Anycompany, Inc.

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Date: April 27, 2010
To: Joe Phonebook, Manager
From: J. A. Awadalla
Subject: Proposal for Replacement of Customer Care Phones

-Purpose-

The purpose of my proposal is to examine whether or not our current Customer Care Center phones are in need of replacement or are acceptable the way they are.

-Summary-

Anycompany, Inc. has been in Anytown for five years, and gets its name from Anytown. We are steadily building our reputation as a local leader in software engineering, creating everything from iPhone applications to productivity software. Customer satisfaction is at an all-time high, even beating out some more experienced competitors in the area. Customer service is paramount in keeping this level of satisfaction high, as customer service is one of our strongest points, second only to product quality.

Customer Care has received some complaints about the length of time customers are put on hold. In the past month alone, our call center received 300 calls to Customer Care, and the average hold time was about fifteen minutes per person. Because of this, the number of abandoned calls is rising, from ten abandoned calls two months ago, to twenty-five abandoned calls last month. Although the hold times are tolerable to most customers, that number is beginning to drop.

Because of some other members of management expressing concern about both the length of time customers are on hold and the rising number of abandoned calls, I propose that we should either change our phones in the Customer Care Center, or research whether or not we should consider changing the type of system we use. If we would change our phones, I would recommend that we do this gradually, so as not to halt the call center's operation completely. If you would have me research changing the phone system, I would begin by expanding my research on alternatives, such as Voice over IP, to determine their viability.

To change the phones only, I believe it would take two months, and for research into changing the network, I would give an estimate of three months to be safe. As for the cost of replacing phones, I would feel safe in giving an estimate of between $30,000 and $35,000 for the seventy-five phones in our call center. For the cost of researching a new network, I think it would total $5,376. I personally suggest we research getting a new network first, before making such a heavy investment. I would submit a progress report to you May 31st and June 30th, and a completion report on July 31st.

-Introduction-

I am seeking your approval for one of two courses of action, either to replace all the call center's phones or to conduct further research into an alternative phone system. This proposal is based on customer complaints of hold times, and our own findings about abandoned calls. Please see Figure 1.
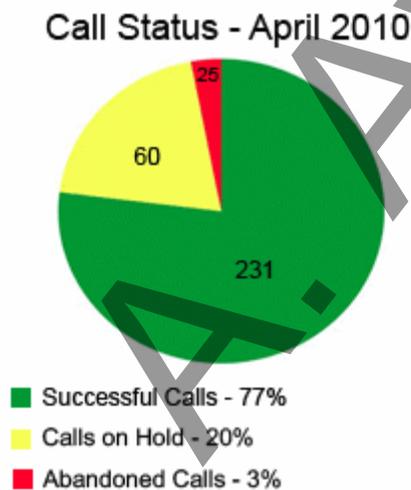
Call Status - April 2010

25
60
231

■ Successful Calls - 77%
■ Calls on Hold - 20%
■ Abandoned Calls - 3%

Figure 1: Status of calls in April 2010

"The efficiency of the telephone representatives depends on the number of calls that reach the unit. (Globerson 108)" Admittedly, the problem of abandoned calls is not a large one, but I believe the whole problem—both between average calls on hold and abandoned calls—should be tended to before it becomes a larger issue. In total, there are problems with 23% of the calls we receive.

I am in favor of Voice over IP because, "In markets in transition to competition, VOIP offers a route towards early introduction of competition and creates downward pressure on prices. (Minoli 468)" The average cost of connecting a VOIP call is between ten cents and $3.00 (Minoli 468). It also has little regulation from the FCC, removing several taxes completely from setting it up (Minoli 469). I believe it would be both a modern and a cost-effective move to get VOIP, as opposed to our current traditional phone lines from the phone company.

As far as the digital switching system VOIP utilizes, there are plenty to choose from, and they are all put up to very strict quality standards. There are five sets of metrics each digital switching system is put up to: software development, software testing, software deployment, software maintenance and customer satisfaction (Ali 142). There are also four sets of responses technicians use to deal with problems (Ali 171-173), ensuring the digital switching system will be highly maintained.

The benefit of a digital switching system is being able to join the North American CCS network, which every major business is North America is connected to. I realized we are not that large yet, but we are growing at such a rapid pace that we ought to at least keep this in the back of our minds. This, too, is of benefit, because CCS is known for being a well-oiled machine. Notably, CCS screens every call on its network through a series of filters which "examines one call at a time" (McIntosh 614). The filters do any number of things, including content and protocol checking (to check for malformed electronic signals), assembling calls, and checking for transmission errors, among others (McIntosh 614).

If we simply replace the phones, we will have to consider this change at some point. I will gladly do research on the matter if you request it. If, however, you choose to replace the phones, then I suggest we hire more staff to try to reduce the hold times. This may keep calls from being abandoned as well. Obviously we would have to buy more phones than what we have in the call center, but I leave this to your discretion. If not, replacing the phones will suffice.

"The efficiency of the telephone representatives depends on the number of calls that reach the unit. When keeping the number of calls constant, the efficiency of a unit decreases as the number of representatives increases. (Globerson 107)" It is for that reason that I caution against hiring too many people, should you choose to hire new call center representatives.

-Proposed Tasks-

If you would allow it, I would set to work with the following if you gave the go-ahead for new phones:

1.) Screen applications for new call center receptionists
2.) Research possible replacement phones

If you were to authorize further research into changing the phone system:

1.) Begin research into viable alternative phone systems, such as VOIP
2.) Research the CCS network
3.) Research compatible phones to match researched networks

-Experience-

I am a freshman student at Daytona State College, nearing the end of my second semester. I am a student in Prof. Heather Eaton's Report Writing class, and have prior teaching experience of my own, though on a volunteer basis. I also experiment in digital imagery.

-Budget-

Option A:

$400 per phone times seventy-five: $30,000 to replace the call center's phones
$3,000 installation
$2,000 free if we choose to buy more phones
$1,792 per month for each new employee hired (at $8.00 an hour)

Total cost: $35,000 plus $1,792 per month for each new employee hired

Option B:

$5,376 over three months for my research (at $8.00 an hour)

-References-

Ali, Syed Riffat. *Digital Switching Systems: System Reliability and Analysis.* New York: McGraw-Hill, 1998. Print.

Globerson, Shlomo. "Manpower Planning for a Telephone Service Department" *JSTOR.* Nov 1, 1979: pp. 105-112. *Business.* Web. Mar 29, 2010.

McIntosh, Allen A. "Analyzing Telephone Network Data" *JSTOR.* Sep 9, 1999: pp. 611-619. *Mathematics and Statistics Collection.* Web. Mar 29, 2010.

Minoli, Daniel. *Delivering Voice Over IP Networks.* New York: Wiley, 2002. Print.