Where Has My Cadillac Gone?

The evolution of IP telephony

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VoIP and IP Telephony are clearly the foundation for future contact centers. Vendors have focused R&D spending on migrating to IP-based architectures since the late 1990's. And now, customers are planning for enterprise migration to IP. Underlying it all is a dramatic shift from the luxury Cadillacs of the ACD world to new custom-built sports cars that are barely street legal.

This article discusses market factors that are driving this shift and what the implications are for customers. And we include some observations and recommendations for contact centers on the brink of IP planning and implementation.

Building the call center engine

Through the 1980's and early 1990's, Rockwell (recently acquired by Concerto) and Aspect were long considered the Cadillacs of the call center. Enterprises were willing to pay top dollar for the benefits they offered, such as rich call routing and queuing, bulletproof fault-tolerant platforms, and comprehensive management reporting. Plus, they offered customers the experience of a specialized brain trust of industry experts.

Not only were companies satisfied with their investments, many embraced them with religious zeal. And why not - they were proud owners of the most luxurious and dependable line of call center systems on the market.

Competition heats up

Seeing the explosive growth in the call center market, it wasn't long before large PBX manufacturers (e.g., Avaya, Nortel, Siemens, and others) decided to venture into the call center. In this new market, they could leverage existing PBX implementations for additional revenue, creating a one-stop shop for the enterprise.

In the mid-nineties, smaller CTI companies – like Genesys and GeoTel - that offered screen pop and softphone capabilities, saw an opportunity to leverage their market presence and existing customer base to expand market reach. The available market for comprehensive call routing and reporting solutions (e.g. ACD) was much larger than that of CTI, and more strategic in nature. Displacing call center systems from past and current partners became the name of the game.

It wasn't long before multiple factions were battling over the same business, offering similar feature sets and capabilities. The Cadillacs of the call center were still attractive, but price competition was fierce.

And along came VoIP

In 1999, Cisco fired the opening salvo in the VoIP challenge. They announced their intention to compete directly in the contact center space with the acquisition of GeoTel. This generated an extreme sense of urgency for TDM solution providers to execute their own IP strategies. In response, and in an effort to re-establish competitive differentiation, Rockwell and Aspect made bold investment decisions. Rather than investing heavily in migrating TDM platforms to IP, or developing new IP PBX switches, they decided to focus on building contact center applications *designed to run on third party IP PBX platforms*. In essence, they were positioning themselves to become CTI leaders in the new world of VoIP (ironically, the same position held by Genesys and Geotel in the TDM world).*

We are beginning to see the fruits of their effort as next-generation IP-based platforms roll out. In May 2004, Rockwell announced the availability of FirstPoint Enterprise leveraging Cisco Call Manager. In October 2004, Aspect introduced the Aspect Uniphi Suite with support for Cisco Call Manager. In addition, both vendors have made it clear that they intend to enable these solutions to run on other IP PBX platforms in the future.

Ideal candidates for these solutions today are brand new call centers as well as smaller centers within existing accounts. As products and migration tools mature, and customers become ready, the remainder of the customer base will migrate to IP as well.

Aligning strategies

If you're a Rockwell (Concerto) or Aspect customer no one is about to take your Cadillac away anytime soon. It's in their best interest to continue to support and invest (some dollars) in existing environments to help provide for a smooth transition. But at some point you will need to decide whether you are going to trade in your old luxury cruiser for their new line of sportscars or invest in another vendor.

We recommend using your contact center VoIP migration strategy to help guide this decision. If you decide it is best to move forward with a third party multi-vendor solution, leveraging your enterprise IP PBX infrastructure, then you are well aligned with Rockwell and Aspect. If you decide on a single-vendor (manufacturer) approach, then you are probably better aligned with companies such as Avaya, Cisco, Nortel, Siemens, etc. There are many other issues to consider, but the single vs. multi-vendor question is fundamental. The following is an overview of benefits and challenges of a multi-vendor approach.

Benefits	Challenges
• Ensures you are not locked into a single IP PBX platform.	• Potential for lack of cooperation among competing vendors.
• *Can* provide a mix-and-match between TDM and IP platforms.	• Industry standards for IP-based call processing are not mature.
• Supports an open, standards-based environment.	• Increased implementation and support complexity.
• Transfers infrastructure costs to IT. (some contact centers see this as a benefit – from a corporate perspective it's a wash)	• Lack of mature, proven applications.
• Enables quick access to specialized vendor resources.	• Financial viability of companies focusing on narrower markets.

If the industry moves toward a true call processing standard, the multi-vendor approach will become extremely attractive. However, if history tells us anything, the major influencers will fight this tooth-and-nail to avoid compromising their competitive position. Who knows, maybe open source is the answer… Wouldn't it be interesting if a contact center or telephony vendor with the necessary know-how (e.g. Aspect, Concerto, ShorTel, etc.) were to develop an open source call routing engine to run on top of all major IP hardware platforms (e.g. Cisco…) that contact center vendors embraced and wrote their applications to? Call it the Linux of the contact center. Perhaps a bit far fetched, but provocative nonetheless!

Vanguard's Perspective

Despite the emotional attachment we all have to them, the Cadillacs of yesteryear will eventually find their way to the junkyard. It's no longer a matter of *if* companies will adopt VoIP, but *when* and *how*.

The approach Rockwell and Aspect have taken is a solid one, and certainly understandable given market dynamics and the cry for open, standards-based systems. But this transformation is revolutionary in nature. It brings new architectural approaches, new products and new customer value positions. VoIP has effectively turned these vendors' value propositions upside down.

What can you do to ensure that the transition to IP in your center is a smooth one? First, develop a comprehensive VoIP migration plan that is tied to your overall corporate and technology strategy. Next:

- Employ a detailed software application evaluation and implementation processes.
  - Conduct a rigorous requirements and evaluation effort.
  - Factor in detailed design work, realistic development time, prototyping, multiple test cycles, pilots and a phased production rollout.
- Treat each migration effort as you would a new vendor relationship and solution deployment – be vigilant!

So all you proud Cadillac owners, it's time to pull over and start mapping your migration to VoIP!

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* Both Genesys and Geotel were acquired by IP PBX platform vendors.