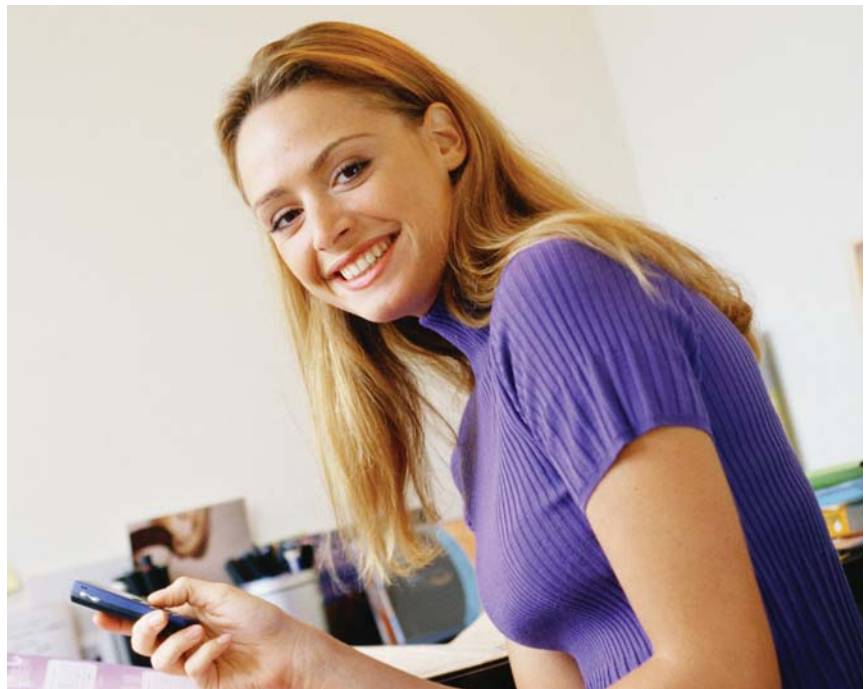


An Award-Winning Service Culture

At The Hartford Financial Services Group, various divisions have redesigned their processes and workflow with the customer in mind. This new service culture has been favorably received by brokers and policyowners—and earned The Hartford a few awards in the process.



By Stephen Hall

At The Hartford Financial Services Group, it's raining awards. Last year alone, for example, the company won several awards from DALBAR, a firm that provides research and various ratings for the financial services industry, and their Investment Products division just won another in 2004. But according to Hartford division heads, these awards would not have been possible without a company-wide commitment to organizing each division's processes and workflow based on customer needs.

"We really look at our corporate culture as being people-driven," said Patrice Kelly-Ellis, senior vice president of the Investment Products services and technology division, which won the most recent DALBAR award. "What makes this culture so special is that it's really about having the ability to attract people who have a personal commitment and passion for providing excellence in customer service."

A Better Culture is Born

According to Kelly-Ellis, the customer-focused culture at The Hartford first took hold about eight years ago with the

annuities component of her division. "At that time, The Hartford was just achieving a status with variable annuities that made them No. 1 in that marketplace, so volume had increased dramatically," she recalled. "And we didn't have the infrastructure in place to support all those customers. But shortly thereafter, we were able to get funding for new technology for the call centers."

This new culture spread to the mutual funds component of the division more recently, in 2000. Prior to that year, even though The Hartford had mutual funds, those accounts were not serviced internally. But when The Hartford acquired Fortis Life Insurance Company, one of the things it gained in that acquisition was a mutual funds transfer agency group. "So as of 2000, we started servicing the mutual fund business in-house," Kelly-Ellis said. "And because we already had this culture of award-winning service with annuities, our challenge was to see if we could instill that kind of customer-service excellence in the transfer agency for mutual funds."

In an effort to meet this challenge, the employees who ran the newly acquired mutual funds call center in Woodbury, Minn., visited The Hartford's annuity service operation in

Simsbury, Conn., working with them to develop a training program that would help bring the mutual funds center up to speed with The Hartford's service standards. Once the program was completed, The Hartford sent two trainers from its annuity group to the mutual funds call center.

In addition to the training element, Kelly-Ellis said, the employees who ran the mutual funds center knew the annuity component's sterling reputation for service—and the many service awards it had to prove it. Not wanting to be left behind, they were determined from the start to win an award themselves.

"The bar had been raised very high for the mutual funds folks," said Kelly-Ellis, who was quick to add that this was not a goal imposed on them by management. "I did not say, 'You have to participate in DALBAR, and you have to win.' Rather, it was a goal that was driven by the team itself."

The team's determination and hard work paid off. In December 2002, they were ranked 29th out of a group of mutual funds service providers by DALBAR. A year later, they had shot to No. 1, winning the DALBAR Mutual Funds Service Award. Annuities and the retirement plans call center also came in No. 1 in their respective peer groups in DALBAR's rankings, according to Kelly-Ellis. The embarrassment of riches appears to be continuing unabated in 2004: The Investment Products division participated in the competition for the DALBAR Mutual Fund Service Award for the first time—and this year, amidst a field of 41 competing companies, the division walked away with the prize on the first try.

The DALBAR award recognizes excellence in mutual funds shareholder service. During its service evaluation process, DALBAR monitors calls from both end customers and brokers to Hartford Life's various service centers. This yearlong evaluation process measures the capabilities, attitudes and knowledge of service representatives against specific service benchmarks.

Kelly-Ellis said she attributes the success of her division to three crucial ingredients. "First, you have to start

You have to start with the best people and the right people.



PATRICE KELLY-ELLIS
*Senior Vice President,
Investment Products
Services and Technology
Division, The Hartford
Financial Services Group*

with the best people and the right people," she said. "Second, you need an infrastructure that supports those people, and that begins with training. Each call center has trainers that are housed in the call center, and there's a proactive quality review of phone calls on a daily basis. And that feedback is provided to the customer service representatives [CSRs] immediately. So whether they did something excellent or something they need to work on, they know about it right away."

The final piece of that puzzle, she said, is technology—the absence of which in the past had kept the call center employees from providing the kind of service they wanted to

provide. "Our teams always wanted to provide excellent service, before and after the new technology was implemented," Kelly-Ellis said. "But before, they just didn't have the technology to be able to do that. For example, if you called and had a question about a transaction that occurred last year—let's say you wanted to find out whether it was taxable—the CSR who answered the phone could not answer that question immediately. They would have to take down your name and number and call you back when they located a paper file. And that could take anywhere from a few days to a week."

Now that the call center has been equipped with the latest technology, each CSR's monitor is customized for phone calls. "Today, if you called with the same question, the CSR can hit a button, and the question would be answered immediately on their screen," she said. "Also, if you called yesterday and asked for something, the CSR would see that you had called yesterday. They have access to customers' call history, and all the information a customer would ask for is presented in an easy-to-read format."

A Great Idea Catches On

Once the success of the Investment Products division's new work culture became clear, it wasn't long before other parts of the company wanted to reap many of the benefits of such a cultural renovation for themselves. One of the divisions that adapted the new culture to its own workings was the Individual Life division.

"Our Investment Products division really set the benchmark for us, in terms of where we wanted to take our culture from a service perspective," said Mike Keeler, senior vice president and director of The Hartford's Individual Life Operations Center. "The same producers who sell variable annuities also sell our life insurance product, so the customer is expecting a consistent service experience from The Hartford, regardless of which division they're dealing with. When we had differing service levels, we were oftentimes told, 'Well, your Investment Products division does it this way; why don't you guys in Life Operations do the same thing?' So we had to run very quickly to catch up with our brothers and sisters in the Investment Products division."

But due to the nature of life insurance and the underwriting process, it wasn't exactly a simple matter of duplicating the culture and processes of another company division. "Life insurance is a lot more complicated than annuities, so

we had to sort through the process issues that we really can't do anything about," Keeler said. "For instance, underwriting takes weeks rather than days. But outside of those differences, there's a culture of going out of your way to serve the producer. There are service levels, in terms of speed of answer and abandonment rates, that should be the same across business lines. And there are tools, such as Internet in-force information, the status of pending business, and things like that which should have the same look and feel for a producer doing business with The Hartford, regardless of what division they're interacting with."

With work beginning around 2000, one of the biggest changes the Life Operations Center

The real reward is the positive feedback we get from producers.



MIKE KEELER
*Senior Vice President
and Director,
Individual Life
Operations Center,
The Hartford
Financial Services
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implemented was to re-arrange its schedules and workloads to better coincide with customers' timetables. "We used to have service-level agreements where if we got a piece of business from a producer, we'd have it submitted into the system within 48 hours," Keeler said. "It was very manageable and convenient for us, but not very helpful for the producer." Today, his department's motto is "If it's in by four, it's out the door." "That is to say, we've shifted our schedules and employees to align with when we get work from the post office and FedEx. Now we start our service on the customers' clock. And with 99.9 percent accuracy, what we receive today, we process today." This has enabled Keeler's group to reduce both their cycle time when it comes to receiving business and the time it takes to approve an application—all of which gets the insurance policy in force for the client faster, and allows the producer to get paid sooner.

The culture change has also manifested itself in terms of what technologies are used to aid the approval process, Keeler said. "One of the things we've implemented lately to support the phone interviewing process"—which is used to gather all of the information necessary to an application approval—"is a

reflexive interviewing system that allows us to complete more phone interviews with one call," he said. "One of the problems we had with reps who weren't very experienced in filling out applications was that there would be some blanks that weren't filled in. The reflexive interviewing system aids the phone interviewer in asking the right questions. This shrunk our cycle time because there's now a lot less back-and-forth with regard to the collection-of-requirements process." This technology has also allowed the Life Operations Center to conduct a phone interview at the client's convenience, Keeler added: "If they want us to call them at 2:45 p.m. on a Saturday, we'll do it."

"Simplify Life"

The new customer-first culture has inspired another key motto for the Individual Life Operations Center—"Simplify life"—which has in turn inspired a couple of other customer-friendly touches. "We've started using a postcard that starts the application process, with a financial rep just giving us basic information about a client and what their insurance needs are," Keeler explained. "We follow that up with a phone interview. We'll fill out the appli-

cation and order all requirements so that the broker doesn't have to do that. We want to make our application process more like an annuity application process for the rep." Also, the division has created products based on the "Simplify life" philosophy: "There are more packaged products that are easier for the first-time rep who hasn't sold life insurance before to sell," he said.

All of these efforts ultimately paid huge dividends for the Individual Life division: it won the DALBAR Life Insurance Service Award for customer service excellence in 2001 (the first year DALBAR gave such an award), in 2002, and again in 2003. But while Keeler and his team certainly appreciate the recognition, he explained that the true prize is not the award itself.

"At the end of the day, we love to have a case filled with trophy awards," he said. "But the real reward is the positive feedback we get from producers regarding the changes we've made—and in being the only life insurance company to be recognized by DALBAR for both policyowner service and broker service. To be the best in class is something you strive for in everything you do, and we feel that the DALBAR recognition is a validation of the service platform we've built." □



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