numbers projected over the next four years.

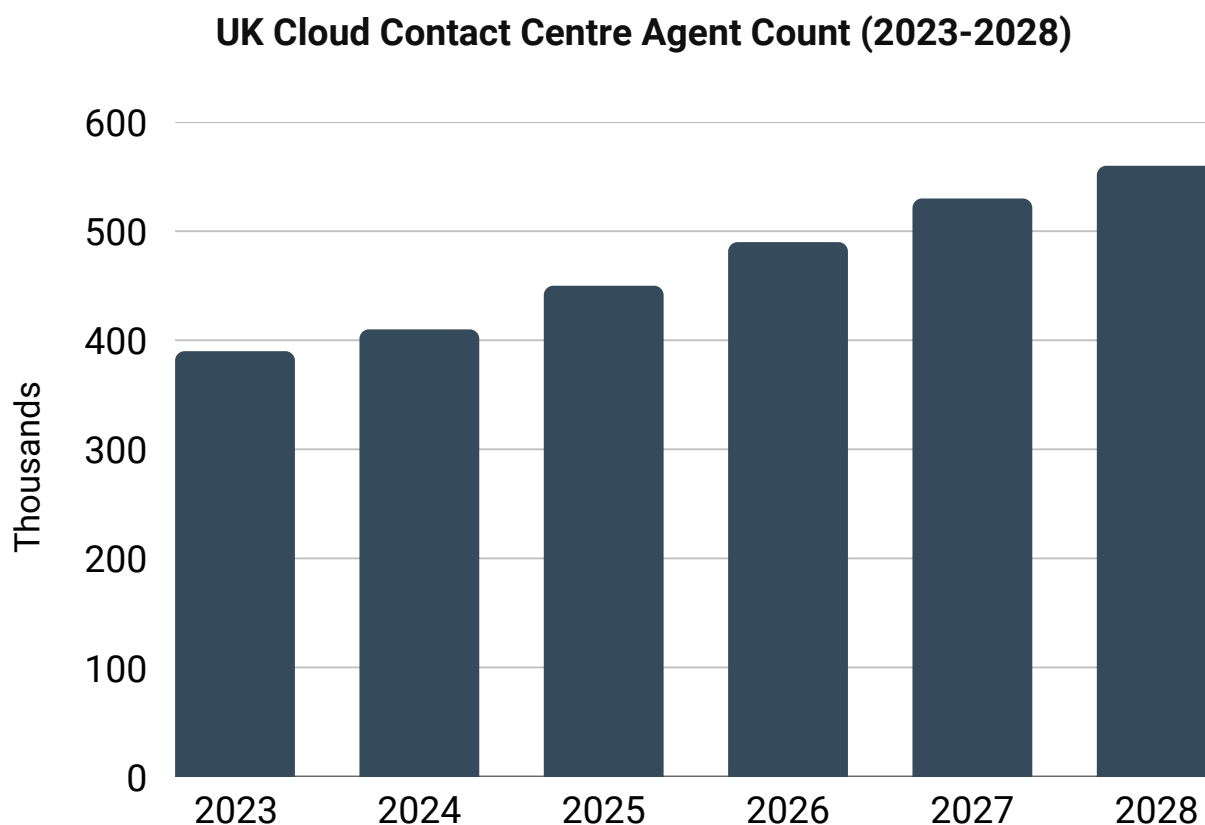


Figure 5. Cavell's Cloud Contact Centre agent count forecast for the UK demonstrating a continuing rise in cloud contact centre agent count

The general benefits include regular updates, scalability, flexibility, and quickly adding new features. Still, there are also more benefits worth considering, such as:

Cost-Efficiency

As on-premise solutions reach the end of life, maintaining support for them becomes more costly and inefficient. If your provider stops supporting the product, they will move resources away from keeping it, meaning you will have to seek custom support and maintain it yourself.

Improved Uptime

While some larger on-premise contact centre solutions come with redundancy systems, for many smaller companies, their on-premise deployment is a single point of failure, as any hardware failure or site-based disruption, such as a power outage, can lead to the system being unavailable.

Easier Omnichannel Support

Many of the channels used in an Omnichannel model are hosted in cloud services; for that reason, building a cloud-based contact centre platform allows easier interactions and data sharing between these applications and better integration across your customer journey from one channel to another.

Agility

One of the most considerable benefits of moving to cloud-based solutions is the agility that this brings. New features can be onboarded or trialled, updates can be easily delivered, and new ways of working can be implemented rapidly.

AI-Readiness

The contact centre market has begun and will continue to be rapidly disrupted by AI and the capabilities for advanced automation that it brings. Having your CCaaS deployed in the cloud will make adding AI capabilities easier, often just requiring a license change or upgrade.

Data Availability

Cloud systems are naturally better at making data available and integrating it with other operations based in the cloud. One prominent example is the need for cloud systems to share data with new AI deployments. This approach will be much easier with a cloud-based contact centre. For example, a cloud-based call summarisation system can make that data available to a cloud-based quality management platform to allow supervisors to have a window into every conversation happening in their department.

Moving to the cloud can also bring real-world benefits, with some large contact centres reporting a 10-15% fall in average handle time of calls due to the removal of duplicate workflows. Another company noted that due to moving to the cloud it, could enable its agents to work remotely, reducing its office expenditure and also improving employee retention rate.

These benefits create a compelling case for fully embracing the cloud. This new era of scalable, agile, secure contact centres represents a bright future where enterprise technologies become affordable to businesses of all sizes.

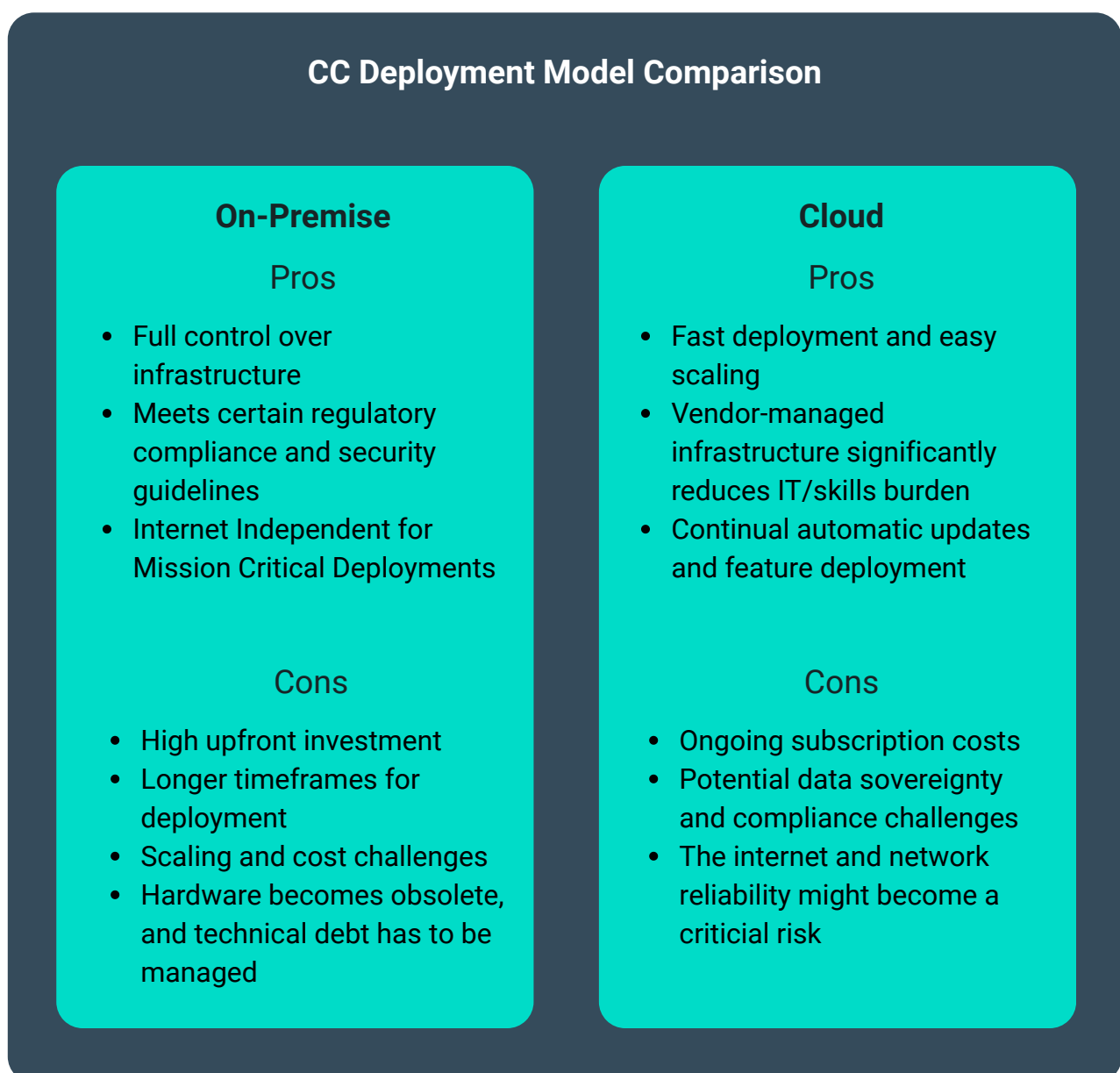


Figure 6. A chart outlining the pros and cons of on-premise and cloud contact centre deployments

Potential migration pitfalls

What are common cloud migration problems?

While the cloud offers fantastic opportunities for the contact centre, cloud migrations are inherently complex processes. Companies should be careful to avoid the following pitfalls on their cloud-migration journey:

- **Inadequate pre-migration assessment** - One of the worst issues a company can face is failing to evaluate the scope of the migration properly. For example, a company that doesn't correctly understand its current infrastructure and workflows cannot understand how to migrate and optimise these in a cloud environment.
- **Not correctly identifying your desired business outcomes** - While the technology and systems you currently have deployed are essential to understand, it's also important to take a step back and look at what your company wants to achieve from its contact centre. You might find that the 'old way' of doing things doesn't need to be brought with you on your cloud journey.
- **Data transfer failures or loss** - Migrating large volumes of data, recordings and interaction logs poses a risk of data corruption and loss. Companies should ensure that critical data is maintained, validated and protected during the transition project.
- **Downtime and business disruption** - "Can we afford this system to go down?" is a vital question for any company undergoing a cloud migration. If the answer is "no," you must have a backup and redundancy plan to manage disruption. Smaller companies might be able to be more flexible, but larger companies might need to maintain their legacy deployment during the entire migration process to ensure service continuity.

- **User onboarding and adoption rates** - Deploying a cloud contact centre is not a journey a company can undertake without its employees. Employees not being ready to onboard onto the new system or trying to do things 'the old way' with the latest technology is a standard stumbling block for migrations.
- **Missing or incorrect integrations** - Cloud migration is a disruptive overhaul. Many companies take integrations with legacy systems for granted. When planning your new cloud deployment, you must ensure that all necessary integrations are documented and a new method of integrating with them is deployed alongside the new cloud system.

These are just a few examples, but no company should be deterred by the risks of migrating its contact centre to the cloud, as many companies have successfully transitioned with the aid of skilled partners. Many companies have found that working with an expert partner has been a vital component of a successful migration.

You shouldn't move to the cloud alone

However, while these benefits exist, accessing them and determining what features and solutions a business needs can be challenging.

While cloud contact centres are easier to deploy and maintain than their legacy counterparts, building and deploying these systems still requires knowledge and expertise.

In addition, with AI driving technological change at an unprecedented pace, understanding what features are required is not something to do alone. For that reason, finding a partner with a strong consultative approach is vital in evolving your contact centre.

The importance of finding the right partner

Understanding successful cloud migrations

The increasing rate of change in technology development and the complexity of contact centre products are driving the need for businesses to work with a provider that takes a consultative rather than feature-based approach to selling contact centres.

Traditionally, contact centre solutions could be purchased feature-by-feature, with organisations acquiring add-ons to address specific use cases as needed. However, the range of available features has expanded dramatically in recent years, alongside an increasing number of potential integrations and growing data requirements for optimal functionality.

Successfully navigating this complexity requires a deeper technological understanding than ever before, as it requires correctly assessing data requirements and identifying the most appropriate solutions for specific outcomes.

AI further reinforces this challenge as it creates a large gap between those companies that are on a successful AI trajectory and will be ready to leverage the latest developments both now and in the future, as well as those that haven't started yet.

Consider this: you have an on-premise contact centre. You begin the cloud migration process, buy a cloud contact centre that mirrors your on-premise deployment perfectly, and then copy over all the manual processes and routing you had on-premise to the cloud and don't see any increase in efficiency or performance. Or you work with a company that understands the full capabilities of a modern, cloud-based AI-powered contact centre that reviews your on-premise operations, helps you decide what new features and operations you can optimise, and ends up deploying a leaner, more automated, more efficient cloud contact centre.

Working with the right partner can ensure that you implement a contact centre solution precisely aligned with your organisation's requirements rather than deploying technology based on assumptions, incomplete information, or the 'old way' of doing things.

The ideal partner is one focused on innovation, who has a broad range of expertise, a strong list of successful projects, a strong portfolio of products and offers strong integration capabilities. This will allow them to correctly guide you not only through your initial cloud migration but also enable them to help you understand the changing nature of the industry and be ready for the next steps in the development of AI which will be essential to understanding the future of CCaaS.

The opportunities and challenges presented by AI

Like many sectors, the contact centre industry is being rapidly transformed by artificial intelligence, creating significant divergence between organisations at the cutting edge of these developments and those still operating with legacy tools and approaches.

There is an ever-growing list of examples of how AI can help the contact centre, but one use case gaining significant traction is automated quality management on calls. Under the traditional model, calls might be recorded, and then a supervisor would review a small portion of those calls to determine what an agent is doing wrong or might do better. Using newer technologies, every one of those calls can be transcribed and summarised, and the summaries can be ingested by a system that reviews and aggregates the data from all of them to provide a holistic report on not just individual agent performance but the entire customer journey.

Another use case that highlights the strength of not just AI but also cloud-based AI is that of bots. In a cloud environment, a bot can escalate a live chat/call easily to an agent, summarise the discussion and pass it to an agent, and also provide details to CRM platforms. While this is possible in an on-premise deployment, this would likely require a heavy piece of custom integration.

There are numerous other areas where a well-chosen AI solution, combined with a robust CCaaS integration, can also provide valuable assistance, such as helping your agents with administrative tasks (like post-call summaries), best-action recommendations, and ongoing sentiment and call analysis.

In this way, new methods of working through the cloud can go beyond just digitising existing operations and make data more available and applicable across the entire business. Thinking a step further, once you have done this, that data might also be helpful to sales, marketing, or strategy teams, or any other departments/systems in your business, and that is just the uses we have now. Who knows what other technologies and capabilities will become available in three, five, or ten years?

Cavell's research reinforces this, showing that businesses desire their providers to have expertise with a specific technology to provide the best deployment and management guidance. This is especially true at companies with 1000+ employees, where a recent survey reported that 37% said it was their most important selection criterion for a new provider.

	0-49 Employees	50-249 Employees	250-1000 Employees	1000+ Employees
1	Price	Price	Expertise with a Specific Technology	Expertise with a Specific Technology
2	Product Functionality and Features	Expertise with a Specific Technology	Price	Price
3	Brand Reputation	Integration Capability with Existing Technology	Integration Capability with Existing Technology	Product Functionality and Features

Figure 7. Cavell's 2024 Telecom's Decision Maker Survey data indicating the main criteria for selecting a new provider split by size of company

Managing the transition from a legacy on-premise contact centre can be daunting, but finding a partner who offers a strong consultative approach and is aware of all the latest developments in the space is vital to achieving a migration to a future-proofed platform that will be ready to adapt to any new developments that are certain to come in the next few years.

Conclusion

Why is it time to move?

The time to migrate your contact centre from on-premise to the cloud is now. The industry has collectively reached a point where a successful migration will reduce your cost footprint and drastically improve its efficiency and CX capabilities.

Cloud migration has become a mandatory step for companies looking to modernise their customer experience and those looking to get started with AI.



Many AI solutions cannot function within the scale of an on-premises data centre without incurring huge costs or limiting functionality. Many also require data to be integrated from other systems (e.g. CRM) to operate.

These integrations are best done via the cloud. Moving to the cloud lets you leverage the technologies currently being deployed and prepares you for the next wave of AI disruption that will surely come in the next few years. It moves you from asking, 'How do I make this solution last another year?' to, 'What customer experience problem am I trying to solve today?'

It's important to remember that moving to the cloud isn't just about digitising your current customer journeys—although this is one possible approach. It is also about finding new and more efficient customer journeys that enable you to revolutionise your customer experience and begin to deliver not just 'sufficient' but 'excellent' customer service.

Where to start?

Cavell firmly believes this is not a journey to go on alone. Most Contact Centre companies work with a varied and skilled provider base that is here to help support you with this process. Unless you're one of the few companies with the full range of expertise needed to understand the contact centre and keep pace with the rapid acceleration in technology rate of change being brought about by AI, a partner is your best choice.

Companies that want a modern contact centre and are prepared for what comes next must identify a strong partner to assist them in this transition. Ensure the partner has a strong consultative approach and will work with you to build the customer journeys you need.

One who will ensure your business is ready for what it needs now and what is coming in the future will ensure you have a contact centre that meets your customers' expectations both now and for a long time to come.



Customer Migration Journey: On-Premise → Cloud Contact Centre

1. Assessment & Planning

- Evaluate your current on-premise deployment, include a gap analysis to identify weaknesses in your contact centre deployment
- Identify desired business outcomes and primary migration drivers
- Engage a partner to help you evaluate the best cloud platform to meet your goals (features, compliance, SLAs etc)
- Ask the partner to review and confirm your evaluation and suggest additional features or approaches you might not have considered

2. Strategy & Design

- Work with your partner on a migration model, and timeline (e.g. rip and replace, phased transition, hybrid)
- Define your architecture and important integration points (CRMs, IVRs, Quality management and analytics etc.)
- Map out any compliance and specific regulation or data governance requirements
- Begin to align stakeholders with the new direction

3. Pilot & Testing

- Deploy a pilot model (small team or region)
- Run tests with workflows and users
- Monitor for bugs, call quality, latency, and routing
- Train a small user group and identify any issues with user adoption

4. Migration & Rollout

- Migrate data (call logs, customer info, workflows)
- Gradual team-by-team rollout, or consider a channel-based rollout
- Full-scale training and support documentation rolled out to staff
- Consider running the system in parallel with the legacy deployment during the transition

5. Optimisation & Decommissioning

- Monitor KPIs (e.g. Customer Satisfaction, Average Handle Time, Call Quality)
- Phase out legacy systems and hardware
- Fine-Tune routing, agent scripts etc
- Consult with your provider to see if there are other ways to optimise/improve the system

About IP Integration

IPI enables brands to meet their digital transformation goals with creative and innovative Contact Centre, Cloud and Connectivity services and solutions, which are proven to drive exceptional customer and employee experiences, as well as better business outcomes and increased revenues.

Its team of experts add value at every part of the transformation journey, by providing bespoke consultancy services, training and enablement programmes, DevOps and integration, as well as a range of proprietary solutions and managed services, spanning the Contact Centre, automation and AI, workforce engagement, security and compliance, speech and text analytics, voice services, cloud, and outsourced IT.

About Cavell

Cavell is a leading research and consulting firm specialising in the telecommunications industry with a particular focus on business communications technologies including UCaaS, collaboration, contact centre and customer engagement software, business messaging, and Microsoft Teams.

Cavell provides insights, analysis, and advisory services to help their clients navigate and succeed in these rapidly evolving sectors.
