



Medical Mutual of Ohio Improves Customer Service, Cuts Costs, and Prepares for the Future with Avaya IP Telephony and Contact Center Solutions

Goal:

Medical Mutual of Ohio (and its IT subsidiary Antares Management Solutions) will build a scalable, flexible communications solution to accommodate future growth, new applications, and deploy a contact center on top of the communications network to deliver increased customer service.

Solution:

Avaya MultiVantage™ Communications Applications. For Toledo and Cleveland: state-of-the-art contact centers built on Avaya DEFINITY® Server R systems, running Avaya Interaction Center software. For branch offices: sales branches integrated into the IP network, Avaya Communication Manager with an Avaya DEFINITY® Server CSI and an Avaya CMC1 Media Gateway, running on Avaya S8300 Media Servers and Avaya G700 Media Gateways. Avaya Global Services, including Solution Preparation and Deployment, Network Assessment/Optimization, and Maintenance.

Results:

A communications solution that can expand to support new features and services, and a new contact center. Dramatic improvements in customer service, including a reduction in caller wait time from over one minute to under 20 seconds; improvement in service levels from 21% to 94%; and a five-year net benefit of \$1,843,000.

For a healthcare insurance provider to succeed, it must be able to quickly respond to customer requests for information about their benefits, coverage and claims. When corporations decide which company will provide their insurance coverage, customer satisfaction is an important part of the equation. So, when Medical Mutual of Ohio was looking to significantly increase customer satisfaction, it recognized that it had to replace an aging communications network and construct a new customer contact center. Medical Mutual turned to Avaya for a two-pronged solution. The first component involved re-building its communications network with Avaya Communication Manager running on Avaya S8300 Media Servers, Avaya G700 Media Gateways and Avaya P330 Stackable Switching Systems. The second component consisted of building a contact center using Avaya Interaction Center. The solutions have dramatically enhanced customer satisfaction, including an increase in service levels from 21% to 94%, a reduction in caller wait time from over one minute to under 20 seconds, and a reduction in callers receiving busy signals from 7 percent to under 1 percent. The solution will yield a five-year total net benefit of \$1,843,000.

BENEFITS	
Objective	Benefits Achieved
Improve customer service.	Service levels have dramatically improved from 21% to 94%, well above Medical Mutual's goal of 85%.
Provide information to contact center representatives so that they can more expeditiously resolve customer calls.	With Avaya Interaction Center, real-time information specific to each caller is provided to contact center agents at their desktops. The average time to resolve a call dropped from more than five minutes to less than four minutes.
Reduce wait time when customers call Medical Mutual for information or requests.	Wait time or Average Speed to Answer (ASA) dropped from more than one minute before Avaya Interaction Center was installed, to 18 seconds after installation.
Replace an aging communications hardware platform with a cost-effective solution that can be easily managed and maintained.	The Avaya communications solution, Avaya Communication Manager running on Avaya S8300 Media Servers, Avaya G700 Media Gateways and Avaya P330 Stackable Switching Systems, offers an easily maintained and managed solution.
Provide a stable communications platform that can support advanced contact center and communications applications, and allow Antares Management Solutions to market outsourced IT services using its extra bandwidth.	A contact center based on Avaya Interaction Center was built on top of the communications network; Antares Management Solutions has been able to market excess bandwidth by outsourcing IT services.



About Medical Mutual and Antares Management Solutions

Medical Mutual has been a healthcare insurance company in Ohio since 1934 when it pioneered the concept of prepaid healthcare insurance. As the oldest healthcare insurance company in Ohio, it offers a wide range of health plans that are flexible and tailored to meet the needs of employee groups of all sizes, as well as individuals and families who need personal health insurance.

Headquartered in Cleveland, it has offices throughout the state. It serves 3.5 million customers along all lines of business. Medical Mutual's annual premium and service-generated revenue in 2003 was \$1.9 billion. The company has over 30,000 participating physicians and nearly 2,400 employees.

Antares Management Solutions, the IT subsidiary of Medical Mutual, was founded in 1997. It has 700 employees and provides IT services for Medical Mutual, and offers these services in all 50 states. The company provides state-of-the-art Information Technology Outsourcing (ITO) and Business Process Outsourcing (BPO) to a wide variety of businesses.

The Challenge: Replace Aging Communications Network and Improve Customer Service

High levels of customer service are among the key factors in a healthcare insurance company's success. Several years ago, Medical Mutual targeted improving customer service.

A high-level of customer service translates to a higher level of customer retention and attracting new customers.

Improving customer service levels meant that Medical Mutual would need to serve its customers in a more personal way. With an eye on its customer, Medical Mutual developed the requirements needed for its new contact center.

To provide this personalized customer service, Medical Mutual determined that it would need to build a new contact center that would include a number of new capabilities, including the ability to route caller information directly to customer service representatives' desktops. Medical Mutual, however, had a communications network that was not capable of handling a new contact center. The system was so old that it needed to be replaced, whether or not the company decided to install a new contact center. The hardware platform was 15 years old, was no longer being supported by NEC, and new parts were not being manufactured. It had reached the end of its life cycle.

In addition to the aging NEC system, Medical Mutual also had a system for its existing call center provided by Aspect that the company also wanted to replace. Medical Mutual had two separate applications — a phone service provided by NEC, and a call center provided by Aspect. Medical Mutual wanted to combine both systems into a single solution.

“Providing quality, efficient service is one of our contact center goals.

Avaya Interaction Center was

selected to assist us in reaching our goal.”

Sherry Guzman,
Director of Customer Service,
Medical Mutual



Antares Management Solutions decided that the Avaya communications solution offered the best blend of forward-looking technology, stability and low cost. Additionally, it chose the Avaya contact center solution because of its hand-in-glove integration with the Avaya hardware platform, and because it offers sophisticated capabilities at a reasonable cost.

The Need for a New Communications Solution

Antares Management Solutions was looking for a solution that would:

- Provide a unified communications network able to handle both data and voice.
- Take advantage of IP Telephony to reduce costs and leverage new communications technologies.
- Provide the sophisticated functionality Medical Mutual required for a contact center solution.
- Offer a stable platform to support new communications applications.
- Deliver enough spare bandwidth to enable Antares Management Solutions opportunities to provide IT outsourced services.

The Need for a New Contact Center

Once the new communications network was in place, Medical Mutual was looking for a contact center solution that would:

- Route customer information to contact center representatives' desktops allowing easy access to information required to quickly resolve customer questions and requests.
- Decrease the amount of time callers are placed on hold when waiting for a customer service representative.
- Decrease the percentage of callers receiving busy signals when dialing the contact center.
- Decrease time for customer service representatives to resolve each call.
- Improve customer satisfaction.

Medical Mutual and Antares Choose Avaya

Antares Management Solutions chose Avaya to replace its aging communications system. Antares determined that the Avaya communications solution offered the best blend of forward-looking technology, stability and low cost. After installing the new Avaya communications network, Antares was able to seamlessly replace more than 2,000 voice terminals in two locations over a single weekend. These two sites now operate as one center.

Only after the system was upgraded could a new contact center be built. Medical Mutual turned to its IT subsidiary, Antares Management Solutions. Antares determined that it would launch a two-phase project. In the first phase, the aging communications system would be replaced. The second phase called for the rebuilding of a contact center in addition to a new communications network.

After the new Avaya communications network was in place, the company had to choose a contact center solution. Antares Management Solutions issued a Request for Proposal (RFP), and narrowed down the final choice to three vendors. Particularly important was that the contact center should be easily integrated with the hardware platform that had just been installed. Cost was also important. The solution had to offer features sophisticated enough to handle Medical Mutual's present and future needs. Antares also wanted a solution that would aid in serving outside customers. For all these reasons, Antares chose Avaya Interaction Center.



There were several major steps required to implement the Avaya solution. In the first step, Medical Mutual moved to the Avaya Communication Manager residing on Avaya DEFINITY Server R systems in Cleveland and Toledo, replacing its digital telephony system, but not yet moving to IP telephony. In this step, Medical Mutual used Avaya Communication Manager to consolidate its two applications onto a single platform. Previously, it had two separate environments supported by two different companies — NEC supporting voice, and Aspect supporting call center. Avaya Communication Manager replaced those two separate environments with a single system for both voice and call manager, supported by the Avaya DEFINITY Server R systems.

At that point, the network supported digital but not IP telephony. In the next step, the Avaya solution then enabled Medical Mutual to converge their networks and move into the world of IP Telephony.

Avaya Global Services Provides Support

One key to the success of the Medical Mutual initiatives has been support from Avaya Global Services. Medical Mutual decided to utilize a combination of Comprehensive Implementation Services (which provided Solution Design & Development and Solution Deployment) and Avaya Program Management in order to meet the challenges of installing Avaya Communication Manager, preparing for the move to IP communication, and optimizing the implementation of Avaya Interaction Center. Additionally, Medical Mutual selected a Maintenance Service Agreement that provides continuous system and application availability in order to minimize their risk of loss due to system/network outages.

Early in the project, Antares engaged Avaya Global Services to handle the implementation and integration of Avaya Communication Manager with the new Avaya servers and gateways. The Avaya team handled the entire process, working under the supervision of an Avaya Program Manager.

Then, before Medical Mutual began its transition to IP services, Avaya conducted a network assessment/network optimization (NANO) study designed to assess network resources, identify any bottlenecks that might impair performance of the converged network, and address any shortcomings.

Avaya Global Services also played a major role at the contact center. A Professional Services team conducted an Avaya Network Assessment for IP Telephony Services, which helped Medical Mutual determine whether their new network was optimized to benefit both internal users and external customers.

The Communications Solution Pays Off

With the new Avaya solution in place, Antares is now able to reduce the number of circuits supported by its switch by 10%. The company can now deploy new phone numbers in a matter of hours, rather than two days under the previous system. The company can take advantage of IP Telephony. Antares also has a stable environment that is flexible, scalable and can be supported for less than the previous cost. It has an ideal platform on which to build new applications.

Finally, Antares has been able to use the platform not just for Medical Mutual contact centers, but to leverage as a solutions provider for external customers.

In the type of business we're in, we have zero tolerance for downtime. The transition has to be smooth and invisible to the customer — and that is what Avaya provided.

John Columbro, Antares Management Systems Manager of Network Support & Telecommunications

The bottom line for the contact center project: a five-year net benefit of \$1,843,000, and an annual ROI of 25%. It will have a payback period of 29 months, and improve the productivity of each seat in the contact center by 6.5%.

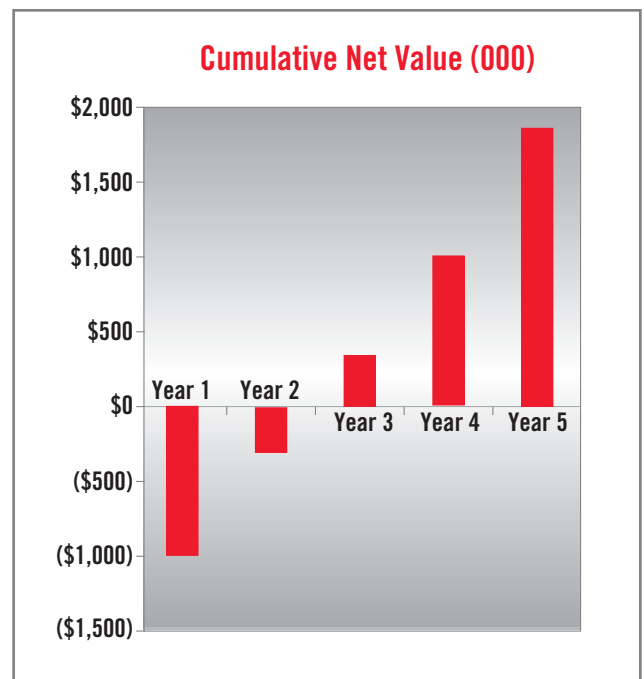
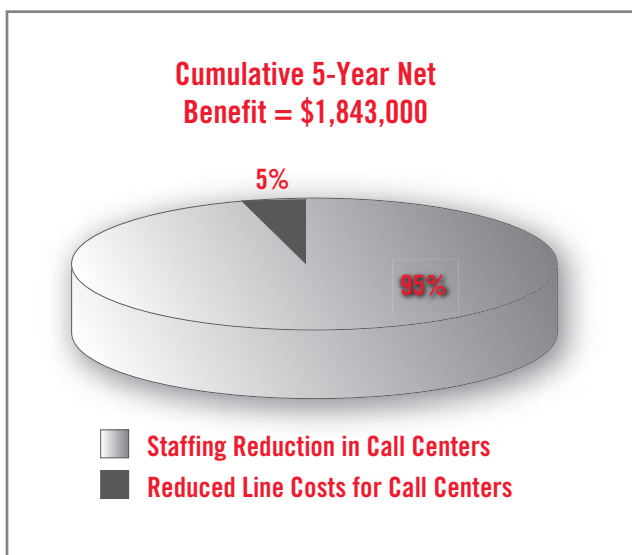
The Bottom Line for the Contact Center Solution

A detailed analysis of the contact center implementation shows that Medical Mutual will gain a five-year net benefit of \$1,843,000. It will yield an annual ROI of 25% and has a payback period of 29 months. Each contact center seat will see a productivity improvement of 6.5%. There will be an increase in annual revenue per call center seat of \$19,949.

The \$1,843,000 savings for Medical Mutual will come from reducing the number of contact center representatives handling high volumes of calls, and producing revenue by providing higher customer service levels while reducing line costs for the contact center.

More important than the numbers, however, is the dramatic increase in the levels of service that improved contact center processes allow Medical Mutual to deliver to its customers. Medical Mutual measured these improved levels of service:

- Wait time or ASA per call decreased from over one minute to under twenty seconds.
- Call resolution time for each call dropped from over five minutes to under four minutes, leading not only to more satisfied customers, but improved customer service representative productivity.
- Percentage of callers receiving busy signals dropped from 7% to less than 1%.
- Percentage of “abandoned” calls — customers who hang up before they get through to a customer service representative — dropped from nearly 6% to 1.2%.
- Overall service levels, as measured by Medical Mutual, increased from 21% to 94%.





BUSINESS ANALYSIS OF THE SOLUTION

Project Summary

Annual ROI	25%					
Payback Period (months)	29					
Total 5 Year Savings (\$000)	\$1,843					
% Improvement in Productivity/Call Center Seat	6.5%					
Initial Cost of Project (\$000)	Start Up	Year 1	Year 2	Year 3	Year 4	Year 5
CTI Equipment & Implementation	\$1,500					
Maintenance		\$99	\$99	\$99	\$99	\$99
Staffing		\$42	\$43	\$44	\$45	\$47
Total Cost of CTI Equipment	\$1,500	\$141	\$142	\$143	\$144	\$146
Benefit (\$000)						
Staffing Reduction in Call Centers		\$630	\$771	\$794	\$818	\$843
Reduced Line Costs for Call Centers		\$33	\$41	\$42	\$43	\$44
Total Benefits		\$663	\$812	\$836	\$861	\$887
Financial Analysis (\$000)						
Net Value	(\$1,500)	\$522	\$670	\$693	\$717	\$741
Cumulative Value	(\$1,500)	(\$978)	(\$307)	\$386	\$1,102	\$1,843
Net Present Value	\$1,164					
Annual ROI	25%					
IRR	36%					
Payback Period (months)	29					
Annual Business Metrics (\$)						
Increase in Annual Revenue/Call Center Seat	\$19,949					
Annual Avaya CTI Cost/Call Center Seat	\$1,725					
Annual Benefit/Call Center Seat	\$1,434					
% Improvement in Productivity/Call Center Seat	6.5%					

©IT Centrix, 2004

Note: This financial analysis 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.

“The contact center is a critical component in our company’s success. Businesses look at how fast we answer their employees’ phone calls and how quickly we resolve those calls. The benefits that we’ve experienced with the Avaya communications solution has gone a long way toward improving Medical Mutual’s customer service.”

Sherry Guzman, Director of Customer Service, Medical Mutual

Medical Mutual and Antares Look to the Future

Medical Mutual and Antares Management Solutions are planning to expand the number of applications and services that take advantage of the complete solution, comprised of Avaya IP Telephony and Avaya contact center applications. They are developing an in-house customer relations management (CRM) system to integrate with Avaya Interaction Center, to reap even higher productivity gains. They will be using

Avaya solutions as the keystone of an enterprise strategy for creating other contact centers, including a Help Desk contact center, new customer service contact centers, and marketing service centers. The companies plan on starting new IP Telephony initiatives, and taking advantage of the Avaya Unified Messaging application that provides a unified inbox for e-mail, voicemail and faxes. Additionally, Antares Management Solutions will use the Avaya IP Telephony and Contact Center solutions for expanding its solutions provider business for external customers.

<p>About Avaya</p> <p>Avaya enables businesses to achieve superior results by designing, building and managing their communications networks. Over 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.</p>	<p>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.</p>	<p>reach</p> <p>AVAYA</p> <p>a higher plane of communication</p>	
IP Telephony	Contact Centers	Unified Communication	Services

© 2004 Avaya Inc.
 All Rights Reserved. Avaya and the Avaya Logo are trademarks of Avaya Inc. and may be registered in certain jurisdictions. All trademarks identified by the ®, SM or TM are registered trademarks, service marks or trademarks, respectively, of Avaya Inc. All other trademarks are the property of their respective owners.
 Printed in the U.S.A.
 07/04 • EF-LB2471

