

# TALK SHOP

## REGENCY DUTY FREE HAS A FIRM FOUNDATION FOR GROWTH WITH CISCO IP TELEPHONY

**REGENCY DUTY FREE STARTED AS A SMALL FAMILY OWNED COMPANY IN 1986. TODAY IT IS PART OF THE NUANCE GROUP AND EMPLOYS OVER 250 STAFF LOCATED AT SEVEN SITES IN AUCKLAND AND CHRISTCHURCH, NEW ZEALAND.**

Regency Duty Free has an annual turnover in excess of \$100 million generated from its six Duty Free stores and nine Travel/Retail specialty Stores.

As well as selling the world's most prestigious brands in its Duty Free stores, the company also sells fine

New Zealand and international wines and foods at its two 'The Cellar' stores. In addition, the company has an online store enabling regular customers to make a purchase for collection on departure or arrival at Auckland or Christchurch international airports.



Low Res - 92dpi

## THE CHALLENGE

**IN MAY 2001, REGENCY DUTY FREE WAS PLANNING TO REPLACE THE TELEPHONE SYSTEM AT THREE OF ITS SITES.**

At the time, IT Manager, Glenn Sullivan, was managing three separate phone systems, which were proving costly and time-consuming in terms of administration and maintenance. The existing PABX technology had reached its 'end of life' with no further expansion capabilities and Sullivan was particularly concerned by this lack of scalability, given that Regency Duty Free looked set to continue to expand into new outlets.

Glenn Sullivan comments: "By comparison, our data infrastructure was very sound. We had a fibre link between the airport locations and the head office and frame relay connections between the head office and the city stores. So I was keen to leverage this existing data infrastructure when it came to updating our telephony solution."

Working with a Cisco IP Telephony solutions partner, Sullivan investigated three different scenarios: replacing the existing PABX systems with new PABX technology, A PABX/IP telephony hybrid and a straight IP telephony rollout.

"The decision made itself," he comments. "The PABX systems were not offering any increased functionality and still seemed to have growth and compatibility issues. The IP/PABX solution seemed to have too many compromises. In fact, only the IP telephony solution offered the total package: the option to leverage our existing infrastructure without having to cable buildings, the scalability we needed for growth and the flexibility to add new functionality as we develop in business."

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## THE SOLUTION

**IN AUGUST 2001, SULLIVAN COMMENCED A STAGED ROLLOUT OF 100 CISCO IP PHONES ACROSS ALL OF ITS SITES, STARTING AT THE HEAD OFFICE. THIS INCLUDED 60 CISCO 7910 AND 40 CISCO 7940 HANDSETS.**

Staff reaction was positive, particularly in the call centre, which is located at head office. "This is staffed by five operators who handle approximately 5,000 enquiries per month," says Sullivan. "These are usually our regular customers, who call ahead to place orders so that they can pick up their goods at the airport as they arrive or depart. Prior to the installation of the IP phones, we had far less functionality in the call centre and were not able to gauge the levels of our customer service effectively. Now staff can see how many calls are waiting and for how long, enabling us to improve service levels and allocate calls quickly and efficiently to available operators."

The improved functionality is achieved by using Catalyst 3500 switches and Cisco 2600 routers to enable the three sites to communicate with each other and the network.

The Cisco CallManager performs the IP telephony services. In conjunction, Performance Solutions Limited (PSL) Vision software suite provides operator and call centre functionality.

Call centre operators process calls using PSL Vision Console software, which runs under Microsoft Windows® and enables them to see on their computer screens the individual phone status, user locations, their availability/return time, in addition to any specific instructions to the operator, such as, "X brand of wine is no longer available." This means they can distribute calls quickly and efficiently throughout the organisation and through to the call centre. When customers are transferred to the call centre, their calls are distributed to the first available or most appropriate person. If a caller is waiting, a queuing mechanism plays courtesy announcements and continue options.

Employees have Vision Manager, an agent version of the PSL software on their desktops which enables them to notify the operators via a menu of 'reasons', whether they are available or not for calls.

In addition, a real-time directory displays all users within Regency Duty Free offices, providing staff with phone availability information. Queue status and details are also viewed from Vision Manager, enabling call centre management to see exactly how many calls are currently waiting, the detail of each call, how many agents are available to answer calls and real-time statistics including calls answered and abandoned.

Sullivan plans to integrate the customer database with the system down the track, so that customer service can be further enhanced by being able to view customer details and perhaps ultimately their purchasing preferences in real-time as they order.

**"THE STAFF ARE ALSO ENJOYING THE CONVENIENCE OF UNIFIED MESSAGING. WE'RE USING PSL VISION MANAGER WHICH IS A BIG IMPROVEMENT ON THE SYSTEM WE HAD. WE'RE IN THE PROCESS OF INTEGRATING IT WITH MICROSOFT OUTLOOK 2000® SO THAT STAFF CAN HAVE THEIR VOICE MESSAGES DELIVERED TO THEIR INBOX, SAVING THE NEED TO CHECK MULTIPLE APPLICATIONS."**

**GLENN SULLIVAN, IT MANAGER, REGENCY DUTY FREE**

The system also features: schedule integration with locations, automatic phone forwarding and release, live directory showing phone states, locations and return times, one touch dialling or directed pickup, as well as the ability to record conversations, to watch and control the call centre, contact creation from caller line ID, call logging and one touch recall of missed calls, answered calls and outbound calls.

"Once this is completed, we are planning to carry out further staff training, although most people have adjusted to the new system without difficulty," says Sullivan.

## THE RESULT

**AFTER TWELVE MONTHS, REGENCY DUTY FREE HAD ALREADY EXPERIENCED MANY BENEFITS FROM THEIR IP TELEPHONY INSTALLATION. THE KEY ADVANTAGE HAS BEEN THE COST SAVING IN TERMS OF TIME AND SYSTEM ADMINISTRATION.**

"We're operating a far leaner system," says Sullivan. "The administration of the entire IT infrastructure is vastly simplified. Instead of three separate phones systems and a data network, I now manage one converged network from my desk. Most of the administration can be carried out remotely by me, saving on the costs we once faced when re-programming PABX systems for staff moves, adds and changes, which often required an expensive site visit by an engineer.

"As a result of centralisation, there is just one phone bill instead of ten, which saves us and the accounts people a lot of time. There has also been a reduction in call costs because calls between our six sites are now free.

"A converged network provides a secure foundation for inexpensive growth. If we need to add a new location, we simply add another switch and just one cable (for the phone and the computer) instead of two. Once the initial configuration is done, I can manage it all from my office. And even if there are issues, we've been able to get remote support to help us through.

"This is really just the beginning. I plan to add incremental features to the network that enhance staff productivity. For example, I am looking at integrating messages and intranet links so that staff can be kept informed on company directions, via their handset.

And should we choose to leverage other opportunities, such as video and audio conferencing, we already have the infrastructure in place, so it's just a question of adding the application on top."

**"A CONVERGED NETWORK PROVIDES A SECURE FOUNDATION FOR INEXPENSIVE GROWTH. IF WE NEED TO ADD A NEW LOCATION, WE SIMPLY ADD ANOTHER SWITCH AND JUST ONE CABLE... INSTEAD OF TWO. ONCE THE INITIAL CONFIGURATION IS DONE, I CAN MANAGE IT ALL FROM MY OFFICE."**

**GLENN SULLIVAN, IT MANAGER, REGENCY DUTY FREE**



# THE PARTNERSHIPS

**AS THE FIRST RETAIL SITE IN NEW ZEALAND TO ROLL OUT AN IP TELEPHONY SOLUTION, GLENN SULLIVAN WAS AWARE OF THE IMPORTANCE OF STRONG PARTNERSHIPS AND A PROVEN ARCHITECTURE. WITH CISCO ARCHITECTURE FOR VOICE VIDEO AND INTEGRATED DATA (AVVID), AND THE ASSISTANCE OF A CISCO IP TELEPHONY SOLUTIONS PARTNER, HE HAD BOTH.**

"This was a fairly major installation, and yet it was achieved in a short timeframe with only minor glitches," Glen commented. "When issues did arise, both Cisco and their partner responded quickly and were able to resolve them quickly.

"By choosing Cisco I had the peace of mind of knowing I was in partnership with a company that had a global reputation for converged networking solutions.

With something as critical as a network, it's vitally important to have the backing of reliable solutions and support. To Cisco's credit, their local team member George Churchward has been excellent."



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