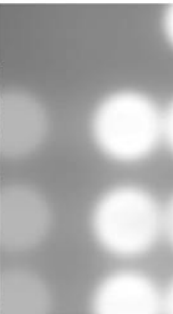
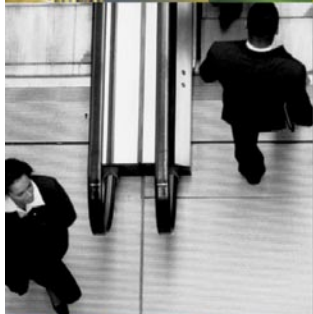


**Speech recognition delivers ROI
to contact centers.
— Here's how you can prove it**



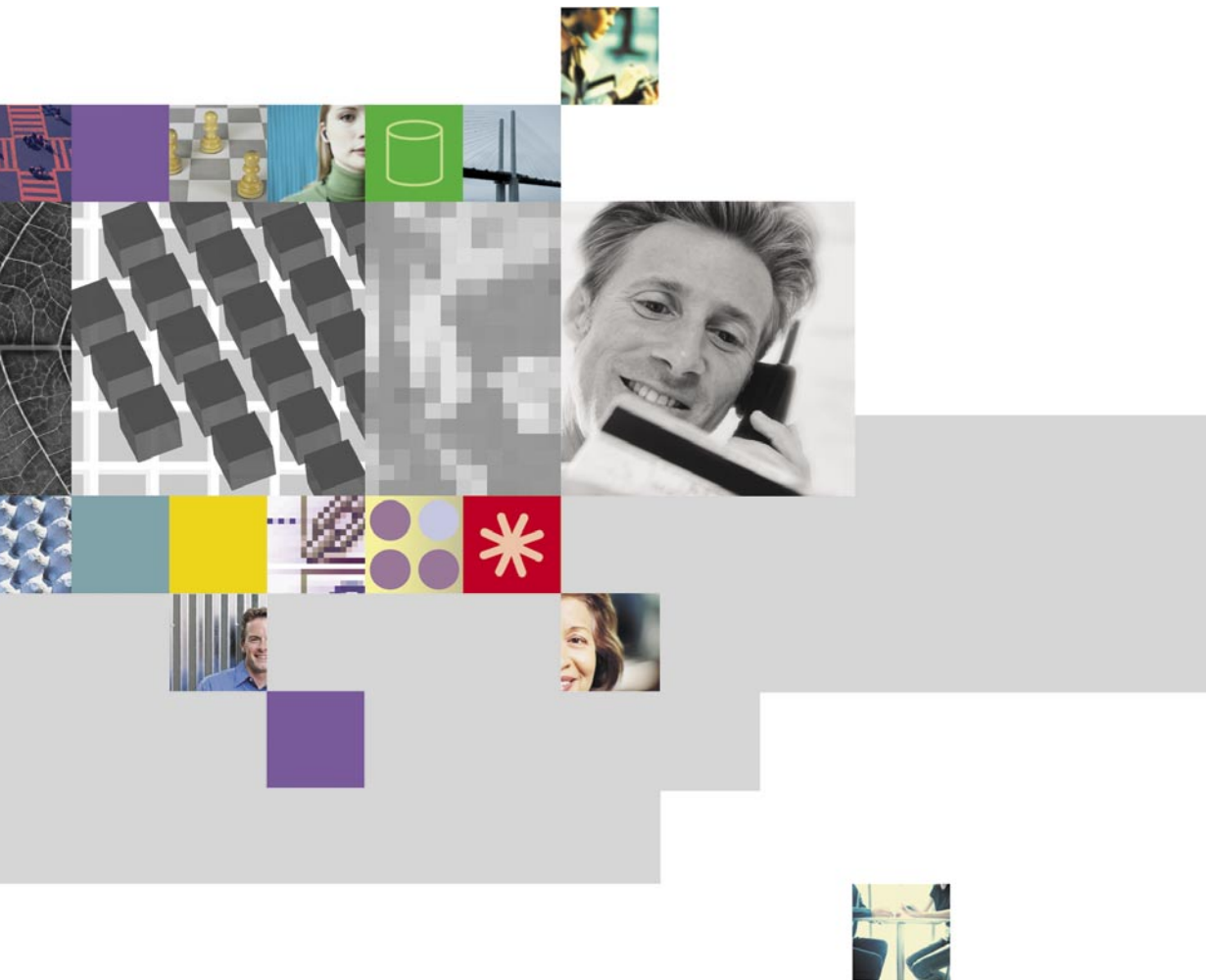
Consider this case study

A leading financial services group manages funds in excess of \$85 billion and serves over 1.2 million 401(k) customers using a touch-tone Interactive Voice Response (IVR) system. However, the system didn't provide an easy way for customers to quickly access account information.

A bright young executive saw a way to improve the system's responsiveness—and slash operating costs—by adding speech to the existing IVR system. But when he couldn't demonstrate the return on investment (ROI) to upper management, nothing was done. In time, the company paid the price—losing customers and, in turn, profits.

It didn't have to be that way.

By using reports from the ROI predictor tool from IBM, the young executive could have easily shown a compelling business case. It would have revealed that an automated speech system could have reduced average call time from 14 minutes to less than five minutes, greatly improving customer service. Additionally, the average cost of an agent-assisted call could have dropped from \$6.64 to \$1.07. Ultimately, the ROI predictor would have demonstrated a potential ROI in six months.



Today's focus: Reduce costs, rapid ROI

There are thousands of cases, like the one referenced on the previous page, where companies are struggling to find new ways to improve the efficiency and responsiveness of contact center services.

In today's challenging economic environment, many are switching focus toward cost cutting and ROI. They are looking to improve reach to customers, generate new revenue streams, maximize productivity—while becoming more responsive to customers expecting fast responses to their questions and transactions, just like a Web site.

But it's no easy task with traditional IVR systems. Complex call patterns and requests are slowing down these systems. Long hold times in queues and long call durations are driving customer care costs up—and driving impatient customers away.

Keeping customers happy, at less cost

Fortunately, voice-enabled automated systems have made a dramatic impact.

Research shows customers are happier, due to reduced call duration times and faster resolutions.

Contact centers can also operate with fewer agents.

According to the Customer Contact Strategy Forum,

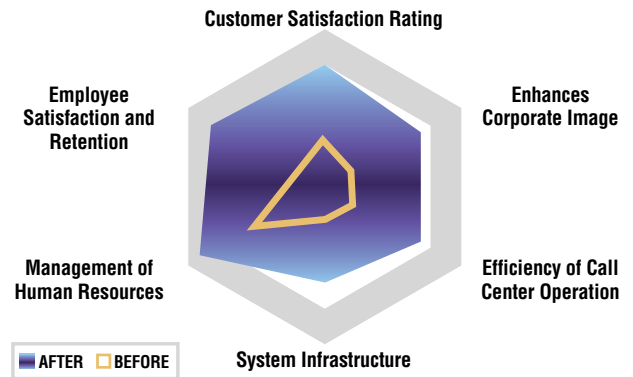
approximately 70% of a contact center's cost is labor.

Speech solutions provide an opportunity for businesses to rapidly reduce operating costs. Additionally, organizations can expand customer services without increasing overhead—a real competitive advantage.



But how do you prove your business case to management? How do you demonstrate a compelling ROI in order to take the next step?

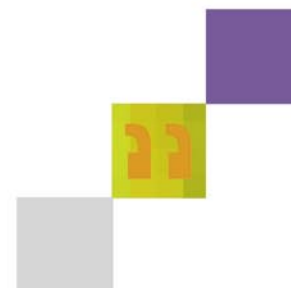
Non-Financial Benefits



ROI predictor from IBM

IBM has developed an ROI predictor tool to help you understand how an automated voice system can provide substantial payback, often quicker than expected. It can help you analyze potential savings to upgrade your existing IVR investment or determine a return based on developing an entire voice-enabled self-service solution from scratch.

The core of the ROI predictor tool is a payback calculator. This provides a planning estimate of the quarter in which the cumulative cost savings and/or anticipated revenues brought by the proposed investment can outweigh the estimated upfront costs. The ROI predictor also includes a benefit assessor feature that measures intangible benefits, helping to identify potential improvements in things you cannot always put a value on, like employee and customer satisfaction. Additionally, the ROI predictor



is able to analyze the benefit of voice automation for different categories of calls that have different call lengths and customer service representative (CSR) involvement—such as customer order status requests vs. irate customers with a complaint.

The ROI review process takes a look at where you are now, where you want to be—and what might happen down the road if you stay with your existing contact system. Specifically, the IBM tool and review process establishes:

- *Basic solution description—your current situation, such as number of agents, service problems, annual growth level of contacts, average talk times, number of channels, and so forth*
- *Areas of potential cost savings—your goals to improve first call resolution times, reduce training, decrease employee turnover, decrease escalations, etc.*
- *Do nothing scenario—the savings/profits you could potentially lose by leaving your contact system status quo*
- *Total potential savings—where you save in staffing costs, office space, average cost per contact, potential increase in revenues, and the break even point*
- *Potential results—improved productivity, faster access to answers, reduced operating budget, improved service level without increasing staff, new revenue opportunities, reduced agent turnover, among many other potential benefits*

An ROI example

To best illustrate how the ROI predictor estimates the payback for a voice-enabled solution in a contact center, we have developed a scenario based on a medium sized automobile insurance provider. The call center is being upgraded from simple touch-tone sorting of calls to a state-of-the-art IVR system with speech recognition, text-to-speech, and voice response capabilities. The company employs about 200 customer service representatives who are handling approximately 8,000 calls per day. The center currently operates 12 hours a day fielding customer calls for accident claims, premium estimates for new policies, payments and general information requests via phone in conjunction with a customer relationship management (CRM) system that contains up-to-date customer and policy information. The objectives of the upgrade are to improve overall service levels and reduce call center costs.

Current situation

- Number of CSRs: 205
- Touch-tone system sorts calls to CSRs by request type
- No calls are completely customer self-service
- Average customer wait time is 48 seconds
- Average CSR talk time 6.5 minutes
- 12% annual growth in contacts

Objectives

- Improve overall service levels
- Implement self-service capabilities for 50% or more of all calls
- Extend call center operation to 24 hours a day
- Reduce high cost and dependence on CSRs
- Reduce customer wait time

Do nothing scenario

- One year total CSR support cost: \$13.3 million
- Cost per contact: \$4.81

Implement IBM voice solution

- Estimated cost of new system: Approx. \$4.5 million
- Reduction of CSRs: 59
- Estimated cost per contact \$3.27

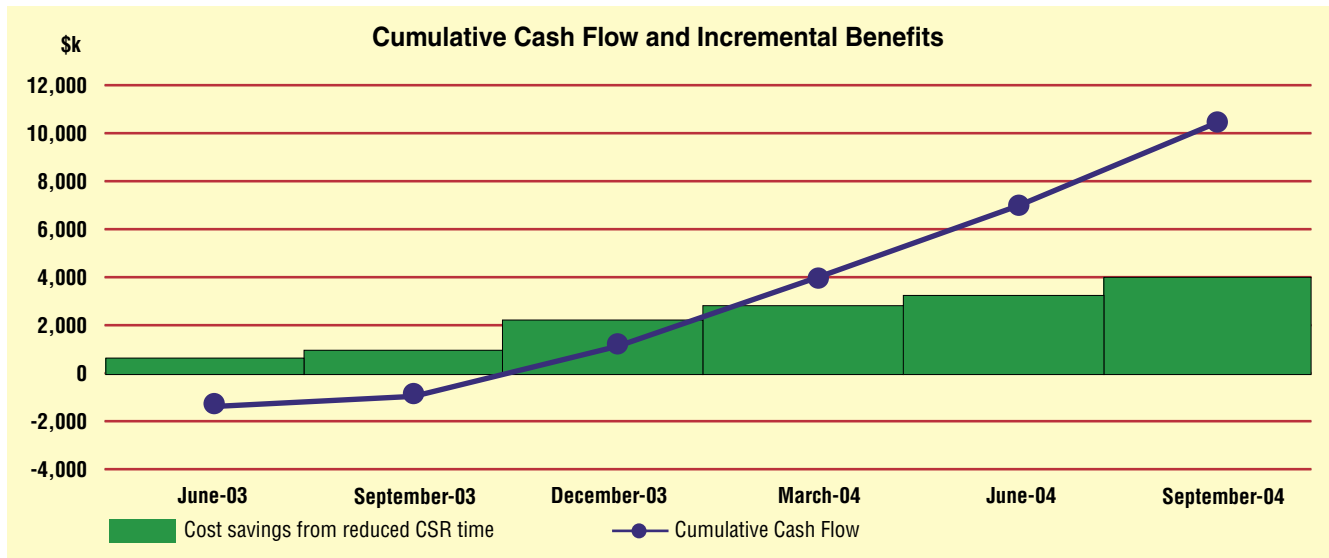
Potential results

- Reduced operating budget
- Investment payback achieved in second quarter of operation
- Average cost per contact down 26%
- Ability to extend to 24x7 operations with minimal cost

Potential savings

- One year total savings: \$1.3 million
- Break even: within eight months

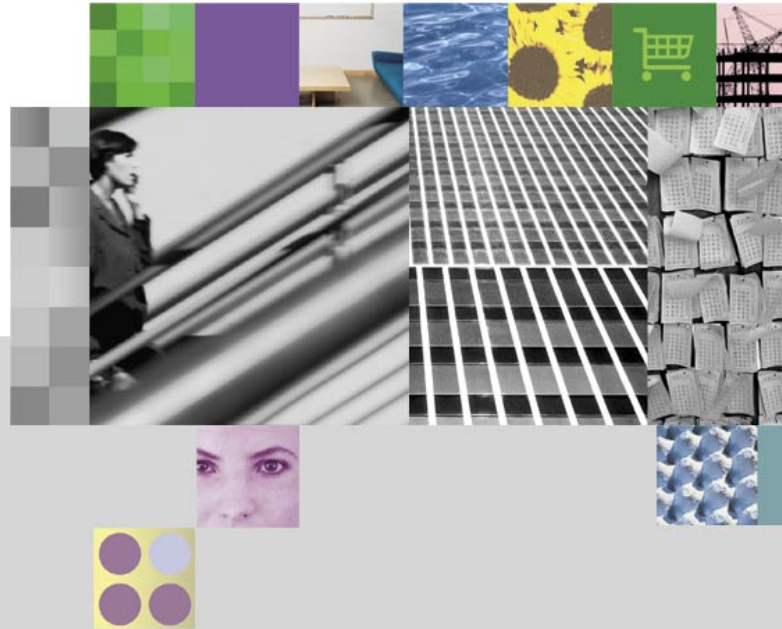
The numbers in this example are based upon an example customer profile and are for illustrative purposes only. The results in your case may be different or vary.



With your input, your IBM representative can generate a view of your potential return on investment.

Voice technology from IBM

IBM can help businesses achieve cost-effective, responsive voice applications. We provide the entire platform for enabling applications as well as the professional services and support to implement them. Voice technology from IBM can provide the complete solution for connecting a telephone or other device to business applications using only a natural voice interface.



Benefits you and your customers

By applying voice solutions in your contact center, IBM can help you realize cost reductions from faster transactions, a higher percentage of call and transaction completions, lower operating costs from fewer agents, and redirection of agents from routine tasks to higher value customer service. The end result is a win for both your company and your customers, as voice technology delivers the next step in cost-effective customer service.

Before you make any investment decision, we can help you make your business case and identify a measurable ROI—using the IBM ROI predictor tool.

What's your next step?

If you are interested in completing a free ROI analysis on your contact center, call your IBM voice specialist today.

To locate an IBM representative for your area, visit:

ibm.com/planetwide

To learn more about IBM voice products, visit:

ibm.com/software/pervasive



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