

HomeServe Claims Management

The insight to make efficiency-driven savings

As the UK's leading home emergency insurance cover and domestic repair provider, HomeServe was established to be the first place people turn to for home emergencies and repairs. HomeServe knows that when their customers contact them to commence or progress a claim, they may be distressed and looking for an immediate response. Delivering a quality customer service efficiently is key to their business.



The Challenge

HomeServe was focused on exceeding an 80:20 SLA at a significant cost to the business. To make operational savings they needed to change their KPI's. The question was, what should the business measure?

The Solution

Using the Bright Index, Bright benchmarked HomeServe's contact centre performance. They were overachieving where it wasn't necessary and underperforming where service was critical to the customer. In addition, HomeServe has deployed Bright Navigator to better understand the Customer Experience.

The Result

HomeServe has deployed a consistent set of contact centre metrics to monitor operational performance against business goals. The correlation of these metrics is clearly understood and now provides the direction for areas to focus on.

“Bright Index gave us the insight we needed to find the right balance for achieving cost savings with improved customer experience.”

Martin Glen, Head of Offline Operations, HomeServe

Exceptional service at a cost

HomeServe was proud that it was answering significantly more than 80% of calls within 20 seconds and delivering what it thought was an exceptional service that met the needs of their customers. However, the business was not consistently measuring any other areas of contact centre performance and had no real evidence of its customer or agent satisfaction levels.

Weather conditions play a significant role in how many calls the contact centre receives. During the winter months the number of calls to fix broken boilers and drainage issues etc, increase dramatically. To deliver this high level of service throughout the year, HomeServe employed 250 FTE during the summer and increased this to 400 FTE for the winter.

It was apparent that the cost to maintain this service level was significant. With many employees having temporary contracts, the impact on customer service was also noticeable. But HomeServe had no intelligence available to them to make change.

“We didn't know what we didn't know”

“We didn't know what we didn't know,” explains Martin Glen, Head of Offline Operations at HomeServe. “We had no visibility of how our contact centre compared to other insurance companies or other call centres in the UK. We also didn't really measure what was important to our customers.

“We needed help to identify the right contact centre performance metrics we needed to monitor to meet our business needs of reducing our operating costs whilst increasing efficiency and realising productivity improvements. Ultimately, we need to continue to improve the service we deliver to our customers.”

Benchmark for change

In 2009, HomeServe began a three year programme aimed at driving down costs whilst improving the customer experience. The first step was to benchmark the contact centre against its peers, and determine the key performance indicators that were right for the business.

“They are like a mentor to us in measuring our contact centre performance – and they are not scared to tell us how it is.”

Martin Glen, Head of Offline Operations, HomeServe

“We decided we’d get value involving a third party. Bright was recommended to us, and became the obvious choice,” said Martin. “Using the Bright Index, we were given a clear picture of how we compared in over 50 contact centre metrics against similar operations and the call centre industry as a whole.”

Bright presented the findings and provided clear guidance on which measures were going to be important to HomeServe to meet its business objectives.

Objective insight on performance

“Using an independent assessor, we were able to get objective advice on what we needed to measure. Previously we were being very hard on ourselves when we didn’t actually appreciate that against industry standard, competitors and peers we were doing very well. In other cases we thought we were doing ok but in fact needed greater focus for improvement,” Martin continued.

“Bright Index gave us the insight we needed to find the right balance for achieving cost savings with improved customer experience. For example, we knew that measuring AHT (Average Handle Time) in isolation in an attempt to drive productivity would inevitably have an impact on customer service.”

Similarly, due to the nature of the HomeServe business, measuring FCR (First Call Resolution) was futile because multiple calls are required for each claim made. However, by initially focusing on getting the first call right, the number of calls per claim could be reduced, thus reducing the number of calls into the contact centre. This is now a critical measure for HomeServe.

“Working with Bright to complete a benchmark of contact centre performance every six months, we have been able to monitor the adjustment of these metrics. In particular, our calls per claim have reduced from 6.2 calls when we first benchmarked performance to 4.4 calls after 18 months. We assess this and our other KPI’s every six months giving us a real insight into the impact on changes we’ve made and where we need to focus. This is a great step forward for us in achieving our business goals,” said Martin.

Achieving Best in Class wasn’t good enough

To consistently striving to achieve an 80:20 service level, HomeServe spent less time than required on investing in its people. One benchmark report stated that HomeServe was delivering best in class for service levels, but bottom quartile for time spent per agent per year on training and development. The service level was being achieved at the cost of having spare capacity to invest in its people.

The impact of this was that agents were running at a low cost because they were never offline being developed but customers were not happy. HomeServe has moved to a model of recruiting up to 20 % more agents to achieve the same service level, and to factor in time to develop agents so that the business can benefit from lower attrition and significantly improved quality scores and therefore improved customer service.

Achieving quality for the customer

More recently, HomeServe has started to use Bright Navigator to assess how contact centre performance and employee engagement influences customer satisfaction. The Customer Satisfaction Survey tool measures the quality of interactions between agents and customers continuously, giving 360° feedback to the agent.

“We designed what we believed was a good call from start to finish,” explains Martin. “We would rate calls against this model, passing them or failing them. But we had no opportunity to find out whether it was a quality call according to our customers. Using Bright Navigator we have discovered that calls we would have passed because they followed process and met FSA and DPA guidelines etc, are falling short of achieving a good customer experience. We are now feeding this back to the agents giving them access to hear what customers are saying so that they can change their approach.

The findings are also fundamental in establishing measurement frameworks

for the future that include the softer skills of an agent – empathy, customer engagement and ownership”

Martin goes on to say, “for HomeServe it’s not just about getting efficient, getting better, getting smarter; it’s about that attention to detail and never breaking promises to customers. The insights from Bright Index, and now Bright Navigator, is giving us much greater intelligence on the correlation between contact centre performance and customer satisfaction, and as a result is driving change.

Balancing metrics with service

“We now know that exceeding an SLA of 80:20 in isolation is not what is right for HomeServe or our customers. We are finding the balance between answering calls quickly and dealing with the first call effectively. A customer calling on a cold frosty morning to say that their boiler is out will wait 90 seconds if they are given the confidence that the issue is going to be dealt with as quickly as possible. If there is a breakdown in the delivery of the after call service, this is what customers remember, not the fact that they had to wait 90 seconds to get their call answered in the first place. The evidence that is driving change in this area is that our customers are happy to wait longer if their call and subsequent claim is dealt with more effectively.”

“Bright showed us that there are efficiency-driven savings and process-driven savings and these are the easiest areas to tackle. Now we are analysing the customer experience and investing in our people, processes and technologies to drive change here too.”

The Bright impact

“Working with Bright is easy,” says Martin. “They are like a mentor to us in measuring our contact centre performance – and they are not scared to tell us how it is. We value that in the relationship. There is no doubt that without Bright we would have missed out on the guidance and evidence to change what we measure and we would not have identified the areas of the business that needed greater focus to achieve our business goals.”

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