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## Avtex Buys Into Hosted Contact Center VoIP Space



By Erika Morphy  
CRM Buyer  
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**Avtex plans to position its new hosted contact center offering not only as a disaster recovery option, but also as a call center package for small and mid-sized firms that have not been well served thus far by the mainstream market, said CEO Robert S.**

**Denman.**

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### Run Your Entire Contact Center in the Cloud

Many businesses are increasingly seeking ways to improve the quality, flexibility, and scalability of their traditional call centers. [Download this free white paper](#) and learn the top 8 reasons to consider going virtual.

**Avtex**, a [Microsoft](#) (Nasdaq: MSFT) [Q](#) Certified Gold Partner that offers contact center, IP telephony and unified messaging applications, will be moving into the hosted contact center VoIP space once its acquisition of Interactive Solutions International is completely absorbed.

The company announced on Friday that it had acquired the Cincinnati-based firm.

This hosted offering is one of the few areas in which the two companies' product lines do not overlap, Robert S. Denman, president and CEO of Avtex, told CRM Buyer.

Typically Avtex competes with [Avaya](#) [Q](#) or [Cisco](#) (Nasdaq: CSCO) [Q](#) distributors or resellers. The Interactive Solutions acquisition will help Avtex expand its footprint in the Fortune 1000 market, Denman said, as well as open a new line of business.

"The acquisition also gives us additional depth in certain areas that are critical to our customer [☎](#) base," he said. "Their talent pool, for instance, will fit nicely into our current organization. Also, we will be able to bring to our client base additional processes and methodologies."

### Leveraging the Hosted App

It is the hosted contact center area, however, that promises the greatest value for the company. The on-demand model has been making significant inroads into the contact center space -- along with all other CRM niches.

There has been a significant increase in the renting and hosting of contact center infrastructure, according to the 2006 Contact Center Benchmarking Report released by Dimension Data at the end of last month.

A quarter of centers chose to rent technology, compared to 4 percent last year, while 15 percent opted to buy hosted technology, compared to 5 percent last year. Thirty-one percent decided to purchase hosted technology from their telecom provider, up from 3 percent last year, according to the findings.

Avtex plans to position the new offering not only as a disaster recovery option, but also as a call center package for small and mid-sized firms that have not been well served thus far by the mainstream market, Denman said.


## 650 New Customers

The hosted contact center market is poised for significant growth in the small and mid-sized business space precisely because it is so under-penetrated, analyst firm [Frost & Sullivan](#) has noted.

Vendors in this space include Echopass, Five9, Transera and Telephony@Work. Then there is RightNow, an on-demand CRM vendor that is particularly strong in this space. Siebel OnDemand offers this functionality as well.

Avtex is also a Value Added Reseller for Avaya and Blue Pumpkin.

The combined companies will serve over 650 customers including Wells Fargo, Creative Memories, Time Warner, BNSF, American Family Insurance, University of Michigan, Key Benefits Administration and Western & Southern Life Insurance Company.

Interactive Solutions was the third acquisition for Avtex in the past three years. In August of 2005, Avtex purchased Telestar Communications. In June of 2003, it acquired Soltris. 

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March 03, 2006



Watching my wife work a room of volunteers at a recent function that happened to fall in the middle of the cookie selling season reminded me of the greatest salesmen I have ever worked with. Her confidence, the direct look in the eye and the quick close -- "So, how many boxes can I put you down for?" -- was a demonstration of best practices for sales in action.