

## **Contact Management – Efficiencies guaranteed**

### **Introduction**

NI14, Varney, Lean thinking – or is it just plain common sense?

It's all those things and more. Isn't it our professional responsibility to carefully and appropriately spend our customer's money?

By understanding all customer contact reasons, you can begin to improve the customer experience, dysfunctional service delivery and systems – and crucially significantly reduce waste

### **The size of the opportunity**

It is common to find between 20%-60% of all customer contacts are preventable.

Just imagine being able to reduce staff time and the associated costs by even half this amount?

One UK Association, managing 20,000 homes recently calculated that it had around 300,000 contacts per year.

Typical channel split:

Phone 85%

F2F 8%

Email 5%

Letter 2%

With telephone likely to remain the customer's channel choice, email contact can be seen to be growing slowly and letter and face to face shrinking

### **How the journey can begin**

Firstly it is essential to get a qualified feel for the customer contact reasons.

The best people to give this information are the customer facing staff members. Small focus groups with all staff will reveal a whole host of contact reasons. Armed with potentially

hundreds of “post its” the contact reasons can be ranked and the top ten listed to create a contact menu.

### Sample collection

The contact menu can be presented back to the authors (the team members) who are then asked to record all contacts for a period – ideally of such duration to give meaningful qualitative data (1 day-1 week – volume dependent), using a simple five bar gate system.

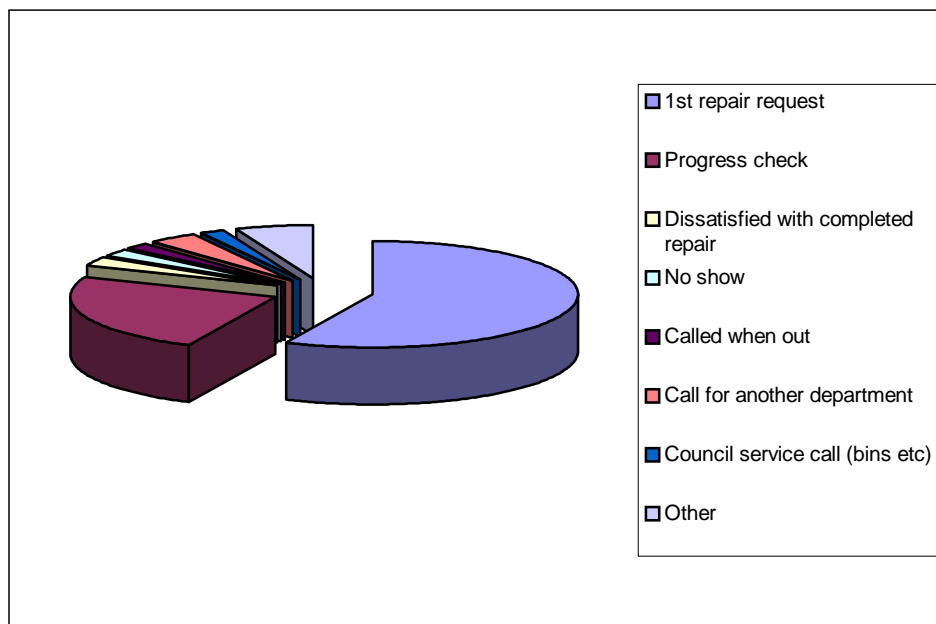
Staff who will recognize their early involvement will be more motivated to support the initiative and hungry to see the results of their efforts

### The outputs

Once analysed, the resulting pie charts will begin to illustrate the obvious opportunities and easy wins to give the project momentum

Examples of resulting pie charts from the repairs department contact centre of two UK associations

### Company A – total “repair” contacts



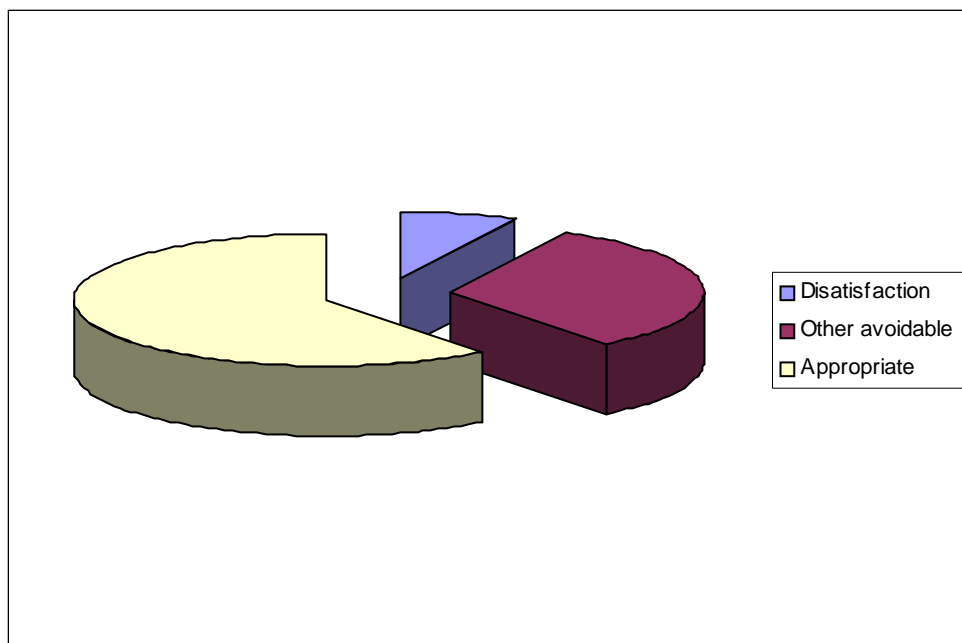
## Commentary

A department established to receive and process repair request calls is clearly doing many other things. Progress checking a repair features at 24% of all calls, with the customer unsure of the repair date. Better communication is clearly needed.

A number of dissatisfaction calls, including: poor repair standard and no-shows, give an indication of the urgent need to improve service delivery

Calls for other departments and other service providers make up the chart, surely more avoidable contacts here too

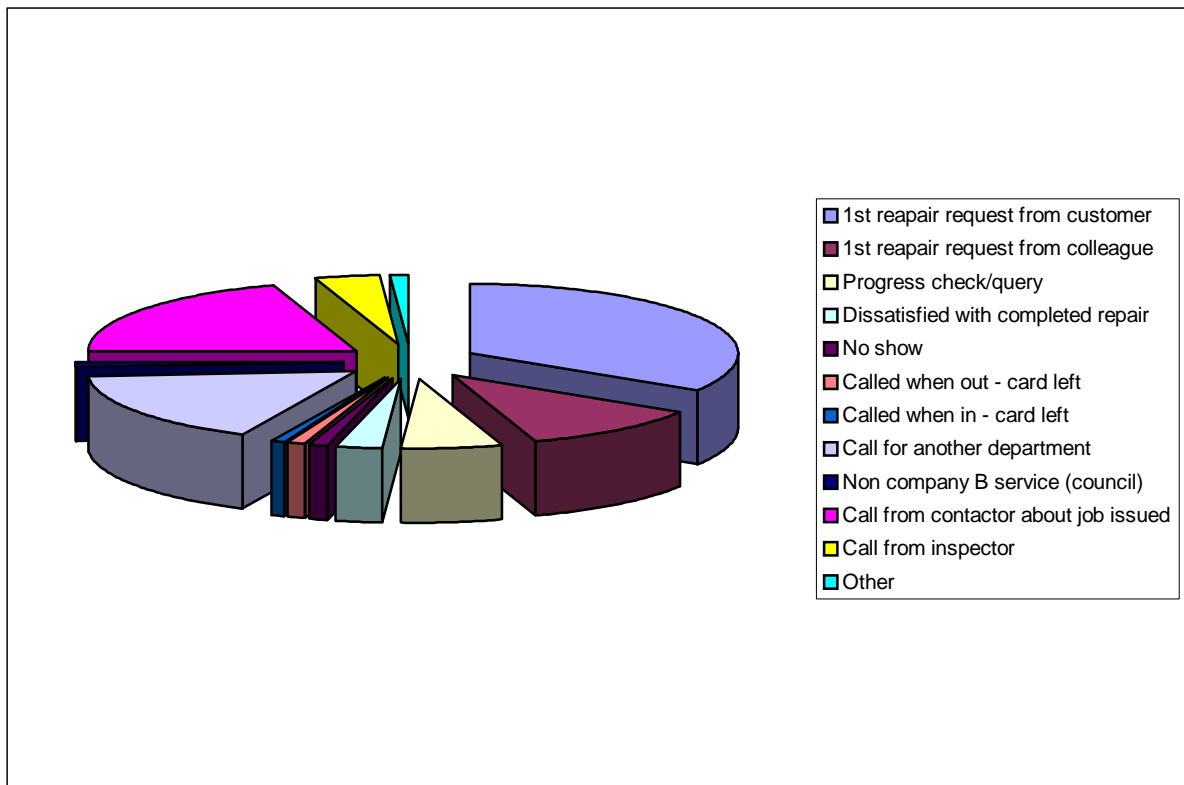
## Company A Summary



## Summary

When studied, Company A has 37% avoidable calls, of which 7% have the added dimension of customer dissatisfaction content.

## Company B – total “repair” contacts



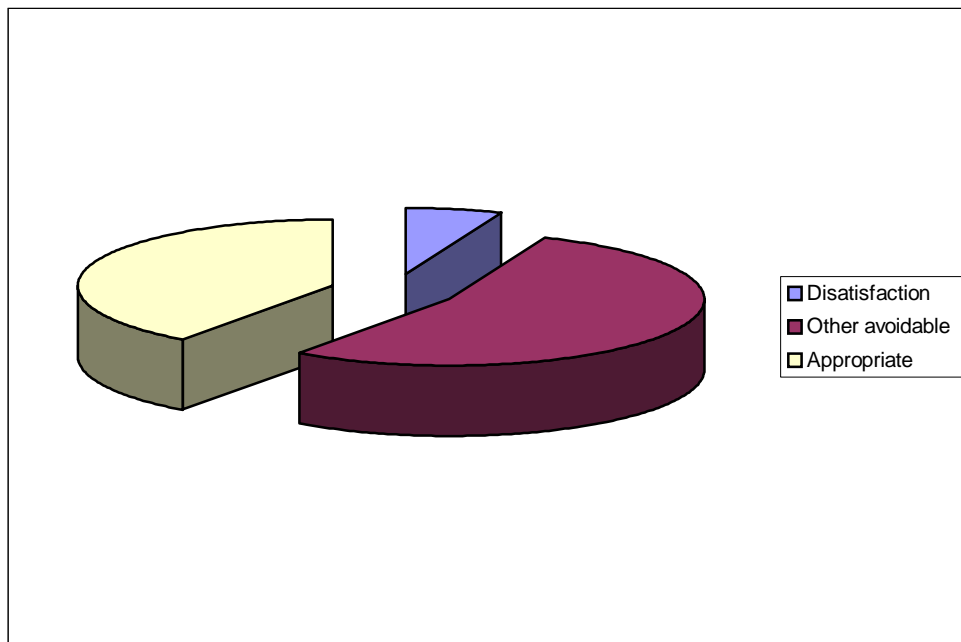
Company B was shocked to see the call profile following the data capture period.

With direct customer service requests at just 34%, requests by colleagues at 11% and contractor calls at 20% food for thought regarding communication, system access and process was stimulated among the management team.

Calls for other departments featured as 17%, as the repairs centre was been used by customers and others as a switchboard resource.

Once again, dissatisfaction around standards of work done and no shows featured.

## Company B summary



## Summary

Company B appears to have appropriate call contact ratio of just 40%, with 6% of contacts having dissatisfaction content and over 50% other avoidable calls.

## **Financial implications**

Using telephone contact is consistently the most used channel by customers. Until such times as automated service requests, self serve and internet communication becomes more common, it is likely that customers will continue to prefer to “speak to a human”.

Using this channel as the example (likely to amount to 85% of all contacts) applied to the above results; financial gains can be illustrated and are considerable:

Company A has 22,000 homes and an estimated 300,000 customer contacts per year.

With the likely cost to the organization of a telephone call estimated at £7.50 per call, if the repairs centre is typical\*\*, a massive £800,000 could be estimated as “avoidable”

*\*\*Other departments in the study had similar avoidable rates*

## **Systemisation**

One established in trial mode, its time to enlist the support of IT experts to find ways to make such identification routine.

## **Continual improvement**

Apart from the irresistible potential of cost savings, the never ending continual improvement journey which will support reductions in waste will also be reflected in improvements in service delivery, which will be recognized by customers and partners.

Martin Gilhooly 27.04.09