Are You Paying Too Much Running Your Contact Center?

For many contact centers, continuing to rely on a traditional Time Division Multiplex (TDM) infrastructure, including Automated Call Distribution (ACD) and PBX, poses multiple challenges. This type of legacy infrastructure is often location-dependent, hardware-based, proprietary, and outdated. It typically causes operations and channels in various locations and organizations to be siloed rather than integrated, resulting in underutilized resources and reduced efficiency across the entire enterprise. Because it is hardware-based it offers limited expansion capability, making it difficult and costly to grow the operation and the business. It can't support the virtualized and centralized operations that optimize efficiency.

Each legacy TDM contact center requires a fully staged system with separate configuration, provisioning, management, and reporting functions for each piece of equipment at the local site, independent of other locations. Each contact center requires a full scale support team consisting of IT, telecom, and business analysts. There are no economies of scale to be gained from expanding a hardware-based contact center across multiple sites, since each contact center carries the full cost burden. The specialized, proprietary hardware is expensive to maintain, service, and upgrade. At the network level, the legacy TDM network dedicated to voice-only traffic must be operated and maintained separately from ubiquitous IP network and infrastructure. The bottom line is that TDM-based contact centers are expensive to maintain, operate, and manage, and offer virtually no way to reduce the total cost of ownership (TCO).

There are several reasons why a traditional hardware-based TDM infrastructure makes it hard to reduce contact center costs or to offer new services.

Vendor lock-in. Because TDM equipment is built on proprietary platforms, instead of open standards, users are forced to continue to buy next-generation equipment from the same vendor who provided the legacy equipment. Because equipment from one vendor doesn’t interoperate with equipment from another vendor, moving to a different PBX system would mean tearing out everything, paying a new vendor for replacement equipment, and then being locked in to that vendor.
Physical limitations. There are two ways in which the physical limitations of TDM drive up costs. First, premise-based hardware increases maintenance and management costs. Second, the ability to scale the system or add services is based on available slots and usually requires additional hardware purchases, which further increase maintenance and management costs.

Underutilization. In the legacy TDM environment, contact centers subscribe TDM trunks from service providers at each site to receive voice traffic from and send it back to the service provider network. These TDM trunks are mainly for voice, and even though they are lightly used during off-peak hours, the siloed nature of TDM means that the underutilized trunks cannot be used to offload heavy traffic from another location.

Market Trend: IP Migration Reduces Contact Center Overhead and Frustration

An IP contact center frees businesses from much of the overhead of a TDM environment. IP does this with a software-only environment that replaces outdated ACD and PBX hardware, eliminating maintenance, service, and operation costs. It also enables cost-effective upgrades and expansion.

In addition to reduced TCO, IP contact center migration and consolidation allows companies to better utilize resources and significantly increase the efficiency of the customer service operation.

These are among the reasons that IP contact center migration has become a major, continuing market trend. According to Gartner, IP agent shipments are expected to grow at an annual rate of more than 11%, while at the same time TDM agent shipments will drop at a double digit rate.

Figure-1 IP Contact Center Migration Trend

Source: Gartner Worldwide Contact Center Forecast, December 2011
In another recent Gartner survey, more than 60% of IT managers responded that they had completed or were in the process of consolidating their contact center infrastructure into single platform.

**Figure-2  Survey on Contact Center Consolidation**

- Have already consolidated 31%
- In the process of consolidating 30%
- Actively planning consolidating, but have not begun the project 20%
- Plan to start activity for consolidating in the next 12 months 7%
- No near-term plans (12 months) to pursue consolidating 8%
- Do not support multiple contact centers/customer service centers 4%

Source: User Study Shows Contact Center Consolidation on the Rise, Gartner, March 2012

**Session Initiation Protocol (SIP) Drives IP Migration**

SIP (based on IETF RFC 3261) is a major enabler in the migration to IP contact centers. It has become the protocol of choice for IP communications, because it provides the richness needed to replace proprietary protocols, to increase efficiency, and to eliminate the silos between locations, organizations, and channels.

SIP can be used for any type of communication session – voice, instant messaging (IM), video, or any combination of these — a session can even be a collaborative multimedia conference call. SIP provides the flexibility, scalability, and platform-independence that can future-proof an application environment. It also works well with other Internet applications because it was designed to closely resemble the HTTP and SMTP Internet protocols that power the Internet and e-mail.

Because SIP is an open, standards-based protocol instead of a proprietary platform, it frees contact center operators to choose best-in-class hardware and software. This results in greater flexibility, easier integration, quicker deployment, and cost efficiencies.

But it’s the flexibility to handle multiple channels — not just voice — that makes SIP a game-changing technology for contact centers. This allows companies to move beyond simply doing things better to providing new services that drive customer satisfaction and agent effectiveness to entirely new levels.

SIP benefits include:

- **Simplified Infrastructure.** Displaces both hardware-based ACD and PBX in the contact center with a software-only, IT-friendly solution that reduces operational costs.
- **Virtualized Customer Services.** Enables the virtualization and centralization of services across multiple sites and multiple channels throughout the enterprise.
- **Innovative Experience.** Enables the integration of Web, video, mobile, and other evolving technologies into your customer service experience.
Genesys SIP Optimizes Customer Service TCO
The SIP solution from Genesys, the leading provider of content center software takes SIP-based customer service farther with a 100% software solution that works on commercially available, commoditized servers. It enables intelligent routing, unified reporting, and streamlined management across the enterprise, and offers strong cost savings, including:

Eliminates ACD Costs
Genesys SIP provides complete ACD functionality without the hardware. By replacing out-dated ACD’s it eliminates the maintenance, upgrade, and operation costs associated with hardware.

Reduces PBX Costs
Genesys SIP goes beyond ACD replacement to fully support communications between agents and with customers. Genesys SIP can be deployed without any PBX’s, enabling businesses to achieve significant savings by displacing the PBX equipment in the contact center.

Lowers TDM Trunk Costs
Genesys SIP allows companies to replace TDM trunks with SIP trunks that reduce the overall costs in several ways. First, the SIP trunks can be used to carry both voice and data traffic. Next, the virtualized and centralized SIP architecture reduces the number of external trunks required. Finally, voice traffic bandwidth can be reduced through VoIP packet compression.

Improves Agent Utilization
One key benefit of Genesys SIP is that it enables the contact center to be virtualized, which increases service flexibility and improves operational efficiency. Virtualization creates a single, centrally managed pool of agents across multiple sites, including remote, home, and outsourced agents, to greatly improve agent utilization and reduce idle time. It also reduces overtime costs for companies who run a global 24x7 customer service operation, by allowing after-hour customer calls from one region to be routed to agents during office hours in different time zones. The savings from virtualization can be especially significant for large, diversified operations. In previous engagements, such businesses using Genesys SIP increased agent utilization as much as 10%.

Reduces IT and Support Costs
While every contact center environment requires some level of IT support, SIP requires a minimum of support compared to a TDM infrastructure. The amount of cost savings varies from case to case and depends on the configuration of the IT team, but most companies will be able to see savings from

- Reduced need to operate and maintain specialized equipment
- Reduced maintenance effort and resources through a centralized approach that can align with company data center strategy. This allows companies to stage equipment, software, and applications in the cloud-based data center.
- Reduced effort with a software-only solution that simplifies provisioning, configuration, maintenance, upgrade, and management.
Frees Businesses from Vendor Lock-in
Genesys SIP is an open platform built with standards-based technologies, so it enables integration with best-in-class devices and applications. There is no proprietary or closed environment that requires purchases from a single vendor. This allows businesses to choose technology and solutions that better fit their budgets and their evolving needs.

Protects Investments
In addition to being an open-platform, standards-based solution, Genesys SIP is supported by a rich ecosystem that validates and delivers tight integration with communications applications from a wide variety of vendors and partners. This provides proven interoperability and peace of mind as companies expand the functionality of the SIP platform over time with innovative services and applications such as instant messaging, video, etc.

Enables Cost-effective, Seamless Migration
One unique benefit of Genesys SIP is its ability to enable seamless migration from TDM to SIP without replacing legacy infrastructure until the end of life. This gives Genesys customers the freedom to set a migration pace that fits their business objectives and customer service strategies. It provides for a smooth contact center transition while avoiding costly customer service outages.

Enables Intelligent Routing
As part of the Genesys contact center solution, Genesys SIP supports the intelligent, robust, and flexible routing function that connects the best available agent to each customer. With flexible routing strategies, such as skill-based, relationship-based and cost-based, contact centers can minimize call transfers, reduce call handling time, improve first call resolution, and enhance customer service performance.

How Much Can You Save With Genesys SIP?
The Genesys SIP contact center solution delivers strong TCO benefits beyond the initial deployment. It enables contact centers to establish best practices to achieve reliable, flexible, and highly cost-effective customer service operations.

This paper has discussed the many different ways that migrating from TDM to a Genesys SIP contact center environment can reduce TCO. But every business is different. Check with Genesys and find out what Genesys SIP can do for you.