

How Cisco Cuts the Cost of Voice Calls

Cisco decreases long-distance calling expense with creative routing

BUSINESS BENEFITS

- Initial cost savings of US\$900,000 for the new TEHO sites
- Future cost avoidance of at least \$4 million annually
- Improved ability to identify additional cost savings and routing efficiencies

“TEHO is a great example of how Cisco IP telephony capabilities can help a company reduce its business costs.”

– Anita Mallo, Cisco IT business analyst

Every business day, Cisco generates an enormous number of voice calls—local and long-distance, in-country and international.

As part of the company’s increased efforts to reduce expenses during the 2009 global economic recession, a cross-function team of Cisco employees looked for new ways to capture more cost savings for long-distance voice calls, especially international calls.

The team identified more locations for implementing a network feature called tail-end hop off (TEHO). This feature reduces costs by transporting long-distance voice calls for most of the distance on the Cisco network when a Cisco office is near the call’s destination. At the local office, the call is routed to a local voice truck for completion over the public switched telephone network (PSTN). The TEHO

implementation is based on intelligent routing technology in the Cisco Unified Communications Manager and the Cisco IOS® Gatekeeper.

A regional routing hub in Amsterdam reduces calling costs. Calls are transported to the hub over the Cisco WAN, then transferred to a service provider network for the remaining distance, which reduces costs. Regional hubs can be located to take advantage of differences in service-provider prices, based on call volumes and destinations. And regional routing is an alternative for many locations where TEHO is not feasible because of regulatory restrictions, low call volumes, or the expense of adding WAN bandwidth and local PSTN trunks to the site.

Cisco expects to avoid costs of at least \$4 million annually for the 55 sites where TEHO is implemented. The FY2009 project to implement TEHO in additional locations produced initial cost savings of more than \$900,000 for long-distance calls. The Cisco IT team will continue to analyze long-distance calling costs and identify more locations where TEHO and regional routing may be cost-effective.

FOR MORE INFORMATION

To read the entire case study or for additional Cisco IT case studies on a variety of business solutions, visit Cisco on Cisco: Inside Cisco IT www.cisco.com/go/ciscoit

NOTE

This publication describes how Cisco has benefited from the deployment of its own products. Many factors may have contributed to the results and benefits described; Cisco does not guarantee comparable results elsewhere.

CISCO PROVIDES THIS PUBLICATION AS IS WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Some jurisdictions do not allow disclaimer of express or implied warranties, therefore this disclaimer may not apply to you.



Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
Cisco Systems (USA) Pte. Ltd.
Singapore

Europe Headquarters
Cisco Systems International BV
Amsterdam, The Netherlands

Cisco has more than 200 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

CCDE, CCENT, CCSL, Cisco Eos, Cisco Explorer, Cisco HealthPresence, Cisco IronPort, the Cisco logo, Cisco Nurse Connect, Cisco Pulse, Cisco SensorBase, Cisco StackPower, Cisco StadiumVision, Cisco TelePresence, Cisco TrustSec, Cisco Unified Computing System, Cisco WebEx, DCE, Flip Channels, Flip for Good, Flip Mino, Flipshare (Design), Flip Ultra, Flip Video, Flip Video (Design), Instant Broadband, and Welcome to the Human Network are trademarks; Changing the Way We Work, Live, Play, and Learn, Cisco Capital, Cisco Capital (Design), Cisco-Financed (Stylized), Cisco Store, Flip Gift Card, and One Million Acts of Green are service marks; and Access Registrar, Aironet, AllTouch, AsyncOS, Bringing the Meeting To You, Catalyst, CCDA, CCDP, CCIE, CCIP, CCNA, CCNP, CCSP, CCVP, Cisco, the Cisco Certified Internetwork Expert logo, Cisco IOS, Cisco Lumin, Cisco Nexus, Cisco Press, Cisco Systems, Cisco Systems Capital, the Cisco Systems logo, Cisco Unity, Collaboration Without Limitation, Continuum, EtherFast, EtherSwitch, Event Center Explorer, Follow Me Browsing, GainMaker, iLYNX, IOS, iPhone, IronPort, the IronPort logo, Laser Link, LightStream, Linksys, MeetingPlace, MeetingPlace Chime Sound, MGX, Networkers, Networking Academy, PCNow, PIX, PowerKEY, PowerPanels, PowerTV, PowerTV (Design), PowerVu, Prisma, ProConnect, ROSA, SenderBase, SMARTnet, Spectrum Expert, StackWise, WebEx, and the WebEx logo are registered trademarks of Cisco and/or its affiliates in the United States and certain other countries.

All other trademarks mentioned in this document or website are the property of their respective owners. The use of the word partner does not imply a partnership relationship between Cisco and any other company. (1002R)