

Nationwide and Navigant: Collaboration Delivers Lasting Process Improvement Benefits

EXECUTIVE SUMMARY

Nationwide Building Society's Contact Centres are vital to its customer service. Increasing call volumes and regulation meant costs were creeping up. Navigant was tasked with helping Nationwide improve the efficiency of customer interaction and deliver savings without compromising service.

Our client had already established a Performance Improvement Team which had made process improvements and reduced unit costs. Navigant was invited to add value by introducing new tools and techniques to further support this team. We formed a joint team with Nationwide's staff, targeting a further 8% reduction in call duration.

The combined team has now achieved an 11% reduction in average handling times, realising well over £1 million in reduced costs, and improvements to Service Tracker, the in-house customer service metric. This has enabled the business to free up capacity to manage increased call volumes and streamline organisational structure.

This project stands out because it evidences the potential of working collaboratively. Embedding our skills, tools and techniques supported Nationwide to deliver continuous improvement within the operation. This is providing genuine long-term added value and a more stimulating opportunity for Nationwide's staff to acquire and deploy new skills.

Mark Cross, Nationwide's Head of Contact Centre, commented "Navigant took time to understand not only the problem but also the issues and concerns from the team. Taking this approach meant that we were able to work together more effectively, utilising their skills, methodologies and insight to realise benefits far more quickly than we had planned."

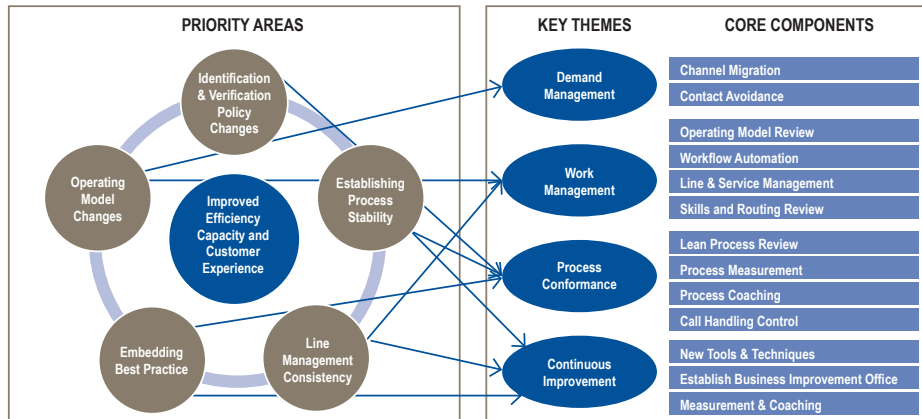
PROJECT AND APPROACH

Background and Objectives

Nationwide Building Society's strapline "on your side" means that customer service is at the heart of everything the company does. Customer satisfaction forms a part of every employee's bonus, achieved only by being consistently ahead of the competition in an industry-respected survey of customer experience.

In achieving ever improving customer focus, operational costs were increasing at a time when the Society was challenging every penny of expenditure. Our objective was to identify opportunities for savings without compromising service.





Voice of the Operation Analysis

During 2011, Navigant delivered a "Voice of the Operation" root cause analysis and benchmarking project.

By introducing benchmarking analysis, we identified new opportunities for improving processes which provided a solid foundation for further work. We deployed specific techniques to identify target focus areas, ultimately achieving efficiencies at a faster pace than would have been delivered by the operation on its own, without impacting on customer service standards.

Having partnered with together on other assignments, Nationwide valued our cultural fit and trusted advisor status. Navigant was engaged to provide the knowledge and tools to develop a collaborative methodology which would enable the delivery of savings for the client. We also equipped key Nationwide staff to leverage their own experience and use our tools to deliver continuous improvement long after external support was no longer on site.

Supporting this we produced a cost/benefit model and developed a business case to to justify our costs and demonstrate the value-added our involvement would bring.

Our first objective was to qualify the opportunity further and identify where we could make realistic savings, aiming to maximise "quick wins" and deliver tangible reductions in expenditure in the current financial year, with annualised benefits being fully realised the next financial year.

Everything rested on a convincing business case.

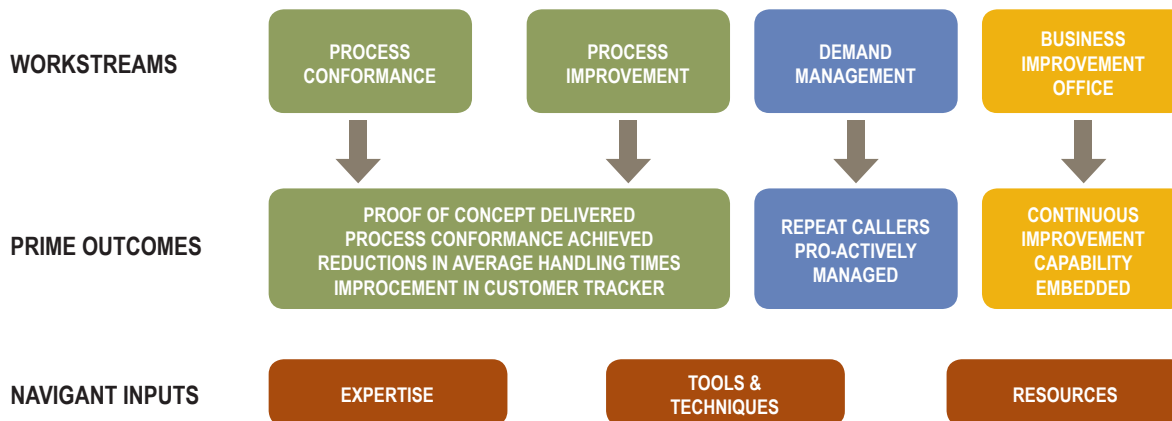
Our submission was thorough, gaining particular praise from those allocating the budget. The client commented "it was a very professional submission, among the best I have seen in recent years".

We worked hard to set out a month-by-month schedule of anticipated savings, aligning closely with our resource plan. With the team spread over three sites, we needed to engage large numbers of people to ensure the changes we were recommending would feed through quickly into the bottom line to hundreds of call-centre operatives.

While our methodology is tried and tested, every contact centre is different and we wanted to see what worked best. The Proof of Concept was critical; we needed to prove to our client that we could deliver what we had set out in our plan, and this provided exactly the assurance needed in a relatively short space of time.

Our results were positive, and we rolled out our improvement plans across other workstreams. We used a range of tools. Workshops and one-on-one training were initially delivered by Navigant but we equipped our Nationwide team members to take on training roles themselves to speed up delivery, empowering them to become stakeholders in the success of this project.

Benefits realisation was central to our justification for the budget needed to deliver the savings. The client felt that too often, benefits tracking and realisation is an afterthought and wanted to ensure that this was baked in to this project. Navigant worked hard with Nationwide's MI people to ensure they were able to track change effectively, and take the required action once overcapacity was identified.



What Happened

Navigant developed a range of deliverables which allowed Nationwide to deliver and exceed its 8% cost reduction target without impacting service levels.

Core Cost Reduction Techniques

Our strategy for cost reduction was centred around three key areas, with clearly defined targets in each workstream:

1. Process Conformance – move poorer performers to within 2.5% of Average Handling Time
2. Work Management – 30% reduction in handling time through better management of teams and improved processes
3. Demand Management – 3% reduction in use of the Contact Centre (focussing on self-service, eliminating failure demand and long term continuous improvement)

Management Information

Alongside our cost reduction strategy, we also delivered a comprehensive desk-based Management Information system.

Here, we took existing metrics from the Nationwide system and added a further layer of granularity. This allowed the improvements we were making to be more easily tracked and identified small areas which required specific focus, further improving our ability to drive change. We didn't have the budget or time to roll out a new MI system, so adapting the currently available data to our purposes was an essential value-add which we were able to deliver, despite this being in addition to our original scope.

Navigant defined the MI requirements, drawing on experience gained at other clients to deliver what was required quickly and without the need to add additional resources or extend the timescales of our engagement.

Business Improvement Office

Critical to the success of this project was the ability to leave a lasting legacy in the form of a properly resourced Business Improvement Office (BIO) that would carry on our work long after we had departed.

Navigant developed the LEAN principles in collaboration with Nationwide's Project Management framework to guide the operation of the BIO. We established resource plans and a governance structure and advised on change control procedures to ensure the team was set up for success.

Other Tools & Techniques

Navigant developed a comprehensive process catalogue enabling current and future state models to be more clearly understood. This is an important deliverable which will be of great value to the Business Improvement Office team and other large scale change projects which impact the Contact Centre in future: another example of the long tail of benefits delivered during this project.

Having delivered similar projects for other Financial Services clients, Navigant is well schooled in the tools needed to drive change. We used:

- » Cross Skills Charts to better understand how the workforce could be best deployed,
- » Performance Scorecards to track the best performers and support those who needed more coaching,

- » Best Practice Guidelines to ensure consistency, but also to allow on-the-ground experience of those working in the Call Centre to be quickly fed back throughout the operation,
- » Process Training and Assessment to ensure those joining the operation were quickly up to speed with current working practices enabling improved monitoring of performance,

Outcomes

Engaging Navigant delivered what was promised for Nationwide, and more.

- » Overall reduction in Average Handling Times of 11% (in conjunction with the client's other initiatives)
- » New operational Management Information in place
- » New coaching regime in place to augment existing training
- » In house capability to drive forward similar initiatives
- » Range of other performance initiatives in place

Importantly, Navigant's partnership with Nationwide has delivered a Business Improvement Office with the confidence to build on these successes and deliver Continuous Improvement within the Contact Centre and beyond. Moreover, our 'Business Improvement' Philosophy is being replicated in other areas of the Nationwide business.

With Contact Centres split across multiple sites, and with members of the team seconded from the business not used to working in a project environment, it was always going to be a challenge keeping everyone informed of progress and ensuring the large number of Call Centre staff were able to be trained consistently in a relatively short space of time.

One of the Nationwide Line Managers commented, "It was certainly out of the ordinary. We were exposed to a pace

of change which isn't the norm in my day-to-day role and I gained a huge amount of insight into how to manage projects. It's something I'd like to get more involved with in future."

Ultimately, the lessons learnt during the implementation process improved not only the outcomes of the project but will help Navigant provide a more effective service offering in the future. As a result, we believe that:

- » Good, robust, believable data is imperative to support the improvement process
- » Communication at all levels and 'expectation management' is critical to obtaining the 'buy-in' and support of staff
- » Experimentation is fine. Do not be afraid to fail, but do so within a controlled environment i.e. utilise Proof of Concepts
- » Make it clear to all stakeholders that Continuous Improvement is a journey not a one-off project
- » It is important to demonstrate early benefits to gain the commitment to the process

Navigant has recently won other work with this client as a consequence of the continued success of this project.

Since the completion of the project, the client has gone on to win awards for "Best in Banking" and "Best Large Contact Centre" at the Top 50 Call Centre for Customer Service awards, improving their position on last year by 22 places to finish 8th overall.

CLIENT TESTIMONIALS

Mark Goldman, Divisional Director at Nationwide was pleased with Navigant's ability to deliver: "The results are something to shout about, you did a great job and thank you."

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