

CASE STUDY 3

SECTOR: PUBLIC SECTOR

DELIVERABLE: CUSTOMER JOURNEY REDESIGN

THE CLIENT:



Post Office Ltd (POL) is the UK postal services company owned by Royal Mail which in turn is owned by the UK Government. POL operates the largest branch network in Europe. POL had embarked on a strategy to extend its brand into a new range of financial services and telecoms products. A number of key partners had been appointed to provide and fulfil these POL branded products.

Initial attempts to sell a telecoms product during the process of fulfilling normal over the counter postal services had not delivered very many new customers as Telecoms is not an impulse purchase. POL was also struggling to convert telecoms applications into actual customers due to a very poor initial stage of the customer journey. As a result POL required an immediate turnaround of both the low application rate and poor customer conversion rates. Zebrazoo Consulting, together with our associate specialist in direct sales campaigns (Battle Management Services), was brought on board to turn this round. If this turnaround could be achieved for the Telecoms product POL wanted to extend using this channel to market to acquire Credit Card customers.

POL's key objectives for undertaking this change initiative were:

- to generate more telecoms applications through a reconfiguration of existing channels to market
- to increase revenue by converting more applications into actual telecoms customers
- to reduce the costs of acquiring live Telecoms customers by improving the customer journey
- to increase revenue opportunities (e.g. offering a credit card product) by leveraging the telecoms channel to market
- meet key shareholder expectations on committed customer acquisition rates

Key Areas of Change:

- Customer Journey process re-engineering
- Customer experience
- Outsourcing
- Remuneration structures
- Service Levels
- Culture change

Zebrazoo Consulting's Impact:

A review of the existing sales channel processes immediately identified that a telecoms product required significant discussion about features and benefits and cost comparisons versus other suppliers, and hence was not suitable for offering to customers 'over the counter' as they were concluding postal transactions. The Project

Team therefore recommended placing direct sales staff in key branches to work the floor and engage customers before or after they undertook their postal transactions. This recommendation was accepted by POL. As POL lacked staff who had direct sales experience, contracts were negotiated with six direct field marketing agencies to work in POL branches that experienced significant footfall.

A review of the existing customer journey by Zebrazoo Consulting identified a number of issues impacting the conversion rate of completed applications into live customers. Of these the two key issues identified were:

1. the excessive length of time that it was taking to get an application from the branch and onto Servista's systems (POL's customer registration partner). The current process involved unchecked applications going from POL branches to a Brighton based third-party contact centre who had bolted on a data capturing service. Applications were sorted, batched and captured onto their system and then provided in electronic format to Servista for loading onto their system. The third-party that was capturing the applications was:
 - providing a service that was not a core competence or key focus , so batch processing was often delayed for days
 - providing electronic data to Servista that had significant errors and hence resulted in high levels of registration failures
 - being remunerated in such a way that they had no vested interest in improving their data capturing processes
 - taking no responsibility when challenged over their performance. They blamed the branches for data

quality issues, yet were not in a position to provide the branches with management information (MI) for them to take corrective action.

By the time the potential customer had received their 'welcome pack' they had invariably decided that the time delay was an indicative bad customer experience and had already cancelled or cancelled at this point

2. the quality of the completed applications was often so poor that customers had to be recontacted (where possible) for further information or were simply not processed – both of which were very poor experiences for potential new customers

The pre-registration customer journey had to be redesigned. As POL was now going to pay the six field marketing agencies for acquiring telecoms customers, the view of the project team was that the agency had a responsibility to provide clean quality data to POL. Working with AccessibleIT, our associate SME database developer, a data capture database application was designed, tested and implemented in all six field marketing agencies. The Brighton based 3rd party contact centre's data capture contract was terminated. All applications were then sent on the day of signature by the agency's branch based sales agent directly to the agency for quality review and data capture.

Daily data files were produced in XML format so that they could be sent and uploaded directly into Servista's registration system. Quality controls were built into the agencies' data capture application to ensure that incomplete or incorrect data could not be passed on to Servista. MI reporting tools were also built in to ensure that the agencies were in a position to immediately target agents for

retraining where data quality issues were identified. Tying all of this together, a strong Service Level Agreement (SLA) was put in place with each agency. This translated into a commercial contract where the agencies were only being paid for clean contract data received by POL, within a specific number of days of the application being signed in branch and which then did not cancel within a certain number of days of signature.

Having addressed all the required key areas of change the results were both immediate and positive:

- using the field marketing agencies in a re-worked front end sales process resulted in an exponential increase in applications
- the change in the customer journey meant that the number of days in the pre-registration period dropped significantly
- 100% of data received by POL's registration provider could be processed
- immediate MI allowed the agencies to monitor and correct agent performance (resulting in a sharp drop in complaints for mis-selling)
- cancellations decreased and significantly more customers went live with POL's telecoms service

The project lasted 9 months and during this time the ZebraZoo Consulting project team:

- delivered 220,000 valid Telecoms applications (with a very high conversion rate of applications to live customers)
- reduced the supply chain by 10 days and £2 per processed application
- successfully piloted a credit card trial through the established channel resulting in 10,000 applications

With the new channel to market processes successfully embedded, and POL's objectives for the change initiative met, the project was

migrated to become 'business as usual' as part of POL's Sales & Marketing team.