

Collections & Customer Service Flex Agent Proposal

Executive Summary
12/01/05

Submitted for consideration for CWPP certification –
suggested Project #9



Problem Statement

- Executive Management of a Financial Services company have challenged all call center functions to find opportunities to leverage synergies and find efficiencies during the coming fiscal year
- The current organization has 3 call center functions silo'd into different business units, Collection, Consumer Retention and Customer service located in 3 contact centers across the USA
- WFM believes that they have identified an opportunity to leverage technology and the latest WFM practices that would allow the organization to merge the inbound Collection department with the larger Customer Service department
- The Solution requires a move away from Universal agents in each department to a skill based routing model

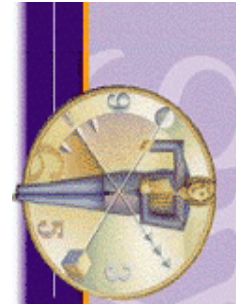
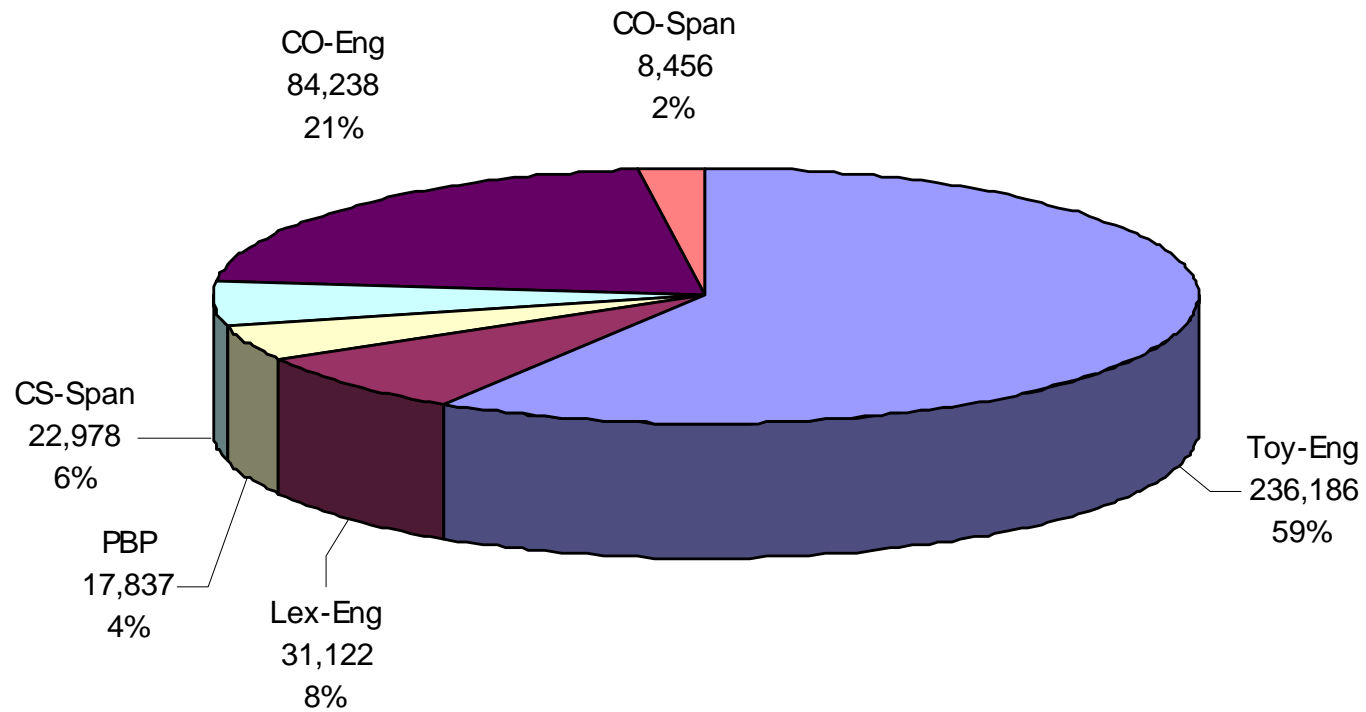


Current State

CUSTOMER SERVICE	INBOUND COLLECTIONS																								
<ul style="list-style-type: none"> • 3.6 Million calls per year • 305,000 calls/month • Universal English CSR Skill: Product T 1(214), Product L (215) Product P(219) • Spanish Skill: Span_Prod T (210) • Operating Hours 7am–10pm CST M-F, 7-7 CST Sat • CSR Staffing – 302 FTE <table border="0" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th></th> <th style="text-align: center;">English</th> <th style="text-align: center;">Spanish</th> </tr> </thead> <tbody> <tr> <td>• East</td> <td style="text-align: center;">106 FTE</td> <td style="text-align: center;">11 FTE</td> </tr> <tr> <td>• Central</td> <td style="text-align: center;">70 FTE</td> <td style="text-align: center;">7 FTE</td> </tr> <tr> <td>• West</td> <td style="text-align: center;">92 FTE</td> <td style="text-align: center;">16 FTE</td> </tr> </tbody> </table>		English	Spanish	• East	106 FTE	11 FTE	• Central	70 FTE	7 FTE	• West	92 FTE	16 FTE	<ul style="list-style-type: none"> • 1.1 Million calls per year • 93,000 calls/month • Universal English Collector Skills: Low Risk(259) High Risk(262) • Spanish Skill: All Risk (260) • Operating Hours: 7am-8pm CST M-Th (blended until 10pm) 7am-6pm CST Fri, No internal Sat hrs • Collector Staffing – 100 FTE <table border="0" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th></th> <th style="text-align: center;">English</th> <th style="text-align: center;">Spanish</th> </tr> </thead> <tbody> <tr> <td>• East</td> <td style="text-align: center;">85 FTE</td> <td style="text-align: center;">7 FTE</td> </tr> <tr> <td>• Central</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>• West</td> <td style="text-align: center;">-</td> <td style="text-align: center;">8 FTE</td> </tr> </tbody> </table>		English	Spanish	• East	85 FTE	7 FTE	• Central	-	-	• West	-	8 FTE
	English	Spanish																							
• East	106 FTE	11 FTE																							
• Central	70 FTE	7 FTE																							
• West	92 FTE	16 FTE																							
	English	Spanish																							
• East	85 FTE	7 FTE																							
• Central	-	-																							
• West	-	8 FTE																							



Service/Collections – Monthly Call Distribution



Current Challenges/considerations

- Inbound departments use different forecasting and scheduling methods reducing efficiencies and economies of scale
- CO - evening hour coverage – very poor SLs using inbound call blending at the Western Service Center after 9:00pm EST
- CO - Saturday Coverage in problematic
 - No internal coverage (vendor dependent)
 - CRM Software Licensing issues/considerations
- Spanish calls – growing demographic – current equity issues for both bilingual CSRs and Collectors from a scheduling and occupancy standpoint
- No IVR for Collections
 - Misdirected calls – anecdotally 15-20% of calls to skill 259 not delinquent or redirected to other depts (BK, Skip Tracing, etc..)
 - Inconsistent Phone Pay treatment



Proposed Solution

- Combine the inbound Collections function with Customer Service
- Modify skill set model
 - Migrate from a departmental Universal inbound agent model to a multi-skill model
 - Test into Flex (multi-skill) Agent using English and bilingual pilot(s)
- Leverage the existing CS IVR to support delinquent Customers
 - Pay by Phone (near term)
 - Single point of entry (mid term)
 - Identify Risk
 - Automated routing decisions
 - Enhance Collection functionality (long term)
 - Promise to Pay
- Standardize CS and CO inbound operating hours



Anticipated Benefits

- Reduced vendor dependency
 - Reduce CRM software licensing expense – at @ 30 FTE this would be a one time fee of \$51,000.00
 - Variable Labor expense saving of 30 FTE at vendor location - ($\$24.40/\text{hr} \times 10 \text{ hrs} \times 30 \text{ FTE} = \$7,320.00$ per Saturday or \$380,640 annually)
- Leverage economies of scale
 - Anticipate approx 10 FTE lift if entire department was Flex Agents
- Improved alternative work schedule availability for former collectors and bilingual staff
- Improved SL consistency
 - Seasonal variations differ by department – opportunities to flatten o/u
 - Intra-day variations – SL degradation in evening for CO is dramatic



Anticipated Benefits - cont

- Call Reduction through reduced transfers and improved FCR
 - Estimated at 10-15% of current CO volumes
- Simplified management structure and single ownership for majority of inbound calls
- Opportunities to combine CO and CS peer assist groups



Multi-Skill versus Universal Agent

MULTI-SKILL

Pros:

- Quicker implementation
- Current model is well understood by staff
- Reduced training requirement
- Specialists – higher production rates through repeated task familiarity
- Allows for a defined career path
- Turnover impact may be limited

Cons:

- Smaller groups are less efficient
- More complex scheduling model
- Less flexibility from CSR scheduling perspective – particularly bilingual staff
- Forecasting is more challenging
- Turnover impact may be significant

UNIVERSAL AGENT

Pros:

- Optimal leverage of economies of scale
- Simpler forecasting & scheduling model
- Greater agent flexibility
- Improved First Call Resolution
- Reduced transfers

Cons:

- Generalists often operate at lower production rates – (EVPH at 25% of calls?)
- Need to keep ALL skills current
- Turnover impacts
- Longer training time for new hires
- Existing staff may not have aptitude for UA
- No career path

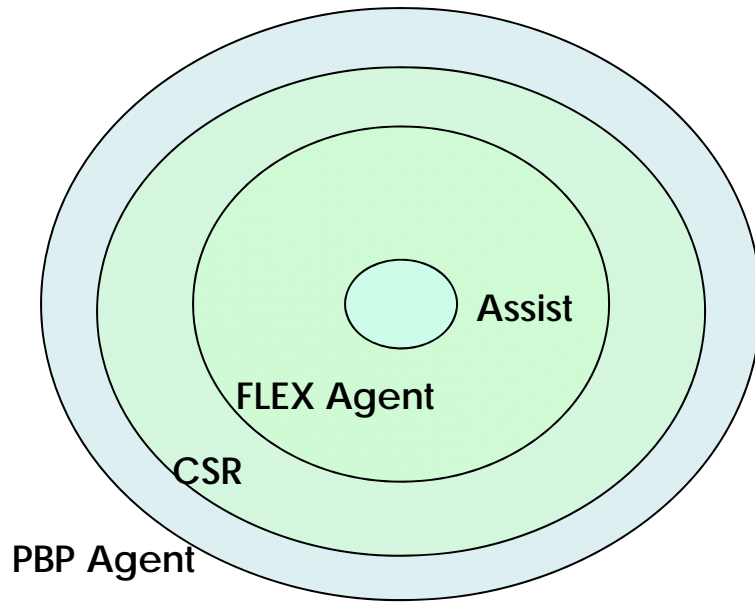
Benefits can be leveraged from both models



Society of Workforce Planning Professionals



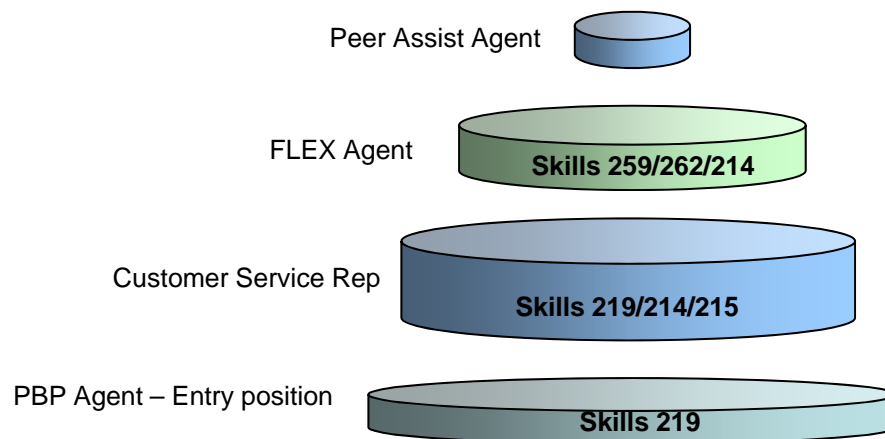
A hybrid approach - Ripple on a pond.....



- Assumes that each successive tier can handle everything beneath it
- Allows for career path opportunities
- Supports a gradual move of current associates to a Universal Agent model
- The simplest multi-skill scheduling model

Notes:

1. Schedule from inside out
2. UA requirement would be based on 259 volume plus 30%

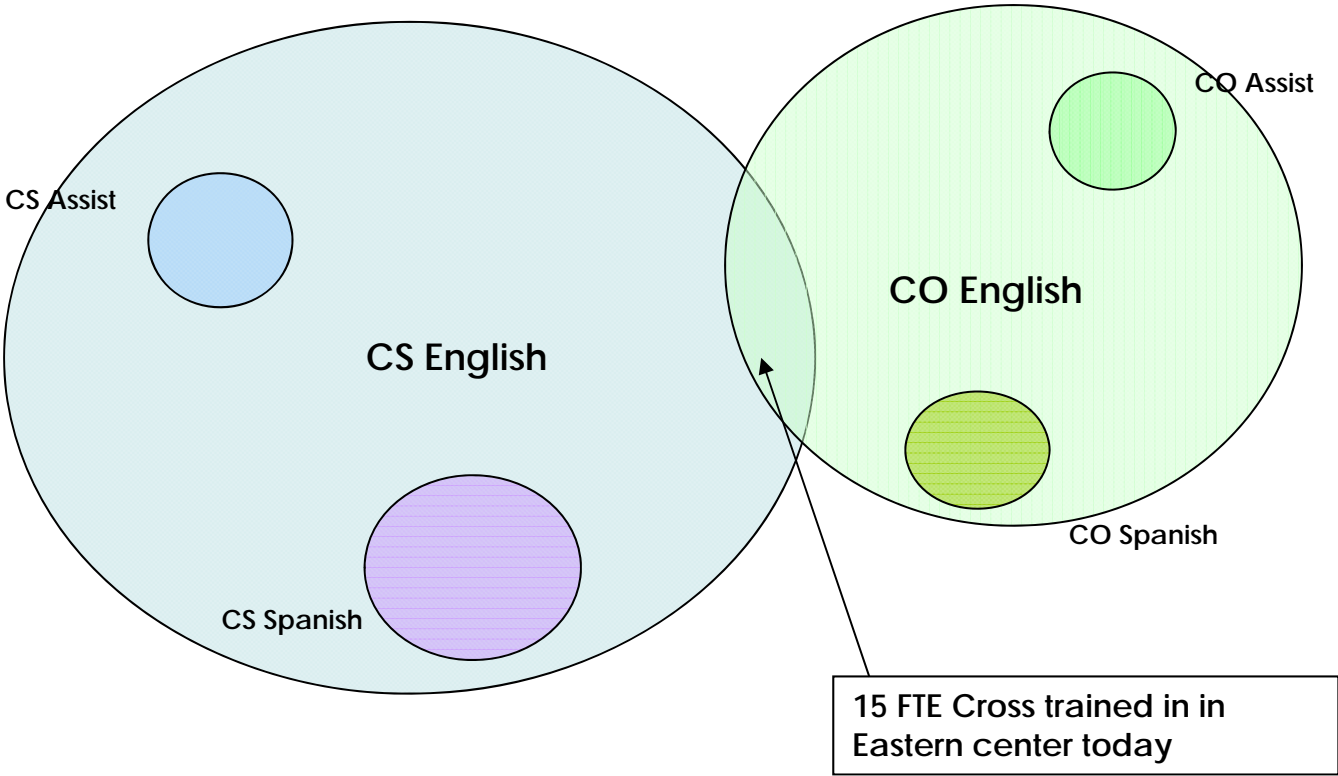


Phased Approach

- Why not train everyone?...
 - We currently do not need 400 FTE to be able to do everything
 - Enormous training effort to cross train 400 FTE
 - Likely to encounter some associate resistance and aptitude issues
- Allows us to address immediate issues and test into the likely problematic areas of
 - Performance management
 - Change Management and Associate Relations issues
 - Career path expectations
 - Compensation
 - Scheduling

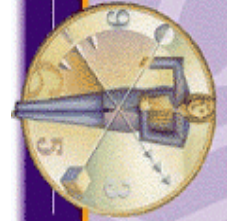
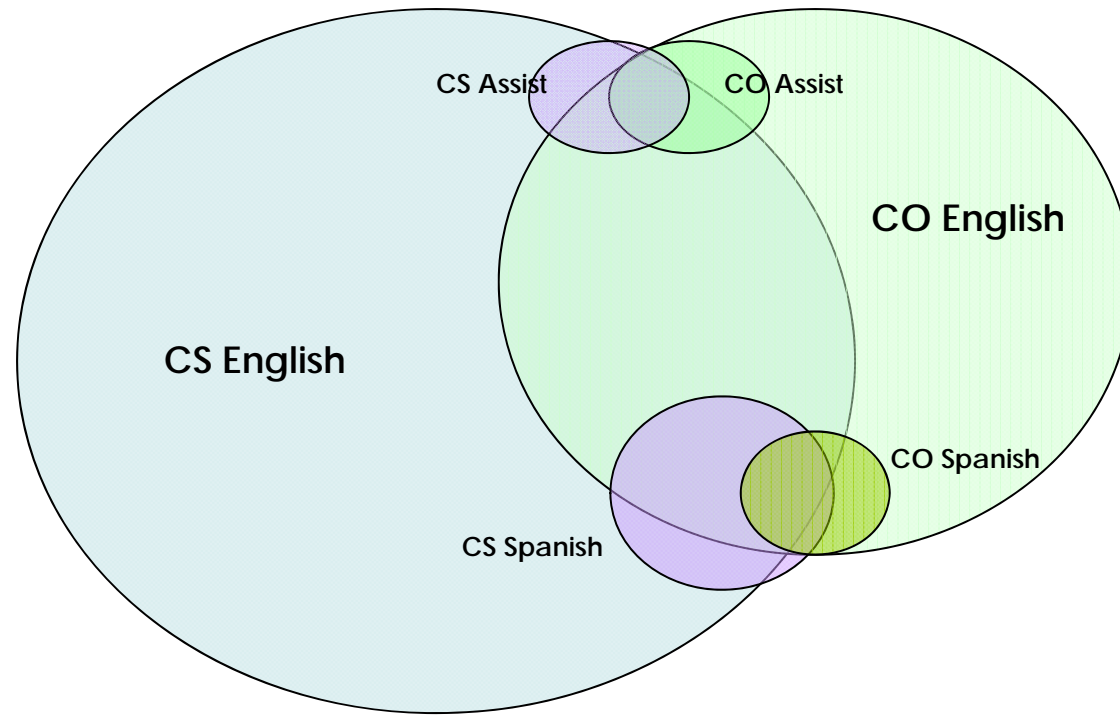


Current Skill Model



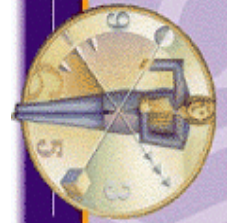
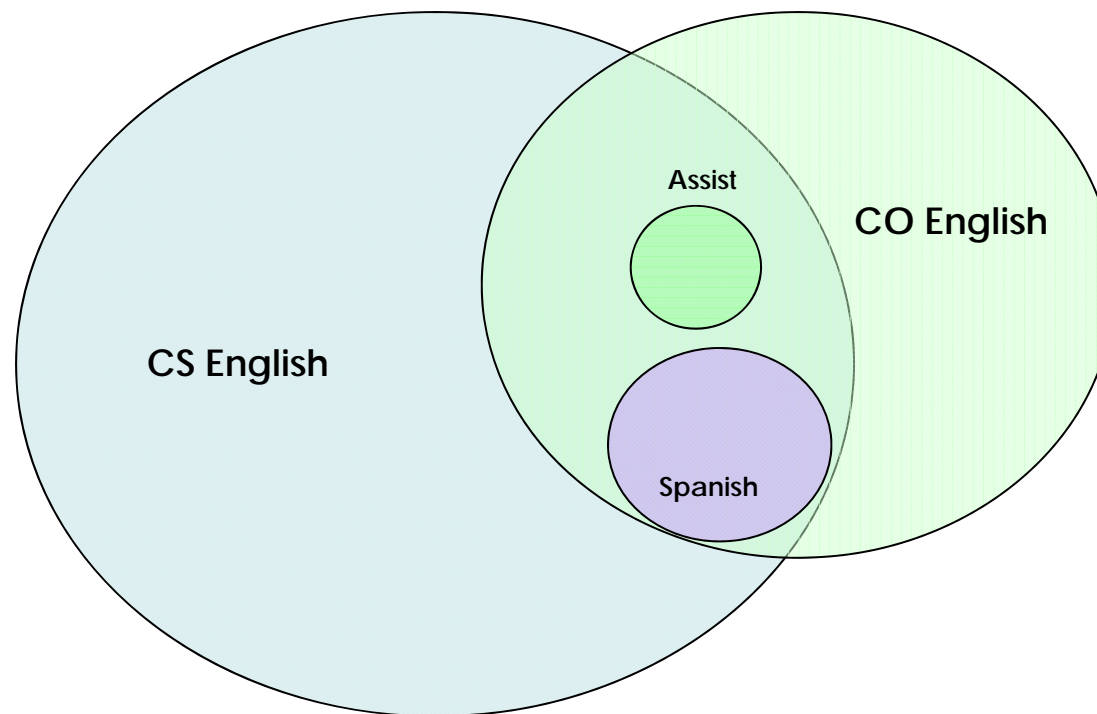
Interim Skill Model – Phase 2

- Increase # of cross trained English agents
- Cross train Spanish teams
- Start cross training Peer Assist teams



Interim Skill Model - Phase 3

- # of cross trained English agents continues to grow
- Spanish team entirely cross trained
- Create single Peer Assist team

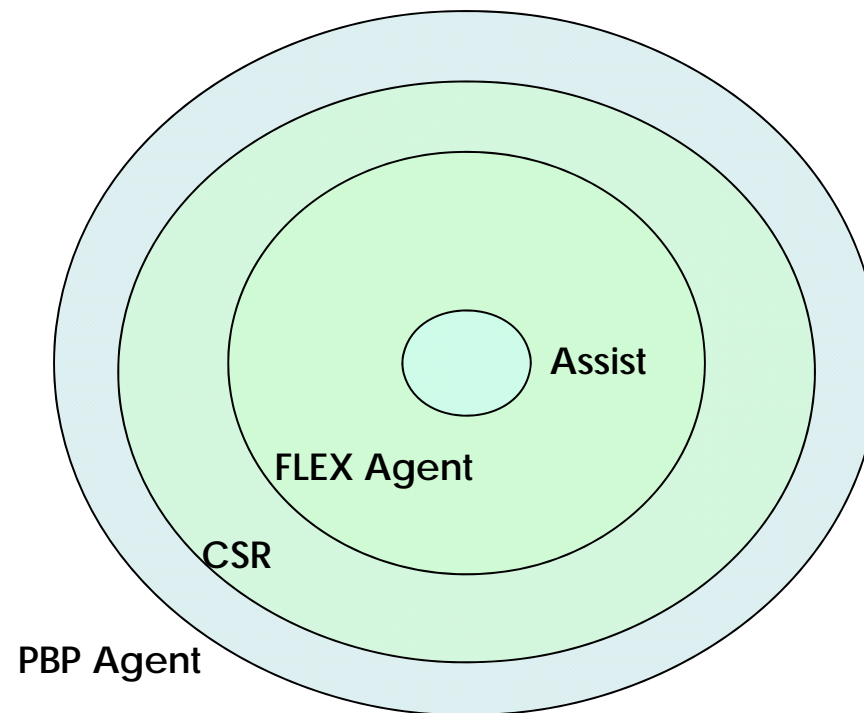


Society of Workforce Planning Professionals

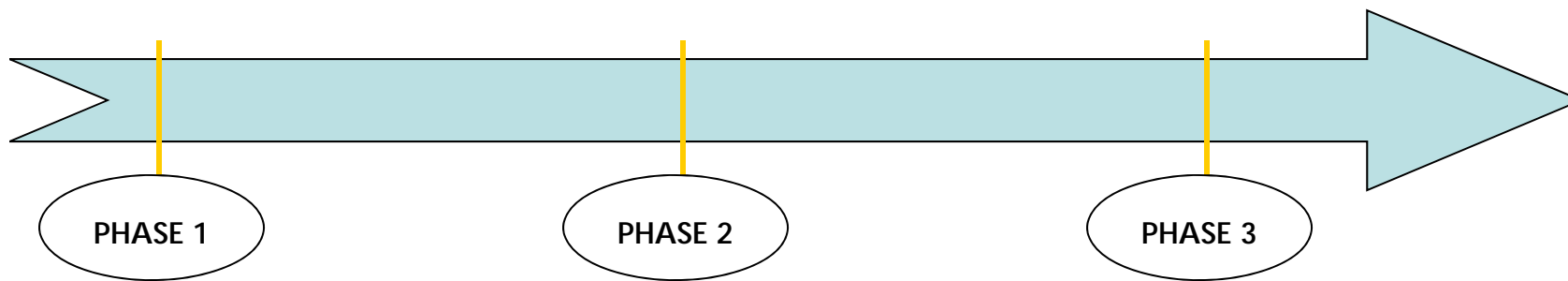


Desired End State

- Model the same for English and Spanish
- New Hires recruited with CO and CS Skills
- Existing staff either cross trained or assigned CSR functions
- Peer Assist is pinnacle of CSR function



Phased Approach

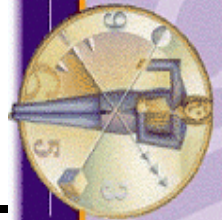
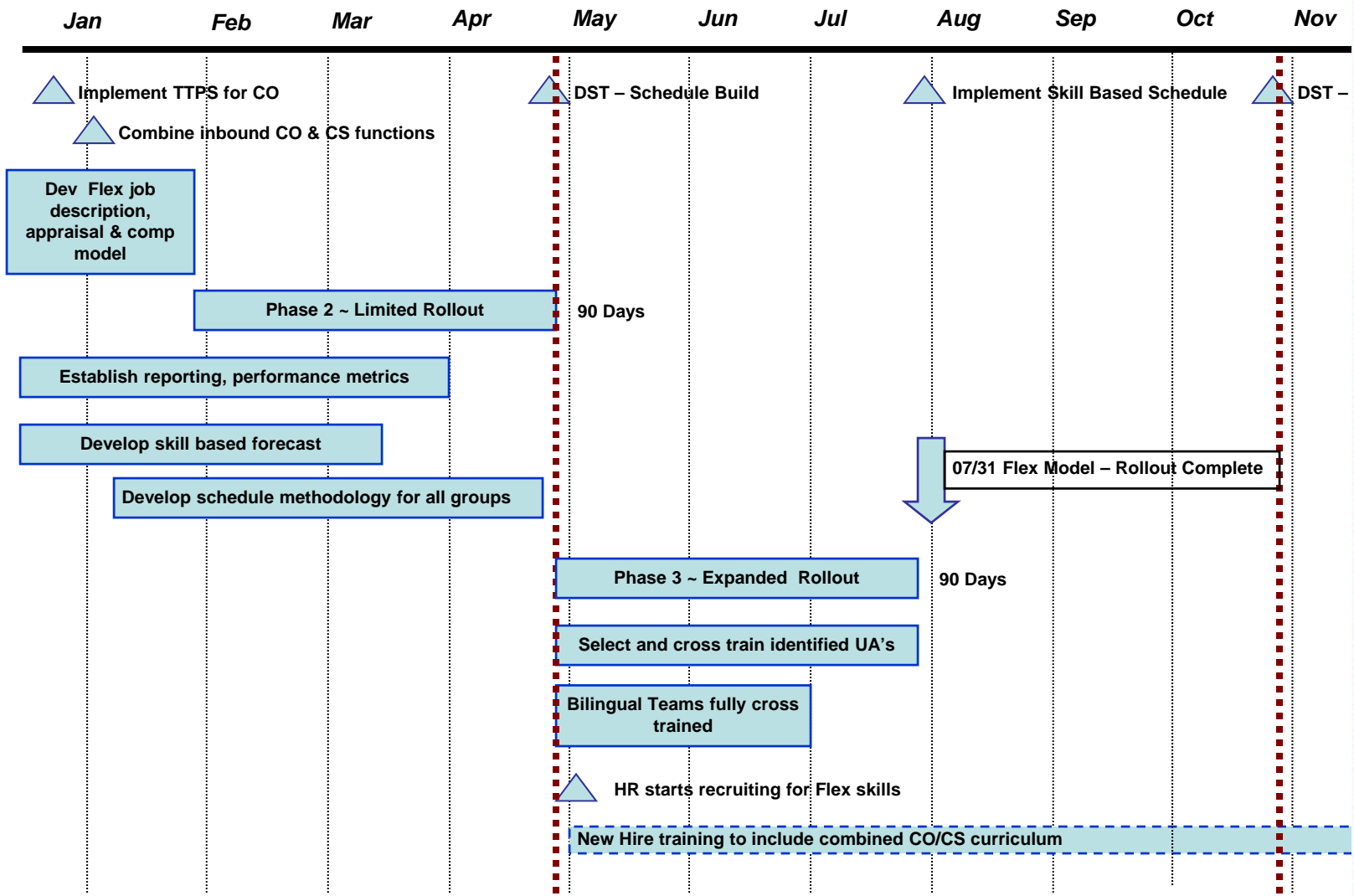


- Implement IVR for inbound Payment Calls
- Merge Inbound CO and CS into same Dept
- Establish consistent Operating hours across skills
- Establish dedicated inbound CO resources in West Center
- Develop Flex Agent Job Description
- Develop Flex Agent compensation model
- Develop performance metrics for UAs
- Communication Plan

- Develop Skills forecast & scheduling methodologies
- Establish CSR call routing priorities and update routing design in CRM Software
- Select & Train Flex Agent candidates for pilot
- Implement 90 day pilot using dedicated English and bilingual teams
- Validate Pilot results against desired outcomes
- Modify procedures/practices based on lessons learned

- Establish optimum skill mix for English Flex Agent model
- Cross train entire bilingual team as Flex Agents
- Develop competency model w/HR to recruit for new hires
- Identify current employees that lack aptitude and develop core skills
- Ongoing multi-skills forecast & schedule development
- Enhanced IVR functionality to automate routing for inbound CO

Timeline



Society of Workforce Planning Professionals



Communication Plan ~ Message Points

- 01/01/06 - Merge inbound CS & CO – Phase 1
 - Management Reporting structure
 - Operating Hours
 - Saturdays
 - Blended handoffs
 - Staff realignment
 - West dedicated inbound
 - Western Bilingual team move
 - Career Path Opportunities
 - Cross training?..
 - Compensation?..
- 02/01/06 – Phase 2
 - Managed Rollout
 - Scale
 - Locations
- 05/01/06 – Phase 3
 - Expand program
 - Leverage annual reviews to select candidates for UA
 - Fully implemented by 07/31/06



-Q & A





Society of Workforce Planning Professionals

