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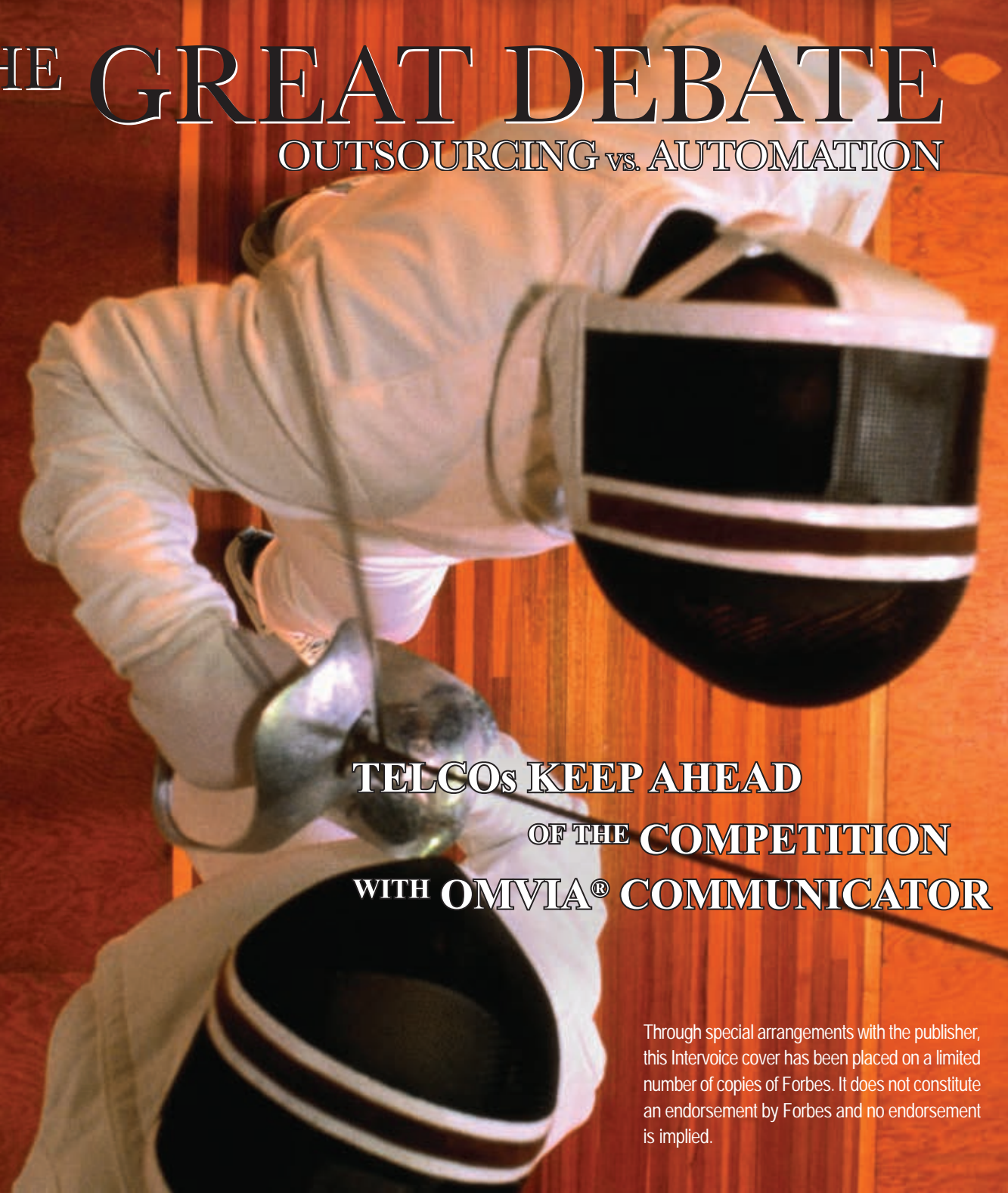
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# Forbes

## THE GREAT DEBATE OUTSOURCING vs. AUTOMATION



**TELCOs KEEP AHEAD  
OF THE COMPETITION  
WITH OMVIA® COMMUNICATOR**

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# THE GREAT DEBATE

The deliberation over offshoring is a contentious topic – causing rise to today's high profile public debate among politicians and business leaders. Yet while voices of deliberation rattle in the chambers of government and in boardrooms across the country, there are those astute business leaders who will continue to find ways to build innovative companies that incorporate cost-effective processes which benefit their organizations, employees and customers.

One enterprise function significantly impacted by the offshoring movement is the contact center. The contact center plays an important strategic role for organizations because customer service agents are often the first customer touch point for a company. Contact centers operate in highly competitive markets, and like other business units within an organization they're under pressure to reduce costs while continuing to meet and exceed customer expectations for service. One way contact centers are attempting to preserve service levels is by maintaining a large staff of service agents. To reduce the impact of this approach on operational costs (labor can make up 70 percent or more of a call center budget), many of these organizations have chosen to employ agents in nations with low labor costs, such as India.

The result of this strategy is cause for the debate. According to a recent report by Datamonitor, some 3,000 U.S. call centers will close by 2008. As most could surmise, this means a decline in headcount – significant losses in numbers of customer service agents will be seen in the financial services, retail, communications, technology, travel and tourism industries. These actions lend credibility to fears over mounting job losses to less costly offshore destinations. However, not all these losses are a result of offshore competition. Federal statutes, like the do-not-call list, have also negatively affected outbound customer acquisition campaigns, and self-service technology has, to some degree, reduced the demand for entry-level call center agents.

Despite the controversy, offshoring still appears to be a compelling solution for call center managers. Yet, increasing numbers of customer complaints and media scrutiny has forced firms that once embraced offshoring to

re-evaluate their decision. Most organizations do not believe it's appropriate to offshore their call centers, and those which choose to do so, see it as a short-term solution. Since the quality of customer service is so fundamental in today's competitive environment, many companies aren't willing to lessen control of their customer service operations, or deal with the negative perception associated with offshoring customer service.

The pressure to cut costs while increasing customer satisfaction remains for those organizations which choose to maintain control of their customer service operations; but many are discovering that technological advances in voice automation allow them to provide consistently high levels of service for complex transactions, while increasing customer satisfaction and reducing costs. As a result, voice automation is being used in a number of industries to:

- Eliminate long queues for routine inquiries
- Allow in-country agents to be used for more interesting and rewarding tasks, such as up-sell and cross-sell – increasing agent satisfaction and reducing agent turnover
- Improve the response time for inquiries during peak periods
- Improve branding and marketing opportunities

"Customers want their calls answered as soon as possible and they want a quick resolution to their inquiry," says Bob Ritchey, president, Intervoice, Inc. "With voice automation, customers experience human-like interaction; they learn quickly how to obtain information via self-service technology; and when accustomed to the technology, we've learned that they often prefer it over waiting for the same services to be delivered by live agents. The technology frees up agents to spend more time resolving complex customer issues resulting in more responsive, qualified customer service and a decrease in operating costs. There's a greater likelihood that an organization will keep its call center stateside when it improves the customer experience through voice automation."



Call center managers believe voice automation is a better long-term solution than offshoring. Datamonitor reports that large call centers that invest in voice automation technology realize savings with even small gains in operating efficiencies. A Harris Interactive survey found that organizations that used voice systems achieved increased satisfaction levels and that a high percentage of repeat users were driving greater efficiencies. The survey also showed that 75% of respondents thought voice automation technology was convenient and easily accessible; 61% of respondents were highly satisfied with their most recent encounter and would opt to use the technology again.

One of the largest wireless service providers in the U.S. deployed an Intervoice self-service solution which measurably improved ARPU, reduced customer turnover and lowered costs. As part of this comprehensive customer relationship management initiative, the wireless provider, already recognized as an industry leader in proving quality customer service, expects to further improve customer satisfaction, reduce call-handling costs and achieve market differentiation.

The debate regarding offshoring is not going to diminish. However, companies keen for a long term solution to customer service management have realized that voice automation offers many of the same benefits as offshoring, and often more. The technology has matured into a proven alternative that rewards the best agents and provides the level of service demanded by customers, all at a cost that keeps business leaders one step of the competition and away from the debate.

intervoice

Mobile device users are everywhere and their skills are increasing as they become savvier about the tools they tote around in their purses and pockets. The busiest subscribers are always seeking more practicality and more control over their communications – they want services that are useful, effective and responsive to their changing needs. For many network operators, it's a challenge to keep up with subscriber demand for newer, improved, more intuitive and faster services.

Improving usability, service variety, personalization and responsiveness are keys to reducing subscriber churn for network operators. They want to meet customer expectations with the implementation of new functionality in days or weeks, rather than months, while not incurring huge investment costs or disrupting service. Additionally, it's important for them to increase Average Revenue Per Unit (ARPU) and encourage subscriber loyalty. To achieve that elusive ARPU, network operators must stimulate network use of revenue-generating activities. They have to find ways to resist discount pressure by delivering incremental value, and they must leverage their recent investments in infrastructure. The best way to meet business needs, and ultimately customer needs, is for network operators to implement voice and multimedia content in such a way that it's faster and easier for them to tailor unique services that boost usage and stimulate subscriber loyalty. "Intervoice has something tangible to

**Speech Technology Magazine recognized Intervoice as the Best Voice Platform/Carrier at SpeechTEK 2004. With the world's largest installed base and more than 23,000 systems deployed worldwide, Intervoice offers a flexible, scalable platform, a powerful development environment and comprehensive professional services and support that generate immediate subscriber uptake and accelerated ROI while controlling capital and operational expenditures.**

offer network operators and it is backed by industry analysts," says Ron Neiman, senior vice president and general manager, Intervoice. "Our completeness of vision and ability to execute outshines our competition. We offer a true next generation, open platform product –

distinct and innovative services that can be combined and packaged for different market segments, and further customized to meet individual user needs. Through this exciting new approach, new services can be quickly deployed and efficiently provisioned and billed.

## TELCOs KEEP AHEAD OF THE COMPETITION WITH OMVIA® COMMUNICATOR

Omvia® Communicator, which provides new revenue generating features, low cost of ownership and strong service differentiation."

Intervoice Omvia Communicator is a new open systems messaging solution that addresses the needs of network operators deploying new services in 2.5G and 3G mobile markets. Omvia Communicator provides a number of

A few examples of the high-demand, revenue-generating messaging features of Omvia Communicator includes classic capabilities like call answering and message notification. New multimedia capabilities allow subscribers to personalize their services with utilities such as celebrity greetings, ring tones, a voice mailbox persona, and more. Omvia Communicator meets the varying needs of the mobile market from lifestyle users (individuals that want information like weather, sports, and movie times) to mobile professionals.

As people continue to test the technology around them in the mobile marketplace, it's important for network providers to seize the opportunity to meet the demands of the many sectors that have evolved, understanding that the mobile professional wants something different than the lifestyle user. Regardless of the type of user, there is a great premium on timeliness to market – the first network operator to meet the real needs of an emerging market segment will enjoy market leadership and a better ARPU. With Intervoice, network operators will have the tools and services they need to beat the competition.

