



# Success Factors of Voice over IP Solutions

Jouni Purontaus, Founder & CTO

October, 2006

- Wicom Communications Ltd.

Wicom Communications, Sinimäentie 10 A, FIN-02630 Espoo, Finland  
Tel +358 9 5257 7500, Fax +358 10 525 7750  
[www.wicom.com](http://www.wicom.com), [sales@wicom.com](mailto:sales@wicom.com)

W i c o m

# Background information



Some facts about the speaker and company

# Wicom is a leading European IP-telephony software company specializing in business communications



**CEO:** Mr. Ilkka Kivimäki

**Location:** Espoo, Finland (HQ). Sales and support offices in Amsterdam, London, Munich and Stockholm. Channel partners across Europe.

**Ownership:** Private

**Founded:** 1999

**Employees:** 75

**Product:** IP contact center and enterprise communications software.

**Customers:** +200 customers in Europe including EDB, Estonian Air, Finland Post Group, Finnish Railways, Fujitsu, Luottokunta and Premiere.

**Investors:** Accenture, Stratos Ventures and 3i.



+ 20 other channel partners across Europe, [www.wicom.com](http://www.wicom.com)

## Regional application service providers and resellers

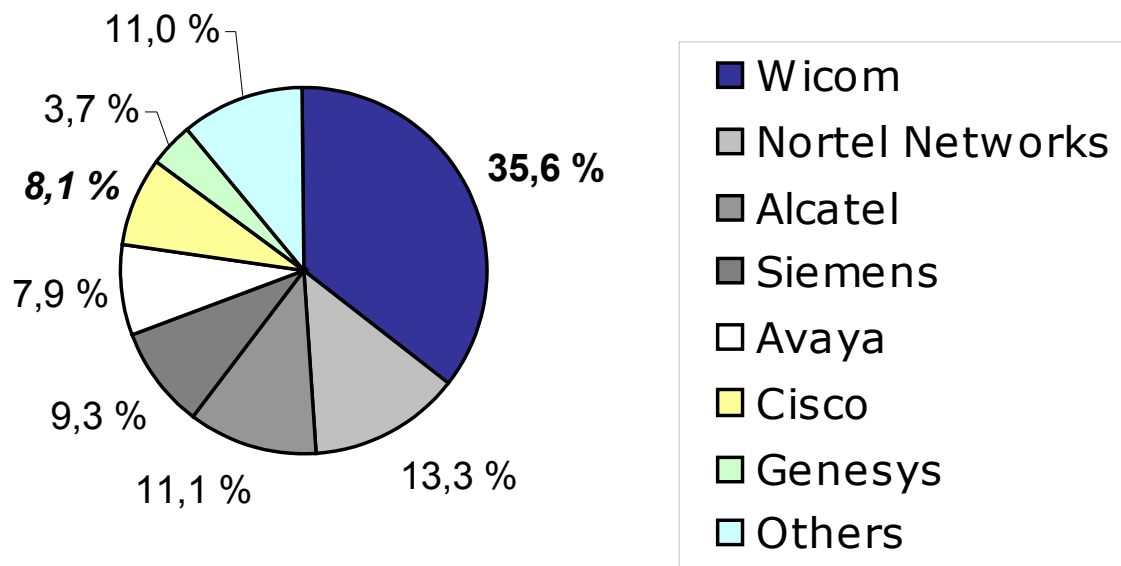


## International service and technology partners



# The change has begun, TDM shipments are dropping fast

**Contact Center Shipments in Finland, 2005**



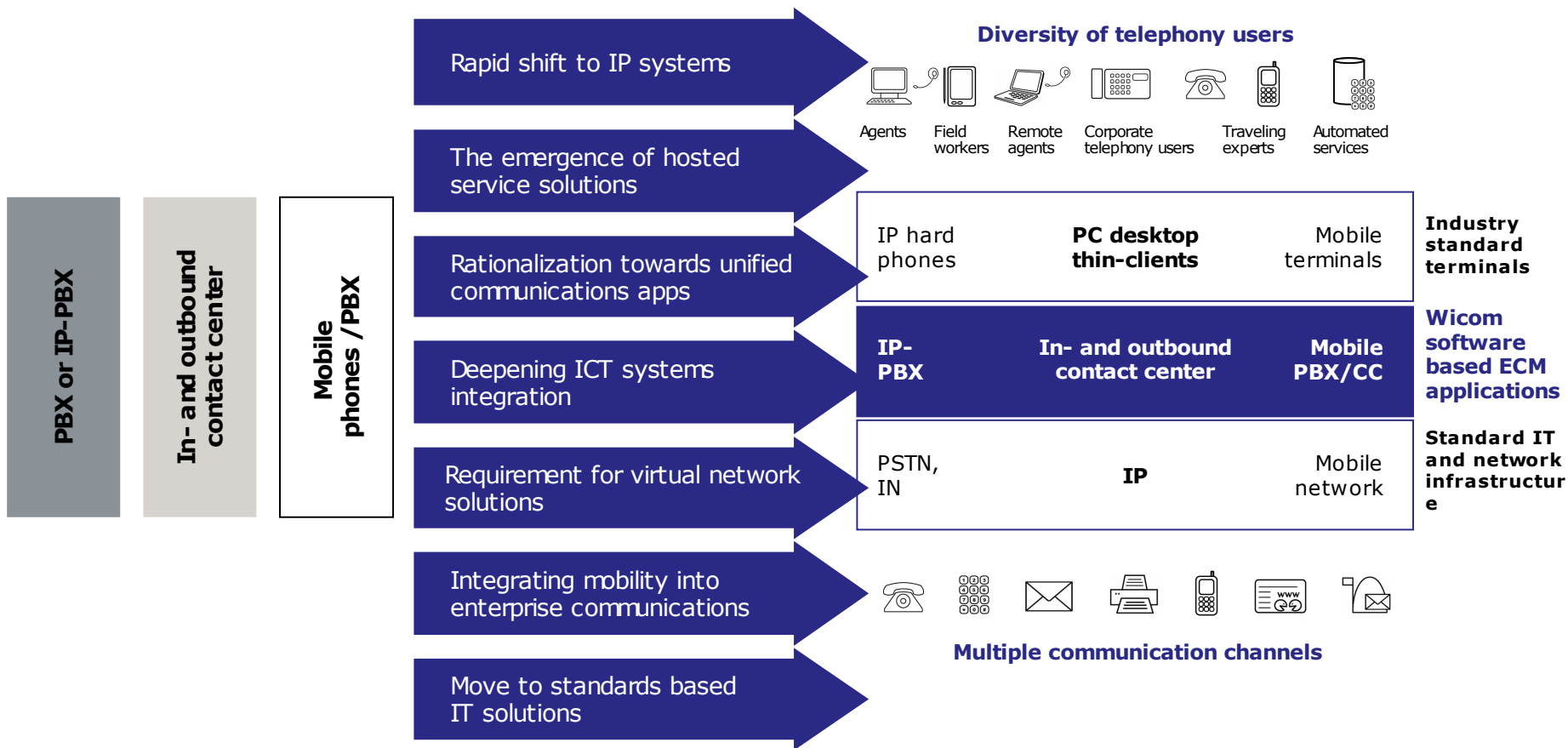
Source: Gartner Dataquest, Sept 2006

# Understanding what benefits new technology can offer is the key for success

**From ...**

**Key drivers**

**.. To**



# Definition



VoIP is widely misunderstood

# Many ways to utilize VoIP



1. Bandwidth savings, e.g. global carrier's connections (audio stream compression)
2. Consumer VoIP
  - Peer to peer (Skype ...)
  - Carrier hosted (HotSip ...)
3. Corporate intranet (Wicom, Cisco ..)
  - Corporate bridging
4. Wireless VoIP
  - Unregulated (802.11x, Wimax ...)
  - Regulated (3 G ...)

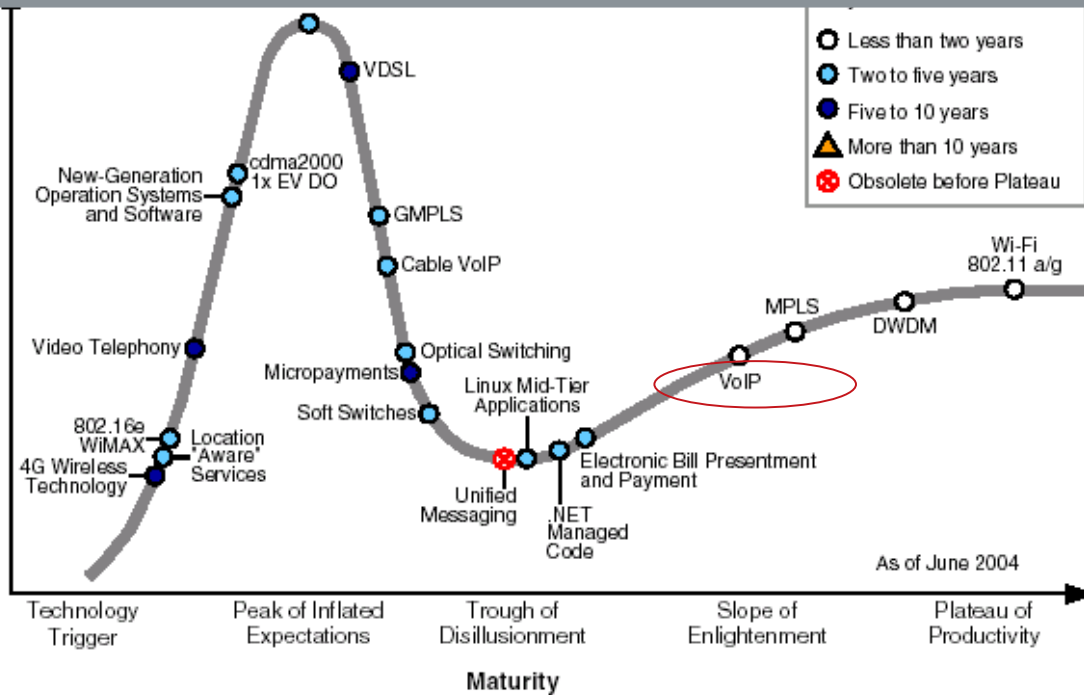
# Analysts



What analysts are saying about VoIP ?



# According to Gartner, VoIP is a mainstream technology and its benefit rating = High\*



## \*Benefit rating = High

The technology enables new ways of performing horizontal or vertical applications that will result in significantly increased revenue or cost savings for an enterprise.

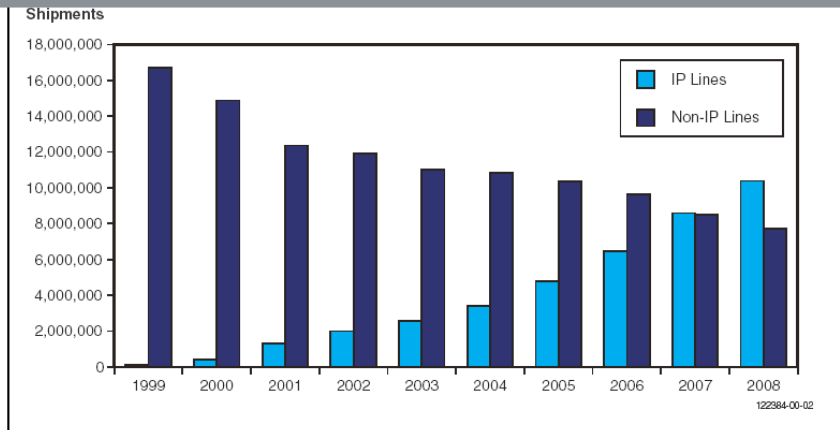
**Slope of Enlightenment:** Focused experimentation and solid hard work by an increasingly diverse range of organizations lead to a true understanding of the technology's applicability, risks and benefits. Commercial, off-the-shelf methodologies and tools ease the development process.

### Plateau of Productivity:

The real-world benefits of the technology are demonstrated and accepted. Tools and methodologies are increasingly stable as they enter their second and third generations. The final height of the plateau varies according to whether the technology is broadly applicable or benefits only a niche market. Approximately 30 percent of the technology's target audience has adopted or is adopting the technology as it enters the Plateau.

**Source:** Gartner (2004), "Hype Cycle for Telecommunication Technologies", 30 June.

# Gartner also suggests that IP telephony (VoIP) will displace traditional PBX equipment by 2007-2008

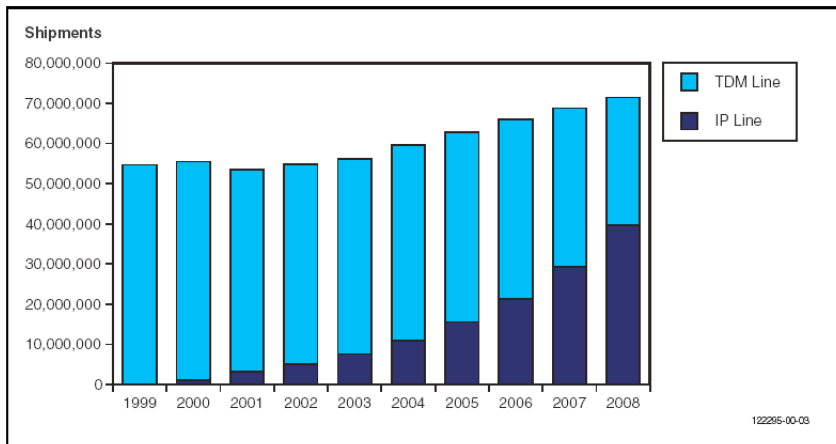


North American IP line shipments have overtaken traditional lines by 2007

43% of all line shipments worldwide were IP-enabled already in 2003

Worldwide IP line (pure IP) shipments have overtaken traditional lines by 2008

Worldwide PSE Line Shipments by Technology Type



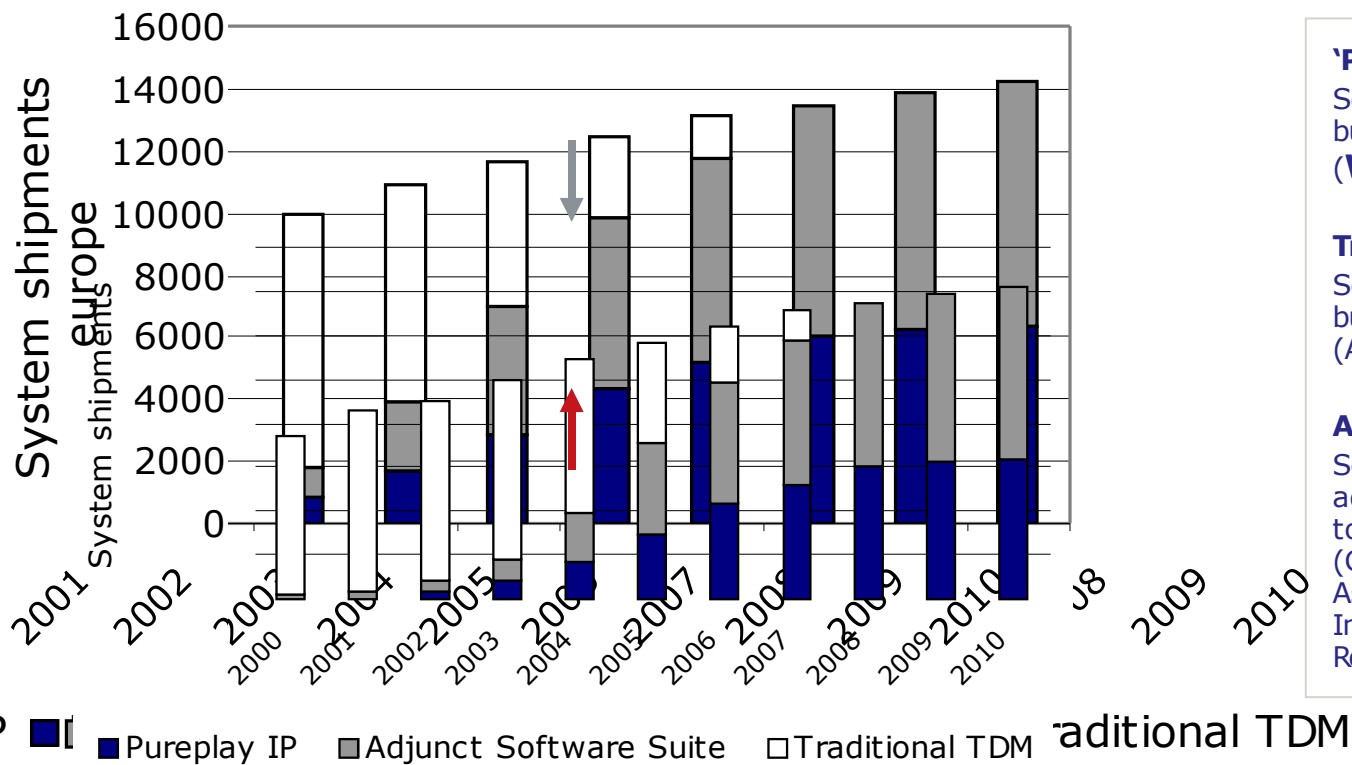
In 2008, Gartner worldwide predicts:

- **55%** of all PSE lines will be pure-IP
- TDM PBX/KTS lines are expected to drop to a **10%** market share by the end of the 2008
- the remaining **90%** of line shipments will be a mixture of pure IP-PBX and IP-enabled shipments.

## Sources:

- Gartner (2004), "IP Telephony Adoption Poised to Dominate North American Market", August 24.
- Gartner (2004), "Adoption Rates Shift in Worldwide IP Telephony Market", 17 August.

# Gartner says that in call centers, the 'pure-IP' solutions will overtake traditional systems in Europe by year 2006



**'Pure-IP':**  
Solution comprising software bundled with IP hardware (Wicom, Cisco)

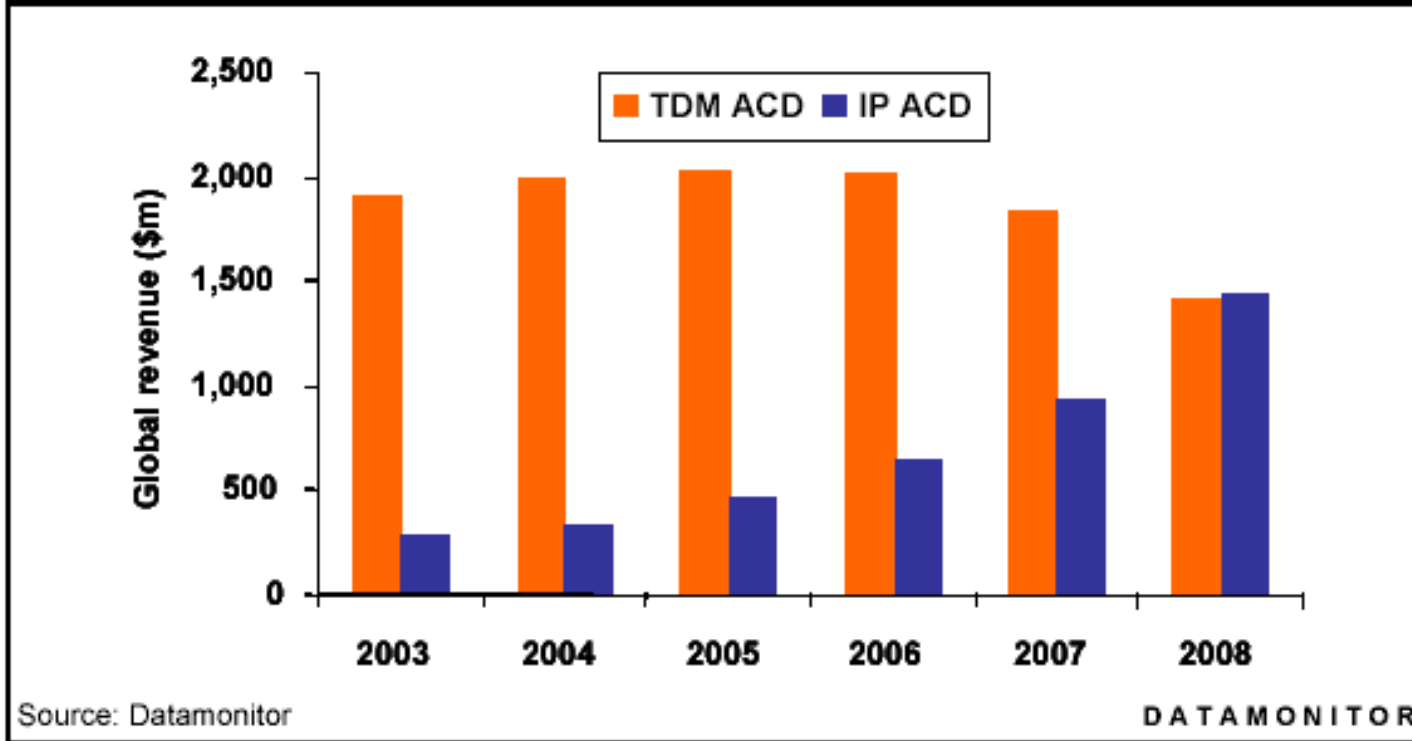
**Traditional TDM:**  
Solution comprising software bundled with TDM hardware (Avaya, Alcatel, Nortel, Siemens)

**Adjunct software suite:**  
Solution enabled through the addition of servers and software to TDM or IP infrastructures (Genesys, Altitude, Apropos, Aspect, Concerto, Cosmocom, Interactive Intelligence, Rockwell)

Source: Gartner (2003), "Software Suites Will Dominate Europe's Call Center Market", 11 June.

Globally, spending on IP technology will overtake TDM by 2008 as contact centers are lured by VoIP's many benefits\*

Figure 2: Global TDM and IP ACD spending, 2003 – 2008



\* **Source:** Datamonitor (2004), "Pure-IP vs. Hybrid-IP in the Contact Center – Perspective into the two different approaches", August.

Deloitte claims that, in addition to substantial cost savings, VoIP has even more potential to improve productivity and transform the way people work.

### VoIP benefits\*

- Reduced cost of managing a separate telecom **infrastructure**.
- Reduced architectural complexity (decrease in communication nodes)
- Replace mix-and-match telecom systems with a **consistent and standardized** data infrastructure.
- Improve telecom reporting due standardization.
- Reduce cost of telecom organization.
- Reduce cost of adds/moves.
- Improve employee productivity.
- Reduce cost of internal and external calls.

### The transformational impact of VoIP in Contact Centers\*

VoIP allows a fundamental change to the way call centers are designed and operated. It enables fully dynamic, distributed operations, based on multiple modes of communication, not just voice. For cost reasons, **such an approach is simply infeasible using switched telephony**.

With VoIP, a call center can provide seamless switching of calls between agents and supervisors located in different buildings. During periods of peak demand, overflow can be routed to home-based workers on-the-fly. Some calls could even be routed to a company's offices during off-peak periods (for instance, a bank branch during a slow part of the afternoon), improving worker utilization and productivity.

\* **Source:** Deloitte (2004), "Getting off the ground – Why the move to VoIP is a decision for all CXOs".

# Datamonitor suggests that VoIP will provide the greatest strategic benefits in the IP contact centers

## Primary drivers for VoIP contact centers



## Cost reduction

- Toll costs
- Network and equipment costs
- Administration costs
- Agent costs

## Customer service improvement

- IP network has several added advantages: easier multimedia routing and queuing, multi-channel integration, remote agent deployment, and multi-site virtualization.

## Globalization of contact centers

- Having an IP infrastructure provides for quicker and more cost effective contact center expansion due to the reduced number of devices required on premise.

**Source:** Datamonitor (2004), "Pure-IP vs. Hybrid-IP in the Contact Center – Perspective into the two different approaches", August.

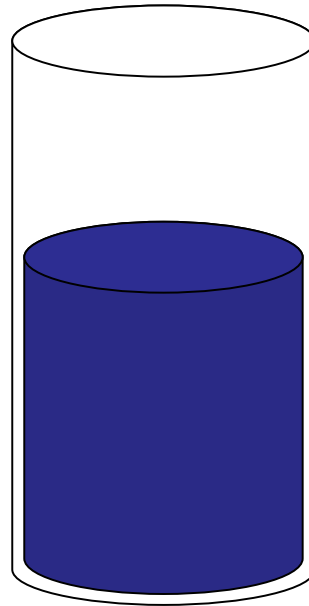
# According to Datamonitor, ultimately all contact centers

## will be pure-IP

### Hybrid-IP (/TDM) vs. Pure-IP contact centers

#### Hybrid-IP contact center

- Higher CTI costs
- Added integration efforts and investment for multi-site deployment
- Multi-channel means multi-platform
- Management and reporting complexity
- Incomplete IP-enablement



#### Pure-IP contact center

- Bypassing the need for CTI
- Simplified channel integration and improved customer service
- Distributed multi-site routing
- Lower TCO
- Centralized management
- Greater redundancy and disaster recovery support

*Source: Datamonitor (2004), "Pure-IP vs. Hybrid-IP in the Contact Center – Perspective into the two different approaches", August.*

# Due to lack of end-user awareness of pure-IP technology, many misconceptions have surfaced in the past years

## Misconception | Datamonitor's statement

### Reliability

A common misconception about pure-IP contact centers is their lack of reliability. Is a contact center putting all its eggs in one basket by going pure-IP? The answer is no. In the last couple years, service providers of packet-switched data communications services have scaled out a robust and redundant infrastructure that today provides highly reliable service.

### Voice quality

Another broad misconception has been of poor voice quality in a pure-IP environment. Contact centers utilizing pure-IP technology have reported excellent voice quality, comparable to TDM service, when implemented within a QoS supported IP network. For the enterprise, pure-IP comes in the form of a managed corporate network, not the public Internet, which still remains questionable for voice traffic

### Scalability

In the past, due to the immaturity of VoIP, scalability was an issue for IP contact centers. With pure-IP, contact centers are able to quickly and efficiently scale up or down as needed on a site-by-site basis.

### Investment abandonment

For those contact centers that have already made the considerable sized investment into a TDM infrastructure, the decision to go with a pure-IP strategy is often regarded as investment abandonment. However, pure-IP does not mean scrapping legacy circuit switched products, but rather translates to forming a migration path that ensures the leveraging of existing infrastructure with gradual change to a pure-IP network. This misconception clearly supports the hybrid-IP approach as the right migration path to IP, however, many contact centers will find that introducing a hybrid-IP approach will in fact lead to a longer migration to IP and at a greater expense for the contact center.



# You must have an idea how to do things better !



Remember the silos? How to overcome this challenge in real life?

# The system architecture of Wicom CSS enables smooth and risk free migration from TDM to all-IP business communications

## Key elements

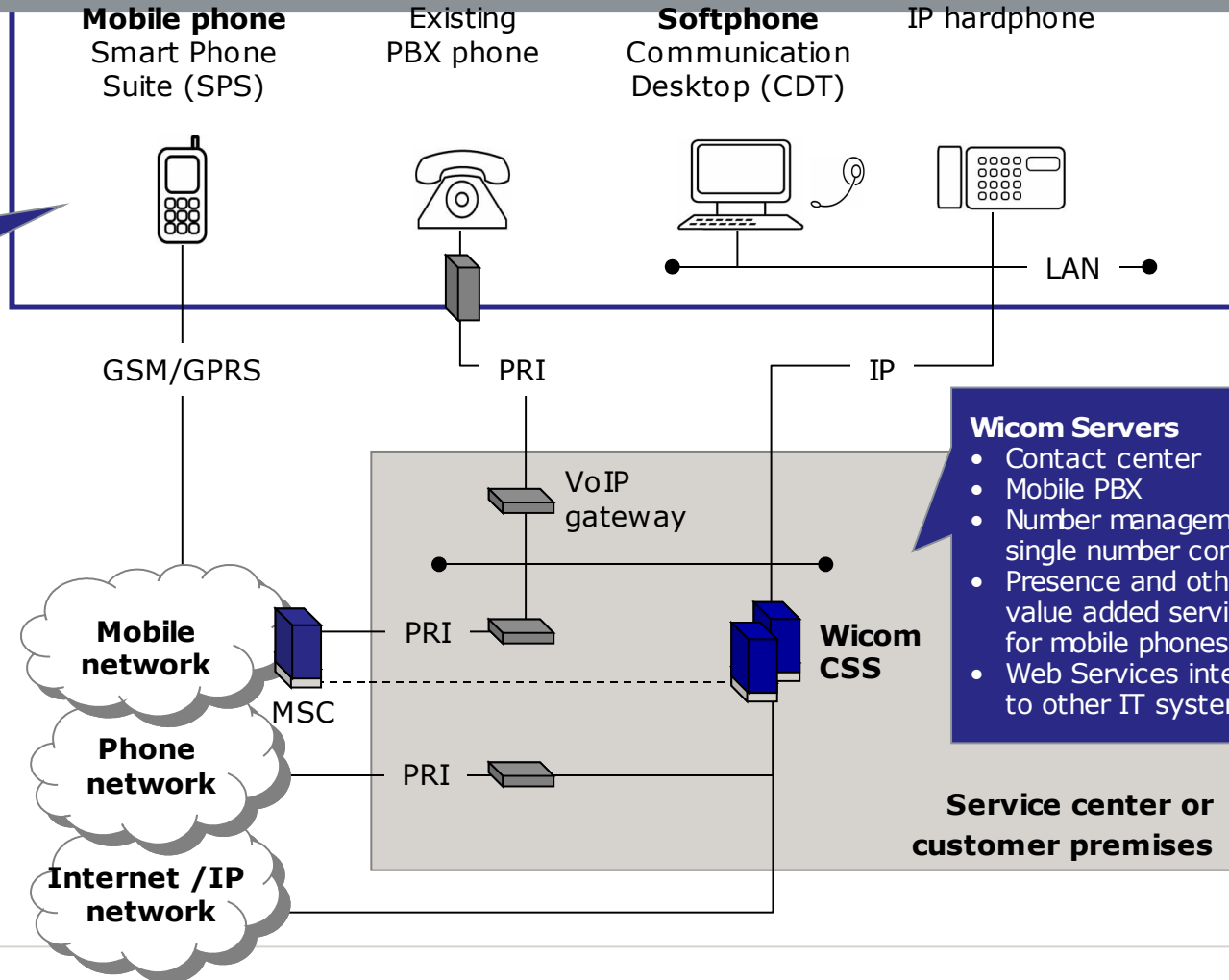
- SPS: mobile client
- CDT: PC browser client
- CSS: server /platform

End users can choose the terminal best matching his/her needs.

Intelligent routing of all contacts; fixed and mobile voice, e-mail, fax, SMS, web contacts, etc.

Phone numbers

Data traffic

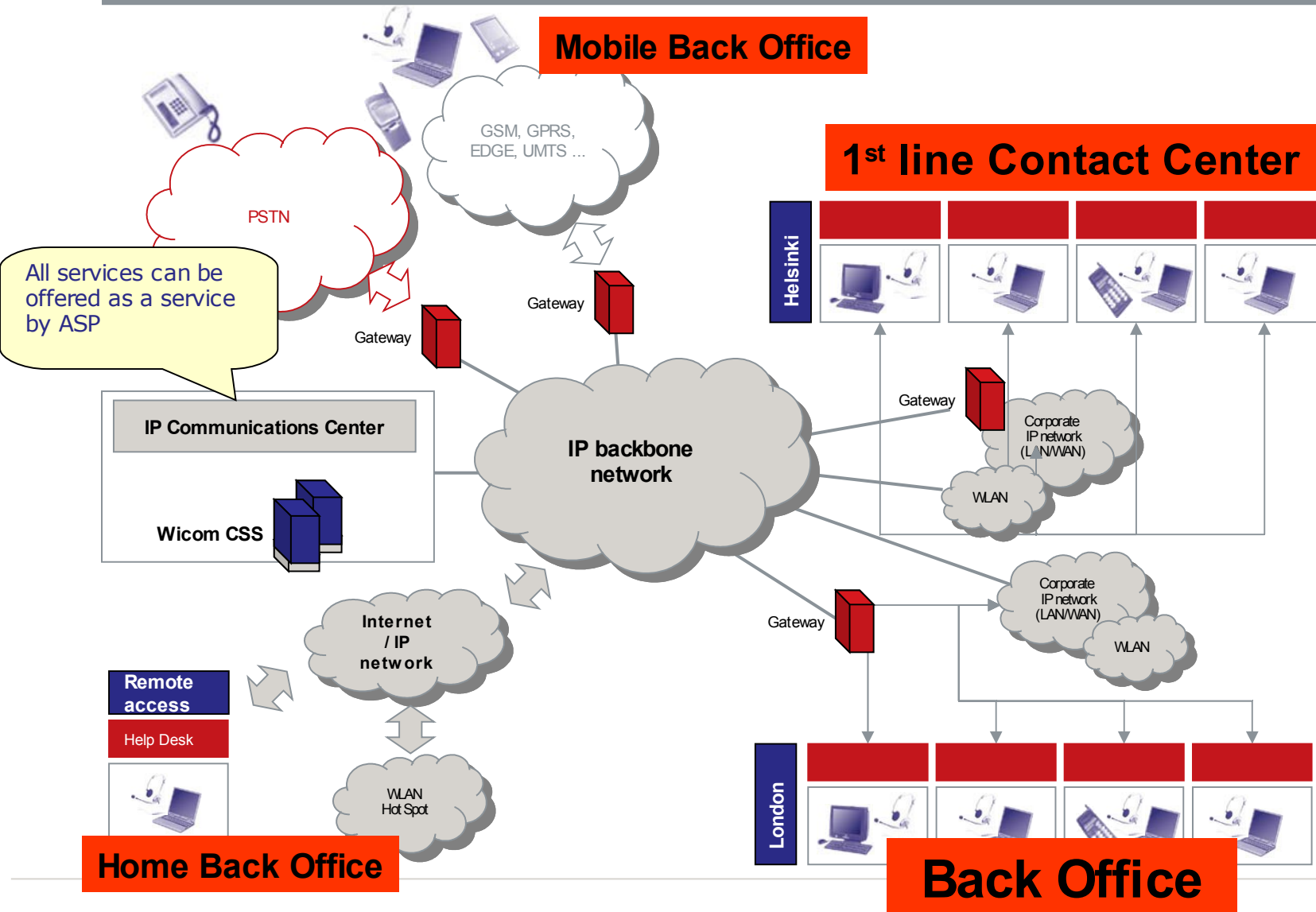


## Wicom Servers

- Contact center
- Mobile PBX
- Number management, single number concept
- Presence and other value added services for mobile phones
- Web Services interface to other IT systems

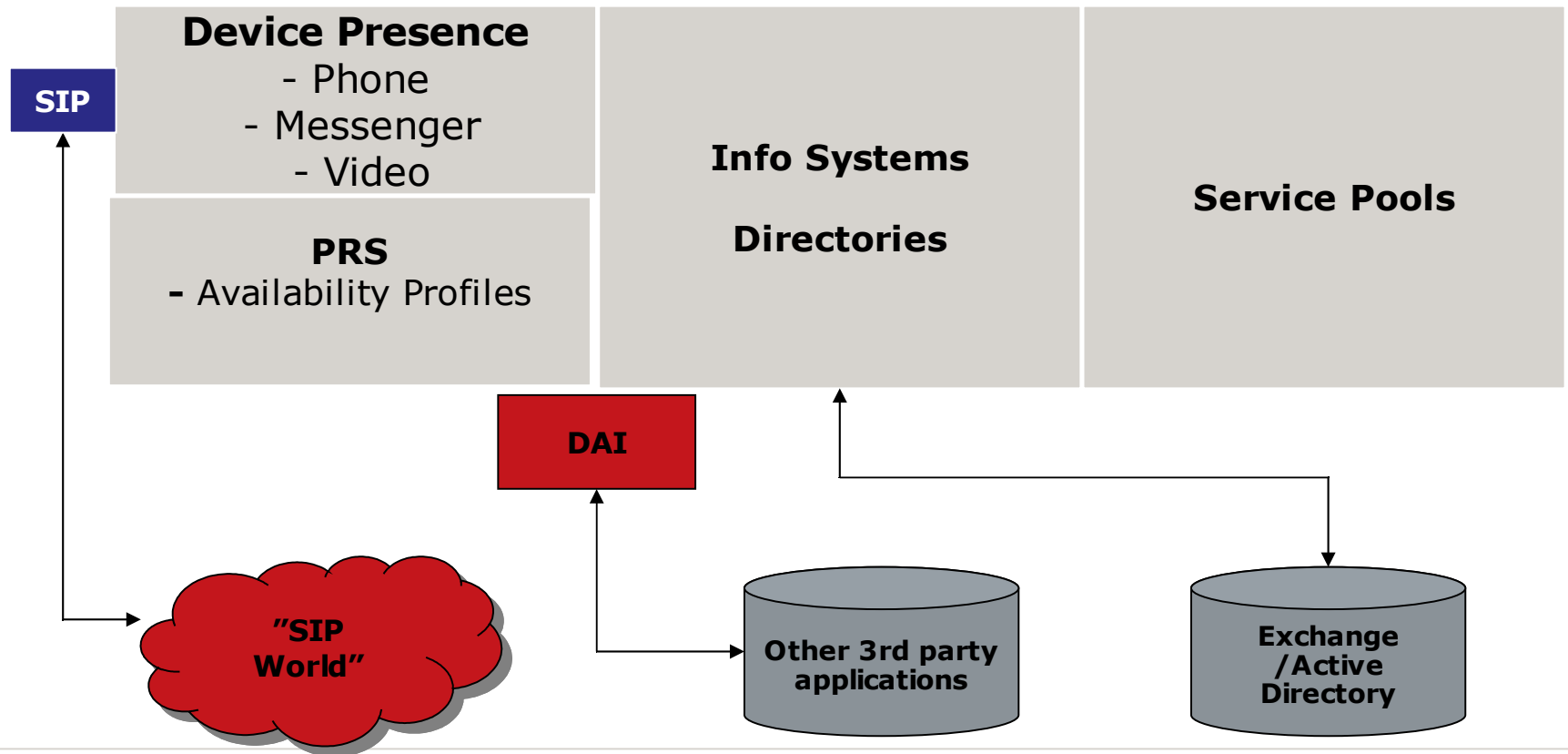
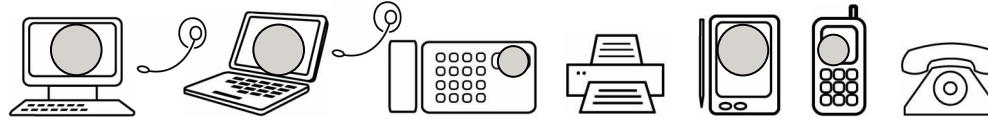
Service center or customer premises

# Virtual service architecture

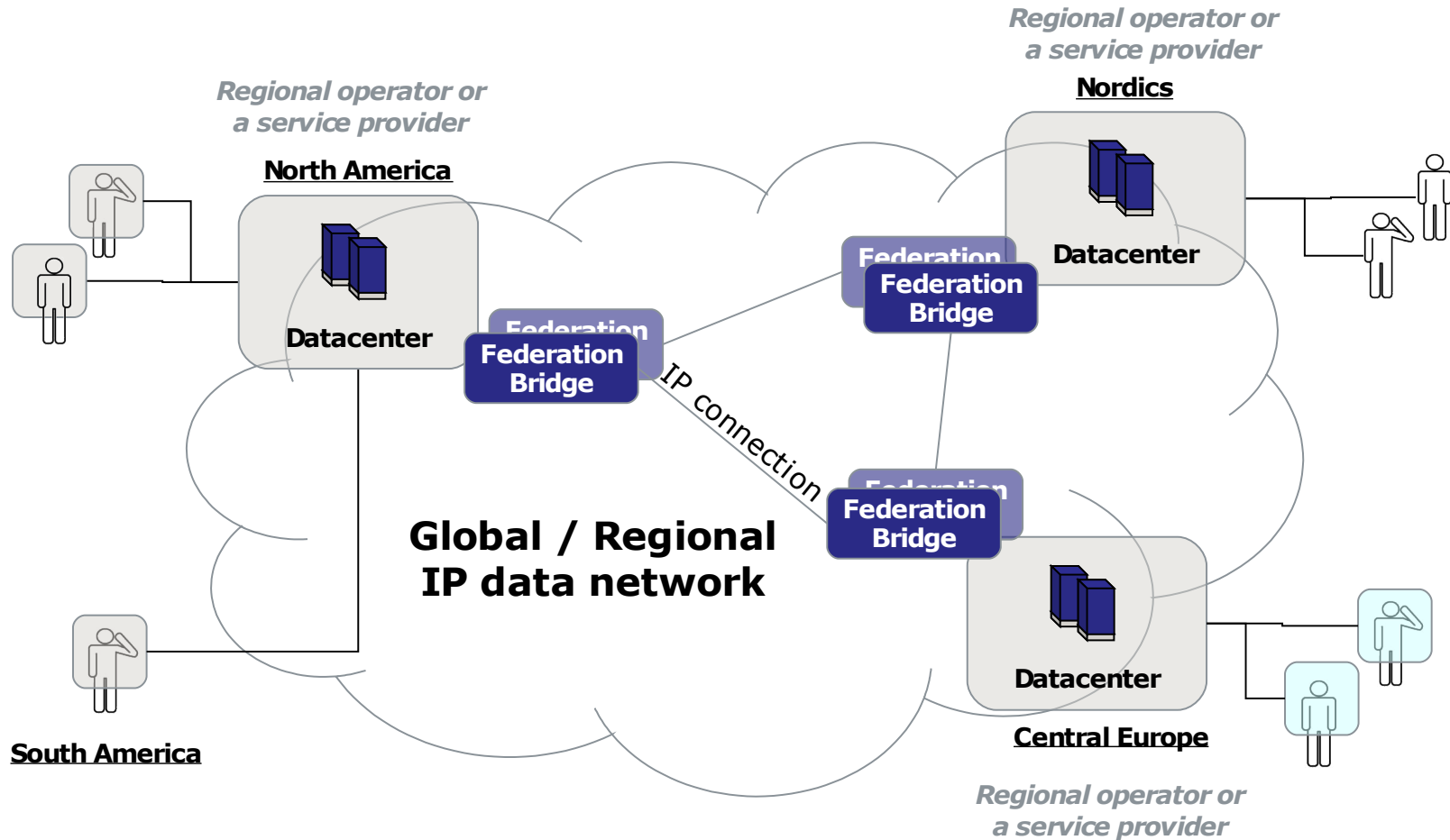


# Wicom Enterprise Availability

- Device presence is just one piece of availability



# IP communities based on Wicom CSS technology

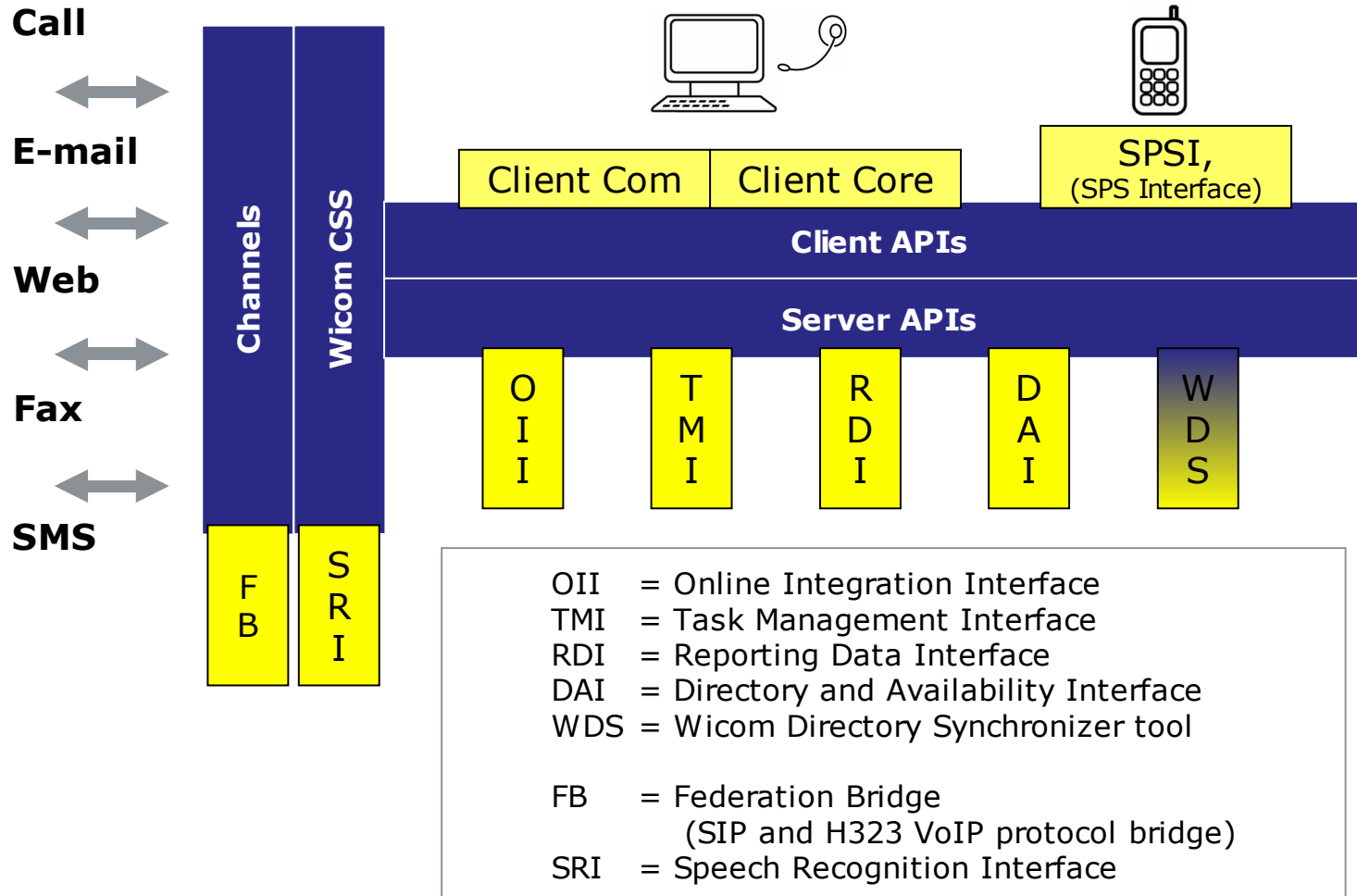


# Integration & Security



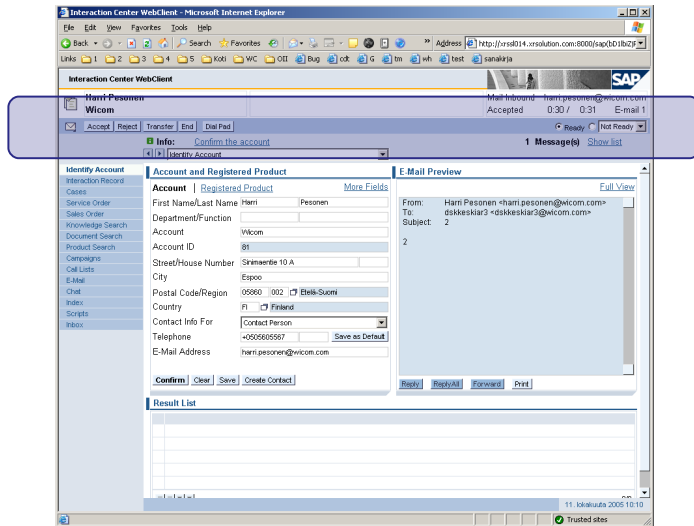
Voice is an application among other IT applications !!!

# Voice is not separate communications method, instead of PBX, utilize communication platform

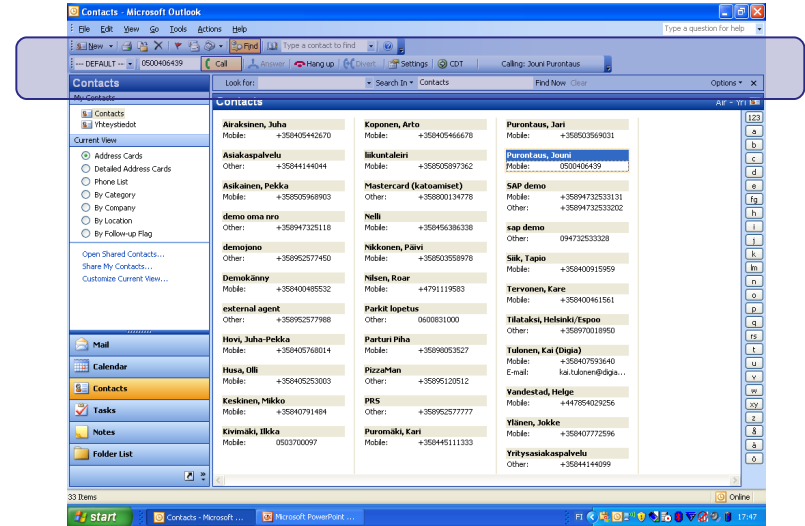


# Fluent embedding would not be possible without VoIP

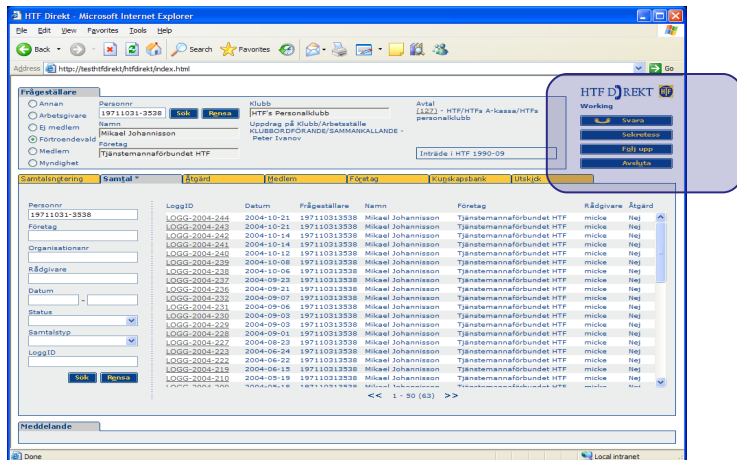
## Wicom client core embedding with SAP CRM



## with MS Outlook



## with proprietary intranet portal UI





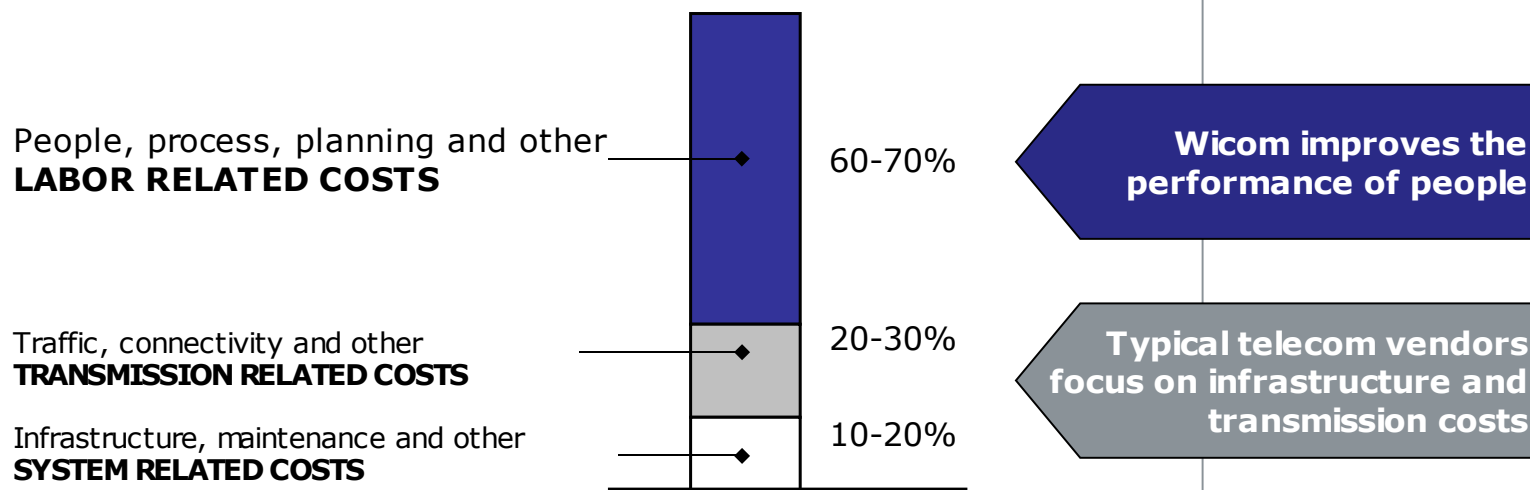
# How customers have utilized these?



Tangible business benefits achieved!

# The ultimate customer value is created by focusing on improving the performance of people

## Distribution of operational costs in communication related business process execution



# Luottokunta implemented a fully redundant customer service and telephony system for the entire staff

## The solution

Covers the entire staff of 200 people

Open 24 hours every day of the year

A fully redundant system

Integrated with Luottokunta's other IT systems

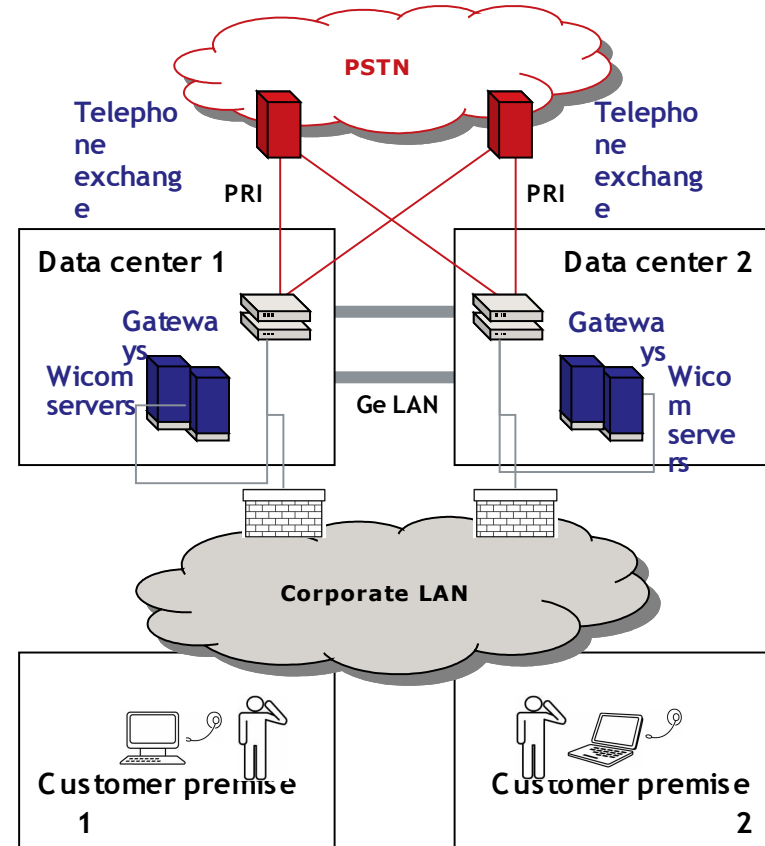
## Business benefits

Ensures the continuity of customer service even in critical situations

Enables contact center resources to be allocated more efficiently

Allows customer service professionals to focus on customers instead of managing the phone system

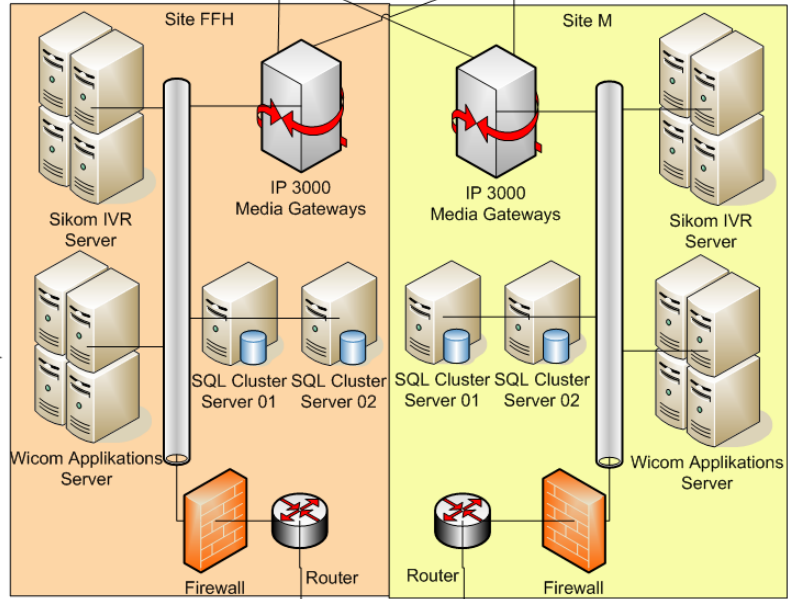
Integrates seamlessly with other systems while improving service reliability and simplifying reporting, work shift planning, and service delivery



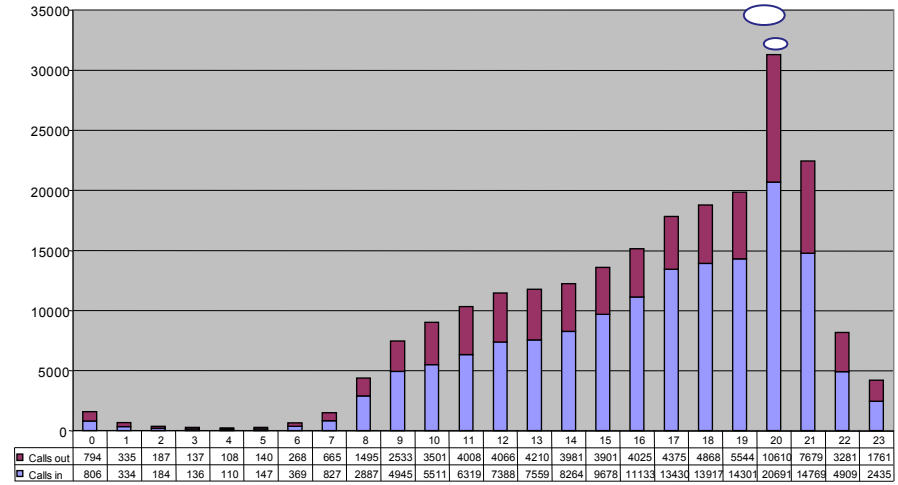
- One virtual call center
- 12 call center locations
- 14 data center locations
- 5 million call-minutes per month
- 2100 voice lines

Over 31.000 calls within an hour (avg. 8,7 calls/s)

End to End Solution



Call volumes 27.9.2005



Peaks with more than 31 000 calls / hour

520 Calls / min  
8,7 Calls / sec

# Sanoma Magazines utilizes effectively Wicom CSS

## centralized management with distributed



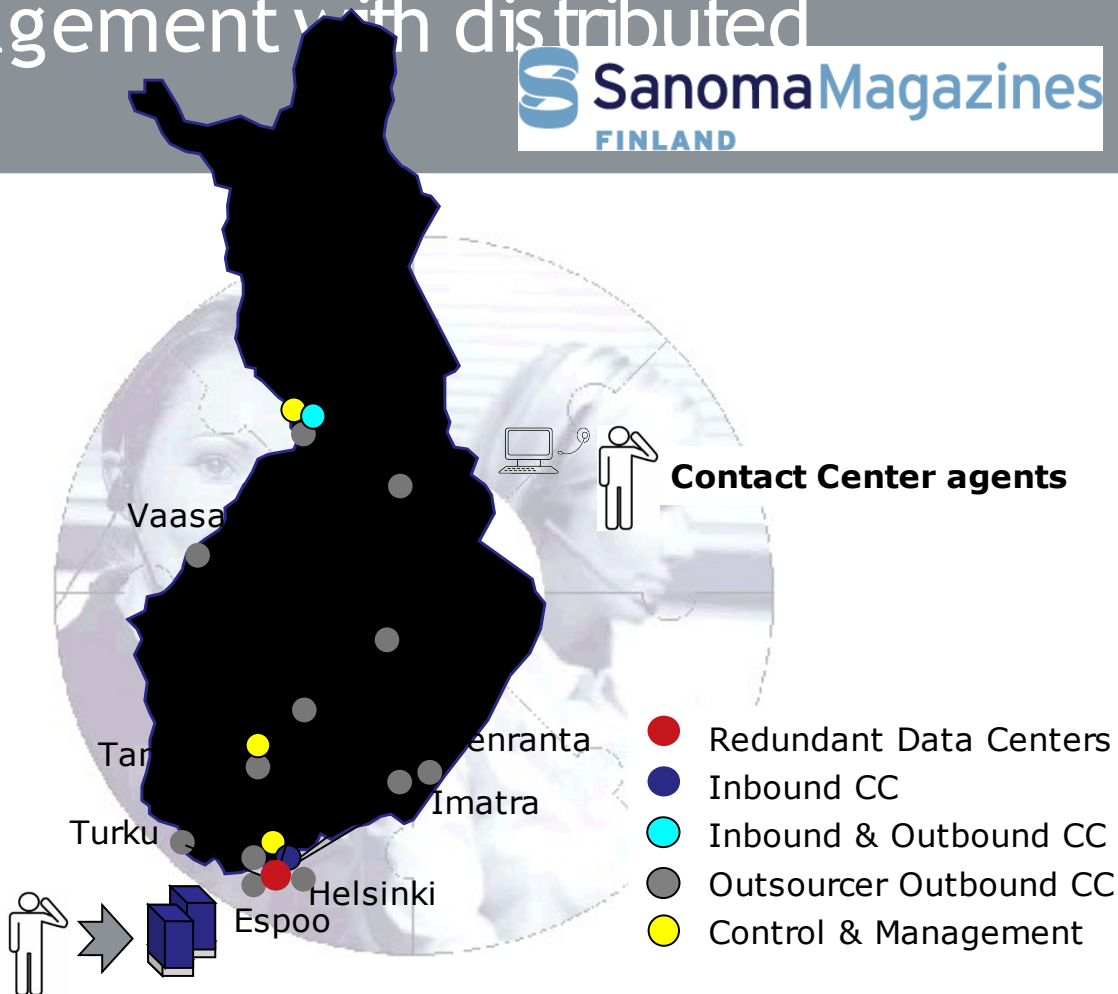
### Characteristics

Hosted solution, centrally administrated

3 locations handling own customer enquiries

>10 locations for outsourced outbound contact center operations

Monitoring, reporting and managerial control from any location



# VR-Group's\* virtual customer service team of 150 agents delivers centralized service from 15 ticket sales offices



## Characteristics

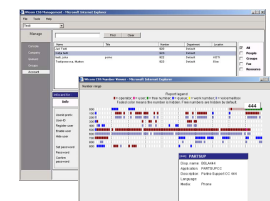
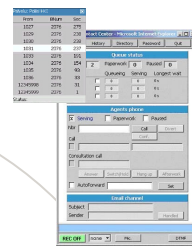
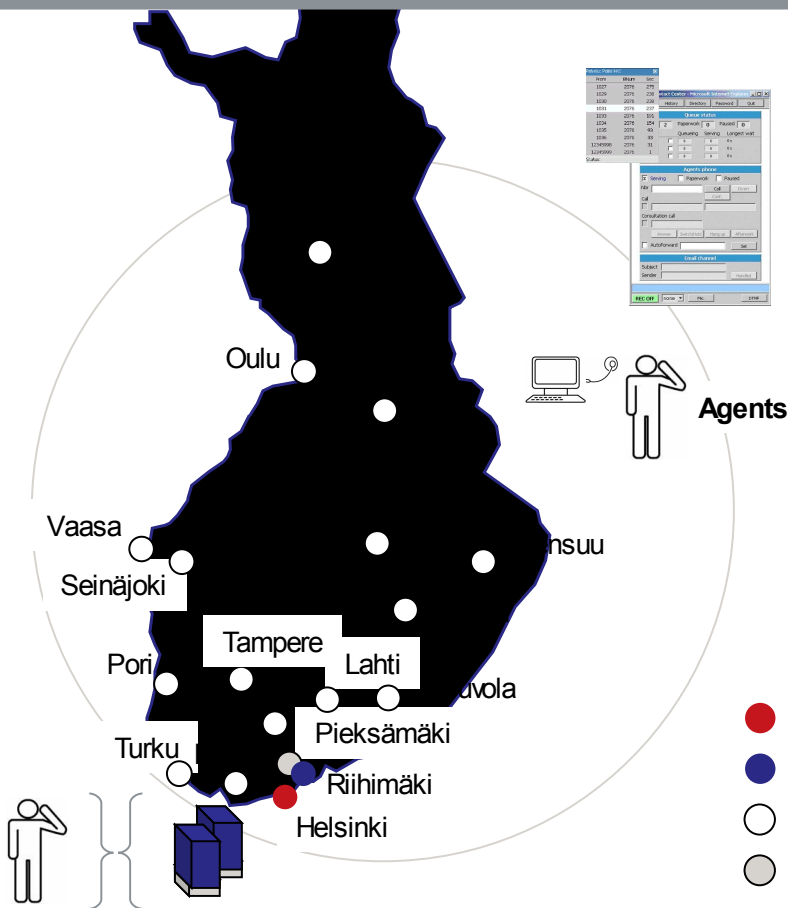
Hosted solution centrally managed and administrated in Helsinki

Virtual team responsible for customers calling the national service

Existing resources at 15 ticket sales offices and customer service center

Self directed team adjusts dynamically to peak hours

Customers

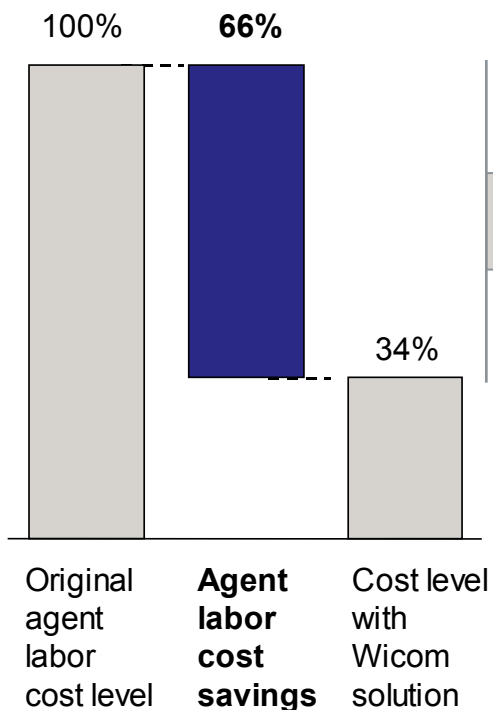


\* VR-Group = Finnish Railways

# Using a distributed Wicom IP Contact Center solution, VR-Group\* cut labor cost dramatically while increasing call response rates

## Labor cost savings

Share of total annual cost, percent

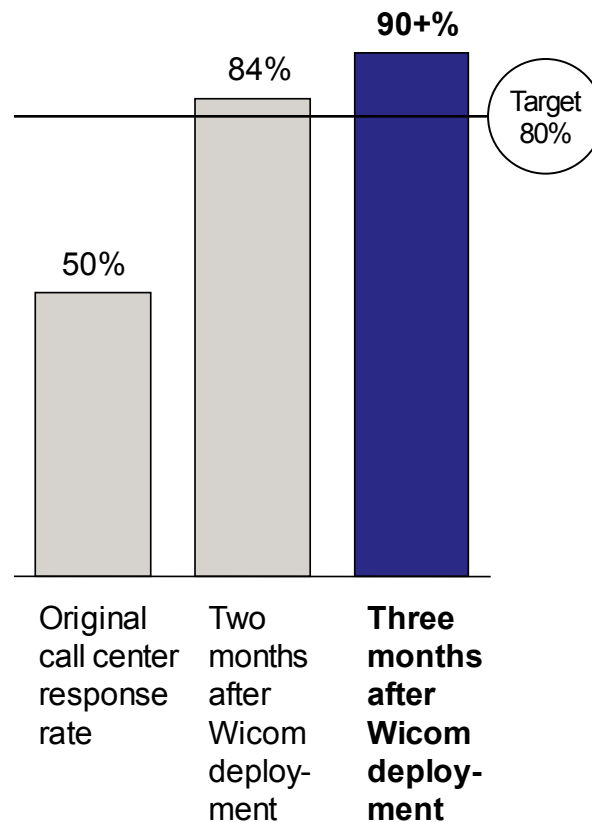


## Key drivers of savings

- Exploiting empty time between trains at remote stations
- Shorter response times due to improved routing
- Exploiting real time monitoring for capacity adjustments

## Call response rates

Share of calls answered, percent



\* VR-Group = Finnish Railways

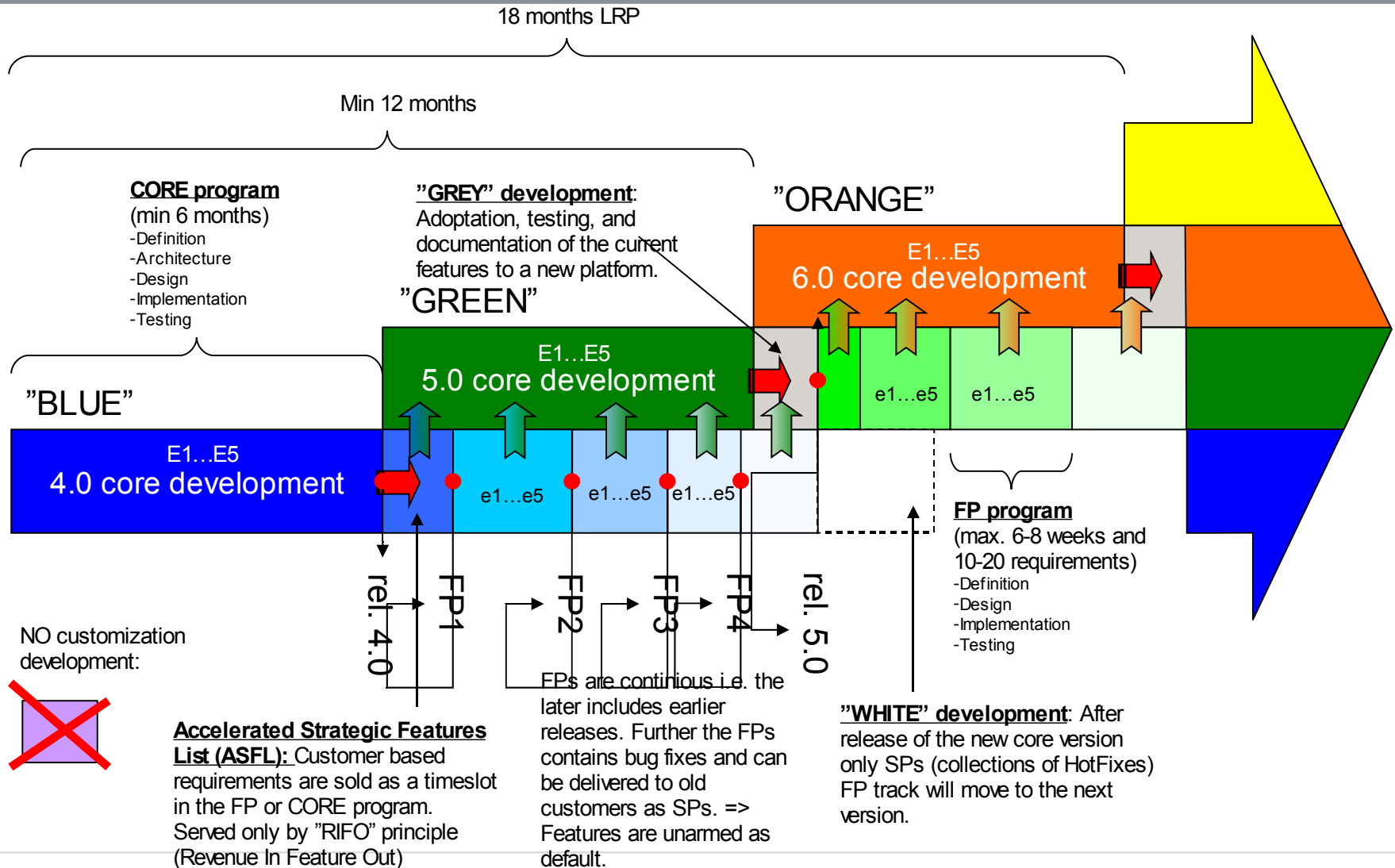
# The Quality !



“Standard” quality is not enough with VoIP solutions. Without software building processes there is no way to grow fast!



# Software development process enabling agility



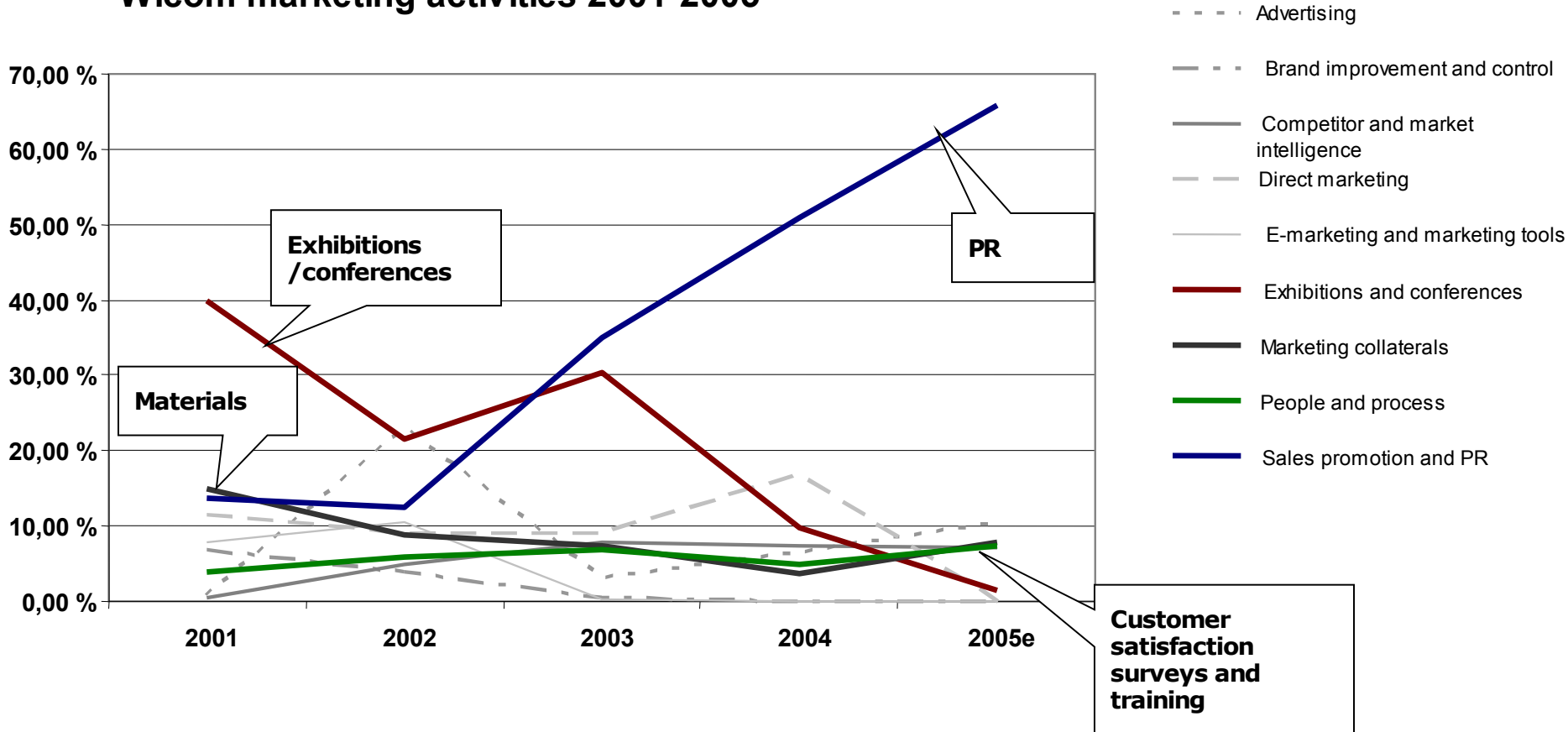
# How to get your message through?



Focus + PR !

# Focus on partners, attention with P R

## Wicom marketing activities 2001-2005



# If your message is strong enough you can change the world



Wicom have been telling this message to analysts for 5 years. Piece by piece they have adopted it !!

# Market overview according to Gartner Magic Quadrant for Corporate Telephony in North America 2006

telephony through the rest of this decade.

- 1** Enterprises should be **consolidating their telephony** to a common supplier, consistent with programs for e-mail, enterprise resource planning (ERP), customer relationship management and other business application software. An organization should focus on a telephony supplier that can support all of its geographic locations directly or through a network of systems integrators and value-added resellers.
- 2** Consolidation demands greater scalability among suppliers in telephony applications for defined as well as active users. Organizations should **favor platforms that can scale to meet the needs of all business users through a single management interface for lower total cost of ownership.**
- 3** With mobility on the increase in business, companies should **favor solutions that tightly integrate the needs of wireline and wireless users for voice.** While wireless operators could be expected to offer attractive solutions from the network, enterprise players that have the capability to meet mobile employee requirements should be considered.
- 4** **The integration of business processes with communications has traditionally been a niche application for customer services and call center environments. As communications-enabled business processes become more relevant, companies should favor solutions that support open standards and integration through Web services.**
- 5** Telephony is the most basic communications tool. However, with greater adoption of collaboration and integration with business processes, it becomes more of a strategic asset. Companies need to examine new models for providing telephony services to some or all of the enterprise, including **managed services and outsourcing.**

# Questions ?



What do you think?

THANK YOU FOR YOUR INTEREST !



Wicom Communications Ltd.

Jouni Purontaus

Tel: +358 9 525 77 121

Fax: +358 10 525 7721

Jouni.Purontaus@wicom.com

#### MORE INFORMATION

Please contact your local Wicom sales representative, authorized Wicom partner or visit us at [www.wicom.com](http://www.wicom.com).