

# Avaya IQ: Making the Business Case for Intelligent Contact Center Reporting

How contact center reporting and analytics can deliver a rapid return on investment

Contact centers are under increasing pressure to lower technology costs and increase the return on every investment. Avaya IQ helps you achieve these goals. This next-generation reporting and analytics platform gives you the information you need – from the big picture down to the precise details – to maximize revenue and reduce costs. But how does information translate into quantifiable economic gain?

That question is answered by analyzing where and how Avaya IQ makes contact centers more effective. What are the sales benefits of getting calls to the right agent? What are the cost savings from accurately identifying, modifying and rewarding agent behavior? Is time spent in self-service reducing agent talk time? With actionable analytics, Avaya IQ answers questions like these so you can optimize your contact center operations, decrease costs, and increase revenues.

## Section 1: What Is Avaya IQ?

Avaya IQ is a reporting and analytics platform that helps companies share one view of reality, to make faster, better decisions and create a consistent customer experience.

Customers and analysts have acknowledged Avaya Call Management System (CMS) as the gold standard for contact center reporting. Customers asked Avaya to provide the next step in the evolutionary path of reporting, and the answer is Avaya IQ.

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## Table of Contents

- Section 1: Section 1: What Is Avaya IQ?** .....1
- Section 2: Quantifiable Benefits of Avaya IQ** .....2
- Section 3: Cost Savings with Avaya IQ**..4
- Section 4: Creating the Business Case for Avaya IQ**.....5
- Section 5: Example cases**.....6
- Section 6: Next Steps** .....8
- Section 7: Learn More**.....8

Avaya IQ is the cornerstone for embedding intelligent communications in the enterprise. It is rich in features that ensure that it will adapt to the future. Its extensible data model makes it ready to evolve with the needs of the business – in the contact center and beyond.

## Section 2: Quantifiable Benefits of Avaya IQ

Decisions require information, and that means having the right data readily available. With conventional contact center reporting, essential data can be discarded, obscured, or not gathered at all. Avaya IQ is different. It preserves the full detail of every interaction, and analyzes it for you.

With Avaya IQ you can save time, make agents more productive, increase revenue and arrive at better decisions faster. Each of these contributes to the value of Avaya IQ to your organization.

### Increased revenues

If contact center managers could make one improvement to drive up revenue, for most it would be an improvement that matches the right contact to the right resource. Transfers and callbacks lessen the likelihood of a sale. Customers expect the first agent they reach to be knowledgeable in one area – the one the customer is calling about. When that expectation is fulfilled, close rates increase and revenue per sale rises.

Avaya IQ analyzes patterns in your contact center so you can take steps to improve the matching of your right resources to needs. You can avoid the cost of not fulfilling expectations – the cost of callbacks, transfers, and lost momentum on sales calls. And you gain the benefits of having customers who are happy with the ease and speed of their transactions.

### Savings on labor

Improving the match rate also raises profitability per sale. A key metric is first call resolution, which saves on the labor costs associated with each contact. A detailed understanding of talk times and after-call activities, together with first call resolution, helps managers make changes that reduce labor costs.

Avaya IQ delivers the information you need to achieve higher rates of first call resolution. The result is less cost per contact and, in a sales center that means more profit per sale.

As you look for ways to use self-service to offload agents from routine inquiries, Avaya IQ can help you understand the effectiveness of your self-service menus. Armed with this intelligence, you can fine-tune your self-service and reduce overall agent talk time and labor costs.

### Quality and efficiency improvements

There is no silver bullet for increasing quality and efficiency in a contact center. It happens through a series of carefully orchestrated improvements.

Contact center reporting previously lacked the ability to identify the needed improvements and verify that they work together to improve quality and efficiency.

Avaya IQ gives you insight into the total customer experience. From connect to disconnect, Avaya IQ tracks every move. Its reports can be integrated with call recording and revenue accounting systems. That means you can isolate unwanted practices that lead to complaints, write-offs and lost customers.

Not only can you identify where agents can improve, you can see which customers were adversely affected or put at risk through a bad experience. You can contact those customers and make amends, proactively.

### **Maximized agent occupancy**

Agent occupancy is a fundamental metric for contact center efficiency. Improving occupancy reduces staffing costs and improves the responsiveness of your contact center. Avaya IQ reports in detail on how agents spend their time, finding low-occupancy situations and identifying areas for improvement.

Conventional contact center reporting systems tend to skew overall occupancy data when agents spend part of their logged-in time on outbound calls. Their outbound occupancy is largely dependent on the proactive contact technology, whereas the primary variable for inbound occupancy is staffing. Avaya IQ's blended agent reports can analyze the occupancy levels of agents who are taking inbound and outbound contacts.

Avaya IQ is an enterprise-wide reporting platform. It expands your reporting vision beyond contact center silos, to help you improve agent occupancy across the organization. For example, instead of staffing up for increased volume, you might be able to use idle staff in your other contact centers, at less cost. Avaya IQ's reports help you make the most of your call-handling technologies with effective multi-site strategies.

### **Improved agent retention**

You want to keep your top-performing agents, of course. They have been the most costly to develop, and are the least costly to manage. They are one of your best investments.

When bad behaviors go unchecked in the contact center, agents know that an unfair proportion of work lands on those who are adhering to the rules. The best agents are often the first to leave, perhaps because your competition is glad to hire them. That leaves you with those agents whose behaviors are problematic.

Avaya IQ's agent behavior reporting and full-time traces can spot unwanted behavior patterns and help you to address them quickly. Some behaviors will "fix themselves" when agents are aware that you can observe their behaviors any time. Others can be corrected – or removed – with the help of factual data from Avaya IQ. The best agents know that you are monitoring all agents equally and acting on the information.

### **Reduced administration time**

Avaya IQ reduces administrative support time by eliminating the redundant work of making agent administration entries in two places.

Avaya IQ connects directly to the Avaya Aura® Communication Manager for dictionary updates. Changes made on the Communication Manager transfer directly to Avaya IQ, eliminating the need to synchronize them manually. The minutes saved are not as important as avoiding errors that occur when systems get out of sync. The larger your staff and the higher your contact center's turnover rate, the greater the benefit of this feature.

With Avaya IQ's comprehensive reports and ability to import data, you will also avoid the time and expense of using a standalone reporting application. Instead of spending time consolidating data and tweaking Crystal Reports, you can apply your efforts to more strategic issues.

### **Less supervisor effort**

Agent behavior reports are a valuable feature of Avaya IQ, not only because they help supervisors avoid the damage done by unchecked problems. Avaya IQ's reports save hours of supervisor time in setting up an agent trace and following through to evaluate the detail.

With Avaya IQ all agent and caller activities are traced, all the time. Abnormal conditions are highlighted in agent behavior reports that come packaged with Avaya IQ. Supervisors can spot problems quickly and take immediate action, with concrete evidence in hand. They can also reinforce positive role models with specific examples.

## **Section 3: Cost Savings with Avaya IQ**

### **Costs avoided by replacing the current reporting system**

When comparing Avaya IQ with the status quo, consider the current costs that will be reduced or avoided.

**Upgrades** – Your current system for contact center reporting involves recurring costs associated with every upgrade. Almost all software is upgraded from time to time, so the financial comparison here should be between the anticipated cost of upgrading the current system (based in part on historical costs) and the projected cost of upgrading Avaya IQ, for a specific number of years. If you have multiple reporting systems today, be sure to evaluate the possibility of consolidating them all into one Avaya IQ system.

**Maintenance** – Likewise, software and system maintenance probably are not altogether avoidable costs. The maintenance expenses you incur for your current system will be replaced with maintenance costs for Avaya IQ.

**Security** – Avaya IQ links to your Corporate Identity Management System, so it will adhere to your security standards without costly programming at each upgrade.

**Customizations** – You may have customized your current reporting system to achieve some of the capabilities you will find in Avaya IQ. Many customizations have a recurring cost with every software upgrade. But you can avoid those recurring costs, when you find that the capabilities and views are inherent in Avaya IQ. It's likely that many of your customized views will become unnecessary with Avaya IQ.

**Limitations** – Restrictions in your current reporting system may have caused you to buy multiple licenses, manage separate platforms, and juggle reports to get the big picture.

Avaya IQ's high capacities provide the scalability you need to consolidate multiple reporting platforms into one – so you have fewer headaches. You buy one license (and get the commensurate volume pricing advantages), and manage fewer reporting platforms. Plus you get consolidated reports that give you the big picture without having to piece it together from multiple systems.

### **Reduced risk with phased implementation**

During the transition you can begin running Avaya IQ side-by-side with your existing Avaya Call Management System, in almost all possible configurations. Perhaps difficult to quantify, there is nonetheless an advantage to the measured pace of transition made possible by parallel operation.

### **Comparing Avaya IQ to alternative systems**

If you compare Avaya IQ to other replacement alternatives, you will calculate the ROI for each. Those calculations should include the appropriate hardware investments and IT costs. Avaya IQ offers advantages over alternatives that require specific hardware or client software.

The Avaya IQ supervisor desktop software is Web based. This thin-client approach requires only a Web browser, so no client software need be installed or maintained for each user. (This has the additional advantage of lowering the cost of granting more users access to the power of Avaya IQ.)

Avaya offers an option for customer-sourced hardware for Avaya IQ. The software-only option gives you the freedom to choose the path that makes sense for your company. You can acquire your own hardware platform, or go with a turnkey system including a server and database.

### **“Soft” Benefits of Avaya IQ**

Certain benefits of Avaya IQ cannot easily be quantified. Now that you have better data, how might it be advantageous? With the analytics in Avaya IQ, what problems will you be able to prevent from developing in the first place? With comprehensive reporting, what other business issues will benefit from your time and attention?

For example, Avaya IQ enables you to import data from multiple sources, so you can analyze the correlation between contact center activities and business performance. It is easier to make important connections, such as whether or not your investments in training are having an effect on revenues. You have consistent reports that give you a single view of your whole contact center, so you can make connections between inbound and outbound effectiveness.

## **Section 4: Creating the Business Case for Avaya IQ**

### **Assumptions**

Many of the sources of financial return are described in the preceding pages of this paper. You also will want to consider a few additional assumptions in your business case.

One such assumption is how you will switch to Avaya IQ from your current system. Ramping up or phasing in a new system delivers its benefits gradually. The full advantage is not achieved at the outset, but the workload and transition headaches are reduced with a phased implementation.

Another assumption is the level of confidence you express in each of the benefits. For example, if you base your calculation on an increase in first call resolution of 20 percent, you might then apply a confidence factor – for example, if you believe there is a 7 in 10 probability that you will achieve the increase, you would use 14 percent instead of 20 percent in your calculation.

## Section 5: Example case

Thus far we have discussed the many ways in which a company that uses Avaya IQ could see a significant return on their investment. How much return? The scenarios that follow are based on the example case of a fictitious enterprise, the Beachcomber Basket Company.

### Revenue gain

Beachcomber Basket's business is booming. The contact center has 250 sales agents handling 3 million calls per year. Of those calls, 20% result in sales of the company's custom gift baskets. The average gift basket order is \$50, and the gross profit margin is 30%.

The company implements Avaya IQ to maximize the revenue opportunity for each call. The Avaya IQ solution integrates sales results from SAP or other systems, enabling a supervisor to analyze which agents most effectively handle certain types of sales calls.

When the supervisor uses this information to improve contact routing, the close rate increased by 1 percentage point (resulting in a 21% close rate instead of 20%), and revenues went up by \$450,000.

#### Before Avaya IQ:

- 3,000,000 calls X 20% close rate= 600,000 baskets
- 600,000 baskets X \$50 average order= \$30,000,000
- Margin (30%) = \$9,000,000

#### With Avaya IQ:

- 3,000,000 calls X 21% close rate= 630,000 baskets
- 630,000 baskets X \$50 average order= \$31,500,000
- Margin (30%) = \$9,450,000

**Bottom line:** a \$450,000 gain in revenues through improved analytics and reporting with Avaya IQ.

## Customer rescue

Beachcomber Basket has 500,000 customers. The average annual value of each customer is \$100. Historically 8% of customers are lost annually due to some sort of poor customer experience. This attrition adds up to 40,000 customers worth \$4,000,000 in annual revenues to Beachcomber Basket.

Avaya IQ's detailed reporting shows which customers were transferred excessively, put on hold for an extended time, were disconnected, or placed many calls in a short time, indicating an unresolved problem.

Beachcomber Basket is able to reach out to those customers who had a bad experience, acknowledge the problem, and offer an apology. Through this simple practice the company rescues 1% of the customers who would otherwise have defected.

### Before Avaya IQ:

- 500,000 customers X defection rate of 8% = 40,000 lost customers
- Losing 40,000 customers means losing revenues of \$4,000,000

### With Avaya IQ:

- Of the 40,000 that would leave, Beachcomber can save one in eight, or 5,000 customers
- 5,000 customers saved X \$100 revenue = \$500,000 revenue rescued annually

**Bottom line:** A \$500,000 improvement in revenue from rescued customers -- a \$150,000 bottom-line increase based on a 30% margin.

## Lower personnel costs

Productive agents are leaving Beachcomber Basket because they feel they handle too much of the workload. Supervisors are unable to easily identify poor agent behaviors, such as dumping calls or hanging up on callers.

The agent attrition rate is 40%. The cost to recruit and train each agent is \$6,500, and it takes 16 weeks for a new hire to become a seasoned agent.

With its detailed reporting, Avaya IQ can quickly identify poor behaviors. Supervisors can work with those agents to rectify the issues or else weed out the poor performers, thus improving morale among productive agents. Beachcomber's attrition rate drops by 4 percentage points – 36% instead of 40%.

### Before Avaya IQ:

- 250 agents X 40% attrition = 100 lost agents
- 100 agents X \$6,500 cost to recruit and train = \$ 650,000 personnel cost

**With Avaya IQ:**

- 250 agents X 36% attrition = 90 lost agents
- 90 agents X \$6,500 cost to recruit and train = \$585,000 personnel cost

**Bottom line:** Annual savings of \$65,000 in lower recruitment and training costs for replacement agents.

## Section 6: Next Steps

Now that you have explored the many ways Avaya IQ can deliver a measurable return on investment, it's time to find out just how much return is likely for your business. Fortunately, you will not have to calculate your own ROI for Avaya IQ. Your Avaya Business Partner or Client Executive can do it for you, using an ROI computation tool developed by Avaya for just this purpose.

## Section 7: Learn More

For more information on the measurable return on investment possible from Avaya IQ, contact your Avaya Client Executive or Authorized Avaya BusinessPartner, or visit us at [www.avaya.com](http://www.avaya.com).

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## About Avaya

Avaya is a global leader in enterprise communications systems. The company provides unified communications, contact centers, and related services directly and through its channel partners to leading businesses and organizations around the world. Enterprises of all sizes depend on Avaya for state-of-the-art communications that improve efficiency, collaboration, customer service and competitiveness. For more information please visit [www.avaya.com](http://www.avaya.com).



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