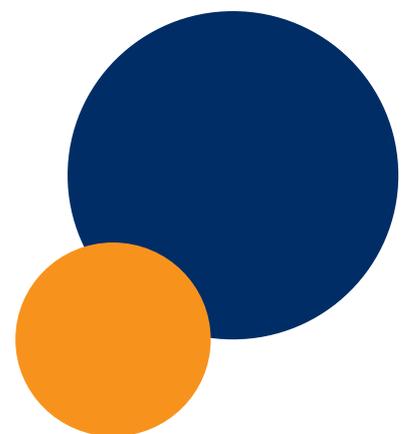


- **Outdated systems**

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## ● Downtime and business continuity

Using outdated systems presents serious problems for businesses. A recent study by the Business Performance Management (BPM) Forum in California revealed that company IT managers feel that their infrastructure and systems are filled with “obsolete, redundant and unused” software. The study showed that “nearly three quarters of these companies have no process in place for retiring outmoded software and less than half conduct regular software audits to see how much software is on the network.”

As well as the obvious cost implications, there are also major security concerns. BPM Forum Executive Director, Donovan Neale-May, stressed that this was a key issue.

**“Quality is directly tied to how vulnerable software is. Obsolete, dated applications will be more prone to compromise. The older the software, the riskier it is to use. They haven’t been designed to be resilient against attacks. We didn’t ask specifically about security, but security is below the surface in a lot of answers.”**

The survey also showed that businesses are all too often content to rely on their existing computer systems as they have been reliable in the past and they are familiar with how they operate. However, this complacent approach can result in significant business inefficiencies and unnecessary additional costs being incurred.

### Downtime

Quality of service will inevitably diminish if the systems experience periods of downtime. You will see sales personnel unable to respond to customer queries with correct information. Precious time will be wasted if reliance has to be placed on manual systems and printed data if the systems themselves will either not provide the answer in real-time or will only do so after significant delays. This can have a detrimental knock-on effect for the business with disappointed customers, damage to goodwill, loss of potential new business and a reduction in profits. No business can sensibly allow such a situation to continue without taking remedial action.

This requires a structured approach. Measuring downtime is essential as you cannot properly address the problem without doing so. Accurate measurement and setting of appropriate targets is key to removing downtime, or at the very least reducing it. By increasing staff awareness and encouraging them to note downtime events when they occur to be displayed in the workplace, will assist in delivering major improvements.

“**Nearly three quarters of these companies have no process in place for retiring outmoded software.”**

BPM Forum



## Business continuity

Business Continuity Planning (BCP) is essential. BCP has been defined by the US Federal Emergency Agency (FEMA) as follows.

It “**identifies an organisation’s exposure to internal and external threats and synthesises hard and soft assets to provide effective prevention and recovery for the organisation, while maintaining competitive advantage and value system integrity**”.

Other terms used are BCRP - Business Continuity and Resiliency Planning. However both terms are saying the same thing. All businesses need a plan designed to enable a business to continue to function in extreme circumstances, however caused.

A critical feature of any BCP has to be a risk analysis, assessing likely business impacts of a range of scenarios, coupled with an impact analysis determining appropriate responses.

**...All businesses need a plan designed to enable a business to continue to function in extreme circumstances...**

# ● Flexibility

## Business planning

Modern businesses can no longer safely run on the basis that the past sales profile is an adequate guide for the future. Buying and inventory decisions need to be made on the basis of reliable up-to-date information from its computer systems. If the systems can no longer provide this competitive advantage it can soon be lost and will be difficult to regain without additional cost and effort.

All of these problems are avoidable if sensible planning decisions are made following a regular review of system capability, with prompt purchase of any necessary upgrades.

Reliance on outdated systems can also result in both over-stocking and under-stocking situations only revealed after time consuming periodic stocktaking which is a poor and wasteful use of staff resources. Modern systems however, are able to provide up-to-date information in real-time which can make a real and tangible difference. This is not only in terms of cost savings, but through providing a quicker and better service for customers. It is the customer after all who loses out if the inventory is incorrect.

## Call centres

An aging call centre can pose significant problems as it will lack the flexibility and agility needed for it to meet the needs of a growing business.

The call centre may not have been designed to provide for increases in capacity. If this is the case you may well over the course of time start to see the system running slowly or lacking capacity for any business growth. Decreased volumes, slow connections and lack of ability to run modern VoIP telephony, can all severely damage your business in terms of increased costs and lost business.

As your business grows, your call centre must be able to meet its needs. This can be in terms of increased volumes, the need to add new technological assets to the system, and also to permit expansion to multiple locations. You need modern software which is designed to ensure that these crucial requirements can be met.

If you are to meet your customers' individual requirements and retain their business on a long-term basis, you need a reliable and up-to-date integrated database. This is only achievable if you have the right software installed. This is essential to ensure that you can at the very least maintain your position in a highly competitive marketplace.

## ● Disaster recovery

Recent research indicates that a company's ability to respond quickly and appropriately to a disaster, particularly where computer systems are involved, can make the difference between whether the business survives at all, as opposed to regaining its former position in the marketplace.

Gartner data reveals that where major disasters have occurred, up to 40% of companies risk failure. University of Minnesota research findings paint an even gloomier picture indicating that as few as 6% of companies would be able to continue in business.

Therefore it is critically important for businesses to have robust disaster recovery plans in place. Risk identification is key, followed by a clear structured plan outlining what action would be taken by whom in what timeframes. It is essential to plan for both foreseeable and unforeseeable events.

### Weather

Snow, rain, high winds, flooding, lightning, storms and other natural occurrences all have the capacity to wreak havoc with systems. You will need to take sensible precautions to physically protect computer hardware from damage by the elements if you are to avoid significant repair or even full replacement costs and business downtime.

### Fire

This presents an even greater potential hazard in terms of the need to have adequate protection in place to prevent, or at least minimize, damages to buildings, IT hardware and equipment and business data.

### Power outages

Major power outages affecting large parts of the country are rare, but not unheard of. These can cause major damage to IT equipment and result in loss of data. Access to back-up facilities and the ability for your staff to work from home, or alternative business locations, has to be a key feature of any disaster recovery plan.

## ● Protecting core business assets

Your call centre may be your most precious asset. If the telephony is out of action for whatever reason for any period of time, you need to ensure that you have back-up providers. You may need more than one of these in case the same disaster event also affects the back-up facility.





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Equally with staff cover, it is possible that large numbers of staff become unavailable at short notice through illness or even an epidemic. You need to ensure that you have access to companies that will be able to take business calls for you.

If internet access goes down, to maintain customer service you will need to have systems in place to deal with online business differently. This means diverting staff either within your business to take a higher volume of landline calls into your call centre or using specialist outsourcing companies. Your disaster plan will need to ensure therefore that personnel are properly trained to be able to take on different roles in an emergency.

## ● Competitor advantage

A number of recent research studies have confirmed that reliance on outdated IT systems encouraged inefficiency and had a significantly harmful effect on the ability of companies to modernise and expand capacity to meet their growth requirements.

In the banking sector, a report from Infosys and Ovum According, estimates that up to 75% of European banks are in this position. Their findings show that 80% of businesses canvassed felt that their systems put them at a business disadvantage and 75% recognised that their systems prevented, rather than accommodated, scope for change.

### Upgrading to state-of-the-art software

Ensuring that your call centre has the most up-to-date features is critical in gaining market advantage and also, at the same time, producing significant operational savings.

A key product available to business is virtual software. This has a number of features including voice recognition, interactive response mechanisms and the ability to send emails to customers and suppliers with a wide range of business information. The software also has the capacity to update customer account details, thus ensuring streamlined business transactions and high levels of customer satisfaction.

This software can also form a major component of your disaster recovery plan. Should any disaster event occur it will give you the ability to outsource business customer support, reducing potential downtime. This will minimise business interruption, reduce losses in revenue and maintain the appropriate level of service for customers. All of these gains will ensure that your business keeps functioning, often placing it ahead of competing businesses.



Report from Infosys and Ovum According



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## ● Barriers to upgrades

Why is it that so many companies are reluctant to go for software upgrades, choosing instead to carry on relying on their existing IT systems? It seems at first sight to make no business sense. Businesses need to understand that in the long term this attitude will restrict business growth and result in additional and unnecessary costs. There are a number of reasons for this, all of which arise in differing degrees from an innate conservatism and fear of change within businesses.

### Familiarity

It is human nature that people are happiest with what they know best. They have been trained on their existing system and understand it. Even if they recognise that it may have some deficiencies they feel, due to experience, that it does the job perfectly adequately. Above all, they are confident that it won't let them down. In reality they treat their system like an old overcoat and they cheerfully put to one side any thought that it might be holding the business back.

### Impact of change

IT directors and managers will have legitimate concerns about the knock-on effects of upgrades to aging systems. Will integration be technically possible? What will the implications be for migrating data? What additional hidden direct and indirect costs of the upgrade will there be? To what extent will the existing business operation be disrupted? How many staff will have to be diverted from existing duties and for how long? All these are key and real questions which have to be properly addressed. They cannot be dismissed as showing mere reluctance to change on the part of staff.

### Assessment of new products

All too often business managers are content to concentrate on the day-to-day matters in hand and do not allow sufficient time to review the products that are on the market, test them, look at reference sites and check their overall suitability. This again serves to militate against businesses approaching decision-making about their systems in a planned and reasoned manner.

### Software cost

New software has to come with a price, including one-off purchase costs, installation and ongoing annual payments. This has to be measured against the potential benefits to the business. It begs the question as to whether they can be properly identified and assessed.

### What are the benefits?

Businesses are naturally wary of upgrades that will only provide marginal benefits. They can ill afford to incur additional costs for upgrades which are supposed to dramatically increase business performance. Again they have legitimate fears that these benefits may not materialise, or even if they do, further upgrades will be required within a very short period. They will not want to pay out unnecessary sums for what appears to be only stop-gap arrangements. There has to be honest and open dialogue between suppliers and businesses so that organisations can have confidence in the claims that are being made for the software.

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The truth is that there are significant, quantifiable benefits to be had:

### Reduced costs

Businesses do need to understand that there is a cost to maintaining old software particularly where businesses are growing. Lack of capacity, data overloads and system outages can all result in, not only providing business inefficiencies, but also loading the business with additional costs.

Installing software upgrades can avoid these issues. Capacity will be increased, downtime will be reduced and smooth business processes ensured. These are major and real gains which can be demonstrated within a very short period.

This will also be accompanied with significant productivity gains as staff can see and reap the benefits of having reliable, flexible and responsive systems.

### Security

Relying on old software inevitably has a security risk attached to it. System degradation, viruses, malware all present an ever-growing danger to business IT infrastructure, increasing the likelihood of business interruption and downtime. Upgrading to the many tried and test new software packages that are available on the market can give the business a comprehensive assurance that these dangers will be removed.

These benefits are real. Businesses that carry out a proper review of their systems will be able to see that the advantages they will achieve through upgrades are measurable and significant. It is a powerful package. Higher productivity, reduced costs and increased security can together make a major contribution to business viability and profitability, enabling it to compete more successfully in the marketplace.

## ● Case study

### Verizon upgrades school district's call centre

Verizon has been able to help a school district on the east coast of the United States to improve its call centre operation, improving the quality of service provided to enquirers, without the need for major additional expenditure. It has utilised its Enhanced Call Routing application (ECR) which has the facility to speed up connections and enable call centre staff to concentrate on a smaller number of complex calls. This is achieved through the ECR system's key features of automated call routing for routine calls and handling of calls.

Verizon coupled the ECR system with an Interactive Voice Response (IVR) arrangement. This operates by letting callers obtain information and choose the person they need to speak to on an automated basis simply through using their telephone keyboard. This eliminates delays and speeds up connection times dramatically.

A third feature tailored to the needs of the school district was a Host Connect (HC) solution. HC provides callers with information on bus routings and timetables. All that callers have to do is type in standard personal identification to gain access.

This integrated and robust system offered reliability and round-the-clock service throughout the year.

### Dealing with peaks

Verizon had to be able to deliver a system that could deal with very high peaks in caller demand. This was concentrated into two periods of the academic year, when it commenced in September and at year-end in June. Calls in each of those two periods amounted to 140,000, representing 50% of total demand for the entire academic year.

Prior to Verizon being brought in, the call centre simply could not cope with severe delays in calls being answered as well as large numbers of calls being lost. Although additional call centre personnel were brought in, this could not solve the problem. User response was understandably negative with a steep rise in complaints from parents to the school authorities and local politicians. Such a situation was clearly unsustainable and required urgent action.

### Approval and implementation of the Verizon proposition

Against this problematic background, Verizon submitted its proposals to the school district board. These were quickly approved and funding was made available for immediate installation of its call centre solution. The result was that in co-operation with school district, Verizon was able to achieve completion of implementation in only five months. This meant a new call system was fully operational, delivering the promised benefits of speedier responses and the elimination of held or abandoned calls. Parents' reactions to these improvements was swift and positive and a major success had been gained.

## ● Conclusion

Don't be held back by your outdated legacy systems. Companies that are still using the same systems they installed ten or more years ago could be limiting their business productivity and ability to respond to market conditions.

By carrying out regular upgrades you can lower the risk of failure and obtain significant cost reductions at the same time as safely improving your IT infrastructure. This will ensure you can prolong the working life of your systems and provide lasting benefits to your business.

