BlueDirect

BlueCross Blue Shield of Florida

Making Best Practices Benchmarking a Transformational Tool

The Challenge

"So…where do I go from here?" Jackie Coffey asked herself. She had just been named Director of the BlueDirect call center, a relatively new and inexperienced inbound sales team for Blue Cross Blue Shield of Florida (BCBSF).

Deciding what to do was a major challenge not only for Jackie, but for all of BCBSF, because the company's market was changing rapidly. Layoffs and benefit reductions at many companies in Florida left increasing numbers of people without basic health insurance coverage. This represented a major opportunity, but the competition was rapidly proliferating as well. While BCBSF held a privileged market position in terms of branding and consumer acceptance, other insurers were actively targeting the expanding market for health insurance among newly self-employed people, as well as the separate but also growing market of senior citizens seeking supplements to their government-funded health benefits. Management felt that BlueDirect needed a major overhaul to provide a framework for success going forward.

Management Education for Best Practices

The Management team decided that a little education could go a long way in helping pinpoint ways for BlueDirect to succeed. With the support of senior leadership, including Vice President Chuck Sartiani, Jackie enrolled in a call center leadership course that covered all call center issues, with an emphasis on practical solutions.

The classes were interactive and filled with "take aways" that were written on the board whenever a point was made that resonated strongly with the attendees. At the end of each day the instructor noted that everyone should have at least one or two "take aways" that could make a real difference for their center. Jackie used this to systematically and methodically put together a comprehensive plan.

Expert Assessment

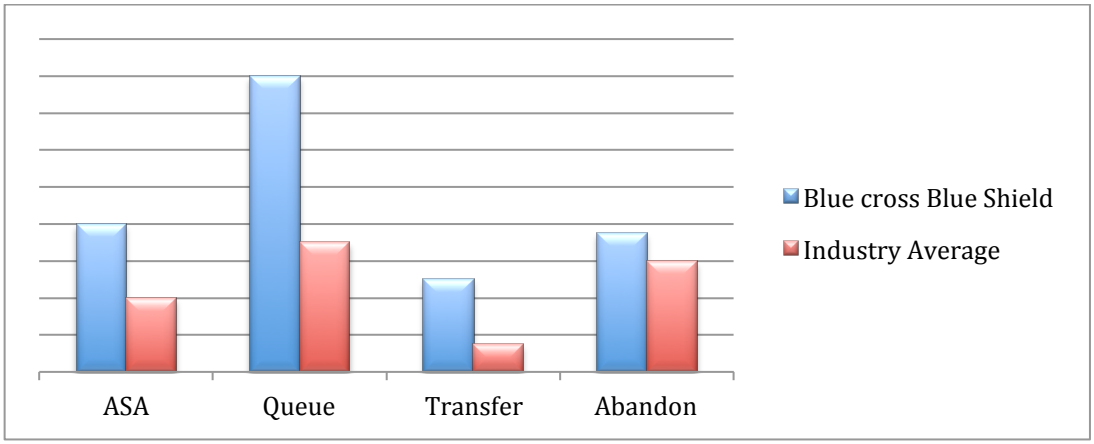
Shortly after Jackie finished the course, the BlueDirect team invited the instructor to do an assessment of the BCBSF center, starting with a complete baseline benchmark of performance metrics, plus complete surveys on caller and agent satisfaction.

Upon entering the BlueDirect call center, the instructor was struck by the Mission Statement hanging prominently on the wall: "To become a 'Health Solutions' organization and perceived as 'trusted advisers'". The instructor's classroom message regarding the importance of Mission Statements had been taken to heart. As one manager stated: "Having that Mission Statement on the wall serves as a constant reminder to all of us every time we need to make a decision, individually or as a team."

What did the benchmark metrics and analyses tell the team?

The instructor's organization had created three important documents for Jackie and BlueDirect: a benchmarking report (which showed the Center's performance metrics side by side with the average for its industry), a caller satisfaction report, and an agent satisfaction report. From these documents, some notable strengths were evident, but also some worrisome weaknesses. On the positive side were superior results in first call resolution, low churn rate (indicating good customer loyalty), sales revenue per agent, agent occupancy, and utilization. On the other side, the center performed "in the red" (below industry averages) in agent satisfaction, transfers, average speed of answer, time in queue, hold times, and abandon rate.

Average Speed of Answer, Queue Time, Transfer Rate and Abandon Rate



"Embrace the Red!"

BlueDirect's Vice President, Chuck Sartiani, set an important tone regarding the results. Instead of being upset with the findings that were below industry averages, he declared that it was his policy "to embrace the red." By that he meant the team should welcome full exploration and analysis of problematic metrics, talk about them openly, and find solutions for them as a team. Samples of the "explorations" are recorded here for illustrative purposes, though there were several others, which made an important difference for the center as well.

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The lagging metrics pointed to several potential process and technology issues which the instructor's organization and management team dug into in methodical fashion. Problems were found with the call routing process. Chief among these was the fact that initial misrouting from the IVR contributed heavily to a transfer rate that was three times the industry average. This initial misrouting was also a source of "backup" in the system, which hurt Speed of Answer, Queue Time, and Abandon Rate.

Management wondered if there were demographic issues with their system as well. In addition to the clear age distinction between self-employed callers and callers over 65, the team wondered if other factors, such as gender, income and education, might have an impact on how users perceived their phone system.

Management acted by commissioning an in-depth analysis of the IVR (in both English and Spanish), delving into all of the flows and business processes surrounding call identification and routing. As a result of this project, they found the following:

- Demographic indicators (age, gender, income, education) were not important
- Satisfaction variations among the three major call types (sales, status and service) were significant
- Major opportunities surfaced to clarify IVR prompts
- Telephony tools were the greatest dissatisfaction sources. Eleven percent of callers commented on service or technology problems
- There was a significant number of requests for specific self-service applications to route calls to agents as quickly as possible.

This study prompted substantial changes in the IVR , routing and tools. The results included the following:

- The call flow through the IVR was flattened from 5 to 4 levels, and repetitive requests for identifying information were removed.
- Self-service applications were developed.

In addition to delivering higher levels of caller satisfaction, BlueDirect is realizing a $240,000 cost savings annually.

When the center was benchmarked a year later, the following positive changes had occurred:

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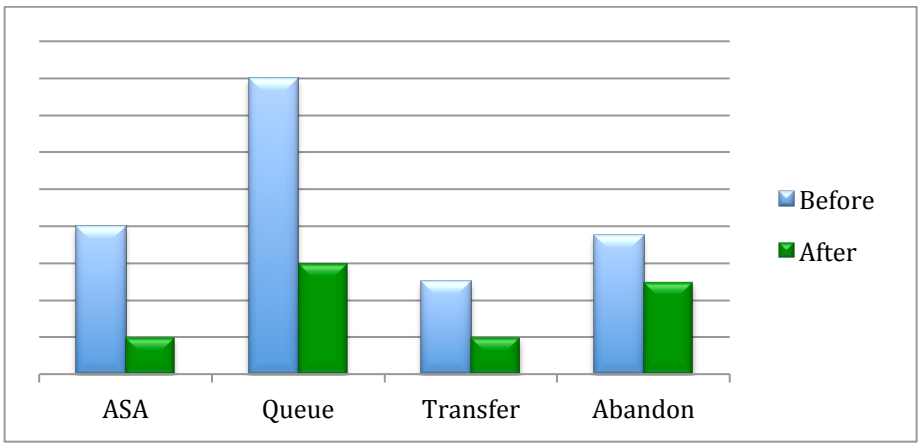
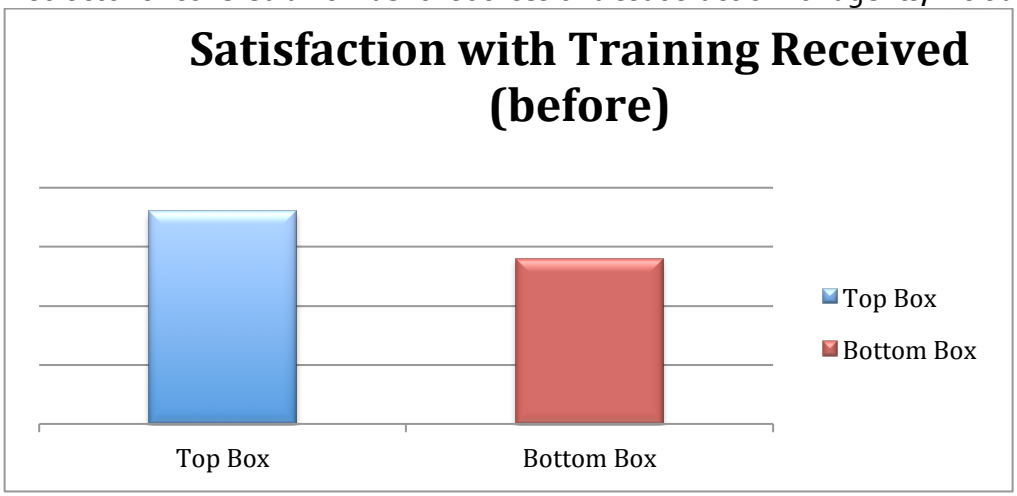


The transfer rate had been cut in half, the average speed of answer was down 70%, queue time had fallen 68 seconds, and abandons were down over 28%. Not only had this highly successful metrics-inspired focus improved the quality of service for customers, but it made agents happier as well. They no longer waste time routing calls to the correct destination and do not have to deal as much with irritated callers. This allows them to concentrate on prospects and earn more commissions.

Agent Satisfaction

Agent satisfaction correlates well with increased sales and improved caller satisfaction. Happy agents make for happy callers, and happy callers tend to become paying members with records of loyalty. However, the original agent satisfaction survey showed that agent satisfaction in the BlueDirect center was at a very low level, scoring 75% lower than the industry average in "top box" agent satisfaction.

Using the agent feedback survey, as well as agent focus groups, the instructor uncovered a number of sources of dissatisfaction for agents, including:



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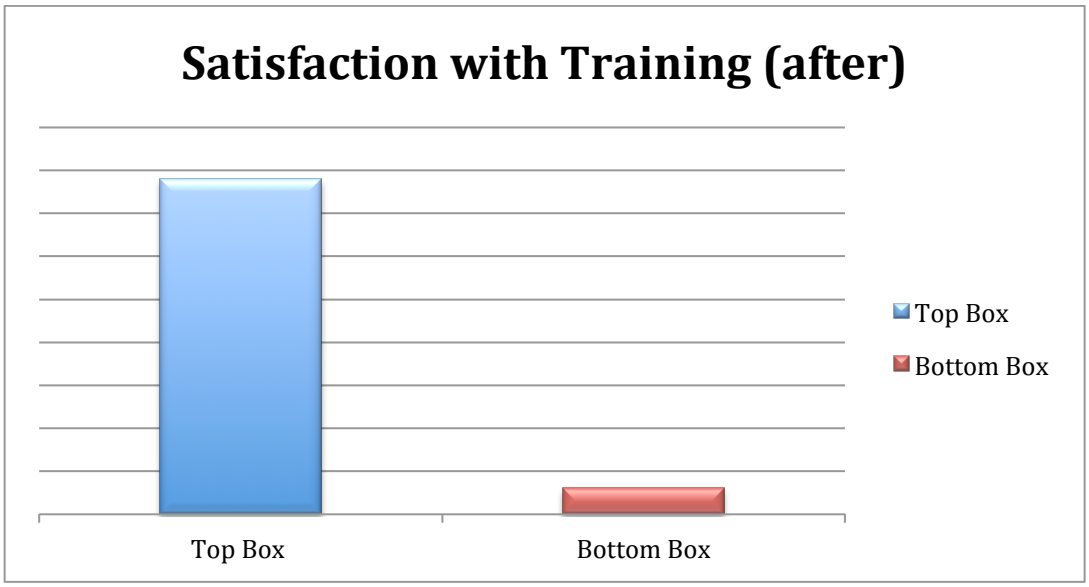
Training - Training had been spotty in the past. Senior agents felt they had not received optimal sales training and that this, in turn, caused them to register weaker sales performance and lower commission rates than newer employees.

Advanced sales training was quickly made available to seasoned agents who wished to take it. The training, which focused on call control and sales results, produced immediate and measurable improvements in productivity - - which, in turn, boosted agent morale.



BlueDirect also introduced an improved, more efficient new-hire curriculum. As a result, new hire training was reduced from 12 weeks to 6 weeks - - and 81% of the new agents hit sales plan within 90 days.

Understanding that education needed to involve everyone and be ongoing in nature, BlueDirect launched organized training "blitzes" involving all managers, supervisors, and trainers on the floor simultaneously, focusing on sales skills and engagement.

Trust - In parallel, the management team took note of the fact that the Agent Satisfaction Report had indicated there was an issue of confidence that needed to be addressed. An open door policy was implemented and the Management team made a concerted effort to actively interact with all of the employees in a straight-forward manner at every opportunity, formal and informal.

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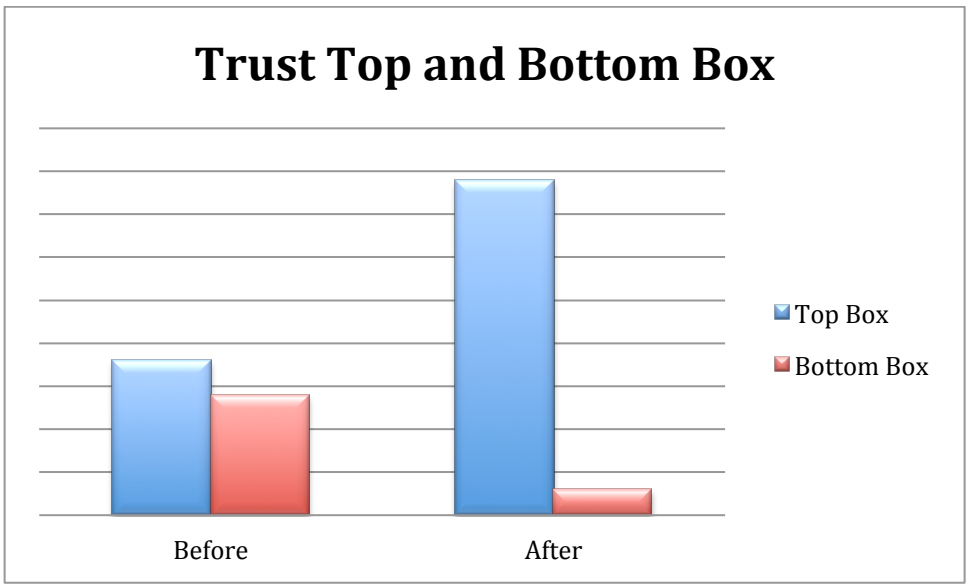

A year later, focus groups with the agents indicated that Senior Leaders recognized all of them, called them by name, and had earned their confidence. The agents knew that the entire leadership team was not only listening, but, more importantly, they were soliciting and incorporating input from the agents as well. This was done through one-on-one interactions and through an agent committee, which was formed to provide timely input to management. Overall, this category of agent feedback improved by 349%.

Coaching and Communication

Another area of weakness was communication. One-on-one sessions between agent and supervisors were inconsistent at best. As a result of management initiatives, behavior changed and attitudes about these meetings changed. Supervisors were given added training by an outside expert on how to be effective coaches and mentors for sales agents.

Meetings were no longer "optional" activities; supervisors went into them with better information and more effective plans. There was oversight from management and accountability demanded of the supervisors to assure that the quality and frequency of the one-on-ones was occurring. Every interaction was to build the agent's confidence and every coaching session was to be focused on helping the agent achieve success.

The collective impact of these changes (and others not recounted here) was an exceptional increase in top box agent satisfaction of over 500%. By taking the benchmarking results to heart and "embracing the red," management had turned around a problem situation in approximately 18 months.

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Caller Satisfaction

The BlueDirect Management team understood that caller satisfaction is critical throughout the sales process. While their caller satisfaction was close to industry average, the BlueDirect team wanted to be an industry leader in caller satisfaction. They knew there were opportunities to improve the caller's experience. A number of initiatives were addressed that aimed to increase customer satisfaction and enhance the agents' ability to close sales. BlueDirect engaged an experienced vendor, which implemented a post-call IVR survey to ascertain Caller Satisfaction and First Call Resolution directly from the caller. By listening closely to calls that garnered top box and bottom box scores from callers, BlueDirect was able to create a coaching program that reinforces appropriate behavior - - and also leads to increased sales.

Pacing Considerations in Change Processes

While working for betterment, the team understood that trying to do too much at once could result in meltdowns. So, "embracing the red" needed to be tempered by "pacing the change". Management monitored the situation closely and layered in improvement initiatives as quickly as organizational realities allowed. The results were gratifying and included the following:

- *Lowering agent turnover and improving time to competency.* The top line new annual revenue of $7.8M for these agents was an eye opener for management.

- *Workforce Management* improvements helped bring the abandoned call rate down from 10% to 3%, allowing BlueDirect to book an estimated $5.1M more in annual revenue. This booked business provided a 14.6X return on cost in the first year. It also enabled a 13% productivity gain (1.1 hours per agent/per day), which added an estimated $10M in annual revenue gain.

In sum, the BlueDirect team leveraged benchmarking as a key element to focus attention and to help drive change in their organization. They took ownership of their results and kept their agents engaged throughout the process. The improvements are striking in terms of morale, quality, sales results, and cost savings.

"Benchmarking doesn't *do* the work", said Jackie about BlueDirect's adventure in best practices, "but it showed us exactly where work was required. Benchmarking was an essential tool to identify strengths and weaknesses, and allow us to become certified as a Center of Excellence." Vice President Chuck Sartiani added: "by 'embracing the red' with open minds and a team approach, we have shown we can succeed. You can be sure that we will benchmark our results regularly to monitor our progress from now on.... because our new slogan is: 'maintain the gain!'"

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