



WRITING SAMPLE

[cover]

THE ROI OF SPEECH

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The experts agree -- speech recognition (“speech”) is a breakthrough technology that results in significant economic benefits for companies and their callers. As a business executive, you want a solid business case. You’re looking carefully – and appropriately – at investments in speech recognition, text-to-speech, speaker verification, and other technologies to understand the financial benefits your company can realize. What are all the economic benefits? What’s the payback period? How can your company achieve rapid return on investment using speech?

In Book Five of the “Speech 101” series, we’ll explain the many significant, measurable, and timely economic gains you can achieve by deploying speech. You’ll see examples of what others have achieved and get tips for performing your own ROI analysis.

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SELF-SERVICE AND THE CALLER EXPERIENCE

[subhead:] **“Your Call Is Very Important To Us...”**

Originally, call centers were primarily agent-based. Customers would call a (usually) toll-free number and wait – and sometimes wait even more -- while listening to the strains of Muzak and repeated assurances that “your call is very important to us.” Finally, your customer reaches an agent – only to make a simple inquiry, such as an account balance or the location of the nearest store.

These agent-centric call centers are pure cost centers, requiring major capital investments and significant labor expenses. As those costs grew, many businesses have begun to pursue new options for 24x7 customer self-service options that are fast, simple, accurate, and less expensive.

[sub-head] **”For Customer Service, Press 46...”**

Early efforts focused on Interactive Voice Response (IVR) – using nested menus of touch-tone codes to let customers interact directly with enterprise computer systems. However, except for very basic applications, touch-tone systems have had a fairly low degree of adoption and customer acceptance – typically processing less than 20 percent of inbound calls. Too often, callers must navigate complex menu trees by punching literally dozens of digits for account numbers, PINs, catalog numbers, and menu choices just to access information or services. Not surprisingly, users have quickly learned to “zero-out” of touch-tone systems and hold for an agent.

As a result, staffing costs have remained high while agents continue to field routine requests. Telecom costs have remained high, as callers prefer to wait on hold, rather than navigate through your touch-tone system. And even more importantly, your callers are frustrated and upset with the call center experience.

[spread 2]

SPEECH DELIVERS SUSTAINABLE BENEFITS

Sensitive to the needs and expectations of their customers – and seeking to streamline their call centers to reduce costs -- companies have turned to speech to provide callers with a more satisfying call experience that provides sustainable benefits.

Lower Costs

While touch-tone handles 10-20 percent of calls, speech typically processes 40 percent or more. That significantly reduces staffing and training costs. By intercepting routine calls to live agents, speech enables agents to devote more time to tackle complex calls or higher-value sales transactions that require their skilled intervention. What's more, speech-handled calls can be significantly faster than agent-handled calls, which reduces your telecom network charges.

Increased Revenue

The power and flexibility of speech open up numerous avenues for generating incremental revenue. You can begin to process “e-commerce” orders from customers who may not have computer access. That's because speech can integrate with and extend your Web site to create a speech interface to your e-commerce systems. Now, cell-phone callers can bypass touch-tone codes or tiny WAP screens and cursors to place stock trades or reserve a hotel room just by speaking.

Increased Customer Satisfaction

No interface is easier than speech. It's far easier to say “I'd like to buy 100 shares of SpeechWorks at the market price tomorrow” than to punch in the trading symbol, number of shares, a limit price, and trading day. While customers “tolerate” hold times to speak to your agents, they rarely hang up with a smile. With speech, customers get the right answers quickly any time of day – and that increases satisfaction and loyalty.

Competitive Differentiation

In many industries, touch-tone systems are the norm in call centers. However, by being an early adopter of speech, companies can demonstrate leadership in their commitment to customer satisfaction and innovation. Branding also comes into play. For example, by using the same voiceover from television campaigns for its recorded prompts, speech strengthens the company's brand presence and helps it stand out in competitive markets.

[spread 3]

SPEECH LOWERS AGENT-LABOR EXPENSES

Let's take a closer look at how speech recognition can help reduce costs anywhere from \$1.50 to \$15.00 for each agent-handled call to as little as \$0.10- .35¹ for a speech-processed call. Speech puts your customer in control of the call by letting them speak naturally into the phone – without confusing touch-tone menus or waiting on hold. Since speech is easy (and fun), your customers are more likely to self-serve their routine requests and transactions. The result: lower abandonment rates, increased automation -- and significant bottom-line savings.

Speech reduces the expenses of staffing and training a professional call center. Agent costs – salary, benefits, equipment, and overhead – represent more than 56 percent of the typical call center's budget. What's more, turnover among call-center agents – “burned out” from answering routine, repetitive inquiries -- averages more than 25 percent annually in most industries.

By contrast, speech offloads routine informational calls from the agent's queue. Or, if the speech system can't completely solve the caller's issue, it can classify the call or collect pertinent diagnostic information before routing the call to the agent. That means agents focus on challenging or complex queries, increasing their job satisfaction. That, in turn, reduces attrition levels and their associated hiring and training costs. With fewer calls reaching agents, call centers can accommodate future growth in call volumes with existing staff levels

[call out]

Case in Point: Increasing Automation with Speech

One leading financial services firm ran up against the limits of touch-tone systems for providing account holders access to their 401(k) accounts. Caller satisfaction was low and call-abandonment was high. After deploying speech, the company was able to automatically process both common and complex transactions – without agent intervention. Abandonment rates dropped by 66 percent. Costs per call reduced more than 90 percent to less than \$0.40 per call.

¹ *Red Herring*, June 11, 1999

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SPEECH LOWERS NETWORK CHARGES

By cutting– or eliminating – hold times, menu navigation time, and the time spent prompting the caller through different menus, speech can dramatically reduce call times and their associated telecom charges. A recent Frost & Sullivan study notes that toll-call charges drop from 15-50 percent with speech recognition. What’s more, when callers opt for speech, the hold times for callers waiting for agents decreases as well, further reducing toll charges. Perhaps the most telling aspect of the research: 90 percent of respondents report a reduction in costs.

[call-out] Case In Point; Reducing Network Charges

Calls routed through speech systems can be dramatically faster. For example, by providing automated access to funds and accounts – without forcing callers to wade through lengthy touch-tone menus or wait on-hold for an agent – one leading financial services firm reduced its average call time from 12 minutes to two. Another company, an airline, used speech to reduce hold times from 20 minutes to immediate service for customers calling in.

[call out]

The Impact of Speech

SpeechWorks has amassed a collection of research studies, industry benchmarks, and ROI models. Here are some metrics and measurements to look at when evaluating the benefits of speech.

	Before Speech	After Speech
Call Volume(s)		
% of Calls Automated		
% of Calls handled by Agents		
Hold Times		
Call Lengths		
Training Costs		
Fully loaded cost per agent-call		

Telecom charges		
Abandoned calls		
Menu levels		
“Zero-outs”		

[Spread 5]

SPEECH GENERATES REVENUE

Beyond cost reductions, speech also offers excellent opportunities for revenue generation. Consider the market penetration of the telephone. Today, the phone is perhaps the most widely adopted communications device anywhere in the world. Cell phone subscriptions are increasing faster than Internet connection rates will exceed more than 1 billion by 2003, according to IDC.

Given the ubiquity of telephone access and the market's clear preference to communicate by phone, speech is the natural interface for a variety of telephone-initiated transactions: stock trading, e-commerce, travel reservations, order tracking, account status, personal services appointments, and much more. Using speech, corporations can accommodate and automatically process transactions from virtually anywhere in the world.

Speech also enables new marketing and sales avenues for cross-selling and upselling. For example, call center managers can build in context-aware advertisements that reach new customers, perform suggestive selling, or upsell existing customers new products and services.

[call out]

Case in Point: Increasing Revenues With Speech

Aiming to reduce costs of its call center, one of the world's leading office-supply retailers deployed a speech-based system and experienced an unanticipated benefit: more revenue. The company's objective was to offer a speech for its online ordering system, providing more options for customers to buy supplies – anywhere, anytime. Calls that come in through the speech system cost the company 88 percent less to process than agent-handled calls. What's more, customer orders placed through the speech system are averaging a *greater* number of items and a *higher* total value than sales calls handled by live agents.

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SPEECH INCREASES CUSTOMER SATISFACTION AND LOYALTY

Customer expectations for service continue to rise. The self-service model of the Web has fueled this dynamic as more customers seek “after-hours” access to information and services. Perhaps the best measure of customer *dis*-satisfaction can be found in the fact that as many as 30 percent of callers *immediately* disconnect when they encounter a touch-tone system. Quite simply, touch-tone doesn’t meet their expectations for customer service.

By contrast, callers continually express a preference for speech-recognition systems as demonstrated by fewer “zero-outs” or disconnects. In fact, many are opting to interact with speech, instead of a live agent. They’re buying more products and getting more information – in less time and at less cost.

[call out]

Case in Point: Building Lasting Relationships

Millions of people who have been spoiled by instant information from the Internet now want to access their e-mail and other favorite features while on the go. One leading online services company has responded by enabling its members retrieve their e-mail, review headline news, get national or international weather, even shop – all by simply talking on the phone. Customers are delighted: the service successfully handled more than 100,000 calls within the first four days of launch, and now serves more than 1 million calls a month.

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SPEECH PROVIDES COMPETITIVE DIFFERENTIATION

Whether it interfaces to standard enterprise systems or to a company's e-commerce/Web infrastructure, speech can provide substantial differentiation in the eyes of customers. By being the first to market with speech in a particular industry or market segment, a company can create a "wow" factor that captures customers and provides a durable barrier to erosion and churn. As customers continue to raise the bar for service expectations, successful companies recognize the need to differentiate through exceptional customer care. With the ability to understand the spoken word – and respond in a branded, friendly voice – speech recognition makes doing business with your company a delight for your customers.

[call out]

SpeechWorks Here Programs

SpeechWorks has numerous ROI models and optimization programs to help customers achieve rapid, measurable ROI, including:

- Application Discovery Program
- ROI Checklist
- In-Depth ROI Financial Models
- ROI Research and Customer Success Stories
- Business Case and ROI Support
- Market Accelerator Program (MAP)

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WHERE DO I GO FROM HERE?

For more information, talk to your local SpeechWorks representative. You can find contact listings and a wealth of educational materials on our Web site at www.Speechworks.com.

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