

Customer Service Firm Reaps Over \$478,000 in Benefits with an Avaya Contact Center Solution

IN BRIEF

- **Goal:** For UpSource to select and deploy a new contact center solution that delivers high reliability, scalability and clear support for IP convergence, at a low cost, for their customer service outsourcing business.
- **Solution:** Avaya MultiVantage™ Communications Applications running on Avaya Converged Infrastructure. Specifically, Avaya Communication Manager telephony software and Avaya Call Center software running on an Avaya DEFINITY® Server SI. In addition, Avaya Call Management System (CMS), Avaya Computer Telephony (CT), Avaya Agent Access and Avaya INTUITY™ AUDIX® messaging.
- **Results:** More than \$478,000 in potential cost savings and additional revenue, driven by dramatically improved reliability, increased uptime, reduced costs, a robust path for IP telephony; with an average annual ROI of 26% over a 5 year period.

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Reliability is absolutely critical to a customer service call center. When you lose calls, you lose revenue – and ultimately, you lose customers as well. So when UpSource, a customer service outsourcing company, experienced 13 major failures over a one-year period, it was time to start looking at other solutions. Reliability as well as cost-savings was top of mind. UpSource chose to replace its existing infrastructure with an Avaya solution because the team at UpSource felt Avaya had the strongest contact center platform and the broadest experience with convergence and IP Telephony. In reaching its target capacity of 300 seats for its existing center, UpSource expects to save \$90,000 (Canadian) compared to what it would have cost to grow the prior system. More importantly, it has suffered no system outages or downtime since the implementation.

NOTE: This case study was authored by the Case Study Forum. The Case Study Forum is dedicated to writing and publishing case studies for the IT community. The financial analysis that appears in this case study was performed by ITCentrix, the premier software and services company for measuring and managing the business value of information technology investments. Results shown are not a guarantee of equivalent performance. **All figures are in Canadian dollars.**

Benefits

Objective	Benefits Achieved
Flexibility	New system provides the feature richness needed to support the individual needs of new clients and will allow for the creation of custom call centers.
Reduce downtime	No downtime since the new system was installed, compared to 13 major outages over a one-year period with previous system.
Increase revenue	Improved uptime leads to revenue increase of \$390,000 (Canadian) through higher user productivity.
Reduce costs	Purchasing a new Avaya solution and growing to 300 seats cost \$90,000 (Canadian) less than expanding the existing system to 300 seats.



Company Overview

UpSource, a multi-channel inbound contact center company, provides customer service, sales and associated services to a variety of businesses and organizations. The privately held company's main offices are in Cambridge, Massachusetts, with its initial call center in Nova Scotia, housing approximately 60 customer service representatives. Outsourced services are handled by telephone, web, e-mail and traditional mail.

"Downtime equals lost revenue, since you can't charge your customer for agent-hours or non-transactions. Reliability for a call center outsourcer is absolutely critical."

SUSAN COHEN
VP SALES AND MARKETING
UPSOURCE

A primary source of UpSource's competitive advantage is its ability to provide cost-effective customer service using leading edge telephony and Customer Relationship Management (CRM) solutions. The network and software must be able to handle and route calls at a reasonable cost, allow customer service agents to immediately retrieve caller information on their desktop terminals, and provide a high degree of reliability with no downtime.

The Business Challenge: Reliability

For a customer service outsourcing business such as UpSource, reliability is the key to success. When customers call, the client UpSource represents expects their customer to be connected to an agent as quickly as possible, and they expect their customer needs to be resolved with speed and accuracy. If a caller cannot get through, it means lost revenue to UpSource and an unhappy client.

At UpSource, a typical customer call and resolution takes approximately four and a half minutes. Its clients pay UpSource either on a per-transaction or per-agent-hour basis. The faster UpSource can resolve customer questions, the more revenue it can generate, because it will be able to handle a higher call volume in a given time period. The key to resolving customer calls quickly is providing UpSource's agents with expedited information about the customer and the reason for the call.

Driving the Need for a New Solution

Prior to the Avaya solution, Upsource had an existing system for call routing and distribution, voice over IP (VoIP), and CRM.

UpSource was looking to upgrade for several reasons:

- **Reliability:** Over a one-year period, UpSource's existing solution had a total of 13 major failures. A major failure is defined as one in which there is a loss of calls, which means a loss of revenue. There were multiple points of failure in that year—in the ACD software, desktop applications, servers, and overall infrastructure. Additionally, even though the system had been designed to be

“With Avaya, we are up and running 100% of the time. Now I sleep better at night.”

MICHELLE STEINMEYER
VP OPERATIONS
UPSOURCE

UpSource chose Avaya to replace their existing equipment, because it felt Avaya had the strongest call center platform and the greatest experience with convergence and IP Telephony.

redundant so that a backup system would take over when the first system failed, that backup system did not work properly.

- **Sustainability:** The existing system did not have “alarming” capabilities—it was not able to recognize when there were problems and so it could not issue alarms and alerts.
- **Complexity:** The existing system was very complex. Multiple vendors were involved, and so tracking down the source of problems was exceedingly difficult. “There were too many vendors in the mix,” says Mark Burns, CTO, UpSource. “We always had to coordinate troubleshooting among different vendors, each of whom frequently passed the problem on to other vendors.”
- **Cost:** UpSource needed to expand, and was looking to grow the number of seats on the system from 60 to 300. The ultimate solution had to be as cost-effective as possible.

UpSource Meets the Challenge

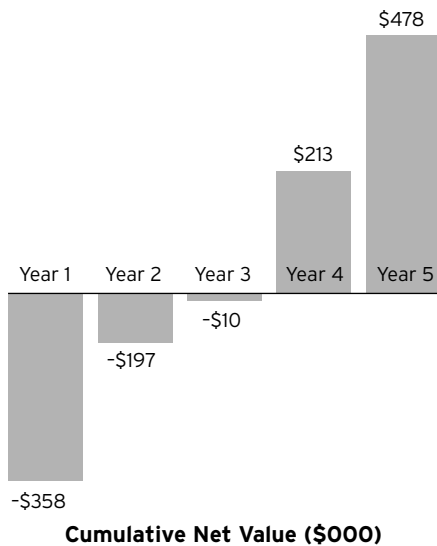
The UpSource team considered only two choices for a new solution to handle a maximum of 300 seats—either upgrade the existing system, or implement a solution from Avaya. The objective was a low-cost, reliable system that would help UpSource keep existing business and provide the necessary flexibility and scalability to ensure the company’s continued growth.

Stability, reliability and feature-richness were UpSource’s key deciding factors. The UpSource team concluded that Avaya had the best call center platform available, and would offer unparalleled reliability and cost-savings. They also expected the new solution to improve their competitive advantage through unique predictive routing capabilities, as well as protect their investment as they move further into a converged networking environment. Additionally, Burns knew from hands-on experience that Avaya solutions were highly reliable.

Cost was the final deciding factor. To grow a potential, new 60-seat Avaya solution to 300 seats would cost approximately \$465,000 (Canadian) less than it would to expand the existing system from 60 to 300 seats. When coupled with the actual cost of the new system, the resultant savings was over \$90,000 (Canadian). If UpSource had stayed with its existing system, it would have had to pay substantial software licensing costs for each of the additional 240 seats.

An Inside Look at the Avaya Solution

The solution UpSource selected includes an Avaya DEFINITY Server SI powered by Avaya Communication Manager as well as Avaya Call Center Software for call routing, distribution, and reporting. Also part of the solution are Avaya Computer Telephony and Avaya Agent Access, which offer intelligent screen pop at the agent desktop.

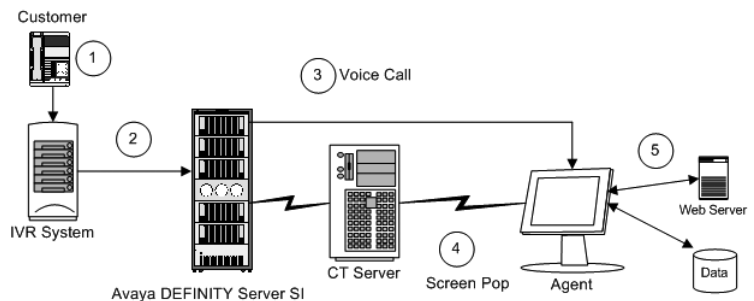


The Avaya solution is based on Avaya MultiVantage Communications Applications and Avaya Converged Infrastructure. It includes an Avaya DEFINITY Server SI powered by Avaya Communication Manager as well as Avaya Call Center Software for call routing, distribution, and reporting. The Avaya MultiVantage system offers a suite of call-routing capabilities that help agents handle calls more effectively. Among other leading features, it gives call centers the flexibility of sending the appropriate calls to the appropriately skilled agent, within the call center's business rules.

Also included are Avaya Computer Telephony and Avaya Agent Access, which offer intelligent screen pop at the agent desktop—in other words, the software takes information about an incoming call from Avaya Communication Manager, and then automatically opens a window on the call center agent's computer screen that has as much information about the caller and the question or problem as possible.

For one typical UpSource client, a customer first calls into an IVR system hosted by another provider. If the call can be handled by the IVR system, the call ends after resolution. However, if the customer decides help from an agent is needed, the call is routed to UpSource. When the call is routed to UpSource, a billing number that identifies the customer and information about the customer is passed along as well. The call is routed and distributed to an appropriate agent and information about the caller is passed over the network via a "screen pop" to the agent desktop. In addition to that screen pop information, the agent has access to a variety of information on hosted databases and the Web to help resolve the call.

FIGURE 1: HOW THE AVAYA SOLUTION WORKS



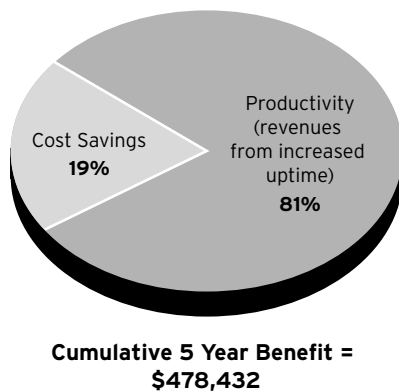
1. A customer calls into an IVR system. **2.** If the customer wants to speak to a live agent, he is forwarded to UpSource. **3.** The call comes through the Avaya DEFINITY Server SI and is routed and distributed to a call center agent. **4.** Information forwarded to UpSource from the IVR system identifies the caller. Avaya Computer Telephony and Avaya Agent Access generate a "screen pop" to the agent, which populates the agent's screen with information about the caller. **5.** The agent handles the call. If he/she needs more information than provided by the screen pop, he/she can access hosted databases or Web servers.

The Bottom Line for UpSource

A detailed analysis of the implementation shows that UpSource will reap a cumulative five-year benefit of \$ \$478,432 (Canadian) from the project. The project will yield an average annual ROI of 26% over a 5 year period.

The \$478,432 benefit (Canadian) will be realized by a combination of an estimated cost-savings of \$90,000 when compared to expanding the existing system, and increased revenue that UpSource will bring in by reducing downtime. Because downtime has been reduced, each seat will be more productive and generate an additional \$2,882 over a five-year period, for a total of \$390,000 in higher productivity.

The following chart provides a detailed, five-year analysis.



BUSINESS ANALYSIS OF THE IMPLEMENTATION

Project Summary						
Annual ROI	26%*					
Benefit per Seat (over 5 years)	\$2,882					
Cumulative Five Year Benefit	\$478,432					
Payback Period (mos.)	36					
Project Costs (\$000)						
Startup	Year 1	Year 2	Year 3	Year 4	Year 5	
Initial Equipment						\$316
Implementation						\$59
Total						\$375
Benefits (\$000)						
Cost Savings		\$0	\$116	\$116	\$116	\$116
Productivity (rev. from increased uptime)		\$17	\$45	\$71	\$107	\$150
Financial Analysis (\$000)						
Net Value	(\$375)	\$17	\$161	\$187	\$223	\$266
Cumulative Value	(\$375)	(\$358)	(\$197)	(\$10)	\$213	\$478
Net Present Value	\$235					
Annual ROI	26%					
Internal Rate of Return	29%					
Payback Period (mos.)	36					
Key Performance Indicators (KPIs)						
Revenue/Seat/Year	\$47,511					
Cost Per Seat Per Year	\$560					
Benefit/Seat/Year (vs. existing)	\$576					
% Annual Productivity Improvement per Seat	1.2%					

*over a 5-year period

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The numbers tell only half the story; benefits of the solution go beyond statistics. Reliability and stability top their list. The new system has been in place since December 2002, without a single outage. This is in part due to Avaya EXPERT SystemSM Diagnostic Tools, which work to identify and prevent problems before they arise, minimize their impact if they occur, and identify ways to keep them from taking place again.

Eliminating outages not only increases user productivity (and revenue), but is important for UpSource's credibility with its clients. Having a solid solution that does not go down means that UpSource's staff need not invest time in troubleshooting problems, and can instead focus on providing customer service and new client implementation.

UpSource Looks Toward the Future

The Avaya solution will yield financial benefits in excess of \$478,000, but more importantly, it has dramatically increased the company's ability to serve its clients. With the new system in place as a foundation, UpSource is looking toward future expansion, notably by creating custom call centers for individual clients.

UpSource expects continued growth to reach its goal of 300 agents for its existing center, thanks in large part to the reliability of the Avaya solution. The Avaya solutions give the company confidence in performance of its 24x7 operations and in creating custom outsourcing solutions for new clients.

"We're confident that with Avaya we have investment protection," Burns concludes. "We've chosen the solution that will give us the most feature-richness and flexibility, and that can best help us meet the goals we've set for ourselves as a company. Our next step is the deployment of VoIP to allow us to utilize remote agents as well."

About Avaya

Avaya enables businesses to achieve superior results by designing, building and managing their communications networks. More than one million businesses worldwide, including more than 90 percent of the FORTUNE 500®, rely on Avaya solutions and services to enhance value, improve productivity and gain competitive advantage.

Focused on enterprises large to small, Avaya is a world leader in secure and reliable IP telephony systems, communications software applications and full life-cycle services. Driving the convergence of voice and data communications with business applications—and distinguished by comprehensive worldwide services—Avaya helps customers leverage existing and new networks to unlock value and enhance business performance.

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UpSource's bottom line for the project: A cumulative five-year benefit of more than \$478,432, and an average annual 26% ROI over 5 years.

"The Avaya solution gives you a high level of confidence when you're talking to prospective customers. When you say that you use Avaya, they have trust in your infrastructure, especially because in all likelihood they're already an Avaya customer."

SUSAN COHEN
VP SALES AND MARKETING
UPSOURCE