Banking on Improved Customer Service at Alliance & Leicester

Overview

■ *Business Challenge*
Increase income without allowing costs to rise in proportion, improve efficiency and productivity through automation of manual processes and reduce costs by implementing an imaging and workflow solution

■ *Solution*
IBM FileNet P8

■ *Key Benefit*
• Fewer resources are needed to deal with customer queries
• Growth can be supported without increasing headcount
• Advisors have a complete set of customer information at their fingertips
• Customer queries are resolved much more quickly
• The bank has better overall visibility of its processes
• Workloads can be prioritised and managed more effectively

The Business Environment

Alliance & Leicester Commercial Bank is a UK market leader in cash management, handling more than £1 in every £5 of high-street cash. Through its partnership with the Post Office, it has cash-depositing facilities located within a mile of 95 per cent of all UK businesses. The bank's services are marketed under four core product lines: cash management, business banking, commercial lending, and treasury. It has 67,000 business banking accounts and £5.5 billion of commercial loans.

Alliance & Leicester Commercial Bank came into being in 2003 when Alliance & Leicester Business Banking, Sovereign Finance and Girobank all joined together to form one brand. It is part of Alliance & Leicester plc, one of the UK's major financial services groups. Alliance & Leicester has been a member of the FTSE 100 index of leading shares since 1997, when it converted from its original mutual building society status.

The Challenge

Like other banks, Alliance & Leicester Commercial Bank is under constant pressure to improve its cost/income ratio. Given its aggressive growth strategy, which targets small and midsize enterprise (SME) customers in particular, one of the main challenges is how to increase income without allowing costs to rise in proportion. In seeking to tackle this challenge, Alliance & Leicester Commercial Bank realised that there was scope to improve efficiency and productivity through the automation of manual processes, especially in the backoffice. In particular, there was potential for reducing costs by introducing an imaging and workflow solution to automate processes related to customer service.

"Our customer service processes involved lots of hand-offs so they were very resource-intensive," explained Julie Hughes, programme manager at Alliance & Leicester Commercial Bank.

"If the person in the front office dealing with the customer couldn't answer a query, it would be passed on to

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> **Julie Hughes**
> Programme Manager, Alliance & Leicester Commercial Bank

someone else to locate the relevant documentation, and then quite often passed on again, this time to a specialist."

Having made the decision to implement a different approach, the bank quickly realised that there was scope to improve customer service as well as cut costs. If front-office staff were provided with access to electronic images of documents such as deposit slips and application forms, they would no longer have to wait 24 hours to receive microfilm copies of the documents they needed to consult. This alone would enable customer enquiries to be answered much more quickly.

The IBM FileNet Solution

In choosing a solution, Alliance & Leicester focused its attention on industry-leading suppliers with a proven track record. Scalability was an important consideration because the bank wanted the flexibility to extend the implementation to other areas of its operations in the future. After evaluating three products in detail, it chose IBM FileNet's P8 Enterprise Content Management (ECM) and Business Process Management (BPM) platform.

"IBM FileNet P8 was a best-of-breed solution that offered everything we needed," commented Hughes. "Also, the Alliance & Leicester Group had a successful history of using earlier versions of IBM ECM products."

The solution was designed and implemented by the bank in collaboration with Accenture's Information Management Services team. At the outset, Accenture led the development work, but the bank's own IT team took over in the later stages. According to Hughes, testing was an important aspect of the project and led to a smooth implementation. In the first phase, the solution was rolled out to 150 users over a period of a week.

The solution runs on a combination of P570 AIX and HP Windows servers at the bank's business centre in Bootle on Merseyside. It takes the place of a microfilm library of images of cheques, deposit slips and application forms, formerly accumulating at a rate of 600,000 new items each day. Currently, 150 customer service advisors make use of IBM FileNet P8's imaging and workflow capabilities. Another 300 people across the business are licensed to browse the database and view images.

Through web services, the IBM FileNet P8 platform is integrated with the bank's legacy systems. This enables information about customer accounts to be accessed as part of the new case management and workflow processes. This information is presented to the customer service advisor via the IBM FileNet P8 screen, which is brought up automatically when an SME customer rings in through the bank's interactive voice response (IVR) system. Depending on the nature of the

query, the system provides different kinds of information, including document images. The solution also incorporates workflow for processing correspondence that comes in via mail, fax or email.

The Benefits

According to Hughes, process automation has reduced the amount of back-office resources needed to deal with customer queries. This means that the bank is on target to achieve its aim of supporting growth without needing to increase headcount. But while this was the main driver of the project at the outset, other benefits are now viewed as equally if not more important. "At the outset we focused mainly on the automation of manual tasks to improve efficiency and cut costs," explained Hughes. "The IBM FileNet solution has certainly been very successful in this respect, but we are even more impressed by its ability to support improved customer service."

Because advisers have a complete set of information about each customer at their fingertips, including scanned images of all relevant documents, they are usually able to provide an immediate response over the telephone. Even when the case has to be passed to a specialist, this can be done electronically and the customer call often transferred at the same time. Gone are the days when customers sometimes had to wait days to be called back.

The other major benefit is that the bank has better overall visibility of its processes and can monitor the progress of every query regardless of whether the initial customer contact was by telephone, paper, fax or email. As well as allowing customers to be given an immediate update in the event of a followup call, this ensures that there is no risk of losing track of a case or any items of correspondence relating to it. In addition, advisers and their managers have a clearer view of their workloads and are able to prioritise more effectively.

According to Hughes, end-users have welcomed the introduction of IBM FileNet P8, finding it intuitive to use. Whilst the bank benefits from the ability to provide customers with a better service, individual advisors are more satisfied because they are empowered to answer customer queries.

The Future

Over time, Hughes expects the bank to make much more use of IBM FileNet P8's capabilities. The lending division is already looking into the potential benefits of an imaging and workflow solution.

"We are aware that we are not fully utilising what we have, but that was the plan," she said. "We wanted a platform that would support expansion so that we could extend the scope of the solution in the future."