

## St. Louis Avaya IP Office User's Group Handout

6/12/13

### ["IVR Can Save Your Budget: The Compelling ROI for Certain Business Models"](#)

#### IVR Background:

- IVR (Interactive Voice Response) has evolved since it was introduced in the 1970's
- Originally developed by Bell Labs in the late 1930's, IVR was still a complicated and expensive technology until the development of CTI (Computer Telephony Integration) in the late 1990's, used primarily by Call Centers.
- Since that time the use of IVR has crossed many barriers from vertical industry relevance, to company culture. Examples:
  - Financial Management/Full Product Insurance companies have usually insisted on a "personal" touch with clients, requiring a live receptionist/admin for all incoming calls.
    - Now Automation is common in such industries, with callers given the option at any time to dial a button to get "human" help.
  - Manufacturing companies with little use for automation of telephony due to low volume of calls in and out are now utilizing IVR for inbound calls from employees to check on benefit status, report absences, and to alert shift employees of plant closings due to inclement weather.

#### "Typical" vertical industries who benefit from IVR

- Call centers
- Collection agencies
- Insurance carriers
- Benefits providers
- Medical
- Education
- Municipal government
- Transportation
- Sales organizations
- Field service

## More unique uses for IVR:

- Law firms (especially “class action”)
- Manufacturers
- Unions
- Museums
- Theaters
- Many others where “automation” is not considered “caller friendly”

## IVR Market Today: Is it for you?

- How do you interact/communicate with customers/vendors/employees today?
- Is it sufficient, or do you feel, receive feedback indicating additional choices are desired?
- Are you a “bottom line” culture, where saving on payroll is critical, or are you more focused on revenue growth, customer satisfaction, empowering employees?
  - Most people just say “Yes!”
- ...so here’s the deal:
  - Most companies desire some form of automation for redundant tasks, and the industry and company culture will probably determine how much of your company communication can/should be automated via IVR.
  - Websites help tremendously with automation and 24/7 access, but often people are on the run, calling from car/cell, and can’t get to your website.
    - IVR offers another alternative.

## How to Analyze Your Potential for IVR to Save Your Budget/Grow Revenue, Delight and Retain Customers

- Is your current telephony communication processes repetitive?
- If so, what tasks are more so, and mundane, requiring no critical thinking skills?
- Do you have a voicemail platform with an after-hours box which is frequently full in the morning?
- Could your current payroll be cut, and does your corporate culture support replacing workers with automation?
- Does your primary competition offer their clients IVR processes?
- Does your vertical industry typically deploy IVR?
- Are you currently considering urgent notification processes which you hope never need to be used?

## Typical IVR processes

- Inbound intelligent call routing
- Self-service account management
- Automatic payment
- Order status
- New orders
- Surveys
  - You can only manage what you measure
- CRM record launch
- Maximize employee productivity/customer interaction
  - No manual account lookup
  - No idle time
- Automated dialers
  - Remind customers of upcoming commitments
    - Appointments
    - Payments due
    - Schedule changes
      - Etc.

## What ROI Can You Expect?

- Lowered costs
  - Formula = Current cost of process versus efficiency enhancements/need for more staff/payroll divided by depreciated annual cost of IVR solution
    - Example: inbound account inquiry (4 hours daily @ \$13 = \$52/day/employee x 320 = \$16,400/employee. Assume 4 employees, or \$66,560 divided by IVR solution cost of \$24,000, or \$8,000 annually
      - $\$66,500/\$8,000 = 832\%$  ROI
      - 8 month break even
- Value of customer retention value divided by depreciated annual cost of IVR
  - Same logic
- Additional revenue
  - Appointment for Sales/Field service is analyzed at a value of \$45/additional appointment
    - 6 sales/field techs
    - \$270 per day, or \$86,400/year
    - ROI = 108% ROI
    - 4 month break even

## What Other Factors Play Into IVR Consideration?

- Customer retention/loyalty/saved from competition
- Employee satisfaction/retention

## Hosted versus On-Premise

- Hosted benefits
  - Easy ramp up/minimal capital investment
  - Flexible growth and cutback strategies
  - “Salad bar” features menu for trial processes
  
- Hosted disadvantages
  - Ongoing operational costs
  - Incremental growth costs
  - Lack of local IVR expertise and control
    - No company SME
    - Lack of priority in issue resolution
  - Dependence on hosted provider for systems, ranging from CRM, Database, Call Accounting/Workforce Management, to even PBX
  - Downtime
  
- On Premise IVR Advantages
  - Local SME/Control of system and solutions
    - Internal “brainstorming” and creative feedback/immediate metric analysis
    - Custom reporting
  - Capital depreciation
    - Fixed cost for growth with no appreciable change in costs
  - Number 1 priority for issue resolution
  - Maximum uptime
  - Repetition with no additional operational costs
  
- On-Premise Disadvantages
  - Initial capital investment
  - Less flexibility in solution downsizing

## Additional Questions?

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Thank you!

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