

It's Not Just a Call, It's a Customer

A White Paper by The Beryl Institute
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**T H E B E R Y L
I N S T I T U T E**

Dedicated to improving
customer service in healthcare

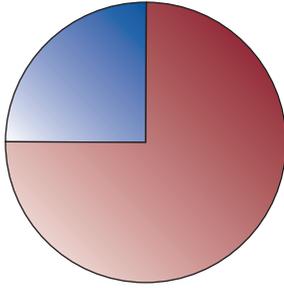
It's Not Just a Call, It's a Customer

CONSUMERISM IS HERE, and the emergence of transparency in healthcare cost and quality is quickly changing the landscape for the nation's hospitals. Consumers, armed with the responsibility of spending their own out-of-pocket dollars, will become much more discriminating purchasers of healthcare services. Hospital executives will not only have to focus on providing quality services at a competitive price, but they will have to differentiate themselves in a key area they've generally ignored – customer service.

There are a number of positive trends that are forcing hospitals to improve the quality of the clinical experience. But what are we doing to improve the quality of all of the other touchpoints in the patient experience? How many can mention a positive experience with a hospital switchboard, the registration process, the scheduling/insurance process, the waiting room or the billing office? This is where the patient experience generally breaks down. There are millions and millions of telephone calls each year into a hospital, any one of which can make or break a patient relationship forever. Yet, in looking for ways to reduce FTEs and run lean, we forget that simply picking up the phone can build a customer for life. Today, we can quantify the impact of each missed call.

For those that are familiar with “call centers,” you may be familiar with the term “abandonment,” which stands for the percentage of people that hang up before their call is either answered or completely handled. In these days of automated attendants and speech recognition, attempts at convenience result in frayed nerves and impatience. But some level of abandonment is natural and acceptable in any call center. In most industries, it is about 5%. What about healthcare? What is an acceptable amount of time for someone to wait before hanging up? What is their tolerance? How do we know the proper level of staffing for our healthcare call center?

When people call a healthcare provider, they are generally under a level of stress that is unique. They are calling for themselves or a loved one that has a health issue. If they were calling for a computer help desk or their bank, their tolerance level may be different.



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The real issue is whether people who abandon after calling a healthcare call center will call back. Since they are dealing with potentially serious personal issues, it would be a fair assumption that most people call back, supporting a lean staffing model. But this assumption couldn't be further from the truth. While it may be true that people call back "customer service lines" or "help desks" for utility companies or magazine subscriptions, the statistics in the hospital world are startlingly different. And they are undeniable.

For two decades, Beryl has provided outsourced call center services for hundreds of hospitals nationwide and during that time has collected caller data from millions of customer interactions. Crunching that data in a way never before done in the healthcare field, *The Beryl Institute* conducted an analysis of more than 300,000 caller records and 12,000 abandoned calls on behalf of 190 hospitals and found that 75% of people who abandon calls do not call back. And where are they going? Most likely, directly to your competitor.

Callers Represent Revenue

Consumers who contact a hospital through its marketing call center generate, on average, nearly three times the amount of revenue for the hospital as compared to the overall patient population. That makes these callers critically important customers – your VIPs – whether they are calling for a physician referral, class or event registration, or general hospital information. It also makes the impact on potential revenue loss due to abandonment rates one of the most important statistics a hospital needs to quantify and address. Yet it is one that is not often talked about around the executive table, in finance meetings or as part of strategic discussions. It should be.

If the average abandonment rate for callers into an in-house hospital call center is 10 percent, that means ten out of every 100 callers gets tired of endless rings or listening to futile messages, prompts, or transfers and

simply hangs up. Conventional wisdom says that people will “stay on hold” because they have become accustomed to this way of life...but this way of life is changing. Consumers more and more expect exceptional customer service and want to be catered to in every business transaction – whether in person, on the phone or through the Internet. Consumers seeking a “better experience” know they can simply go elsewhere – to your competitor – in hopes of better service.

No hospital can afford to stand by idly and watch this potential lost revenue mount. Nor can they afford to get a reputation for poor customer service at a time when customer service will more and more be a differentiating attribute as cost and quality become indiscernible features from one hospital to the next.

The value of each call to a hospital’s call center is measurable and significant. According to a study conducted by Solucient (and validated through Beryl’s own national benchmarking data), the average caller generates nearly \$14,000 in downstream revenue within 12 months of the initial call. Each call represents over \$4,000 in downstream charges – inpatient or outpatient charges that occur within twelve months subsequent of the call center interaction. Any improvement a hospital can make to handle each call promptly and efficiently – and thus lessen its abandonment rate – is significant.

This sample calculation on the following page looks at the cost of call abandonment at 10 percent versus 5 percent (a targeted goal) for a hospital that averages 1,000 calls each month. The result of this incremental improvement is nearly \$1.8 million in hospital revenue... money that could go to funding new equipment, capital improvements, staff salaries, community outreach or any number of challenges today’s hospitals face in an era of shrinking margins, tighter government controls and limited ways to access new capital.

Solving the abandonment dilemma is a challenge hospitals must address if they are to capture lost revenue, earn a reputation for customer service and stay a step ahead of the competition. It is time to throw away the intuitive sense that “because this is healthcare people are going to be more patient when they call” or that they are “certainly going to call back when abandoned.” Statistics from hundreds of thousands of calls prove this not to be true.

	10% Abandonment	5% Abandonment
Total calls	1,000	1,000
Calls abandoned on first try	100	50
Calls redialed	25	13
Total calls handled	925	963
Average hospital revenue per call ¹	\$4,000	\$4,000
Average monthly revenue from handled calls	\$3,700,000	\$3,850,000
Average revenue lost from dropped calls	\$300,000	\$150,000
Total additional monthly revenue	-	\$150,000
Additional annual revenue	-	\$1,800,000

Remember, 75 percent of people who abandon calls do not call back. Reducing the number of abandoned calls is a must, yet it presents two formidable challenges. First, most internal call centers are not open 24/7. That is contrary to today's consumer-driven society where winning organizations find a way to give consumers what they want when they want it. It also means that operators may not be standing by when television or radio advertising hits and call value is most likely to peak. Second, most internal call centers lack adequate staff to answer every call before the caller gives up, especially when call volume spikes during flu season, open enrollment or marketing campaigns. When a news story or radio advertisement causes the number of calls to escalate, abandonment rates soar as call center staff become overwhelmed and cannot catch callers on their first or second attempts.

1. "The Call Center as a Marketing Channel," Solucient, LLC, Fall 2004.

Hospitals Must Respond

On one level, the answer is simple: answer the phone. To be better at that, here are five things to consider:

- **Add staff** – This is the most difficult challenge when FTEs are hard to come by. Yet the cost of a few FTEs pales in comparison to the revenue you are sending to your competitor by missing those calls.
- **Extend your hours** – Call center volume is 30 percent higher for institutions that are available around the clock.
- **Make access easy** – Consumers appreciate the ability to communicate using the method with which they are more comfortable. Call centers with integrated telephone and Internet communications options appeal to more consumers, and the trend in that direction continues to grow.
- **Improve customer service levels** – Through proper training and employee-retention techniques, call advisors can process calls more efficiently and meet higher quality-control standards.
- **Consider outsourcing** – Larger organizations with the tools and resources to create economies of scale can take the calls that you're missing.

Expanding hours, improving access and enhancing customer service are logical ways for hospitals with in-house call centers to reduce call abandonment rates. But doing so can be an enormous undertaking. Specialized workforce management tools are required to ensure that the right number of people are available to answer phones at all times without overstaffing. Staff with the skill and desire to deliver exceptional customer service must be recruited, trained, managed and retained. Technology must always remain current and hospital dollars must continually be allocated to assure this to be true. And then there are the logistics of running an around-the-clock call center and its inherent administrative challenge.

Because “answering calls” is not the primary business of a hospital, it is often difficult for hospitals to allocate the budget, physical space and focused commitment needed to make their call center operation reach its full potential. In a time of limited dollars and competing priorities, diagnostic equipment and clinical staff take precedence. As a result, many hospital executives are considering outsourcing the call center function as a practical and sensible solution.

Outsourcing the call center function has proven to make good financial sense for many hospitals. Doing so reduces call abandonment rates because it addresses all of the four factors noted above: it operates 24/7, expands accessibility, provides adequate staffing and improves customer service levels. In addition, outsourced call centers that do this exclusively – especially those who focus on healthcare exclusively – allow for greater collection and monitoring of caller data, and reduced operating expenses.

In addition to assisting with the abandonment challenge, sophisticated outsourced call centers recognize that every phone call represents an opportunity to collect valuable data, build customer loyalty and cross-sell appropriate services. In the retail field there are many examples of using buying history or other personal information to create affinity groups and cross-market goods. Even given recognition of patient confidentiality, healthcare should be no different. Cross-selling not only means added business for the hospital, but it strengthens the bond of the individual to the hospital by providing personalized messages that are of specific interest to consumers.

A robust database drives marketing decisions related to service-line promotions and contributes to a higher return on investment. The information collected by call advisors in a personable, friendly and unobtrusive manner also lets marketers determine what marketing messages are most effective and what percentage of callers become patients.

Looking Forward

A well-run call center can propel a hospital toward higher revenues, greater profitability, increased market share and better patient loyalty. As an integral part of customer outreach and a strategic marketing program, a hospital call center is often the first – and potentially most important – point of contact for many consumers.

Abandoned calls equate to “money left on the table” for competitors to gain. Answering calls quickly and efficiently (meaning getting the caller the information they need with minimum hassle) not only improves bottom-line profitability, but it cements a hospital’s position in the marketplace as a provider of exceptional customer service. Remember, it’s not just a call. It’s a customer.

Converting Callers to Customers

The first step to turning callers into customers is to answer the call.

According to *Call Center Magazine*, these five factors affect caller tolerance for remaining in a phone queue:

- 1. Degree of motivation**
How badly do callers want to reach the hospital? What are the consequences if they don't get through?
- 2. Other options**
Even highly motivated callers may abandon the call if they can go elsewhere and are not willing to hold in the queue.
- 3. Competition's service level**
If callers experience better customer service with the competitor, they will take their business there.
- 4. Expectations**
Callers' expectations of customer service level based on experience or hospital reputation will affect their tolerance.
- 5. Time available**
Certain segments of the population, such as retirees, tend to be willing to wait longer. While some people, including physicians, are more likely to abandon an unanswered call more quickly.

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About The Beryl Institute

The Beryl Institute is the research and educational arm of The Beryl Companies, the leading provider of outsourced customer interaction services in healthcare. The mission of *The Beryl Institute* is to improve customer service in healthcare.

Through the institute, Beryl defines best practices around all touch points in the continuum of a consumer's healthcare experience. Beryl's vast data resources uniquely position *The Beryl Institute* to develop and publicize data-based intelligence and benchmarks that can be used to improve customer service.

Visit us on the Web at www.theberylinstitute.net.



About The Beryl Companies

Beryl helps organizations grow revenue and build lasting customer relationships by connecting people to healthcare. As a leading provider of outsourced telephone and Web-based communications, Beryl delivers 24/7 exemplary customer service to more than three million consumers each year.

Since 1985, hundreds of healthcare organizations have relied on Beryl for best-practices insight and data they can use to make more informed decisions about customer acquisition and retention.

For more information about Beryl, please visit us on the Web at www.beryl.net.

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