



## Case Study

### Financial Services

Process Improvement and Agent Engagement  
Reduce Average Handle Time for Financial  
Services Client



9197 South Peoria Street  
Englewood, Colorado 80112 5833  
303 397 8100 or +1 800 TeleTech  
**www.teletech.com**  
Nasdaq:TTEC

INDUSTRY	Financial Services
THE COMPANY	One of the world's largest retail banks
LINES OF BUSINESS	Consumer Banking, Small Business Banking, Investment Banking, Capital Markets, Lending
NUMBER OF EMPLOYEES	More than 200,000
2005 ANNUAL REVENUE	More than \$50 billion
PROGRAM	Consumer Banking - U.S. Inbound Customer Service and Support

ESTIMATED FULL-TIME EQUIVALENTS (FTEs) More than 15,000 Total FTEs (Client and TeleTech)

1,050 TeleTech-based FTEs (Morgantown, West Virginia and Kalispell, Montana)\*

\*These FTEs (Full-Time Employees) support one of nine client proprietary applications within Customer Service and Support

## 02 Process Improvement and Agent Engagement Reduce Average Handle Time for Financial Services Client



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### Business Challenge

One of TeleTech's large, global financial services clients experienced challenges similar to those faced by companies in nearly every industry today. After acquiring several competitors, the company's call volume increased significantly. The client had to quickly assimilate and respond to new customers whose expectations regarding products, service, and speed of service differed dramatically from its existing customer base, and also varied by region. With every interaction, the company was presented with the opportunity to retain or lose its customers.

The client realized that focusing on customer relationships was critical to retaining and growing its consumer base, and that achieving operational savings wherever possible was equally important. Therefore, it needed to handle the influx of additional calls while simultaneously improving the efficiency of the call process. In order to meet these dual challenges, the company communicated an aggressive handle time reduction goal to all of its contact centers during the last quarter of 2005, with a targeted average handle time goal of 208 seconds.

The average duration of each call can greatly impact the client's financial performance. Specifically, an average handle time (AHT) reduction of just one second equates to 15 full-time equivalents (FTEs) and can mean \$500,000 in annual cost savings for the client's Consumer Banking division.

### Solution

TeleTech's core competencies include proven, repeatable, and standardized Six Sigma-based processes (see sidebar) combined with the alignment of CSR performance with key client metrics in order to achieve the client's business objectives. TeleTech incorporated these competencies by assembling a process improvement team at its Morgantown, West Virginia customer management center (CMC) that supported the client's program. The team, composed of the CMC director, senior operations manager, and four operations managers, was coached by a TeleTech Six Sigma Master Black Belt to develop and implement a plan that would reach the client's handle time goal by the end of 2005.

TeleTech designed and implemented a five-component strategy to reduce the CMC's average handle time:

1. **High Performer Best Practices:** Several focus group sessions were conducted to compile best practices from top performing CSRs who were selected as peer coaches. A template was then created for CSRs to monitor their performance against those best practices, with the goal of ensuring consistency and effectiveness of the peer coaching sessions.
2. **Peer Coaching Program:** Customer service representatives (CSRs) were separated into teams. Two peer coaches (CSRs with sustained high customer satisfaction scores and low handle time) were then selected from each team. Peer coaching was conducted individually and in group sessions to increase lower-performing CSRs' results against the desired AHT goal.

#### TeleTech's Six Sigma-based Program: Success Through Enhanced Performance (STEP)

TeleTech's STEP program incorporates Six Sigma's DMAIC approach as the foundation for all continuous improvement activity.

##### → DMAIC

- Define project goals
- Measure the process performance
- Analyze the root cause of defects
- Improve the process by eliminating defects
- Control future process performance

This strategy is customized for TeleTech's customer management business, which requires rapid implementation of improvement processes to quickly achieve measurable, sustainable results.

##### → STEP enables TeleTech to:

- Satisfy customers: satisfied customers drive increased revenue for its clients
- Satisfy employees: satisfied employees reduce turnover
- Drive efficiency: efficiency reduces cost
- Impact profitability: profitability increases shareholder value
- STEP matters because it drives profitability!

Six Sigma certified practitioners achieve levels of mastery denoted by White Belt, Yellow Belt, Green Belt, and Black Belt.



## Average Handle Time Reduction

### → Strategic Value:

Operational Savings

→ **Client Fact:** A one second change in average handle time (AHT) represents an annual cost savings of \$500,000

→ **Impact of TeleTech's minimum sustained 30 second AHT reduction (based on TeleTech FTEs representing 16% of total FTEs supporting the client's Consumer Banking Mountain and Eastern regions):** estimated annual savings to the client of \$2.4 million

3. **Calibration Efforts:** Calibration efforts establish performance benchmarks against which ongoing performance can be measured. A one-time standard setting session was conducted with peer coaches and those CSRs performing outside the AHT metric, followed by periodic calibration sessions using call monitoring to identify improvement opportunities.
4. **Coach Desk Restructuring:** The TeleTech CMC's 'coach desk' consists of a group of CSRs who, based on their knowledge and skill level, handle escalated inquiries from customers who request to speak to a supervisor. These team members had originally been scheduled to physically 'float' throughout the CMC to respond to escalated calls, but as call volume increased, prioritization of these calls became more difficult. In response to this problem, a coach desk was created that centrally located the CSRs, who then took the calls from a queue in order to more effectively manage call volume and drive down handle time. Monitoring of these escalated calls, before and after the restructuring, showed coach desk AHT was significantly reduced from between 5-10 minutes to less than two minutes.
5. **Northeast Customer Analysis:** CSRs provided feedback to the TeleTech center that newly-acquired customers in the Northeast placed a high priority on speed of service. As a result, call monitoring was increased at the CMC in order to develop specialized scripting to accommodate these regional customers.

## Learnings and Outcomes

TeleTech and the client discovered that engaging CSRs in the process improvement plan was an important factor in achieving the client's goal. Front-line CSRs provided subject matter expertise that aided in identifying potential failure points in the process flows of various call types. Additionally, having CSRs listen to calls containing 'root causes' for customer dissatisfaction proved not only to be a sound training method, but analysis of the calls prompted creation of tailored CSR dialogue to better address customers in the Northeast. TeleTech achieved sustained, measurable improvements that helped the client significantly lower its AHT and associated costs, while implementing repeatable processes for providing excellent customer service.

Upon implementation of the proposed plan, the CMC began to realize substantial, steady reductions in overall call handle time. During the first month of implementation, handle time was reduced by 9 seconds. This was followed by further reductions of 14 additional seconds in the second month and 8 additional seconds in the third month. Overall, the CMC's handle time was reduced by 31 seconds in three months, thereby meeting the client's year-end goal. For the first half of 2006, AHT has remained within  $\pm 4$  seconds of goal and is currently at 201 seconds, 7 seconds below goal.

TeleTech's Kalispell, Montana CMC, which launched in October 2005 to support the client's program, implemented the process improvements developed in Morgantown in January 2006. Within three months, the Kalispell CMC lowered AHT from 238 seconds to 204 seconds, currently maintaining an AHT that is 9 seconds below goal at 199 seconds.

TeleTech has realized a minimum sustained 30 second AHT reduction at both of its sites, translating into an estimated \$2.4 million in operational savings to the client (see sidebar).

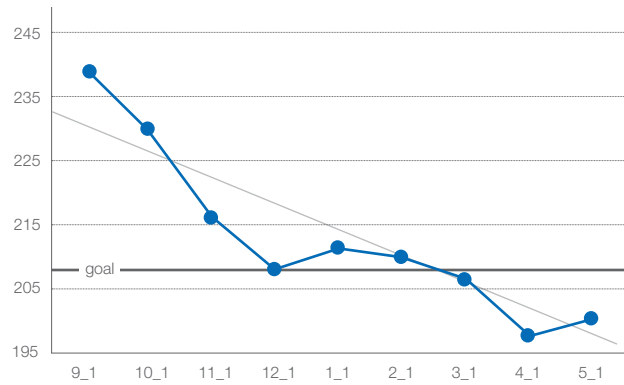
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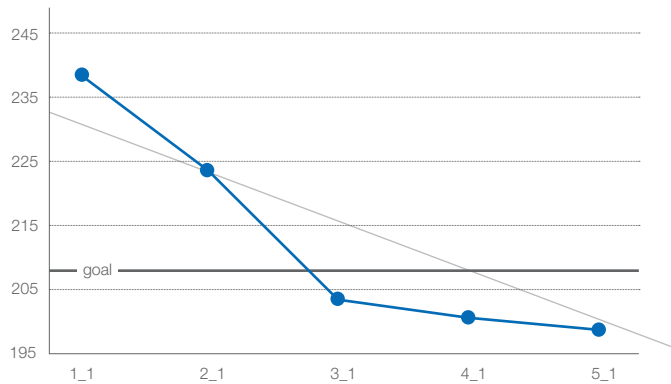
## Metrics

Fig. 1 Morgantown Average Handle Time (AHT)  
September 2005 through May 2006



Month	Goal	Actual	Δ
September	208	239	+31
October	208	230	+22
November	208	216	+8
December	208	208	0
January	208	212	+4
February	208	210	+2
March	208	207	-1
April	208	199	-9
May	208	201	-7

Fig. 2 Kalispell Average Handle Time (AHT)  
January 2006 through May 2006



Month	Goal	Actual	Δ
January	208	238	+30
February	208	224	+16
March	208	204	-4
April	208	201	-7
May	208	199	-9

North America

Latin America

Europe

Asia-Pacific

