



TOMORROW'S CALL CENTER, TODAY:

A Conversation with Ari Sonesh, CosmoCom

Interview by Robert Yehling
Photography by Letitia Haynes



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The first impression of Ari Sonesh's company is not Ari Sonesh, although his vision, brilliance and distinctly casual attire certainly are captivating. It's the environment the CEO of CosmoCom fans throughout his Long Island-based company. The walls of one conference room hold pictures of nebulae and constellations taken by the Hubble Space Telescope. The hallways are decorated with prints of great paintings that stretch back to the late-Renaissance Italians and move through Monet. Hungry employees eat at the CosmoCafe, decked and styled like a hip European techno-disco nightclub.

The mood carries over from the material to the personal. During a presentation on CosmoCall Universe, a highly advanced call-center technology that can work with legacy systems and send companies zooming into an unprecedented level of customer service, Sonesh turns over the floor to a staff member, Tom Chang. While Chang delivers a 20-minute presentation on a fictitious call-center operation, Sonesh is as attentive and inquisitive as his guest. Certainly, he's testing the prowess of his young charge, but he's also enjoying Chang's knowledgeable tour. Chang discusses how CosmoCall Universe delivers a CRM touch almost as personal as if someone was doing an EKG on a customer's buying patterns and

hand-delivering it to the one purchasing doctor in the world who could figure out what product to diagnose. The last impression leaves quite a strong message about how this company works: Sonesh never interjects nor interrupts.

From the top, CosmoCom projects customer service. With an 8,000-seat capacity and testing underway on a 64,000-seat system, CosmoCall Universe operates for service providers, telcos and large organizations that need to make their customer service operations more personal and immediate. It blends all conceivable media sources – phone, cell phone, e-mail, video, VOIP, fax – into one queuing engine, and delivers it to service reps on their multimedia PCs. While a customer is browsing an e-tail or B2B site before a live agent answers the phone, a CRM site is populated with information from this customer's previous interactions. The CRM suggests items to buy, FAQs, or add-on items. A specific agent somewhere in the world, chosen by the solution for his expertise on the subject, sees all of this before going live. He can use a form of communication identical to his customer. All the while, the clock is ticking: the emphasis is on immediate and qualified response to customer inquiries. Furthermore, the caller technology uses HTML frames, eliminating download attachments.

CosmoCom is moving fast. The company received \$20 million in funding during the fourth quarter of 2000, and recently showed a wireless version of CosmoCall Universe at CeBIT in Germany. DNA Finland is utilizing CosmoCom's technology to set up a call center that will handle 3G wireless and mobile broadband. With operations in Europe, Hong Kong, Japan and the United States, Ari Sonesh has positioned CosmoCom well as companies try to become more and more responsive to their Net-savvy and picky customers.

The Executive: Your offices give quite a first impression about CosmoCom. You have a nice collection of prints from the Impressionists and others lining the halls, and a conference room with a dozen

different pictures of quasars, constellations and nebulae.

Ari Sonesh: I like to go beyond what I might think is possible, and I like my staff to feel they are in an environment where they can expand their thinking and be creative, test out something new, like the painters whose works we have in the hallways. What will capture my attention and imagination more? A picture of something ordinary, or a picture of something in the middle of space? I want my staff to challenge themselves when they develop CosmoCall Universe, and I believe having pictures like this sets the right environment.

The Executive: What elements were lacking in customer service and call center technologies that prompted you to develop CosmoCom Universe and your whole philosophy in this field?

Mr. Sonesh: I'm coming from Converse Technology, where I was responsible for customer service worldwide. Converse's prime customer was the telco, and Converse served more than 350 telcos. So I had people all over the world, and I needed to engage and maximize this manpower to provide good support. I also was the CIO, in charge of connecting the company to the Internet. I looked into the possibilities of the Internet in the customer service environment. You can take the incoming calls to the service department, for example, and distribute them over the Internet to anybody in the world, based on your priorities. You can route all media over this connection. From this, I saw the need for a multimedia communication on one hand, and the need to distribute incoming calls and diverse skills on the other.

The Executive: Then you had a bit of a revelation about e-commerce during its early years.

Mr. Sonesh: I was thinking, "You can take these same technologies and do the same with e-commerce." This was in 1995, when people didn't understand that e-commerce requires customer

service as well. You can take this high-availability platform and high-capacity technology, and any media the customer decides to select. It can be a plain phone call, or chat over the Internet, or VOIP using a microphone, or sending e-mail or a fax. You can distribute to customer service reps anywhere in the world. This is where the market goes. Businesses have to allow their customers to use any type of media they wish, and provide fast and prompt service. This leads into what we are doing at CosmoCom.

The Executive: Where are we at on the evolutionary wheel when it comes to businesses providing customers with the ability to interact in any way possible?

Mr. Sonesh: This was at zero two years ago; we're very early in this S curve.

There's a huge market for call-center technology. At the end of this decade, we think it will increase to \$25 billion. This is a conservative guess. The market today is very much old legacy-based technology, with IP-based call centers growing in popularity among newly established call centers. This mainly has to do with the refusal of companies to let go of older technology that they have made past investments in. We believe that by the end of the decade, all new shipments into call centers will be new IP-based technology. This is where CosmoCom is a leader. We are operating in a market which is just starting to take off. The market understands there is a need for multimedia, multi-channel, multi-access call center technology that can be distributed to call service reps throughout the world.

The Executive: You're presenting a very aggressive global strategy that operates on three fronts – serving huge emerging markets like China; dialing into 3G wireless as it catches on in Europe and Japan; and serving the vast call-center needs of U.S. companies. When you look at the world market, how much of an advantage is it for you, as a CEO, to not be from the United States?

Mr. Sonesh: I would say the international experience is invaluable, as well as my background. I am from what is now the Czech Republic, but my parents and I immigrated to Israel. I attended university and worked in Israel, then came to the United States. At one company in Israel, I was in charge of product development. We did the manufacturing in Japan and Taiwan, and our marketing was focused on the United States. I think this has contributed to the understanding of people in the international market, how to operate in these markets. We have members of our upper-management staff with great international experience. This helps us to tune into the international opportunities. Further, we are positioned for high-end service provider companies. All of them are international.

The Executive: How many businesses are aware of the advanced call-center technology CosmoCom offers?

Mr. Sonesh: Many businesses are aware of the technology. They're looking into it from an educational viewpoint, saying "We have to go into it," while waiting for the early adapters to embrace the technology. We're working with these early adapters, but we're starting to see the early maturity customers. CosmoCom is focusing on service providers like ASPs and telcos. If you think about it, telcos always have had the ASP model. There is a study that says by 2005, 40 percent of all call center seats will be network-based. So our technology is aimed at the ASP, or telco, that operates on a network with a host environment. We are focusing on providing a platform for these customers.

The Executive: It seems natural that you would marry this call-center technology to the telco – it's the same networking premise.

Mr. Sonesh: Exactly. That is the focus of our company.

The Executive: One of the most dynamic aspects of CosmoCall Universe is the advanced interaction with the agent – how the product



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automatically determines a specific agent to pick up the other end of the call and serve an inquiring customer. Could you elaborate on this?

Mr. Sonesh: First of all, the agent is the service rep who logged into the service center, because he had the specific skills necessary to take this call. Our system intelligently goes through the queueing of your company's entire list of service representatives to match up a call with a specific agent who has knowledge of a particular product or service. This agent could be located anywhere in the world

The Executive: Who provides the service representatives?

Mr. Sonesh: The company we sell the product to. For example, let's say Coca-Cola wants to buy our call-center technology. They will deploy the technology and train their team of sales representatives to use this technology, and switch from an older method of handling customer calls to a newer, more efficient way using a network-base call center platform. CosmoCall Universe is also very easy to customize with an open architecture.

The Executive: It seems that this solution is acting as a virtual manager, automatically delegating calls and questions to agents in the field.

Mr. Sonesh: I think we're solving another big issue, and that is the allocation of the manpower that you

mention. You can imagine how busy a system is during the peak of the day. When you have a live call coming into the system, the expectation of the caller is that the call will be handled fast – in minutes, if not seconds. If they send an e-mail or leave a message, it's OK if someone gets back to them within several hours. So peak calls are routed immediately, and during off-peak hours, these e-mails and voice messages can be handled. It's a very important productivity tool.

The Executive: It's a lot more satisfying to send an e-mail message and hear back from somebody within a few hours than to be stuck on hold for 30 minutes in the middle of a busy day.

Mr. Sonesh: Exactly. And we also guarantee that someone will get back to you, because we have supervisory features that insure a quality of service by the agents. We have alarms built into the system that are programmable by our customers. They determine from their customers what a good response time is for e-mails and voice mails, and they program the alarms. They can also customize it to have three or four prompts before the caller goes into voice mail.

The Executive: When you're speaking with companies and service providers, do you find that they understand the type of customer service representative they need in order to utilize your technology properly?



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Mr. Sonesh: Usually, the customers start with a pilot, not only to run the technology but also to determine the level of skill their people need, depending on the environment they use it for. Or, they go to a service provider and get a few seats on the service provider’s call center.

The Executive: You utilize a most fascinating aspect of “new technology” – features that are programmable by your customers. Could you speak about the necessity of such advanced, intuitive technology in today’s marketplace?

Mr. Sonesh: Sure. We offer some programmable features, but you can’t program the entire solution. I’m sure that’s the same with other new technology companies that have some programmable features. For example, a customer has to be able to make the telephone available with our technology; you can’t program yourself away from the telephone. It can be a regular telephone, a PDA-as-telephone, VOIP, but you can’t program a call center technology not to use voice communications. But they can set the alarm intervals for e-mail and voice mail responses. This is what makes the Internet-based application very, very sexy; it is so flexible.

The Executive: What about older companies dealing with the transition from a vertical corporate model to a customer who suddenly says, “I want to get in touch with you right now and I want to know everything before I even think about buying?”

Mr. Sonesh: One of the issues these corporations have is that they need a new kind of customer service that is both computer literate and Internet-literate. It’s no longer a matter of answering simple questions over the phone. They also need a more educated customer service team, but they are working very hard and very fast in this area. On the other hand, with these organizations, cost is always an issue. So is providing good, timely service. It sounds funny, but the key is to provide the customer self-service capability. Customers think self-service is cool, and we promote it. If the organization develops an infrastructure where the customer comes in (to a Web site), and finds an answer to the question himself, or does everything himself, it goes a long way. If a customer can go into a self-service model and know that the back door is open to a live person for assistance if necessary, they are likely to use self-service.

The Executive: How has the proliferation of e-commerce forced organizations to advance their concept of call centers?

Mr. Sonesh: E-commerce has made it clear to businesses that they have to not only connect to the Internet, but serve their customers and take calls through the Internet. It’s not only voice anymore; it’s the Internet, mobile commerce, PDAs. It’s very simple: they have to use the Internet, or they lose business to the newcomers who are working only through the Internet.

The Executive: In the wireless world, CosmoCall Universe also provides call-center technology through smart cell phones that are presently used in Europe and Japan. Will this reach the United States?

Mr. Sonesh: I think it will catch on in the United States when the third-generation mobile commerce services come out. The third generation provides for broadband, which will make the cell phone or PDA browsers as powerful as your computer. We’re already involved with developing call-center technology in Europe for 3G. This will become popular in America, no question.

The Executive: Not only are you promoting an advanced call-center technology, but it appears you’re also pushing forward the whole concept of customer service.

Mr. Sonesh: I’m not sure if it’s us, or if it’s the market that’s forcing customers to do it. On the Internet, there is no vendor loyalty. When a customer is one click away from somebody else’s Web site, and you don’t have exactly what the person is looking for – or the service to get right back to them – then you see there is no vendor loyalty. How do companies differentiate themselves? They’re selling the same products, probably at the same prices, they claim the same number of days for shipping ... it all comes down to customer service. The people who are really pushing companies into more immediate and more efficient customer service are the customers. We simply provide the technology that enables this improved customer service to take place.

The Executive: Yet, customer service still comes down to the human element – the agent – doesn’t it?

Mr. Sonesh: Yes, but look at the productivity of the tools he now has. The fact the agent gets all the information about the caller, and what he’s looking at, gives him the ability to deliver much better, faster and more efficient service. This is how call-center technology ideally services the company that is using it.