

Virtual contact centre generates £350,000 extra revenue

BT has provided the Newcastle Building Society with an award-winning Voice over Internet Protocol (VoIP) and skills-routing package that has enabled the mutual's staff to handle 50% more calls, generating increased revenues

CRM partnership with BT brings rich rewards – and awards

Last year, the largest building society in the Northeast, the Newcastle Building Society, overhauled its systems and acquired technology that led to 50% more calls being handled and that improved staff efficiency by 100%. The combined Voice over Internet Protocol (VoIP) and skills-routing package also enabled the mutual to increase its income from investments by £1m, simply by providing it with the technological backup needed to handle the volume of enquiries generated by the launch of a new financial product in March 2002.

In March 2003, the Newcastle won the 'Most Innovative use of Customer Relationship Management' (CRM) category at the Financial Sector Technology Awards in recognition of its being the first company to request a major implementation of workflow technology. The solution was the first stage of the Newcastle's visionary plan to create a 'virtual' contact centre. Speaking at the Awards, Mike Farnham, Client Director, BT, said 'This recognises the excellent results achieved by this innovative implementation and BT's partnership with the Newcastle. The Newcastle has benefited from the virtualisation of workload management across the board, from improved cost efficiency and customer service to an increase in sales and staff retention. The award is a significant achievement for BT, an acknowledgment of our innovative and cost-effective approach to solutions.' The Newcastle also won 'Best Use of Contact Centres', at the same event.

Fighting hard in a tough climate

Unlike many other building societies, the Newcastle has retained its mutual status, preferring to offer its members competitive rates on mortgages and savings, rather than high dividends to shareholders. Achieving this in the fiercely contested financial services arena – against competitors who are global players with multi-billion dollar assets behind them – takes some doing, but last year the Newcastle succeeded in increasing the number of enquiries it converts into actual sales by 45%, and its income from investments by £1m.

How did it do this? The Newcastle Building Society was losing calls (and therefore a large source of potential revenue) because customers were being put on hold for long periods and were often having their calls routed through to staff who could not help them. The Newcastle's 'overflow' answering system that routed calls from its head office call centre to branches, and from one branch to another, was unable to cope with the volume of calls, particularly during the mid-morning peak. What was needed was a system that could successfully read peaks and troughs in agents' working days and transfer calls to the person who was least busy, wherever they worked in the company. (For example, the quietest time for branch staff was mid-morning – the very time that the contact centres were frantic – so it made sense to



Key Results

- Number of enquiries converted into revenue-generating sales up by 45%
- £350,000 in additional income
- Income from investment up by £1m
- 50% reduction in abandoned calls
- Rol massively surpasses the original expectation of 20%
- 83% of queries answered without referral to another staff member
- All staff with more than one year's service have an additional skill

“ We were hoping to make a 20% return on the £1m we invested in IP telephony... we are already exceeding that measure by so much that we are no longer using it as a yardstick ”

Colin Greaves, General Manager,
Newcastle Building Society

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find some way of diverting telephone calls to branch-based staff during this time.) The old system had an added limitation – it had no means of routing a caller to the operator who was best able to answer the query. Instead, it simply diverted calls to the next available agent, irrespective of the nature of the enquiry. What the Newcastle needed, therefore, was one ‘virtualised’ call centre where all staff – be they in branches, in the head office or working from home on flexible working schemes – could work. By having a centralised call centre, all be it a virtual one, the Newcastle could draft in extra help whenever its call-handling agents needed it. To maximise staff efficiency and improve customer services the system would have to not only track inbound calls but would also route callers to an agent who could deal efficiently with their specific questions.

Solution

The Newcastle turned to BT for a solution. The two organisations already had a relationship since BT had supplied the Newcastle with a Wide Area Network (WAN) and a Document Image Processing/Workflow as part of a £1.4m contract in 2000.

BT evaluated the existing customer contact centre, and took the Newcastle’s senior management to a number of customer reference sites. This quickly convinced the Newcastle that a combination of skills-based routing and VoIP technology would be the perfect solution.

The simple combination of the two technologies meant that calls and workload could be distributed across the Newcastle’s entire network – including its home workers. What’s more, because the solution was skills-based, it could divert calls to the person who had the skills to handle the query.

Results

Following the implementation of the new technology in April 2002, and the establishment of the ‘virtual’ call centre, the Newcastle has seen some dramatic improvements. In the words of Colin Greaves: “In the 12 months since implementing the combined contact centre/WorkFlow solution, income from investments has increased by around £1m. What is equally impressive is that we have generated £350,000 in additional income, simply by using excess capacity to process third-party mortgage applications.” In practical terms, therefore, BT’s package has achieved in the following areas:



- Delivered an increase of 45% in the amount of third-party business (such as mortgages) converted into sales. This is a direct result of the improvements in call answering, says Colin Greaves.

- Additional £350,000 generated in the first year. The new technology also

HOW IT WORKS

Adopting the ‘Martini principle’ improves customer responsiveness

The solution BT implemented, based around Nortel Networks and Eyretel products, combines state-of-the-art call centre functionality with an IP networking capability.

It meets the customer’s ‘virtualisation’ requirements by enabling customer calls, supported by CTI-provided information, to be directed via IP telephony to the Society’s entire branch network. This ensures that work can be more evenly distributed and that staff have a constant flow of work throughout the day, rather than massive peaks and troughs.

“In the past it would have been difficult to provide homeworkers and staff who were not based at head office with fast access to all the information they would have at their disposal in head office,” says Colin Greaves. “But with the sophisticated software and broadband technology used in the new system, the risk of information bottlenecks has been eliminated.”

“We are probably early implementers for an organisation our size,” says Colin Greaves. “The strategy of making staff more efficient and offering best possible customer service fitted very closely with our own strategy of driving the organisation forward and thereby increasing our revenues.”

Chief Executive Robert Hollinshead believes a more flexible approach to work is becoming increasingly important, and technology is the key. Their “virtualisation” strategy therefore includes further deployment of its Document Image Processing (DiP) and Workflow applications, already successfully delivered to the head office. “Workflow means we can adopt the ‘martini principle’ of working anytime, anyplace, anywhere. The customer’s benefits are a more efficient and faster service, while our staff enjoy greater flexibility,” he concludes.

contributed to a £1m increase in income because it enabled staff to handle efficiently the vast number of calls generated by the launch of a highly lucrative new product, a Property Bond, in March 2002.

- Resulted in 83% of customer queries being answered immediately, by the person who takes the call, without being referred to another department or agent.
- Reduced the number of missed calls by 50%. Calls are now diverted to free members of staff before customers tire of being kept on hold and hang up.
- Contributed to an increase of up to 100% in staff efficiency, from 30% gross efficiency before the new technology was installed, to 60% by the end of last year. This dramatic improvement is due to the combined solution of virtual call centre and Document Image Processing/Workflow.

“Running the two technologies side by side means 80% of our staff now have one or more extra skills, which means they can perform at least one additional task outside their core department. Personal efficiency has increased, in some cases by as much as 105%, and on average by 30%. We have also seen a 68% improvement in cost efficiency for the organisation in raw processing terms. The average cost to carry out an hour’s production, for example, has decreased by 15% in six months and is still decreasing,” says Colin Greaves.

In effect, the combined skills-based routing and VoIP solution has eliminated the peaks and troughs that occur in every working day. When staff in the head office call centre are working flat out to handle client queries, calls can be routed to the branches and to home agents. And vice versa: call centre staff are only a routed telephone call away whenever branch staff need assistance.

Finally, because the call centre has facilitated flexible working, the Newcastle has been able to retain key staff. “They were highly experienced staff with invaluable



skills. The virtual centre has enabled us to keep them, because we were able to accommodate their wish to work from home,” explains Ian Kilmartin, Operations Director for Newcastle Strategic Solutions, the specialist division that deals with third-party business. “The call centre is an extension of the distributed Document Image Processing/Workflow system we so successfully implemented in partnership with BT

two years ago. We are delighted with that system and now this latest solution is already delivering great benefits to our organisation.”

What the client says



The Newcastle Building Society has reaped considerable benefits from its partnership with BT. In addition to the key results already outlined, the new system also makes it possible for all staff to help out with telemarketing and for the Newcastle to optimise staff efficiency.

The Newcastle has also improved its chances of building up a loyal customer base. Now that customer telephone enquiries are answered efficiently, the Newcastle is much more likely to retain these customers and to sell them additional products in the future.

“This solution involves a strategic partnership with a sensible build-up, rather than simply a hardware implementation. For an organisation of our size, leading-edge technology, such as skills-based routing and VoIP, could have been a little scary.”

“These are large organisation solutions which are now being scaled down to suit the small to medium enterprise. They contain all the functionality of their larger counterparts but at a price small organisation can afford. BT convinced us that the solution made sense, and it does.”

Colin Greaves, General Manager,
Newcastle Building Society