

CUSTOMER EXPERIENCE: REAL BENEFITS FOR FINANCIAL INSTITUTIONS

BY DAVID TILSON

AFTER TURNING OFF THE RADIO, PEGGY TOOK A LONG SIP FROM HER COFFEE BEFORE EMERGING FROM THE COMFORT OF HER CAR FOR A LONG WALK INTO THE BUILDING THAT HOUSED THE 500-SEAT CALL CENTER SHE MANAGES FOR BANK OF CHICAGO. SHE KNEW TODAY WOULD BE A LONG DAY; MONDAYS USUALLY WERE.

Peggy swiped her security badge and entered the vast room of cubes buzzing with agents who already had been there for a couple hours. She quickly glanced at the board and saw 57 calls were waiting; fairly typical for a Monday morning. Her voicemail was already blinking with messages from agents calling in sick and from the temp agency wondering if she needed any agents that day.

When she arrived at her office door, she found three supervisors lined up there—each waiting with customer issues that needed her review. She intently listened as each supervisor explained the issues, but quickly dispatched them to resolve the issues and keep the hold times down. By then, the number of calls waiting has inched up to 70, but the average wait time was now a ghastly 10 minutes.

Peggy leaned back in her chair and thought about all the people sitting on hold listening to the monotonous drone of the on-hold music, waiting to talk to one of their agents. Is this any way to treat the people who were the bank's lifeblood? Is there a better way to serve their needs, rather than wasting their Monday morning waiting on the phone? Is there a cheaper, easier way to do business with us?

Before taking this job nine months ago, Peggy knew the call center had some critical issues. From available measures, she knew the average wait time was 15 minutes at peak times and the average handle time was well over seven minutes. Call abandon rates were above 15 percent. Agent turnover was at an all time high. There

were no consistent, real-time reporting mechanisms in place to show agents how many calls were waiting or what the average handle times were—statistics that could create a sense of urgency. Within a few weeks, Peggy instilled some new processes to reduce handle times. She also quickly created a new training program for the agents so they could handle calls quicker and more accurately, and she installed new, visible reporting systems and a new message board.

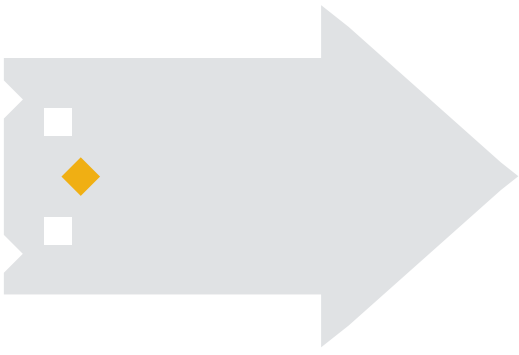
But, Peggy realized that none of these changes had the customer in mind; these were truly operational fixes that did not affect

customers' experience, other than reducing their time spent waiting for resolution. First, she did not know why customers were calling. She knew that they were calling for account balances, transfers, etc., but she did not know why they wanted this information. Was it to write a check? To see if a check cleared? To verify a deposit? In addition, she did not know customer satisfaction ratings. All she had to work with was a bi-annual customer satisfaction survey conducted by a third party that showed the call center was

"on par" with industry norms. Peggy was not happy with being average.

Peggy realized that her job was focused on getting agents to cycle through as many calls as they could without really paying attention to whether or not they resolved the issue the first time or whether or not the customer was satisfied. To improve experience, she would need to create a customer-centric organization. This would be much easier said done.

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Peggy realized that if the bank could get its five different channels (phone, Web, IVR, ATM, and branch) of customer interaction working in concert, it could improve the customer experience significantly—in turn driving loyalty, propensity to buy another product and, ultimately, additional revenue. Peggy thought about this, but she was confused about where to start. She snapped out of her thoughts when one of her supervisors burst in yelling, “Peggy! All of the systems are down!”

The example above typifies how bank call centers cope on a daily basis. The content that follows provides the “fresh air”—beginning to explain how an organization can transform itself into a customer-centric operation by designing a more thoughtful customer experience that serves all targeted customer segments and converts unprofitable customers to profitable and loyal customers.

ASSESSING YOUR CURRENT STATE.

To know where you should go from a customer experience perspective, you first must understand your current state. An important first step is taking an objective snapshot of your capabilities as they relate to direct and indirect customer interaction. These are some key considerations:

- ◆ **Culture.** Do you have a customer-focused culture? Are your agents trained to do what it takes to ensure customer satisfaction and delight? Do they have the tools, training, and incentive to effectively serve customers?
- ◆ **Process.** Are there processes in place to empower customer facing agents to make decisions on behalf of management? Is there a feedback loop back to the customer for issues that must be escalated? Are all issues resolved within the communicated service-level agreement?
- ◆ **Environment.** Is the call center and retail environment conducive to a personable, effective customer interaction? Do agents feel like they are a part of a bigger organization that is there to serve the customer? Does your environment foster collaboration?
- ◆ **Web capability.** Does the web capability meet all the customers’ needs? Can the customer conduct the same transactions and inquiries online that they can via interactive voice response (IVR), and vice versa? Can the call center divert more basic transactions and inquiries to IVR and online channels?

From this current state assessment you will be able to ascertain the key themes and opportunities for short-, medium-, and long-term improvement and align these to the overall corporate strategy.

ANY CHANGES THAT YOU MAKE TO ADDRESS CUSTOMER EXPERIENCE GOALS SHOULD BE MADE WITH BUSINESS NEEDS—FOR EXAMPLE, ENHANCING REVENUE OR REDUCING COSTS—IN MIND.

ALIGNMENT WITH CORPORATE STRATEGY.

Aligning the approach and customer experience strategy to the corporate strategy is key to ensuring that what is being done is a part of the bigger picture. Any changes that you make to address customer experience goals should be made with business needs—for example, enhancing revenue or reducing costs—in mind.

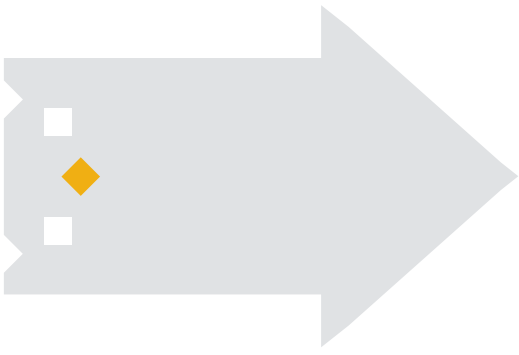
This alignment helps foster understanding among the employees who are responsible for customer experience. The responsibility of front-line customer service holds great power. These individuals need to “buy in” on the strategy and the tactical steps required to achieve it. Without this, all you will have is key performance indicators and the processes and technology to support them: you won’t have a clear message that people can live and work by when managing customers’ experience.

UNDERSTANDING “BEST PRACTICES.”

It is very important to ensure that whatever strategic and tactical path you take to make customer experience improvements considers both industry and functional best practices. Your organization will want to strike the right balance between innovating and applying the learnings of others that have had similar issues.

In exploring best practices, you should be prepared to look at key metrics and practices around the following:

- ◆ Service levels
- ◆ Channel mix
- ◆ Technologies enabled
- ◆ Customer feedback
- ◆ Process improvements



Just because competitors are operating a certain way or have a particular capability (e.g., click-to-chat, voice-response IVR, etc.) doesn't mean that will work for your organization and customer base. Your starting point should be your own customers: who they are, what they want, and how they like to be engaged from a customer service perspective.

IT IS IMPORTANT TO RECOGNIZE THAT VARIOUS TEAMS WILL BE INVOLVED IN EXECUTING THE ROADMAP, AND THAT COLLABORATION AND TEAMWORK ACROSS THESE VARIOUS WORK STREAMS WILL BE VITAL TO SUCCESS. LEADERSHIP SHOULD BE PREPARED TO COMMUNICATE ABOUT THE VARIOUS INITIATIVES, RESPONSIBILITIES, AND EXPECTED OUTCOMES.

CREATING THE ROADMAP.

After you've assessed the current state of the customer experience, identified key areas of opportunity, aligned the strategy to the end state, and identified applicable industry and functional best practices, it is time to chart the path toward a better customer experience.

The key component of this step is a roadmap, which defines how you want to operate the customer experience function and how it relates to the critical processes within the channels (call center operations, IVR, etc.). From this foundation you will be able to define which capabilities to implement, their priority as it relates to value and ROI, the resources required and, of course, the cost to implement each element.

It is important to recognize that various teams will be involved in executing the roadmap, and that collaboration and teamwork across these various work streams will be vital to success. Leadership should be prepared to communicate about the various initiatives, responsibilities, and expected outcomes.

KEYS TO SUCCESSFUL EXECUTION.

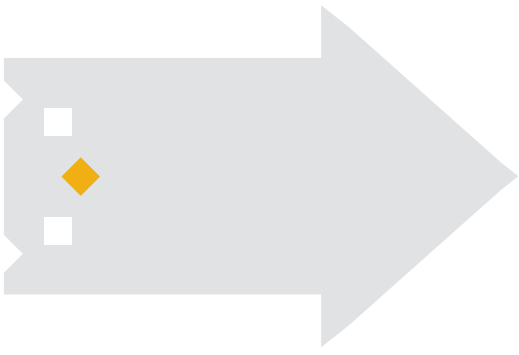
The keys to executing any roadmap are:

- ◆ **Governance:** Having a program governance structure in place to manage priorities, conflicts and issues is essential. A popular governing body consists of leadership stakeholders, project team members, subject matter experts, and customer-facing resources.
- ◆ **Measurement:** Understanding how you will measure success and having the right measurement tools is important to understanding where you have been, where you are going and whether you will need to make any changes in course
- ◆ **Progress:** Showing progress toward a goal is imperative to build and drive commitment, ensure that the roadmap is being followed and the investments being made are paying you back.

CUSTOMER EXPERIENCE IN ACTION

After a year of working to improve the Bank of Chicago's customer experience, Peggy loves the new ways in which her agents are interacting with customers:

- ◆ Because they have access to a newly retooled website and IVR, customers are calling with more informed questions. This, in turn, is driving down call times and increasing first-call resolutions, which can now be measured more accurately.
- ◆ With the new Customer Information System and training program that fosters empowerment, agents are able to resolve issues on their own. For example, because agents see profitability statistics on their desktop, they are able to address fee waivers quickly and accurately, and without involving a supervisor.
- ◆ The newly designed and mapped IVR systems have drastically reduced abandoned calls. Furthermore, call times in the IVR have been cut in half and by tracking customer behavior, the advanced IVR system is "learning" new ways of how customers want the information presented to them every day.
- ◆ The new website is able to handle all of the same functions as the IVR, as well as many of the issues that previously had to be escalated to the center's tier 2 agents. This has reduced the number of escalations dramatically; in turn, significantly reducing back office costs and increasing customer satisfaction scores.



POINT OF VIEW

- ◆ The new automatic callback or email feature (when an issue is resolved) has paid big dividends in terms of reducing call volumes and increasing the instances of first-call resolution. Customers already have provided excellent feedback on this new feature.
- ◆ Finally, the bank's new post-call survey has shown that its customers are very pleased with the capabilities and have even made suggestions on how to do things better! The bank plans to do a comprehensive customer survey in the next few months.

Peggy no longer is embarrassed when she tells people who she works for and what she does. She now enjoys going to work every day now that Bank of Chicago has made the customer experience a priority and is making new investments to drive loyalty of existing customers, increase propensity to buy additional products, and refer the bank to their friends and colleagues. Those are the REAL benefits of the customer experience.

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