

The Seven Essentials for Superior IVR Replacement



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Executive Summary

This Contact Center Strategy Guide is intended for IT infrastructure managers and decision-makers who may soon be facing end-of-life dates for their existing hardware-based, interactive voice response (IVR) systems. It discusses the opportunity created by this planned obsolescence to align new self-service solutions with business goals and operational strategies—now and in the future. Potential pitfalls are also touched upon, particularly those that may be encountered if contact centers go blindly into this version upgrade without looking closely at their next solution.

Of particular note is the industry trend toward software-based, self-service solutions deployed on open platforms. Contact center organizations are adopting open self-service platforms because of the advantages they provide. These include increased extensibility for the adoption of new technologies, and the ability to integrate self and agent-assisted service in one seamless series of interactions—delivering greater cost and operational efficiencies overall.

The Guide also provides seven essential strategies for superior IVR replacement, intended to assist contact center managers in thoroughly reviewing and selecting an open self-service platform that advances competitive advantage. The seven strategies are:

- Integrate self-service with agent-assisted service;
- Reuse the business logic of existing Web applications;
- Apply the level of call automation that best serves customers;
- Leverage experts in deploying open voice and speech standards;
- Set up a clear migration path to VoIP systems;
- Keep “multi-tenancy” self-service as an option; and
- Track and measure every customer interaction through its entire lifecycle.

Finally, open self-service platforms can put an end to customer frustration, drive contact center efficiency, and accelerate business innovation. Organizations that make the current replacement requirement an opportunity to adopt open self-service platforms will be staking a claim to future competitive advantage now.

The Opportunity of Proprietary IVR Replacement

Over the next six to eighteen months, many traditional IVR providers are ending support for their existing IVR systems. Organizations faced with the task of updating their systems may be discouraged to find they are required to completely remove the existing proprietary system in order to upgrade to their provider's next-generation release. This is a daunting proposition for anyone charged with maximizing contact center investments. However, it also presents a valuable opportunity: If the IVR system must be ripped and replaced in any case, why not ensure that the next solution re-energizes the entire contact center infrastructure and future-proofs it for adoption of new innovations?

Rethinking IVR

For many years, IVR system purchases were typically made by an organization's telecommunications group, and IVR was a black box that existed in a silo in a contact center. The functional directive was to lock customers into the system to maintain cost-effectiveness. If a caller opted out and transferred to a live agent, it was considered a failure. The result was that many IVR owners didn't look past the system to see how it impacted the rest of the contact center. Organizations were burdened with hardware-based, proprietary systems, offering little to no application portability, little ability to leverage third-party applications, and minimal integration with contact center infrastructure.

Jump forward to today, and IVR purchasing decisions are now moving into the realm of IT, an organization that's being tasked to look at integrated, long-term, open-standards solutions that reduce complexity, centralize and simplify management, support advanced applications, and scale for future growth. This shift is inspiring infrastructure decision-makers to begin thinking about IVR as just one component in a well-executed technology strategy and not just a stand-alone piece of equipment.

"Shipments of [open] voice portal ports will outpace [traditional] IVR port shipments worldwide in 2006."¹

The greatest opportunity of IVR replacement at this time is the ability to ensure the next IVR system is built on an open self-service platform. The advantages are enormous; the most important being the ability to easily extend and integrate the open self-service solution with all parts of the contact center infrastructure. This represents such a significant improvement in functional capability, it alone makes going through an end-of-life rip and replace worth the effort.

Open Self-Service Platforms Create Competitive Advantage

Getting and keeping customers remains a competitive mandate, and IVR systems bear a significant burden in achieving these goals. Well-executed self-service platforms can reduce wait times to zero, keep agents happier, and create cost efficiencies that have significant ROI and TCO impact. Poor IVRs, however, are bad for business—customers hate them, operational costs increase, and agent time is diverted from profitable interactions to routine information delivery. Open self-service platforms allow organizations to apply sophisticated self-service speech automation in concert with live

1. *Forecast: Voice Response Systems, Worldwide, 2000-2009*, D. Kraus, S. Cramoysan, Gartner Dataquest, March 2006.

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agents in an intelligent mix, creating operational efficiencies, lowering costs, and delivering improved and more consistent customer experiences.

Open Self-Service Platforms Enable Simpler Technology Adoption

The ability to swiftly take advantage of new means to reach and serve customers is critical to the competitive stance of every organization. For example, the recent growth in 3G telephony and IP networks has fostered the introduction of video, instant, and SMS/text messaging self-service applications into the contact center—significant customer-facing advancements that cannot be integrated into proprietary, hardware-based IVR systems. Selecting an open self-service platform now “future-proofs” the organization and creates a clear migration path for future technology adoption that doesn’t require risking all to a rip and replace upgrade.

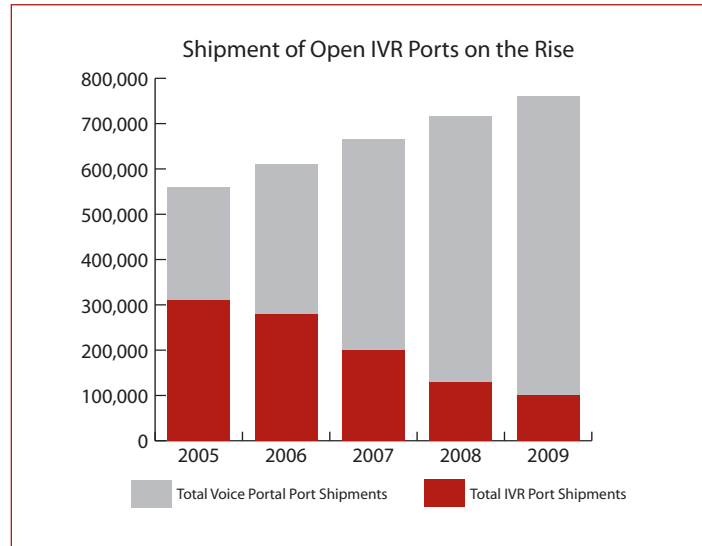


Figure 1: Contact centers are choosing open voice platforms over traditional IVR systems with increasing frequency.²

Finally, the overall competitive trend in the industry is toward open self-service solutions. As seen in Figure 1, contact center organizations are increasingly choosing open IVR platforms because they recognize the current and future advantages this type of solution provides. Businesses that choose to ignore this trend do so at their peril.

Some Solutions Are More Open Than Others

It is highly important to look at all the ways an IVR system integrates with existing infrastructure to determine if it truly creates the simple extensibility and integration that supports competitive advantage. For example, some so-called open solutions are actually software applications integrated with proprietary hardware components, effectively shutting down the extensibility that a 100% software solution can provide.

An additional caution: Because the industry trend is toward an increase in open IVR purchases, many vendors who previously specialized in hardware-based IVR are now jumping into the open IVR solutions market. These new entrants are delivering open systems to customers for the first time and may not offer the broad range of expertise these solutions require. There are providers, however, who have been successfully delivering open self-service platforms for a number of years, and it is important to select a vendor that truly understands how open self-service can support superior IVR.

Accelerating operational advantage with IVR replacement

Bouygues Telecom

Established in 1994, Bouygues Telecom is a French mobile operator with 7.5 million customers and annual revenues of 3.7 billion euros. The company sends 2 million calls a day to over 3,000 agents located in 3 globally distributed contact centers. Bouygues’ hardware-based proprietary IVR system made integration of advancing applications and technology difficult, ultimately limiting the organization’s ability to respond to changing market requirements.

Bouygues replaced its proprietary IVR system with an open self-service platform that was CTI and VoIP-ready, and VoiceXML compliant, including multi-channel support for voice, Web, speech, and agent-assisted service. The new platform eliminated the company’s “IVR silos” and replaced them with a centrally administered self-service solution that delivers powerful backend integration capabilities.

2. Ibid—page 2.

The Seven Essentials for Superior IVR Replacement

Now that it's become clear that an open self-service platform is critical to the future success of every contact center organization, let's take a look at the seven essential strategies that must be applied to ensure that your next IVR solution is a superior one. These strategies will ask you to look deeply at your entire contact center infrastructure and, if applied, will best position your organization for business, operational, and competitive success.

Strategy #1: *Integrate self-service with agent-assisted service.*

As Figure 2 indicates, 47% of contact center executives consider self-service to be an important component of customer satisfaction. However, if your next IVR solution doesn't effectively permit you to link self-service calls with live, agent-assisted calls, you should stop right now. This capability is essential to realizing the cost and performance improvements that drive competitive advantage. Integrated self and agent-assisted service

enables you to intelligently apply the same business rules to those calls handled by your IVR system as are applied to live agent calls, to "screen-pop" key customer data collected within the IVR to your agent desktops, and to seamlessly route calls as the customer's need dictates.

Enable unified, end-to-end contact management.

Integrating self-service and live agents allows you to intelligently establish business rules for when and how these two options are applied. The end result is a seamless distribution of service types over the entire system, based on critical factors such as customer value, agent availability, and overall call volumes.

Figure 2:
A majority of customer service executives consider the ability to self-serve to be a major contributor to a customer's satisfaction.³



Strategy #2: *Reuse the business logic of your existing Web applications.*

Open self-service platforms allow you to reuse your existing integrations within backend and legacy Web information systems. These integrations likely required significant resources to implement. Next-generation IVRs may ask you to recreate these integrations due to their inability to integrate with existing systems. An open self-service platform now will allow you to reuse the business logic and data connectivity from your existing Web applications, significantly decreasing your total cost of ownership and enabling a consistent user experience across all channels.

Reduce complexity now and in the future.

Take advantage of the ways an open self-service platform can reduce deployment and integration complexity right now. System updates only have to happen once, changes

3. Benchmark Portal, June 2005.

made to self-service rules will automatically be applied to both phone and Web contacts, and future technology deployments will require a single integration across all systems, keeping operational costs low and efficiency high.

Strategy #3: *Apply the level of call automation that best serves your customers.*

Once you have the ability to integrate your self and agent-assisted services, you must make intelligent decisions about the mix of speech automation/live agent interaction required to best serve your particular customers.

Begin by asking some basic questions about what your customers expect from your organization in terms of service. For example, there are some industries, such as financial services, where customers easily navigate touchtone IVR to find the information they need. Help desk support, however, often requires personal interaction to satisfy customers. And there are many types of organizations that fall somewhere in between, applying an integrated blend of self and agent-assisted service. What's important is that you understand the nuances of your business and your customers, and develop the right business rules to effectively apply call automation in your contact center.

Deliver smooth, seamless, and customer-focused transitions.

Self-service incurs an average cost per call of 30 to 50 cents, while live-agent calls can cost you up to \$20 per transaction.⁴ Automate those call types that can be satisfactorily handled with your self-service solution and enjoy the cost savings. Then be prepared to swiftly route customers to live agents for high-touch service, or special handling, such as cross-sell opportunities. The result will be integrated self and agent-assisted services that operate at peak efficiency, resulting in lower costs and greater customer satisfaction overall.

Strategy #4: *Leverage experts in deploying open voice and speech standards.*

Your competitors are turning to open voice and speech standards because they allow highly sophisticated call automation. Recent industry advancements enable self-service solutions that approximate the subtle sophistication and intelligence of a live agent. This effectively extends the types of customers who can be satisfyingly handled with a self-service option, lowering overall costs and keeping agents free to focus on revenue opportunities.

However, today's speech applications require an expertise in open standards to support more complex integrations. To be successful, you must ensure your provider has significant industry experience and that their self-service platform extends the automation you can apply. When done well, as seen in Figure 3, sophisticated speech automation is a work of art that can deliver significant cost and operational savings while delivering excellent customer

Future-Proofing with an Open, Self-Service Platform

SalesForce

SalesForce (a Salmat Company), an Australian and New Zealand-based outsourcer, serves the Asia-Pacific region with over 3,000 agents located in 10 contact centers. The organization was hampered in its ability to integrate new applications and technologies due to the rigidity of its proprietary IVR system. Programming required proprietary resources, and upgrade paths offered only expensive, next-generation hardware that didn't support open contact center applications.

SalesForce replaced their proprietary IVR system with an open self-service platform that provided a clear migration path to IP-based architecture and simple integration with call routing, CRM systems, and agent desktop applications. The result was a significant reduction in the costs associated with proprietary programming resources and greater operational efficiency through the deployment of integrated self and agent-assisted service across all channels.

"Many companies use speech recognition to successfully deploy more complex applications than those created using a traditional touchtone signaling interface. This serves to offload additional calls from call center agents, thus showing rapid and measurable ROI."⁵

4. eLoyalty, Summer 2005.

5. Forecast: Voice Response Systems, Worldwide, 2000-2009, D. Kraus, S. Cramoysan, Gartner Dataquest, March 2006.

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experiences. Poorly implemented speech, however, can create customer frustration to the extent that it becomes the equivalent of asking your customer to never do business with you again (Figure 4).

Go with an industry leader.

Handling speech and successfully deploying it involves greater levels of design complexity and more, denser paths through the call flow. It's vital to choose a provider that not only understands open voice and speech standards but also has the expertise necessary to deliver optimal applications. The result is the end of customer frustration and the beginning of increased customer satisfaction.

Figure 3:
Superior speech
automation in action.

IVR: "Welcome to First WorldWide Airlines. How can I help you?"

CALLER: "I want to confirm my flight reservation."

IVR: "Okay, what's the reservation number?"

CALLER: "I don't have it."

IVR: "That's all right, I can find it another way. Please say and spell your last name like this: Smith. S-M-I-T-H."

CALLER: "McKenna. M-C-K-E-N-N-A."

IVR: "Next, please say and spell your first name."

CALLER: "Michelle. M-I-C-H-E-L-L-E."

IVR: "Thanks. I've found your reservation. Flight 465, departing Hong Kong and arriving in San Francisco, on August 1st. Is this correct?"

CALLER: "Uh-huh."

IVR: "You're all set. Is there anything else I can help you with?"

CALLER: "Yes, I don't have the right number of frequent flyer miles in my account. I need to fix it."

IVR: "Let me get you to the right agent to help you with that. Please hold while I connect you. *(The IVR system routes the call to a live agent.)*

Figure 4:
An example of poor
speech automation.

IVR: "Welcome to First WorldWide Airlines. Your call may be recorded or monitored for training or quality purposes. Please listen carefully, as our options have recently changed. Select from the following 9 options. For flight arrival and departure information, please press or say 1. To book a new reservation, please press or say 2--."

CALLER: *(Presses 0)*

IVR: *(After long wait)* "That is not a valid entry. Please select from the following 9 options...."

Strategy #5: Set up a clear migration path to VoIP systems.

If you're not using Voice over IP telephony yet, you will be. As seen in Figure 5, IP lines are projected to ship in ever-increasing numbers industry wide, reaching nearly 40% of total lines shipped by 2009. This trend is likely supported by the availability of powerful new IP-based multimedia and Web applications that can greatly expand contact center capabilities with less complexity than was previously possible.

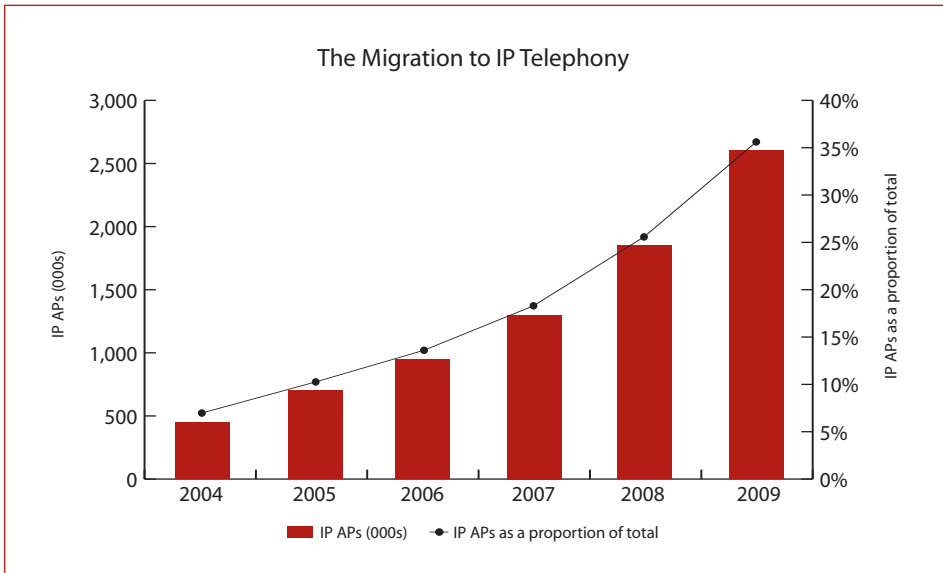


Figure 5:

Shipments of IP lines are projected to increase industry wide.⁶

These advanced IP applications are designed for deployment over an open self-service platform, so it's vital that you look closely under the hood of any next-generation IVR system for proprietary hardware components that might block integration of your contact center with IP systems. Select a self-service solution built on an open platform that can support both IP and TDM-based contact centers simultaneously. This effectively clears your migration path by eliminating the cost and complication of replacing both your voice application and transport layer at the same time, and reduces operational risks by letting you migrate to IP at your own pace.

Don't get locked in.

Selecting an open self-service platform now will keep your integration paths clear and allow you to take advantage of IP-based applications at a pace that supports your strategic goals.

Strategy #6: **Keep “multi-tenancy” self-service as an option.**

Multi-tenancy is the ability to treat self-service as a shared resource across business units, with each unit managing its own applications and resources. In this arrangement, IT manages the system and maintains centralized control, while each department has its own tools to upgrade, manage, and establish business rules for their unique applications. This allows sophisticated capabilities, such as the ability to cross-charge different units based on usage or deployment costs. For example, the various groups in a large financial institution—retail banking, mortgage, business banking, etc.—can easily establish their own self-service brand tailored to the specific customers they serve.

The ability to enable multiple, tailored self-service solutions—while retaining centralized control—is a key benefit of multi-tenancy, because IT no longer has to go from place to place to make system updates and changes for each business unit. Even if you have only one business unit and one IT team, self-service multi-tenancy is still beneficial, because you can centralize management at the IT center and eliminate trips to the contact center for service and maintenance. Plus, as your organization grows, the solution can grow along with you.

6. DataMonitor.

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Linking Multiple Channels in a Service Organization

Spherix

Maryland-based Spherix specializes in outsourced contact centers and e-business solutions, with projects ranging from simple, scripted information and referral lines to complex, multi-channel programs to manage financial transactions, inventories, and customer relationships. The company typically manages 20 to 25 different contact center projects simultaneously, generating more than a million phone calls, Web hits, and e-mails every month. Efficiently routing, handling, and integrating all this data across multiple channels was a challenge to the company's growth, so Spherix began looking for a contact management system designed on an open architecture that could integrate and leverage customer databases with multiple contact channels, across geographically dispersed centers.

Spherix adopted a new open standards-based self-service platform that allowed them to centralize administration while enabling their various centers to customize touchtone and speech systems to unique contact center projects. The company estimates that, with the new self-service platform in place, they reduced agent headcount by 20%, resulting in an annual savings of about \$1.7 million, and increased employee productivity and reduced the average live agent talk time to 2 minutes.

Leverage your investment.

Whether your organizational size currently warrants it or not, be sure your solution allows you to easily deploy distinctive self-service solutions from the same platform, enabling you to leverage resources and costs.

Strategy #7: Track and measure every customer interaction through its entire lifecycle.

When establishing the success criteria of your open self-service platform, make sure you're looking at the process from the customer's point of view and that you're able to measure every customer interaction across all your channels—live agent, automated, and partially automated interactions—through its entire lifecycle.

Traditional IVR metrics are limited by the system (call volumes, dropped calls, call handle times, etc.), because everything that happens within the call is executed with proprietary hardware. By contrast, an open self-service platform opens up this process and lets you see what happened within the call (successful outcomes, percentage of closed sales, number of high-value customers transferred to live agents, live agent performance, etc.). This provides you with an ability to track the customer's experience end-to-end, and measure performance based on the successful application of business rules.

Measure what's truly relevant.

Make sure your IVR solution allows you to measure what's relevant to your customers and your business. It's crucial that you're able to integrate performance metrics with overall contact center statistics, such as when and how integrated self and agent-assisted service was applied. This type of information enables you to refine your contact center for greater efficiency and performance overall.

Reaping the Rewards of Superior IVR Replacement

As has been demonstrated in the seven essentials, open self-service platforms must be considered a critical component of the entire contact center infrastructure. Open solutions enable superior customer interactions, putting a stop to customer frustration, driving contact center efficiencies, and accelerating business innovation. Moreover, they enable organizations with the vital capacity to stay nimble and flexible in the face of market shifts and future technology innovations.

Organizations that make the current replacement requirement an opportunity to rethink the ways their next IVR system can enhance overall strategic benefit and business performance will be staking a claim to future competitive advantage now.

About Genesys

As the #1 provider of contact center software and the #1 leader in open standards voice platforms, Genesys, an Alcatel company, directs more than 100 million customer interactions every day and has more than 3000 customers in 80 countries, including Global 2000 enterprises, government agencies, and many of the world's fastest growing mid-sized businesses.

Over the past 15 years, Genesys has pioneered the evolution of open contact center and customer interaction management solutions, and is today the world leader in setting standards and pioneering the evolution of self-service for global enterprises. The company's integrated, 100% software, self-service, and agent-assisted service solutions empower contact centers to end customer frustration while driving operational efficiencies and accelerating business innovations.

The Genesys Voice Platform is an advanced software-only product that brings Internet technologies to the world of voice, enabling new and powerful voice self-service applications. With Genesys Voice Platform, companies can reach more customers; offer consistent, high-quality customer care; enhance caller experience; and reduce the cost of customer service.

Services

Genesys Business Consulting and Professional Services teams bring years of experience to provide advice and execute solutions to meet specific needs. Genesys University offers classes on the design and development of contact center and self-service applications to help customers and partners reap the greatest benefits from every Genesys solution. With Genesys Technical Support, these services teams are dedicated to maximizing investment in Genesys solutions and ensuring overall customer success.

Partners

Genesys has more than 300 technology, systems integration, and value-added reseller partners worldwide. The company's impressive list of global partners, such as Accenture, IBM, Microsoft, and Oracle, are leaders in their industries and enable Genesys' customers to deploy tightly integrated solutions.

Engage the Leader

Genesys' proven solutions and industry expertise allow every organization to engage the contact center strategies that enable better customer experiences, greater operational efficiencies, and accelerated business innovation.





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Genesys Corporate Headquarters

Americas
Corporate Headquarters

Genesys
2001 Junipero Serra Blvd.
Daly City, CA 94014
USA

Tel: +1 650 466 1100
1 888 Genesys (436 3797)
(US Toll Free)

Europe, Middle East, Africa
EMEA Headquarters

Genesys House
Mulberry Business Park
Fishponds Road
Wokingham, Berkshire
RG41 2GY
England

Tel: +44 118 974 7000

Asia Pacific
APAC Headquarters

Australasia Pty Ltd
Level 14, 80 Mount Street
North Sydney, NSW 2060
Australia

Tel: +61 2 9463 8500

Other Genesys Contact Information

Andean
Tel: +571 638 6314

Argentina
Tel: +54 11 4341 4690

Belgium
Tel: +32 2 403 1228

Brazil
Tel: +55 11 5185 8656

Canada
Tel: +1 506 658 1080

China
Tel: +86 21 6288 0277

Czech Republic
Tel: +420 2 2421 5224

Finland
Tel: +358 400 413 435

France
Tel: +33 1 41 10 17 17

Germany
Tel: +49 89 451259

India
Tel: +91 124 502 8888

Italy
Tel: +39 02 61 80 91

Japan
Tel: +81 3 5649 6821

Korea
Tel: +82 2 565 2478

Mercosur
Tel: +54 11 4341 4690

México
Tel: +52 55 5284 2822

The Netherlands
Tel: +31 35 528 9080

Poland
Tel: +48 502 651846

Singapore
Tel: +65 6723 9886

Spain and Portugal
Tel: +34 91 572 6721

Sweden
Tel: +46 8 509 012 82

Taiwan
Tel: +886 2 8780 66

Additional Information

To learn more about Genesys solutions, please visit www.genesyslab.com