



City of Indianapolis Offers More Government Services, Gaining Over \$1M in Benefits with Avaya Solution

Goal:

For the "Unigov" City of Indianapolis/Marion County to replace its existing communications system with a new network with greater communications capabilities and flexibility, while reducing communications and maintenance costs, and increasing staff productivity.

Solution:

Avaya IP Telephony Solution:

- Avaya S8700 Media Server
- Avaya G700 Media Gateway
- Avaya S8100 Media Server
- Avaya IP600 Systems

Results:

A five-year net benefit of \$1,025,684, driven by savings in phone lines, avoidance of additional staffing costs, and increased productivity. An annual ROI of 26 per cent, a payback period of 7 months, and a total five-year savings per employee of \$128. More network capabilities and better delivery of government services to city and county residents via contact centers and interactive voice response systems.

Municipal and county governments are caught in a bind, forced to live with limited budgets while responding to citizen demands for more and better government services. So when a contract for a Centrex system was about to expire for the combined City of Indianapolis/Marion County "Unigov," the Unigov wanted to make sure that its next solution would allow it to cut communications expenses and contain staffing costs, while giving the government greater flexibility in deploying phone resources and allowing it to offer increased services to residents. The City of Indianapolis/Marion County chose an Avaya solution, because Avaya offered the greatest value and flexibility, the best support, and the most communications features. The solution has yielded a nearly \$1 million net benefit, as well as the ability to offer new governmental services such as call-in centers and interactive voice response systems.

Benefits

OBJECTIVE	BENEFITS ACHIEVED
Contain staffing costs while maintaining or increasing productivity	Allowed the Unigov to add significant new application features to the network, without adding additional staff.
Reduce communications costs	Lowered the number of phone lines from 7,000 to under 5,500 for the first year of the project, and by a projected 7,700 to 6,000 by the final year of the project.
React more quickly and add flexibly to the Unigov user's communications needs	Significantly reduced the time required to install phone lines and features. Installing or moving a line can now be done in 10 minutes; previously, it took from 10 to 14 days.
Managing and adding new network features	Staff can now do their own programming without constraints; can easily add new network groups; can quickly create customized call centers on an as-needed basis; can add new capacity to targeted areas.
Prepare for the future	Can now use voice over IP and other IP capabilities. IP phones run over frame circuits without the need to add new lines.



About the City of Indianapolis/Marion County

The City of Indianapolis/Marion County, a Unigov form of government which consolidates the City of Indianapolis and Marion County, has approximately 8,000 employees and an annual budget of \$800 million. It is supported by an IT department composed of 40 people with a \$33 million annual budget.

The government has pioneered leveraging technology and communications to better deliver services to city and county residents, while keeping down budgets. Its Web site, at www.indygov.org, provides a wide variety of information to residents, while also allowing them to access government services, such as obtaining various kinds of permits, and paying for parking tickets. Its interactive voice response systems and call-in centers provide information to citizens, such as traffic tie-ups due to construction projects, as well as allowing citizens to access such services as scheduling building inspections, and checking on the status of building permits.

The Challenge: Cut Costs While Adding Services

The City of Indianapolis/Marion County, like government agencies everywhere, must perform its functions on a relatively fixed budget because in the current economic climate it cannot count on growing tax levies or other revenues.

Even though the agency budget is flat, it has needed to expand its services to city and county residents by adding interactive voice response systems and

other call-in applications. However, because the organization was using an inflexible Centrex system that was difficult to program and did not offer a variety of advanced interactive features, it required long waits for performing simple functions such as adding or changing a phone line. Creating advanced communications applications such as interactive voice systems was out of the question. The City of Indianapolis/Marion County's five-year Centrex contract was up in 2001 and it wanted to make sure that whatever vendor it chose for the new contract would provide it with the new communications services it required.

What the Unigov Wanted in a New Solution

The City of Indianapolis/Marion County was looking for a communications solution that would do the following:

- **Contain costs.** It was spending significant amounts of money to pay technicians to be on site to have lines moved—and from 25 to 35 per cent of that time was wasted because technicians had to wait for the Centrex central office to take action. Additionally, the City of Indianapolis/Marion County wanted to add new communications features without adding staff or communications charges.
- **Provide faster service.** The City of Indianapolis/Marion County could not move lines or add new lines on its own—it was dependent on the Centrex central office and so it could take from ten days to two weeks to add or move a line.

City of Indianapolis/Marion County chose the Avaya solution to replace the Centrex system because Avaya topped the RFP in nearly every category, and came in with the strongest proposal, gaining the highest overall rating.

“

Centrex was dead-end technology, and wasn't allowing us to grow or to give us much-needed flexibility for providing citizens with the services we wanted to provide to them. We needed more flexibility and the ability to plan for the future.

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Mike Hinline, Chief Information Officer, City of Indianapolis/Marion County

- **Increase flexibility.** The government was dependent on the Centrex central office for almost all maintenance and communications programming, but wanted to perform those functions itself. For example, to change a phone line from analog to digital while keeping the same telephone number, could keep the line out of service for 10 or more days.
- **Add new communications services.** It needed to add new services, such as interactive voice applications, contact centers, voice over IP and similar services. However, the Centrex system did not offer that functionality.

City of Indianapolis/Marion County Chooses Avaya

The IT team at the City of Indianapolis/Marion County put together a full request for proposal (RFP) that took into account functionality, maintenance costs, pricing, and growth potential. Each vendor was rated on a scale from one to five, and a calculation was performed comparing each of their results.

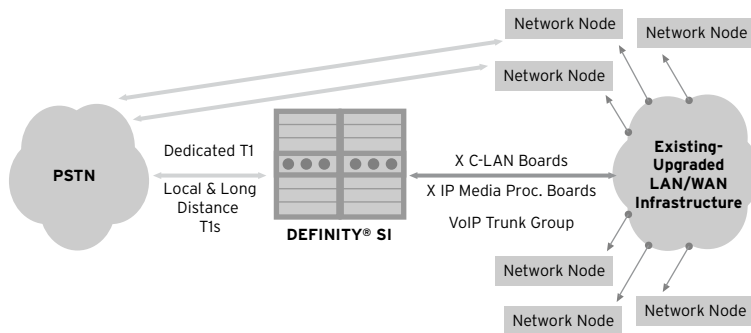
When analyzing the bidders, the City of Indianapolis/Marion County was mostly interested in the vendor that provided the most flexibility and features, and the one that would give the government the technology that would best prepare it for the future.

“Avaya came in with the highest percentage in pretty much every category,” says Lori Kuhn, City of Indianapolis/Marion County telecommunications manager for information services. “They did everything that we needed to accomplish, they were the leader, and they came in with the strongest proposal.”

An Inside Look at the Avaya Solution

The City of Indianapolis/Marion County chose the Avaya IP Telephony Solution for its communications network. Figure 1 shows a general schematic of how the system works.

Figure 1: The Avaya IP Telephony Solution for the City of Indianapolis/Marion County



The Avaya IP Telephony solution allowed the the City of Indianapolis/Marion County to cut costs, increase productivity, and offer new government services. Using the solution, powerful telephony and other applications can be implemented at a main site and/or distributed to the edge of the network. Additionally, the solution offers rich call processing and contact center functions and a widely accepted application programming interface that supports a range of Avaya and third-party applications.



The Bottom Line

A detailed analysis of the implementation shows that the City of Indianapolis/Marion County will gain a net benefit of \$1,025,684 from the project. It will yield an annual ROI of 26% over a five-year period, and has a payback period of 7 months. The total five-year saving per employee is \$128.

The benefit of \$1,025,684 is made up of reduced communications costs due to a reduction in the number of lines needed; containment of staffing costs because no new employees are needed to add new communications features; and increased productivity due to new communications capabilities and lines being installed more quickly.

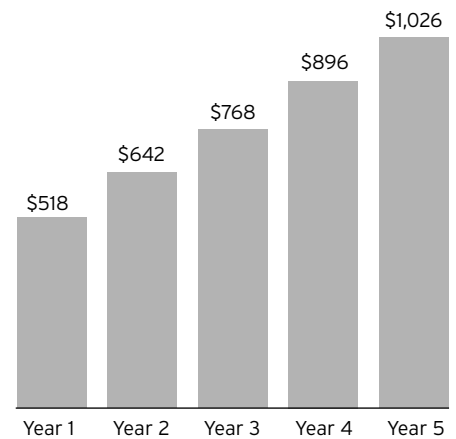
The Avaya analytic tools allowed the government to reduce the number of phone lines needed from 7,000 to under 5,500 for the first year of the project, and by a projected 7,700 to 6,000 by the final year of the project. The Avaya solution has significantly reduced the time required to install phone lines and to add new communications features. Previously, it took from 10 to 14 days to install or move a line; it can now be done in 10 minutes. Previously, to change a phone line from analog to digital while keeping the same telephone number could put the line out of service for 10 or more days; it can now be done in 10 minutes. A variety of new interactive voice response systems and call-in centers have been added, for example, for scheduling building inspections, and checking on building permits.

Making the most effective use of government funds for municipal and county governments in cash-strapped times is of vital importance, and so the over \$1 million saved by the City of Indianapolis and Marion County can be used by other departments.

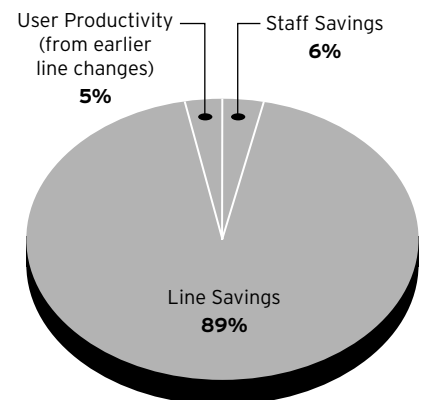
Perhaps more important than the savings are the benefits the Avaya system has brought to the citizens

of the city and county. With the Avaya system, the government can now quickly set up call centers with advanced features to better serve residents. For example, when a major road construction project began, the government was able to quickly set up a call center so that drivers could call in and obtain up-to-the-minute information about traffic delays.

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Cumulative Net Value (\$000)



Cumulative 5 Year Net Benefit = \$1,025,684

“We’re a service bureau for all government agencies. We knew that agencies were going to ask for call centers, and Avaya gives us the capability to build call centers when we need them. The time and money saved on implementation alone equals dollar savings for everyone involved.”

Mike Hinline, Chief Information Officer, City of Indianapolis/Marion County

The City of Indianapolis/Marion County's bottom line for the project: A cumulative five-year net benefit of \$1,025,684, an annual ROI of 26%, a payback period of 7 months, and a total five-year savings per employee of \$128. Perhaps more important, city and county citizens have gained new and more efficient government services.

BUSINESS ANALYSIS OF THE SOLUTION

Project Summary

Annual ROI	26%
Total 5 Year Saving/Employee	\$128
Cumulative Five Year Net Benefit	\$1,025,684
Payback Period (months)	7

Project Costs (\$000)	Startup	Year 1	Year 2	Year 3	Year 4	Year 5
Avaya Equipment, Maintenance & Services	\$800	\$0	\$1,196	\$1,196	\$1,196	\$1,196

Benefits (\$000)

Line Savings	\$1,176	\$1,176	\$1,176	\$1,176	\$1,176
Staff Savings	\$77	\$79	\$81	\$83	\$85
User Productivity (from earlier line changes)	\$65	\$65	\$65	\$65	\$65
Total Benefits	\$1,318	\$1,320	\$1,322	\$1,324	\$1,326

Financial Analysis (\$000)

Net Value	(\$800)	\$1,318	\$124	\$126	\$128	\$130
Cumulative Value	(\$800)	\$518	\$642	\$768	\$896	\$1,026
Net Present Value	\$855					
Annual ROI	26%					
IRR	139%					
Payback Period(months)	7					

Key Performance Indicators (KPIs)

Total 5 Year Saving/Employee	\$128
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“Looking at Avaya’s proposal and talking to references, we felt that they had the best solution.

After implementation, we found that to be more than true. They were the most forward thinking and most interested in learning our business needs. It was the right decision when we put it in two years ago and it’s the right decision today.”

Mike Hineine, Chief Information Officer, City of Indianapolis/Marion County

The City and County Government Faces the Future

With the new Avaya communications solution in place, the city and county government is well-positioned to offer new government services that residents demand—without having to increase its budget. New call centers and interactive voice response systems can be installed quickly, and IP features will be rolled out as well.

“When you spend the taxpayer’s money, you have to look at not what is just good now, but to be positioned for the future,” says CIO Mike Hineine. “We’re now well-positioned to take advantage of any new technology, and do virtually anything we’re asked to do.”

Note: This case study was authored by the Case Study Forum. The Case Study Forum is dedicated to writing and publishing case studies for the IT community. The financial analysis that appears in this case study was performed by ITCentrix, the premier software and services company for measuring and managing the business value of information technology investments. Results shown are not a guarantee of equivalent performance.

About Avaya

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.

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.

reach
AVAYA
a higher plane
of communication

IP Telephony

Contact Centers

Unified Communication

Services

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