

INTERVIEW TRANSCRIPT

Interview on behalf of Qwest

Paul Logan

Contact Solutions Inc

CEO

Last updated: 2009 Jan 09



Product(s): Toll Free: Dedicated Inbound
Industry: Call Center

1. Business need

"Inbound 800 is our business. I mean, that's what we do. We process over 40 million telephone calls a month and all of those are inbound 800, so it's not just an important part of our business--it is our business. So finding a vendor, a partner that we could count on to not just give us good pricing, but that could work with us--we're demanding; we'll talk about that as we go on, but we have--we are not your typical consumer enterprise customer for Qwest--not by a long shot. And we needed somebody that was flexible and that was gonna be able to work with us and was gonna be able to give us the service we--what we were looking for is somebody that would, you know, sit down at the table with us, figure out where we needed to--what we did wrong, what we need to do to get it better, and what do we need to do in the future to keep the momentum going. And that's what we found with Qwest.

Cost was very important to us--and it was. Truth be told, all the tier one carriers will work with you on cost. They have to. You know, it is a very price-competitive game. But cost, at the end of the day, is not what's gonna keep us a customer. Cost will get you in the front door and let you sit down with the executive management team and have a conversation--or price, I should say. But it's not gonna keep you as a partner of Contact Solutions; what's gonna keep you is, you know, the service. You know, is it reliable? Is it scalable? You know, those intangible things are what's gonna keep you as a vendor partner of Contact Solutions."

2. Evaluation & selection

"It needed to be a tier one carrier. We could not take a chance on a bottom tier or low budget carrier for a variety of reasons. Again, cost--important in the selection process, but not the beginning and the end. At the end of the day, it's those other intangible things that we talked about earlier. So no, our process was not, you know, by most people's definition 'formal'. It's the same way we try to acquire new customers; we relied on our customer partner and vendor partners' relationships.

At Contact Solutions, we're entrepreneurial, so we move fast. So by most people's definition, our process wasn't what anybody would call formal. We relied on the same types of things that we rely on to acquire new customers, and that is we want our customers to serve as our reference, and Qwest was able to bring several existing customer references that were coincidentally customers of ours to the table and get themselves in the door, and that was a big part of our conversation was that our key customers also had a preexisting relationship with Qwest."

3. Why Qwest?

"We kind of divided this decision into two parts. There's operational implementation, and there's a host of unnamed people that're gonna be involved on both sides of the coin to make what was a pretty substantial migration happen, and so we did our best to evaluate the actual players that were gonna be on the ground making that happen. And then there's a team of executives, both at Contact Solutions and at Qwest, that were gonna be critical to, you know, the inevitable broken egg on our way to making an omelet, that we had executive support on both sides. I mean, you know, we're working together here; it's not us against you, it's a complicated migration. There's gonna be some challenges and what we were looking to determine was how much executive sponsorship were we gonna be able to get from Qwest? I was blown away at how much executive attention was applied to this decision. We certainly were a meaningful customer for Qwest, but it felt very natural to me. It felt like it wasn't a manufactured sales process just for Contact Solutions to win our business, but something that they do for as many customers as they can both at the executive level and at the operational, you know, where the rubber meets the road level. And that was unmatched by any of the competition. Qwest's ability to deliver in the sales cycle--you know, meaningful introduction at the

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executive level from Tom McGrath, Executive Vice President of Sales, all the way down to our account rep was just incredible support all the way up and down the chain, and that made our decision very easy."

4. The implementation/installation

"It's important that I kind of frame the migration a little bit, first of all. Again, going back to 'We're not your typical consumer enterprise business,' right? We have over 230 consumer enterprise applications that we support on our platform; all of those need to be migrated from, you know, tier one carrier A to Qwest, and that is a very complex--lots of moving parts; you know, big omelet we're trying to put together here. So the expectation was that there were gonna be quite a few broken eggs; there were gonna be quite a few issues that we were gonna have to deal with. We set the expectation both with our end customers, with our partner, Qwest, and with our internal engineering and ops team that this was gonna be a six-month effort; that we were gonna move these applications over--our goal was real simple. This needed to be--it could be pain on our side, it could be pain on Qwest's side, but it couldn't be pain to our end customers. It could not be. These are--we're changing tires on the racecar as we're running around the track and we cannot slow down if we expect to win this race. Our customers--we handle mission-critical applications and if we drop telephone calls, people don't get their account balance on their state entitlement. I mean, it's really serious, mission-critical stuff. So that wasn't an option. We set the expectation at six months fully expecting that to maybe go over a few months, really. We completed the migration from zero minutes with Qwest to over 20 million inbound 800 minutes in less than three months--so extraordinary pace, and could not have happened with any other carrier. Qwest processes were flexible, their procedures, billing--all those things that I really think, if I were in Qwest marketing, I would really focus on emphasizing that because it's hard to compete when you're selling copper--you know, when you're selling a commodity if you don't have anything to differentiate yourself. I think this is a real differentiator for Qwest."

5. Overview of solution

"The services that we use with Qwest are--we have a three-node network, and the three locations are Ashburn, Virginia; Dallas, Texas; Sunnyvale, California; dedicated DS3 circuits supporting over 30 million minutes of inbound 800 traffic a month. We process currently over 30 million inbound 800 network minutes with Qwest a month; that number in the next 12 months will double at our current run rate, so that's a significant part. But we also used advanced features like network transfer and busy ring/no answer. Busy ring/no answer is for when we transfer to a contact center that isn't properly staffed or they're being inundated with telephone calls and we need to be able to present the caller with a busy on the transfer.

Another service that we get from Qwest is percent allocation. This is something that--it's the lifeblood of our business. We're a three node network--Ashburn, Virginia; Dallas, Texas; Sunnyvale, California--and we do that for a very important reason, right? Our applications cannot be down. Not an option, not a discussion. We are handling some of the most important transactions that happen in North America, and we're proud of that, and we've been trusted with that because of our ability to make the train run on time every time without fail. Percent allocation--that said, this is complicated technology and it does fail, right? The important difference--subtle but important difference--between failing and having our customer be impacted are very important to us, and when we do have a failure, the ability to leverage Qwest percent allocation to move traffic across the network; to take all the calls off of Sunnyvale, California, in the event of a fiber cut due to local construction--not a problem you have to deal with currently, but those types of things happen, and so you need to be able to react quickly.

Other services--transfer-and-release is a very important service and we really tax the Qwest infrastructure here because, you know, our whole philosophy is we're trying to automate as many transactions as we possibly can, but I am a passionate believer in that customer self-service is not a 100 percent solution. That less than 100 percent that needs to get to a live agent, we need to make sure that they have the ability to get to that live agent, and transfer-and-release makes that possible for us. That's a very important feature for our service. It's important not just for our business, but that it works, right? There's nothing more frustrating for, you know, a consumer

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caller who picks up the phone, enters their 16-digit account number or their 10-digit password for whatever reason--uncomfortable with the technology or just a number of challenges--can't get their account balance or their ship date or any other variety of information that we can provide and want to speak to a live operator and we transfer them and they get into the cloud and disappear. It's an inexcusable flaw in our business, and that's why transfer-and-release is such an important feature for us."

6. Customer service

"When the need arises to call on Qwest customer service, how do they respond? And the answer is we're very pleased with responsiveness. Does the person always know the answer? The answer is 'no'. An unrealistic expectation, and our operations team knows that, for them to expect to know the answer. What I think we're excited about this relationship for is our account team representatives don't have all the answers, but they have the ability--not just the knowledge of who has the questions, but if, you know, the inevitable happens and somebody deprioritizes our need over somebody else's, you know, depending on how important it is, our management team has the ability to push that button and get executive override to get our answer. And we're not pushing that button every time; sooner or later, you know, you become the boy who cries wolf. But we know that if we push the button, we're gonna get a response, and we relish that from our Qwest relationship."

7. Experience with Qwest Control®

"It's the lifeblood of our business. There's 230 applications literally thousands of DNISes terminated and supporting all kinds of transactions and applications; we just can't rely on picking up a hotline and having change made or ask billing questions or do those types of things. So Qwest Control becomes a very important part of our business; we have to be able to serve ourselves in the area, and the tool is very intuitive. It gives us tremendous flexibility on billing. That's a huge reason why we went to Qwest in the first place is we have--the vast majority of our business is through resellers, so business process outsourcers, contact center outsourcers have their own end clients and we provide the automation as a co-brand or white label. And the ability to send out bills on a client-by-client basis, having that flexibility, is invaluable to us. Before, all that had to be done, with our other carrier provider, had to be done manually, and it's just a labor-intensive--the flexibility that we get from the billing system with Qwest--you know, if the management team and the sales process weren't so great, you know, that was a deal-clincher for us.

Something unique about us as a customer is we monitor the transaction from the time it comes in until the time it terminates at our end customer. You know, we want to see the entire lifecycle of the transaction, so the Statistics Manager really helps us--it supplements our, you know, pretty extensive monitoring and management infrastructure that we put in place. It's just one more level of granularity, one more layer of the onion that we can peel back to drill down and provide our customers with meaningful business intelligence on what's happening with the transaction. Our whole value proposition at Contact Solutions is around automating more transactions today than we did yesterday. And you can't optimize call automation if you don't know every single statistical detail about the transaction--it's not possible. If it's optimized, it's accidental if you're not monitoring it to that level, and Qwest enables us to just peel that layer back one more time and drill down to find out what's happening with the transaction."

8. Non-financial benefits

"We're having, for the first time really--been in this industry longer than I care to admit, and the entire time it would make my skin crawl to say that I had a partnership with a carrier. It's become sport in the 21st century to take potshots at the tier one carriers these days. But for me, the intangible value that we get with Qwest is it does have--it's a large company, right? Qwest is a very, very large company; we aspire to be the size of Qwest one day, but it has a very entrepreneurial feel to it. Fast and flexible and adaptive to change; the infrastructure

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feels fresh to me at Qwest compared to other carriers. At other carriers, you have to deal with, you know, version 1, 2, 3 of a variety of networks that were cobbled together through acquisition over time. These are all challenges that you have to deal with with some of the tier one carriers. Not with Qwest. You know, we have an up-to-date billing system that gives us flexibility to bill all the way down to the specific DNIS, and we didn't have that flexibility before. These sound like simple things, and you know, as a decision-maker you sit down and you don't ask these questions; you assume that, you know, the simplest of billing requirements are covered with, you know, a carrier that's been around for a hundred years. I'm here to tell you they're not. And why they're not is probably way too sophisticated for a poor country boy like me to ever understand, but they're not. Those are the facts and they are irrefutable. With Qwest, we have that flexibility, and that is invaluable to us. So there's a thousand of those little examples that we're discovering every single day with Qwest. We get a nice reliable network; you know, the infrastructure feels fresh with Qwest; and we're TDM today, but we're voice over IP tomorrow, and we feel like we've selected a partner that's on that leading edge--leading but not bleeding edge of when we're ready to move to the next VoiceXML telecom, we've got a partner that can support us.

Qwest percent allocation allows us to very seamlessly move our traffic in a self-serve way; we don't need to pick up the phone, we don't need to call anybody, we don't need to ask permission, we don't need to interrupt anybody's lunch. These are pages that we get; we have to react in real time, and anywhere, anytime our operations folks have Web access and can go in and make those changes with the proper authorization and move the traffic around.

The other thing it helps us with is it makes us more operationally efficient. One of the challenges that we had prior to Qwest percent allocation was we did maintenance deployments after hours--2 a.m. to 6 a.m. And the reason for that is call traffic is low; we're trying to keep the impact to customers to a minimum. Well now, I don't need to have anybody working overtime or after hours or on weekends or wear out my ops team; we can do, you know, substantial maintenance releases in the middle of the day and it is completely seamless to our end customer. That third site made that an option for us where we don't have to take a chance of moving traffic to just a second site and then, you know, be in the middle of a maintenance release when we had a fiber cut. We've got that flexibility now with the three-node network. But Qwest percent allocation makes that run for us."

9. Measurable benefits

"We budgeted for a six-month deployment of at the time 20 million, now 30 million minutes of inbound 800 traffic. We went to Qwest, obviously, for a variety of reasons that we've been talking about today, but one of them was price. We were able to negotiate a better price, so huge impact on--ROI isn't the right way to describe it for us. We're in a competitive business, too. You know, we're kindred spirits with Qwest in that way in that, you know, there's only so much of a margin that the industry is going to allow a shared service IVR provider to have--just like there's a certain amount of margin that the consumer enterprise companies are gonna allow a carrier to make on their service, and we have the same thing. But what it enabled us to do is immediately become more competitive from a pricing perspective. Our largest customer saw an immediate return in reduced price point to them. We passed it through; we paid it forward. And for me, it's a simple decision. It's just good business. You know, we're providing a good service, our customers like what we're doing, but just like everybody else, they want a good price. And what migrating to Qwest has enabled us to do is get very competitive with our pricing, both for our existing customers, who've paid the freight up 'til now, and our prospects that we're going after. So I'd say not ROI, but that's really the way we look at the tangible benefit from a bottom line perspective that a partnership with Qwest has brought Contact Solutions."

10. Areas for improvement

"We did a historic migration of a very complicated network, and we uncovered some process holes, or holes in the process with Qwest. And both sides have done a phenomenal job of documenting what those are; we're prioritizing them, we're coming to consensus, and we're putting the counter measures in place to improve that. So we want to continue to see that happen; we're thrilled with the progress that we've made so far. I'm very optimistic, have no

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reason to believe that it won't continue.

The other area that we'd like to see improvement with Qwest is we're testing Qwest's internal infrastructure on advanced applications like network transfer and percent allocation. It's not been service-affecting, but we said earlier that today we're 30 million minutes; 12 months from today, we'll be north of 60 million minutes a month of inbound 800 traffic, and we're gonna continue to test the upper limits of Qwest's internal infrastructure to support that on the advanced applications like percent allocation and takeback-and-transfer. And we expect that Qwest management will continue to invest in those areas, to grow along with us as we expand our relationship."

11. Future plans

"We currently do 30 million minutes a month of inbound 800 traffic. Just based on the one business in our funnel today, that number more than doubles in the next 12 months--so incredible growth in the inbound 800 traffic; that'll continue to bring along with it the other advanced features--the takeback-and-transfer and the percent allocation as an example. So we'll continue to scale those; we'll continue to need dedicated circuits.

The area of growth for us that we're very excited about is we're currently a TDM customer--traditional inbound landline circuits--and we are hearing more and more about voice over IP from our customers at contact centers that're migrating rapidly to voice over IP, and we're gonna need to make that a project in 2009 to begin to implement some Qwest voice over IP and test it on the network, and it needs to have the same level of reliability that we've come to expect with the Qwest traditional network. And assuming that's the case, we're gonna see a pretty aggressive migration in 2009/2010 to voice over IP."

12. Recommendations and advice

"I think if we had it to do over again, we would sit down all the stakeholders on both sides of the ledger and make them aware of what's at stake with our applications. There's nothing unique about me sitting in a chair saying that my applications are unique. Anybody you interview is going to feel that way about the services that they're about to ask their carrier partner to deliver, and that's no different for us with Qwest. The takeaway that I think we have from this is sitting the stakeholders down and really going through, you know, specifically what happens if the State of Louisiana state entitlement program for debit cards, for the less fortunate in the state of Louisiana to buy food and water and those types of services--what happens if they can't check their account balance or complete a transaction? What's at stake? And in doing that, you know, I think we would have set a much better tone out of the gate for our deployment. I think at least the Qwest operational folks would've understood the intensity that we were coming at them when a kick happened 24 hours before the scheduled time, and why we were so energized about that. I think we got there quickly after the first few deployments, but it's a pretty simple process to just sit down with both sides and say 'This is what happens. Does everybody understand what happens?' That's my story--you know, people can't get their entitlements or can't get paid or can't, you know, find out their account balance or can't get to hurricane assistance in the middle of Hurricane Ike or Gustav. Everybody that'll sit in this chair in front of this camera will have their story, and my advice to you is to sit down with Qwest and the folks that're involved in the deployment and go through it with them before you do the final plans for the cutover migration. It just keeps the--you need everybody, you know, working together as a team even through the most heated, difficult parts of a migration, and that would be my advice."