



Taking out insurance for success

Norwich Union Insurance operates 15 customer contact centres in the UK and three in India, which employ a total of 8,000 people. As well as selling insurance to customers direct, NU also supply services to partners - third-party organisations that sell NU products under their own brand. In some cases, NU take on complete responsibility for a partner's insurance offering and deliver a turnkey service. NU staff deal with the partner's customers' insurance requirement from start to finish - from sales to claims resolution - as though they were the partner's own staff. Other partners may prefer to retain control of sales and branding but will make use of NU people in administering and managing the insurance products, including handling claims.

Problem

"In the financial services industry product pricing is a crucial factor in winning customers", said John Willmott, Norwich Union's director of customer service. "But if you really want to keep customers, what really matters is the quality of customer service you extend to them.

"We decided to investigate what we could do to make the quality of the service we offer to our partners' customers even better than we believed it already was."

The theory of customer loyalty

John brought in Cape Consulting, whose first advice was that Norwich Union staff read the work of the business thinker Frederick Reichheld, author of *The Loyalty Effect* and *Loyalty Rules*. Reichheld is

unequivocal in his belief that customer loyalty, far from merely being a subset of what a business should all be about, is the totality of what a business's focus should be. He says that the test of customer loyalty is a customer's response to the question "Would you recommend this organisation to a friend?" He measures recommendations on a scale between zero and 10.

Reichheld has modelled the results against organisations' sales growth and shown that when there are significantly more promoters (that is, enthusiastic recommenders of the organisation in question) than there are detractors (that is, those scoring comparatively low on the recommendation scale), then it is likely that sales growth among these loyalty leaders will substantially

exceed growth among competitors who do *not* have significantly more promoters than detractors.

Reichheld believes that anything less than an enthusiastic willingness to recommend makes someone a detractor.

In Reichheld's world there are no 'A's for effort when it comes to inducing someone to be almost willing to recommend an organisation. Only success in winning their enthusiastic willingness to recommend is good enough.

"The substance of the challenge that confronted us was that we knew our customer service was pretty good already," John Willmott commented. "We weren't, therefore, in a situation where we had to dismantle everything we were already doing and start again. From some perspectives that might have been easier than what we actually had to achieve, which was to raise a system that was already performing well another rung - or preferably even several rungs - up the ladder of quality.

"When an organisation already believes itself to be good in some particular respect, there is a huge challenge involved in overcoming the inertia of the status quo. People see no compelling reason to change what is already working perfectly well. Their creed tends to be that

rather over-used but nonetheless commonsense mantra, 'if it isn't broken, don't fix it.'"

Starting with NU's call centre in Bishopbriggs, Glasgow, John and his colleagues began working closely with the staff to develop an entirely new mindset.

Key relationship builders

Cape Consulting ran a programme of customer research in which they measured NU's ability to generate enthusiastic customers who would be 'promoters'. This information was modelled against Cape's database of

'There is a huge challenge involved in overcoming the inertia of the status quo'

key relationship builders (KRBs).

These can be defined as clear, recognisable and distinctive practices that impress customers. KRBs are intended to make customers enjoy interacting with the organisation and, all being well, significantly increase the likelihood that a customer will become a potential recommender to others.

In particular, KRBs are designed to

ensure that the customer feels that:

- He or she has sufficient time to think, without feeling rushed;
- He or she is appreciated as an individual;
- Dealing with the organisation is easy, convenient, efficient and enjoyable;
- The organisation genuinely cares about meeting his or her needs;
- He or she is getting a really good deal from the organisation.

Putting the research into action

NU aligned Cape Consulting's KRBs to a programme the company already had underway to improve the quality of customer service experiences. That programme had defined the ends. Cape's work defined the means. The new programme was called 'Care at the Heart'.

John Willmott: "The idea was that we would very consciously set specific objectives for how our customers would feel when they dealt with us. We then identified what changes we could make in how we communicated with our customers, to give them the feelings we wanted them to have. This objective was the key aspect of the procedure."

The biggest influence on the performance of call centre agents is the team leader. They were involved in teaching their teams how to achieve the KRBs.

"We were delighted to find that the KRBs gave the programme an unprecedented level of credibility among call centre agents and team leaders," John commented.

The telephone interaction between the call centre agent and the customer became guided by specific target behaviours which the agents were encouraged to put into action in a natural and - above all - authentic fashion.

Authenticity has been the key to the programme's success because:

- A lack of belief is easy to detect in voice, tone and manner;
- A commitment to offer really excellent service is often called 'emotional labour'. An agent must want to deliver the KRBs. If he or she doesn't, no sustained improvements are going to happen.
- If agents don't enjoy the experience of talking to customers, their jobs can be very mundane indeed. A principal purpose of the programme is to help call centre agents realise that their jobs will actually become more interesting



and more enjoyable if they put these practices into action.

Making progress

Overall, the work itself consisted of three key phases; a diagnostic phase, an implementation phase and a 'business as usual' phase.

'Create an atmosphere where individual agents feel motivated to work together'

The diagnostic phase posed the following key questions:

- Does Norwich Union impress customers through their service experiences?
- Do NU staff know how to impress customers?
- Is the company supporting a contact centre environment where agents are given the opportunity to perform to a high level?
- How can the business support front line managers in driving improvements to customer experiences?

Cape Consulting's diagnostic processes involved a range of tools: quantitative assessment of customers' service experience and the identification of Reichheld's all important scores to identify

performance gaps that had to be closed, and thereby increase the likelihood of creating promoters.

Cape assessed calls between the contact centre through call listening. NU's performance was measured, relative to Cape Consulting's existing database, on such key dimensions as:

- Strategic clarity;
- Performance standards;
- Teamwork;
- Recognition and motivation;
- Responsibility and commitment.

Because team managers are highly influential with customer contact centre staff, Cape Consulting used an audit of coaching skills and practices to make recommendations to increase effectiveness. The managers ran events for their teams which shared customers' feedback and data. This allowed the managers to communicate to their call centre agents important discoveries about the agents' current level of performance. Contact centre staff were shown that while certainly they were good at what they did, there were many areas where they could potentially make improvements.

John Willmott: "These new working practices, and the feedback processes that were a crucial element of them, were essential to our key task of instilling new behaviours. Again, the difference was between knowing what to do and actually doing it. We have found that implementation has taken dogged effort and persistence to convert those contact centre staff

who were still comfortably doing just enough to satisfy customers but not enough to impress them."

Conclusion

The Care at the Heart programme is still continuing. "I think it is fair to say that it has allowed Norwich Union to achieve a paradigm shift in how call centre agents do their job," John Willmott said.

Making this paradigm shift happen has been a major undertaking and one which still needs constant vigilance. People do not change their behaviour overnight; they have to be repeatedly persuaded to change it, and given positive reasons to want to change it.

It is true that some aspects of Cape's intervention did involve scripting the new way of dealing with customers. And because the call centre agents were dealing with financial services, there were some necessary regulatory and technical aspects of the conversation that had to be included. But the general approach has not been to inflict scripts on agents, but to create a collaborative atmosphere within teams where individual agents feel motivated to work together to collaborate on achieving change.

Many people who work in call centres are youngsters starting what is often their first job. Labour mobility within call centres is quite high, and in the past many agents have taken it for granted that their work would be rather boring and not very 'human'.

John Willmott: "We have shown, I think, that this does not need to be the case."

The hard facts are there too. Sales are up. The virulent problem of 'failure demand' - when customers have to make a second call to clarify some problem that was not dealt with properly the first time round - is down. Motivation is up. Net promoter scores are up across the board.

"I have no doubt at all that we can differentiate our products and services from those of our rivals by striving to offer a better level of customer service than they do," Willmott said. "This enhanced customer service is won by focusing very carefully, thoughtfully and creatively on how the agents in our customer contact centres actually talk to customers - and the authenticity and care with which these agents respond to customers' needs."

www.capeconsulting.com



Web recruitment saves £100,000

Derbyshire County Council is one of the largest local authorities in the UK with 37,000 employees. Most of the workforce is directly employed and there are around 5,000 vacancies a year.

"We knew that 40 per cent of hits on the council's website were recruitment based, which brought it to the fore as an area for improvement," said David Hickman, head of the council's change management team. "We identified significant administrative cost and staff efficiency savings that could be made if we were to centralise recruitment processes."

Previously there had been an inconsistent experience and no single point of contact for job seekers. Given the previous process involved over 500 different contact points for potential applicants, one standard approach was difficult to achieve.

The authority also experienced problems in satisfying its legal obligations to assist displaced employees in finding alternative



employment, which resulted in some vacancies being withdrawn after initial advertisement.

The council was looking for guidance on how to design, build and implement an effective centralised electronic recruitment process. Abacus E-media was chosen.

£120,000 spend on packs

The council's six departments were sending out more than 60,000

application packs a year - each costing an average of over £2 to produce and send. The expectation was that there would be a relatively small take-up of the new Abacus-designed recruitment system. However, the numbers of on-line applications have exceeded all expectations with in excess of half of the job applications now being received electronically. Additionally, the number of paper-based information packs being requested has been more than halved with an improved ratio of return and the number of actual applicants has increased, too. Jon Rogers, project manager of the e-recruitment system, believes that applicants will have made a more informed decision using the web, prior to requesting a pack.

Applicants can search the vacancies database by job type and key words, and register to have notification of selected vacancies forwarded by e-mail. Quality checks are in place to ensure that each job includes all the relevant information and the same data is used to create media advertisements. The ability to apply on-line and register for related vacancies has enabled the council to build up a bank of interested candidates, as well as providing a profile of applicants.

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