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# Insurance

## NETWORKING NEWS

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## Standing Out From The Crowd

Insurance contact centers embrace innovative technology to improve productivity, cut costs and enhance customer relations.

By John McCormack

*August 1, 2006* - Boosting productivity and cutting costs in insurance contact centers is a bit like walking and chewing gum at the same time. It's not so difficult. But boosting productivity, cutting costs and improving customer service is much more challenging.

Companies that are achieving the hat trick are moving their contact center operations to the next level and standing out from the more pedestrian crowd.

What does it take to rise to this level of call center excellence? Recognizing the possibilities is the first step. Indeed, insurers need to realize that boosting productivity and cutting costs while improving customer satisfaction is a very realistic goal-not a pipe dream, says Tom Jameson, vice president of sales, financial and health care services, Genesys Telecommunications Laboratories Inc., a Daly City, Calif.-based technology company.

"For a long time, people thought there was always a tradeoff between cost and quality. But that is not necessarily true. With the implementation of new technologies, insurers can do it all," Jameson says.

Donna Fluss, principal of DMG Consulting LLC, a West Orange, N.J.-based consulting company that specializes in contact centers, says that insurers benefit when implementing a technology that does any one of the three basics-boost productivity, cut costs or improve customer satisfaction. But when an insurer can implement a program or technology that does all three simultaneously, then the company can clearly catapult its contact center to the winner's circle.

"The standard mantra of call centers is to do more with less," Fluss says. "But there is much more to it. It's good to implement technologies and practices that cut costs or boost productivity. But the real winning applications are those that also increase customer satisfaction. And, that requires a high level of innovation."

Indeed, the importance of customer satisfaction cannot be underestimated. In fact, future intent to purchase among customers who are unhappy with calls is 55% lower than those who are happy with the experience, according to a report from the Portland Research Group, a Portland, Maine, marketing research company.

The importance of customer satisfaction is becoming apparent to company executives, as more than 95% of respondents who participated in a research survey conducted by Forrester Research Inc., an independent technology and market research company in Cambridge, Mass., said that improving the customer experience was either "critical" or "very important."

But there's trouble at the point where the rubber meets the road: Only 61% of these same respondents thought their phone representatives were actually meeting customer needs, and while just 41% said that their Web sites were meeting customer needs, 38% said e-mail programs were, and 9% said chat channels were doing so.

To be successful, however, insurers need to overcome common obstacles and then proceed by identifying and implementing technology initiatives that will help reach the call center trifecta—where costs are reduced, productivity is improved and customers are happy.

## **BUSTING BARRIERS**

While many insurance companies have attempted to move call center operations to a higher level, a white paper from Cincinnati-based consulting company Convergys Corp. purports that these companies are stalled by one or a combination of the following obstacles:

- Traditional contact centers are burdened with a variety of fragmented systems and islands of information.
- Typically, numerous agent screens are needed to handle customer-related tasks.
- Customer relationship management initiatives often collect a wealth of customer information but wind up overwhelming agents with information and slowing them down.
- Companies have traditionally spent money on technologies that cut costs and reduce the amount of time that live agents spend speaking to customers, rather than improving the quality of the customer interaction.

The following technologies, however, are helping insurers overcome these obstacles and move their call center operations to the front of the pack.

**Internet Protocol Technology.** Because of the nature of growth in the insurance industry, many companies struggle with the inefficiencies associated with supporting multiple contact centers. Internet protocol (IP) technologies, however, can help. Such technology enables voice packets to travel over a data network.

For example, Groupama, a French mutual insurance company with 8 million customers, works with Genesys to use IP technology to connect contact centers so they operate as one virtual center with voice and data seamlessly routed between locations. Before the solution was implemented, calls were routed to a network of 230 field agencies.

**Speech Recognition Technology.** Many insurance companies are turning to speech recognition technology to more effectively manage call routing in their call center operations. The technology, which appropriately routes calls based on callers' spoken words instead of

requiring callers to use the phone's touch pad, is helping insurance companies offer self-service options to their customers without sacrificing quality customer experiences.

"For a long time, people thought there was a direct tradeoff between the cost of a contact and the quality of a contact. As a result, many traditional insurance companies would err on the side of not doing self-service. But they have increasingly found that carriers that have adopted a direct-sell model and don't use agents have such a low-cost profile that they have to establish some self-service just to compete," Genesys' Jameson says.

With speech recognition technology, insurers can more effectively offer self-service options to their callers, he says. That's because the technology enables the callers to indicate verbally if they want self-service or a live agent, and the technology automatically routes their call as indicated to the appropriate choice. This way, insurers can eliminate the need to employ staff members whose only function is to route calls.

"The speech application recognizes dozens of ways that someone might describe a particular product or problem and then routes the call. For example, if the query indicates an opportunity to cross-sell or up-sell the caller, the call is routed to the person with the skills to do so.

On the other hand, if the query indicates the call can be handled via an automated process, the technology simply walks the customer through the transaction," Jameson says.

Speech recognition is becoming an increasingly important element in insurers' customer satisfaction efforts. And, that's not surprising considering its effectiveness: The cost of doing business via self-service is six to 10 times less expensive than doing business with a live agent.

For example, one insurer-Suncorp-Metway Ltd., a large insurance and financial services company based in Brisbane, Australia-is using speech recognition technology to route incoming calls. As a result, the insurer has been able to redeploy 60 full-time employees who would otherwise simply spend all of their time routing calls, Jameson says.

The technology can also help insurers increase revenue by routing incoming calls to the most appropriately trained agent, matching the caller's inquiry to the agent's experience and expertise.

"For example, when an auto insurance customer calls, the technology can be used not only to route a call to a person who knows how to answer the caller's inquiry-but also to someone who also knows about homeowner's insurance and is skilled at cross-selling existing customers," Jameson says.

In addition to these bottom-line benefits, however, speech recognition is becoming an increasingly vital customer service tool.

For example, Guardian Insurance & Annuity Company Inc. is using voice recognition to provide customers with the option of completing routine inquiries-such as viewing account balances or ordering duplicate statements-thereby enabling customer service representatives to devote their time to more pressing inquiries.

The company recently won the DALBAR Seal of Excellence for Call Center Support to Plan Sponsors Award.

"Our customer service representatives can spend more time on challenging calls with customers who require additional help," says Don Sullivan, vice president of equity administration at the New York-based mutual life insurance company.

In addition, an increasing number of customers prefer speech recognition to touch-tone access, according to Genesys' Jameson.

"The graying of the population is one reason that speech recognition is becoming an important technology. Older people don't like the touch-tone technology. They don't want to be bothered with playing with the pad," Jameson says.

"In addition, mobile telephones are becoming much more prevalent. And, people don't like interfacing with touch-tone technology when using their mobile devices. They would much rather just speak into the phone."

**Real-time Online Customer Interaction.** Getting customers to the right resource in a timely fashion is also important when they are completing self-service functions online, says Rob Panepinto, president of Connexions Health, an Orlando, Fla.-based health care technology solutions company.

Although the cost benefits of selling insurance online are obvious, it's important to make sure that potential customers don't get frustrated and abandon their online session, he says. As a result, insurance companies should implement technology such as "click-to-talk" applications that automatically will direct a customer to a live agent if the customer appears to be having difficulty with the online process, he advises.

"It is not easy to buy health insurance online," Panepinto says. "Inserting an agent into the process at the right time is a powerful way to convert interactions into sales."

**Content Management.** Whether customers initiate an interaction via the phone or online, agents need to be prepared to answer their questions quickly and accurately. And getting the right information to customers is important goal of the contact center operations at UnumProvident Corp., says Dan Amsden, project leader at the Chattanooga, Tenn.-based disability insurer.

To get this information to the right people, UnumProvident executives realized they needed a content management system that would enable employees across the company to access up-to-date reliable information. After evaluating a number of offerings, they selected a content management system from Stellant Inc., an Eden Prairie, Minn., content management software provider.

With the content management system serving as a central repository for all intranet content, UnumProvident employees can easily access the data and information they need through a portal that offers a structured approach to accessing functions and searching for information.

For example, field office staff can easily perform a search to get information and data when they are answering agents' specific questions.

"It is not only more efficient but more reliable as well," Amsden says. Previously employees would save valuable information in documents, but no one else could access the document unless they knew the name. Now, employees can use the portal to get the information they

need, Amsden says.

"And, they know that the information is the most current and reliable. It's our way of managing the content needed to support our business. Otherwise, all the electronic information would just be somebody's thoughts tossed in a document and put a folder. We would have reams of paper documents or disorganized networks of electronic documents."

**Speech Analytics.** For many years, insurers have been trying to answer customers' questions more efficiently and effectively. Now, however, some are starting to move beyond the moment to answer a fundamental question: *Why are they calling in the first place?*

Speech analytics is an emerging technology that can provide answers to that query. Speech analytics is the process of analyzing recorded human speech in order to collect information about what was said. In contact centers, the technology is used to mine recorded phone conversations between customer service agents and callers.

By carefully listening to hundreds or even a few thousand calls, speech analytics can automatically uncover important business intelligence that can be applied to improve productivity, cut costs and better serve customers.

For example, the speech analytics feature could detect that a large number of customers are calling with the same billing question. So, the company could take more proactive steps to answer the question, instead of clogging the phone lines with more calls.

"With speech analytics in place, companies can monitor the calls they are getting across the board. As a result, they can quickly identify trends," says DMG's Fluss, who authored the 2006 "Speech Analytics Market Report."

"If there are problems, they can [take action] to get to the root cause," she says. "So, the company can stop the complaints faster." Customers become disloyal when companies mess up and give them reasons to be disloyal, she says. "With speech analytics, companies can proactively avoid making mistakes. Then they don't give customers a reason to go elsewhere."

Speech analytics can also help to identify if particular agents are having difficulties with certain customer interactions. For example, the feature could detect that some agents are not comfortable up-selling existing customers. These agents could then be provided with training that covers up-selling techniques.

What's more, speech analytics can also be used to identify best practices. If a particular agent is successful with a certain sales pitch, those words can be forwarded to all other sales agents.

"Overall, speech analytics can improve quality assurance across the board. And, that's very important when contact centers are trying to improve productivity and the customer experience at the same time," Fluss says.

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**Is Your Call Center a Winner?  
Take This Test to Find Out**

- Are our contact center objectives and measurements aligned with an overall customer-centric business strategy?
- Is our contact center able to contribute to stronger long-term customer relationships while maintaining or reducing operational cost levels?
- Can we integrate data from various sources to create a single view of the customer for use in the contact center?
- Do our contact center agents have dynamic, real-time information about our customers?
- Are our agents able to easily find the information and tools they need to enhance customer satisfaction?
- Is our contact center technology enhancing the quality of customer interactions or just overloading agents with screens and data?
- Can we leverage the information in back-end/legacy systems to strengthen customer relationships?
- Are we able to tailor contact center interactions to the individual customer's value and situation?
- Are our contact center processes balancing the need for control with the need for accessibility in meeting customer requirements?
- Is the contact center able to exploit immediate feedback to keep interactions in step with customer needs?

*Source: "The Center of the Customer-Centric Enterprise," a white paper from Convergys Corp.*