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RETAIL DELIVERY

CASE STUDY

CU Gains Insight And Improves Service via CRM

■ BY MICHELE HELLER

South Carolina Federal Credit Union's motto is "Life Simplified," but its customer service and sales system was anything but. Member information in a variety of in-house and third-party data centers was difficult — or impossible — for employees to access.

However, life has become significantly less complicated at the \$1 billion-asset South Carolina Federal since it implemented a customer relationship management system for its 24 branches last year. It consolidated its business systems to give its staff comprehensive profiles of each of its 148,000 members. The new system brings together core demographic and account details on a single screen, so employees no longer have to use different applications to view the data.

This consolidated view not only has improved call center efficiency, complaint resolution rates, and sales opportunities, but it also has stopped some fraud attempts. "It brings the various systems and data together in one place, so we have a better picture of who the member is and how they do business with us," said Bonnie Karst Ciuffo, chief information officer at South Carolina Federal. "Previously we didn't have all the data about one member on one screen, so we could not have a 360-degree view of our members."

The "relationship management" system "consolidates all the different member records and account numbers, plus systems we didn't have access to, such as mortgage data," she said.

The community-chartered credit union, which draws its members from people who live, work, or study in seven counties in and around Charleston and Columbia, is measuring the success of its CRM system in three ways: member satisfaction, sales, and expanded relationships.

Six months into a multistep deployment of the system from **Onyx Software Corp.**, a Kirkland, Wash., division of **Consona Corp.** of Indianapolis, South Carolina Federal executives say it has already generated benefits, though they have yet to quantify the impact on sales and service. "We want to make sure that at every touch point, a member has a consistent experience," Ms. Ciuffo said.

Though improving customer satisfaction and sales was South Carolina Federal's main reason for implementing a CRM system, "We wanted to make sure we made it easy on our staff to wow our members," Ms. Ciuffo said. "This was a way not only to simplify the lives of members, such as by having all their account information in one place, but also for our employees, so they don't have to go to 10 different places to know who the member is."

Jessica Rader, the credit union's contact center manager, said the Onyx



Ciuffo says that the system helps reduce identity theft, because tellers can view the driver's license photos of customers.

system has worked "unbelievably" well for her unit. "With each month that we've used it, the representatives have been more comfortable with the information they are entering, and the time it takes them to use the system has been reduced."

Ms. Ciuffo says members have been impressed by the credit union's follow-up to their conversations with employees. When a member contacts

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a call center or branch, the system tells front-line employees what types of sales pitches would be appropriate for that member, she said. "It notes anything from something a staff member talked about with a member ... to analysis of credit bureau reports."

For example, tellers can see if a customer has been pre-approved for an auto loan and work it into a conversation. That discussion is noted in the customer's profile, and the next time he or she contacts the credit union, a staff member can follow up.

The system also helps employees tailor sales pitches. Instead of just stating that a customer has been pre-approved for a home equity line of credit, for example, it also shows the customer's date of birth and address, so a customer service representative would know not to offer the product if the customer is in her 80s and living in a retirement home.

Employees record when a product has been pitched. "It's good for us to know not to repeatedly offer a product a member already said 'no' to," Ms. Rader said.

The Onyx system also helps South Carolina Federal ensure customer complaints are resolved before employees make a sales pitch. Before the implementation, employees had no simple way of knowing if a customer had an unresolved complaint, and they could risk alienating customers.

"If you had a member with a sales opportunity but who was upset because something was handled incorrectly, you don't provide the sales opportunity if you don't take care of the service side," Ms. Ciuffo said.

Lauren Johnson, the contact center's team leader, says the system has made customer service consistent. "When a member calls in with a situation, we can document what their need is, so if the member were to visit a branch, employees there have access to see what the process had been."

Ms. Ciuffo described a recent incident with a customer who wanted to be reimbursed for a series of non-sufficient funds charges. A call center employee determined that the credit union would not reimburse him.

The customer then went to a branch seeking a different result. "He tried to take advantage of the branch, but by having ... [the situation] documented, the branch manager was able to reinforce the decision," Ms. Ciuffo said.

The system also helps reduce identity theft, because tellers can see driver's license pictures.

The credit union began using the Onyx system in November, seven years after first considering whether to adopt such a system. It used that time to improve and balance its selling and service efforts, Ms. Ciuffo said. "We had had some sales success but were lacking on the service side. We knew we needed to move more progressively to the sales and service culture ... so we could sell members the right things."

In early 2006, South Carolina Federal had a consultant assess whether it was ready for a CRM system. After getting the green light, the credit union sent out requests for proposals and selected Onyx. "Their proposal was unbelievable," Ms. Ciuffo said. "There was nothing canned about their response. It was very, very pointed to who we are and what we wanted to accomplish."

The implementation began with South Carolina Federal and Onyx employees spending two weeks together discussing how to integrate the existing systems and records in the new system.

"We spent a painful amount of time spec'ing what would be on the system and how it would be brought over," Ms. Ciuffo said.

Credit union employees were trained in early October, and three weeks later the system went live. About three-quarters of South Carolina Federal's 540 employees use it, including R. Scott Woods, the president and chief executive officer, and other senior executives, who may access the system to consider complaints that lower-level employees cannot resolve. The only serious problem the credit union experienced: A lack of network bandwidth caused slow response times when creating member profiles and initially deterred some employees from using the system.

Onyx had raised the issue during the testing process, but South Carolina Federal decided not to expand bandwidth immediately; it plans to upgrade its network this year.

Tim Hines, Consona's vice president of product management, said the Onyx system is not specifically designed for banks, though about 25% of users are in financial services.

Deanna Scott, Consona's marketing manager, said that because every client's business processes are different, her company works to "capture the right information related to their customers and prospects" and then looks at how it automates core processes.

"We ensure that what we build is appropriate for whatever processes they have in place and adapt the system as their internal processes change," she said. "The idea is [to] enhance the processes they already have established."

Industry analysts say an intense planning and preparation period, such as the multiyear one at South Carolina Federal, is critical.

"An organization should have a well-established culture for enhanced sales and service and have that balance in place" before getting a system, said Kathleen Khirallah, managing director of the banking practice at TowerGroup, an independent research firm owned by MasterCard Inc. "A CRM system will reinforce that culture, as opposed to in an organization that doesn't have that culture and hopes the CRM system will create that culture."

Putting a system in place without that balance is "a recipe for disaster," she added.

Industry experts say the technology is only as good as the staff. "To get CRM deployed correctly, you have to get the people engaged in using the system," said Bart Narter, a senior analyst with Celent LLC, a New York consulting unit of Marsh & McLennan Cos. "You've got to do more than just install the system to make it a successful program. That is a human resources challenge, not a technology challenge."

Onyx and South Carolina Federal executives said their implementation has been remarkably smooth, in part because the credit union had been preparing for a system for so long.

When asked if making the change was worth the effort, Ms. Ciuffo said: "Definitely. And this is only the beginning of what we're doing with the system."

Ms. Heller, a former American Banker reporter, is a freelance writer in Washington.

Case Study

How South Carolina Federal Credit Union improved service and cross-selling by adopting a CRM system

The Challenge:

- To consolidate records so employees could see all of a customer's data on a single screen

The Solution:

- The credit union chose Onyx Software Corp. to help develop a customized CRM system
- Data was consolidated to include year of birth, products, and previous employee interactions

The Results:

- Improved call center efficiency and increased sales opportunities