



Colorado Springs Credit Union Maintains Personal Connection with Members using Avaya IP Office Solution

Many small to mid-sized businesses take great pride in maintaining a close relationship with their customers. In today's competitive marketplace, these same organizations are faced with the challenge of retaining that personal touch while embracing the latest technology and automating systems. Thanks to the strategic vision of one of its senior executives, Colorado Springs Credit Union (CSCU) is successfully balancing these two approaches to customer care with the use of an Avaya IP Office solution.

Goal:

To provide CSCU members with outstanding service and support while improving branch employees' productivity, communications and collaboration.

Solution:

Avaya IP Office solution:

- Avaya IP 403
- Avaya IP 406
- Compact Contact Center
- Auto Attendant
- Voice Messaging
- PC-based Phone Management

Results:

A five-year projected net benefit of \$439,563 based on staff productivity gains in branches, revenue associated with the acquisition of new members as well as revenue from increased number of loans. A payback period of 32 months with an ROI of 166 percent and a Net Present Value (NPV) of \$298,451 after five years.

When he first joined CSCU in 2002, Alan Zetterberg, vice president-marketing, was charged with managing a healthy increase in member growth while continuing to provide superior service. With three separate communications systems, each with its own phone number, and no e-mail or voice mail tools in place, Zetterberg recognized a major opportunity to enhance service for CSCU members and improve communications between CSCU employees. By introducing new communications technology, he understood the potential benefits for CSCU members and employees alike.

Adding a new e-mail capability was a quick fix, but Zetterberg knew that CSCU also needed a robust communications system. The Avaya IP Office solution was chosen and today enables CSCU to offer personalized service and information to its members. CSCU employees are now more productive since the IP Office solution connects each branch location to make one, seamless enterprise. CSCU anticipates the IP Office solution to offer \$439,000 in net benefits over a five-year period.

| BENEFITS | |
|--|---|
| Objective | Benefits Achieved |
| Connect three individual branches and make one communications network. | Improved employee productivity and collaboration. Reduced costs by streamlining administration tasks with IP Office centralized management. |
| Offer members a single point of access by creating a CSCU contact center for handling all member inquires. | Highly-responsive member service and support, and increased member satisfaction. |
| Manage contact center resources for optimum member service levels. | Acquisition of new CSCU Members plus additional loans and the associated revenue to support double-digit growth over five years. |
| Invest in a future-proof solution. | IP Office solution offers scalable growth as customer's needs dictate, and flexibility for migration to IP applications. |



About Colorado Springs Credit Union

CSCU is a member-owned, not-for-profit, financial institution with three branches conveniently located throughout Colorado Springs offering such services as personal loans, mortgage financing, savings and certificate accounts, free checking accounts, and VISA debit and ATM cards.

More than fifty select employee groups have joined the CSCU since its inception in 1957, including the City of Colorado Springs, Colorado Springs Utilities, Colorado Springs Fire Protection, Colorado Springs Police Protection, Memorial Hospital, Cook Communication Ministries and many more.

CSCU currently has more than 17,000 individual members. During the past two years, CSCU has realized a 20 percent growth in assets to \$104 million in 2004.

What Colorado Springs Credit Union Wanted in a New Solution

CSCU was looking for a communications solution that would do the following:

Colorado Springs Credit Union chooses Avaya.

CSCU was looking for a communications solution to replace its existing systems in its three branches. CSCU narrowed the choice down to two vendors; NEC and Avaya. The Avaya IP Office solution was selected based on its quality, features and high value. Another critical decision factor is the ability of the IP Office solution to support both traditional digital communications as well as IP telephony.



- Improve productivity for branch employees. Each of the three CSCU branches had a separate communications system. These systems were not connected and consequently there was no capability to easily transfer calls between branches. There were also no voice mail or e-mail systems in place, making efficient communications between the branches a major challenge.
- Provide faster and better service to members. Prior to the implementation of the Avaya IP Office solution, each CSCU branch had its own telephone number. When a member dialed the local branch, any available staff member answered the call determining the right person for the member to speak to about the issue. Many times, members were instructed to hang up and re-dial another number to reach the correct person who could handle the inquiry at another branch location.
- Ensure optimal productivity of contact center agents. Consumers at local auto dealerships who signed up for loans through CSCU were viewed as qualified prospects for additional accounts and services. CSCU needed to effectively manage its contact center agents, identifying "down time" for agents to make outbound calls to these consumers, making loan applicants aware that they were new members of the credit union.
- Reduce costs. CSCU had three separate telephony systems and a separate data network. Transporting voice and data traffic over one network offered the possibility of significant cost savings. CSCU also supported these three disparate systems with administration support. CSCU knew it could centralize its administration activities for timely moves, adds and changes.

“With the professional way they managed everything from Day One, Avaya has earned a friend for life.”

Alan Zetterberg, vice president-marketing, Colorado Springs Credit Union

Colorado Springs Credit Union Chooses Avaya

Under Zetterberg's direction, CSCU hired an independent consultant and Authorized Avaya BusinessPartner, to draft and distribute an RFP from several vendors. After the initial responses came in, the choice was narrowed down to three communications providers. CSCU representatives – including Zetterberg the BusinessPartner – went on several site visits and sat through presentations, including one at Avaya's Executive Briefing Center in Denver, CO.

The Avaya team presented the features and benefits of the IP Office Solution.

“The Avaya team clearly demonstrated that the IP Office Solution was well suited to our needs,” said Zetterberg. “We were particularly intrigued by its ‘plug and play’ flexibility and the cost savings we would derive from it immediately and down the road.”

An Inside Look at the Avaya IP Office Solution

Colorado Springs Credit Union chose the Avaya IP Office solution to provide the benefits it needed for its employees and members.

CSCU currently has three branches that are served with an Avaya IP Office solution. All three locations are networked via point-to-point T1 service.

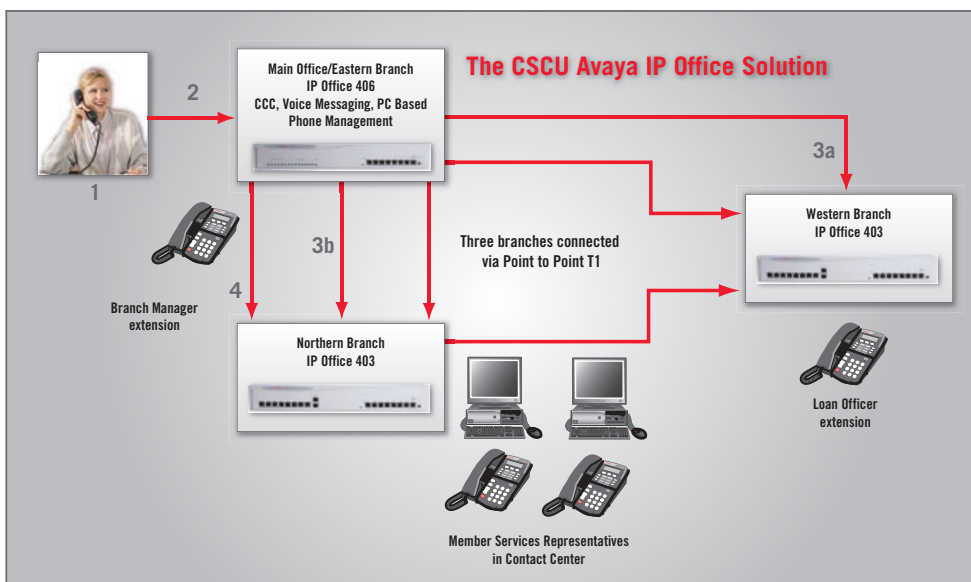
An Avaya IP 406 with Auto Attendant capability supports the main location in Eastern Colorado Springs with 20 employees using Avaya digital telephones. CSCU's Compact Contact Center (CCC) application is installed at this location, along with the centralized voice mail application.

The second office is located in Western Colorado Springs. The system at this location is an Avaya IP 403 with 12 employees using Avaya digital telephones.

CSCU's third office is located in Northern Colorado Springs. An Avaya IP 403 serves this location with 13 employees using Avaya Digital Telephones. Four contact center agents using Avaya IP 4600 Series telephones are connected via IP to the CCC application at the main location.

Today, members call one number for CSCU and are greeted by the Auto Attendant feature offering a menu of options for routing their call to an individual at any of the CSCU branches or to the CSCU contact center. With a seamless connection between all of its branches in place, calls can be transferred from one location to another without inconveniencing the member.

Branch Managers no longer need to spend valuable time to answer, qualify and transfer calls, allowing them to focus on more pressing issues. In addition, with the IP Office solution all CSCU employees use voice mail, which provides members an additional way to communicate with agents. Members can leave a detailed message for a more informed and satisfying response to their question. Employees can also access voice mail remotely, making them that much more accessible to members, and allowing for more collaboration with their colleagues.





By investing in one centralized voice mail system, instead of three, and only having to administer one system, CSCU realized immediate benefits and will continue to enjoy long-term savings from a day-to-day administrative standpoint.

The Bottom Line

If each new member acquired via the outbound calling program signs up for this service, CSCU estimates over \$135,000 in new-member revenue in five years.

Responsive member service and support

With the CCC application, CSCU can effectively manage the center's resources -- mainly the agents' time -- to ensure a high-level of service for its many members. Currently, CSCU is answering 97 percent of all inbound calls in 90 seconds or less. Its goal is to answer 95 percent of those calls in 40 seconds or less -- an aggressive target. CSCU has also experienced a low number of members' calls going unanswered. With a call abandonment goal of three percent or less in place, CSCU is on target to handle the vast majority of member calls and serve them with stellar support.

Improved collaboration and connection of employees located in separate branch locations.

The Avaya IP Office solution is driving improved employee productivity. With Branch Managers no longer having to spend valuable time answering and transferring calls, their time is freed up to focus on other responsibilities. CSCU estimates over \$12,000 worth of productivity savings over the next five years.

As CSCU continues to grow in the years to come, this sharp increase in productivity and more efficient use of managers' time will eliminate the need to hire additional people at each branch to keep up with answering and transferring calls.

Acquisition of new members with outbound calling program

The IP Office solution also helps CSCU identify time for agents to support a number of sales and marketing activities, including outbound calls to new members. For example, CSCU agents now

call on CSCU loan applicants who have purchased cars from local dealerships. Since these loan applicants are new members of CSCU, they represent an opportunity for CSCU to build its membership. With a 37 percent referral rate, these calls have resulted in new members taking advantage of other products and services, and this adds up to tangible revenue for CSCU.

For example, CSCU is also now offering the Advantage Pay program to its members. With Advantage Pay, CSCU provides overdraft protection for members who write a check, but don't have enough funds in their account to cover it. It's one of many services offered to new members that protects their credit rating.

"We're happy to offer Advantage Pay to our members to ensure that their credit rating is always protected," said Zetterberg.

If each new member acquired via the outbound calling program signs up for this service, CSCU estimates over \$135,000 in new-member revenue in five years.

Speeding the Loan Application Process

Another new program at CSCU made possible by the Avaya IP Office solution is CSCU's loan application offer. In June 2004, CSCU began taking loan applications over the phone. Now, any time a member or a prospect calls with a question about a loan, CSCU's agents can offer this convenient way of completing an application. To make this new offer even more enticing, Zetterberg created a "mini-application" that takes far less time to complete than the standard paperwork. In fact, the new form takes roughly five minutes to complete, as opposed to the estimated 30 to 45 minutes it would take to fill out the standard application.

“We’ve only begun to maximize the benefits and enhanced features available with our Avaya telephony network. With aggressive plans to take our business to the next level, CSCU’s future is very bright, and we’re glad to have Avaya support us.”

Alan Zetterberg, vice president-marketing, Colorado Springs Credit Union

Once the loan application is completed, it’s forwarded directly to a loan officer for review and approval or denial. This new initiative has reduced the time it takes to get a loan decision by a minimum of one day. By speeding up the process, CSCU is acquiring a significant amount of new loans, which leads to an overall increase in revenue.

During the month of June 2004, approximately 40 loan applications were completed over the phone. That adds up to roughly 13 percent of all loans granted in a given month. Zetterberg anticipates more and more members to take advantage of this new way of doing business with CSCU with up to 50 percent of all loan applications taken this way within the next three years.

“These are loan applications we may not have gotten otherwise,” said Zetterberg. “Our members and prospects really appreciate the convenience and time savings in completing an application over the phone.”

Reduced costs with streamlined administration and centralized voice mail

In the past, with three separate systems in place, CSCU needed three resources to administer and maintain those systems. With the IP Office Solution, CSCU can now administer these systems remotely from one centralized pc-based management tool — resulting in significant operating cost savings.

With the ease of management of the IP Office, CSCU does not require the services of an IT trained staff and the associated costs. Rather, one person has been assigned and trained to manage the moves, adds and changes associated with the daily operations of the solution.

| Business Analysis of the IP Office Solution | | | | | | | |
|--|-----------------|---------------|---------------|---------------|---------------|---------------|--------------------------|
| | START UP | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Cumulative Values |
| PROJECT COSTS | \$(125,000.00) | – | \$(10,000.00) | \$(10,000.00) | \$(10,000.00) | \$(10,000.00) | \$(165,000.00) |
| PROJECT BENEFIT * | | 29,025 | 40,628 | 102,050 | 123,295 | 144,565 | \$439,563 |
| Net Value | \$(125,000) | \$29,025 | \$30,628 | \$92,050 | \$113,295 | \$134,565 | |
| Cumulative Value | \$(125,000) | \$(95,975) | \$(65,347) | \$26,703 | \$139,998 | \$274, 563 | |
| Net Present Value (NPV) | \$298,451 | | | | | | |
| ROI | 166% | | | | | | |
| Internal Rate of Return (IRR) | 40% | | | | | | |
| Payback Period | 32 months | | | | | | |

*Benefits include: Loan Officer/Branch Manager productivity gains and revenue growth from acquisition of new CSCU members and incremental, new loans.

Results shown are not a guarantee of equivalent performance.

When you make a significant investment in your communication system, you have to not only consider your present needs, but also those of the future. Thanks to the Avaya IP Office solution,

we're in a great position to improve our relations with our clients today and make them even more satisfied years from now.

Alan Zetterberg, vice president-marketing, Colorado Springs Credit Union

Colorado Springs Credit Union Faces the Future

With the new Avaya solution in place, CSCU is well positioned to offer enhanced services to its clients. Plans are in the works to build a new web site that will allow for electronic membership applications. CSCU would also like to dramatically expand and increase

its outbound telemarketing program. All of these new initiatives were made possible by the investment in the Avaya IP Office Solution.

CSCU is also seriously considering a transition from digital to IP networking for increased cost savings.

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| <p>About Avaya</p> <p>Avaya enables businesses to achieve superior results by designing, building and managing their communications networks. Over one million businesses worldwide, including more than 90 percent of the FORTUNE 500®, rely on Avaya solutions and services to enhance value, improve productivity and gain competitive advantage.</p> | <p>Focused on enterprises large to small, Avaya is a world leader in secure and reliable IP telephony systems, communications software applications and full life-cycle services. Driving the convergence of voice and data communications with business applications – and distinguished by comprehensive worldwide services – Avaya helps customers leverage existing and new networks to unlock value and enhance business performance.</p> | <p>reach AVAYA a higher plane of communication</p> | |
| <p>IP Telephony</p> | <p>Contact Centers</p> | <p>Unified Communication</p> | <p>Services</p> |

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