



Client

Wellpoint

Industry

Health Insurance Products

Country

United States of America

Challenge

WellPoint needed to upgrade its redundant call centre, while keeping cost low.

Solution

Customer Interactive Solutions

WellPoint

Client Overview

WellPoint Health Networks, whose headquarters were based in California, offered a variety of Health Insurance products (Fee-for-service, HMO, PPO). The company covered 13 million members across the U.S. (4th largest private health plan) with growth targeted at 15% per year. It was a Public entity (traded through New York Stock Exchange – WLP) with a turnover in 2001 of \$12.4 billion. It employed about 16,700 people, with around 80 offices in the United States and over 45 call centres.

Business Challenge

Stage One

WellPoint senior management knew that the call centre environment was highly fragmented, redundant and spread out over the country. They also knew that the technology and processes were probably dated and very inefficient. However, they had limited visibility into the current call centre environment to make business decisions

- How many call centres do we really have?
- Based on our business needs, is there a way to leverage technology to better serve our customers at less of a cost?
- Based on our business needs/operations, is there a way to consolidate locations?
- Where? When? How?

Stage Two

In Stage One the quick wins demonstrated that business value could be derived from simple, low-cost improvement initiatives. Having proved that operational efficiencies could be achieved from process and structure enhancements the next challenge was to start achieving greater savings through consolidation and rationalisation.

Due to the complex structure of the organisation, and the brand proliferation, it was necessary to approach any consolidation in a staged manner. The group executive wanted to see evidence of financial savings from initial rationalisation before ratifying any significant site closures. Evidence of operational improvements was also essential.

Solution Provided

Stage One

First, Merchants created a map of the current call centre environment – detailing 22 locations, using 3 disparate systems fragmented by brand and geography.

By focusing on a single business unit's call centre environment we created technical requirement recommendations and consolidation strategy including:

- Gap analysis between current call centre technical environment and a future state leveraging advanced technology (CTI/IVR/virtual routing)

Results

- ▲ The consolidation into Sears Tower happened without any fuss. This was attributed in a large part to the role that Merchants played in coordinating activities by disparate parties. It was generally acknowledged that by taking a holistic view to consolidation planning many of the usual pitfalls that plague these types of projects were avoided.

- Vision to transform “call centres” into a true multidimensional “customer interaction environment” integrating web/phone/fax/e-mail
- Recommendations on site consolidation and FTE reduction
- ROI based on new technology and processes adoption
- Prioritization of initiatives (roadmap) based on business objectives

Stage Two

In combination with various senior management teams it was decided that the initial focus for consolidation would be four operations centres located in Illinois. This would result in considerable once-off and ongoing cost savings.

Merchants role in the consolidation was to coordinate and critique all the individual project plans from various technology vendors and other departments (HR, Recruitment, Facilities, etc). Four operations were all moving into Sears Tower, Chicago.

A team of Merchants experienced call centre practitioners was on-site in Illinois for the eight weeks prior to the consolidation and for four weeks afterwards to ensure continuity.

The post-consolidation team was focused on the interpretation of operational performance and driving further operational improvements after the dust had settled.

Value Derived

Stage One

Based on the assessment, Merchants was awarded follow-on development work focusing on low-hanging fruit to establish “quick-wins” and early returns. Merchants also integrated two previously separate projects - an “eBusiness” project and this “CIS” project to create a truly integrated web/call centre environment

Two immediate projects were initiated:

- To improve IVR applications across business areas
- To develop an integrated MIS portal application across nine call centres

Stage one also included a focus on the definition and documentation of existing business processes across the call centres. The objective was to identify those areas where opportunity for improvement and leverage exists from a process perspective. It also provided the first consolidated view of activity that was being managed via WellPoint’s call centres.

Stage Two

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Stage Three

Involved the standardization of some technology components within WellPoint’s Georgia call centres. This enabled easier rationalisation of operations in the Southern region.

In addition, Merchants had been commissioned to conduct a broad and thorough Benchmarking exercise across all of WellPoint’s 45 call centre operations. The data from this research was used to evaluate and develop the future strategy for call centre evolution.