

Business Process Improvement at Co-operative Financial Services. Helping transform customer service.



Xerox transforms document processes for CFS, improving customer service and reducing costs.



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– Dick Parkhouse
Executive Director for Strategy
and Change
CFS

Background

The Co-operative Financial Services (CFS) is part of The Co-operative Group, the UK's largest consumer co-operative. Its subsidiaries include The Co-operative Insurance (CIS) and The Co-operative Bank, together with Smile. CFS offers its 6.5 million customers a wide range of financial products: high-street and Internet banking, current accounts, mortgages, credit cards and loans through The Co-operative Bank; and pensions, unit trusts, insurance and financial advice through CIS and its network of financial advisers.

The Challenge

CFS receives over 10,000 items of printed, e-mailed, faxed and handwritten customer correspondence per day, all of which must be read, responded to and filed according to the appropriate retention policy. With purely manual processes in place, CFS found that it could not offer the levels of customer service it wished to. This was having a negative effect on customer satisfaction and retention, and hampering CFS's ability to compete effectively in the financial services marketplace. More importantly, it impacted upon our vision to become the UK's most admired financial services business.

According to Dick Parkhouse, Executive Director for Strategy and Change at CFS, not only were the procedures for handling mail inefficient, they were also costly. “We had a substantial number of people handling the incoming correspondence – which didn't include processing it – and filing took up large areas of office space; it was spread over four floors of our Manchester headquarters building,” he recalls. “We were also concerned about business continuity planning. Because the inbound correspondence existed only on paper, it was vulnerable if ever there was a disaster at the site.”

With speed of response vital to competitive advantage, especially as CFS moved to a customer-centric organisation, it realised it had to modernize its approach to handling correspondence. The company therefore put together a business case that compared the use of internal resources to manage the activity with engaging an external provider.

Although the business case showed that the running cost of both approaches would be broadly similar, there were opportunity costs to consider, too. CFS chose to look for an external managed service provider so that it would have access to regular technology refreshes – and to enable it to focus internal resource on more strategic areas of the business.

The Solution

CFS selected Xerox as its strategic managed services partner for a number of key reasons. “In addition to the market-leading technology offer from Xerox, and the speed with which it could deliver the solution, Xerox also had immense experience working with financial services organisations – something that was important to us,” says Parkhouse.

And because CFS is renowned for its ethical standpoint, it wanted to work with a partner with similar credentials. This also involved an independent review of the entire Xerox supplier delivery chain to ensure it met CFS’s ethical standards.

The Xerox solution is being implemented in five stages over a two-year period, and is expected to radically transform CFS’s internal business processes, customer experience and sustainability programmes. It involves turning CFS’s mail-handling operations into a fully automated e-mailroom, efficiently processing and cataloguing all inbound insurance and retail banking correspondence.

The first phase of the rollout provides a managed service for the identification, indexing, scanning and storage of thousands of incoming general insurance claims every day. The process uses a secure, resilient Wide Area Network to ensure rapid information transfer and data integrity, and will automate and optimise the downstream business processes through an advanced workflow system. Efficiencies gained through workflow-process management will also ensure CFS meets its environmental commitments by significantly reducing the volumes of paper being used.

The Results

The Xerox solution was delivered without any disruption to CFS’s operations. It is already enabling CFS to deliver a much improved and more proactive service to customers and, as a result, increase its market share.

“We’ve moved rapidly from working on a ‘best practices’ basis to delivering a market-leading service – and we regularly exceed our own targets,” comments Dick Parkhouse. This includes same-day turnaround for activities like insurance claim settlements, which has a target of 48 hours, and changes to insurance policies, which would have taken seven working days in the past.

CFS is also enjoying improvements in the productivity and efficiency of its internal processes. Documents no longer get mislaid or have to be posted between branches – instead, all branches can access the scanned documents in the hosted repository. Furthermore, the company is benefiting from operational cost savings, with fewer calls to the call centre and a reduction in the number of employees involved in handling the inbound correspondence.

With Xerox’s involvement, the CFS document infrastructure will now be compliant with the relevant regulatory and business requirements, including MiFID for the banking business, ISO27001 for high security standards and BiP0008 for legal admissibility.

Fully automated e-mailroom and content management massively improved customer satisfaction.

The Future

As further phases of the solution are rolled out, Xerox will be managing all of CFS's insurance and banking documents, and will introduce its DocuShare® technology to support a full enterprise content management (ECM) service that will be expanded to other areas of the business, automating downstream customer communication distribution and processing. CFS will be able to standardise its inbound communications, provide faster response times to customers, and ensure that more accurate and timely information is sent and received. As a result, there will be a reduction in the total cost of ownership and the project will be entirely self-funded through the cost-savings it achieves.

Says Peter Romaine, Director and General Manager Xerox Limited: "We are committed to helping CFS implement new and innovative ways of working that deliver excellent customer service, meet sustainability targets and improve the speed and efficiency of its business."

Case Study Snapshot

The Challenge

- Over 10,000 items of printed, e-mailed, faxed and handwritten customer correspondence received per day
- The processes for reading, responding to and filing this were wholly manual
- Resulted in poor quality customer service which in turn impacted on customer satisfaction and retention
- Extremely costly in terms of both human resource and office space

The Solution

- Fully automated e-mailroom, efficiently processing and cataloguing all inbound insurance and retail banking correspondence
- Full enterprise content management service automating downstream customer communication distribution and processing

The Results

- Faster and more responsive customer service including same day turnaround of insurance claim settlements versus previous 7-day resolution time
- No mislaying of key customer documents
- Operational cost savings through reduction in calls to service desk and less employees handling correspondence
- Significant reduction in volumes of paper being used

About Xerox Services. Xerox Corporation is a world leader in business process, information technology and document outsourcing services. Our unique combination of industry expertise and global delivery capabilities helps you reduce costs, streamline operational processes and grow revenue while clearing the way for you to focus on what you do best: your real business.

For more information on how we help banks and financial services companies, visit www.xerox.co.uk/services.

