

AVAYA

Recipient of the 2007 North American Frost & Sullivan
Award for Inbound Contact Routing Market Leadership



“Partnering with clients to create innovative growth strategies”

2007 North American Frost & Sullivan Award for Inbound Contact Routing Market Leadership

Award Description

The Frost & Sullivan Market Leadership Award is given to the company that has exhibited market share leadership through the implementation of market strategy. The recipient has displayed excellence in all areas of the market leadership process, including the identification of market challenges, drivers and restraints, as well as strategy development and methods of addressing these market dynamics. Furthermore, the Award recipient has continually demonstrated solutions for monitoring market changes and for implementing superior market strategies. By utilizing these strategies for success, the company has established itself as the market share leader in its respective industry.

Research Methodology

To choose the recipient of this Award, the analysts track competitor revenue and market share within the industry. This is achieved through interviews with all market participants and extensive secondary research of proprietary data sources. Finally, the competitors are compared and ranked for relative position. Frost & Sullivan then presents the Award to the company that received the number one industry rank.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used to ascertain final competitor ranking in this industry. The recipient has excelled by substantially increasing one or more of the following criteria:

- Market share
- Revenue growth rates
- Profitability
- Market and technology innovation

The Avaya logo is displayed in a bold, red, sans-serif font.

After enduring a ride full of bumps and dips during the economic downturn worthy of an amusement park, the contact center market has experienced a return to the positive growth trends that characterized the space for years. Growth, however, has been slow and vendors in the market are looking to new constituencies to drive new customer acquisition. This has played out in two main ways. Market participants have been crafting solutions designed to tap into underserved markets such as the small enterprise, smaller organizations within larger enterprises and even the small business market. Additionally, vendors have been sizing each other up as potential acquisition targets with the hope that non-organic growth will help jumpstart organic growth.

At the same time, rapidly increased adoption of IP within the contact center, a wholesale move towards a more holistic enterprise communications strategy and a more holistic approach to the various contact center technologies have begun to refashion the face of the industry. All of these factors have been key drivers for this market over the past several years and will continue to be significant drivers for at least the remainder of the decade. While vendors can find growth opportunities in these trends, that growth will be counter-balanced by the profound saturation within the large contact center segment.

On the product front, prospective contact center customers have entered a new phase in their planning strategies: they have begun to take a step back from the complicated web of overlapping technologies in order to gain a more rational view. Enterprises are now starting to see formerly distinct technologies

such as automatic call distributors, computer telephony integration toolkits, self-service technologies and even agent optimization technologies, as all part of one larger technology set. That amalgamation of technologies are responsible for automating the business processes of connecting customers who initiate contacts with agents, knowledge experts or branch employees, based on a coherent set of routing rules.

All of these changes are taking place with the backdrop of rapid acceptance of IP-based technologies. One of the vital factors for ensuring a high return on investment for customer IP migration is the consolidation of infrastructures for distributed enterprises, as well as the associated consolidation of applications, especially IVR and self-service. Acceptance of this idea by enterprises large and small has resulted in a simplified architecture that can very easily support changes and upgrades, as well as provide a centralized administrative view of all customer contact.

With much of the North American contact center market in a slow-growth/mature stage, the market is experiencing a higher degree of competition with industry participants rushing to capture greater market share. Although the high-end of the market—the large contact centers—is heavily saturated, substantial opportunities have opened up with smaller contact centers.

In 2006, despite all these factors and roadblocks to growth, Avaya still dominated the North American Inbound Contact Routing market. Although the ICR space is broader than just ACDs, this marks at least the sixth straight year that Avaya has led that market by a large margin. Through a combination of technology innovation, competitive strategy differentiation and global planning and reach, Avaya has remained atop this space.

But its position also makes Avaya the company to beat; recognizing that it cannot simply rest on its laurels, Avaya has continued to craft innovative marketing strategies, new product sets designed to tap into underserved markets and competitive displacement strategies that make it a force to be reckoned with in any consolidation or virtualization deal.

On the technology front, Avaya has expanded its capacities in its traditional call center offerings. Avaya's Call Center 4.0 release now supports 7,000 agents on a single server, up from 5,200. This single server approach provides important economies of scale and allows customers to reduce costs while gaining simpler, centralized administration.

The company has also begun to educate customers on the far-reaching capabilities of its Communications Enabled Business Processes solution. This offering helps customers smooth out the spikes and valleys of contact volumes; the contact routing engine can perceive events, such as spikes in inbound calls, and can automatically respond. The system can decide that the solution would be to utilize at home agents and automatically call those agents asking them to help handle the overflow. Because of its extreme flexibility to combine business systems and communications infrastructure, this solution will also help Avaya move the purchasing decision up the value chain and allow it garner a premium for its technology.

Avaya's Global Services group has been an industry leader in offering network readiness assessments designed to help protect existing customer investments while customers make the transition to IP-based environments. These assessments, along with Avaya's consulting teams that help with optimizing operational effectiveness and resource management, make Avaya a more valued partner to its customers.

Contact center customers of all sizes have begun to investigate the benefits of SIP in earnest. Avaya has crafted a compelling SIP-based product set, as well as effective marketing messaging to convey the benefits of the technology to prospective customers. In particular, Avaya has been extremely effective in explaining how implementing SIP helps improve first call resolution rates, because the presence information inherent in SIP means that experts are now just a mouse click away. The need for agents to transfer customers around the contact center or to escalate contacts is reduced. This message has special resonance with the resource-limited companies in the small and mid-sized enterprise market.

Avaya's outlook for the future remains extremely bright. The company's strength in the contact center space and the combined breadth and depth of its offerings give Avaya an advantage when looking to enter new markets. Avaya has made numerous enhancements as part of its strategy to provide "Intelligent Communications" in the contact center. These enhancements include enabling a new class of converged, interoperable applications (such as video and rich presence) on an end to end SIP architecture, as well as providing expanded SIP Voice Portal integration options, a move designed to lower the cost of superior self service. Many of the associated product releases tied to this strategy will be released throughout 2007, lining Avaya up for further growth in the years to come.

Most notable, Avaya has laid out its plans for the Avaya Customer Interaction Express, its comprehensive customer contact suite for mid-sized businesses. This all-in-one suite, designed specifically for 20-150 agent implementations, facilitates both multi-channel inbound and outbound customer interactions. This suite gives Avaya an excellent tool to counter growing competition from the likes of Cisco and Genesys, but more importantly, it allows the company to create relationships with smaller accounts that can eventually blossom into the large enterprises of tomorrow.

In the face of ever-escalating competition, including competitors from new markets, Avaya has maintained its strong lead in market share in the North American Inbound Contact Routing market and justly deserves the Market Leadership Award.



About Frost & Sullivan

Frost & Sullivan, a global growth consulting company founded in 1961, partners with clients to create value through innovative growth strategies. The foundation of this partnership approach is our Growth Partnership Services platform, whereby we provide industry research, marketing strategies, consulting and training to our clients to help grow their business. A key benefit that Frost & Sullivan brings to its clients is a global perspective on a broad range of industries, markets, technologies, econometrics, and demographics. With a client list that includes Global 1000 companies, emerging companies, as well as the investment community, Frost & Sullivan has evolved into one of the premier growth consulting companies in the world.

Frost & Sullivan • Stacie Jones
+1 210.247.2496 • stacie.jones@frost.com
www.awards.frost.com

Avaya • Jane Biba
+1 908.953.5549 • jbiba@avaya.com
www.avaya.com