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# Your Money's Worth: the Business Value of VoIP Recording

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Voice over Internet Protocol (VoIP) is anticipated to become the dominant business telephony model within the decade. Much has been written about the potential of VoIP to decrease telephony costs by making phone service cheaper. In North America, articles abound on Vonage—the largest provider of Internet phone service—and other VoIP providers that convert phone calls into data that travel through high-speed Internet connections rather than over traditional phone lines. The major benefit of the service that companies like Vonage provide is that local and long-distance calls can be made from anywhere within the US, Canada and other countries for one low price versus the per-minute and higher-standard charges from traditional phone company calling plans.

But the value of VoIP doesn't stop there. VoIP is becoming one of the great enablers of *Workforce Optimization (WFO)* at small, medium and large enterprises alike. Workforce optimization combines the processes, services and technology necessary to enable enterprises to deploy the best resources for meeting customer demand and increasing customer value efficiently and effectively while getting the highest return on investment.

VoIP allows organizations to exploit advances in telephony infrastructure, including the flexibility to impact a business well beyond saving money on phone service and per-minute toll charges. A shift in focus is occurring from saving money on communication costs to broader areas of opportunity such as increasing workforce productivity and optimizing different functional areas of the business.

This discussion:

- Focuses on the business drivers that make recording VoIP interactions a compelling proposition,
- Offers examples of how companies across various industries have discovered real value in VoIP interaction recording, and
- Suggests how you can optimize your business or workforce in ways you may not have previously considered.

## Call Centers Fuel Growth of VoIP throughout the Enterprise

From a world without VoIP just a few years ago, it is now becoming inevitable that the technology will be deployed in everything from call centers to the executive suite, from remote locations and home offices to large enterprises, from sales and back-office operations to many other functional areas of businesses. VoIP, combined with today's leading workforce optimization software—which bundles call-recording, workforce management, performance management, and e-learning functionality in a single application—is helping companies both within and beyond the call center.

In the VoIP-enabled call center where agents or associates typically take orders, resolve issues and serve customers, calls can be routed seamlessly—and inexpensively—to agents working in the central facility or to their counterparts in satellite locations, even to those working at home. The technology is transparent to the caller and provides a high degree of flexibility to the business.

Driving the acceptance of VoIP today, are the large, medium and small call centers that also deliver customer care through satellite locations and outsourced resources. Through VoIP, all of these organizations can be centrally or de-centrally managed and cost-effectively maintained. Today, most major organizations are evaluating VoIP; many have already made the move to it.

## Benefits to be Realized from VoIP

The circuit-switched public telephone network most people use today, where phone calls travel over copper wire, has been with us for decades. It is consistent, reliable, and offers many opportunities for workforce optimization, both within and beyond the call center. Applications abound that allow call centers to maximize this technology: predictive dialers, computer telephony integration (CTI), automatic call distributors (ACDs), skill-based routing, quality monitoring, and 100 percent recording have

become staples of customer relationship management. But VoIP is changing all that.

Companies can reduce cost, complexity and administrative overhead through the use of VoIP, since control of telephony applications is managed by software running on PC servers, rather than on a dedicated telephony switch. For multi-site enterprises with separate voice and data networks, VoIP provides a means of integrating the networks, reducing costs and achieving better utilization from the shared infrastructure. It is also much easier to integrate other call center software with VoIP applications due to less hardware being involved and less dependency on particular vendors or versions of CTI and other applications.

VoIP makes it easy and cost-effective to manage line changes when employees relocate, or to add and remove remote users and the solution is easily scalable from one phone upwards, in increments of one. VoIP also allows smaller organizations to utilize application functionality previously available only to larger organizations with broader budgets. Smaller organizations can also appear to be much larger than they actually are as VoIP provides the ability to create a widely distributed support staff that has the appearance of a larger enterprise.

### VoIP Recording Delivers a Cost- and Competitive Advantage

The demand for call recording has increased dramatically in recent years, as businesses face the competitive challenge of improving customer service, optimizing the workforce, improving business processes, and complying with new legal requirements.

Because it is software based, VoIP recording can be less expensive than digital recording solutions, since it requires no phone line taps or third-party telephony cards and fewer servers. No complex installation is necessary as recording requires only a server to run the software and a data switch for port mirroring (a method of monitoring network traffic).

And since a VoIP call recording system is managed and maintained like any other software program, the incremental cost of adding remote sites is negligible. At the same time, some of the best solutions can mix traditional phone system infrastructure and VoIP infrastructure in the same implementation to protect technology investments that have already been made.

### Enabling Enterprise-Wide Workforce Optimization

At leading companies, insight gained from call recordings is shared with others parts of the business; at other companies the information is principally used within the call center itself. With VoIP recording, it is possible to implement recording technology both within the IP-enabled call center and throughout the organization. Because of this, the potential for workforce optimization increases exponentially because technology allows organizations to easily share key customer-related data throughout different functional areas and divisions of the business.

VoIP recording can take place automatically or at the touch of a button to record selected calls. Recorded calls may be tagged, and conversations shared via e-mail or searched and retrieved using a variety of selection criteria. Recording rules such as *“Record 100 Percent of All Calls,” “Record on Demand,” “Record 100 Percent of All Successful Sales Calls,”* or *“Record 100 Percent of Calls About New Product X”* can set the stage for gathering information that can impact customer service and the entire business from front office to customer service to sales and other departments. Analyzing these recorded interactions is becoming essential as businesses seek to gain a competitive advantage from a better understanding of their customers and a more effective approach to internal and external communication.

Those involved in call centers and service environments are familiar with Key Performance Indicators (KPIs), which are commonly used measurements in inbound and outbound call centers. The following table (*Table 1*) shows common call center KPIs.

Call Center Key Performance Indicator (KPI)	Call Center KPI Definition
<b>Average Talk Time</b>	Total number of seconds the caller was connected to the agent
<b>Calls Per Hour</b>	Average number of calls that an agent handles per hour
<b>Cost Per Call</b>	Sum of all costs for running the call center for a period divided by the number of calls received in the call center for the same period
<b>Customer Churn</b>	Percentage of customers who cancel service or leave your company compared with the total customer or subscriber base within a particular time period
<b>First Call Resolution</b>	Percentage of calls that do not require an additional call to the call center or return call from the agent to resolve the issue in the original call
<b>Revenue Per Call</b>	Average revenue generated from an inbound or outbound closed sale, cross-sale, or collections call
<b>Service Level</b>	The formula for this metric is (calls answered in less than x seconds) / offered calls multiplied by 100). The most common goal in the call center industry is 80 percent of all calls answered in 20 seconds or less

Table 1. Common Call Center KPIs.

Call Center Key Performance Indicator (KPI)	Insurance Industry Back Office (Non-Call Center) KPI's
Average Talk Time	Claim Handle Time
Calls Per Week	Claims Per Week
Cost Per Call	Cost Per Adjudicated (Settled) Insurance Claim
Customer Churn	Customer Churn
First Call Resolution	First Contact Settlement—upon receipt of claim, identify parties to resolve claim, settle claim within same day if possible to limit lawsuits and litigation
Revenue Per Call	Appropriate Settle Range—claim settled in appropriate dollar range
Service Level	24 Hour Contact—claim rep contact all parties involved within 24 hours

Table 2. Common Call Center KPIs Versus Non-Call Center Insurance Industry Back Office KPIs.

Other departments within the enterprise—back office, sales, marketing, etc.—are driven by similar measurements for business and workforce optimization, though in a slightly different context. As an example, let’s look at common call center KPIs versus non-call center insurance industry back office KPIs shown in *Table 2*.

As the *Table 2* illustrates, KPIs and key measurements outside the call center are often *very similar* to those within the call center. The intelligence and relevant information contained in recorded transactions that occur throughout a business can be invaluable in improving performance, business planning and real-time decision-making in a variety of departments whether in the call center or in the extended enterprise.

Businesses evaluate ROI when making capital purchase decisions. With VoIP, investments in call center technology can produce a meaningful ROI with a population of 50, 100 to 1000+ agents or 50, 100 to 1000+ employees. What VoIP enables, particularly with the addition of recording applications, is the optimization of the entire enterprise and relevant ROI, across business units. Some call centers have made great leaps in productivity and value to the business by focusing on improving KPIs that have a real impact on the business by leveraging customer intelligence gathered from VoIP recording. Now, other areas of the business can benefit as well.

### Thinking Differently About Your “Customer”

Competition and the need for timely data upon which to build business strategies and make day-to-day decisions have begun to change the way we define a customer. Once narrowly thought of as an individual or organization that purchased goods and services, the definition now has been broadened to include all key enterprise departments that have a stake in the success of the organization.

Thus, sales are marketing’s customer for market intelligence. Similarly, marketing is sales’ customer for external customer feedback on products and services. Development and engineering rely heavily on marketing and sales to translate market needs.

The finance team’s revenue objectives must be in alignment with sales, training and customer support. And everyone relies on a timely, accurate flow of information and ideas from third-party suppliers, consultants, and others. Each is an internal customer to the other and each relies on the accurate and timely flow of information. VoIP, specifically on the recording side, delivers to the enterprise a degree of intelligence that until now was typically available only within the call center.

IP recording technology allows individuals and departments throughout the enterprise to access and act on data associated with every interaction within the company. With everything recorded via business rules and proactive actions, a wealth of customer and business information is available for use throughout the enterprise for business and workforce optimization.

### How Enterprises are Benefiting from VoIP Recording

Enterprises are beginning to embrace—and benefit from—IP recording technology in a number of areas beyond the call center. Shown in *Illustration 1* is a summary of VoIP recording case studies, followed by a more detailed overview of each example.

## VoIP Recording Case Studies- Summary

	Company Business Objectives	VoIP Recording Business Value
<b>Insurance Company</b>	<ul style="list-style-type: none"> <li>Generate new business</li> <li>Use customer intelligence to improve the overall business</li> <li>Ensure high quality interactions</li> </ul>	<ul style="list-style-type: none"> <li>Decreased error rates 7%</li> <li>Increased supervisor productivity 13%</li> <li>Positively impacted agent training, sales, claims and dispute resolution</li> </ul>
<b>Credit Union</b>	<ul style="list-style-type: none"> <li>Record 100% of calls for regulatory and compliance purposes</li> <li>Ensure that agents provide the highest caliber of service</li> </ul>	<ul style="list-style-type: none"> <li>Recorded 100% of calls and categorize calls for business optimization actions</li> <li>Used “best practice” recorded interactions to train the workforce</li> <li>Improved service quality 40%</li> </ul>
<b>Auto Parts</b>	<ul style="list-style-type: none"> <li>Optimize agent performance: live monitor and record interactions</li> <li>Increase customer intelligence to optimize the overall business</li> </ul>	<ul style="list-style-type: none"> <li>Increased sales and orders by 8%</li> <li>Optimized operations: tag interactions by call type for easy identification</li> <li>Enhanced training program</li> </ul>
<b>Concrete Company</b>	<ul style="list-style-type: none"> <li>Address disputed orders (costs in tens of thousands of \$\$)</li> <li>Decrease unnecessary “truck rolls” (trucks dispatched unnecessarily)</li> <li>Increase service quality</li> </ul>	<ul style="list-style-type: none"> <li>Eliminated nearly 100% of disputed orders and unnecessary truck rolls</li> <li>Saved tens of thousands of dollars</li> <li>Increased client satisfaction</li> </ul>

Illustration 1. VoIP Recording Case Studies Summary

### VoIP Recording Case Studies- Detail:

#### A Growing Insurance Company Employs VoIP Recording to Create New Revenue Opportunities

A third-party administrator of long-term life insurance, which fields a variety of calls from insurance agencies’ management and staff, determined that one of the best ways to generate additional business was to ensure that every interaction be of the highest caliber. The company wanted to capture 100 percent of its calls for compliance purposes, automate many of its internal processes, and use the customer intelligence captured to refine and enhance its customer service and sales initiatives.

According to the Vice President of Marketing Services at the insurance company, “Using the intelligence captured from this technology, we are able to solve critical business problems by reviewing recorded calls and focusing on solutions that work.”

Virtually all areas of the company including marketing and claims, as well as policy-owner services, use the recording solution. Using the intelligence captured by the system, the company is able to solve critical business issues by reviewing calls and focusing on solutions. In addition to using the recordings for compliance, monitoring and coaching purposes, the solution has also proved beneficial

in training new hires in dispute resolution. Implementing a robust VoIP recording solution, the company captures and stores voice and data interactions and has estimated that it has increased workforce productivity by almost 50 percent and decreased data error rates by seven percent.

*Business Benefit: Recording provides the enterprise with a wealth of data drawn from customers and others. Mining of that intelligence and making it available throughout the organization facilitates early spotting of trends and identification of new revenue opportunities.*

#### A Busy Credit Union Uses VoIP Recording to Capture Best Practices and Improve Training

Credit unions—like all financial institutions—must meet a broad set of federal regulations as well as the high service performance expectations of members whose money they manage. To effectively meet its members’ service expectations, a credit union invested in a solution to monitor and record member transactions. Added to ease of use, reliability, and robust archival capabilities, was the requirement that the new system be scalable and operate within the credit union’s VoIP environment.

The company’s 100 percent recording solution allows it to meet all regulatory requirements, capture and archive 100 percent of calls, automatically tag and categorize calls for



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use in business optimizations actions, and easily retrieve calls in the event of a dispute. Call center agents are trained using “best practice” interactions that are captured and organized by category in the VoIP recording solution. Credit union management credits the VoIP recording solution with a 40 percent improvement in call center service quality and a 20 percent improvement in front-line supervisor productivity.

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*Business Benefit: Regular monitoring and analysis of customer intelligence allows the enterprise to quickly address trouble spots before they erupt, identify and implement best practices, and share valuable market insight. Sharing customer interactions recorded in the call center with agents and other members of the organization can transform a call center from a cost center into a contributor to the enterprise’s bottom line.*

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### **A Nationwide Auto Parts Distributor Uses VoIP Recording for Trouble Shooting and to Improve the Bottom Line**

At a leading distributor of parts for four-wheel-drive trucks and sport utility vehicles, supervisors found it challenging to determine when to listen in on agent-customer interactions, making it a hit-or-miss activity. With more than 1.2 million calls handled yearly by some 50 agents, management required a new recording technology that would easily integrate into its VoIP environment, giving it the ability to monitor agents in real-time monitor and record agents. Additionally, the company realized the opportunity to gain more value from telephone contacts—including customer intelligence—by immediately recording, categorizing, and storing IP telephony calls that had a direct impact on its bottom line.

Since implementing the system, the company has realized many efficiencies and process improvements in its day-to-day operations. Co-existing with its text- and data network, the distributor is able to monitor calls 30 percent more efficiently, saving time and money through the automation of the recording process.

The system’s on-demand capabilities have given management the ability to help its call staff improve customer service, which has been credited with helping grow sales by eight percent.

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*Business Benefit: Recording allows the enterprise to train staff through exposure to both customer and internal calls. It also allows the enterprise to capture best-practice interactions and share them throughout the organization for near real-time training and sales growth.*

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### **A Concrete Manufacturer Uses VoIP Recording to Resolve Disputes with Customers**

In the construction business, it is essential that orders for building materials be filled quickly and accurately. Miscommunication between a contractor and concrete supplier over the quality of cement required for a particular job, for example, could lead to disastrous consequences on the construction site.

A less dramatic example: a concrete company’s records showed that a customer ordered seven truckloads of cement. The customer’s records indicated that they had ordered only four truckloads. Because there was no record of the order (as it was placed over the phone) there was no way to review the transaction to determine where the miscommunication occurred. The concrete company ultimately had to incur the cost of the over shipment.

To avoid miscommunication and to protect themselves from potentially expensive litigation, the concrete company now records every customer interaction. The technology serves as a tool for dispute resolution and also helps them ensure a superior level of service to their customers as recorded interactions are reviewed and evaluated to determine service quality.

Similarly, a large Asia Pacific-based securities company with 93 sites and 6,000 enterprise (non contact center) users has a legal requirement to record stock trades and other financial transactions. A VoIP recording solution provides the entire enterprise with a record-on-demand capability. The record-on-demand capability fulfills a business requirement to stop/start interaction recording for compliance and other reasons and is used enterprise wide.

Clearly, recording VoIP interactions helps these companies avoid disputes with clients and other parties, while at the same time it allows them to optimize service delivery and quality.

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*Business Benefit: Recording all interactions, transactions and commitments made by employees throughout the enterprise helps ensure that misunderstandings are avoided and commitments are understood and kept. Because recording captures indisputable evidence that a conversation has taken place—and delivers the full content as well—it can be a powerful deterrent to disputes, frivolous lawsuits and the expenses associated with litigation.*

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## What's in the Future for VoIP?

IDC reports that about 10 percent of all voice calls are now made with VoIP technologies. And a poll by CompTIA found that businesses believe that VoIP offers the most opportunity for productivity gains. According to Gartner Research, most organizations will not benefit from a single feature of (VoIP), but rather from the sum of many individual changes that support business initiatives and increase efficiency.

The driving force for change to VoIP continues to be the significantly reduced cost associated with IP telephony. But, new applications and benefits to be realized throughout the larger enterprise are also creating a buzz for wider VoIP adoption. While the search for VoIP's elusive "killer app" continues, the list of cost and performance benefits associated with recording and monitoring continues to grow, making it increasingly easy for businesses to justify investments in VoIP recording and other VoIP workforce optimization technologies.

## About the Author

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