CUSTOMER SUCCESS STORY

LIZ CLAIBORNE INC. CUTS TELEPHONY COSTS AND IMPROVES PRODUCTIVITY WITH CISCO IP COMMUNICATIONS

EXECUTIVE SUMMARY

CUSTOMER NAME

- Liz Claiborne Inc

INDUSTRY

- Fashion

BUSINESS CHALLENGE

- Improve productivity for mobile workers and teleworkers
- Reduce telephony network costs
- Facilitate expansion and acquisitions
- Improve contact center service

NETWORK SOLUTION

- Cisco CallManager
- Cisco IP 7960 phones
- Cisco IP Contact Center (IPCC) Express
- Cisco 2800 Series Integrated Services Routers
- Cisco VG248 Analog Phone Gateway
- Cisco 1800 Series Integrated Services Routers (planned)
- Cisco VT Advantage Video Telephony Solution (planned)
- CiscoWorks

BUSINESS VALUE

- Executives who visit other locations can log on to any phone as their own
- IP telephony has significantly cut costs
- Integrating new offices into the corporate telephony network is faster, helping to ensure business continuity
- Detailed contact center reporting helps optimize staffing and improve customer service

By adding voice to its end-to-end Cisco IP network, this leading apparel manufacturer helped increase productivity for its mobile executives, improved contact center operations, and facilitated expansion and acquisitions.

BUSINESS CHALLENGE

In the fast-moving fashion apparel and accessories business, company executives meet and travel frequently to discuss new lines, marketing strategies, and the retail environment. Anything a company can do to facilitate better communication and collaboration and increase employee productivity contributes to its success. So when fashion giant Liz Claiborne Inc. completed its deployment of an end-to-end Cisco Systems® network for its data traffic, the company's IT group naturally considered how it could capitalize on the investment for voice and video communications, as well.

Liz Claiborne maintains corporate offices in seven locations in New York and New Jersey and several other locations on the east and west coast. Previously, the company's voice needs were served by four aging private branch exchange (PBX) systems. In 2003, the company deployed an end-to-end Cisco® network for data traffic, and, in conjunction, built a fiber connection between its New York and New Jersey offices based on the Cisco ONS 15540 Extended Services Platform. "Now that we had a highly available, fault-tolerant network, we were looking for ways to extract even more benefit from it," says John Kovac, vice president of IT for Liz Claiborne Inc.

Given the importance of communication in the Liz Claiborne corporate culture, IP communications was a clear choice. In fact, the company approved the project for 2003 even though it was not in the budget because of the business case for return on investment (ROI) presented by Kovac and Anthony Iadisernia, director of IT for Liz Claiborne Inc. "An IP communications system would immediately reduce costs associated with our traditional phone system, including long-distance T1 lines, maintenance for the aging PBX systems, and constant moves, adds, and changes—sometimes hundreds a week," says Iadisernia. "By converging our voice and data networks, we'd significantly reduce overhead." Furthermore, the cost benefits would only increase as the company continued its expansion within the United States, Europe, and the Asia Pacific region.

In addition to cutting costs, an IP communications solution would also address emerging-business challenges for the dynamic company:

- *Teleworkers*—More of the company's employees were working from home, either full- or part-time. An IP telephony solution for home offices would reduce cell phone bills, and also improve productivity by helping to enable employees to use the same telephony features at home that they enjoyed at the office, such as voicemail.

- *Mobile workers*—Liz Claiborne managers travel frequently to visit stores and meet with suppliers. With an IP communications solution, they would be able to make and receive calls conveniently from any location by using a "soft phone" on their laptops. A centralized voicemail system would make it easier for traveling executives to retrieve messages from other corporate offices, improving responsiveness.
- *Domestic and international expansion*—Liz Claiborne currently has more than three-dozen sites in Europe and Asia. An IP communications solution would yield increasing savings in toll bypass as the company continued to expand.
- *Acquisitions*—Integrating acquired companies into a traditional telephony system is a costly chore that can take months. An IP communications solution would significantly reduce the time Liz Claiborne needed to integrate other organizations' phone systems, reducing expense and business disruption.

NETWORK SOLUTION

To evaluate IP communications solutions, Liz Claiborne set up a lab with 20 IP phones and ran tests for three months. "Cisco offered the best functionality and integration with our legacy PBX environment, which we'd need during the transition," says Iadisernia. "And the fact that it's a pure IP solution, not a hybrid with traditional telephony elements, makes it faster to deploy."

At the outset, Liz Claiborne deployed four Cisco CallManager servers and 3000 Cisco IP 7960 phones for eight locations on the east coast. Calls are switched to and from the public switched telephone network (PSTN) through Cisco Catalyst® 6608 voice gateways and Cisco 3745 Multiservice Access Routers. A Cisco VG248 Analog Phone Gateway at headquarters provides fax and modem access from the facility.

Migration Process

The migration to IP telephony proceeded in three phases. In phase one, the company installed the four Cisco CallManager servers: one at company headquarters in New Jersey, and the other three in offices in New Jersey and New York. During this phase, IT simply confirmed that the Cisco CallManager servers were communicating with each other, and the PBX systems remained in production. In phase two, which lasted two weeks, the company connected the 3000 Cisco IP phones to office wall jacks and to employees' computers. In phase three, once Liz Claiborne IT was assured that the IP phones didn't disrupt the computer network, they switched over to using the Cisco CallManager servers. The company transitioned New Jersey in the course of one weekend, and New York during the next. In between the transitions, the two offices were able to communicate by dialing a tie-line code. Elapsed time for the complete transition totaled only six weeks.

Extension Mobility

Before and during the transition, Iadisernia held input sessions and focus groups with the company's executive assistants to discuss their telephony needs so his team would know which Cisco CallManager features to deploy. "Popular requests included intercom, covering for multiple executives, forwarding calls off-site, and directory—all difficult to accomplish on the legacy PBX system," he says.

Among the most valued features of the Cisco IP Communications solution at Liz Claiborne is extension mobility, a built-in feature of the Cisco CallManager server. Employees can log on to any Cisco IP Phone in eight different locations to personalize it with their own telephone number, preferences, and directories. For instance, executives who attend meetings at another office can log on to a Cisco IP Phone in a conference room to retrieve messages from the Cisco Unity™ voice-mail system, just as if they were in their own office. As a result, Liz Claiborne executives no longer need to maintain different phone numbers and voice-mail boxes for the different offices they visit. "Extension Mobility is a boon for productivity," says Iadisernia. "Our people previously lost productivity when their voice-mail boxes filled up while they visited another office. Now they can log in from any location and respond more quickly to urgent business."

In addition to the extension mobility feature, Liz Claiborne is taking advantage of several Extensible Markup Language (XML) applications running on Cisco CallManager that send information to the Cisco IP Phone display, including news, weather, and stock information; white and yellow pages; and a calendar.

Cisco IP Contact Center Express

The Cisco IP Contact Center (IPCC) Express solution, which runs on Cisco CallManager servers, helps enable Liz Claiborne customer contact operations to provide more efficient and personalized customer service. One contact center, with approximately 50 agents, fields questions about the company's clothing lines from retail customers and sales managers across all product lines including apparel, accessories, cosmetics, etc. The other is a help desk with 20 agents who handle issues related to end-user and retail store technical issues. Using Cisco IPCC Express, Liz Claiborne IT has assigned higher priority to calls from executives and distribution centers so that the company does not put critical business issues on hold. The company has also adjusted its contact center staffing at different times of day to reduce wait times and abandon rates, thanks to the integrated metrics and reports available in Cisco IPCC Express. "With our legacy contact-center system, generating reports was complex and time-consuming," says Iadisernia. "It's so easy with Cisco IPCC Express that we run them more frequently, which enables us to optimize staffing on an ongoing basis." Help desk service is further enhanced because help desk representatives can view the name of the caller and their call history on their computer monitors.

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—Anthony Iadisernia, Director of IT, Liz Claiborne Inc.

Support for Teleworkers

In the past, Liz Claiborne employees who worked from home generally made calls from their cell phones, and expensed their phone bills. Those costs have dropped significantly since the company began providing teleworkers with Cisco IP phones and Cisco 831 Ethernet Broadband Routers, which route calls over the company's IP network. Productivity has improved, as well because teleworkers can access the same Cisco CallManager telephony features as their peers at headquarters, including voice mail and caller ID. This gives the company more freedom to hire people who otherwise couldn't commute to the office, either because of distance, preference, or disability.

The same equipment helps enable Liz Claiborne to quickly provision phone services for merchandise show rooms. "In the past, setting up a show room with a half-dozen phones meant buying the phone system, provisioning plain old telephone system (POTS) lines with a monthly fee, and hiring a vendor to perform moves, adds, and changes," says Iadisernia. "Now we simply plug in Cisco IP phones, which register back to the closest Cisco CallManager server, avoiding any capital investment in a phone system or operational expense for moves, adds, and changes."

Cisco IP Communicator

The advantages of a Cisco IP Communications solution extend to traveling retail executives, as well. These employees use Cisco SoftPhone or Cisco IP Communicator to make phone calls from their laptops. Employees who visit Liz Claiborne offices in Europe, for example, can conveniently make calls and check voice mail from their laptops after simply plugging in a headset. The billing features in Cisco IP Communicator allow the company to retain control over call accounting and departmental reimbursement.

Cisco VT Advantage

Liz Claiborne is currently testing Cisco VT Advantage, which adds video telephony capabilities to Cisco IP phones. "Our business is very personal, very people-oriented," says Kovac. "It's invaluable to have a face-to-face video conversation when you're talking about the customer experience, or showing an item of clothing, for example. With Cisco VT Advantage we'll preserve the face-to-face aspect of our culture even as we cut travel time and expense."

In the near term, Cisco VT Advantage is expected to reduce the many 30-minute trips that executives make between the New Jersey and Manhattan offices. “Making a half-hour trip to attend an hour-long meeting is just not worth it,” says Kovac. Longer term, the company is anticipating additional savings in travel costs when it deploys Cisco VT Advantage in its remote offices.

Security and Availability

To protect its Cisco IP Communications solution from network threats, Liz Claiborne runs an antivirus program and Cisco Security Agent software on each of its Cisco CallManager servers. If the application behaves abnormally—as it would if a virus or worm were attempting to infiltrate the server—Cisco Security Agent gives the administrator the option to deny that behavior.

Reliability

For its two corporate locations without Cisco CallManager servers, Liz Claiborne takes advantage of the Survivable Remote Site Telephony (SRST) feature that is part of the Cisco IOS® Software in its Cisco routers. The Atlanta office, for example, relies on a Cisco CallManager server in New Jersey. “If we were to lose connectivity between Atlanta and New Jersey, SRST would take over and the router would automatically begin routing calls to the PSTN,” Iadisernia says. “The ability to sustain dial tone and functionality in the event we lose a WAN link ensures that we maintain business continuity.”

Cisco CallManager also facilitates disaster recovery. “We’ve estimated that in disaster-recovery mode, it would take seven days to rebuild our voice services with a traditional telephony system,” says Iadisernia. “Because Cisco is a true [voice over IP] (VoIP) system without any traditional telephony hardware, we can recover voice services from a tape backup in just one day.”

BUSINESS VALUE

Important business benefits of the Cisco IP Communications solution for Liz Claiborne Inc. are support for teleworkers and the productivity benefits that arise from the extension mobility feature.

Integrating acquisitions into the company has become much easier, as well—a point that immediately resonated with Liz Claiborne Inc. when it acquired the Juicy Couture and ENYCE apparel lines in 2003. In the case of ENYCE, “we had to integrate their telephony systems with the corporate system without disrupting the business, and as fast as possible,” says Iadisernia. Incorporating the ENYCE data network with the corporate network, including implementing the IP telephony system, took 60 days. “We had a voice and data network in the same time it would have taken to deploy data alone,” says Iadisernia. Similarly, integrating the Juicy Couture phone system required little more than installing a Cisco CallManager server on the west coast—and at a fraction of the cost of putting in a traditional phone switch, notes Iadisernia. “We installed 120 Cisco IP phones and deployed voice mail in just four weeks, without interruption to phone service. That’s three-times faster than the industry standard. For any new locations we add, we’ll continue to roll out voice and data as one package.”

A convergence in the Liz Claiborne IT organization mirrors the convergence of its previously separate voice and data networks. According to Iadisernia, now that the company has one network, it no longer requires two departments with redundant functions. The new, integrated “IP communications team” includes two subgroups, services and infrastructure, both with members with strong backgrounds in both telecom and data, who are cross training each other. “The network convergence and resulting organizational convergence have helped to reduce costs,” says Kovac. “Notably, our management overhead dropped because the Cisco IOS Software is at the heart of both voice and data communications.” The Liz Claiborne IP communications team can now use a single set of tools, CiscoWorks, to manage its entire converged infrastructure. For instance, CiscoWorks IP Telephony Environment Monitor (ITEM) continuously evaluates and reports the operational health of the converged IP network and IP telephony implementations.

“The converged infrastructure has made us more nimble because we can quickly deploy a voice and data infrastructure for new locations,” says Kovac. In fact, the benefits of the Cisco IP Communications solution are so far reaching that Iadisernia and his team were recognized for their contribution by the Liz Claiborne CEO.

NEXT STEPS

Corporate Offices

Over the next two or three years, Liz Claiborne will continue to implement IP telephony in its remaining offices, including distribution centers and show rooms. “Cisco IP Communications is our standard for any new locations or acquisitions, and for all VoIP equipment,” says Kovac. To decide which new features to add, the company will continue to rely on feedback from employees—namely executive assistants. “They’re the most time-pressed. Within a month we were their heroes.”

As part of its strategy to continually strengthen network security and guard against viruses, worms, and hacker attacks, Liz Claiborne is in the process of deploying Cisco 2800 Integrated Services Routers in remote offices. These devices provide embedded security and voice services within a routing system designed to deliver concurrent services at wire speed. “The Cisco 2800 Series Router helps secure our network because it includes integrated firewall and intrusion-prevention capabilities, and also provides the bandwidth we’ll need as we centralize other applications,” says Iadisernia. The Cisco 2800 Series Router will also facilitate disaster recovery, an important capability in this fast-moving industry, where network outages can result in lost opportunities. “If a remote office has a network outage, we can simply reconnect its Cisco 2800 Router to any Internet connection and we’re back in business,” says Iadisernia. “With another type of network, we might have to wait days for a service provider to provision a new line.”

Extending IP Communications to Retail Stores

The company’s long-term plans for its retail stores include providing a Cisco 1760 Router or new Cisco 1800 Integrated Services Routers at each location, for faster provisioning and moves. “In retail, it’s not uncommon for a store to close Friday evening in one location, and then open Saturday morning in another location across the mall,” says Iadisernia. When a store has a Cisco 1800 Series Router, moving becomes a simple matter of disconnecting the router from one location with Internet access and reconnecting it to another. As a foundation of the Cisco Self-Defending Network, the Cisco 1800 Series Router offers embedded and integrated-security capabilities, which will allow Liz Claiborne to easily enable services like network admission control, dynamic multipoint VPN (DMVPN), and intrusion prevention system.

Liz Claiborne also plans to provide IP telephony at its stores, by adding Cisco Catalyst FXS Analog Interface Modules to the stores’ Cisco routers. Each store will be able to continue using its legacy phones and PBX systems, but when employees dial a “9” and then an area code, the call will be sent to Liz Claiborne corporate offices and then routed over the IP network, saving toll charges. “Most of our stores don’t have high enough phone bills to cost justify replacing their legacy phones with IP phones,” Iadisernia says. “With the Cisco Catalyst FSX module, however, we can continue to use our analog phones while enjoying the benefits of IP telephony for long distance.”

Kovac concludes with this advice to companies planning their transition to IP communications. “The network is key. First certify your network, and that will include 90 percent of your preparation for IP communications.”

FOR MORE INFORMATION

For more information about Cisco IP Communications, visit: http://www.cisco.com/go/ipc.

For more information about Cisco Retail Solutions, visit: http://www.cisco.com/go/retail.

For more information about Cisco Enterprise Archictetures Solutions, visit: http://www.cisco.com/go/teleworker and http://www.cisco.com/go/brb.

For more information about Cisco Integrated Services Routers, visit: http://www.cisco.com/go/isr.

This customer story is based on information provided by Liz Claiborne Inc. and describes how that particular organization benefits from the deployment of Cisco products. Many factors may have contributed to the results and benefits described; Cisco does not guarantee comparable results elsewhere.

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