

# ICT Group Builds Better Call Centers, Gains Over \$9.2 Million in Benefits with Lucent VitalSuite® Performance Management Software

## IN BRIEF

- **Goal:** For ICT Group, a leading provider of outsourced customer relation management (CRM) services and call centers, to monitor and troubleshoot network infrastructure and custom applications in nearly 50 contact centers, customer sites, and its own network.
- **Solution:** Lucent VitalSuite® network performance management software, including VitalApps™ software for monitoring application performance; VitalNet™ software for monitoring network resources and availability; and for tracking and analyzing network performance data.
- **Results:** A cumulative five-year net benefit of \$9,216,039 in cost savings and increased efficiency, driven by increased network uptime, greater productivity in troubleshooting network problems and implementing network changes, and reduced consulting and staff costs. In addition, an annual ROI of 1,299%, a payback period of two months, and a total five-year savings per call center seat of \$242.

## CONTENTS

About ICT Group .....	2
The Business Challenges .....	2
Driving the Need for a New Solution .....	3
ICT Group Chooses Lucent VitalSuite® Software .....	3
An Inside Look at ICT Group's Use of VitalSuite® Software .....	4
The Bottom Line for ICT Group .....	4
Looking to the Future .....	6

For firms that specialize in outsourced customer relations management (CRM) services including inbound and outbound call centers, a high performance network and applications are at the core of the business. So when ICT Group, a leading provider of outsourced customer management services, needed to monitor, analyze, and troubleshoot network infrastructure and custom applications at its nearly 50 contact centers in 11 states and seven foreign countries, they turned to Lucent VitalSuite® network performance management software. ICT Group found the Lucent VitalSuite® software was able to increase network uptime, monitor and troubleshoot network and application performance and utilization, debug custom CRM applications, monitor Service Level Agreement (SLA) compliance, reduce consulting and staff costs, and more quickly launch new call centers.

## Benefits

Objective	Benefits Achieved
Monitor WAN utilization and set network alarms	Alarms notify ICT Group of network errors and problems, allowing IT staff to be more proactive in solving network problems.
Test custom applications before they are released to customers	Applications are thoroughly debugged prior to release, drastically reducing application-related customer problems.
Monitor Service Level Agreements (SLAs)	VitalSuite® provides concrete evidence of network utilization and application availability to show whether SLAs are being met.
Reduce consulting costs	Because of VitalSuite's® ability to monitor and analyze network and application problems, outsourced maintenance consulting costs have been cut to almost zero.
Reduce downtime	Network and application downtime has been significantly reduced, leading to greater productivity and customer satisfaction.

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.

## About ICT Group

ICT Group, a leading provider of outsourced customer management services, has nearly 50 contact centers in 11 states and seven foreign countries, and more than 11,000 customer sales, service and market research representatives. Annual revenues in 2002 were \$298.9 million. The company develops and runs inbound and outbound call centers, and provides the applications and infrastructure for call centers. Approximately 60 percent of its business is in inbound call centers, and 40 percent in outbound call centers. Its customers are primarily in the financial services, insurance, telecommunications, healthcare, information technology, media, energy, and hospitality industries.

Perhaps ICT Group's greatest business asset is its centralized, common IT platform, to which more than 8,200 agent workstations are connected. The network, in addition to providing a platform for its own call centers, is also connected to many of its customers' networks. ICT Group's network has approximately 250 circuits, and each call center ranges from 60 to 300 seats.

### **The Business Challenges: Manage a Complex Network, Develop Custom Applications, and Reduce Costs**

For a call center company, time is money – literally. The faster it can launch a new custom call center, the more quickly new revenue flows in. And the more uptime on its network, the greater the revenue, because call center companies are typically paid for completed transactions – and an always-available network makes for more completed transactions.

ICT Group manages an exceedingly complex and diverse network. In some instances, an ICT call center is on the ICT network itself, but in other instances, application servers and other infrastructure are located on customer networks. ICT Group must manage not only their own network, but must be able to monitor their client's application performance from the client's perspective.

In order to ensure that all their call centers and their customers' call centers are up and running, ICT Group needed sophisticated network performance and analysis tools to monitor and analyze network performance. Additionally, the company was looking for a tool that would help troubleshoot application development so that when custom call center applications were rolled out to customers, the applications were already tested in a real network environment.

**"Millions of dollars are at stake when it comes to making sure that our sites are up and running. If our network is down, we're losing revenue."**

TODD BARATS  
SENIOR NETWORK ADMINISTRATOR  
ICT GROUP

## Driving the Need for a New Solution

ICT Group was looking for performance management software that would do the following:

- **Monitor Wide Area Network (WAN) utilization and set alarms.** ICT Group needed a centralized tool that could monitor the entire WAN for performance problems and allow alarms to be set that could be triggered when network performance dropped below a certain level. ICT Group wanted to proactively maintain the network and be notified of errors and problems before they reached a level where a customer was affected.
- **Diagnose problems from the workstation and client perspective.** ITC Group needed to pinpoint where and why applications were failing to detect, for example, whether workstation level failures were due to a lack of resources or configuration problems.
- **Troubleshoot application development.** ITC Group wanted to be able to troubleshoot new call center applications before they were released, so that debugging did not have to take place when the application was live and serving clients.
- **Monitor SLAs.** ICT Group guarantees its customers a certain level of service by signing SLAs. When there are performance issues, they need to know whether the problem was caused by ICT Group's network or somehow related to the customer's network. In the latter case, ICT Group is not liable for SLA non-compliance rebates when performance drops below an agreed-upon level.

**"I could have bought 30 copies of VitalSuite® software for the same amount of money it would have taken for me to deploy a network sniffer solution. Not only is VitalSuite® less expensive, but it offers a much more powerful set of tools than any sniffer we've seen."**

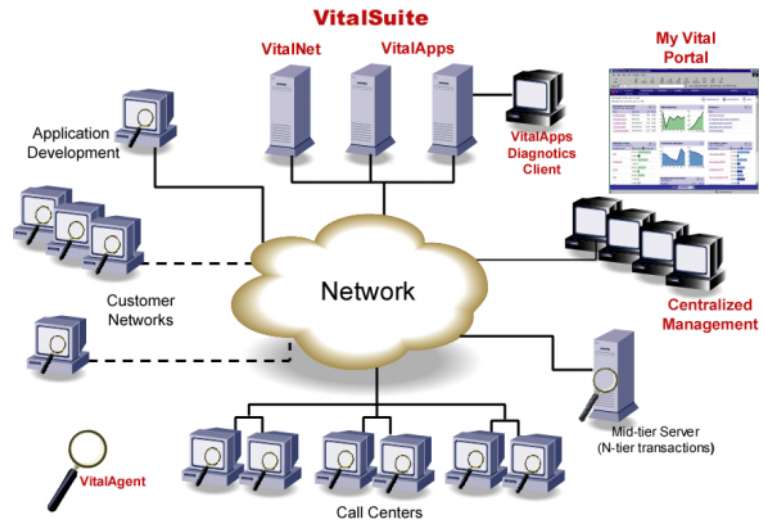
TODD BARATS  
SENIOR NETWORK ADMINISTRATOR  
ICT GROUP

## ICT Group Chooses Lucent VitalSuite® Software

ICT Group considered a variety of network performance packages, including network "sniffer" products. They chose Lucent VitalSuite® software, because the product offered the most comprehensive set of network and application performance monitoring and management tools, was less expensive than competing products, and was easier to set up, configure and customize than any similar software.

Implementation went smoothly and finished in October, 2002. Installation began in the morning and by that afternoon the VitalSuite® software was up and running. As new circuits were added to the network, they immediately showed up and the software's graphical user interface made it easy for ICT Group to customize the software for its specific network needs.

## An Inside Look at ICT Group's Use of VitalSuite® Software



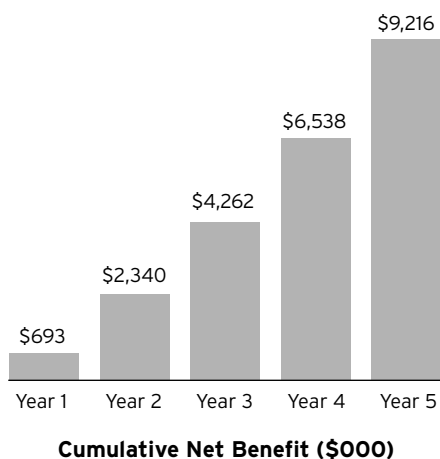
ICT Group chose Lucent VitalSuite® software for its comprehensive set of network and application performance monitoring and analysis tools, simple-to-use interface, easy configurability, and affordability.

VitalSuite® integrates multiple advanced software modules to provide an effective, high-quality network and applications performance management solution. It enables ready access to real-time data on everything from complex application transactions to critical network resources to SLA compliance. And it also offers a comprehensive service-oriented view of network infrastructure.

ICT Group used VitalApps™ software for monitoring application performance and VitalNet™ software for monitoring network resources and availability, and for tracking and analyzing network performance data.

### The Bottom Line for ICT Group

A detailed analysis of the implementation shows that ICT Group will gain a five-year net benefit of \$9,216,039 from the use of VitalSuite®. The project will yield an annual ROI of 1,299%, and has a payback period of two months. It will have a total five-year savings per call center seat of \$242.



The cumulative five year net benefit of \$9,216,039 is comprised of increased revenue due to greater productivity and the ability to launch new applications and custom call centers more quickly; increased revenue resulting from improved network availability so more transactions can be completed; a reduction in staff due to centralized administration tools; and a reduction in consultant maintenance costs because VitalSuite® allows staff members to resolve issues that were previously outsourced to consultants.

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



**Cumulative 5 Year Net Benefit = \$9,216,039**

**ICT Group's bottom line for the project: A cumulative five-year net benefit of \$9,216,039, an annual ROI of 1,299%, and a payback period of two months. The project will yield a total five-year savings per call center seat of \$242.**

Project Summary						
Annual ROI	1229%					
Total 5 Year Saving/Call Center Seat	\$242					
Cumulative Five Year Net Benefit	\$9,216,039					
Payback Period (months)	2					
Total 5 Year Saving/Call Center Seat	\$242					

Project Costs (\$000)	Startup	Year 1	Year 2	Year 3	Year 4	Year 5
Total Project Costs*	\$150	\$23	\$41	\$90	\$71	\$125

Benefits (\$000)	Year 1	Year 2	Year 3	Year 4	Year 5
Consultancy Savings	\$21	\$40	\$43	\$47	\$50
Staff Savings	\$180	\$258	\$277	\$298	\$321
Productivity (revenue from increased uptime)	\$31	\$383	\$455	\$532	\$632
Productivity (revenue from earlier software implementation)	\$634	\$1,006	\$1,237	\$1,469	\$1,800
Total Benefits	\$866	\$1,687	\$2,013	\$2,346	\$2,803

Financial Analysis (\$000)	Startup	Year 1	Year 2	Year 3	Year 4	Year 5
Net Value	(\$150)	\$843	\$1,647	\$1,922	\$2,275	\$2,678
Cumulative Value	(\$150)	\$693	\$2,340	\$4,262	\$6,538	\$9,216
Net Present Value	\$6,711					
Annual ROI	1229%					
IRR**	1059%					
Payback Period (months)	2					

Key Performance Indicators (KPIs)	
Total 5 Year Saving/Call Center Seat	\$242

© 2004, ITCentrix, Inc. 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.

\*Total Project Costs include software, maintenance, services, and people costs to run and exploit the software.

\*\*Internal Rate of Return (IRR) is the interest rate that makes net present value of all cash flow equal zero. IRR, in this case, is more meaningful because the initial costs understates the actual costs over the life of the project. IRR more fully recognizes these costs because it considers costs over the life of the project (not just initial costs).

ICT Group uses the various modules of VitalSuite® to solve different network and application problems. They use VitalNet™ for monitoring bandwidth utilization, LAN switches, ports, WAN links, and checking network device uptime. This enables ICT Group to proactively avoid network outages, and save money on SLAs by validating that performance problems initiated at a customer site rather than its own site.

VitalApps™ is used to diagnose LAN problems and to pinpoint where applications are failing. It gives ICT Group the ability to check client configurations and usage from a central location without personnel having to check the workstation manually. As a result, ICT Group has been able to cut down on the number of staff required to troubleshoot application problems.

VitalNet™ offers ICT Group advanced tools to track and analyze network performance data – and to identify devices, subnets and network paths that have exceeded defined quality thresholds, and to set alarms when those threshold are exceeded.

## Looking to the Future

With VitalSuite® network management software in place, ICT Group is well-positioned for the future – it can now more quickly roll out new call centers, and do so knowing that those new call centers will not adversely impact existing call centers and applications because VitalSuite® can monitor network and application performance.

Next on its agenda, ICT Group is evaluating the purchase of Lucent VitalQIP™ DNS/DHCP & IP management software, which will allow ICT Group to manage DNS and DHCP infrastructure from a centralized management platform, something that cannot be currently done on its network. “VitalQIP™ is certainly in the plans for the future,” says Todd Barats, senior network administrator, ICT Group. “Based on our experience with VitalSuite®, we have confidence that the product will help us enormously.”

**“VitalSuite® has been an invaluable tool in helping me put out fires. It’s a priceless tool that lets me sleep better at night.”**

TODD BARATS

SENIOR NETWORK ADMINISTRATOR

ICT GROUP

### **Market Leading Enterprise Software – Backed by World-Class Service and Support**

VitalSuite® Performance Management Software is a key component of the Lucent Network Operations Software portfolio. Only Lucent offers multi-vendor, multi-technology, multi-service software solutions developed on extensible, programmable platforms, open APIs and advanced system architectures. These carrier-grade solutions provide the reliability, scalability and flexibility to deliver advanced services across current and next generation networks – while improving efficiencies, significantly reducing operating expenses and delivering the Quality of Service that today’s enterprise users demand.

And with more than 10,000 network consultants, engineers, and service professionals around the globe, Lucent Worldwide Services can address all your performance management support requirements. Let our experts assess the readiness of your current network; plan, design, and build solutions that optimize your particular environment; integrate our market leading software solutions with your existing infrastructure; and provide ongoing maintenance support.

To learn more, contact your Lucent Technologies sales representative, authorized reseller or sales agent. You can also visit our web site at <http://www.lucent.com/vital> or call 1-888-426-2252.