

New York Life Insurance Company Case Study for Dalbar

Historical Perspective:

In October 2000, New York Life engaged Dalbar for an Operational Assessment that included an employee survey, an on site evaluation of systems/processes and weekly tracking (for 12 weeks) of telephone service through extensive random sampling of calls. The findings of that Assessment and the commitment management made at that time and during the last three years were an integral part of New York Life's steady improvement, as evidenced by rising to first quartile ranking and ultimately receiving our first Dalbar Service Award in 2003.

As part of the 2000 Operational Assessment, Dalbar shared their five factors of success and their recommendations deemed necessary for service delivery to improve. Those five factors are:

- Ø **Resolve:** Resolve exists when there is clear institutional commitment to the importance of the customer. It translates into a top down recognition of and support for a customer centric service approach and shapes corporate priorities and corporate culture.
- Ø **Action New York Life took to strengthen its resolve:**
 - q Quarterly meetings were initiated and are attended by all staff to hear about global departmental goals towards improving service.
 - q Communication is consistently made to management staff that all managers are responsible for service delivery improvement, not just the call center managers.
 - q Commitments were made to improve infrastructure, communications, training and incentive plans.
- Ø **Objective:** The objective must be clearly defined in a way that its accomplishment is discernable and it can reasonably be achieved. Although the objective can change over time, it should apply to the entire organization and should be simple and easily articulated. The objective is useful only when it is communicated to the entire organization. The communication needs to be done at regular intervals and through as many media as possible.
- Ø **Actions New York Life took to define and strengthen its objective:**
 - q Management set clear objectives on milestones to be achieved.
 - q These objectives were communicated in memos to the entire staff, verbally at staff meetings and at quarterly incentive luncheons during all of 2002 and 2003 and continues now in 2004.
- Ø **Resources:** Adequate resources must be provided to meet the objective that has been established. Resources include staff, infrastructure, technology and training.

Ø **Action New York Life took to improve upon resources:**

- q Staff levels were increased.
- q Multiple system conversions were completed and scheduled system enhancements have occurred quarterly.
- q A new call monitoring system was installed.
- q Training:
 - § Supervisors and Quality Team members received training on Dalbar Criteria, the evaluation process and how to properly monitor calls and provide feedback accordingly.
 - § New York Life's new employee training class was enhanced.
 - § Quarterly training sessions for all customer service representatives were implemented.
 - § Call Center Supervisors attend Dalbar's annual Leadership Conference to learn from their peers in the industry regarding their success, enhance their knowledge of Dalbar criteria, measuring quality and providing feedback. Attendance has continued annually. Attendance at the annual Dalbar User Group meeting has provided management with insight into Dalbar's future plans as well as learn of the successes of our peers in the industry.
 - § In 2003 New York Life implemented an online database for our service representatives pertaining to procedures, product information and processing guidelines, etc.

Ø **Measurement:** Measurement systems are pivotal to monitoring and tracking progress toward the defined objective.

Ø **Actions New York Life took to improve measurement systems:**

- q New York Life's call monitoring process has continued to evolve over time. Evaluation forms were created and are updated annually. The Quality Team and Call Center Supervisors monitor calls and provide feedback regularly.
- q Call quality standards of performance are now defined annually, with higher standards applied each year.
- q Databases were developed to maintain collective qualitative data on service representatives' call scores from Dalbar and on calls internally monitored. Reports were created and are distributed to management to review performance progress.
- q Copies of the monthly "Call Detail" Report from Dalbar are distributed to staff for call center representatives to review their performance measured by Dalbar.

Ø **Incentives:** Rewards are a critical factor in achieving the desired behavior in the organization. While inspirational speeches (reflecting resolve and objective) are important, the reward system must be properly aligned to maintain the long-term focus. Incentives should include both public recognition and compensation and need to be attractive and desirable, evaluated by their effectiveness and readjusted as expectations and objectives change.

Ø **Actions New York Life took to provide incentives:**

- q New York Life expanded their incentive program in 2002. The program is revised annually to inspire continued motivation towards reaching individual, team and departmental goals.

New York Life's progress began with a commitment. To achieve the success, commitments were made by senior management, line managers, systems managers, training managers and ultimately the staff answering our telephone calls. New York Life is committed to specific goals, to provide staff with the necessary resources to perform their job, to provide an environment of continuous improvement and continuous education, to better measure interactions with customers and to reward those who achieve identified goals. These goals take time to achieve, but if an organization can hold on to its resolve and continue to build upon each small success, the longer term goals can be achieved. While New York Life is proud to be Dalbar Service Star Award winners, greater pride is taken in knowing clients are receiving world-class service as a result of the commitments made over the last several years.