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North America Region

Customer Service Strategies for the Insurance Industry

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Introduction

The mature insurance industry — comprised of accident and health insurance, property and casualty insurance, and life insurance and annuities — is faced with slow growth and consolidation. Price competition is accelerating as customers turn to Internet data aggregators to shop for the best deal on many types of insurance. In addition, while the insurance business and the needs of policy holders and distributors are rapidly changing, many insurance companies can't keep up because they are unable to differentiate their business, reach customers likely to respond to new sales opportunities or make the most of their valued staff. Insurers that define and implement solutions to these challenges are those that will successfully compete and thrive into the future.

This paper examines the strategic role of the contact center in the insurance industry, and how it can deliver the increased revenues and cost savings that will drive profitability and shareholder value. It also introduces ten essential strategies you can use to realize this potential by improving the customer experience, leveraging cross-sell and up-sell opportunities and promoting agent productivity and satisfaction:

- Facilitate Integrated and Consistent Cross-Channel Interactions

- Offer an Inviting "Customer Front Door"

- Get Customers Off the Phone and Onto the Web

- Handle Calls More Intelligently

- Give Agents the Information They Need to Do Their Jobs

- Initiate Proactive Contact

- Make More Effective Use of Customer Data and Segmentation

- Optimize Business Process Execution

- Create a Winning Team Effort with Contact Center Virtualization

- Boost Agent Productivity through Interaction Blending

This paper further explains how the **Genesys Dynamic Contact Center** provides integrated communication technologies to optimize customer traffic, internal resources and business outcomes for today's changing conditions. It concludes with a real-world customer case study that illustrates how BlueCross BlueShield of Tennessee has used Genesys solutions to make its contact center vision a reality.

The Key Challenges Facing the Insurance Industry
Industry Maturation and Price Competition Impede Growth

Data from Highline and the National Association of Insurance Commissioners show total U.S. insurance premiums totaled $955.6 billion in 2005, down 0.1% from $956.9 billion in 2004. In fact, according to the National Association of Insurance Commissioners, growth in the mature life/health and property/casualty markets has been slow for the past decade, except for the year 2000 when life insurance benefited as a result of the shift from public to private pension provisions.

A Decade of Slow Growth in Life/Health and Property/Casualty Insurance

The increase in premiums written has been slow for the past ten years, except in the year 2000 when life insurance benefited as a result of the shift from public to private pension provisions.
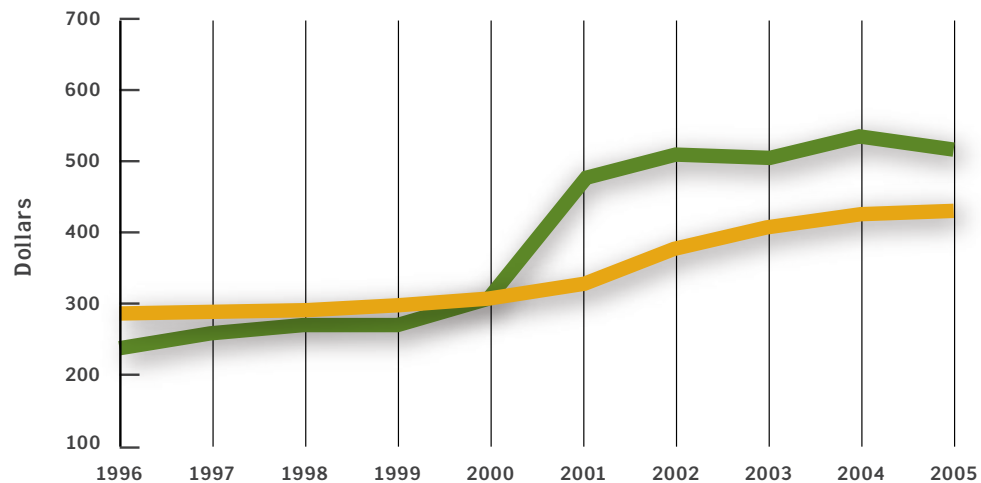
Life/Health (Premiums Written)[1]   Property/Casualty (Net Premiums Written)

(1) Includes deposit-type funds beginning in 2001, a statutory accounting change that increased annuity considerations.

Source: National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC.

In light of slow industry growth, larger insurance companies have pursued merger and acquisitions to grow market share and to achieve economies of scale. The Insurance Information Institute reports that the transaction value of insurance-related mergers and acquisitions totaled $32.7 billion in 2005, up from $14.2 billion in 2004. While there are still 5,000 companies providing insurance coverage, even after all of the merger and acquisition activity, just 50 of them have captured more than 60% market share, and this concentration is even higher in certain product segments.

The Capgemini World Insurance Report published in 2007 reveals that 31% of non-life insurance customers have changed providers in the last five years. Consumers are going on the Internet to compare prices, assisted by the growing popularity of data aggregators that present insurance products as undifferentiated commodities sorted by price.

The Capgemini World Insurance Report published in 2007 reveals that 31% of non-life insurance customers have changed providers in the last five years. This customer churn is often driven by consumers who aggressively shop for the best price, particularly for non-life insurance products. In fact, downward pressure on profit margins will continue apace as more and more consumers surf the Internet to compare prices, assisted by the growing popularity of data aggregators that present insurance products from carriers as undifferentiated commodities sorted by price.

Reasons for Customer Turnover in Insurance

For both non-life and life products, price shopping is the major contributor of customer churn followed by a poor customer service experience.

Non–Life Products

Reason	First	Second	Total
Price	62	21	83%
Poor customer service/experience	9	23	32%
Want to consolidate insurance products	8	20	28%
Poor claims service/experience	7	15	22%
If my agent switched providers	4	8	12%

Percent of Customers

Life Products

Reason	First	Second	Total
Price	35	28	63%
Poor customer service/experience	15	18	33%
Want to consolidate insurance products	12	16	28%
If my agent switched providers	9	11	20%
Poor claims service/experience	6	12	18%

Percent of Customers

First   Second

Source: Capgemini Analysis, 2006

But, just because price matters the most doesn't mean that service matters little. A study by the Claes Fornell International Group, an employee and customer satisfaction consultant, showed that nearly 61% of insurance customers who have had a bad contact center experience will consider switching companies, and 26% said they will definitely switch companies because of a bad call center experience. And, the 2007 Genesys USA Consumer Survey further highlights the high stakes of customer service. In this survey, 48% of U.S. consumers said that customer service has the biggest impact on their loyalty to a company, and 44% said that a poor call center experience was the sole reason they stopped doing business with a company.

Although customer service is clearly very important for winning new customers and retaining existing ones, insurance companies struggle to achieve acceptable customer satisfaction levels in their call centers. In fact, according to Claes Fornell, only call centers for personal computers rank lower than insurance companies in customer satisfaction.

Satisfaction with Insurance Call Centers is Low Compared to Other Industries

Health, property and casualty and life insurance companies have call center satisfaction scores that lag catalog retailers, banking, cell phone services and cable and satellite television.

Industry	Satisfaction with Call Center*	Overall Industry Satisfaction**
Aggregate of all industries	71	75
Catalog retailers	80	74[+]
Banking	77	77
Cell phone services	69	70
Cable and satellite television	68	62
Insurance	68	75[++]
Personal computers	64	77

* As measured by the Call Center Customer Satisfaction Index

** As measured by the American Customer Satisfaction Index (ACSI), using the same methodology

+ Score represents ACSI for retail industry overall, not just catalog retailers

++ Includes health, P&C, and life insurance

Source: Claes Fornell International

Not only are insurance companies failing to provide adequate overall contact center customer satisfaction, many carriers are having trouble meeting the needs of specific constituents — most notably agents and brokers who are among the most important sources of new business.   For example, an insurance industry survey on customer service differentiation conducted by FileNet, an IBM company, shows that while more than half of insurance carriers identified current policy holders as the primary audience for their customer service efforts, only 20% identified agents and brokers.

According to a McKinsey & Company survey, ease of doing business and personalized service are the most important factors influencing agents when choosing which carriers to work with. The McKinsey & Company analysis also shows that the insurance industry's one-size-fits-all model for servicing agents isn't working. Larger agencies may demand service level agreements and require dedicated service teams, while midsize agencies may need local service, and smaller agencies (who are expensive to service) may need centralized call centers and self-service tools.

Insurance Companies are Dissatisfied with the Results of Their Cross-Selling/Up-Selling Efforts

In response to slow industry growth, many insurance companies are trying to grow organically by cross-selling and up-selling more products. Opportunities abound as mergers and acquisitions have broadened offerings across accident and health insurance, property and casualty insurance, life insurance and annuities. The Gramm-Leach-Billey Act in the United States has opened the doors for banks and insurance companies to combine their businesses to create economies of scale and enter new markets. And legislation, such as the passage of the Pension Protection Act in 2006, has removed constraints for bundling life, annuities and long-term care products. A study by Axis Consulting revealed that 99% of insurance advisors feel that it's important, or even critical, to cross-sell effectively, however only 46% consider themselves successful at it.

According to Capgemini, 71% of customers never or rarely (only once per year) interact with their principal distributor. Consumers are increasingly using the Web to research products and prices, but insurance companies have a massive challenge aligning their back-end policy writing engines to their Web-based consumer facing applications.

Lack of customer interaction is one of many factors that limit selling opportunities in the insurance industry. According to Capgemini, an astonishing 71% of customers never or rarely (only once per year) interact with their principal distributor, which is in stark contrast to customers in the banking industry, who interact with their banks more than 200 times a year.

Consumers are increasingly bypassing distributors and using the Web to research products and prices. Celent, an international financial services strategy consulting firm, estimates that 70% of auto insurance purchases in 2007 will be at least Web influenced (using Web-based information resources), 30% will be Web initiated (substantial interaction with the Website) and 10% will be fully purchased online. Celent also estimates that over 20%

Web Influenced, Web Initiated and Online Purchases of Insurance Products Poised for Growth
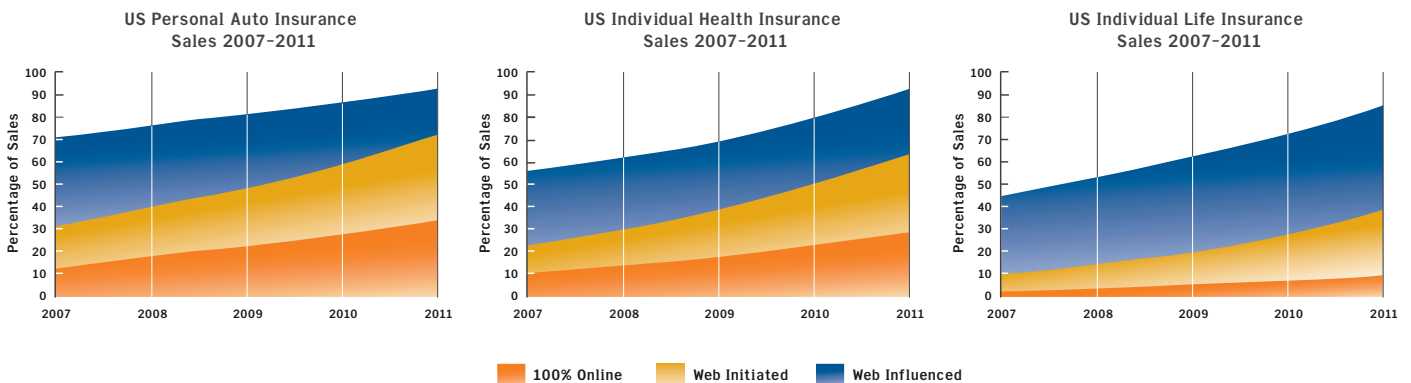
U.S. personal auto insurance, individual health insurance and life insurance are all expected to show increases in Web influenced, Web initiated and 100% online purchases from 2007 to 2011.

of health insurance purchases in 2007 will be Web initiated, and over 50% will be Web influenced. Even in the more complex life insurance industry, Web initiated purchases are expected to be 10% and Web influenced sales are expected to be more than 40% in 2007.

While consumers often use the Internet for comparison shopping, very few actually complete a sale online, a fact that's generally due to the way most insurance company Websites are designed. Consumers usually prefer to seek advice before purchasing any type of insurance, but many Websites don't facilitate agent interaction. The result is that insurance companies lose sales because they're not able to engage the customer during the crucial key points in the decision making process.

Further, many insurance companies face a massive challenge in aligning their back-end policy writing engines to their Web-based consumer facing applications. When insurance consumers complete their Web research and contact the agent to make a purchase, lack of multi-channel integration means that agents have no knowledge of the customer's prior interactions on the Web, making it more difficult to develop personalized sales strategies.

Insurance sales occur mainly by product silos, further limiting cross-sell and up-sell opportunities and making it difficult to differentiate products. But, to capture the full lifetime value of the customer, insurance companies should anticipate the needs of the customer as they move through life stages and strive to understand which channels their customers feel most comfortable interacting with. Insurance companies will need to pay attention to demographic trends to identify and target promising opportunities, such as baby boomers who will soon retire, Generation X and Generation Y consumers who are technically inclined and ethnic groups who value products and services tailored to their needs.

Keeping Costs Down is Difficult

Insurance companies are trying to keep costs low without negatively impacting customer service. This tough task includes employing techniques that minimize contact center costs, such as decreasing call volume and handling times, and reducing workforce and overhead expenses.

• Call volume is high

In their efforts to reduce call volume, insurance companies are making progress transitioning customers to the Web, but adoption is still not what it should be.

Claes Fornell International Group reports that 67% of those who use a method other than the call center, try the Website first. But, this is lower than in other industries where 80-90% of customers try the Website before using the call center. The customer service differentiation survey conducted by FileNet revealed that more than half of insurance companies were only able to handle less than 10% of their inquiries online.

• Handling times are too long

According to Claes Fornell International data, insurance call centers have lower satisfaction rates than most other industries because of their below-average ability to resolve customer issues. The key to decreasing handling times is to ensure that the information the customer service representative needs to handle calls is always readily available. In many insurance call centers, however, this isn't the case and agents have to manually access dozens of screens, one at a time, causing the call to take longer than it should and sometimes leading to inadequate resolution. Because of the complexity of claim and membership inquiries, calls frequently need to be routed to appropriately skilled specialists. This process means that it can take days, or even weeks, before the customer gets the right answer.

• Workforce costs continue to increase

Because skill requirements for agents in the insurance industry are high, it has been difficult to reduce workforce costs without negatively impacting service quality. For instance, health insurance agents must handle a mixture of inbound claim and membership inquiries from members and providers, such as complex questions about claim status, billing, membership and benefits, as well as offer policy assistance to agents and brokers. And, due to the intricacy of insurance offerings and the increase in new product lines, product specialists are often required to handle calls. This has added a new layer of complexity, as contact center agents must not only be trained to understand the new offerings, but also to effectively communicate them to customers and distributors. In the future, the skills issue in insurance will only get worse as more and more baby boomers retire. Already, according to ContactBabel, insurance contact centers have an annual attrition rate of 42%.

Overuse of licensed agents also adds to workforce costs. Insurance companies trying to reduce the use of expensive licensed agents in the contact center have trouble doing so for several reasons. First, the rules concerning who needs a license and for what reasons are constantly changing. Second, licensing is required on a state-by-state basis, so maintaining the list of who has which license, and determining whether the license is valid, is cumbersome at best.

• Overhead costs are too high

Processing contact center requests is complex, often requiring information to flow between systems, between people and between the company and third parties. And, typically, the workload of agents is a mix of approximately 60% telephone-based assignments and 40% offline support involving paper-based processes. The offline work is often difficult and expensive to manage and, from both a routing and a workforce management perspective, is rarely integrated with telephone activities. The result is two separate silos of work that make poor use of agent resources.

With increased merger and acquisition activities in the insurance industry today, the consolidation of contact centers represents an obvious candidate for cost savings, as does the increased use of outsourcing. However, insurance customers value personalized service and prefer to work with a dedicated agent who will take care of all their inquiries. As a result, many insurance companies may find that outright contact center consolidation will frustrate and alienate their customers, and that alternative strategies such as contact center virtualization should be undertaken to reduce overhead costs.

The Strategic Role of the Contact Center in Insurance

As recently as just a few years ago, the contact center in the insurance industry was simply seen as a way of dealing with customer requests. These operations were usually run as a so-called 'cost center,' and a clear objective for management was to make sure the contact center was run on a lean budget while still providing acceptable levels of customer service.

Today, however, contact centers are seen as a far more strategic asset. Fundamental customer service goals that should be delivered by today's contact center include cross-selling and up-selling more products and services, and running more cost efficient operations by increasing agent productivity. Further, contact centers are now considered a key instrument in changing the public's perception of a company, creating a great customer experience and executing on the business goals of the company as a whole.

Top Customer Service Objectives

Customer Experience — People evaluate their business relationship every time they contact a company; therefore, making this experience as enjoyable as possible is essential to customer acquisition and retention.

Cross-Selling and Up-Selling — Generating revenue through cross-selling and up-selling has become just as important in contact centers as providing customer service. Every customer interaction, regardless of channel, must be explored as a sales opportunity and acted on accordingly.

Agent Productivity and Satisfaction — Since the majority of contact center costs lie in employing agents, any increase in their productivity and satisfaction can significantly enhance return on investment.

How can your contact center accomplish these service objectives? Depending on contact center maturity and business requirements, here are ten possible contact center strategies to make your goals a reality.

Strategy 1: Facilitate Integrated and Consistent Cross-Channel Interactions

The first step in ensuring an exceptional customer experience is to offer multi-channel contact center interactions comprised of phone, fax, e-mail, SMS text messaging, and perhaps even Web chat, so that prospects and customers can conduct business with you exactly when and how they like.

Offering superior channel interaction will encourage consumers to use insurance company Websites instead of, or in addition to, aggregator sites — which will give insurance companies a greater chance to differentiate their products and services, deliver more personalized services, improve cross-sell and up-sell rates and lower operating costs.

Providing customers with a seamless experience across all channels ensures that interactions are as consistent and efficient as possible, which will help to build a solid relationship with the customer. For relationship selling, agents require a unified view of interactions across all channels to effectively promote and sell insurance products. In the early promotional stage, this means ensuring that insurance companies don't repeat the same offers to customers at different touch points, such as the call center and the Web. As the customer responds to the promotion, agents can pick up where the customer left off at each stage in the sales process, regardless of which channel the customer was using. For example, if a customer (let's call her Samantha) had gone online to request a bindable quote, the call center would be aware of this and take steps to close the deal with her.

Strategy 2: Offer an Inviting "Customer Front Door"

When customers use the call center channel, the Interactive Voice Response (IVR) system provides the customer's first impression of the company. It also serves as a guide to the insurance company's services, and determines how well the company can decrease the volume of calls that agents must handle or reduce handling times. Traditional IVR menus have frustrated customers with long and confusing menu trees.

Open dialog call steering is emerging as an innovative alternative to traditional IVR menus. By asking what the customer wants and recognizing key words in natural speech, and by integrating with business rules and routing strategies, open dialog call steering applications take intelligent action to ensure the most efficient resolution of the call.

An example:

> IVR: "Thank you for contacting Premier Property and Casualty Insurance. How can we help you?"

> Samantha: "I would like to check the status of my insurance claim."

If Samantha's dedicated insurance representative is available, the Customer Front Door application could send Samantha's call to that person who might be able to use the opportunity to explore her needs for additional insurance. Or, the application can execute a self-service application for immediately processing Samantha's claim status inquiry.

Strategy 3: Get Customers Off the Phone and Onto the Web

Using Web self-service, members, providers, agents and brokers can interact with the company whenever they want, not just during weekday contact center service hours. Not only does Web self-service enhance customer service, it also helps to migrate calls away from expensive call center agents. Call center agents can dedicate their time to handling more complex inquiries and concentrating on selling activities, rather than responding to routine calls that can be easily automated.

There are tremendous opportunities for self-service in insurance. Members can view policy coverage, pay bills, make changes to policies, submit claims and check the status of claims progress. Health insurance providers can verify benefits or coverage, automate claims processing, and review claims and correct errors. Agents and brokers can more easily obtain online quotes, proposals and plan designs for customers and can keep

The opportunities for self-service in insurance abound for all customer audiences. Members can view policy coverage, pay bills, make changes to policies, submit claims and check the status of claims progress. In the health insurance business, providers can use HIPPA compliant online tools to verify benefits or coverage, automate claims processing, review claims and correct errors. Agents and brokers can more easily obtain online quotes, proposals and plan designs for customers with different profiles and needs. And, they can more easily keep track of their own customer accounts rather than having to consult with a call center representative.

Integrating self-service with agent assistance allows the customer to interact with an insurance company in a convenient way while still receiving the same personalized advisory service offered by call centers. As customers increasingly engage in online research and transactions, they can be offered agent assistance to make their interactions go more smoothly.

For instance, Samantha goes to an insurance Website and decides to request a quick quote. As she reads the quote, an online chat window pops up inviting her to speak with an insurance specialist. Samantha accepts and is able to immediately ask the outstanding questions she has after reviewing the online materials and quote.

Strategy 4: Handle Calls More Intelligently

When taking calls, the number one priority for insurance companies is to make sure they provide acceptable customer service. Skills-based routing, virtual hold and business priority routing are three key approaches for meeting service requirements as efficiently as possible while also making the most of opportunities to drive new revenues.

An IVR system not only identifies customers, but also why they are calling. With this knowledge, skills-based routing determines where the call should be directed — either to a self-service application, or to a customer service agent most qualified to efficiently handle the call based on license certification, selling skills, language skills, product knowledge or the ability to handle a specific type of claim, benefits, billing or sales inquiry.

During times of peak volume, virtual hold technology allows customers to receive a callback at a convenient time rather than wait on hold. This technique complies with requirements for call response times and improves customer satisfaction levels without adding costs for additional resources.

Often, response times are easily met during periods of low call volume and agents have free time to focus on other activities, such as calling clients to review their current coverage and additional needs. Business priority routing uses business rules to prioritize calls based on customer value, customer segments, available channel resources, hold times and other factors.

For instance, when Samantha, a health insurance customer, calls during a period of low demand, she is passed straight through to a contact center agent rather than routed to the self-service application. The call center agent handling her request then proceeds to explain the company's life insurance products to Samantha and how she can save money by buying both her health and life insurance policies from the same provider. It turns out that Samantha had already been considering life insurance, and after discovering the discount she will receive from her insurance provider, she signs on.

Using business priority routing, insurance companies can also match service priorities with the needs of different types of carriers. Calls from larger agencies can be directed to dedicated service teams as soon as they are received, while calls from smaller agencies can be directed to self-service when possible.

Strategy 5: Give Agents the Information They Need to Do Their Jobs

The integration of back-office system information with everyday contact center activities helps agents resolve calls more quickly and effectively. As soon as the agent takes the call, relevant customer information is displayed within a single screen so that agents don't need to manually navigate through systems to find the information they are looking for.

Workflow management allows the service representative to efficiently take all necessary steps to resolve customer issues, reducing the time it takes to get customers the answers they are looking for. As back-office integration with the call center and workflow management decreases average handling times and reduces unnecessary repeat contacts to resolve issues, customer satisfaction becomes higher while the contact center workload and costs are lowered.

Strategy 6: Initiate Proactive Contact

Because customers don't interact with the contact center on a frequent basis, insurance companies should consider initiating proactive contact to stay in touch with the customer. Insurance companies find that policy renewals increase with frequent communications leading up to the renewal event, and that the number of products sold per customer also increases.

Insurance companies find that policy renewals increase with frequent communications leading up to the renewal event, and that the number of products sold per customer also increases. Proactive contact helps insurance companies stay in touch with their customers.

Whenever an agent or broker opens or renews a large account, using proactive contact to send a thank you message can let these important distributors know that you appreciate their business. A global survey of 4,300 consumers conducted by Genesys found that 87% of respondents indicated having a more positive opinion of a supplier after receiving a courtesy call to thank them for their business or to ask about their satisfaction.

Proactive contact management is also a useful form of automated telemarketing to scale the contact center for increased cross-selling and up-selling activities. Insurance companies can further use proactive contact to notify their customers of new products and services or special promotions.

Strategy 7: Make More Effective Use of Customer Data and Segmentation

Given slow growth in a mature market, some insurance companies are abandoning their product-centric approaches to selling. Instead, they are maximizing the lifetime value of customers through cross-selling and up-selling. In this new paradigm, using customer data and segmentation to anticipate the future needs of individual customers becomes more import than mass marketing. Going one step further, high-value policy holders and distributors may interact, when possible, with a life-time advisor who is intimately familiar with the client's history and needs. Or, demographic matching is a way to as-sign the customer to an agent who has a common demographic profile. The result is

that customers get to interact with agents who will more readily relate to the customer because they share certain commonalities, such as native language, age range, degree of technical competence, and so on.

Front-office integration in the contact center helps insurance companies move away from their siloed views of customer data. To make relationship selling a success, front-office integration gives agents a 360-degree view of the customer, which helps in focusing on lifetime customer profitability. Agents have access to the right information across all touch points to enable effective interaction with the customer. In this way, customers may receive advisory assistance and/or customized offers based on their current behavior, recent interactions across all channels, existing insurance-wide product portfolio, claims records and detailed knowledge of the customer's demographics, life stage and propensity to buy.

> Front-office integration with the contact center helps to increase sales. Insurance agents are able to provide advisory assistance and/or customized offers based on the customer's interactions across all channels, existing insurance-wide product portfolio, claims records, demographics, life stage and propensity to buy.

For example, suppose Samantha, a Generation X customer who has no insurance products in her portfolio to help her plan for her retirement, calls to inquire about the status of a health insurance claim. The call is routed to a call center agent who is in the same age bracket as Samantha and who is a retirement planning specialist. After updating Samantha about her claim status, the agent tells her about the importance of early planning for retirement and describes deferred annuity and life insurance products that will allow her to build tax-deferred cash values. Samantha is pleased that the contact center agent has taken the time to understand her personal situation and agrees to purchase these products.

Strategy 8: Optimize Business Process Execution

Insurance interactions usually involve multi-step business processes that may include multiple contacts with customers, service providers and other third parties. As the communications hub for the company, the contact center can be harnessed to automate and expedite end-to-end business processes supporting these communications. By directly integrating a business workflow engine, the contact center becomes an active participant in driving business efficiency.

For instance, an automotive insurance provider can reduce the time and effort to sign up new customers, settle claims or collect payments by automating the various external interactions and notifications required to complete these processes. Contact center agents can play an even broader role in these and other processes through integrated workflow that enables the routing of back-office tasks as work items to available agents for processing.

Strategy 9: Create a Winning Team Effort with Contact Center Virtualization

Many insurance companies are moving towards a virtual contact center to allow geographically dispersed agents to operate as a single, winning team. Regardless of location, agents can be called upon, as available, to ensure appropriate response levels and to provide access to needed expertise.

A virtual contact center is vital for load balancing during times of peak demand, and is essential in the insurance industry where the appropriate resource for each call is not only highly variable, but is often unavailable in a centralized call center. A virtual contact center unifies the skills of licensed agents, home-based agents, outsourced agents, mid-and back-office specialists, field agents and other experts, regardless of their location.

When an agent takes a call and assesses that answering the customer query will require specialized skills, rather than frustrating the customer by only providing incomplete information, the agent can quickly locate available experts and seamlessly route the call to someone who has both the details of the initial conversation and the appropriate knowledge to satisfactorily complete the interaction. In this way, the customer isn't forced to repeat details of the previous conversation, and the company gains the benefit of a reduction in costs through operating multiple locations as one center.

Here is an illustration: Samantha has just telephoned the call center to ask about her homeowner's claim. The contact center agent needs help from an adjuster in order to properly answer Samantha's questions. The agent taking the initial call gathers the pertinent information, and then passes it to an adjuster in the back office for further action. Because of this seamless interaction, Samantha perceives the contact center experience more positively than she would have if she'd been forced to make multiple calls to various specialists to help her with her claim.

Strategy 10: Boost Agent Productivity through Interaction Blending

Insurance companies benefit from optimizing their agents' time as much as possible. Call blending allows agents to handle both inbound service calls and outbound sales calls as call volume and skills permit, while task blending allows agents to offer their assistance at different interaction channels. For instance, contact center agents can be switched to answering e-mails or engaging in text chats with customers. Not only does this maximize agent productivity, but interaction blending also breaks up the potential monotony of the position.

The Genesys Dynamic Contact Center

The Genesys Dynamic Contact Center is designed to transform customer service by automatically optimizing customer traffic, internal resources and business outcomes. While contact centers can manually adjust to changing patterns, an advanced — or 'dynamic' — contact center has the know-how and technology to make automatic adjustments in real time. As contact centers become increasingly important channels, insurance companies can convert themselves to dynamic contact centers to automatically optimize the customer experience, foster cross-sell and up-sell opportunities and increase agent productivity.

The Genesys Dynamic Contact Center provides key customer service capabilities that are integrated and orchestrated to fulfill these objectives:

The Genesys Dynamic Contact Center

The Genesys Dynamic Contact Center provides integrated and orchestrated customer service capabilities to optimize the customer experience, foster cross-sell and up-sell opportunities and increase agent productivity and satisfaction.

- **Customer–Centric Routing** puts an end to customer frustration by ensuring each interaction is routed to the ideal resource with the right information — no matter where that resource is located in your organization. This helps you increase first-call resolution rates, meet variable call volumes with limited resources, increase cross-sell and up-sell rates and improve agent satisfaction.

- **Business Process Routing** integrates phone, e-mail and fax with back office business processes to improve agent productivity and customer service. Through this integration, contact center resources can be leveraged as part of workflow processes such as processing a claim, fax, work order or other interaction. Ultimately, contact center and back-office processes are streamlined, and agent utilization is improved.

- **Workforce Management and Optimization** is central to managing and optimizing contact center resources. It gives you control over your operations by allowing you to forecast and schedule agents dynamically based on traffic volumes and resource availability — across a multi-site, multi-channel environment.

- **Proactive Contact Management** provides a personalized customer inter-action experience by allowing you to send relevant outbound notifications at any time. It also enables you to create, modify, run and report on voice and multimedia outbound campaigns for proactive customer contact and sustained communications.

- **Integrated Self-Service** provides a holistic caller experience while reducing handling times and service delivery costs. These capabilities provide touch-tone or speech-enabled access for conversational exchange to identify and resolve routine customer requests and transfer more complex calls to the best skilled agent.

- **Internet and Multimedia Integration** capabilities allow customers to interact with you the way they want to, when they want to — through voice, e-mail, Web chat, Instant Messaging and even video calls.

- **Branch, Remote and Expert Integration** allow you to extend your contact center to manage interactions based on business strategies and objectives. For example, higher-valued clients might be sent to a highly-skilled resource located within a branch office, rather than being sent to the general call center.

- **The Virtual Contact Center**, enabled by voice over IP (VoIP) technology, allows geographically dispersed contact center agents to operate as a single, winning team. Regardless of where the contact center agents are located, they can be called upon, as available, to ensure appropriate response levels and provide access to needed expertise.

- **Real-Time Offer Management** helps you capitalize on cross-sell and up-sell opportunities by providing the capabilities to recommend an offer to an agent in real time, based on a customer's background, history and interaction type.

- **Reporting and Analytics** allow you to assess your contact center and customer service activity by providing real-time and historical views on the performance metrics of contact center objectives and how these metrics change over time.

Case Study

Insurance companies throughout the world are benefiting from their Genesys solution. These include:

- The world's 5 largest insurance companies

- 3 of the world's 5 largest life/health (mutual) insurance companies

- 5 of the world's 5 largest life/health (stock) insurance companies

- 4 of the world's 10 largest property/casualty insurance companies

"The Genesys solution brings all of our other systems together and presents the information in a unified view. As a result, we've saved about 40 seconds per call — almost double what we expected — and received a return on investment in just 15 months."

– Hugh Hale
Director of Technical
Services
BlueCross BlueShield
of Tennessee

BlueCross BlueShield of Tennessee (BCBST) is just one of the many companies using Genesys.

Chattanooga-based BCBST employs 4,300 people and is the state's leading customer-oriented health benefit services company. Working closely with local hospitals and medical professionals, BCBST provides innovative insurance and managed care solutions to its customers. The company arranges for the payment of more than $16 billion in health care benefits and helps 2.3 million members to receive care.

BCBST has hundreds of customer service agents who handle a mixture of inbound claim and membership inquiries from members and providers. People call in to establish the status of their claim, to find out when their payment is due or to resolve questions associated with their membership and benefits.

In dealing with these calls, BCBST must comply with strict Service Level Agreements that use Member Touchpoints Measures (MTMs) to assess the company's performance. In terms of the inbound customer service telephone calls, the MTM relates to service levels such as call handling accuracy, the speed of answering and abandoned calls.

The Business Challenge

Against this background of compliance, BCBST was also faced with constantly rising healthcare costs and fierce competition, and therefore realized that the company would have to undertake some significant changes to preserve its dominance. As Hugh Hale, Director of Technical Services, explains, "We needed to control internal expenses and improve our systems and service levels at the same time. With call volumes going up, our ability to continue providing a really good service — without adding staff — was a challenge. We had to do something to increase the productivity of our service agents."

The problem of improving customer service while simultaneously reducing costs was compounded by the fact that BCBST's multiple call centers had evolved organically. Over the years, each autonomous unit had applied new technology solutions and business processes as it saw fit. No attempt had been made to integrate the systems or to share the knowledge across the whole company.

In addition to this, the previous system led to customer frustration because of the duplication of effort involved when contacting the company. For example, after entering their unique ID number at the Interactive Voice Response (IVR), customers would be routed to an agent in the service group responsible for the geographical region in which the customer was based. However, the agent handling the call had to again ask for the ID number in order to access the relevant client data.

As Hale points out, "Our customers are getting more sophisticated and more demanding. Also, our competitors are upgrading their systems, becoming more productive and improving their services." Another issue facing BCBST was how to unite the sites into one virtual contact center: "We needed to find a way to let our contact centers back each other up and appear as one, and in doing that, solve the business requirements while integrating everything from a technical perspective."

To meet the objectives of the business, the contact center had to manage the projected rise in the volume of calls without increasing costs. The system also had to be scalable and capable of interfacing with multiple customer touch points, not just the telephone. Hale expands further: "The longer-term requirements were for Web chat and Web call-back, plus e-mail management. We looked at all the different ways that customers can access our service agents and realized that e-mail is quickly becoming a preferred method of contact. We wanted to give it the same level of priority as a phone call in one universal queue, so we had to have an intelligent routing mechanism as well."

The Solution

BCBST selected the Genesys solution which allows the call center managers to view all customers waiting in the queue, as well as all available agents, so that staff can be assigned to the areas where the most help is needed. This ability to see what individual agents are doing, and also to judge the performance of the department as a whole, helps managers identify training needs and award bonuses.

Even more importantly, BCBST's customers are happier because they are no longer required to repeatedly provide their ID number. After entering their ID once at the IVR, their files travel with the call as it's transferred through the company. Any agent who handles that call is fully informed about the customer's interaction history via a screen-pop at their desktop.

For Hale, the Genesys solution was vital to reducing costs: "Call length decreased by about 15%, so we saved about 40 seconds per call — almost double what we expected — and received a return on investment in just 15 months." As a result, BCBST continues to exceed the requirements set out in its Service Level Agreements, which demand that 80% of calls be answered in 30 seconds or less. In fact, the call center agents achieve that target more than 95% of the time.

BCBST is currently implementing the Genesys Workforce Management solution. "I think once we get some of the Genesys e-mail and Web products in our agents' hands, our efficiency will increase even further. That is where the future is going to be, and if we are ready to handle Web inquiries this way, agents are going to be much more productive from the start," concludes Hale.

Conclusion

As this Strategy Guide has detailed, the insurance industry currently faces its own unique set of contact center challenges. Slow growth, consolidation and increasing price competition mean that customer service is increasingly important for winning new, and retaining existing, customers. In addition, insurance companies should replace product-centric approaches to selling and, instead, develop cross-selling and up-selling strategies that maximize the lifetime value of customers. Further, cost-cutting pressures ought to be balanced against escalating customer care expectations — a tough task amid increasing call volumes, manual processes that lack integration with front- and back-office systems, and complex skill requirements.

To meet these contact center challenges, insurance companies can implement cross-sell and up-sell strategies based on customer relationships, promote agent productivity and satisfaction and strive to transform their operations into dynamic contact centers that ensure an excellent customer experience across channels and increase customer loyalty.

Additional Information

Genesys Worldwide

Genesys, an Alcatel-Lucent company, is the world's leading provider of contact center and customer service management software — with more than 4,000 customers in 80 countries. Genesys software directs more than 100 million interactions every day, dynamically connecting customers with the right resources — self-service or assisted-service — to fulfill customer requests, optimize customer care goals and efficiently use agent resources. Genesys helps organizations drive contact center efficiency, stop customer frustration and accelerate business innovation.

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