

White Paper

Communications in a Difficult Economy

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Communication for the open minded

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Introduction

“As in every downturn, who succeeds and who fails is likely to be determined not by what costs are cut, but how they are cut and above all which ones are not cut.”

The Economist magazine

22 November 2008

Recession is upon us. Business and technology leaders are hurriedly looking for places to scale back, while defining strategies for surviving – or even getting ahead – during the economic downturn. This paper addresses three key imperatives for communications management for a tough economy:

- Streamline – How to cope with reduced budgets and staffing without impeding business operations
- Compete – Using technology to maintain speed, innovation and customer service with fewer staff
- Prepare – Ensuring your business can scale up and strike fast at the earliest signs of opportunity

The paper identifies key points for executives to consider in making communications reductions and investments and offers an array of solutions supported by real-world case studies.

Speed and Simplicity

Many of the solutions featured in this paper are intentionally simple. In order to address immediate business needs, they are designed to be deployed quickly and, in many cases, without disrupting the in-place communications environment.

This is not to say that more sophisticated solutions are not available (they certainly are); nor that dramatic business results would not be realized with, for example, a modernized communications infrastructure, or by integrating Unified Communications technology into core business applications. It is only to suggest that there are increments of cost and staff efficiency to be gained quickly with simpler implementations that can grow in sophistication and size as time and economics allow.

The OpenPath strategy, from Siemens Enterprise Communications, enables deployment of point solutions with minimal disruption, then allows users, features and applications to be added easily over time. The architecture of the OpenScape Suite is open, highly scalable – in both function and user capacity - modular and based on a common software server. A great deal of value can be deployed on top of in-place, multi-vendor or third-party voice environments. Siemens provides integration, maintenance and management of multi-vendor communication environments (voice, LAN and security) with its OpenScale services suite. All of this combines to create unmatched dexterity in delivering point solutions today that evolve elegantly and economically over time. Thus, we can create immediate, focused results to address the current economic situation, while ensuring agility for the future.

This paper provides a collection of ideas, backed by real-world examples in which cost savings and efficiency were calculated.

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Part 1: Streamline

Reduce budgets & staffing . . . without impeding business operations

Staff and Budget reductions are often the first course of action in a difficult economy. In this section, we'll show you how to:

- Reduce voice operating expense 10% to 35% overall
- Reduce national long distance calling 25% to 40%
- Reduce international toll charges 35% to 55%
- Reduce fixed network operation costs 20%
- Reduce mobile network costs 15% to 40%
- Increase technical staff efficiency 25% to 50%
- Reduce communication TCO for multi-site businesses 30%
- Reduce the cost of moves, adds & changes in multi-site businesses 50% to 62%
- Reduce power consumption in your communications environment 90%
- Reduce IP network management manpower requirements 80%

In a difficult economy, nearly every business must seek ways to optimize budgets and staffing without compromising the organization's ability to function well. In this section we look at opportunities in four areas of communications operations where the right technologies can protect your level of service to business units for a lower cost and/or with a reduced staff.

Of key importance, each of these solutions is also designed to progress the communications environment in line with common priorities among technology vendors:

- Create an integrated IT and Communications environment
- Move toward a flexible, change-ready environment
- Decrease the Total Cost of Ownership (TCO) of the communications environment
- Ensure the ability to scale users, locations and applications quickly and efficiently

So, while you can implement these as point solutions today for the fastest economic and operational impact, these solutions are easily scalable, standards-based, and ready for the future. In most cases, these solutions can be added to your existing voice and IT infrastructure for speed and minimal disruption.

In this section, we'll look at savings in several areas that consistently produce results:

- Out-source/out-task – to handle staff reductions and reduce expenses
- Fixed and mobile network optimization – to decrease call and circuit costs
- Centralization – of the multi-site communications solution, with a high-efficiency architecture
- Energy Savings – through a high efficiency communications architecture
- Self-Aware Networks – to dramatically decrease the amount of staff needed to operate your IP network
- Teleworking – with the latest technology to increase productivity as you reduce your real estate requirements

Outsource and Out-task - 10% to 35% reduction in voice operating expense

“Although we have already taken a new path in integrating Telecommunications in our IT, we did not have to build up any additional personnel for the task. With the OpenScale Managed Services contract, we were able to lower the port price of our systems and still achieve a distinct improvement in the quality of our service.”
Christian Teickner, Network Manager, Heidelberg

If coping with staff reductions, consider out-tasking communications projects or out-sourcing some or all of your communications operations. Choose a vendor with a broad portfolio of capabilities that will create flexible, custom service solutions to meet your immediate staffing needs and optimize your communications budget. If you have a multi-vendor communications environment, you can simplify vendor management and eliminate over-lapping service arrangements by selecting a partner that provides multi-vendor services.

Outsourcing does not have to be an 'all or none' arrangement. Every managed service contract is unique. Here are some key choices to consider:

What functions do you want to out-source?

- User help desk?
- Security?
- Moves and changes?
- NOC / Network Monitoring?
- Complete communications operations?

Do you need/want to own your communications assets?

- If this is an interim solution for you, consider retaining asset ownership
- If this is a longer-term solution, consider transferring ownership to your services partner
- If you need every bit of cash possible, consider transferring ownership of your assets

Is your business undergoing dramatic staff reductions?

- If so, a managed services arrangement lets you pay-per-user, scaling costs with usage on a month-to-month basis. In addition to saving money, this provides a great deal of flexibility to grow when the economy recovers

With a Siemens Managed Services arrangement you can:

- Reduce communications expenses on average by 10% to 35%
- Pay per user to scale your communications budget up and down with changes in business staffing
- Consolidate maintenance and operations of multi-vendor environments
- Access skilled staff flexibly
- Incorporate technology refresh cycles into your service plan

This Solution Matters Most for:

Medium to large businesses with:

- Need to reduce communications staff or allocate headcount to other IT functions
- Want to reduce the internal and contract costs of user support and maintenance
- Need multi-lingual user help desks, but lack the facilities or skilled staff
- Have multiple technologies and vendors to manage across the LAN, security and communications environment

Beyond the Economics

Siemens' OpenScale Services portfolio features ITIL-based services, customized to your requirements and backed by one of the world's strongest services delivery networks. We commit to service levels, and customers trust us to deliver quality services. In fact, over 90% of our managed services customers renew and/or extend their initial services contracts with us.

Optimize Fixed and Mobile Networks - 15% to 40% Reduction of Billed Services

According to Frost & Sullivan, "A VoWLAN system can save an enterprise between 15% and 40% of the money they usually spend on cellular and PSTN calls."

Fixed Network Optimization - 25% to 40% reduction of calling costs

If you haven't already done so, this is the time to deploy IP communications technology for your multi-site business. You don't have to replace your entire network to get the financial advantage of network consolidation. Instead, begin by adding IP-LCR to your current environment. This lets you consolidate your voice circuits onto your IP network and use intelligent routing (IP-LCR) for calls to reduce network expenses.

According to Forrester Research, your savings can be significant:

- 25% to 40% reduction of national long distance calling cost due to on-net routing of internal site-to-site calls
- 25% to 40% reduction of international calling costs due to on-net routing of internal site-to-site calls
- 10% to 15% reduction of international toll charges by routing external calls through remote gateways
- 20% reduction of network operation cost due to site-to-site leased line elimination stemming from IP-LCR

This Solution Matters Most for:

Multi-site enterprises with:

- A high volume of internal calling between locations; and/or
- A high volume of regional or international calls

Beyond the Economics

With Siemens' OpenScape Voice application, you can deploy IP-LCR on top of your in-place communications environment to start saving money now then gradually add users and applications over time. This is because the OpenScape Voice application offers software-based growth. You license the functions and user licenses you need now. Growth doesn't require new hardware – just further licenses and configurations. OpenScape Voice is a software-based solution. So, adding users and functionality is a matter of licensing and configuration. In this manner, you can reduce network costs quickly with IP-LCR, optimize the use of your existing assets, and migrate to a highly efficient, centralized IP communications environment when the timing is right.

Mobile Network Optimization - 15% to 40% reduction in mobile network costs

For businesses in multi-site or campus environments, you can likely reduce mobile network costs by seamlessly extending your voice network to the Wireless LAN (WLAN) and public mobile networks.

This solution gives users the convenience of one-number service for all office and mobile phones. At the same time, you save money because all mobile calls are routed over the least costly route – which is often your campus WLAN or via your Wide Area Network to a local mobile network closest to the destination. Since, on average, *half* of all mobile calls are internal to your business, routing over your private fixed or wireless network can make a dramatic impact on mobile network costs.

This Solution Matters Most for:

- Multi-site or campus-based enterprises with a large population of mobile phone users

Beyond the Economics

With Siemens' OpenScape Mobility suite, you don't need to retrain users to get optimal network utilization. Intelligent routing automatically chooses the most economical route, and seamless WiFi and cellular network handover makes the entire solution transparent to users. They'll only notice the convenience of on-campus wireless voice and data and having a single number and single voice mailbox for all calls.

Centralization - 30% reduction of communication TCO

For multi-site organizations, centralizing communications in the data center can dramatically reduce the cost and manpower needed to operate your environment. Rather than maintaining separate voice systems at each location,

a pair of highly resilient servers support up to 100,000 users from a single location. Applications, such as unified messaging, unified communications, and contact center solutions are built once, then configured and managed centrally, rather than duplicating applications and integration efforts in multiple sites. This eliminates most requirements for local technical support staff at branch locations.

For maximum benefit, choose a high-efficiency solution for your data center. Rather than accumulating dozens of servers and clusters, adding more hardware for each application, a high-efficiency solution such as Siemens' OpenScape Voice application operates on 2 highly resilient, carrier-grade servers. This provides great scalability and requires less manpower to implement, configure, trouble-shoot, change and manage. Software-based growth means that users can be added - up to 100,000 users - without the cost and hassle of adding hardware.

The savings of centralization are manifold:

- 50% to 70% reduction in common support resources (Forrester).
- Smaller footprint – take less rack space in the data center
- Lower cooling and power costs than multi-server solutions
- Reduction in the number of console operators/attendants.
- 50% to 62% reduction in moves, adds, and changes (Forrester)
- 25% to 50% efficiency gain of technical staff efficiency due to improved serviceability of fewer servers
- Reduced cabling costs for new facilities.

“The investment in OpenScape Voice was . . . recouped in the very first year.”

Dr. Gerhard Schneider, Director: Computer Center, Innsbruck Medical University

Special Offer

If these savings aren't enough, consider this. For a limited time you can receive a trade-in credit on legacy systems from Siemens and other manufacturers that can reduce the cost of your new centralized solution as much as 50%. Contact your Siemens representative today for details.

With a dramatically improved TCO and a great trade-in offer, you can achieve your immediate goals and prepare your business for a healthy and efficient economic recovery.

This Solution Matters Most for:

- Multi-site enterprises – either a few large sites or many small sites, local, regional or global
- Businesses already using a data center model for other applications

Beyond the Economics

OpenScape Voice resides on the OpenScape Unified Communications (UC) Server, a software server that provides a common infrastructure for multiple applications in the OpenScape UC suite. The OpenScape UC Server provides common session management, network routing, SIP and SOA foundation, and administration suite (among other things) for voice, the unified communications application, network optimization and more. With greater simplicity comes lower cost of integrating and managing solutions.

Reduce energy bills - 90% reduction in power consumption for voice

Greater efficiency in your communications architecture also means using less energy. Energy efficiency saves money as you advance your company's position as a Green Enterprise.

The OpenScape Voice solutions, with just 2 servers supporting up to 100,000 users, reduces energy consumption as much as 90%, compared to the energy to run site-based PBXs.

For example, take a solution supporting 25,000 users over 125 sites:

With a conventional PBX system at each site, your annual energy cost in the US would be approximately \$172,000. With a 2-server OpenScape Voice solution, your annual cost would be approximately \$1,800. In fact

in configurations up to 100,000 users, most organizations would realize a savings of 98% to 99.5% of energy costs associated with system operation.

The savings are also significant if you compare OpenScape Voice to another leading IP-based system that uses a less efficient (multi-node, multi-server) architecture. For that same organization with 25,000 users at 125 sites, the competitor's system would use 28 servers, with an annual energy cost over \$38,000. The 2-server OpenScape Voice solution would use approximately \$2,800 in energy. Scale the solution up to 100,000 users, and the difference is even more dramatic. The competitor's solution would use approximately 72 servers at an annual energy cost (US) of approximately \$99,000. The OpenScape Voice solution still uses just 2 servers, still at an annual cost of about \$2,800. In any configuration, the savings of a highly-efficient architecture is 92% to 96% over other current IP Voice solutions.

This Solution Matters Most for:

- Multi-site businesses
- IT departments that have set objectives to reduce power consumption
- Businesses that have been notified that local power companies will not be able to meet growing energy needs

Beyond the Economics

You can have greater operational efficiency, easier scalability, carrier-class resilience, and an open architecture built to deliver efficiency in deployment of applications like contact centers and UC and become a Greener business. In addition to energy efficient solutions for multi-site businesses, Siemens offers an array of solutions to achieve for Green Initiatives.

Self-Aware networks - 80% reduction in network management manpower requirements

For even more dramatic improvement in operating efficiency, look for a high-efficiency IP network too. Enterasys self-aware networks automate moves, additions, and changes. They adapt automatically to changes on the network and have security integrated pervasively, not as a bolted on feature. How dramatic is the difference? The University of North Carolina will save \$5M to \$10M per year by switching to an Enterasys IP network.

This Solution Matters Most for:

- Businesses that want to allocate less staff to routine network/server management
- Businesses that prefer not to be locked into a single vendor for voice and IP networking

Re-think Teleworking – 44% reduction in costs and increased productivity of teleworkers

Modern teleworking solutions can help you reduce the amount of office space needed without compromising worker productivity or engagement. By allowing work spaces to be shared by people who are highly mobile or who don't need to be in the office to do their work, you can likely get by with less space – a significant cost savings for many companies.

Gone are the days of running 2nd phone lines to employees' homes and calling it a teleworking solution. Today's teleworking solution shares a home broadband connection for voice, video and data, and includes rich presence, collaboration and multi-media conferencing (voice, video, web). This keeps teleworkers not merely connected, but visible, available, accountable and in-the loop. Integrated buddy lists, video and shared workspaces mean that teleworkers no longer suffer from the "out of sight, out of mind" paradigm that can compromise speed, innovation, teamwork and the social camaraderie that keeps employees engaged.

This Solution Matters Most for:

- Small branch offices that rarely or never have visiting customers
- Groups of highly mobile employees, such as outside sales and service staff
- Knowledge workers that are more efficient if they can work from the calmness of home at least a couple days each week

Beyond the Economics

In fact, teleworking can be great for productivity. According to the Canadian Telework Association, teleworking 1 to 3 days per week easily increases overall employee productivity by 10% to 20% - while you reduce real-estate costs.

Part 2: Compete

Speed, Innovation & Customer Service ... with Fewer Staff

Reductions mean nothing if your business can't compete. To remain healthy in the difficult economy, your business must remain fast and competitive with fewer staff ... and, of course, save money. This section presents solutions that:

- Reduce conferencing costs up to 90%
- Achieve a 12.5% productivity gain in core business processes
- Achieve a 30% to 50% productivity gain for mobile and remote employees
- Reduce contact center labor costs up to 75%
- Increase campaign revenue 11%
- Improvement first contact resolution in the contact center 20%

As markets shrink, competition increases. Despite the likelihood of staff reductions, chances are your business needs to:

- Keep customer service quality high, to hold on to existing customers
- Make sure sales can move quickly to extend compelling offers to customers before competitors get there
- Protect business process speed in sales, customer service and go-to-market
- Adjust / innovate offerings optimized to serve the changing needs of your customers during the economic downturn
- Facilitate rich collaboration, problem solving and teaming with a reduced travel budget

Markets have a tendency to reorder themselves during economic crisis. In fact, according to management and technology consultancy Diamond, 42% of businesses studied reversed their market positions during the economic downturn of 1998-2004 – with about half of these realizing growth and half shrinking. Budget reductions alone will not get your business through this.

Customer interactions and related business processes can be riddled with labor-intensive transactions and inefficient communication workflows. This can bring process delays, increased costs, slow response to markets and customers, and sub-standard customer service.

In this section, we focus on customer interaction, both within and outside the contact center; and we'll look at business process speed in an environment where administrative and support staff are often the first targets of staff cut-backs.

The good news is not only that technology can help. Many of these technologies also save money.

As before, the solutions featured here are intentionally simple – easier to design and implement quickly so that you start seeing business results as soon as possible. And, as before, Siemens' OpenPath promise means that each of these solutions provides great scalability; an open, standards-based environment to protect your choices; and most can be implemented on top of your current communications infrastructure to minimize disruption. In other words, these are high impact solutions with an economic impact now and an open, scalable future.

Optimizing the Contact Center – up to 75% reduction in contact center labor costs

The contact center is one of the most efficient business process arenas in most businesses. Though the staffing expenses can look high to outsiders, the volume of transactions per hour and per employee would be impossible to achieve in most instances without a professionally managed and equipped contact center. It is perhaps to be expected that an arena with such concentrated costs of technology and staffing would appear obvious targets for cut-backs. Yet, some caution should be taken.

Economic hardship weakens brand loyalty. Your customers, faced with their own economy-centered challenges, are looking for optimal value. Many are willing to reconsider past decisions and directions. A great deal of customer value is based in their relationship with your company and the quality of service they receive. If they

perceive that your service levels are eroding, they may look elsewhere in frustration or even doubt the future viability of your company. With the relative price of keeping existing customers versus acquiring new ones well documented, a prudent economic strategy is called for.

Thus, it's absolutely crucial that reductions of staff and budget in the contact center are as transparent as possible to your customers. Here are three solutions to help you achieve that:

Self Service - Reduce labor costs up to 75%

This may be the time to review your self-service strategies and extend the use of technology that satisfies customer needs while diverting calls away from live agents. Interactive Voice Response (IVR) handles incoming calls automatically. Customers can choose their own course and accomplish their transactions without the need for agent interaction. Tight integration to contact center applications enables significant gains in agent productivity.

A well structured IVR can address customer issues without consuming agent time. For example, in the US, The Jewellery Channel implemented an IVR solution to handle bid collection, orders and fulfilment. A solution, designed by Siemens, helped them reduce labor costs by 75%. A similar solution helped a major warehouse distributor reduce call abandons 60%. As always, professional consulting and design can play a major part in achieving peak efficiency while pleasing your customers.

This Solution Matters Most for:

- Enterprises with well-established customers that easily serve themselves
- Contact centers that serve customers that are open to using IVR, internet and chat functionality
- Any contact center coping with significant reductions in staff or hours-of-service

Beyond the Economics

Thoughtful segmentation of your customers by potential value can help prioritize the allocation of agent time for the most valuable customers. In some cases, however, your best customers may also be most willing and able to handle routine tasks on a self-serve basis, since they are familiar with your processes and the choices they have. A careful eye on call center metrics and analytics will help you discover inevitable changes in customer need and a possible re-classification of potential customer value.

Agent-less Outbound IVR - 11% increase in revenue; sustained customer engagement

Agent-less outbound IVRs make proactive phone calls to contact your customers, based on your customer segmentation. It can be used for automatic notification of appointments, special offers, billing notices or responses to news items that may spark customer inquiries. This solution can increase the frequency with which you can touch your customer, for much less than the cost of – and much faster than - direct mail. At the same time, by being proactive in communication with customers, you can often deflect calls to the contact center, softening traffic spikes that would otherwise demand additional staffing or risk sub-standard service delivery.

On one outbound program, Syracuse University increased revenue by 11%. In this economy, that kind of result could prove pivotal.

This Solution Matters Most for:

- Customers with very large customer lists, where calling all customers would be costly and slow
- Businesses in the news – to protect customer and investor confidence, especially financial sector businesses
- Highly competitive industries where it's relatively easy for customers to change providers
- Businesses defending against desperate sales offers from competitors
- Businesses with a less known offering that addresses new customer needs arising from the economic downturn

Beyond the Economics

Positive outbound messages and special offers can let customers know that your business is healthy and that you understand the challenges they are facing in the difficult economy.

Skills-based Routing Workflow - 20% improvement in First Contact Resolution

Completing customer transactions on a single phone call is a big boost to call center productivity. In fact, improving first call resolution rates can lower contact center costs by 30% or more.

Key to achieving this "one-and-done" objective is ensuring that each call is handled by the agent best suited for successful call completion. This is not only a matter of knowledge and transaction skills, but expertise in handling customer contacts via various media.

A state of the art workflow structure, featuring skills-based routing for voice calls, email and online chat is the best way to ensure peak efficiency and customer satisfaction. Using a skills-based routing solution designed by Siemens, Evangelical Christian Credit Union was able to reduce the number of calls transferred between agents by 50%, speeding up call resolution significantly.

For multi-site contact centers, a centralized skills-based routing solution overcomes past barriers of agent selection to increase both quality and efficiency. A centralized contact center solution is more efficient to manage and integrate with business applications.

For example, the city of Minneapolis, Minnesota (USA) had call handling employees distributed across different offices. They were experiencing a high number of abandoned calls, misdirected calls, dissatisfied customers and frustrated employees. So, they implemented the centralized OpenScape Contact Center™ solution, including skills-based routing, full multimedia contact distribution, presence, collaboration and a comprehensive management solution. The solution helped them increase first contact resolution by 19%, with a corresponding decrease in the average cost per call. Plus, the solution helped them to dramatically improve customer satisfaction, expand their service offerings, and implement web chat and customer feedback options.

This Solution Matters Most for:

- Any contact center with diversified skills sets, multiple customer contact media and/or multiple languages

Beyond the Economics

You don't need a complete overhaul of your communications infrastructure to gain the advantages of skills-based routing. Siemens' OpenScape Contact Center can be deployed on virtually any existing communication or IT infrastructure. It creates a truly open architecture, with no vendor lock-in or proprietary technology stacks. You have more choices to reuse existing solutions components and evolve your solution as markets, technology and the business environment demand. Once again, you can realize immediate results with a point solution that provides an excellent path for expansion of features, applications and users.

"One-and-Done" Outside the Contact Center – 12.5% process productivity gain; reduce conferencing costs by up to 90%

“Paradoxically, a recession can be a fantastic time to launch innovations. For one thing, tougher times can make consumers reconsider many of their purchasing decisions, leaving them open to trying something new.”
The Economist magazine
22 November 2008

Customer satisfaction is not restricted to the contact center. Mobile service and sales teams make up

a large measure of customer satisfaction for many businesses. It's not unusual for staff reductions to target administrative, support and management functions that normally keep field sales and service processes moving. So how does a business keep these vital functions moving in time to satisfy customers and beat competitors to sales opportunities?

Innovation is also vital during a difficult economy. In some cases, a business's ability to bring new products, packaging or promotional offers to market can define their ability to succeed during the recession. Speeding up the process of innovation and market release often requires collaboration across sites, countries and functions. The challenge in a difficult economy is that this process often must occur with fewer staff and reductions in the travel budget.

To address these challenges, look to a few simple Unified Communications (UC) capabilities that are easily added to existing communications environments. While UC solutions *can* be very sophisticated, businesses can often realize significant efficiencies starting with three core UC functions, advancing to greater functionality and application integration over time.

The immediate goal is to remove gaps in business processes and support employee collaboration and creativity, despite distance between individuals or teams.

These vital UC foundation functions include:

- Presence
- Collaboration
- Enhanced Mobility

Presence - 12.5% improvement in process productivity

Presence displays are critical to speeding business processes. Just as ACD in the contact center increases productivity by searching for the next available agent, presence helps employees find the next available resource to provide help, information or authorization needed to proceed in business processes. In combination with strong mobility, collaboration and one-number service, presence can bridge productivity losses brought on by staff reductions by keeping team members accessible and connected. In a study commissioned by Siemens, such UC capabilities eliminated 5 hours of process delays per user per week – a 12.5% improvement in process productivity.

"IDC research suggests that shifting as little as 10 minutes a week from this unproductive time to productive selling time is worth \$57,000 per year in increased revenues for an enterprise sales professional."

This Solution Matters Most for:

- Business processes that involve distributed or mobile employees
- Business processes that impact customer perception
- Businesses with the means and desire to innovate new solutions during the difficult economy.

Beyond the Economics

Presence can help prevent frustration and demoralization among remaining employees. It makes it easier for them to stay connected, get help and feel a part of a team. Working with fewer people to share the workload can cause burn-out among those who remain on during the downturn. Making it easier for them to get the work done decreases the stress level and reduces the risk of losing your most valuable employees when the economy .. and job market .. recovers.

Collaboration & Conferencing - 90% reduction in voice conferencing ... and more

Rich collaboration solutions help teams innovate and solve problems quickly. Presence-aware conferencing lets employees see who's available for a collaborative session. Simple, click-to-conference capabilities for voice, video and web conferencing makes it easy. Shared virtual workspaces simplify document sharing. And the

ability to click to advance from voice conferencing to video or web conferencing – without having to hang-up and re-connect – saves time and encourages team communication.

If you haven't looked at video conferencing lately, you may be missing something very compelling. World class HD video solutions, such as OpenScape Video, have broken out of the exclusive and isolated realms of the past. Today's video conferencing offer scalable and integrated solutions for desktops, small conference rooms and executive suites. HD video over broadband creates a video experience that more closely emulates face-to-face meetings than conventional video conferencing systems, without many of the affects and difficulties that frustrated video communication in the past. With improved pricing, video can be a more viable alternative to business travel than ever before.

Best of all, today's video can be fully integrated into the UC environment, and it can leverage your enterprise IP network, instead of requiring dedicated ISDN circuits. This makes video more accessible to individuals. It can be initiated by dialling an extension, just like a voice call, and adding users and media is simple. You can even create conferences with mixed media, so people with mobile phones can dial into a video conference to engage using voice only.

Among the first budget cuts in most businesses is the travel budget. Voice conferences are good, but with richer media, especially video, people have eye-to-eye engagement and accountability; cultural and language differences are buffered by being able to read facial expressions and body language; and employees stay more engaged than with voice-only conferencing. All of this softens the impact of reduced travel budgets. By implementing rich, click-to-collaborate technologies now, it may be that employees learn to accept the technology better, resulting in ongoing reduction in travel expenses when the economy recovers.

"Being able to move 30% to 50% of our meetings to OpenScape Video, while improving our ability to collaborate frequently, is saving us big money. It's also helping us comply with corporate travel restrictions while reducing our carbon footprint."

Christian Steinocher, EDV, SPAR Österreichische Warenhandels-AG, Austria

If the ability to speed processes through fast, rich collaboration isn't incentive enough, consider the 70% to 90% reduction often realized in the cost of voice conferencing by using in-house technology instead of costly conferencing services. Pepsico de Argentina was able to reduce conferencing costs by 90% for a solution focused on just 30 highly mobile regional sales people. The solution paid for itself in just six months. Another Siemens customer saves 35 cents per minute per user on web conferencing.

"We've successfully held 30-person video conference calls, and we recovered our costs within a six month period."

Sergio Richetti, CIO for Pepsico de Argentina

This Solution Matters Most for:

- Companies using external voice conferencing services
- Businesses with complex sales or service environments that often require additional expertise or authorization to proceed
- Product management and go-to-market teams that need to collaborate and share documents or images

Beyond the Economics

It's not uncommon for people to multi-task during voice-only conference calls or to avoid expressing disagreement or concern that, left unaddressed, can cause delays later. The use of richer media, like video conferencing, increases person-to-person accountability. It also helps remote teams or workers to maintain a personal connection to others. All of this results in more creative thinking and processes that move forward quickly.

Mobility - 30% to 50% productivity gain for mobile and remote employees

With mobile UC, employees everywhere have access to a common set of communications skills. This improves productivity, whether working from home, customer sites or a hotel. Mobile UC also helps to eliminate incremental communications costs for travelling employees, such as roaming charges, off-net long distance and hotel call rates, since all calls route via your corporate IP network.

Together, presence, collaboration and enriched mobility can reduce process time, speed resolution of customer issues, and keep team creativity and collaboration high, even while travel budgets are reduced. With stiff competition, each hour and each employee matter.

This Solution Matters Most for:

- Businesses with mobile sales or service teams involving complex processes or solutions
- Organizations with distributed project teams that often travel
- Companies in the midst of mergers or acquisitions

Beyond the Economics

As with general voice solutions, implementing world-class UC solutions doesn't mean you have to replace your existing voice infrastructure – though more current voice systems will definitely provide richer functionality and help reduce costs further. Look for a well integrated UC solution that scales in both functionality and user capacity with minimal additions of hardware. A common administration environment, common session management platform, common SIP and SOA engine, and shared call routing capabilities will simplify both implementation and ongoing management of the solution. Look for presence displays that include all or most communication vehicles, and video conferencing that is fully integrated to encourage video use instead of travel.

The OpenScape UC application provides a modular, standards-based UC environment that integrates with both Microsoft and IBM/Lotus environments. Because it scales so easily, you can start with simple point solutions that impact cost and efficiency now, and advance to richer, more integrated business solutions when the time is right. Since OpenScape UC Application also runs on the OpenScape UC Server, adding enterprise voice capabilities and IP LCR is similar to adding any other software application to an in-place suite. In addition to comprehensive presence displays and multi-media conferencing, OpenScape UC application also includes voice and unified messaging, reducing the number of discreet applications to manage.

“Using OpenScape to increase the speed of internal decision making will add enormous value to Newcastle Hospitals’ transplantation system. We run a specialist transplantation unit that requires us to react as quickly as possible when organs become available. The ability for us to assemble teams containing the appropriate expertise is crucial in ensuring the delivery of successful operations.”

Paul Brewis, Operational Services Manager, Newcastle upon Tyne Hospitals NHS Foundation Trust

Special Offer

Special offers are available to let you get started with UC and video solutions at exceptional values. Special terms apply and supplies of special packages are limited. Contact your Siemens representative soon to learn more.

Part 3: Prepare

Scale-up & Strike Fast at the Earliest Sign of Opportunity

It's the nature of competitive business that one man's crisis is another man's opportunity. Companies in a stable financial situation may find, during the downturn that key competitors, suppliers or allies can be purchased for extraordinary bargains. Mergers and Acquisitions (M&A) can shift a business to dominant market share; improved profit margins due to less competition; a decrease in cost of goods sold; or an extended range of offerings. Key to making the most of such acquisitions, however, are the speed with which communications between the businesses can be integrated into one system and one culture; and the speed with which redundant services can be eliminated. Preparation is vital.

With or without M&A, it is imperative that businesses prepare themselves for a rapid return to scale operations as the recession expires. The ability to detect and quickly react to market upturns faster than competitors can change a company's prospects. This is the time when market positions are often re-ordered. The organization needs speed and agility to seize new opportunity – to re-hire the best talent, scale up operations, release offerings attuned to a recovering market, mobilize sales channels, and win new customers – before your competition can get there. Again, preparation is vital.

In both situations, effective, real-time, rich-media communications are a clear necessity. Whether uniting business units, sales channels, or new and existing employees, your business will depend on rapid, well-informed decision making and the creative energy of your staff.

Recovery, therefore, may *not* be the best time to rebuild your communications infrastructure. It is the time to add or expand sites, users and applications for collaboration and customer service. To do this most efficiently, companies with the means should seriously consider modernizing or fine-tuning their communications infrastructure *during* the recession.

Special Offer

If this is the time to modernize your communications infrastructure, Siemens can help. For a limited time trade-in credits on legacy Siemens or 3rd party voice systems and devices are available that can reduce new system costs by as much 50%. Combined with cost savings outlined above, you may be able to address immediate operational and budget needs and prepare for recovery for very little incremental cost. Contact your Siemens representative today for details.

The recovery-enabled communications infrastructure is characterized by 4 key traits:

- Software-based growth
- Seeded with power applications
- Architected for integration
- Highly efficient to manage and operate

Software-based growth

A software-based communications environment will simplify adding users, features and applications – without the old-school hassles of adding more hardware at each major increment of users. A highly-scalable infrastructure, such as Siemens' OpenScape Voice application, enables you to implement just two highly resilient servers and grow up to 100,000 users without adding more hardware. It eliminates cost spikes and allows growth one user at a time, if needed, so that you can keep your cash flow optimized.

A centralized solution means that adding users at any location is equally efficient, with no servers or systems to be added at each location. Users can be added directly to the central system. Local gateways can be added to support local trunking and network fail-over as warranted. What isn't needed is a site implementation and management team at every branch. You can manage it all from your data center.

A well architected communications infrastructure also simplifies the addition of applications. Look for software suites that are well integrated by design, sharing core functions – like session management, routing, SIP and SOA engines and administrative environments – among multiple applications. These solutions will generally offer more integrated functionality out of the box and will be considerably simpler for users and service staff alike.

For example, Siemens' OpenScape UC Suite is built upon the OpenScape UC Server, a common software foundation for voice, comprehensive unified communications, unified messaging, integrated video, contact center solutions and more. Once the OpenScape UC Server is installed, adding applications, users or sites is, in many cases, a matter of software licensing and configuration. The core infrastructure – the communications engine - is already in-place.

A software-based communications architecture gives you greater functional and user scalability, with less drama and for a lower cost.

Seeded with Power Applications

To dramatically speed-up applications deployment during recovery, consider seeding the applications as point solutions during the recession. The use of even basic contact center, UC or IP-based voice solutions now can not only address the opportunities outlined earlier in this paper. It will also make it easier for you to add users and functionality when recovery comes. An IP-LCR solution becomes your centralized voice application. Customer self-service solutions are designed, integrated, then scaled up to meet expanding needs. Agent-less outbound IVRs can contact customers of acquired companies to keep them informed and feeling secure. Basic UC solutions are extended across sites and divisions and integrated into workflow applications for optimal efficiency. With seedling solutions in place, growth is faster and easier. That translates to time to market, which is absolutely critical during recovery.

Again, a software-based growth model and open, standards-based solutions play the pivotal roles. Point solutions that serve small communities now and that can scale to provide enterprise-wide support ensure that each expenditure moves you toward your long term objectives and optimizes your investments. When implementing point solutions for the near term, be sure you understand whether growth requires additional servers; if scaling to serve the broader organization can be accomplished within the same application; and what options you'll have to integrate other communications, applications and mobility services in the future.

“We were able to dispose of old equipment that expended considerable human and financial resources. We’re now able to better allocate our resources in an effort to improve services to citizens and city employees”.

Connie Perila, Manager of Telecommunications, City of Minneapolis.

While not strictly a solution for the economy, no discussion of communications strategy would be complete without a thorough plan for security and business continuity. According to a report by the London Chamber of Commerce (UK), approximately 80% of companies without a well structured recovery plan went out of business within 12 months of a catastrophic event. It's the last thing a business needs during or on the heels of economic recession. Ask your Siemens representative about communications solutions and services for your business continuity plan.

Architected for Integration

Integration of communications and other business applications will help your business achieve the peak of efficiency and collaboration. Look for a communications environment that was built for integration into the broader IT environment. The right solution will support pivotal technologies like web services, SOA (services oriented architecture) and SIP, not as bolt-on units that provide conversion (and add complexity), but as core elements of their architecture. An open environment that supports a wide range of industry standards will protect your ability to freely choose the elements of your information and communications technology (ICT) environment – and can enable working with assets in place at acquired companies. Software Development Kits (SDKs) that expose application functionality for simplified integration will allow more creativity in design of

your solutions and keep your integration costs as low as possible. By way of contrast, communications environments that lock you into a single vendor solution may become restrictive as you move into more advanced Unified Communications and Contact Center applications (to say nothing of the economics of a vendor lock-in strategy).

An open communications environment will also support a high degree of inter-working with in-place assets. The ability to include existing PBXs in unified communications, contact center and mobility solutions, for example, can help reduce costs and create a cohesive communications environment during a company merger – without having to rip-and-replace the existing communications system. Even if replacement or centralization is your long term objective, the ability to incorporate in-place assets will let you speed up delivery of mission critical applications to core workgroups and give you more flexibility over your investment timeline than a rip-and-replace scenario.

A truly open environment will natively support numerous choices of integration and inter-working at the site/system, applications and device levels. Economic recovery can be a time full of surprises – in markets, competitors and innovations. It's definitely a time to keep your options Open.

Operational Efficiency

The ideal scenario for system management and operations is comprised of:

- as few components and servers as possible to reduce space, cost and administration effort
- located centrally in the data center to optimize staffing
- using a shared management software suite, wherever practical

It's that simple. A simplified hardware and software architecture will optimize your total cost of ownership (TCO) and optimize your staffing.

Conclusion

The right communications solutions can make a big difference for your business now and into economic recovery. Siemens knows this not only because of our research and work with customers around the world. We have also seen these improvements in our own operations.

The difficult economy presents many challenges, but also opportunities. The right communications solutions can help you stay competitive and responsive to your customers, while optimizing your budgets and working with reduced staffing.

Siemens Open approach to communications means that many improvements can be made without the need to overhaul your entire communications environment. You can move quickly for the lowest possible investment to get immediate results. Our OpenPath promise means that your investments in legacy gear will be leveraged to the greatest possible extent, and new investments will seed a future communications environment that is more efficient, flexible and economical to operate.

To learn more about these opportunities and special offers, contact your Siemens representative today.

About Siemens Enterprise Communications

Siemens Enterprise Communications is a joint venture between the private equity firm The Gores Group, a leading private equity firm, and Siemens AG. The joint venture incorporates Siemens Enterprise Communications GmbH & Co. KG and the businesses of Enterasys Networks and SER Solutions, creating a new leader in enterprise communications – strong in unified communications, contact centers and secure networks. More than 14,000 employees worldwide follow an Open Communications approach, providing enterprise communications and data networking solutions for enterprises of all sizes. This enables business processes to be more productive, faster and more secure within any network or information technology infrastructure.

For more information about Siemens Enterprise Communications, please visit www.siemens.com/open

Communication for the open minded

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