



Insurance Brokerage Saves \$3 Million, Boosts Competitiveness with Unified Communications

Overview

Country or Region: United States
Industry: Financial services—Health insurer

Customer Profile

Extend Health, based in Salt Lake City, Utah, is one of the leading providers of defined-contribution benefit programs.

Business Situation

Extend Health was experiencing 100 percent annual growth—and bumping against the limited scalability of its Cisco-based call center system.

Solution

The company adopted a custom call center solution based on Microsoft® unified communications technologies.

Benefits

- Scales to support years of growth
- Cuts time to bring new employees on board from months or weeks to days
- Provides flexibility to meet business needs
- Saves 96 percent over competitor's price, plus U.S.\$640,000 annually

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Extend Health was experiencing 100 percent annual growth and bumping against the scalability limits of its Cisco-based call center. To eliminate those limits, the company turned to a custom solution based on Microsoft® unified communications technologies. The solution immediately scaled to support almost twice as many agents as the Cisco solution and has unlimited ability to scale out. Extend Health can now bring new agents on board in days, instead of weeks or months, and place them where it makes the most business sense—at headquarters, in remote offices, or outsourced locations. The company also was able to design custom workflows that add competitive value to its business. These capabilities came at an initial U.S.\$3 million savings over the Cisco solution and will continue to save the company \$640,000 each year.

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Situation

When economic times are tough, look for Extend Health to double its revenues.

That counterintuitive result stems from the service that Extend Health offers to Fortune 500 companies and others: Extend Health is one of the leading providers of defined-contribution benefit programs to the employees and retirees of corporate America. As companies and their employees and retirees continue to be burdened by increasing healthcare expenses, employers seek new approaches that control costs, enable individual employee choice, and reduce current administrative complexities. The company’s services make it possible for corporations to do just that, by moving employees and retirees from group benefits to individualized, defined-contribution programs.

The value of making such a switch can be tremendous. Soon after the company’s founding in 2004, Extend Health achieved savings of U.S.\$80 million for its first client. Little wonder it has seen 100 percent revenue growth since then, even during economic downturns.

The company’s service can be complex, requiring significant time on the phone with clients and their employees to explain and implement program options. To provide that phone service, Extend Health maintains a customer service call center. The call center is absolutely mission-critical to the business. “If we didn’t have telephony, we couldn’t do business,” says Mark Stafford, Director of Solutions Architecture, Extend Health. “This is how we interact with customers.”

The call center was run using a Cisco Express Contact Center solution. At the time it was implemented, the choice of Cisco made sense. As Stafford says, “Cisco was the most established player in the business.” But Extend Health didn’t count on having such

immediate and substantial success. As the company grew, it quickly approached the scalability limits of the Cisco solution. The software was licensed for just 300 agents, a substantial number when Extend Health opened its doors, but the limit was now proving a bottleneck to customer service.

Beyond the licensing limit, Extend Health was bumping up against the financial costs of expanding its call center operations. The Cisco solution required Cisco hardware and software for each call agent, including a virtual private network and phone set, totaling \$3,000.

To meet high demand bursts during open enrollment periods, Extend Health needed the flexibility to rapidly expand its call center operations and then quickly reduce call center capacity back to baseline levels at the end of open enrollment. The company accomplished this by adding outsourced personnel to its in-house staff. But provisioning and servicing the Cisco hardware and software for each outsourced call center agent was a financial and administrative burden, and a time-consuming one as well; it took 90 days to get the Cisco systems shipped and installed for each agent.

It was also difficult to customize the Cisco software to reflect the way Extend Health wanted to conduct business. The company experienced what Stafford calls “exceedingly painful problems” customizing the Cisco interactive voice response (IVR) software to reflect its business processes. Accessing customer information from the database using the Cisco software was difficult, as well, according to Stafford.

To support the company’s continued growth, Extend Health needed a different call center solution.

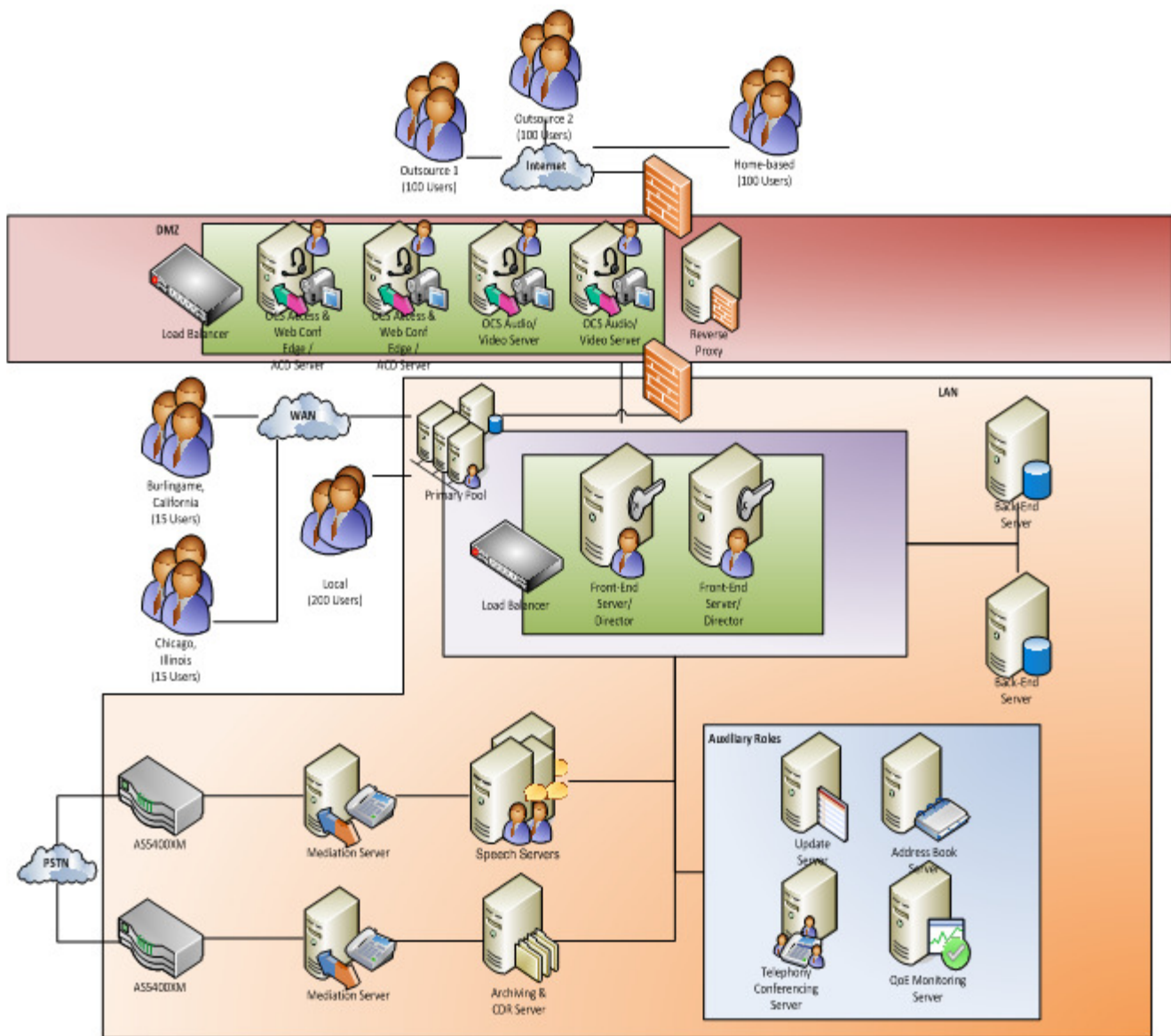
Figure 1. Based on Microsoft technologies, the Extend Health solution provides high levels of scalability, reliability, and flexible use of in-house and outsourced staff alike.

Solution

The key business requirement for the new call center solution was that it provide enough scalability and reliability—from both licensing and technology perspectives—to support the company for at least another five years. A close second was the ability to use

the solution as a platform upon which to develop customizations that reflect the way the company does—and wants to do—business.

Extend Health first looked at upgrading its Cisco solution to the Cisco Unified Contact



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Center Enterprise—until it did the math and realized that the system would cost \$3.2 million to license and deploy. After consulting with Gold Systems, a Microsoft® Gold Certified Partner, regarding the overall architecture, Extend Health discovered an alternative: a unified communications solution that includes Internet telephony, interactive voice response (IVR), voice mail, and instant messaging. This proposed solution was based on Microsoft® Office Communications Server 2007, Exchange Server 2007, Speech Server 2007 (now part of Office Communications Server), and other Microsoft technologies.

Extend Health conducted a pilot. It tested each of the key capabilities of the proposed solution, including some of the custom business logic that Extend Health wanted Speech Server to use in directing calls to call center agents. “We proved we could make the solution work,” says Stafford. “And when we looked at the vast difference in cost between Microsoft and Cisco, we decided it was definitely worth the effort.”

The basic function of the solution is to receive, route, and maintain voice traffic. Calls from the public service telephone network (PSTN) enter the system through a pair of Cisco voice gateways. Office Communications Server Mediation Servers direct these inbound calls, the majority of which they route to the Speech Server pool, with a few direct inbound dial numbers (less than five percent) configured to bypass Speech Server. The calls are then routed to a pool of Office Communications Server computers to be handled as voice over IP (VoIP) calls or sent to voice mail—all without the need for a traditional private branch exchange (PBX). Calls are then directed through the front-end computers to specific agents and, if appropriate, are routed back from the agents to Speech Server for follow-up surveys. The

unified communications solution for Extend Health is shown in Figure 1.

The solution was designed to handle an initial load of at least 500 call center agents, who sit in various locations and connect to the solution in various ways. About one-third of the agents are in-house and connect through the local area network; 10 percent connect from satellite office locations (including California and Illinois) over the wide area network; and the majority are agents working either from remote call centers or from home. This last group of agents connects to the solution over the Internet. In addition to using the solution for Internet telephony, agents also use its instant messaging capabilities to gain needed information from colleagues while on the phone with customers.

Extend Health set 99.99 percent uptime as the reliability requirement for the solution. The solution design includes redundant computers in key functions—front-end, back-end, and edge access, for example—to provide the fault tolerance needed to deliver this level of uptime. Front-end and edge-access computers are load-balanced to improve availability.

Extend Health developers used the Microsoft .NET Framework and tools such as Microsoft Visual Studio® Team System 2008 Team Suite to create business logic that replaces standard call center call-routing software, and an integrated call center/customer relationship management solution that gives agents more complete customer information on a single screen.

Benefits

With Microsoft unified communications, Extend Health now has the capacity to easily support its aggressive annual growth rate for the next five years, has cut the time it takes to bring new call agents on board from months to days, and can easily customize call

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center applications to deliver exceptional customer service. The company is doing so with an up-front savings of more than \$3 million compared to its Cisco call center, and is realizing continued savings of \$640,000 per year.

Scales to Support Years of Growth

In contrast to the Cisco solution, which limited Extend Health to 300 call center agents, the Microsoft-based solution will support the company for at least the next five years, even if the company continues its 100 percent annual growth, according to Stafford. The design can be scaled out cost-effectively by adding low-cost computers where and as needed because call routing, voice mail, edge access, conferencing, and other capabilities are all provided by separate computers.

"Our tests show that the Microsoft solution will support 10,000 simultaneous IM [instant messaging] conversations, so we don't think we're going to hit any scalability limits anytime soon," says Stafford. "But if we do, we'll just scale out and keep going. Scalability is inherent in the Microsoft design."

Microsoft unified communications supports growth at Extend Health in other ways as well. The company is using instant messaging, Internet telephony, and Web conferencing throughout the company for administrative and other business functions.

Cuts Time to Bring New Employees on Board from Months to Days

Another aspect of scalability is the ability to quickly bring additional staff—especially remote staff—online to meet temporary peaks in business, such as open enrollment periods. In the past, it took up to three months to order, receive, deploy, and configure the Cisco VPN and headset hardware necessary for each new call agent. In addition, agents needed to be trained—either by traveling to Extend Health headquarters, or

through relatively expensive WebEx Web conferencing software.

In contrast, using Microsoft unified communications, the company brings new agents on board in as few as two to three days. In place of the need to establish a VPN, Extend Health simply ships each new agent an off-the-shelf headset that's compatible with Microsoft Office Communications Server. Training time is reduced by 15 percent because the new call agent software, which is more tightly integrated with the customer relationship management system, is simpler to use and does not require agents to flip among multiple screens to serve a customer. In addition, by using Web conferencing based on Office Communications Server, the company saves at least \$80,000 that it formerly spent on WebEx.

"We not only can bring new call agents on board faster thanks to Microsoft technologies," says Stafford, "we have the ability to add call agents where and as we need them—at headquarters, at remote sites, or outsourced."

Provides Flexibility to Meet Business Needs

One of the biggest benefits that Extend Health has gained by its adoption of Microsoft technologies is the ability to match its technological processes to its business processes, rather than the other way around. "Our business depends on superior customer service and satisfaction," says Stafford. "You can't provide that when you're limited to the standard workflow available with call center software. We wanted software that would be a development platform for our unique, value-added workflows, and that's what we gained with the .NET platform."

For example, Extend Health has created 20 criteria on which the system automatically routes calls, instead of the more standard 8 or 9 criteria. The routing system factors in

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agent qualifications (like licensure and training), contact history with callers, and environmental factors such as hold time.

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Extend Health was also able to make call center agents more productive by delivering a call center application that makes better and more frequent use of the customer database. “Database dips were a pain to implement with the Cisco system,” says Stafford, “Now, because of the easy integration of the .NET Framework with Microsoft SQL Server® 2008 [data management software], they’re not.”

Saves 96 Percent Over Competitor’s Purchase Price, Plus \$640,000 Annually

In contrast to a new Cisco solution, which would have cost \$3.2 million, Extend Health implemented the Microsoft solution for \$140,000—an extraordinary savings of 96 percent. Some of that savings comes from the Microsoft Enterprise Client Access Licenses (CALs) that Extend Health used to increase the number of Microsoft technologies available to it under its Microsoft Enterprise Agreement. The Enterprise CAL adds 14 technologies, including Microsoft System Center products for manageability; Microsoft Forefront™ Security Suite products for security; and extended capabilities to Exchange Server, Microsoft Office SharePoint® Server, and Microsoft Office Communications Server.

“The Enterprise CAL was a no-brainer for us,” says Stafford. “We’ll be using every facet of the Enterprise CAL this year—and the best part is that it’s only an incremental cost over the license we already had. For a tiny fraction of the cost of the Cisco Agent Desktop

license, we were able to license a broad number of Microsoft solutions.”

Even better, the reduced total cost of ownership continues with operating savings each year from the solution, including savings of \$80,000 on conferencing software, \$60,000 on setting up new call center facilities, up to \$200,000 in reduced development costs, and \$300,000 in reduced expenses to equip new call center agents. That’s a total savings of \$640,000 per year.

“For a fraction of the cost of Cisco, we gain the scalability to support the business for years and the flexibility to respond to business needs the way we want to,” says Stafford. “That kind of support from a mission-critical application—it’s tremendous.”

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

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Microsoft Office System

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Hardware

- Dell M600 blade computers

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