



The cost of poor service can represent 20% to 30% of a company's total revenues. The following case studies demonstrate how a client created breakthrough performance, captured cost savings and increased customer satisfaction.

Increased Retention

A mortgage lender found that it was retaining only 5% of its clients who sought refinancing at a lower interest rate. The lender determined that an increase in the loan retention rate to 20% would produce an additional \$3.6 million in revenue annually. To help achieve this goal the group turned to Six Sigma Qualtec.

Analysis and Strategy

Six Sigma Qualtec consultants began with an analysis of current processes. Ninety borrower-satisfaction surveys were conducted with customers transferred from Customer Service Representatives (CSRs) to Loan Officers (LOs). The team learned that because the hours LOs worked did not coincide with those of the CSRs who fielded calls, customers were frequently transferred to the LO's voice mail, which customers disliked.

An analysis of support systems revealed that crucial information systems were often down, creating poor customer service, and hindering the LOs in their jobs. LOs also lacked adequate training on these information systems designed to support work with prime borrowers.

To establish a productivity standard as a basis for forecasting and staffing analysis, it was determined that each LO should work five leads per day. Yet, the company's CSRs were forwarding far fewer leads, and other sources were inadequate to make up the shortfall. Nevertheless, there was a backlog of leads, indicating that CSR productivity issues needed to be addressed.

Streamlining Processes

Three issues were impacting loan retention: lead generation processes, loan officer training and staffing, and application processes. To remedy the situation, LO work hours were rescheduled to mimic those of the CSRs, and LOs were trained on the prime borrower support system. CSRs were trained to listen and respond to callers in order to generate leads, and they were provided with incentives to produce more quality leads. In addition, steps were taken to improve lead processing and tracking as well as focusing on days-to-fund in order to reduce delays and improve customer satisfaction.

Business Improvements

The implementation of these recommendations immediately increased quality lead generation by 26%. Additional benefits included:

- Increased loan retention by 20%, up from only 5%
- Increased fundings by 47%
- Improved borrower satisfaction
- Increased productivity of CSRs and Loan Officers
- An additional \$3.6 million in annual revenue