



Interview with Louis Summe, Co-Founder & CEO, LiveVox

LiveVox is a leading provider of hosted dialer solutions for the credit and collections industry. LiveVox is headquartered in San Francisco with offices in New York; Los Angeles; Atlanta; Bogota, Colombia; and Bangalore, India, and with sales and support staff across the U.S. Breakthrough, patented technology and deep industry knowledge allow LiveVox to assist clients with optimizing their operations and collection strategies.

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Frost & Sullivan Senior Analyst, Michael DeSalles, sat down with CEO and co-founder of LiveVox, Louis Summe to discuss the company's history, recent successes and the importance of its solution in the contact center industry.

DeSalles: Tell us about the history of LiveVox

Summe: We started in January of 2000 and migrated to credit and collections in a strong way in 2002. We came into the SIP-based application market in 2003.

We began providing speech recognition applications to healthcare clients for administrative tasks - renewals and appointment reminders. Our clients were most interested in using our services to help collect money from patients. As a result, this directed us into the billing and collections space and, as we went in this arena, we saw a big opportunity in outbound dialing.

Although speech recognition wasn't the most fertile ground, the technology led us to a different platform, a SIP (Session Initiated Protocol) platform. The SIP-based platform is the core of what we bring to the market today.

DeSalles: What is your background and what has been your level of involvement in the LiveVox's development?

Summe: I am Co-Founder and CEO. I enjoy working in a lot of different areas of the company, but the bulk of my time is spent in product development and feature design.

DeSalles: What markets does LiveVox target and why?

Summe: We target the credit and collections industry, the largest outbound dialing market. I have to say it's been a great market to work in because there are lots of entrepreneurial people in the space. Since we bring to market such an innovative product, we need people with vision and a willingness to explore new technologies. We are offering a different way of doing things. A market with a healthy population of entrepreneurs has helped our business to accelerate.

In addition, trends in the collections industry are driving the need to increase dialing capacity.

DeSalles: Which trends in particular?

Summe: The financial crisis yielded a substantial increase in delinquency rates. At the same time, this decreases people's ability to pay. Credit and collections organizations are now working a greater number of accounts with lower liquidation rates and fewer collections on those accounts. They have to work harder to sustain their business. These forces drive them to substantially increase their dialing capacity.

Our SIP-based platform brings a lot of dialing capacity to bear. Our solution, unlike historical dialers, resides in the network. This puts us in a much stronger position to quickly and cost effectively provision whatever capacity our clients need to handle increased volumes.

DeSalles: What is the biggest challenge for a small, private company like yours?

Summe: Our sale is a missionary sale because we're offering a different model. Whenever you're first in the market with an idea you encounter skepticism from entrenched practices. Our products and services have substantial benefits, and once our clients experience it, they see that clearly.

So, we spend a lot of time educating on the benefits of LiveVox, of unlimited capacity, and of the productivity gained by breaking from the constraints of legacy dialers that tie clients to fixed capacity.

Five or 10 years ago, you may have had enough capacity. Today, with proliferation of caller ID, cell phones, etc., you need 10 lines per agent. Otherwise, you are not keeping agents busy. Before, when you bought your dialer, switch and infrastructure, you provisioned the dialer with a specific number of lines per seat. That may have been fine 5 years ago, but today it's not enabling you to keep agents occupied. Labor is the biggest line item... by far. It's 5 times bigger than any other call center line item. You are then in the business of keeping agents productive. Since there has never been an alternative to this fixed capacity model, a lot people are blind to it.

When LiveVox comes in and tells clients they need 10 lines per agent they don't believe it. Then they turn it on and say, "Wow, now I see!"

That goes back to our challenge, combating that skepticism. You'd be a skeptic too if someone said that you could be 30% more productive in your job. Our job is to educate the market about the ability to increase agent productivity.

We have not had a new tool like this in a long time. It's a big deal.

DeSalles: Which trends will influence business growth the most for LiveVox?

Summe: In addition to our clients' need for more capacity, there are opportunities to more effectively leverage data and information technology, in general.

One of the big blockers to the utilization of increased analytics and technology in the call center environment is complexity. By the time you take an information system from one vendor, an application from another and a data source from a third, it's hard operate it all seamlessly without an army of engineers and IT professionals to build custom integration.

Now, the complexity inside of analytics and IT is being reduced by two powerful forces and LiveVox is a part of both of them:

1. The use of web-based protocols and standards
2. Deploying technology in the network

These forces make the operation manager's job easier. By making things simpler, managers have the power to really use technology without spending as much on IT.

More and more, operations managers will have the tools to realize the promise of IT and analytics by making the execution easier; the ability to score the accounts, to apply analytical models and to integrate multiple treatments. So to integrate a Quick Connect dialer skill with a Right-Party Scripting skill and to measure the real-time ROI becomes part of the "come to fruition" moment.

DeSalles: Why has LiveVox invested so much R&D in hosted solutions and the outbound dialing space, in particular?

Summe: Because a lot of the promise of IT and data analytics has been held back by the complexity and cost of execution, using Internet standards and deploying applications from the network will reduce complexity. We feel like that's a big opportunity to take the industry forward. That's why we've always been focused on hosted. Our job is to help managers so they can focus more on their core competency.

If you are a call center, your core competency has to be managing your agents. They represent 70% of your expenses. If your core competency isn't recruiting, training, and motivating agents, then you're in the wrong business.

DeSalles: Help us understand the importance of SIP-based applications for contact centers?

Summe: SIP reduces the complexity surrounding contact center technology because it is, in a way, a universal protocol. We're all familiar with the talk of convergence for the last 20 years or so surrounding all sorts of industries – cable, land lines, newspapers, cell phones, music, radio, everything.

SIP is the protocol of convergence. It's designed specifically to accommodate many different communication standards. With a protocol that supports convergence in the call center, you can take applications that previously sat by themselves and move them together. When you use LiveVox, you get an ACD, you get call recording, you get IVR, you get list management, and you get dialing functions. You even get PBX functions. Ten years ago that would have taken 5 different platforms. In addition to that, we can deploy our service from the network. SIP enables us to take a lot of things, put them together and make the network a lot smarter.

DeSalles: Are there client concerns about handing off all of these applications to the network?

Summe: Absolutely. That's one area where we have to educate our clients. All of our clients run call centers, and all of them use the public network. When they raise the control issue, I say, "It's not about control. It's about doing something different. You are already critically dependent on this public network. We are giving you greater control."

Without LiveVox, our clients lack the capacity to modify the public network. Part of what they are doing when use our application is changing the way the public telephone network behaves for them. We make your control more powerful. We give you the ability to get unlimited lines via a website and complete visibility into what your agents are doing. It's different, but it's better.

DeSalles: What has the state of the economy meant for LiveVox's business growth?

Summe: As the financial crisis hit, more accounts have gone into collections but there are fewer payments on existing accounts. That's driven the need for capacity. At same time, corporations are looking to reduce capital expenditures and risk profile, and they have less of a desire to spend up-front capital for equipment.

Whereas many companies have had demand drop off, we haven't really seen that, and we continue to grow rapidly.

DeSalles: How important is it that the LiveVox solution is 'home-grown'?

Summe: Our solution is unique. No one else offers it, so it is crucial that it's 'home-grown.' That's the only way you can acquire it.

DeSalles: What makes LiveVox's service so unique in this increasingly crowded market?

Summe: When we work with a client to replace a dialer, we compete against premise-based equipment vendors. In the hosted market, we are the only vendor with a solution that enables client to shut down their dialer, to turn it off. That's the crux of the matter.

All of the other vendors offer solutions that work in conjunction with the dialer. As far as working with clients to shut down premise-based equipment, we don't really have hosted competitors.

DeSalles: Describe the collections-enabled contact center of the future?

Summe: Technology will increasingly move into the network. All of our clients are critically dependent on networks today - both the public telephone network and data networks. Our clients run call centers with domestic, near shore and offshore operations that all have to be networked together.

Increasingly, the technology and control of the call center infrastructure will be in the network via Internet protocols. Those protocols will make technology easier and more integrated, flexible and accessible, giving greater control to meet business objectives.

The typical IT person 5 years from now will have more insight into business objectives. Increasingly the IT person is going to be a master of both the technology and the business because more of the platform deployment is hosted by SaaS vendors. The job of IT staff will be to configure and manage. The role of operations and IT will blur and more IT personnel will possess operations skills.

This vision involves greater operational flexibility for clients and returns the focus on managing agents for optimal productivity.