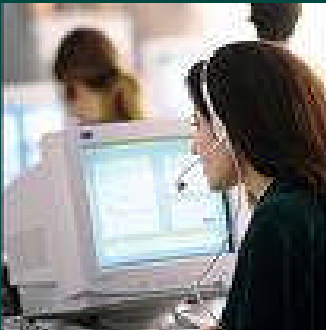


# Case Study

## Increase % of customer cancellations “saved” for items costing over £100

### Project background

When a customer called contact centres in a large home shopping organisation to cancel an item valued in excess of £100, the call was transferred to a specialist team who attempted to “save” the order. 12% of orders were saved and management wanted to increase this percentage.



Paloma Consulting Limited  
Thorney House  
26 The Barton  
Cobham  
Surrey  
KT11 2NJ  
United Kingdom

☎: +44 1932 867032  
✉: info@palomaconsulting.com

[www.palomaconsulting.com](http://www.palomaconsulting.com)

### Problem

The specialist cancellations team saved over \$2.6M in demand for merchandise products that would otherwise have been cancelled by the customer but the % saved was considered by management to be too low. A Six Sigma team was set up to investigate.

Customers wanted 90% of calls transferred from the enquiry advisors to the specialists to be answered within 15 seconds and to be answered efficiently with no need for the customer to call back.

The team discovered that cancellation calls were given a lower priority by enquiry advisors than order or enquiry calls, that not all transferred calls were answered, 0% of duplicate calls resulted in a saved cancellation.

They also discovered that only 2% of outbound calls about cancellations resulted in a saved cancellation compared with 20% saved when customers had called in to cancel.

Hypothesis testing showed very different transfer rates between various call centres and the specialist cancellations team and in saved rates between advisors.

### Solutions

Standard operating procedures were developed to include a greater emphasis on the priority given by enquiry advisors to cancellation request calls and to accelerate call transfer.

Policy instructions were issued to stop transfers of duplicate calls and transfers of calls to insurance specialist as if the product order had been cancelled then the related insurance could not be saved. This saved over 7000 non-value added calls

A study of cancellations team cover by hour & by day showed big differences in staffing levels which mismatched customers' cancellation call-in patterns. Manning levels were flexed to meet call demand with more weekend manning.

Customer “not prepared to wait” and incorrect customer orders accounted for over 80% of all cancellation requests. Staff were trained in techniques to encourage these consumer not to cancel their orders.

### Business benefits

The number of cancellations saved increased by more than 100%, saving \$6M per year for the brand chosen for the project.

A central cancellations team was set up to deal with other brands, applying the same methodology. Key performance indicators were set up to monitor performance across brands and contact centres.