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MOVING CALL CENTRES TO CENTRE STAGE

SENIOR MANAGEMENT IN THE FINANCIAL SERVICES INDUSTRY IS STARTING TO PAY MUCH CLOSER ATTENTION TO THE ROLE OF CALL CENTRES. THIS RECOGNISES THAT THESE RESOURCES ARE THE PRIME SOURCE OF CONTACT FOR MOST CUSTOMERS. BY BRYAN O'CONNELL.

As a result, call centres are changing along with technology requirements, people skills, training, customer service delivery and strategy. However, if financial institutions want to get more value from their call centres, they will need to invest further in people and technology.

First port of call

The 2002 Australian Call Centre Benchmarking Study claims that, on average, 69 per cent of all customer contact with organisations occurs via the call centre. While this statistic is not industry-specific, it is well recognised that banks are the biggest users of call centres alongside telecommunications companies. The figure is one which no financial institution can ignore if it is serious about improving customer service.

Allan Hopson, the ANZ Bank's head of program management for its Australian call centres, says the bank's proportion of customers going through call centres is similar to this industry average.

"The call centre is a major point of contact for a significant proportion of ANZ customers who only use remote channels," he says. These customers, however, do not exclusively use call centres.

Shuffling resources

Another major change has been the transfer of functions from the branch to the call centre. Steve Collier, the National Australia Bank's head of customer contact centres, says when call centres were first established their role was to receive basic servicing calls, thus freeing up branch staff for better face to face service.

Over time, he says, call centres have taken on additional functions including basic sales and reviewing customers' financial needs.

Given the impact of self-service banking channels such as the phone, internet, ATMs and BPay, customers are increasingly having very little human contact with banks. Anecdotal evidence suggests that many people don't visit branches at all any more (although banks are increasingly espousing the value of branches to win new customers).

With contact centres increasingly becoming the only point of human interaction for many customers, the importance

and value of those interactions is increasing. How the call is handled and the knowledge and skill level of the call centre agent will determine a number of outcomes from a customer service perspective.

For banks, a key challenge around these issues is to try to make call centres a more integrated part of the bank. According to the NAB's Collier, this means taking advantage of the call centres' extended hours (seven days a week) to satisfy the needs of customers not being met by branches.

"The aim is to work in partnership with the field (staff) so that they will actively look for opportunities to put call volume into us and we can use our expertise in those hours to better advantage," he says.

Greater strategic focus

James Brooks, chief executive of call centre technology provider Genesys, says that call centres are being recognised as having more strategic value than they were two to three years ago.

Brooks says that this is reinforced by the fact that senior executives are now frequently involved in meetings about contact centres.

"Two years ago it was extremely rare to have senior executives involved in meetings with vendors regarding the contact centre," he says. The key driver, according to Genesys research, is the desire to provide better customer service and experience.

"As more and more products become commoditised, a competitive difference will be customer service. The key outcome is to drive more revenue and profit from this," says Brooks.

Adding value and boosting sales

According to the ANZ's Hopson, there is a trend for contact centre management to move the call centre from being just a service organisation to one that adds value.

"This is based around the idea of generating sales out of the operation," he says. "Traditionally, most contact centres would be viewed as a cost centre or a shared service, almost like a back office function."

"The modern thinking is that it is a complementary channel – a channel of value – which really means that you need to start getting into the sales space."

However, for many industry participants, there seems to be a widely held view that a successful sales strategy will not occur unless your customer service is running at an optimum level.

"Before you can do this, you must demonstrate excellent customer service to show credibility to customers," says Hopson.

James Brooks of Genesys says that executives are finally understanding that contact centres are about a lot more than simply where an organisation takes phone calls.

"This is the point at which customers are deciding whether you are providing good or bad customer service," he says.

"As banks change their thinking about value creation, the contact centre represents a real time, untapped marketing opportunity."

He says call centres give management the ability to understand what customers think about services, to cross sell and "to potentially take advantage of huge opportunities to grow revenues".

What the banks are doing

The NAB's Steve Collier says the bank six months ago decided it could develop more professional and efficient call centre campaigns by employing "outbound" specialists. These people phone a customer if there has been a specific transaction of interest – such as a large deposit – which might lead to an opportunity.

"However, we are also making outbound calls to remain in contact with customers who we are not seeing," he says. "This is to make sure that there are not other things we can do for them, such as offering a financial review or offering them a referral to a specialist.

"It is about helping them, as opposed to a particular product flog."

Investing in technology

With increasing demand for banks to create more value from their operations, call centre operations are becoming more complex to manage. The volume of calls handled, the average length of calls and the complexity of calls handled by live agents are all increasing.

This has resulted in technology companies providing much more sophisticated tools for managing and reporting contact centre effectiveness.

The ANZ's Hopson says the methods by which customers are dealing with the call centre is also changing and that banks should appreciate this.

"What we are now seeing is email contact, SMS, web chat and other technologies that are starting to mature. The contact centre is broadening its role in terms of service contact," he says.

Investing in technology is a very important ingredient for banks, as the role of the call centre changes. For ANZ, it's about investing in processes and tools which make it easier for their consultants to do their job.

This has involved installing more up to date workforce planning tools, allowing the bank to model historical customer patterns more reliably. This means the bank can have the right number of staff at the right time of day, thereby offering the right level of customer service.

On the technology front, the NAB's Collier says customer relationship management tools are particularly important. When a call is taken in the call centre, that activity is recorded in the customer's profile and can be accessed by branch and other staff who may interact with the customer.

People skills and training

Financial institutions are also reassessing their people requirements. This is tied into more complex issues of customer segmentation and how call centres can provide high value customer priority, better service and, ultimately, more sales.

In relation to sales, the ANZ's Hopson says the big challenge is to convert service calls into sales opportunities. This requires a completely different mindset on the part of staff, he says.

"They have to be trained in a certain way because you need to remember that they are on a phone and not looking at the customer face to face," he says. "They can't get the body language."

The NAB's Collier says call centres cannot be operated separately from the rest of the bank, or else human resource problems are created.

He says: "You do not get a flow of people into the call centres from other parts of the bank and it does not allow for people within the call centre to move out into other positions within the bank."

In its personal financial services operation, the bank tries to avoid these problems by having its call centres as the induction (training) point for all staff into the bank. This means that they get training in basic customer service, products and services and undertake branch visits.

This broader training means call centre staff can move into field positions later on – 200 people have done so in the last 12 months. Similarly, NAB will bring people in from the field to take up call centre positions.

Agent and customer segmentation

This process at the NAB also allows for greater specialisation in call centres. The bank has created specialists in mortgages and for other inbound and outbound sales activity, such as insurance. The bank has also recently established its own independent business call centre, with specifically trained staff.

Genesys' Brooks says a key call centre issue is customer segmentation; in other words, how to provide different levels of service across customer classifications. At the same time, he says, staff satisfaction is closely linked to customer satisfaction, so there is a need to focus on this area.

"If a contact centre two or three years ago needed 2000 agents, it hired all of them the same way," he says.

"The smart organisations are starting to realise ... you do not hire them the same way. They need different skills, training and pay/incentives. With that skill base in place, you then use technology to connect the right caller to the right agent."

The ability to cross sell is a key example of a requisite skill, yet many agents either cannot do it, or complain about having to do it. But by getting the right skill levels for cross selling, the results should follow.

Brooks cites an assessment done by Genesys for a telco in North America, involving the ability of people to cross sell during a telephone call. The results showed a startling disparity, with the top 15 per cent of agents selling eleven times more products and services than the bottom 15 per cent.

Call centres – not on hold

There is little doubt call centres continue to grow in importance, given they are the prime human contact point for most bank customers.

However, the real challenge is whether banks can both satisfy customers with their immediate needs, as well as gaining real value through increased sales. ■