

# Extended Support Hours: An Offsite Solution!

ABA STONIER GRADUATE SCHOOL OF BANKING CAPSTONE

Donna C. Harris

## **CUSTOMER SERVICE**



March 1, 2018

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## **Executive Summary**

Banks are faced with many challenges today; the rate environment, creating greater efficiencies, and adapting to customer's needs just to name a few. But one goal that does not change is the need to deliver exceptional customer service. Customers no longer operate on a nine to five schedule. ABC Bank must find a lucrative, quality solution that allows customers to resolve concerns they may have at times that are convenient for them. The solution is to expand customer service hours without compromising the service standards; but how to accomplish this in the most cost-effective manner remained a challenge...until now.

This proposal is to recommend for ABC Bank to partner with an offsite contact center capable of providing support through Extended Support Hours while delivering outstanding customer service. It is imperative that this partner can provide a superior customer experience by having contact center Representatives who are friendly and educated on the bank's products, services, and support programs.

The bank's desire to remain competitive can result in stress and burnout for ABC Bank Customer Solution Representatives. Some of the current responsibilities that reside in the Customer Solution Center include initiating wire transfers, troubleshooting personal and business online banking, disputing unauthorized charges, opening online accounts, responding to secure messages and emails; extremely taxing and time consuming interactions. An additional contact method, chat, is in the works that will add another channel for Representatives to manage.

ABC Bank's 32 branches span over the entire state of Michigan. A Loan Production Office recently opened in Colorado allowing a new pool of customers to contact the Customer Solution Center. With these changes and more, the current Customer Solution Center has reached maximum capacity. An offsite contact center has the potential to improve customer service and to reduce Representative burnout. Less burnout equals less money spent on hiring new employees, the need to hire a temporary switchboard operator, and overtime...but the real cost is the decline in the level of quality customer service.

After reviewing multiple service providers, this proposal recommends partnering with Lending Solutions Incorporated (LSI), as they serve approximately 300 financial institutions across the country, 24 hours a day, and seven days a week. They have been in business for 20 years and have answered over 30 million phone calls as an extension of each institution.

The Project Team will have representation from Human Resources, Audit, Electronic Banking, Deposit Operations, Network Services, Training, Marketing, Retail, Information Technology, Information Security, and Compliance and will be led by the Customer Solution Manager. Implementation will require a five month lead time allowing a proper project plan to be created and followed.

Offering Extended Support Hours will have a positive bank-wide effect. Spreading out contacts will boost productivity during normal banking hours and relieve some of the stress currently felt in the Customer Solution Center.

## **Introduction/Background**

Michigan House of Representatives speaker John Doe, who is the only President of the United States from Michigan, signed the charter for what is now ABC Bank. It is the oldest and largest state chartered bank headquartered in Michigan and has grown to 24 offices state wide with more than \$1.4 billion in assets since its inception. It is a mutual organization that does not answer to stockholders and focuses on the success of its customers, communities and employees.

Throughout its long history, the bank has remained a strong and stable financial organization.

ABC Bank played an integral part in the state's growth and has a strong commitment to the communities where their employees serve, live and work. The bank has a long history of providing financial support to non-profit agencies around Michigan. For 186 years, the bank has embodied a strong legacy of community service and civic leadership through the countless hours invested by its employees. ABC Bank also provides financial support in the form of charitable contributions throughout each year.

ABC Bank prospered through the Civil War, the Great Depression, two World Wars and eight Red Sox World Series Championships. They are a leader in providing comprehensive, state-of-the-art and personalized financial services to their customers across the state of Michigan.



ABC Bank consistently provides superior products and services with unmatched personal attention in each one of their locations. To meet their customer's evolving needs, they are dedicated to staying at the forefront of technology. Their services include image enabled ATMs at select locations that accept cash and checks for deposit without an envelope or deposit slip, mobile banking from a web-enabled cell phone, and electronic alerts that automatically notify customers of their account activity.

ABC Bank focuses on three areas for growth: Personal Banking, Commercial Banking, and Wealth Management. All three play a key role in the growth and success of the bank.

There are a multitude of personal banking deposit accounts that include the standard checking, money markets, and savings products. Certificates of Deposit as well as Individual Retirement Accounts are also included in their repertoire. In addition to those accounts, ABC Bank also offers Health Savings Accounts.

Consumer Lending products are available for the customer's convenience. From residential mortgages to vehicle loans, ABC Bank remains competitive in the rate environment. Not the highest, nor the lowest, the bank keeps to the middle knowing that quality customer service will set them apart from the big bank deals.

There are many services offered by ABC Bank that are standard in most banks. For example, online banking, bill pay, and electronic statements just to name a few. But ABC Bank thinks

outside the box offering a first class travel program that is free to customers who are 45 years of age or older and maintain a Prestige Checking Account.

As a full service commercial bank, they offer the latest advances in technology including remote deposit capture and business online banking. The bank is proud to provide their customers the convenience of conducting their banking business from their office or a remote location. The Commercial team at ABC Bank has more than 380 years of lending experience. They understand the day-to-day challenges businesses face and have proven expertise in finding the best solutions for their customers.

Amongst deposit accounts and Government accounts, ABC Bank offers an entire line of Cash Management products ranging from Onsite Check Teller to Positive Pay to Corporate Sweep to Line. The bank is fully prepared to assist all levels and needs of commercial customers.

The Wealth Management team specializes in developing strong client relationships and provides dedicated personal service with a consistent, disciplined approach to investment management.

The bank's professional team works with individuals, businesses and non-profit organizations to manage Trust and Investment Portfolios, collect income and monitor accounts for maturities and proxy information. In addition, traditional accounting and tax preparation services are provided along with online access to all accounts. As a Corporate Trustee, ABC Bank assumes all legal, fiduciary and ethical responsibility for the proper administration of trusts, as well as the financial welfare of beneficiaries, all while maintaining complete confidentiality.

The bank's Private Banking Group provides a concierge service for high net worth individuals who coordinate all of their financial services such as investment management, both deposit and lending needs and any other ancillary services, through a Private Banker dedicated to maintaining their relationship.

Wealth Management Services include Investment Management and IRA Rollovers. Their Retirement Plan Services offer programs such as 401(k), 403(b), 457 deferred compensation and Profit Sharing Plans for corporate and institutional clients as well as non-profit and government organizations. The program focuses on investment management, employee education, and plan design. It also includes full service record keeping and plan administration.

Also available at ABC Bank are full brokerage and insurance services including retirement planning, income distribution strategies, mutual funds, individual stocks and bonds, wealth transfer strategies, life insurance and long-term care. Licensed individuals are available to meet in any of their community offices.

“Michigan’s largest and oldest mutual bank reported earnings of \$7.5 million, total assets of \$1.5 billion and capital of \$150 million. Total assets grew 7.5% while loans and deposits grew almost 8% and 3%, respectively.”<sup>1</sup>

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<sup>1</sup> 2017 Annual Report – ABC Bank

According to the FDIC Summary of Deposits<sup>2</sup>, ABC Bank's market share was only 3.64%.

Although ABC Bank has the highest percentage as an FDIC Savings Bank in Michigan, the top three National Banks hold 60.17%, proving room for growth. There are several other community banks in Michigan, but the level of customer service is what makes ABC Bank stand out by far. But in order to continue growing and providing quality customer service, the bank must think creatively to accommodate both their customer's needs and their employee's desires. Enter Extended Support Hours.

## **Strategy/Implementation**

ABC Bank currently offers "banker's hours" for live customer service. This project will require a financial investment for the purpose of providing customers the hours that fit their lives; not the cookie-cutter 8:00 am – 6:00 pm.

The Customer Solution Center began as a one-person department taking customer calls for a single office. In 1996, the Customer Service Center was born. Staffed with four Customer Service Representatives, the department serviced three offices by answering their incoming phone calls; answering basic customer inquiries.

Jump ahead to today: the Customer Solution Center is staffed with a Manager, a Supervisor, and six Customer Solution Representatives serving the 24 offices located throughout the state of

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<sup>2</sup> FDIC, Deposit Market Share Report, Deposits as of June 30, 2016

Michigan. Not only is the Customer Solution Center assisting with basic customer inquiries, they are also troubleshooting online banking and assisting with the online account opening process. The bank now offers additional brick and mortar buildings and new technology, however; customer's expectations have also changed. Now is the time to enhance service by extending live customer service hours.

Not only is this a win for customers, it is also a win for Customer Solution Representatives and the bank as a whole. Past employees who moved on from the Customer Solution Center, did so for a multitude of reasons. Two consistent causes included high stress levels and the requirement of working Saturdays. Both of which can be eliminated with this change.

As a result of implementing this project, ABC Bank will provide Extended Support Hours of service for customers (not currently being offered by their competitor banks), decrease turnover by employing happier, less-stressed employees, and will likely retain these Customer Solution Representatives longer term making for a more seasoned Customer Solution Center.

ABC Bank's 24 offices encompass the entire state of Michigan. In 2016, the state's population grew to 1.355 million<sup>3</sup> and is continuing to rise. As the state's largest and oldest mutual bank<sup>4</sup>, ABC Bank needs to be in a position to service this increasing population. Offering Extended Support Hours to receive live help, will only set the bank further apart from its competitors. Products and services are generally the same at any bank. ABC Bank can stand out in providing

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<sup>3</sup> United States Census Bureau

quality customer service that aligns with their customer's expectations. Companies focused on providing a superior experience across customer journeys realized a 10-15% increase in revenue and a 20% increase in customer satisfaction.<sup>5</sup>

The Extended Support Hours project will be led by the Vice President – Customer Solution Manager, Donna Harris, who is looking to hone her project management skills. With 23 years of banking experience under her belt, she started her career as a part time teller in a branch. She has spent the last 20 years in the Customer Solution Center as both a Representative and Management. Reporting to Retail Banking brought great exposure to deposit product and development, regulatory changes, marketing initiatives and employee training. The Customer Solution Manager has participated in many project teams including Y2K, online banking and bill pay, multiple product projects, and most recently led the online account opening upgrade. Leading the Extended Support Hours project will include the need to work one-on-one with the vendor, negotiations, reading and comprehending contract details, and collaborating with areas of the bank not usually associated with the Customer Solution Center. These requirements are at a level beyond her past committee experiences.

ABC Bank's new President and CEO has an extensive community banking background which includes commercial lending, bank governance and regulation, wealth management and a passion to exceed customer expectations. His intentions are to grow the bank without converting to a

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<sup>4</sup> 2017 Annual Report – ABC Bank

<sup>5</sup> Source: McKinsey

Stock Corporation. The Board of Directors remains steadfast in its commitment to mutuality and independence.

Expenses are always an area being reviewed. ABC Bank's Efficiency Ratio was 85.28<sup>6</sup> as of June 30, 2017 and is considered high in the current banking industry. The bank's peer group had an efficiency ratio of 65.38. This is the measure of the bank's overhead as a percentage of its revenue. This means that for every \$100 of income ABC Bank generates, they have \$85.28 in overhead expenses. To lower the efficiency ratio, the bank needs to generate additional income or reduce its expenses. It may appear that an investment of this type will increase expenses and not generate income. However, making this investment will improve operating efficiencies and end overtime for the Representatives.

ABC Bank needs to remain competitive in the financial marketplace. There are a variety of financial institutions throughout Michigan where customers can get the traditional deposit and loan products. From other mutual banks to credit unions to commercialized banks to the Internet, ABC Bank is just one of the options customers can choose for their financial needs. The bank is competitive with rates and product pricing and has a presence throughout the entire state, but is that enough to give them the leading edge? The answer is no. In order to differentiate themselves from the competition, ABC Bank needs to provide quality customer service that is convenient to their customers. Focusing more on the customer and the relationships that can be built is critical.

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<sup>6</sup> UBPR – 6.30.2017

Several years ago, ABC Bank established a Customer Experience Committee. Most areas of the bank were represented and discussed various feedback. The customer may have been displeased with the latest upgrade to online banking or ecstatic about the new remote deposit abilities. The bank encourages their customers to provide the good and the “needs improvement” feedback. Each week, the latest submissions are provided to each team member for review. At least once each quarter, the committee meets to discuss the feedback. It’s important for the bank to have a clear understanding of what their customers want. This format is not just for customer comments, it’s also for employee suggestions and feedback. Who better to create greater efficiencies than the people doing the work? For every employee submission that is implemented, the employee receives \$25.

There is not another community bank in Michigan currently providing extended service hours. Think of the time differences in other countries. With Extended Support Hours, a twelve hour time difference will not be an issue. When the customer is jolted out of bed because she just realized she gave confidential information over the telephone, she can call and get peace of mind instead of leaving a message and waiting until morning. Customers who need help, regardless of the time or holiday, will be able to get assistance from their bank of choice, ABC Bank.

ABC Bank’s future success will be affected by many factors, some of which will be out of their control. The bank cannot determine the Federal Reserve’s rates, compliance changes, or the economy...we all remember the years of 2007 – 2009. However, ABC Bank can control their personnel. While the number of employees and positions directly impact the income and

expenses, retaining experienced employees can reduce the cost of recruitment and training, and decrease overtime and temporary help costs. Extended Support Hours can benefit the Representatives by decreasing their call volume as some calls will be made outside of normal banking hours. The Representatives could actually go into release after each call to ensure everything was handled in the manner they stated. They could even set up a task to remind them to check in on their customer at a later date. The simple fact of being able to place a return call to a customer opens up a wide opportunity to wow their customers. The overall attitude of the Representatives will be boosted immediately as they can now help their customers from start to finish. But the biggest benefit for the Representatives is no longer having to work Saturdays. To have two days off in a row to reset and recharge makes a difference. Other employees will be lined up to become a Customer Solution Representative in this more relaxed environment.

Customers will play an important role in the future success of ABC Bank. According to Khalid Saleh<sup>7</sup> it costs five times as much to attract a new customer as it does to retain an existing one. With the newly revived focus on the customer's experience, it's imperative that the bank provide existing customers with the assistance they need when they need it. Knowledgeable employees are the key to providing a positive experience with every employee interaction. As the front line, the Representatives are the face of the organization interacting with existing and potential customers. Customers enjoy speaking with seasoned Representatives who speak confidently because they know the bank's products and services inside and out. A quote from Warren

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<sup>7</sup> Invespro.com

Buffett states, “It takes 20 years to build a reputation and five minutes to ruin it.” It takes 12 positive experiences to make up for one unresolved negative experience.<sup>8</sup>

Scheduling demands will decrease. Having set timetables Monday through Friday will eliminate the hours of time being spent each month on scheduling. Time off requests will not require the Supervisor to monitor the evenly distributed Saturdays and afternoons off. One Representative needs this particular Saturday off or another Representative has an appointment and cannot come in until the afternoon. No more scheduling afternoons off to ensure overtime is at a minimum.

Call spikes come at the most inconvenient times. Having the resources at hand when needed will decrease hold times and allow the Representatives to assist more customers. When a debit card compromise affects  $\frac{3}{4}$  of the customer base, the number of Representatives available can be doubled. When an upgrade to online banking now requires the customer to re-enroll their device, the wait time to speak to a Representative is cut in half. Historically, the day after a holiday weekend brings an influx of calls. Since the holiday will be staffed, the increase in calls will be less. Creating a positive customer experience can be done when the customer’s needs are exceeded.

ABC Bank currently utilizes a project management process. The following is a guideline that will be updated during each meeting. This document is stored on the Intranet in the file titled, Expanded Hours.

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<sup>8</sup> Understanding Customers by Ruby Newell-Legner

<b>Project Name: Extended Hours</b>						
<b>Purpose of Project: Ability for external customers/consumers to speak with representatives during non-business hours</b>						
<b>Target Implementation Date: April 30, 2018</b>						
<b>Date Last Updated: October 9, 2017</b>						
	<b>Project Team Members</b>	<b>Department</b>	<b>Initial</b>	<b>Extension</b>		
	<b>Project Sponsor: John Swenson</b>	Operations	JS	5055		
	<b>Project Leader: Donna Harris</b>	CSC	DH	5062		
	<b>Matt Sweet</b>	Network Services	MS	5089		
	<b>James Garfield</b>	Network Services	JS	5263		
	<b>Mike Lowery</b>	IT	MW	5268		
	<b>Paul Nee</b>	IT	PN	5263		
	<b>Lindsay Cota-Robles</b>	Marketing	LCR	3258		
	<b>Lee Beachy</b>	Risk	LB	5260		
	<b>Carolyn Peverly</b>	Branch Admin	CP	3202		
	<b>Heidi Shaw</b>	Compliance	HS	5209		
	<b>Karon Thibault</b>	Deposit Operations	KT	5255		
	<b>Jenn Schaffner</b>	Training	JSS	5082		
	<b>Andy Giovanni</b>	Audit	AG	3218		
	<b>Liz Powell</b>	Electronic Banking	LP	5033		
	<b>Eric Carter</b>	Electronic Banking	EC	5081		
	<b>Gayle Price</b>	Human Resources	GP	3248		
<b>Line Item</b>	<b>Task Name</b>	<b>Responsibility</b>	<b>Start Date</b>	<b>Target Compl Date</b>	<b>Date Complete</b>	<b>Status/Comments</b>
	<b>Team</b>					
1.00	Familiarize and formulate questions	All	11.1.17	11.15.17		
1.01	Review Project Plan adding department specific line items	All	11.1.17	11.15.17		
1.02						
1.03						
	<b>Customer Solution Center</b>					
2.00	Schedule a presentation from LSI	DH	11.1.17	11.15.17		Reserve Board Room
2.01	Complete Pro-Forma	DH	11.1.17	1.15.18		
2.02	Complete Feasibility	DH	11.1.17	1.15.18		
2.03						
2.04						
	<b>Marketing</b>					
3.00	Prepare launch materials	LCR	11.1.17	3.1.18		
3.01	Create Sales Bulletin	LCR	11.1.17	4.15.18		
3.02	Create talking points	LCR	11.1.17	4.15.18		
3.03						
3.04						
	<b>Compliance</b>					
4.00	Research legalities of third party non-employees	HS	11.1.17	1.15.18		
4.01						
4.02						
	<b>Human Resources</b>					
5.00	Update handbooks	GP	11.1.17			
5.01						
	<b>Training</b>					
6.00	Third party employees	JSS	11.1.17	4.30.18		
6.01						
	<b>Audit</b>					
7.00	Determine what access LSI will have	AG	11.1.17	1.1.18		
7.01						
	<b>Electronic Banking</b>					
8.00	Provide access to approved systems	LP/EC	11.1.17	3.15.18		
8.01						
	<b>Deposit Operations</b>					
9.00	Retention Periods	KT	11.1.17	12.15.17		
9.01						
	<b>Network Services</b>					
10.00	System Needs	MS/JG	11.1.17	12.15.17		
10.01						
	<b>Retail Banking</b>					
11.00	Communicate to staff	CP	11.1.17	3.1.18		
11.01						
	<b>Information Technology</b>					
12.00	BCP Procedure	LB	11.1.17	3.1.18		
12.01						

## Financial Impact

Implementing Extended Support Hours will require an initial financial investment, as well as an investment of time by ABC Bank. The setup fee is \$10,500 and is categorized by the development of a knowledge base, the licensing fee, and the writing interface cost.

The knowledge base is a listing of ABC Bank processes and procedures that are referenced by LSI Representatives. Collaboration between the Customer Solution Manager and the development team at LSI will ensure the LSI Representative has a training guide available. As this will be utilized during each call, it is imperative that the knowledge base be current and accurate. As processes change and new products are introduced, the knowledge base will need to be updated by the Customer Solution Manager in a timely manner. Adding this process to the Manager's role will not cause a financial increase as the Manager is salary.

The Service Link Platform licensing fee is a one-time fee based on the number of LSI Representatives desired. The bank's project management team has recommended bringing on one LSI Representative to start knowing this number can be increased at any time. Should the bank increase to two LSI Representatives, the cost for two remains less than the cost of one ABC Bank employee.

The writing interface for ABC Bank on a Fiserv Premier Platform has a total cost of \$16,000; however, LSI shares \$8,000 in the investment. This allows LSI Representatives to gain access to

ABC Bank's customer database. To assist the customer, bank system applications also need to be accessed by the LSI Representative. The interface will provide the ability to use the programs that are required to resolve the customer's inquiry. The bank's Information Technology (IT) department will be heavily involved up to this point. Minimal IT time will be required once the interface is built.

The annual cost of an ABC Bank Customer Solution Representative, including benefits, is \$41,018. The estimated annual cost for a LSI Representative is \$182,484, which includes the annual security assessment and yearly licensing fee. This number is controlled entirely by the bank as the bank determines when calls get directed to LSI. Erlang, the Call Centre Staffing Calculator used for the Customer Solution Center states 11 Representatives are required for the bank to meet their service standards. This would require the bank to hire five additional CSRs equaling \$205,090 each year for only 40 hours each. LSI's cost would be \$182,484 for the year and would increase the hours to 24/7/365; resulting in a cost savings of \$22,606 each year prior to annual salary adjustments.

With an average 3% yearly merit increase, the value increases each year. LSI Representatives are also trained to upsell products and services, providing additional value to the bank. Beyond any of the financial data, a price cannot be placed on the added benefit and satisfaction to ABC Bank customers or the reduction of stress on the Customer Solution Representatives. Please refer to the Pro Forma<sup>9</sup> for additional details.

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<sup>9</sup> See Appendix Item 1

Using LSI to create Extended Support Hours provides ABC Bank multiple opportunities:

- The ability to service customers at the customer's convenience. This is a key factor in the bank's mission statement of exceeding the customer's expectations. No other Community Bank in Michigan currently offers 24/7/365 live banking assistance.
- Eliminate Saturday hours for Customer Solution Representatives. This has been a hot topic for several years. Family time is important to both the employee and the bank. One part of the bank's vision is to be the best employer to work for. Having a Monday through Friday schedule is very appealing to the Representatives and would deter them from applying for back office jobs that do not require Saturday coverage.
- Reduce customer concerns. Another challenge described by the Customer Solution Representatives is their concern for customers after hours. They are not always able to call during the current operational hours. Customers are then forced to wait until at least the next day to resolve their problem or put their mind at ease. This is especially true with lost or stolen debit cards. For the protection of the customer and the bank, these cards should be deleted from the system as soon as possible. Waiting an additional 24 – 48 hours can result in fraudulent transactions.
- Eliminate staffing shortages. There are known and unknown times when the Customer Solution Center requires additional help to maintain service levels. The Supervisor knows when scheduled vacations occur. The Supervisor also completes the scheduling when sending a Representative to a class or seminar. Additional coverage can be provided by LSI in advance of the hours needed. Calls can also be directed to LSI when

Customer Solution Representatives call in sick or have an unexpected need to be out of the office.

- Decrease the volume of call spikes. Unexpected and expected issues can occur at any time. From a debit card compromise to a known online banking change...these scenarios cause an increased call volume. Unanswered call and hold time statistics are just two of the service standards that are impacted by call spikes. When a situation arises, additional overflow calls can be sent to LSI to minimize customer impact.
- Enhance Business Continuity Plan. ABC Bank has a detailed plan in place should disaster strike. With the two LSI Call Centers based in Illinois, the one soon to open in New Mexico and with the bank controlling the Extended Support Hours, LSI can be incorporated in the bank's disaster recovery plans. Having additional Representatives available to assist customers during a disaster will help calm customers regarding the safety of their money. In the case of the bank's backup site not being available, all calls can be directed to LSI if necessary.
- Chat can be offered by LSI eliminating the need to hire additional ABC Bank Customer Solution Representatives to ensure response times are met. The cost for LSI to incorporate chat is the same as speaking with customers. This is just one more channel that can be offered without taxing the existing Customer Solution Center.

Retaining an experienced team with tenure is crucial to the success of the Customer Solution Center. With experience comes knowledge and confidence. Call times decrease as Representatives have fewer needs to speak with other employees for help. This directly impacts

service level standards. Customers experience a longer hold time and some fear inaccuracy in the Representatives answers. Alleviating some stress on the Customer Solution Representatives, along with the elimination of Saturday coverage will decrease the chance of burnout within the first two years.

When Customer Solution Representatives experience burnout, they begin looking for less stressful and more appealing work opportunities. As they leave, the hiring and training processes begin. Finding qualified applicants in Michigan is challenging; detailed background checks eliminate candidates immediately and the salary is often times less than the applicant is willing to accept. With the current work schedule and stress load, there are seldom internal candidates applying for the Customer Solution Representative position. The training time is cut in half for internal employees as they have the ABC Bank background and only need to be taught the Customer Solution Center procedures. Training a new Customer Solution Representative can take nearly one month before they are able to take calls, and nearly one year before they are working at the desired pace.

Customers need help when they need help, not necessarily during normal banking hours. Another option that was considered was to create an on-call Customer Solution Representative position. The cost for this type of employee would increase substantially as it would involve paying overtime and leaving the Representative with even less time for their family. The project management team agreed that finding an alternate solution would be best.

As a result of the information above, the project management team made the decision to use LSI to provide 24/7/365 live assistance for ABC Bank customers.

## **Investment Risks**

There is risk when introducing an offsite, out-of-state Call Center. Customers may not accept the change, employees may experience a feeling of insecurity regarding their position, the non-ABC Bank employees not providing quality service, and taxing the bank's Information Security department.

### *Customer Risk*

The Extended Support Hours project began with a goal of providing quality customer service during convenient times for the customer; not necessarily within the Customer Solution Center hours of operation. Customers should have access to live help at any time of day or night. ABC Bank customers are accustomed to speaking with people working and residing in Michigan.

There are times when the first question from a customer is to ask where the Representative is located. This is especially true when a Customer Solution Representative has a foreign accent.

Some customers have insisted on speaking with another Representative as they want reassurance that they are speaking with someone located in the state of Michigan.

Customers will always have the choice to call the Customer Solution Center during operating hours should they not want to speak with a Representative located in Illinois. As questions may arise, scripting will need to be created so consistent answers are provided by both the LSI Representative and the ABC Bank Customer Solution Representative when responding to these types of inquiries.

Customers may fear for the security of their personal and financial information. The bank's Information Security department will be heavily involved throughout the implementation process and will continue to remain involved after the offsite Call Center is deployed. ABC Bank will conduct due diligence from all potential viewpoints. Strict standards will be in place to safeguard the customer's information and security agreements will be signed. Again, Marketing will need to create consistent wording to be used by all should this fear arise.

### *Employee Insecurity*

Although employees have requested a Monday through Friday work week, the method in which this is being achieved may not register until calls begin to lessen as they are spread out over a 24 hour period versus 10 hours. They may feel the bank is beginning the process of outsourcing all customer calls, thereby leaving them without a position at ABC Bank .

The Customer Solution Representatives are encouraged to talk with their Supervisor or Manager whenever they have concerns. Human Resources will need to coach the management team on how best to handle these situations. The management team will need to continue showing their appreciation for the team and reminding them of their importance. ABC Bank has no intentions

of eliminating the existing Customer Solution Center as there are several specific tasks that will only be performed by a qualified bank employee.

### *Quality Service Standards*

Customer Solution Representatives are closely monitored for quality assurance purposes. The bank hires Representatives who are polite, professional, and competent. Using LSI, hiring is completely out of the bank's control.

LSI is able to provide first call resolution for 80% of all calls received. They are trained to hold conversations while they look at the knowledge base to answer customer inquiries. Their Team Lead monitors 12 random calls each month on each Representative utilizing their own QA sheet.

Categories include:

- Introduction & Customer Service
- Verification of Caller's ID
- Proper Call Resolution & Ticket Creation
- Cross Sells

All recorded calls are kept on file with LSI for six months. The bank has the ability to request specific calls at any time. ABC Bank will receive a ticket from LSI for each telephone call interaction. The ticket will provide the details and actions of the call.

A site visit is encouraged by LSI. This is an opportunity for ABC Bank to observe the LSI Call Centers in action. The visit starts the afternoon of arrival and concludes with a morning visit the next day. These visits can occur whenever requested by the bank. Conducting a site visit prior to signing an agreement has been proposed by the project management team.

### *Information Security*

Adventuring into new territory with an offsite Call Center requires a thorough vendor management process to ensure integrity. System limitations will be determined prior to the knowledge base build. Representatives will only be capable and or authorized of assisting the customer with approved processes. LSI has supplied references for ABC Bank to contact with more intimate questions. The bank's Information Security department will conduct due diligence prior to implementation. The project management team has recommended extending the project line to include additional research time.

### Best Case Scenario:

- Seamless implementation.
- Customers will be elated to have assistance available 24/7.
- The knowledge base is created effectively and is easily referenced by all LSI employees as well as ABC Bank staff.
- LSI Representatives are professional at all times and ABC Bank management will have no concerns to address from customers.
- Customer Solution Representatives are happier and more productive.

#### Worst Case Scenario:

- Long and difficult implementation.
- The project extends longer than the scheduled five to six month period.
- Customers are unable to reach the LSI Representative as promised after the launch date.
- When the customer speaks with LSI, the Representative is rude, condescending, inaccurate, or breaches the confidentiality contract.
- Scored sessions are scored incorrectly with the appearance of it being a good call when in fact it was not.
- Customer Solution Representatives flee the Customer Solution Center in search of a position with the appearance of more job security.

#### Likely Scenario:

- Five - six month implementation process with a near-seamless transition for customers during the Extended Support Hours.
- Whatever was not seamless will be resolved in a short period of time.
- Customers will eventually accept the offsite Call Center and come to appreciate it.
- The LSI Representatives will follow all guidelines regarding customer privacy.
- Calls will be pulled on a regular basis for the ABC Bank Supervisor to review.
- Customer Solution Representatives will be happy for the assistance.
- Switchboard position will be manned by existing Customer Solution Representatives.

## **Non-Financial Impact**

The implementation of extending support hours could impact ABC Bank in several positive, non-financial ways:

- Customer Measures
- Internal Process Measures
- Learning and Growth Measures

The bank will need to overcome some hurdles as well:

- Customer Acceptance
- Change in Existing, Well-Known Culture
- Keeping LSI Call Center Up-To-Date

## **Logistical and Organizational Hurdles**

### *Customer Acceptance*

The success of this project will require customers to trust the extended hours support team in order to utilize the service effectively. Trusting a non-bank employee with their financial information could be a hard pill to swallow for many customers. On the flip side, having peace of mind at 2:00 am regarding a stolen wallet could be an outstanding moment for a customer with a local, community bank. If extending the support hours is to be successful, customers will need to be willing to call after hours to have their questions answered.

Communication is the key to overcoming this hurdle. Helping customers understand how the extended support hours will positively impact and benefit them will aid in obtaining their acceptance. Educating all bank employees regarding the LSI Call Center and their role with ABC Bank ; ensuring the employees are armed with confident talking points to ease the customer's mind. It is also imperative that the LSI Call Center be trained appropriately on how to treat the bank's customers. Not only providing accurate information, but presenting the customer with an upbeat experience. The project team will work closely with Marketing in developing a schedule of announcements and advertisements. Sales Bulletins will be created to assist employees with the understanding of who, what, when, where, why and how of having after hours support.

#### *Change in Existing, Well-Known Culture*

ABC Bank has a history of being a local, community bank. Most employees live in or near the state of Michigan. When the Customer Solution Center hired a representative with a Romanian accent, some customers refused to speak with her. Questions of where she was located were asked and comments were made about having a Call Center in another country. ABC Bank has a large elderly customer base who struggle with change, technology or cultural based.

When the bank introduced online banking, they faced customer resistance because it was unfamiliar territory for their customers. Many customers did not understand the level of security the bank imposed with that product. It took time and employee patience to educate their

customers on the safety of online banking. The bank and their customers made it through that culture change, so there is no reason why they wouldn't make it through this one.

Getting past this hurdle will require time and repetitive, quality service. Customers will pay close attention to every conversation had with the new support team. They will report back to the bank on their findings if something didn't go the way they felt it should. The Customer Solution Manager will need to reach out to these customers to provide clarity and assure them that they can trust the afterhours support team. With the LSI Call Center providing accurate, quality service from the start, the clock will start ticking on the amount of time customers will need to feel confident with the new support team.

#### *Keeping LSI Call Center Up-To-Date*

It is imperative that the LSI Call Center provide accurate, quality service on each and every call with ABC Bank customers. Not doing so could result in a publicity nightmare. Social Media and word of mouth travel quickly when service is sub-par. If a product has changed or a new service becomes available, the LSI Call Center needs to be made aware in a timely manner in order to communicate correctly with the customer.

This will result in the Customer Solution Manager needing to reevaluate her current responsibilities to ensure the LSI Call Center has the most up-to-date and accurate information at all times. The lines of communication will need to remain open between the LSI leader and the ABC Bank Manager to build and maintain a professional relationship. Collaboration regarding

accuracy and service standards will need to happen. Conducting quality assurance checks on LSI calls will be mandatory and will definitely change the Customer Solution Manager's job description, however; the reward will be well worth this investment of her time and energy.

ABC Bank's Extended Support Hours project will have non-financial impact. Initially, the goals of the project include delivering exceptional customer service, reducing CSR stress and burnout, and extending service hours to meet the customer's needs. If these goals are met, this should result in higher customer satisfaction, increased productivity, and employee retention and satisfaction.

#### *Customer Satisfaction*

To evaluate this impact, the bank relies on customers sharing feedback regarding bank interactions. They may casually comment about the time they spent on hold, the friendliness of the CSR, or the inconvenience of the bank closing at 6:00 pm. Whenever feedback is provided, the CSR logs the comments in the bank's CRM application. The Customer Experience Committee reviews each submission and decides how to utilize the information. This form of measurement shows trends in customer satisfaction.

Post project, random quality service surveys will be offered to customers who utilized the LSI Call Center. The surveys will ask about the customer's experience and allow the customer to elaborate upon their thoughts. At the same time, the customer will be able to suggest improvements they feel will better suit their needs.

The organization is directly impacted by the customer satisfaction core goal set by ABC Bank...if customers are unhappy, they will move their accounts to another financial institution.

In the long-term, ABC Bank's ability to offer Extended Support Hours will become a key reason for the community to bank with ABC Bank; no other local bank is providing live help during non-traditional banking hours.

### *Productivity*

Since ABC Bank's Customer Solution Center is all encompassing, measuring the productivity of the CSRs can be easily broken down in to five areas; keep in mind though that there is always something on the horizon that can be added to the CSR's repertoire of responsibilities. As one department of the Operations Team, there are plenty of opportunities to assist other departments with their tasks and projects when necessary. Spreading out the call volume will free up the CSRs to complete their after call work accurately, respond to secure messages and emails in a more timely manner, work the online account platform, make follow up calls to customers and cross train in the other departments to offer their assistance.

The impact on the bank will be quite favorable. Accuracy is key when working with customers. The expectation is that their banker will take care of them, after all, they have entrusted their money with the bank.

Since other communication channels are offered within the Customer Solution Center, those inquiries should be answered using similar standards to phone calls. Although the customer is not considered in front of you when using secure messaging or email response, they should be answered in the same amount of time as a telephone call.

Although online account opening is owned by the Customer Solution Center, it is currently worked only by the Manager. This is not a profitable use of her time and should be worked by all CSRs. Customers call with questions regarding the account they are attempting to open, and since the CSRs are not trained to handle online accounts, the customer gets placed on hold or transferred to the Manager for assistance.

ABC Bank wants to wow their customers; they want to be the bank with the best reputation. Imagine placing a check order. Two weeks later, the CSR that placed the order then calls the customer to ensure they received their checks and to make sure they were printed correctly. Wow! Perhaps a customer mentioned having an upcoming surgery. CSRs care about their customers; they could call to let the customer know they were thinking of them. Talk about a personal touch!

Cross training results in a more knowledgeable employee which ultimately affects the customer by being able to assist them completely in one phone call without the need to place them on hold or transfer them to another employee.

Utilizing existing staff to their fullest potential, creates greater efficiencies and reduces the need to employ additional bank employees. This will reduce the efficiency ratio as operating efficiencies are improved and instill confidence in both employees and customers.

### *Employee Retention*

CSR turnover can rear its head at any moment. Employees leave the Customer Solution Center for a variety of reasons: location change, health issues, and more desirable positions within the organization. While the first two are out of the bank's control, the last one is something that can be changed. Measuring the length of time a CSR remains in the Customer Solution Center is easy. Working creatively to improve employee retention can be challenging.

When a CSR leaves the organization or transfers/promotes to another department, the impact is felt throughout the bank. One less person taking calls, more customers frustrated by the increased hold times and lack of confidence from the CSRs; shifting CSR duties to other departments in the hope of minimizing this impact is futile.

Extended Support Hours will be beneficial to the bank in general, the bank's customers, and the bank's employees. Happy CSRs give their customers the highest level of service. When quality service is received, the word spreads; increasing deposit and loan accounts...growing the bank.

With additional customer inquiries doled out to the LSI Call Center, ABC Bank CSRs can reduce their stress levels; one of the main reasons CSRs leave the position. Another key impact is the ability to offer a Saturday-free work schedule. Increased family time also results in content CSRs.

The hiring process alone can cost the bank large sums of money. Training is time consuming of not only the new CSR, but also a seasoned CSR. That CSR is not taking calls while training; another resource gone which increases customer hold times. If employees are retained in the Customer Solution Center, those CSRs continually grow while becoming a key player in the bank. As CSRs know a little bit about everything, the longer they remain in the Customer Solution Center, the more knowledge they incur, making themselves invaluable.

### *Employee Satisfaction*

Every three to five years, a bank wide employee satisfaction survey is presented to all employees encouraging their thoughts and feedback. As this is created with all employees in mind, the Customer Solution Center has another method. Each year, the manager takes each CSR to lunch. During lunch, specific questions are asked to draw out the CSRs thoughts regarding improvement and what is working well. This meeting provides information that is stored year after year...and year after year, many of the same recommendations come to light regarding Saturday coverage and stress levels.

Extended Support Hours will increase employee satisfaction by eliminating Saturday calls and reducing the number of calls after weekends and holidays. Having at least two days in a row free from work reduces the stress as employees have more time with their families and friends. When Monday rolls around, they are rested and prepared to start the week.

As CSRs become more satisfied, they will likely have the desire to grow within the Customer Solution Center as the hours are favorable within the bank. Advancing CSRs to Specialists not only changes their title and increases their pay, it also is a direct result of time and dedication. When a customer speaks with a Specialist, they will feel confident in what information is being relayed.

## **Analysis**

Extending the support hours for ABC Bank's Customer Solution Center is beneficial in all aspects. The bank, the customer, and the employee will all benefit from partnering with LSI.

The bank could take on the equivalent of five LSI Representatives for less than the cost of five Customer Solution Representatives. This will put the bank ahead of the curb as no other Community Bank in Michigan is currently providing 24/7/365 live customer service. The bank determines the cost based on the needs of customers. They also have complete control of what applications LSI will utilize and what processes they can perform.

The customer will be able to have their questions answered and their minds put at ease no matter what day of the week or time of the day it is. Having 24 hours in which to make a call versus 10 provides a greater convenience for the customer. Customers will no longer be under time

constraints to reach the bank. Current customer wait times can exceed 10 minutes and causes frustration for the customer who has no choice but to stay on hold until they are answered.

There are several benefits to the ABC Bank employee. Their workload will lessen as some calls will be during the Extended Support Hours rather than the Customer Solution Center operating hours. Spreading out the calls will lessen the number of calls on hold, also lessening the stress placed on the Customer Solution Representative as they are reminded of queue throughout the day. The need to no longer work on Saturdays and having a set schedule will foster a happier work environment. Happy employees provide higher quality customer service.

After considering the financial and customer impact, the project management team recommends moving forward with the project plan to Extend Support Hours.

## **Conclusion**

Successful implementation of Extended Support Hours has the potential to improve ABC Bank's reputation by increasing customer satisfaction, reducing employee turnover and enhancing the bank's Business Continuity Plan. This can also eliminate staffing shortages by directing additional calls to the offsite solution. The project team recommends partnering with LSI for 24/7/365 support while maintaining the existing local Customer Solution Center Monday through

Friday 8:00 am to 6:00 pm. The project team members believe uniting with LSI will meet all expectations by the bank and its customers.

## Appendix

### Item 1 – Pro Forma

<b>ABC Bank Preliminary Pro Forma</b>						
<b>Project Name:</b>	Extended Support					
<b>Responsible Manager:</b>	Hours Donna C. Harris					
<b>Department:</b>	Customer Solution Center					
	<b>Year</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	
<b>Start-Up / Implementation Costs</b>						
Feasibility & Analysis	\$0					\$0
Due Diligence Costs	0					\$0
Development of Knowledge Base	2,000					\$2,000
Licensing Fee	50					\$500
Writing Interface	8,000					\$8,000
Conversion Costs						\$0
Employee Training Costs	0					\$0
Communication / Marketing	0					\$0
Legal Review / Expenses	0					\$0
<b>BCP or Redundancy Cost (One Time)</b>	0					\$0
<b>Total</b>	\$10,500	\$0	\$0	\$0	\$0	\$10,500
Budgeted? (See below)						
<b>Annual Operating Costs</b>						
Annual Security Assessment	\$1,500	1500	1500	1500	1500	\$7,500
Yearly Licensing Fee	24	240	240	240	240	\$1,200
Yearly Minimum	180,944	180,74	180,744	180744	180744	\$903,720
Additional Minutes Used		4				\$0
ABC Bank Admin (Vndr Mgmt, Contract)	0	0	0	0	0	\$0
<b>BCP or Redundancy Costs</b>	0	0	0	0	0	\$0
<b>Total</b>	\$182,484	\$182,484	\$182,484	\$182,484	\$182,484	\$912,420
	\$192,984					
Annual CSR Cost (w/ benefits)	\$41,018	\$42,249	\$43,516	\$44,821	\$46,166	\$217,770
<b>Budget Information:</b>						
Yearly Minimum is taking 720 calls each month						

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