

## HOW TO MAINTAIN MOMENTUM ~

### THE ECONOMIC REALITIES OF A UNIFIED COMMUNICATIONS STRATEGY

For now and the foreseeable future, the days of quick project approvals based on the promises and/or case studies provided by prospective suppliers have come to a screeching halt. IT Executives must now be equipped with much more than loosely related examples of performance to win project approvals; today, executives must guarantee project outcomes in writing. So why would anyone willingly stick their neck out during uncertain times like these to drive and potentially sponsor IT/telecom projects? Because that's what leaders do. It's in the toughest times that ideas explode and innovative thinking takes over. As we've all come to learn, necessity is the mother of invention, and the means by which business often uses to set themselves apart from their competition. And right now, who couldn't use some Competitive Advantage!

So how do IT/telecom departments unleash their "creative juices" regarding Unified Communications project justifications and get out of the "This is the way we've always done things" rut? Allow me to be frank ~ it's no small undertaking. As you begin this new journey of innovation you will have your share of pessimists, realists, and if you are lucky, more than a few optimists. Your task in light of these challenges will be to build a compelling case for change. Built on a solid foundation of readily recognizable internal business values, your proposed project objective must deliver in no uncertain terms and detail the design by which your project will ultimately secure your stated project goal.

When pursuing a Unified Communications opportunity we've found the following recommended set of processes can be utilized regardless of where your organization falls within the UC deployment continuum. If you've fully implemented IP Telephony, if you still own and maintain a digital TDM infrastructure, or if you've sourced your infrastructure to a third party for management, these simple principals will apply universally. Granted if you've already deployed IP Telephony you may be ahead of the game. For those not yet committed to IP Telephony you may have some relief in the form of an End-of-Life (EOL) notice from your supplier. In any case, take pause as you move towards UC, the process can be gradual and for most applications under the UC umbrella, implementation is not an all or nothing proposition.

The first step in the case for change is to identify areas that would see a **tangible** benefit from faster access to information and decision-making. For some organizations continuously searching for ways to cut time to market within a supply chain, time savings can be a real leg-up on the competition. Immediate contract approvals from traveling executives and managers could mean a reduction of hours or even days for delivery and revenue recognition. And what if those requests came at the end-of-a-month or even a quarter? Depending on the size of the contract, that delay could potentially impact your shareholder price. The point of the example ~ don't limit your examination to just the obvious factors that might influence change, look deeper and further, that's where not only justifications for change might be found but also solutions for the elusive competitive advantage.

For many companies selling commodity oriented products and services a great customer experience is paramount to their success. Being able to close a sale over the telephone by answering all of the prospect's questions immediately has proven to have a tangible impact on both top line revenue and bottom line costs. Do not underestimate the value of strong customer relationships and developing a committed and loyal customer base. In a downturn, like the present one, your loyal customer base is often what "keeps the lights on." However, as a side bar, make certain you always know the quantifiable value of your customers and the cost to service them in the manner you've deemed appropriate to maintain their loyalty.

Another possible customer service consideration within the Contact Center is staffing. Depending on your industry and specialization requirements, having immediate access to a pool of “experts” could reduce staffing requirements or allow reassignment of front line resources to develop additional skills such as up-selling or marketing to improve agent effectiveness, building competitive advantage, and providing additional returns to the bottom line.

The healthcare industry is often early adopters of technology. Considering the far-reaching regulatory compliance requirements in conjunction with the public’s continuing outrage over costs, the industry as a whole is looking for innovative strategies to cut costs and render care more efficiently. Most Unified Communication applications serving healthcare revolve around MD interactions, diagnosis, specialist consult, etc., room and equipment availability, and areas such as pharmaceuticals’ disbursements and generic substitutions. Within this industry the speed and thoroughness of some of these interactions could be either life saving or life changing. Deriving **tangible** impact here might not be as clear-cut as some of the previous financial considerations but the impact is no less profound.

To this point we’ve tried to illustrate real examples that might support the argument for change. The next step takes the underlying conditions warranting change and theorizes how Unified Communications will make a quantifiable difference. Applying a financial model, or in the case of the healthcare example a compassion model, each business case is tempered with a suitable risk assessment exploring the threats to a potential project outcome.

Typical questions might include ~ How will the UC application and associated processes create **tangible** impacts and returns? What expenditures, if any, will be required? It is relatively easy to assemble start up costs, but make certain you know where your management’s investment thresholds lie. It should come as no surprise, most organizations today are extremely concerned about cash flow, so a CapEx model is probably going to face extraordinary scrutiny to win approval. On the contrary, based on the recent popularity of managed or outsourced solutions, an OpEx model is likely to garner approval more easily but remember to include the total cost of ownership (TCO) analysis. As to be expected in any thorough examination, expect the unexpected, including fees in perpetuity and other potential “gotchas” that are the trade-offs for low or no cost start up fees of the managed or outsourced solutions. Whether CapEx or OpEx it is important your analysis capture all related expenses such as process reengineering and training. Don’t omit consideration of such areas as cost avoidance and risk.

Assuming you’ve made a compelling case for change but the response, as you somewhat expected, was only a qualified yes with insistence of a “proof of concept” or trial of your proposal. Your next step is to pilot the UC application to validate the premise you built into your case for change. Remember when moving into a pilot phase to over-communicate and keep your team and interested ancillary parties informed at all steps of the pilot. Don’t lose site of the fact the pilot is intended to test and validate the financial model, not just determine whether the application itself works. It is important the UC application performs well, but the potential “deal killer” is the cost/benefit analysis.

Identify ahead of time how long the pilot will run. Be realistic ~ all companies want immediate returns, but give the project the best opportunity to succeed. Don’t go overboard with the sample, but don’t severely limit yourself either. And as mentioned above, make certain you effectively communicate with everyone involved in the pilot throughout the testing period. Put together a Forum or shared “Parking Lot” for ideas to encourage additional innovation and feedback. The best ideas will come from the users of the applications!

Continue to refresh the model to include additional expenses or processes you may have overlooked, returns or impacts you didn't anticipate or forecast, and other applications for UC that were not envisioned can help sweeten the business case. Measure, Measure, Measure! Is the application really generating the anticipated return? What happens if the sample increases or decreases? What other process ideas have come forth? What challenges have been identified? What aspects of the model are you unable to validate? And if the returns are flowing as anticipated, can you achieve the same results with a less expensive option or provider? If not, then be sure you're ready to defend your position.

Prepare your final recommendation and report the results to management. Document all assumptions that were not validated in the pilot as well as why they could not be validated. Provide a baseline cost before the pilot, forecasted ROI, and TCO or OpEx estimates. Provide the results for the pilot including any modifications to the business case for change based on the findings from the pilot. Discuss any unanticipated results and/or challenges, and how you and your team rallied to address them. And be prepared to defend ~ "could we have done it cheaper."

The process outlined here may sound daunting and extremely time consuming. After all, most of your resources are probably fire fighting, doing double and triple duty in light of recent head count reductions. But focus on the upside, whether successful or not in this endeavor you've proved to the executive team your forward thinking and strategic qualities; you understand their emphasis on top line revenue growth and bottom line cost reduction.

If you can't find the time or resources, but instinctively know opportunity exists for streamlining your operations through UC, consider engaging an outside expert, such as MacBeth Williams, who can efficiently review your UC strategies and validate their fortitude.

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