Overview

Based in Richmond, Virginia, Virginia Credit Union (VACU) was founded in 1928 with the mission of putting member needs first. As of June 30, 2017, the credit union was reported to hold $3.5 billion in assets. Thanks to the efforts of nearly 700 full-time employees, VACU has amassed loans and leases valued at $2.4 billion. The approximately 265,000 members currently have nearly $3 billion in shares with the credit union. Membership in VACU is open to a wide range of people, including those living, working, worshiping, or volunteering within the counties of Buckingham, Cumberland, Nottoway, or Prince Edward; part-time employees, full-time employees, or retirees with state agencies or educational systems; students in state-funded colleges or universities; and members/employees of select organizations/corporations.

Background

Typically, the relationship between Virginia Credit Union and its members can be described as outstanding. In fact, in recent years there has only been one significant issue of concern—the amount of time it took to receive assistance from the credit union’s call center.

“When you looked at our member surveys, every month the only complaint they had was the wait time,” said Kate Hopson, AVP—Department Manager, VACU Contact Center. “I would say that 70 percent of the surveys had the complaint. Otherwise, they loved us. They would say, ‘You guys are so nice! You help me so much! But my goodness, can you do something about the wait time?’”

It wasn’t that the 80 or so call center employees weren’t doing their jobs. They were fielding 750,000 to 850,000 calls annually, with 98 or 99 percent of each call handled within 20 seconds. The employees were committed, and they were doing their jobs well. The problem was that customers were still waiting on hold for far too long. That’s why Virginia Credit Union decided to bring in a business process consulting firm to help.

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staffer’s day spent on the phone providing member service. As such, this “occupancy rate” was too high, Hopson explained; the industry standard is more like 85 percent. With only 1 or 2 percent of their day spent not talking to someone, the contact center employees hardly had a chance to catch their breath.

The prevailing thought had been that the wait time was something the credit union could live with. After all, some of the time was being devoted to cross- and upselling credit union services. And though VACU members may have had to wait a while to speak with a representative, they could always count on receiving conscientious service in resolving their issues.

Still, between the unrelenting strain on the contact center team and the persistent member complaints, Hopson was definitely interested in finding a better way. So in late 2015 when PSCU put her in touch with Frank Kovach, Director of Contact Center Operations for Advisors Plus, for a consultation, Hopson was ready to hear what he had to say.

A Wake-Up Call

In December 2015, Kovach, along with Louise Van Glahn, Advisors Plus Portfolio Consultant, visited VACU. They reviewed the credit union's statistics, interviewed the leadership team, and met with the executive to whom the contact center reports.

Hopson recalled that Kovach immediately impressed everyone at VACU with the depth of his knowledge—having 40 years’ experience in the industry—as well as his mastery of data and research. “My experience with Frank and Louise from Advisors Plus was extremely productive and positive,” Hopson declared. “They provided me with feedback, not only in how to evaluate our contact center, but how to improve our production and lower costs.”

Hopson contrasted the Advisors Plus duo with another consultant with whom she had spoken in regard to VACU’s contact center. She noted that the other consultant did not offer suggestions for improvements, but instead latched on to the contact center’s
average handling time (AHT), saying it was too high compared to banking call centers. To that, Hopson said, “We aren’t a bank. We are a credit union focused on helping our members. Our focus isn’t on reducing AHT, but taking the right amount of time to properly service our membership.”

Hopson described Kovach’s assessment of VACU’s contact center operation as a “wake-up call.” She remembered, “Frank wasn’t afraid to have the tough conversations that we needed in order to make our business better. I greatly appreciated his candor.”

Just as the member surveys had indicated, the Advisors Plus team found the wait times to be far in excess of what callers should endure. At an average of 4:45 per call, VACU members were on hold about four times as long as at other credit unions of comparable size.

Recognizing the wait time as a symptom of an undiagnosed problem, the Advisors Plus consultants began their investigation. After looking at data culled from VACU’s Avaya phone system, Kovach wanted to know why 45 percent of the credit union’s inbound traffic had a corresponding call out to another department. “What we learned from that was that our call center was serving as a kind of glorified operator,” Hopson said.

The problem was that the system encouraged less experienced call center staff to get assistance or information from more knowledgeable people in another department. Hopson observed, “We were taking a group of 80 people and driving their volume of assistance into a group of 10 people. You are going to bottleneck and have a longer wait time.”

“Frank said, ‘Reduce your internal transfers, and it will improve one-call resolution. It will improve your handle time, and it will drive down your wait time,’” Hopson recalled.

“That was really a spark for me,” Hopson said. The new mission was figuring out how to maintain and enhance sales levels while ensuring excellence in service delivery, but also finding new efficiencies in how the contact center operated.

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Making Changes, Seeing Results

Inspired and encouraged by the Advisors Plus team, VACU began implementing changes, starting with making sure that call center staffers were better prepared to handle incoming calls on their own. “That’s been a big focus for us,” Hopson said. “We’ve reduced that transfer rate from 45 percent to 28 percent.

VACU is also using new technology to help improve its call center operation. In October 2016, the credit union launched voice authentication, and today, 35 percent of call volume is voice authenticated. Most importantly, handle time is being reduced without sacrificing service levels, as the difference between voice authentication and more traditional methods saves an average of 82 seconds per call!

Another improvement was instituting Avaya’s Business Advocate call routing system. “It’s a pretty great algorithm that’s had a big impact on reducing our average speed to answer calls,” Hopson said. She then added, “I would not have engaged in looking for that stuff without Advisors Plus.”

The return on investment has been very significant for the credit union. “Last year (2017), we took in 150,000 more calls than we did in 2014, and our cost per call dropped about 38 cents,” Hopson reported.

As for that average wait time VACU members were enduring, it has gone from nearly five minutes per call to a minute and a half. Best of all, Hopson now rarely sees complaints about the call center in member surveys.

Hopson pointed out that the improvements did not require any additional staffing. At the same time, that 98 to 99 percent occupancy rate has also gone down to near the 85 percent “sweet spot.” She said, “We’re creating a lot more availability for our staff and members through these efficiencies. We’re allowing our team to deepen relationships with our members.”

Call center sales have also picked up. “When you’re feeling rushed, nobody wants to hear about other products and services. Our teammates produce better sales results when they have more time to spend with the member. We’re booking more loans and opening more checking accounts than we ever have,” Hopson declared. “These are all things that were sparked by Frank and Louise,” she concluded. “That’s why I get so jazzed about Advisors Plus. They help you see things that you might not have ever seen before or knew to look for.”