

## Justifying VoIP with Call Center Applications

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Companies are evaluating IP as the infrastructure backbone for their multi-site contact center network. However, even great backbones need legs to go somewhere, and these days the thing that gives IP “legs” is a solid ROI. As our economy works its way back from the doldrums of the past few years, most companies are cautious about their capital expenditures and operating budgets.

Is there a sure-fire, rock-solid ROI case to be made for an IP investment? The most realistic, general answer is “It depends.” Of course, a company’s decision to migrate to IP is usually not made just on the basis of the contact center applications. The costs and opportunities throughout the organization typically enter into the business case.

The events that trigger the decision to move to IP can also influence business case development. Many companies initiate the move to IP when existing equipment becomes fully depreciated or is end-of-life. For other companies, the decision to move to IP is a broad-based corporate initiative, and the contact center is just going along for the ride. Finally, there are situations in which new contact center applications enabled by IP are compelling by themselves and fully justify moving to the new infrastructure.

A key variable in developing the business case, of course, is “What is the state of the current data infrastructure?” and therefore, “What are the costs of upgrading the network to support an acceptable QoS?” There are many other costs as well, from other equipment changes to redesigning internal processes and procedures.

On the opportunities side, a key variable of the ROI equation is “What are the benefits of the specific applications being implemented in our circumstance?” Here are five areas of opportunities. The first considers communication costs. Then four look at contact center applications, especially in a multi-site environment, which can contribute significant value to an overall business case. These opportunities can change how a company does business, by introducing more efficient and effective ways to operate.

**Communication Cost Reductions.** Hard dollar benefits can come from IP’s long-touted ability to reduce network costs. International long distance charge reduction can still be a source of significant savings, although these potential benefits are shrinking for domestic calls as overall communications costs continue to decline. Still, we’ve seen 30% communications savings from reconfiguring networks to take advantage of IP capabilities.

In another case, a client recently realized substantial savings by eliminating charges by their network provider for transferring calls from one center to another. Before VoIP, all calls were initially terminated at an internal IVR farm. Based on call requirements and current availability of appropriate agents at different centers, some of the calls were rerouted back through the network to other call centers. The networking cost to transfer the calls was significant. The

VoIP deployment eliminated these costs, as the calls were now carried over the IP-enabled corporate data network. The elimination of transfer costs made a substantial contribution to the overall business case.

**Centralized Equipment, Management and Control.** VoIP enables companies to consolidate hardware, software, and personnel to a smaller number of locations, even if there are agents at many sites. This could be a single hardened hub center, or a few redundant ones. Centralization means more effective use of fewer personnel for planning, programming, administration, and maintenance.

Many organizations now seek to simplify their communication architecture and to reduce and consolidate the number of servers. This notion goes beyond simply combining voice and data over a single network. The opportunity is to reduce complexity while achieving significant cost savings from less hardware and fewer license and maintenance requirements.

Frequently, call center adjunct equipment – such as IVRs, work force management systems, quality monitoring, reporting, and analytics – can also be consolidated. Today, these adjunct servers are often scattered throughout many locations in an organization’s network. With a VoIP-based implementation, the overall architecture is simplified, and the staff needed for maintenance and configuration management can be centralized. This is both more efficient and leads to consistent practices across the company.

**Virtual Capabilities.** In addition to cost savings, distributing calls on a VoIP-based network lets companies run all their call centers as a single, virtual operation. The ability to have a single point for enterprise-wide call control and routing decisions means lower costs and better matching of available agent skills to customer requirements.

Today, many companies have the same functions being performed by agents with similar skills across multiple sites. Calls coming into the network cloud will be “pre-routed” to a particular site. Sometimes this decision is made by looking at the current (or approximately-current) queue lengths; more often the decision is made by some overall rules based on call origin or a percentage allocation. Inaccuracies in the predictive algorithms mean that a call isn’t always directed to the best location. In some cases, after a call is directed to a particular site, it’s redirected (“post-routed”) to another center.

The VoIP-based alternative operates as a single, virtual center with one call routing server. An incoming call is queued wherever it enters the company network, and is held there until the next appropriately skilled agent is available to answer the call. The routing decision considers all the agents available at all sites at that moment. This changes the system from predictive-based routing to a true “best available agent” routing algorithm.

**Flexibility and Agility.** VoIP can readily accommodate a variety of environments, linking different sites with IP-enabled and IP-centric switches, remote offices, and home agents. This is important as call centers become more strategic to a company’s business. And, with an increase in merger and acquisition activity, new business units can be more effectively integrated with existing facilities. Today, such integration may be difficult, especially if the acquired company has a different supplier’s equipment.

In addition, outsourcers and offshore operations can be more completely integrated. One of the challenges in using external or remote resources is being able to manage and monitor their performance. Conceivably, being part of a VoIP-based environment means that a call could be answered in another part of the world while being monitored at the main corporate call center site. This ability, to access a single call in multiple locations simultaneously, brings new application opportunities and management control.

**Disaster Recovery and Business Continuity.** These are prime topics today for many call center executives and technology planners. In many cases, a VoIP-enabled infrastructure enables more rapid recovery and redeployment in case of a network or site outage. If the primary call control and routing site goes down, another hot standby site can take over. Agent phones and other devices can be preconfigured to re-register automatically on an alternative server with only a brief delay. If a network link goes down, calls can be re-routed on alternative data paths, or even voice paths, if necessary.

These application-based benefits may be more difficult to quantify, but frequently are more important. What's the value for your company of contact center business continuity? How much is it worth to be able to give home-based or remote office agents the same capabilities as those sitting the main center? How do you quantify the value of better control of contact center outsourcers who are part of your extended network? What's the value of added flexibility to meet new business opportunities?

Perhaps the key issue for building the business case is how far the company is willing to look into the future. If contact center management, and the finance staff, is focused on near-term benefits from specific applications, the justification on purely hard-dollar terms may be difficult to achieve.

On the other hand, by incorporating a longer-term view, the business case can easily be compelling. IP is clearly the future direction. These investments do more than just provide for an immediate application. More importantly, they support a forward-looking infrastructure that enables future integration of all communications and business processes.

That vision gives our network "backbone" somewhere to run, and the justification to do it.

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