

CASE STUDY: *EDIFY IMPROVES CUSTOMER SERVICE FOR SAFECO CORPORATION*

BACKGROUND:

SAFECO Corporation

Headquartered in Seattle, Washington, SAFECO Corporation is among the largest and most trusted financial services companies in the United States. Founded in 1923 as the General Insurance Company of America, SAFECO today is a major national property and casualty insurer, with substantial life insurance operations as well as real estate investment, commercial credit, surety and asset management companies that provide a broad range of financial services.

CHALLENGE:

Large call volume and customer frustration

Mutual funds inquiries account for thousands of telephone calls received by SAFECO Corporation. But these customers weren't getting the service they wanted. Each day, a new message had to be recorded on an antiquated voicemail system, listing that day's fund prices and yields. Customers often had to wait through the entire message listing 12 or more funds to get to information on the specific fund in which they were interested—a frustrating ordeal that often resulted in hang-ups. The customers weren't happy, the process was labor-intensive for the staff—but most importantly, potential business was being lost into voicemail oblivion.

For any business, when revenues are threatened, finding a solution is mission-critical. For SAFECO, the solution was customer self service from Edify. Ed Wiggan, Systems Manager for Information Systems & Services at SAFECO, was tasked with finding a customer self service solution for mutual funds and other SAFECO business units. "From the start, our approach was corporate-minded, not departmentally focused," says Wiggan. "We needed to hook up with a vendor that would be a corporate asset, to help us expand our self service approach across

the enterprise. We were lucky enough to hook up with Edify." The RFP process for SAFECO's system involved some ten vendors, but none of the competitors offered the flexibility, open architecture, or the media independence of the Edify solution. "We wanted a platform we could build on, not a pre-packaged system—and Edify also offered unique applications beyond those we were originally planning," says Wiggan. SAFECO wanted to choose a system that would leverage learning, be able to deploy applications quickly, and could expand throughout the enterprise.

SOLUTION:

Edify's flexibility and scalability

Edify's Electronic Workforce software delivered the answer for SAFECO, offering a flexible system that could 'start small,' meet the company's initial needs, and grow to match pace with the company's technological innovations. "With the Electronic Workforce, we were able to implement vast improvements to the mutual funds system. They no longer had to record prices every day, and the data was easier for the shareholders to access," says Wiggan. "We started with a simple voice response system, and found

that the possibilities were virtually infinite to expand using not only the telephone, but also the World Wide Web."

"With Electronic Workforce, we were able to implement vast improvements to the mutual funds system."

*-Ed Wiggan,
Systems Manager for Information
Systems & Services*

IMPLEMENTATION:

Edify delivers customer self service

Working with a single developer, Lee Rutherford from the Mutual Funds programming area, SAFECO first built an interactive voice response system that provided prices and yields for each of its funds. This initial application was up and running in less than six months from the purchase date, despite limited staff resources and personnel changes. "We had 1,000 calls on the first day," Rutherford reports. "We're now



regularly seeing 2,000 calls per day. The volume continues to grow, and with the scalability of the Edify system it's easy for us to keep up with that growth."

SAFECO's mutual funds system was next expanded to include the ability for customers to hear specific information about their accounts such as account balances or transaction history. From there the company added the ability to perform simple transactions over the phone, such as transferring money from one fund to another or redeeming shares. But Rutherford is most excited about the latest phase of the mutual funds application: Web-based account access. "The secure Web page access allows customers to view detailed transaction histories and values for each of their funds, as well as their account summaries. It's been tremendously popular with our customers because it offers up-to-date pricing information. We got over 2,000 hits in the first two weeks we were up without even marketing this feature." And Rutherford adds, "I use it every day to see how my money is doing."

Enterprise self service

SAFECO's self service strategy was oriented toward the whole enterprise, and the Edify platform allowed the company to meet that requirement. SAFECO was able to concurrently develop a number of applications outside the Mutual Funds area. The company created a suite of applications for Life Retirement Services that provide essentially the same service as the Mutual Funds applications. "Thanks to the flexibility provided via Edify we were able to greatly leverage the work done for Mutual Funds," says Wiggin, "even though the back-end systems were entirely different." For the insurance area, SAFECO has created a billing inquiry application that allows agents to check on the status of their clients' policies over the phone. Another application created using Edify allows prospective employees to call the SAFECO Jobline to hear about currently available jobs in any of SAFECO's many offices throughout the country.

An exciting new application is giving SAFECO insureds the opportunity to pay their insurance premiums over the phone using a credit card. This program is basically an extension of the billing inquiry application; after the system has stated the amount due on the policy, the customer can choose to pay some or all of this amount via credit card. Tim Byers, the developer of this application, has been impressed with the response from customers. "Even though we have only launched this application in five pilot states, we are seeing around 150 payments and taking in about \$30,000 per day in this way," says Byers. "Customers are finding it to be a better and quicker way to make their payments. Offering a credit card payment option is a strategic move by SAFECO that gives us a competitive advantage, by giving our insureds more flexibility in how they pay their premiums."

BENEFITS:

Meeting customer needs, inside and outside

Wiggin acknowledges that one of SAFECO's objectives with the self service project was to 'catch up' to other financial services companies. "Now we feel like we're not only catching up, but pulling ahead," he says. With the Edify system, SAFECO was one of the first financial services companies to offer Web-based transactions, and Wiggin expects to stay ahead of the pack because of Edify's innovative development environment that permits rapid deployment of new applications. "Perhaps the greatest thing about Edify is that it allows us to meet and exceed the needs of our internal clients," says Wiggin. "It's nice to be able to tell them that we can do what they want in a short timeframe and at a reasonable cost. And helping our internal clients helps SAFECO's customers."



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Technical Summary

Host: IBM Mainframe
Databases: IMS, DB2, Btrieve
PBX: AT&T Definity

Applications Summary

Mutual Funds
Life Retirement Services
Insurance Billing Inquiry
Credit Card Payment
Employment Opportunities

Media

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