

Moments of Truth: Hospital Switchboards a Bottom-Line Issue

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

Switchboard operators and other hospital-based call centers are the front-line of the customer acquisition process. Individual healthcare organizations are losing significant dollars by providing poor customer service at this initial touch point. Savvy healthcare leaders will close this “service gap” and transform their switchboards into customer focused and outcomes oriented front-line acquisition centers.

This paper is the third in a series focused on the benefits of improving the customer acquisition process.

Moments of Truth: Hospital Switchboards a Bottom-Line Issue

WITH THE ADVENT OF consumer-directed health plans, healthcare is becoming an increasingly retail business. Potential customers routinely seek out information on hospital and physician quality prior to seeking care. Pricing transparency is on the horizon as the nation's insurance companies and hospital systems begin to publish costs for routine procedures. Consumers will expect high quality and fair pricing from all healthcare organizations. Even the prestigious Malcolm Baldrige award now includes a standardized value calculation of Outcome/Price.

This speaks to the fact that quality and price parity will be given – and transparent to the consumer – while service will be a key differentiator. Nowhere is this more critical than in the customer acquisition process.

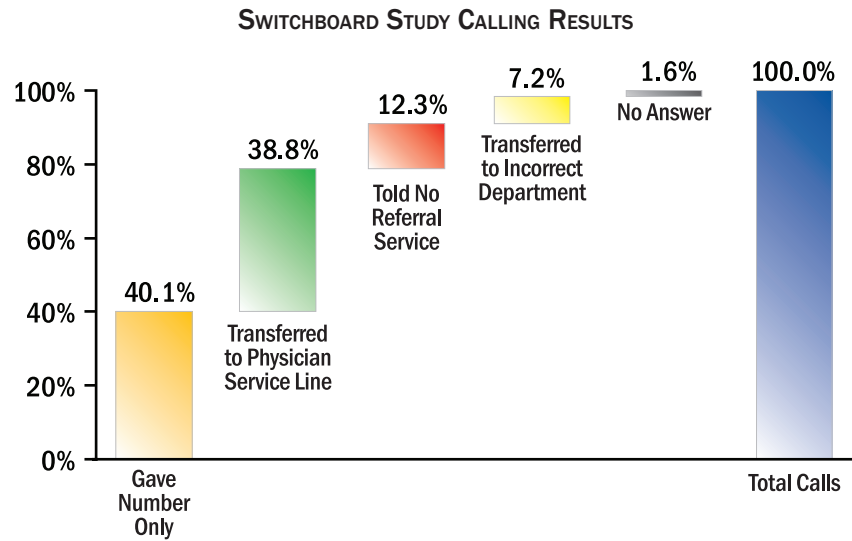
“Customer experiences include every point in which the customer interacts with your business, product or service. ...Each interaction point is a moment of truth. That's the point at which your customer is engaging with your brand and at which you can make or break the relationship.”¹ *The Beryl Institute* conducted a study to determine how hospital switchboards handle these initial “Moments of Truth” for consumers seeking a physician referral.

Customer Service and the Switchboard

The *Beryl Institute* study produced some astonishing results:

- More than 12% of switchboard attendants told prospective customers that the hospital had no referral system – when in fact the hospital had an active physician referral program.
- More than 40% of callers were simply given another number to call for physician referral rather than being transferred directly.
- Nearly 8% of future customers were transferred to the wrong number.
- Nearly 40% of callers were directly transferred to the physician referral hotline.

1. *Customer Think Corp* co-sponsored by 1to1® Media, a division of Pepper and Rogers



Study Design:

Researchers at *The Beryl Institute* made five call attempts to 341 healthcare facilities. Each call asked the same question, “I am new to the area. Can you help me find a doctor?” Research was conducted in October, 2006.

Source: *The Beryl Institute*

The gap at the switchboard, the front line of the customer acquisition process, is very serious. Organizations that lose customers during this initial connection never have the opportunity to serve them or develop an ongoing relationship.

According to *The Beryl Institute’s* research, nearly 60% of callers requesting physician referrals did not achieve their basic objective. Twelve percent were mistakenly told no service existed. An additional eight percent were transferred incorrectly. Compound that problem with the 40% of callers who were not directly transferred to a physician referral line but simply given a new number to call. Unfortunately, many information-seeking consumers may not call the new number. That means that competitive institutions are reaping the benefits of poor front-line service. To ensure that the customer needs are efficiently met, successful institutions focus on “first-call resolution,” ensuring that operators have the information and technology to handle the call during initial contact.

Customer Service: A Competitive Necessity

Imagine receiving this poor level of service from any other institution, let alone one allegedly focused entirely on a customer's health and welfare. Contrast this cavalier approach with that provided by Dominicks, a Chicago grocery store chain. Here, employees walk customers to the aisles to find the desired product. At hospitals, should prospective customers expect less?

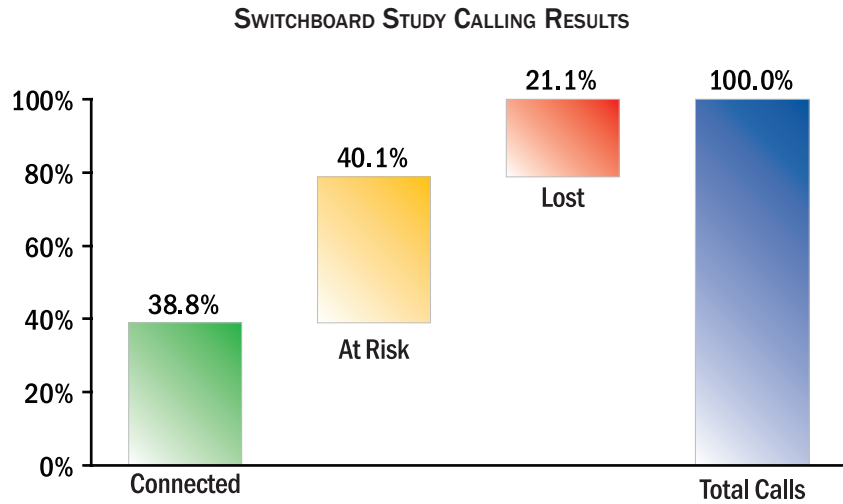
Healthcare executives can no longer afford to ignore the importance of front-line customer service. "Like it or not, physicians and healthcare organizations are up against the Hiltons, Nordstroms and Disneys of the world. These stellar organizations have raised the bar on customer service and shown the world that it is not only possible to deliver superb customer service, it's absolutely essential."²

Superb customer service means meeting and exceeding customer expectations. When calling a hospital switchboard for a physician referral, customers have very clear needs and well-defined expectations. They expect to obtain the information they seek with a single phone call. When this does not happen, the customer is lost – perhaps for life.

In most healthcare institutions, marketing departments and senior management allocate significant resources to acquiring new customers. Yet, fancy marketing brochures, expensive advertising and extensive outreach programs are doomed to fail if the customer acquisition strategy and training does not include the switchboard. Although marketing emphasis may be placed on the hospital's vanity number, the main switchboard number is a critical point of entry for many consumers. Therefore, switchboard operators and other hospital-based call centers are the front-line of the customer acquisition process.

Appropriate, consistent, and ongoing switchboard training is key to ensuring proper response to all customer calls. For example, if every switchboard operator knew that the hospital had a physician referral service, twelve percent of the "Lost" calls could have become potential customers. Calls are designated "At Risk" when the acquisition process has been interrupted – by not providing direct transfers to the appropriate number. In this study, the "At Risk" group could have been saved by directly transferring to the physician referral line and ensuring the connection was made.

2. Kristin Baird, *Customer Service in Healthcare*, pg. 122



Source: *The Beryl Institute*

Switchboards: A Bottom-Line Issue

“Lost” and “At Risk” calls are a serious bottom-line issue. “The average call center caller generates \$4,000 in downstream charges within 12 months subsequent to the call center interaction.”³ Therefore, for a hospital that generates an average of 1,000 calls per month to their switchboard seeking a physician referral, the nearly 40% of calls that were connected may produce nearly twenty million dollars in annual charges. Contrast this windfall with the “At Risk” group losses. Over a year, this group represents nearly twenty million dollars of “At Risk” and potentially lost revenue. Similarly, the “Lost” group, those that are connected to the wrong number or told no referral line exists, represent more than ten million dollars of lost revenue.

“If our operators get a phone call, they know what to do with it. They don’t have to put someone on hold or call them back. The goal is to service the customer at the initial contact.”

**Marti Scott, CRM Coordinator
OhioHealth**

3. “The Call Center as a Marketing Channel,” Solucient

ANNUAL REVENUE FROM INCOMING CALLS

Based on 1,000 average calls per month and an average revenue per call of \$4,000.

	Percent	Monthly Revenue	Annual Revenue
Connected	38.8%	\$1,552,000	\$18,624,000
At Risk	40.1%	\$1,604,000	\$19,248,000
Lost	21.1%	\$844,000	\$10,128,000

Source: *The Beryl Institute*

In other words, individual healthcare organizations are losing significant dollars by providing poor customer service at the initial point of contact. Given these numbers, customer service at the switchboard level is a critical bottom-line issue.

Making the Transition: Switchboard to Strategic Touch Point

Savvy healthcare leaders will close this “service gap” and transform their switchboards into front-line acquisition centers that are customer focused and outcome oriented. Each caller must be treated as a prospective and valued customer and appropriately served or transferred on the initial call. The risk of not connecting is simply too great.

OhioHealth clearly views the switchboard as the front-line of customer service for the organization. As Marti Scott, CRM Coordinator, explains, “If our operators get a phone call, they know what to do with it. They don’t have to put someone on hold or call them back. The goal is to service the customer at the initial contact.”

This service is possible through excellent communication with the front-line staff. Each week, Marti prepares a report that summarizes all of the campaigns running that week – whether on radio, print, TV or billboard. This is shared with the in-house switchboard supervisors as well as the 4-HEALTH number. The call center team is then aware of all ongoing activities.

For example, a particular physician may have appeared on radio discussing diabetic foot care. The interview would be cross-referenced by the service, by diabetic, and by foot care. With this detailed information, an operator can quickly identify which campaign, service, or physician the person is seeking and can connect them appropriately – remaining on the line to ensure the transfer is effective.

Marti explains, “It’s all about communication. I build relationships with the public and the internal staff that serves them. I help them become a resource to give our customers what they need.”

Practical Tips for Improving Switchboard Customer Service

In order to ensure superior customer service at the initial point of contact, *The Beryl Institute* recommends the following:

- **Start at the top** – Make customer service a priority in the executive suite and clearly describe what great service looks like at the switchboard.
 - **View each call as a potential (or repeat) customer** – Make sure that all switchboard operators understand the importance of each customer and potential customer. Measure and reward outstanding customer service on a regular basis.
 - **Implement technology that enables easy switchboard transfers** – Rather than giving out second numbers, operators can transfer calls directly to ensure first call resolution.
 - **Communicate, Communicate, Communicate** – Ensure that all switchboard staff is familiar with and understands the goals of ALL marketing programs. This means providing ongoing training, easily accessible collateral, and appropriate incentives. Make the switchboard part of your communications and marketing team.
 - **Don’t underestimate the direct number of the hospital** – Since this number may appear in the Yellow Pages, in collateral, and on the Web site, it is frequently used by consumers even if the institution has a branded marketing number. Operators answering that number must be trained to field a variety of service requests.
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- **Train for results** – The organization has only one opportunity to service a customer – or that customer may be lost to the competition forever. Provide necessary materials and ongoing training to ensure that all operators understand the best and most appropriate action for each type of inquiry.
- **Provide benchmarks** – Consistently monitor how well the call operators field inquiries. Share this data with the switchboard as other similar outcomes data is shared throughout the hospital.
- **Staff appropriately** – Current statistics advise that the switchboard should be staffed so the call abandonment rate is five percent or less.
- **Hire outside support to make assessments and recommendations** – External consultants can perform regularly scheduled mystery shopping analyses and provide ongoing feedback about the customer acquisition process.

Conclusion

“Consumer-driven healthcare is forcing healthcare executives to view their organizations as a more traditional retail business. Price, quality and customer service become more important factors for success as consumers take charge of their health spending decisions.”⁴

As this research shows, customer service at the switchboard is more than a frill. Good service is the key to customer acquisition. This discrepancy between poor and outstanding front-line service will become even more significant as consumers pay more of their own healthcare costs. Those healthcare organizations that can close this front-line “service gap” and delight customers on the initial call will succeed in acquiring new customers and reap substantial financial benefits.

4. “Healthcare Revenue Cycle Management,” Triple Tree

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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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