

Case Study

Wagner Equipment Co.

Siemens open IP-based communications solution and HiPath® ProCenter® contact center offerings help heavy equipment distributor customers move more dirt. With the help of its more than 1700 employees, Wagner Equipment Co. provides Caterpillar heavy equipment parts, service and rentals from 30 locations across Colorado, New Mexico and West Texas.

Summary

With “high-touch” customer service as its hallmark, the family-owned firm has spent 30 years building the business to its current size both internally and through acquisitions. As a result of these acquisitions, a communications patchwork grew up across its sites, slowing responses to callers and resulting in frequent hang-ups. In effect, the communications infrastructure was holding back the company's potential to grow its order volume as well as its revenues – and profits. After a careful analysis and solution design by Siemens sales consultants, Wagner Equipment deployed a HiPath IP-based communications system, with an open, virtualized contact center via HiPath ProCenter. Call-in orders are now handled in a faster manner and in greater numbers, facilitating Wagner's efforts to achieve more business and happier customers and employees.

Challenges

- A fragmented communications patchwork connecting 1700+ employees in 30 sites across three Western U.S. states
- Empower counter personnel to handle more calls yet reduce day-to-day working frustrations associated with a disjointed telecommunications infrastructure
- Redesign the company's parts ordering and fulfillment business in an effort to raise employee productivity, customer satisfaction and decrease associated overhead
- Help to position the company for long-term growth

The Technology Behind the Solution

- HiPath 4000 Real-Time IP System
- OpenScape® Xpressions®
- HiPath IP Distributed Architecture remote access points
- HiPath ProCenter Enterprise contact center solution with Call Director option
- optiPoint® 500 and optiPoint 420 IP phones

- HiPath Wireless LAN
- optiPoint WL2 professional wireless handsets

Top Benefits

- A virtual contact center spanning the entire enterprise, enabling higher levels of first call resolution to increase customer satisfaction and order throughput
- An integrated, open communications architecture with a single administrative image for easier, more efficient centralized management
- Service levels of more than 90 percent, with abandoned call rates of 10 percent
- Reduction in average hold times from minutes to seconds
- Facilitate greater productivity and efficiencies among counter personnel, in an effort to improve job satisfaction
- Facilitate higher availability, reliability and expandability to assist future growth with distributed IP architecture advantage

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Bev Wagner

Information Technology Manager
Wagner Equipment Co.

Wagner Equipment Co.

**Challenges: Seamless, more responsive customer communications
*Redesign the company's parts business processes to handle greater volumes and be more responsive, while enabling a unified communications network spanning 30 remote locations.***

In the remote parts of the Western U.S. where the family-owned Wagner Equipment Co. has run its heavy equipment business for more than 30 years, the “personal touch” is highly prized among both customers and employees. Customers enjoy getting it; employees enjoy giving it. It’s also why Wagner has grown to become recognized as a Caterpillar service and support dealer in Colorado, New Mexico and West Texas. More than 1700 of its employees serve thousands of customers from 30 locations, many of them in isolated areas.

Wagner Equipment has grown to its current level of over 1700 employees in 30 locations both organically and through the acquisition of other heavy equipment dealers. While each acquisition helped accelerate a new stage of growth, it also added to a growing patchwork of communication systems from a variety of vendors.

“We had a real mish-mash of systems, many decades old,” says Information Technology Manager Bev Wagner. “And customers calling into our parts sales counter often could not get through. When they need a part, they usually need it quickly, and if they can’t get through they’re doubly frustrated. They’re in the business of moving dirt and every hour their equipment is down is an hour of lost revenue and opportunity.”

Wagner adds that employees were also frustrated and stressed just trying to keep up with the pace. Some locations with as few as two counter people could get as many as 50 calls per hour, according to a study Siemens conducted. Inside many stores “voice communications” depended on the strength of vocal chords from the parts counter back to the warehouse. Overall, Wagner Equipment’s far-flung operations lacked consistent, standardized business processes and suffered poor communications both inside each site and across sites.

“Clearly we had outgrown our communications capabilities,” Wagner recalls. “Worse still, our situation was limiting how well we serve our customers and how fast we can grow our business. What we needed was a solution that would tie us all together and make us more productive and responsive.”

**Solution: A distributed IP architecture and virtual contact center
*HiPath 4000 Real-Time IP System, HiPath Call Director and HiPath ProCenter Enterprise Contact Center Solution***

Wagner considered other vendors before choosing Siemens. She calls Wagner Equipment’s IT environment a “Cisco shop” and her mix of communications gear included PBXs from Avaya, AT&T as well as Siemens. Of her workhorse Siemens Model 10 PBX, she says, “You could roll a heavy tractor over it, and it would just keep running.”

Most impressive about Siemens, she says, was the comprehensive consultative approach her Siemens sales team took to the company’s challenges. Core to that were site surveys of five Wagner Equipment locations that included focus group

discussions with employees. The purpose was to study not only each site’s existing communications capabilities but also the workflow that those capabilities supported. Altogether Siemens invested more than 100 hours in learning about Wagner Equipment’s requirements.

“Clearly Siemens wasn’t interested in just selling us equipment, but was genuinely focused on first understanding our problems close-up and only then did they offer a solution that could span the entire company, all our locations and, even more importantly, help to improve our business processes,” Wagner explains.

The sites chosen for study varied in size and call volumes but were representative of the range of 30 locations that make up Wagner Equipment. Findings from each site were summarized, and then aggregated to arrive at four basic requirements: improve customer call handling; standardize service processes; gain higher first-call resolution; and enhance the company’s hallmark “personal touch.”

As the foundation to meet these needs, Siemens recommended for Wagner Equipment’s new communications infrastructure the HiPath 4000 Real-Time IP System with OpenScape Xpressions for voice messaging. Located and centrally managed at company headquarters in Denver, the HiPath 4000 would provide distributed communications capabilities to remaining company sites via IP with 30 HiPath IP Distributed Architecture remote access points.

Siemens optiPoint 500 and optiPoint 420 IP phones were chosen as endpoints. Larger locations also deployed HiPath

Wireless Local Area Network (WLAN) solutions with Siemens optiPoint WL2 professional handsets, so counter employees could communicate over Wi-Fi with warehouse personnel.

Although Wagner Equipment had considered building a centralized contact center, Siemens recommended a virtualized model instead. There were three reasons: to help the company avoid the large capital expense associated with constructing and equipping a physical contact center; to avoid the effort and expense to staff and train a group of agents; and to avoid disrupting existing business flows during a contact center's ramp-up. To enable the virtualized approach, Siemens used its HiPath ProCenter Enterprise solution combined with the Call Director module for automated call processing.

All of the HiPath solution components deliver on the principles behind the Siemens Open Communications architecture. Among them are unified communication; IT-based communications; fixed-mobile convenience; business process integration; rich user experience; business continuity and integrity; and open service delivery.

Result: Open communications help improve the "personal touch" \$500,000 cost avoidance to build a contact center; much improved service levels; abandoned calls cut to less than 10 percent; greater personnel productivity

Wagner is extremely pleased with the results of the Siemens HiPath open communications solution. "For the first time we have an enterprise-wide communications model instead of a federation of branches doing the best they could with whatever communications setup they had," she says.

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HiPath ProCenter coupled with Call Director for intelligent announcements created the contact center infrastructure Wagner Equipment needed, but according to Wagner, the company's virtualized approach avoided the approximate \$500,000 cost of building and equipping a centralized center. But Wagner says those are just the hard costs: "The business disruption from deploying and staffing a call center, then the training and customer migration would've been significant. In addition, we may have diminished our personal touch rather than enhancing it."

Combined, these powerful HiPath ProCenter contact center applications have provided Wagner Equipment the ability to make its counter staff at each parts location part of a unified yet virtualized customer response team. Calls can now more automatically overflow to other locations with available call handling capacity and resources able to focus on real-time customer interaction. ProCenter's skills-based routing also facilitates more efficient utilization of those resources while helping to enable a faster response to specific customer inquiries or needs.

According to Wagner, these new capabilities have helped Wagner Equipment achieve service levels of over 90 percent, while reducing call abandon rates to 10 percent. Wagner reports that the company's previous communications patchwork made data gathering nearly impossible, while HiPath ProCenter now makes data more readily available in real-time for monitoring call volumes and staffing accordingly. When those volumes start to exceed certain thresholds, assigned backup personnel who are trained to help out can more quickly log-on and begin taking calls.

Overall, Wagner says ProCenter helps it to answer more calls more quickly, noting that average hold times are now less than

30 seconds, compared to up to two minutes or more before. Along with skills-based routing, which helps direct calls to the person better suited to handle the call, Wagner says that more customers are getting their orders placed or issues resolved on the first call. At some locations, callbacks constituted the majority of outbound calling. Now, Wagner reports the average abandoned call rate is less than 10 percent.

Wagner says that at first employees feared HiPath ProCenter's performance reporting capabilities as being "too Big Brother" but are now energized by seeing how much they're doing each day. "And since ProCenter helps them be more efficient and less overwhelmed during busy times, they're able to keep up the customer rapport while getting more done."

In the locations where the company installed the HiPath Wireless, productivity has improved, Wagner says. "People no longer have to shout or walk back into the warehouses with part checklists." She adds that this has helped productivity while improving the accuracy of parts pulled for a customer and the speed of serving that customer.

Most important, of course, is the customer response, Wagner says. "They've noticed the changes and are elated."

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