BLACK BOX

CASE STUDY
SOLUTION INTEGRATORS

Large Financial Services Company Boosts Sales Productivity and Speeds Branch Openings While Saving Millions

INDUSTRY: Finance

THE BACKGROUND:

Before companies with large sales forces can fully deploy CRM, they often must upgrade their networks and communications. This issue faced a large financial holding company that sells more than $4 billion in insurance, annuities, and other products each year. Its many thousands of independent agents work out of several hundred branch offices across the U.S. However, they weren't as productive as they could be, in great part due to an inefficient and outdated telecommunications infrastructure. Black Box helped the company consolidate telecommunications at 300+ locations across the U.S. into a private, cloud-based unified communications system. The solution was delivered as a managed service, for which Black Box owned and operated the infrastructure. The program was paid for with immediate cost savings generated from the consolidation and modernization of the network. Since deployment, sales force productivity has soared, boosting new premiums by potentially millions of dollars annually. The company's IT and finance groups also have greater visibility into the cost and operation of their new IT infrastructure. And, with Black Box, they have just one point-of-contact. Their jobs are much simpler now, freeing them for more strategic work.

THE CHALLENGE:

Before engaging Black Box, most of the company's offices had aging phone systems that were unable to be integrated with their CRM system. Carrier connectivity was via expensive local trunks. Infrastructure decisions were made based on what IT had the capability and capacity to support, not based on what supported the business strategically.

Speed was an issue in opening new branches. Before engaging Black Box, a new branch could take months after a lease-signing just to get communications and connectivity set up. This consumed tens of thousands of dollars in capital expenses and demanded the attention of one or more senior employees. More importantly, it delayed opening the branch. Finally, the company wanted to cut overall costs. Its recurring operating expenses were growing because its aging TDM phone system infrastructure needed costly local trunks from the phone company to operate. The systems also required frequent servicing. In fact, much of its phone system infrastructure was nearing the end-of-life, so the status quo was a business risk.

PROJECT

- Black Box to deploy, manage, and operate end-to-end, mobile-enabled unified communications via a private cloud.

BENEFITS

- Black Box cut long-distance rates by 50 percent.
- Black Box enabled fully unified communications mobility for agents.
- Black Box deployed an application to manage inbound, toll-free costs, and outbound long distance, the latter via SIP-trunk routing.
- Life for corporate IT and finance is much simpler.

THE SOLUTION:

The company turned to Black Box to design and plan a solution. From that came a specification that was put to bid. Black Box won the business despite stiff competition by the incumbent service provider and several other major service providers and telecom manufacturers. One deciding factor was that Black Box would require far fewer subcontractors to service the company's 300+ locations across the U.S. It had many more local offices to deliver better on-site service and support. In fact, of the 300+ company locations, only 10 could not be serviced with Black Box's in-house technicians while meeting the company's SLA requirements.

The solution was for Black Box to deploy, manage, and operate end-to-end, mobile-enabled unified communications via a private cloud. Unified Communications would provide a common infrastructure and standardized endpoints. It offered centralized management for more efficiency and lower costs. Compared to a public cloud, a private one would also give IT more control and better align with its processes, procedures, and policies.

To eliminate millions in capital costs, Black Box agreed to own, operate, and manage this private cloud as a service. In delivering this service, Black Box followed a disciplined, best-practices approach known as the Information Technology Infrastructure Library (ITIL). To further simplify operations, Black Box would also provide one point of contact for all services and support the entire Unified Communications system. Based on the company's two redundant data centers, the cloud connects the branches through an MPLS network. Black Box provides the network and SIP-trunking from an independent carrier known for its nationwide coverage and POP density, as well as network capacity and availability. As part of the solution, Black Box guarantees 100 percent uptime during business hours. Another key SLA condition: When a new branch is needed, Black Box enables all connectivity and communications within 30 days. This involves setting up carrier trunks, the wireless LAN, cabling, and phones, installing and programming the switch, and all commissioning. It frees the company's IT team to focus on more strategic operations. And it requires no capital investment.

Migrating a sales force numbering in the thousands to a unified communications system from an outdated TDM communication system can potentially disrupt production. To mitigate this risk, Black Box used a proven, four-step transition methodology. It's a phased deployment approach developed and refined over thousands of client UC migrations. It also customized its Day One quick-start training for all users, followed by ongoing, 24x7 user support.

THE RESULTS:

Overall, the Black Box solution took enough recurring costs out of the company's operating expenses to pay for itself almost immediately. Among the largest savings:

- On the network side, Black Box cut long-distance rates by 50 percent. Costs for T1 lines added 20 percent more savings for intra-network and local services. Also helping to reduce MPLS requirements is G.729 voice compression, which cuts bandwidth demands for voice transmissions by half without compromising voice quality. Black Box also negotiated two months of free service for each MPLS circuit and a $250,000 credit when the MPLS network was 90 percent installed.
- Within the branches, Black Box enabled full Unified Communications mobility for agents. This eliminated desktop phones for $400,000 in one-time capital savings. This, plus the use of Power-over-Ethernet for network appliances, also reduced the need for installing new cable and wiring by up to 50 percent. The total estimated savings across all branches was $3 million.

Another big source of savings was how Black Box deployed an application to manage inbound toll-free costs and outbound long distance, the latter via SIP-trunk routing. Together, these changes will save the company $1 million a year. It also negotiated an option for the company to use the monthly agent license fees to pay for progressive dialer software. This enables the company to avoid $900,000 a year in additional license fees.

Agent productivity has been greatly improved with Black Box's integration of the company's UC platform with a leading CRM application. The preview dialing feature will enable agents to "click-to-call." This capability will help them secure as many as 35 percent more appointments at any given time. It will also improve their closing ratios—boosting their income. This lowers turnover and its associated costs. Given the company's new premium sales forecast, these productivity gains are expected to boost associated revenue by millions of dollars annually.

Another benefit: Life for a corporate IT and finance is much simpler. Not only do they now have one point of contact, but they also have one consolidated invoice each month. Behind that invoice is a Black Box telephone expense management (TEM) system that can feed data into the company's financial systems. Costs can be allocated to the branch level for greater transparency and accountability. The TEM provides complete line item accounting with third-party validation of charges. This helps eliminate 20 percent of billing errors for even more cost-savings. It also saves the control and accounts payable teams a lot of time and effort in conducting audits and seeking reimbursements for overpayments.

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