CA State Agency Increases Productivity with IP Telephony

Department of Insurance launches UC to lower support costs and enhance voice services for employees and citizens.

EXECUTIVE SUMMARY

California Department of Insurance

- Industry: State Government
- Location: U.S.
- Number of Employees: 1300

CHALLENGE

- Replace existing PBX phone system that had reached the end of its support life
- Meet the communication needs of a diverse, distributed base of employees
- Gain the cost efficiencies of IP telephony, and lower support costs with a highly reliable solution

SOLUTION

- Statewide enterprise telephony system, including desktop IP stations and IP softphones and advanced features
- Contact center solution extending to two existing sites and including hot lines for consumers and insurance companies
- Unified messaging, with the ability to receive voicemail email, and fax messages in a single mailbox

RESULTS

- Numerous productivity gains for users that contribute to more responsive service for citizens and insurance providers
- Five-nine's reliability (99.999 percent uptime), automated failover, and quality of service for call integrity
- Annual cost savings, including US$60K for maintenance and US$111K phone system lease

Challenge

The California Department of Insurance (CDI) is responsible for regulating the largest insurance market in the country. When the existing telecommunications infrastructure reached the end of its support life, the department was forced to replace a private branch exchange (PBX) system that was originally installed in 1989. The CDI recognized the opportunity to introduce an advanced IP telephony solution and streamline communications for employees while also providing better access for constituents. The cost efficiencies of combining voice and data over a converged network were also factors in the choice of IP telephony.

The CDI does business from 3 main and 11 satellite offices throughout the state. The first challenge faced by the Telecommunications Infrastructure Replacement Project (TIRP) team was the development of a comprehensive IP telephony request for proposal (RFP). The CDI's project would be the first statewide deployment, and the project was established under the state's chief information officer. The TIRP workgroup held bi-monthly meetings for all interested parties, state agencies as well as vendors, that upheld full disclosure, but also lengthened the process and required that the solution pass the scrutiny of the CDI and other future technology adopters throughout the state.

"Cisco was always there at the weekly meetings," says Roy Simpson, CIO for the CDI. "We were looking at a hybrid solution, with complex integration requirements. This is the most comprehensive IP telephony RFP that California has issued, and from the start we wanted this to be a showcase solution, something that we could share with other agencies and interested parties. The Cisco® team helped us to resolve all of the issues that we faced and to exceed all of the requirements in our procurement document."

> **"The biggest value add from the new Cisco Unified Communications solution has been ease of use for increased efficiency. Communications take less time, and many conveniences have resulted from the integration of the phones, mobile hand-held devices, and PCs."**
>
> **– Roy Simpson, Chief Information Officer, California Department of Insurance**

Solution

The final RFP spanned thousands of requirements, and specified that the IP telephony solution must include:

- A statewide enterprise telephony system. This component encompassed desktop IP stations and IP softphones at 3 main and 11 satellite locations. Required features included conferencing, auto attendant, paging, 99.999 percent availability, and automatic failover.
- Support for two contact centers in Los Angeles and Sacramento, with automatic call distribution and interactive voice response (IVR). Required contact center functionality included providing callers with automated voice responses such as wait-time information, routing calls to local and remote agents, and the ability to be integrated with other CDI applications. The contact centers were also specified to support the existing CDI 800 numbers for consumers and the insurance industry.
- An integrated user interface for various enterprise messaging types: voicemail, email, and fax mail. Users wanted the ability to retrieve messages from multiple endpoints and to send or forward messages to single users or groups of users within the statewide CDI enterprise.
- Multichannel integration, with server-based applications that could provide additional communication channels for the consumer. Required features included web collaboration, email management, and recorded outbound voice messaging campaigns for disaster assistance/education and licensing renewal reminders.

After an extensive RFP process, the CDI awarded the contract to AT&T based on its proposed Cisco solution. "The selection of the Cisco Unified Communications solution came down to getting the best overall value for the State of California," says Simpson. "In terms of desirable features for our users and the overall functionality and breadth of the solution, Cisco exceeded the requirements detailed in our procurement document."

The new system was put into production in August of 2007, with approximately 1500 Cisco Unified IP phones deployed at 14 sites. The complete solution combined dedicated AT&T WAN services with several third-party applications and hardware and software solutions from Cisco. The network infrastructure was expanded to include Cisco voice gateways with primary rate interfaces (PRI), and existing Cisco routers and switches were upgraded to support Power over Ethernet (PoE), quality of service (QoS), and virtual LANs (VLANs) for both voice and data. Cisco Unified Communications solutions included:

- Cisco Unified Communications Manager for call control functions, with Cisco Unity® unified messaging

- Cisco Unified Contact Center Enterprise with Intelligent Contact Management for automatic call distributor (ACD) functions
- Cisco Unified Customer Voice Portal for IVR functions

NexusIS partnered with AT&T and Cisco to provide integration services to CDI and to deploy the third-party software including Exony for contact center reporting features, IPcelerate for presence and paging, Nuance for text-to-speech synthesis and speech recognition in the IVR, and KnoahSoft for Contact Center call recording and evaluation.

California Insurance Commissioner Steve Poizner congratulated Simpson on the project as being one of the best enterprise-wide technology replacement projects he had seen as related to overall acceptance of the users.

Results

The move to IP telephony and unified communications gives CDI investment protection, and will avoid costly overhauls in the future. The distributed, scalable, and highly available unified communications solution gives end users many productivity-enhancing features. With the previous phone system, phone numbers were fixed to each end point, and employees had to use full 7- or 10-digit dialing to reach other sites. Voicemail messages had to be reviewed over the phone. “The biggest value add from the new Cisco Unified Communications solution has been ease of use for increased efficiency,” says Simpson. “Communications take less time, and many conveniences have resulted from the integration of the phones, mobile hand-held devices, and PCs.”

The main productivity enhancements for users stem from:

- Four-digit dialing. Any employee can dial another in-state employee with an abbreviated number.
- Extension mobility. Users can take their number and personalized call features to any CDI site by simply logging in to an available IP phone.
- Presence capability. Users can see the status (available, busy, out-of-office, etc.) for anyone in their contact list, allowing them to make informed call decisions.
- Unified messaging. Email, voicemail, and fax mail are integrated at the desktop and can be retrieved using a phone or a graphical user interface (GUI) on a computer.
- Self-service options for insurance agents. A self-service IVR application speeds licensing transactions (renewal requests, checking status, reviewing requirements).
- Enhanced ACD for call centers. Speech recognition, automatic announcements for callers (queue position, wait times), and supervisory and reporting capabilities introduce efficiencies and increase the information available to callers and supervisors.

The general public has already benefited from the new system. Contact center agents provide onsite support to California residents during a disaster from Disaster Assistance Center established by the State of California Office of Emergency Preparedness (OEP). During the wildfire season of 2007, right after the new system went live, agents realized that they could work from any workspace including their home to handle the increased volume of calls. Softphone features enabled dialing in over DSL lines to receive calls and access data; the new system essentially let them take the contact center home instead of putting in extended hours at the office and working into the evening, which was perceived as an employee safety issue.

End users, constituents, and the CDI's IT staff all benefit from the quality, flexibility, and built-in high-availability:

- Avoiding lost calls. Redundancy and automated failover features protect call integrity in the event of any failure.
- Contact center failover. The distributed system design for the Los Angeles and Sacramento Contact Centers enable each center to provide failover and overload protection for the other.
- PSTN backup. In the event of a WAN failure, the system automatically diverts calls to the alternate public switched telephone network (PSTN) to help ensure continuity of services.
- QoS. Call quality is maintained throughout the CDI network.
- Rapid change order processing. Remote move/add/change capability allows the support team to more quickly process user requests.
- Employee safety. Enhanced 9-1-1 features provide the street address, floor, and phone identifier information to enable precise determination of the caller's location and help ensure rapid response and improved safety for CDI personnel.

From a cost perspective, the new system enables ongoing cost savings. Reduced internal CDI long-distance toll charges, cancelled lease for the previous call center system services, and reduced maintenance costs will add up to approximately US$250,000 per year.

PRODUCT LIST

Cisco Routing and Switching

Voice and Unified Communications

- Cisco Unified Communications Manager
- Cisco Unity Unified Messaging
- Cisco Unified Contact Center Enterprise
- Cisco Unified Customer Voice Portal
- Cisco Emergency Responder
- Cisco Email Manager
- Cisco Web Collaboration Option
- Cisco Outbound Option
- Cisco Universal Operations Manager

Next Steps

The CDI deployment was a pilot test for Voice over IP (VoIP) and unified communications in California state government. With its successful operation over the last year, many other agencies have been monitoring status and making plans for their own migration to VoIP and unified communications. CDI continues to participate in the state's IP Telephony Work Group, sharing expertise gained and lessons learned and providing demonstrations of the system for other agencies.

For More Information

To find out more about Cisco Unified Communications go to: http://www.cisco.com/go/uc.

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