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Telecom Tactics

Five companies adopt telecommunications strategies that boost efficiency, enhance customer service, and dramatically cut costs.

Even in a digital age of videoconferencing, e-mail, and instant messaging, that ancient device called “the phone” still matters. Most businesspeople spend a significant chunk of their day on the phone with clients, colleagues, and prospects in a two-way conversation not easily replicated with other communication technology except, well, a live meeting.

“The phone still matters a lot,” says Nita Singh, CEO and founder of Maple Grove-based American Business Communication, Inc. “E-mail has made business too impersonal, and there’s much more of a chance for misinterpretation. They respond, you respond, and sometimes things get lost in the translation.”

There are few killer applications left in the hard-wired phone world. Wireless providers continually add gizmos and gadgets—cool smart phones with QWERTY keyboards, cal-

enders, and so on. But wired phones have remained pretty much the same optionwise with the exception of voice-over-Internet protocol, or VOIP, which has been transforming the industry. (More on that later.)

Still, companies look at telephone cost centers and wonder what kind of technology would control or reduce charges or improve service to customers. Here’s a look at five businesses that worked with telecommunications consultants to create new phone efficiencies.

Improving Internal and External Service

St. Paul-based Affinity Plus Federal Credit Union had a couple of big problems. First, customers calling in would wait as long as 20 to 30 minutes to get their questions answered, and sec-

By Frank Jossi

ond, Affinity employees had to call long distance to reach the company's other offices.

Chief Information Officer Keith Malbrue wondered if a more efficient, less costly system existed, so he called Minneapolis-based N'compass Solutions, a technology consulting firm he had worked with in the past. N'compass helped design an entirely new phone system based on VOIP that would essentially solve Affinity Plus's telecom woes and save it money in the process.

Each of the company's more than 300 employees was out-fitted with a new Cisco phone. Traffic on the network between offices is handled by Enventis Telecom, based in Plymouth.

Malbrue says the new VOIP system provides four-digit internal numbers that employees use to communicate between branch offices without using outside lines. "Now someone in our Brainerd office can call anyone else in the company by dialing four digits, and it feels to them like they're no longer way out in Greater Minnesota," he says. "They feel like they're part of the family."

The new system also routes incoming customer calls to available personnel who, in many cases, can answer just as well as the call center. A customer ringing the St. Paul office during a busy time may wind up talking to an employee in outstate Minnesota and never know it, Malbrue explains.

"We moved from a limited number of people who could answer the phone—around 35—to now having all 300 employees able to answer the phone," says Malbrue. Every employee has access to a customer relationship management program providing access to customer accounts, he adds.

Malbrue says that in an average month before installing

the VOIP system, his staff would answer from 15,000 to 25,000 calls. A month after the new network went live, the number jumped to approximately 60,000. "That was an outrageous increase," he says with a laugh.

VOIP also allowed Affinity Plus to cut out long-distance providers—calls now go via the Internet—and consolidate operations for local calling into a handful of companies. "I studied this, and we'll see a return on investment in 36 months," he says. "It's worked well since the day they installed it."

Locating Employees

Managing a staff of mobile workers can be a hassle. They may be too busy to answer a wireless phone or unable to get a connection in a location with lousy reception, such as a basement or parking garage.

Andy Wilhoit, operations manager at @Home Apartments, Inc., a St. Paul property-management firm, wanted to be able to look at a computer screen and see where 33 mobile employees were at any one time, monitor their work load, and verify time sheets. Working with Plymouth-based Select Communications, Wilhoit deployed Eagan-based GearWorks' etrace software on his network and on the two models of wireless phones used by company, the Nextel I-58 and 710.

Mark Jenkins, director of technical solutions for Select, says etrace has become popular with businesses where managing mobile employees can be challenging, such as plumbing and home-repair contracting companies. Describing how the system works at @Home Apartments, Wilhoit says an employee who arrives at a work site at 8:30 A.M. takes out her phone and dials in a password, activating etrace. She also logs in and

out for lunch.

Wilhoit can view a GPS screen and see precisely where his employees are working, what projects may be taking longer than necessary, who failed to show up for work, and whether employee time sheets reflect the same times seen on the automated login. An employee who reports working 56 hours on a time sheet but who only logged in for projects totaling 32 hours may have some explaining to do, he says.

"It's good to be able to know where people are at and how long they were at a site," Wilhoit says. "During the re-



Heidi Soderberg of Integra Telecom, Inc.

cent storms [in June], I had our workers check for damage on all the buildings, and I wanted them to look at the roofs. I'll know if they went to the buildings, but I won't know if they actually went on the roof. It's not 100 percent foolproof."

He also likes the ability to see whether employees are honestly reporting when they arrive at work. The system encourages people to keep a more accurate time sheet, a move that he figures may save Home Apartments as much as \$25,000 to \$30,000 annually.

Jenkins adds that other benefits may not be so obvious, such as the ability to see who is nearby when a new job comes up. "This gives a dis-

patcher or manager an opportunity to know where employees are and assign them a new job in the vicinity," he says. These efficiencies save the company time and fuel costs.

The Nextel phones also come with a key advantage. Built-in walkie-talkies allow employees to communicate with coworkers—who may be only a floor away—using buttons on their wireless headsets. Users can connect with co-workers more quickly than when using cell phones—conserving minutes—and can speak to several people at once. "We used to have pagers, but this two-way communications' technology built into the phones is wonderful," Wilhoit says. "My employees use it a lot."

Cutting Charges in Half

B-Swing is a 12-person Web design company in Minneapolis. For several years, the company used two T1 lines, one for voice, the other for data. T1 lines offer companies the ability to run several lines of data and voice through one large pipeline connected to the Internet and to local and long distance access providers.

The cost of both lines was north of \$2,400 a month, says Jennifer Alstad, president of B-Swing. The service provider did not support it well, sometimes accidentally shutting off the T1 line, leaving B-Swing without access to the Internet or its phones. In a Web design company, what could be more irritating than losing your Internet connection?

B-Swing studied several options, among them DSL and a cable modem, says Alstad. DSL wasn't fast enough for the demands of a Web design company, and cable didn't provide a comfortable level of security, she reports. Last year, Alstad hired Minneapolis-based Eschelon Telecom,

Inc., to provide a solution that would be more reliable and save money.

The result? Eschelon suggested a “split” T1 line capable of handling both voice and Internet access while maintaining high data speeds. “It actually saved us \$1,600 a



Keith Malbrue at Affinity Plus Federal Credit Union implemented a VOIP system in his company and says it more effectively connects both employees and customers.

month, and we’re able to have the same number of voice and data lines,” Alstad says. “It’s worked out just great for us. We’ve been using it for more than nine months, and it’s been simple to use. We don’t have to be telecommunications experts to make it work.”

Jon Secrest, senior director of marketing for Eschelon, says the split T1 line is an excellent solution for many small- to medium-sized customers. Often they can get rid of at least one T1 line by going to a split option, cutting their telecom costs roughly in half, he says. They also can retain their existing phone system.

“It’s becoming a very popular product for us,” Secrest says. “A T1 circuit used to be reserved just for big business, but with the split option, it’s now affordable to small businesses, too.”

Cracking Down on Personal Calls

Two years ago, Regis Corporation, an international hair salon chain company based in Minneapolis, wanted to get a handle on long distance costs. The company’s salons used a number of long-distance providers and had no control over where employees called or for what reason. A stylist in Minneapolis could ring up a friend in Seattle, and no one would be the wiser.

Jennifer Blaschko, telecommunications manager for Regis, hired American Business Communication, Inc., of Maple Grove to conduct an audit of long distance calling. Rhonda Davis, director of client services for American Business, found that Regis was paying a significant amount in calling-card access fees and inflated long-distance fees in each salon as well as the corporate office.

Employees using phones for personal long distance calls “wasn’t a huge problem, but it was happening,” says Blaschko. American Business suggested Iowa-based McLeod USA’s “E-800” application. Using the E-800 system, McLeod became the primary long distance provider for Regis salons nationwide, and employees who need to make long distance calls now start by calling a 1-800 number. They receive a prompt and then dial the number they want to reach.

The system automatically accepts or rejects the call based on its area code. Regis tightly controls what area codes the salons can call, Blaschko says. She has the ability to manage the system from her desk by adding or subtracting area codes based on Regis’s business growth. “We have a lot more control over calls,” says Blaschko. “Calls that were not business related or were operator assist-



Andy Wilhoit, @Home Apartments, Inc.

ed all went down after we started using the system. We think it both reduced costs and behavioral abuse.”

Prompted by American Business, Regis decided to reduce its number of local telecom service providers from dozens to fewer than 10, says Blaschko. American Business assisted in selecting and negotiating terms with the various carriers, she says, and the result has been appreciable cost savings and much better service. The move saved in excess of \$1 million annually and has made local service “easier to manage,” Blaschko says. “The carriers are much more helpful now, and the cost savings have been great.”

Reduced Cost, More Options

Matthew Hoban took a position as director of information technology at a local investment firm three years ago, and he found that he had inherited an aging, expensive telecommunications system that had few of the features commonly found in today’s networks. The firm—Minneapolis-based Miller Johnson Steichen Kinnard—didn’t even have caller ID.

Working with the Bloomington office of Oregon-based Integra Telecom, Inc., Hoban developed a network—which extends to some of the firm’s other offices—consisting of eight T1 lines. Integra created and installed the network, put caller ID circuits in place for

every employee’s phone, and now provides local phone service to most of Miller Johnson’s offices, Hoban says.

The next step was VOIP. Hoban hired California-based ShoreTel to install its phones and IP-based system on top of the network. In addition to the usual advantages of VOIP—lower long distance charges, easier connectivity between offices, voice mail that can be retrieved from Microsoft Outlook—Hoban liked what it offered remote workers. Employees can now put on a headset and use their laptop to dial calls from their home office or other outside location.

Heidi Soderberg, sales manager for Integra, says her company can usually provide phone service that costs less than service from larger providers. “We had a much more competitive bid,” she says. Miller Johnson also liked that Integra managed to “transparently” move from the old service to the new one without a glitch.

“The project brought our technology up to date,” Hoban says. “What’s been amazing is we now have a much better system at less than half the cost of the old one. On average, we’ve saved 40 percent per office on long distance, local services, and our 800 service.” ■

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