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Fast ROI Series

TeleWare plc: intelligent Office (iO)

Classification: Intelligent Office, Unified Communications, Unified Messaging, Conferencing, Team Working, Personal Numbering, Intelligent call routing

intelligent Office® (iO) is TeleWare's Unified Communications solution which consists of four key components:

- intelligent Number (iN)
- intelligent Assistant (iA)
- intelligent Message Centre (iMC)
- intelligent Conferencing (iC)

TeleWare intelligent Office applications provide contact management, multimedia messaging and productivity features that complement and extend significantly the features normally provided by PBX, including IP-PBX systems. These additional features and services are designed to increase staff effectiveness and to enhance customer service. TeleWare iO solutions provide facilities to support both office-based staff and organisations adopting flexible work styles such as hot-desking, home-working and mobile working.

intelligent Office provides fast, dynamic registration of availability for calls with a single keystroke from any telephone, either mobile or fixed line, or from any PC, WAP-enabled mobile, PDA (Personal Digital Assistant) or any other mobile computer device using a browser interface. intelligent Office also provides Telephony Presence from either TDM or IP Telephony solutions.

The intelligent Office solution is of interest to companies across all vertical sectors and provides an exceptionally high return on investment (ROI) for companies with a mobile work force or those operating from multiple office locations.

The Business Opportunities

TeleWare's iO has the potential to support business initiatives in a variety of scenarios including:

- Ensuring 'contactability' when implementing hot desking and flexible working practices, including home working.
- Enabling the management and control of corporate mobile phone bills.
- Creating a location-independent environment with minimal costs associated with 'moves and changes'.
- Ensuring business continuity of telephony systems during times of change or disruption.
- Improving customer service by ensuring that the intended recipient handles a higher proportion of calls first time.
- Enabling companies to control and reduce conferencing costs.
- Providing converged applications in a TDM or IP

architecture creating a seamless application migration path to IP Telephony avoiding staff re-training whilst minimising disruption while maximising infrastructure choice and flexibility.

The Business Benefits

TeleWare's intelligent Office system provides significant advantages in a diverse range of business circumstances.

- a) Organisations that have a high percentage of mobile workers may have office accommodation under utilised by as much as 50%. The high cost of city centre offices can be reduced significantly if hot desking is employed for mobile workers. With typical office costs ranging from £3,000 to £5,000 per square metre, potential savings are large. Organisations that implement home working often see an increase in employee productivity, improved job satisfaction and experience better retention of employees along with reduced sickness and absenteeism.
 - Improvements in productivity have been measured for home workers of up to 45% (Source—Strategic Workstyles 2000 project)
 - In the public sector it may cost £3,500 to recruit an individual employee (Source - Audit Commission).
 - Companies report a reduction of 2 days per year in absenteeism and sickness for teleworkers. (Source - Telework handbook).
- b) Many companies have two voice communications networks, the PBX/IP PBX and the cellular or mobile network, each utilising separate telephone numbers and voice mailboxes. The mobile telephone has become the device of choice for many employees, which means that even when they are in the office they will use a mobile telephone rather than a desk phone. A direct consequence of this trend has been mobile phone bills escalating significantly over time. When applied in conjunction with appropriate processes and staff guidance, an intelligent Number will provide a way in which to better manage mobile phone usage and to reduce associated service costs.
- c) In organisations that experience frequent moves and changes (e.g. employees changing desks and therefore telephone numbers), on a regular basis, iO stops the need to have in-house or maintenance engineers executing these changes. A typical cost for each move and change is £50–£150.
- d) If a building or office has to be evacuated for any reason, a company using TeleWare's intelligent Office has the ability to register employees with mobile phones or relocate to home telephones or other offices allowing customers to continue to call the normal contact numbers. This provides a high level of telephony business continuity

TeleWare
intelligentcommunicationsolutions

TeleWare plc
TeleWare House
York Road
Thirsk
North Yorkshire
YO7 3BX

Tel: +44(0)1845 526 830
Fax: +44(0)1845 522 165
web: www.teleware.com
email: info@teleware.com

Contact:

Gavin Hunter: +44(0)1845 521242

IT-Director.com is a

Bloor
Research

Publication

Bloor Research
Suite 4
Town Hall
86 Watling Street East
Towcester
Northamptonshire
NN12 6BS

Tel: +44 (0) 870 345 9911
Fax: +44 (0) 870 345 9922
email: info@bloor-research.com
web: www.bloor-research.com

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and can avoid potential loss of earnings during periods of change or disruption.

- e) TeleWare's own studies have shown that only one in five calls get through to the desired party first time. When calls are diverted to voice mail, many callers hang up. TeleWare's research indicates that when iO is in use, up to three out of five calls are answered first time by the targeted contact. Using iO the number of abandoned calls has been demonstrated to reduce from 13% to 5% with potentially significant consequential business and efficiency benefits.
- f) Many organisations make use of Conference Bureaus when their existing PBX/IP-PBXs systems lack full teleconference features (e.g. number of users may be limited) and these services can be difficult to set up and use. Conference Bureaus charges range from 8p–22p per minute per individual user. TeleWare iO provides an easy to use in-house conferencing service similar to that of a Bureau without the additional costs, thereby making it cheaper and easier for organisations to collaborate effectively.
- g) TeleWare provides complete communications solutions with the ability to protect investments already made (in communications infrastructure, PBX etc.). The system can provide highly desirable business functionality with a rapid Return on Investment (ROI) whilst allowing organisations to make the migration to IP Telephony when the time is right for them.

Time to Implement

Implementation time schedules vary with each customer and depend on whether a solution is to be delivered as an on-premises or hosted solution. Hosted solutions from the TeleWare data centre may be implemented within 24 hours of receipt of instructions. A typical on-premises installation project takes up to 6 weeks from the signing of the order to system installation. Improvements in call handling and associated cost reductions are visible almost immediately.

In-House Requirements

TeleWare provides turnkey solutions for each customer depending upon their specific business requirements and in-house capabilities. Solutions typically incorporate consultancy, installation, system commissioning and training. Subject to the customers' established skills and chosen support model, additional management and reporting options are available as part of a managed service contract. Alternatively, existing IT/Telecoms staff may be trained in system administration and management.

Entry Costs

Typical entry costs will vary depending on the existing network architecture and on whether a solution is to be delivered as a managed, on-premises, or hosted solution. At the time of writing, the entry cost today for a large corporate on-premises installation of a TeleWare iO system is in the region of £25,000 for 200 iO users. TeleWare can provide hosted services to customers with monthly costs and start-up investments from as low as £8 per user per month.

Estimated Payback

As every customer is different and payback is dependant on a number of factors that vary tremendously by company and business sector, it is impossible to provide precise time spans over which the cost of a TeleWare iO project will be returned.

However, it is possible to provide realistic examples that demonstrate the speed and scale of the return on investment. For example, a company with 200 employees, of whom 100 are mobile workers, could experience the following demonstrable financial benefits:

- 100 mobile telephone users with an average monthly phone bill of £100 cost the company £120,000 in a twelve month period. By utilising TeleWare iO, the company could save up to 40% in mobile call costs as fewer calls are made via mobile phones and with a reduction in mobile messaging. Savings could potentially reach £48,000 a year.
- If the company experiences significant internal churn, it may make up to 2 moves and changes per employee per year. Assuming an average cost of £75 per move or change this equates to a cost of £30,000. TeleWare can reduce the cost associated with moves and changes by 50%; in this example saving £15,000 a year.
- Reduced sickness of teleworkers of 2 days per year. Assuming 25 teleworkers and average daily cost of £200. This could equate to a potential annual saving of £10,000.
- If 2 conference calls take place each day with 5 people in each conference, lasting 60 minutes at 15p per minute per person, the annual bill would be £22,770. With intelligent Conference, 60% of the cost could be reduced saving £13,662 per annum.

It is clear from the above that during a 12-month period there is major scope for savings to be made. In many scenarios savings could easily exceed the initial cost of £25,000 very rapidly. Beyond these relatively straightforward potential savings the TeleWare voice communications infrastructure could allow organisations to rationalise office accommodation. In many locations (notably large city centres such as London) office rationalisation may save hundreds of thousands, if not millions, of pounds in rental costs and leases.

These examples focus on easily measured financial savings and take no account of the business benefits engendered from improved call handling and more effective, better-motivated staff.

Customers

Major customers using the TeleWare iO system include: Advantica, East Sussex County Council, British Airways, Grant Thornton, Knight Frank, Nationwide Building Society, Northamptonshire Police and United Utilities.

Contact Information

www.teleware.com

info@teleware.com

Gavin Hunter Tel. +44 (0)1845 521242

Analyst Comment

It is very easy to recognise that tools such as intelligent Office (iO) from TeleWare have the potential to deliver many benefits in everyday business life. In today's high speed, complex time-constrained world the requirement to manage communications efficiently in a cost-effective, flexible fashion has become an absolute priority for every organisation. Indeed, for many companies, telephone communications may form the bedrock of their business and a significant proportion of all customer contact may take place over the telephone.

Under these circumstances, it is obvious that any technology that helps to smooth the entire telephone contact process can deliver significant benefits. It is equally clear that any tool that helps to enhance customer experience when communicating with our organisations must possess real value. It is, however, a much more difficult task to quantify the precise value of these benefits. It is definitely the case that the exact monetary value to a user of TeleWare iO will differ depending on the nature of the business concerned and their potential to exploit any of the areas supported by the tool. In fact, even when two organisations can benefit from the same advantage, the value to each is likely to be very different.

It is possible to distinguish between areas where TeleWare's intelligent Office can deliver real cost benefits and other, 'softer' areas where business may be enhanced and customer satisfaction raised. We are confident that the examples illustrated above of potential savings that iO can deliver do give a good base upon which to judge the offering. In some areas it can be argued that the savings highlighted may be somewhat on the low side, especially when it comes to the value following on from increasing the quality of service delivered to customers. Clearly not every benefit may fit each customer and the scale of potential savings will reflect the operational use of each organization. However in the opinion of Bloor Research there will be few organizations where all of the potential financial benefits do not apply. There will be even fewer that would not achieve significant business benefits enabled via the flexibility delivered by TeleWare iO.

The value of the flexibility that TeleWare iO can supply should not be underestimated. Whilst TeleWare can supply capabilities that permit organisations to manage the cost of supporting their operations more effectively, the potential for corporations to raise their income through more effective communications internally, with customers and suppliers, in many circumstances may prove to be even more enticing. Society is continuing to evolve and work patterns are becoming more unpredictable. Finally, the ability to route calls easily and cost effectively to the right person, first time, irrespective of their location, is a capability that will become a standard requirement in every business sector in the very near future.

In the current market place there is an absolute requirement to keep mobile staff connected with their colleagues, partners, suppliers and, most importantly of all, their customers. Business and social pressures are combining to ensure that staff mobility is a trend that is set to carry on growing at a rapid pace across many areas of every day business.

Taken as a whole, it is apparent that intelligent Office from TeleWare is a solution that has the ability to deliver a quick return on investment for many organisations. Even in situations where the savings achieved may be soft in nature, companies faced with any of the challenges illustrated above should make the time to investigate the value that systems such as iO can supply.