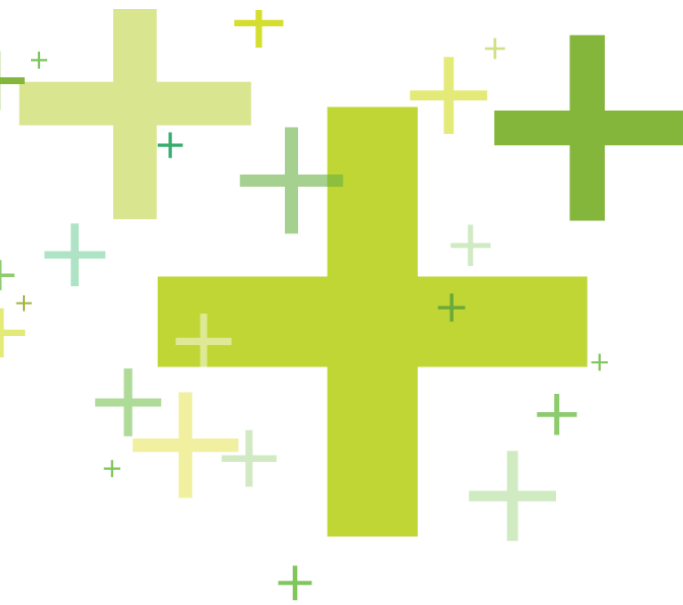




## Identifying & Increasing Your Call Center's Value

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# Agenda

- Understanding the Value of Service
- The Case for More Training
- The High Cost of Your Center's Turnover
- Taking Advantage of Low Hanging Fruit
- Okay I Know My Numbers, Now What?

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## +Opportunity

- What are we missing out on?



## +Risk

- What happens if we do nothing?



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*“87% of consumers report that a company’s customer service has a significant impact on their decision to do business with them”<sup>1</sup>*



<sup>1</sup> *The Millennialization of Customer Service - 2015*

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*“67% of consumers say they have cancelled or ended a company relationship because of a bad customer service experience - >1/3 have done it more than once”<sup>1</sup>*

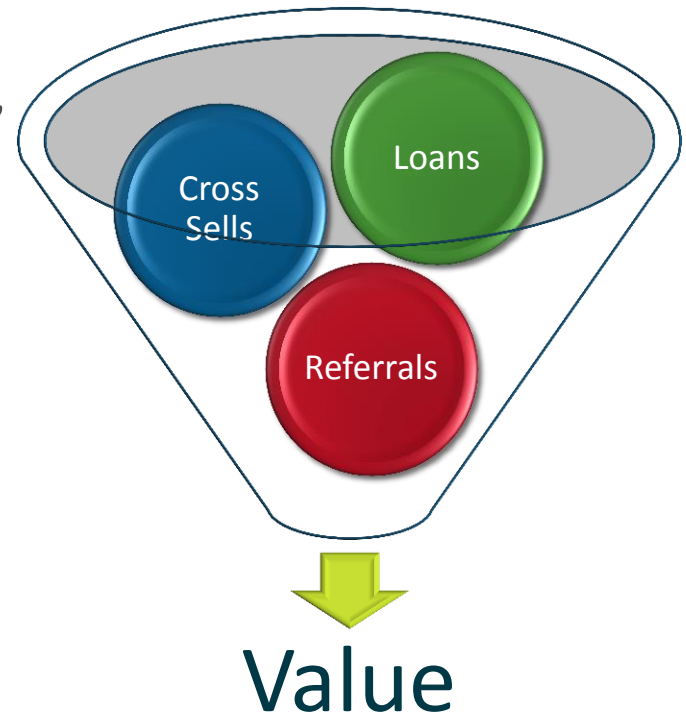


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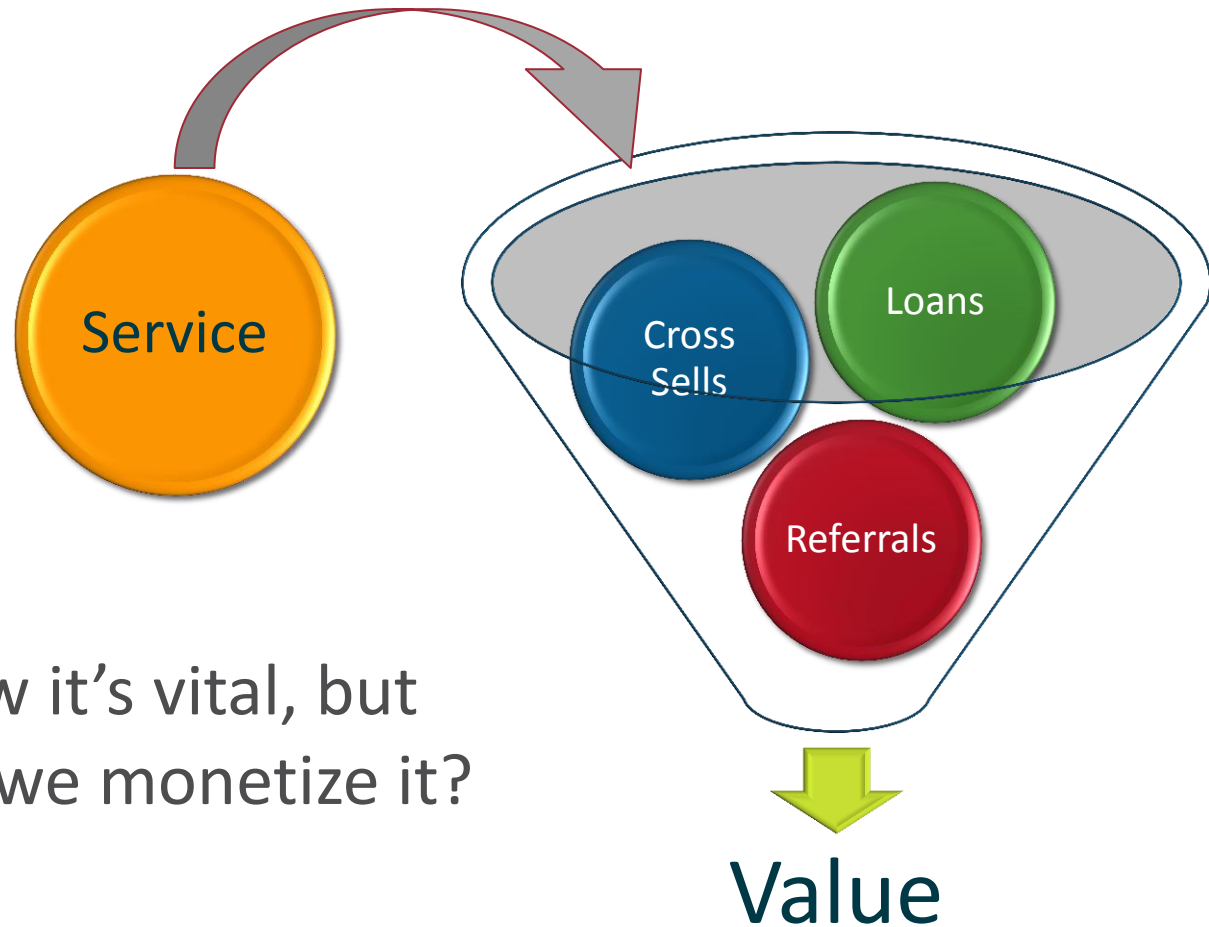
## + Traditional View of the Call Center's Value

- Worth tied to revenue products
- Loan generation & ancillary products are main drivers
- Cross selling lines up next
- Referrals, mainly to mortgages, investments and insurance join the mix

- Otherwise, it's the department that answers phones
  - How can we run it cheaper?



## + Moving Service Into the Value Prop



- We know it's vital, but how do we monetize it?

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## + Convert Service to Financial Risk & Opportunity

- C-level executives relate to monetary bottom line impacts
- Change the conversation from esoteric to dollars & cents
- Tie member interactions to financials to create a powerful case to support service





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## + Putting Together the Case

- Your credit union's financial reporting or NCUA 5300<sup>1</sup> report
  - # of Members
  - Annual Net Income
  - Annual Net Interest Income after PLL (Provision for Loan Losses)
  - Net Non Interest Income, aka Fee Income
  - Monthly Incoming Calls
  - Abandon Rate



<sup>1</sup> [webapps.ncua.gov/ncuafpr](http://webapps.ncua.gov/ncuafpr)

## + Our Own Credit Union

- Averages based on attendee credit unions through June 2017, annualized



### Call Center Conference Credit Union - CCCCUCU


Average Members

96,789

	<u>2017 CU Avg</u>	<u>Per Member</u>
Net Interest Income	\$29,556,880	\$305.37
Net Non Interest Income	\$17,362,130	\$179.38
Total Revenue	\$46,919,010	\$484.75
Net Income	\$9,592,950	\$99.11
Monthly/Annual Incoming Call Volume @ 25% of Membership	24,197	290,367



## + Gross Service Risk

### Monthly & Annual Income At Risk Through Call Center Contacts

Metric	Incoming # Calls	Net Income	Monthly \$ Risk	Annual Risk
Incoming Calls	24,197	\$99.11	\$2,398,165	\$28,777,976
 Calls Answered @ 5% AR	22,987	\$99.11	\$2,278,242	\$27,338,899

## + Let's Get Realistic on Who Calls

- Not every call received is from a unique member
  - Some do call more than once a month...

Metric	Incoming # Calls	Net Income	Monthly \$ Risk	Annual Risk
Calls Answered @ 5% AR	22,987	\$99.11	\$2,278,242	\$27,338,899
 67% of Callers Who Would Change	15,401	\$99.11	\$1,526,393	\$18,316,717
@ 20% Same Caller 1 in 5 Callers the Same	12,321	\$99.11	\$1,221,134	\$14,653,612
@ 33% Same Caller 1 in 3 Callers the Same	10,319	\$99.11	\$1,022,716	\$12,272,593
 @50% Same Caller 1 in 2 Callers the Same	7,701	\$99.11	\$763,246	\$9,158,953

## + Narrow Down the Impact

- Let's assume 50% of callers are the same
- Percentage of callers who could stop doing business with your CU

Metric	Incoming # Calls	Net Income	Monthly \$ Risk	Annual Risk
@50% Same Caller 1 in 2 Callers the Same	7,701	\$99.11	\$763,246	\$9,158,953
20% of Callers	1,540	\$99.11	\$152,629	\$1,831,553
10% of Callers	770	\$99.11	\$76,315	\$915,776
5% of Callers	385	\$99.11	\$38,157	\$457,888
1% of Callers	77	\$99.11	\$7,631	\$91,578

0.3% of Answered Calls

# + Lost Income Risk vs. Added Expense

% of Callers	20%	10%	5%	1%
Monthly \$ at Risk	\$152,629	\$76,315	\$38,157	\$7,631

- Agent Monthly Expense
  - 2+ agents could be added to mitigate risk

1 of 60 = 1.6%  
 9a-5p = 16 Intervals Day x 21 days  
 336 members at risk = \$399k/year

## Monthly Agent Expense

	\$29,120	\$31,200	\$33,280
Annual Salary	\$29,120	\$31,200	\$33,280
Hourly Rate	\$14 Hr	\$15 Hr	\$16 Hr
Monthly	\$2,240	\$2,400	\$2,560
Benefits & Taxes @ 25%	\$560	\$600	\$640
PC/Support/Overhead	\$250	\$250	\$250
	\$3,050	\$3,250	\$3,450
# Agents to Cover Risk	2.5	2.3	2.2

## Agent Staffing Impacts on ASA

Agents	Calls per Interval	AHT (secs)	ASA	% Increase
11	60	240	0:20	0.0%
10	60	240	0:49	145.0%
9	60	240	2:37	685.0%
8	60	240	38:27	11435.0%

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## + The Case for Training

- Usually the first activity restricted when the center gets too busy
  - *“We only have time to monitor 1 or 2 calls monthly, if at all”*
- Training is a key agent engagement builder
- As with service, it’s hard to quantify the benefit
- Everyone knows it’s important, but...



## + Ten Most Common Call Center Customer Frustrations to Avoid<sup>1</sup>

1. The IVR Abyss
2. Long Hold Times
3. Inadequate Info with Agents
4. Unlimited Call Transfers
5. Mechanized Agents
6. Asked to Repeat Information
7. Follow Up Calls
8. Told to Go to Website
9. Agents Don't Get Back to Caller
10. Rude Customer Support

<sup>1</sup> 10 Most Common Customer Frustrations that Every Call Center Should Avoid  
Francis Cyriac, Ameyo Conversations, December 2014

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## + 7 Out of Top 10 Frustrations are Related to Poor Training

- Maybe training is important after all
- Getting to the value...



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*“In retail banking, Gallup research has revealed that customers who are fully engaged bring in 37% more annual revenue than actively disengaged ones”*

-- *Why Customer Engagement Matters,*  
State of the American Consumer,  
Gallup Organization - June 2014



## + Back to the Numbers



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Average Members 96,789

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@ 37% = \$179.36

## + Increasing Member Engagement Drives Positive Results

- Building that relationship through continual training is critical

Metric	Incoming # Calls	Revenue Increase	Monthly Increase	Annual Impact
50% of Callers	7,701	\$179.36	\$1,381,251	\$16,575,016
20% of Callers	1,540	\$179.36	\$276,214	\$3,314,573
10% of Callers	770	\$179.36	\$138,107	\$1,657,286
5% of Callers	385	\$179.36	\$69,054	\$828,643
1% of Callers	77	\$179.36	\$13,811	\$165,729



## + Hidden Call Center Value

Metric	Incoming # Calls	\$ Impact per Member	Monthly Impact	Annual Impact
Lost Income Risk	77	\$99.11	\$7,631	\$91,578
Revenue Opportunity	77	\$179.36	\$13,811	\$165,728
@ 1% of Callers / 0.3% of Calls Answered			\$21,442	\$257,306
@ 3% of Callers / 1.0% of Calls Answered			\$64,333	\$771,995
@ 6% of Callers / 2.0% of Calls Answered			\$128,666	\$1,543,991
@ 10% of Callers / 3.3% of Calls Answered			\$214,443	\$2,573,318

## + Other Numbers to Know

- Turnover rate & cost
  - Mostly hidden cost that is real & needs to be understood
  - Well intentioned policies that severely impact your center



### Estimated Call Center Turnover Expense

Call Center Agent Staffing	25						CU Training @ 80 Hrs	\$1,500
Annual Cost per Agent	\$31,200	\$15/hr					CC Training @ 40 Hrs	\$750
Benefits @ 25% of Salary	\$7,800						CU Trainer @ 10 Hrs	\$250
Total Per Position	\$39,000						Dept Trainer/Mentor @ 40 hrs	\$840
CC Agent/Hr	\$18.75						Reduced Productivity @ 100 hrs	\$1,875
CU Trainer/Hr	\$25.00						Mgmt Time to Hire/Interface	\$1,600
Dept Trainer/Hr	\$21.00						CU Cost to Hire	\$1,200
Staff Turnover #	Per Rep	2	4	6	8	10		
Staff Turnover		8.0%	16.0%	24.0%	32.0%	40.0%		
Annual Turnover Cost	\$8,015	\$16,030	\$32,060	\$48,090	\$64,120	\$80,150		

- Increased call costs with inexperienced agents

Increased Talk Time	Cost/Sec	3:45	3:50	3:55	4:00	4:05
Avg Talk Time @3:40	\$0.011					
Additional Annual Expense		\$22,159	\$44,318	\$66,477	\$88,636	\$110,795

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## + Increasing Value - Do You Have Low Hanging Fruit?

- Are your agents closing the deal on every possible opportunity?
- Asking for the loan app on every call?
  - For **67%** of our mystery shops, the agent did not ask for the application
- Seizing opportunities to highlight high value, “sticky” products
  - Always talking up Bill Pay, Mobile & Online Banking when checking accounts are being explained
- Are your agents asking new callers to become a member?
  - Rarely does an agent ask for our business when we cold call
  - CUs spent an average of **\$307** to acquire a new member in 2016
- Do you have processes that work against your agents?
  - High rate loan closers tied down in paperwork
  - Cumbersome, nonsensical paperwork that cuts down on agent availability
  - Departments that roadblock your effectiveness



## + Okay I Know My Numbers, Now What?

- Think of these numbers like a building foundation
  - Use them to better understand how your center affects the credit union
  - Build on the numbers to present bottom line impact recommendations
    - ◆ It's not *"I need an agent"*, it's *"we can increase service and/or sales by \$X"*
- Don't assume everyone knows/understands your challenges
  - Many C-level/CEOs have minimal understanding of call center operations
    - ◆ Career path usually runs through the revenue & financial side
  - The concept that *"someone has to answer the phone"* is not as simple as you would think
- It's on You to educate and involve senior management
  - Push/ensure that your performance reporting is reaching the top
  - Understand industry benchmarks & how your center compares
  - Invite managers in to shadow calls, talk at department meetings, drop by
    - ◆ Get them involved in your sales contests, employee recognition events, potlucks
  - Don't be afraid to dig or ask for numbers
    - ◆ As a large department manager it's critical that you understand your costs, volumes



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## + Finally – It's Not All Numbers

- Employee engagement should be your #1 priority
- Engagement above everything else will drive success
- ➔ #1 turnover reason is relationship between agent & supervisor
- Use metrics & financials to make the case for more engagement
  - Adequate staff so call monitoring & one-on-ones are done consistently
  - Additional training – agents view this as the CU investing in them
  - Regularly scheduled department meetings – not catch as you can
  - Time to take small steps like individual recognition & celebrations







Thank You!

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