



The Expansion of the Contact Center

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1. Executive Summary

The contact center market, since its inception with the first automatic call distributor thirty years ago, has seen constant change in the technology and applications used to support agents as they in turn serve customers. Over that same period, many companies—leaders in their own markets—have chosen Mitel as their key vendor partner.

As increasing numbers of companies continue to evolve their existing digital contact center environments to voice over IP technology, Mitel commissioned McGee-Smith Analytics to identify some of the changes in contact center operation that the transition to IP enables for both existing Mitel customers and those considering Mitel for their next generation of contact center and communications applications.

The key takeaway from this review, highlighted in the title of this paper, is that the move to voice over IP technology brings with it the opportunity to expand the assets of the contact center in order to better serve customers. Introduction of email, web chat, fax short message service and even walk-in interactions becomes an easy extension to traditional voice. Support for agents in multiple locations is now as simple as having agents log into their broadband connection. Presence capabilities based on SIP and Microsoft Live Communications Server allow for easy collaboration among the contact center, in-house experts as well as partners and suppliers via federation. Finally, Mitel's choice of Microsoft's .NET architecture for its contact center solution offers tight communications and enterprise application integration today with the promise of even broader integration possibilities tomorrow.

2. Expanding Media Channels

Visualize a contact center. In your mind's eye, you see dozens of agents talking on headsets to customers. You probably imagine the agents sitting in front of computer monitors.

The key word here is talking. The change in terminology from call center to contact center was initiated some ten years ago. The naming update was meant to highlight the fact that customers would increasingly want the choice to interact with vendors, governments and other organizations via communications channels other than phone calls. The other implication was that agents would be handling these new media channel interactions, for example emails and online web chats, in addition to voice calls.

While the change in nomenclature to contact center was relatively easy, the changes in customer behavior and businesses processes have occurred more slowly but are now upon us. Over the last ten years, there has been a measurable shift in customer behavior towards embracing alternative types of communications. The computer monitors we visualize in front of the agents are as much part of how we think about contact centers as the headset, and increasingly those screens are being used to handle web-based customer interactions.

From a world where most inbound customer communications were handled via telephone calls answered by live agents, email and web chat have risen over the years and now account for an estimated five to seven percent of interactions. Although McGee-Smith Analytics believes that voice calls will continue to be the most common form of communication with organizations, we also believe that the proportion of interactions handled by email and web chat will continue to rise, approaching ten percent in the next few years. One of the drivers of this shift in traffic will be customer experience with, and trust of, these new media channels. To the extent that organizations are timely in their responses to emails, and offer chat sessions on their web sites, customers will choose to click instead of dialing.

Voice, Email, Web...and SMS

In addition to email and web interactions, organizations are beginning to see the requirement to support their constituents with short message service (SMS). Mitel was one of the first contact center software vendors to extend their multichannel contact center applications to allow for the routing of SMS messages to agents. As early as 2005, a Mitel local government customer implemented the capability for a public housing application.

Once a month, the government agency publishes a list of available housing. On the day the list is published, applicants are required to contact the government office to register interest in a particular property. However many applicants do not have access to a phone line or email during working hours either due to the nature of their jobs or personal circumstances. The agency extended the Mitel Multimedia Contact Center they had installed in 2003 to support voice, email and web chat to handle SMS as well. The government now allows the public to register their housing choices throughout the day and night by sending SMS text messages from a mobile phone.

3. Expanding from a Single Location

There is little doubt that shipments of IP telephony have eclipsed those of digital telephony. IP telephony has become mainstream. Contact center agent seats, however, did not embrace IP telephony at the same pace as enterprise PBX stations. In fact, it is probably fair to say that contact centers have lagged the overall PBX market shift by at least two years.

McGee-Smith Analytics believes that one reason that the move to IP in the contact center was slower is that initially IP contact center solutions from vendors looked very similar to their TDM choices. A common vendor strategy was "we are indifferent to infrastructure, our applications work on TDM, hybrid and pure IP." There was little incentive to migrate to IP in terms of new capabilities and there was potential downside as a result of early IP quality of service concerns.

Over time, however, the advantages of IP in the contact center are becoming apparent. One key advantage over digital derives from the use of an IP network. Traditionally, tying geographically disperse contact centers together involved the use of costly dedicated leased lines or using network-based services to distribute calls to multiple sites, also an expensive alternative. Today, virtual private networks (VPNs) offer a cost-effective alternative to leased lines. VPNs use IP network services to provide a service at much lower cost.

The impact that IP is having on the contact center is the ability for many more organizations of any size to take advantage of talent and resources that are distributed across discrete locations, increasingly including home offices. In years past, multi-site contact center networking was limited to operations with thousands of agents. IP networking allows an organization with dozens of agents to gain the advantages of multi-site operation while allowing for the cost and efficiency benefits of centralized contact centers.

Agents Here, There, Everywhere

The ability to support home workers, and the opportunity to avoid the cost of additional brick and mortar facilities, drove one Mitel customer to migrate to IP technology for their contact center. The company provides travel management services and consulting to corporations. As their company grows, the plan is to support more home-based consultants instead of opening additional branch offices.

The IP contact center operation also allows the travel management company to easily address seasonal demand. Because all locations are linked over IP, backup consultants are on standby and ready to work without having to travel to a particular office. Instead of flying backup consultants to offices all over the country, the company is able to route calls to at-home workers.

The increasing deployment of SIP by carriers offers the potential for even simpler multi-site networking for contact centers in the future. Mitel's telephony solutions provide SIP service provider integration today, ready to enable customers to connect to network-based SIP services as they are deployed by the carriers.

4. Expanding into New Departments

At the simplest level, the key functions of contact center software are to queue, route and report on interactions. Think of a phone call or an email as a unit of work or a task. Contact center software queues interactions to the individual or group of individuals most able to handle that task, routes work to that individual or group and then reports on attributes of the task, such as how long it was in queue, how long it took to complete, etc..

Solutions vary on the level of sophistication they can apply to each of these tasks. How quickly someone moves through a queue can be adjusted based on company data on the customer. How the call is routed is ideally based on matching the requirements of the interaction with the skills of available agents.

Peter Drucker, the well-known business author often called the father of modern management, coined a term often used by contact center professionals, "If you can't measure it, you can't manage it." Increasingly the contact center capabilities of queuing, routing and reporting are being seen as assets that can be applied to tasks outside the contact center. Leading edge vendors are creating ways to apply these capabilities creatively to tasks and work items outside the traditional contact center framework.

Walk-In Distribution

You walk into an office, maybe a government office, and get on one of several lines. Almost immediately the second guessing begins. What is going on here? What's the deal? I definitely picked the wrong line. I should move. I picked the wrong line. It was the shortest at the time but the person in front of me is experiencing some complex problem that has so far required the help of two clerks, the manager and, I think, a call to the governor. What is taking so long? I should move. Darn, someone's behind me now. I can't move now.

We can all identify with this type of internal dialogue. Mitel, working with a local government customer, came up with a solution. Walk-in Distribution, a unique feature of Mitel's Multimedia Contact Center, uses traditional ACD routing algorithms to route in-person, walk-in clients to the first and most appropriate counter agent available across multiple disciplines.

People arriving at the walk-in location proceed to a self service kiosk. After identifying themselves and the reason for the visit, the system generates a ticket number and the transaction enters the queue. A plasma screen can be used to notify clients of their place in queue, as well as which station to proceed to when it is their turn to be serviced.

Walk-in traffic becomes just another form of media that can be processed like voice, e-mail, Web chat and fax. And with IP networking, employees in the walk-in location are an integral part of the contact center. This means that during quiet periods for walk-in traffic, staff at the walk-in center can act as remote agents – giving the team extra capacity during peaks in calling.

5. Expanding to Include Partners and Suppliers

In the Old Testament story, Joshua blew his trumpet and the walls of Jericho came tumbling down. A 2003 management book, *The Jericho Principle* by Ralph Welborn and Vince Kasten, applied this concept to changing business dynamics. The authors believe that current economic and technology conditions create dynamic opportunities that organizations can only embrace if they collapse the walls around them and learn to work closely with many partners. The subtitle of the book is "How Companies Use Strategic Collaboration to Find New Sources of Value." The book defines business collaboration as the alignment of business activities and processes with another business to create mutual benefit.

Those of us who work in the contact center space have long been familiar with a specific type of business collaboration: outsourcing. A typical outsourcing arrangement might involve categorizing inquiries into three tiers. Tier one inquiries could be frequently asked questions on locations, hours of work, etc. Tier two inquiries would encompass more involved transactions, such as placing orders or arranging for returns. Tier three inquiries would be those of a complex or novel nature.

Many basic inquiries and frequently asked questions would be handled by a self service voice portal system. Outsourced contact center staff would handle all inquiries categorized as tier one not covered by the voice portal and all tier two inquiries. Tier three inquiries would be transferred to company staff for resolution.

One of the biggest challenges of contact center outsourcing is the handling of these tier three complex queries. Can the outsourced agents get answers to customers' questions about products and services? Are unsatisfactory calls escalated for rapid follow-up? Or are unhappy customers left to defect to competitors?

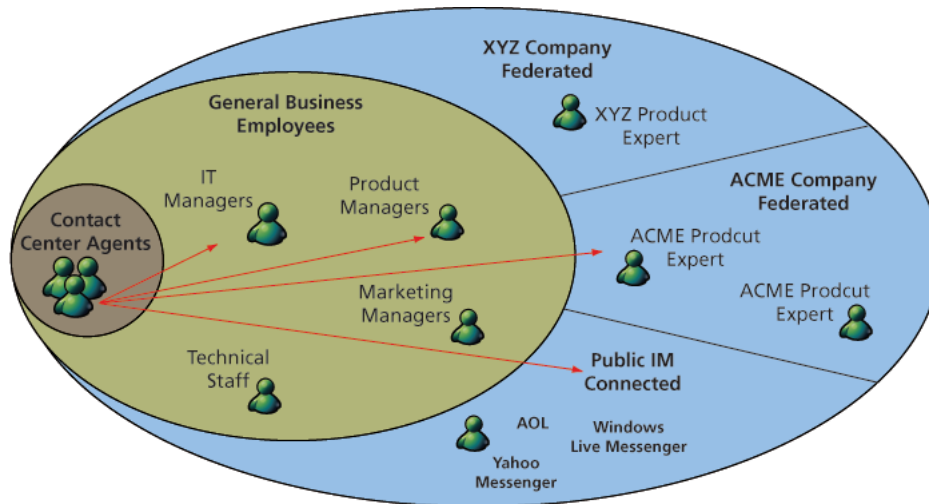
A corollary trend in contact center outsourcing, one that introduces additional challenges, has been the move to off-shore service providers. Moving contact centers to overseas facilities can clearly reduce per-call costs. But off-shoring also has the potential to create problems due to differences in language, culture, escalation processes, and training. Indeed, some major companies have pulled customer-facing centers back from overseas in response to customer complaints about service.

Most recently, companies have come to realize that it's not good to put all your outsourcing eggs in one basket. To maximize the benefits of choice, companies that outsource are increasingly electing to sign deals with multiple providers simultaneously in a process called multisourcing. As the number of sources that are required to fulfill business demands increases, an effort must be made to organize resources and processes to effectively manage the multisourced environment.

Breaking Down Organizational Walls

While certainly not a panacea, new collaboration and communication solutions can be invoked to help address outsourcing, off-shoring and multisourcing management challenges. Mitel is the only major contact center vendor to date that natively integrates its Contact Center Agent desktop to take advantage of the presence capabilities offered in Microsoft's Live Communications Server 2005 (LCS) and its successor product, Office Communication Server (OCS). While several competitors claim integration to the presence capabilities of these Microsoft solutions, others only offer the capability to telephony users, not contact center agents. Still others do offer integration of contact center and telephony user presence, but only do so using proprietary presence capabilities, not a standards-based solution as Mitel does with Microsoft OCS.

Tearing Down the Walls: Driving Success with Enterprise Collaboration



The first advantage this presence capability offers is the ability for contact center agents to tap in-house experts to help resolve customer queries based on knowledge of who has made themselves available to support contact center questions. But the use of Microsoft LCS instead of proprietary presence capability allows the Mitel solution to go one step further, and support presence between different companies, for example client and outsourcer.

Through Microsoft LCS the Mitel Contact Center agent desktop supports a standards-based federation interface for instant messaging (IM) and presence functionality between Live Communications Server deployments, as well as between LCS and third-party public IM deployments such as AOL, MSN, and Yahoo!.

The bottom line benefit of presence across enterprise telephony users and the contact center, be they in-house experts or outsourced agents, is first call resolution. First call resolution means taking care of a customer's problem, request or complaint on the initial inbound customer phone call. No transferring the call to another agent or location. No interminable delays waiting for a supervisor that might be able to answer the question. No instructions to check the Web site for that information.

Presence for the contact center, the enterprise, and the extended business community that includes partners and suppliers can break down the organizational walls that prevent quality customer service. And standards-based presence, such as that delivered by Mitel using Microsoft LCS, has the promise of being able to extend to include the broadest community.

6. Expanding Integration with Enterprise Applications

At the same time that the move from digital to IP communications platforms has been occurring a complementary set of forces have been at work driving change in the deployment of enterprise applications. Web services and service oriented architectures (SOA) have emerged as the model for future application deployment.

Traditionally enterprise applications have essentially been built as silos, each with their own set of data, their own set of rules and processes and their own reporting system. Coordination of multiple applications required complex and expensive enterprise application integration. Typically proprietary adapters needed to be built between any two applications that had a requirement to share information or resources.

Through deployment of applications that adhere to web services and SOA principles, enterprises are working to minimize the cost, duplication and inevitable complexity inherent in the existing scheme. Major enterprise application companies such as Microsoft and SAP are at the forefront of this change. As they build the next generation of their market-leading products, they are adhering to architectural and design principles that will enable multiple applications to access and reuse IT system resources. These information technology resources will evolve as a collection of system functions or “services,” hence the name.

The Next Frontier: SOA, Web Services and the Contact Center

To keep its products on the leading edge, Mitel’s Customer Interaction Solutions suite was built using Microsoft .NET: a set of Microsoft software technologies for connecting information, people, systems, and devices. Microsoft .NET provides advanced software integration through the use of XML Web services: small, discrete, building-block applications that connect to each other—as well as to other, larger applications—over the Internet.

The practical advantage of Mitel’s choice of Microsoft .NET can be seen in the ease of integration between Microsoft Dynamics CRM solution and Mitel’s contact center applications. Like Microsoft Dynamics CRM, Mitel’s Contact Center Agent user experience has been designed to be a natural extension of Microsoft Office and Outlook.

Because both Mitel’s Customer Interaction Solutions and Microsoft Dynamics CRM are built on the .NET platform, both leverage standard tools and technology. With Customer Interaction Solutions and Microsoft Dynamics CRM all servers are Microsoft operating systems, all server software is standardized, e.g., SQL and Exchange, and all agent and supervisor desktops run Microsoft operating systems. Together, the applications provide unified administration, reporting, and a familiar look-and-feel to lower the learning curve and training requirements. They provide the tools and capabilities needed to create and maintain a clear picture of customers from first contact through purchase and post-sales.

While improved customer service is the ultimate goal of a tight integration of contact center and CRM applications, there are cost benefits as well. The use of the .NET framework by Mitel’s contact center applications allows businesses to leverage existing capital costs on the Microsoft infrastructure to reduce the overall cost of ownership, and lower ongoing maintenance costs with the familiar Microsoft infrastructure.

Certainly all businesses do not use Microsoft Dynamics CRM; we've highlighted this existing integration to show the potential value of integrating communications and enterprise applications. The power of Mitel's use of Microsoft .NET for its contact center applications is that the Microsoft framework can also be used to expose existing systems, line-of-business applications, and data as services. Those services can then be combined to create composite business processes and workflows using a service-oriented infrastructure. As more and more applications embrace web services and SOA, the possibilities for integration will expand even more broadly.

7. About the Author

Sheila McGee-Smith, the founder of McGee-Smith Analytics, is a leading communications industry analyst and strategic consultant. With a practice focused on the contact center and unified communications markets, Ms. McGee-Smith works on a daily basis with both solution providers and enterprises to help them develop strategies to meet the escalating demands of today's consumer and business customers.

Ms. McGee-Smith has spent over twenty years in the communications industry, including 12 years with the analyst firm The PELORUS Group. Prior to joining The PELORUS Group, Ms. McGee-Smith held sales management, market research and product management positions at AT&T, Timeplex and Dun & Bradstreet. She received a bachelor's degree from Barnard College, Columbia University and an MBA from the Kellogg Graduate School of Management at Northwestern University.

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Global Headquarters	U.S.	EMEA	CALA	Asia Pacific
Tel: +1(613) 592-2122 Fax: +1(613) 592-4784	Tel: +1(480) 961-9000 Fax: +1(480) 961-1370	Tel: +44(0)1291-430000 Fax: +44(0)1291-430400	Tel: +1(613) 592-2122 Fax: +1(613) 592-7825	Tel: +852 2508 9780 Fax: +852 2508 9232

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