

# Case Study

## Reducing cash collection complaints



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### Project background

A financial services company was experiencing enquiries and complaints from policyholders and some regulatory complaints relating to non – collection of insurance policy premiums. Premiums were normally collected via home visits by over 400 collectors. Customer survey data showed that a significant number of complainers would not repurchase with the same insurer. A Six Sigma project was set up.



### Problem

Pareto analysis of customer survey data showed that the largest number of complaints related to non-collection of cash policy premiums.

The Six Sigma team discovered that many complaints related to confusion arising after policyholders had telephoned to advise that they would not be at home. The necessity to repeat complaints calls led some policyholders to write stating they believed collections would never be made so they intended to surrender their policy.

The team also found that over 2% of 700,000 customers had never received policy collections visits. They also discovered that occasions when the policy holder was not at home and the collector left a card but the customer still called head office accounted for 40% of all collection related complaints.

The Black Belt visited samples of policyholders with individual collectors to map the collection process in detail. These visits resulted in five different process maps of what actually happened when the collector called but customer was not in. Many collectors did not leave a collector card. Others did leave a card but the customer would call head office with an enquiry or complaint, which was not passed on to the collector.

### Solutions

The team concluded that the process for communicating with collectors and coordinating visits to match policyholder availability was highly variable.

The collector card had been designed so that the customer called head office and not the collector and the card was difficult for the elderly to read.

The main customer requirement was to know the date and time of their collector's next visit. Similarly the collectors wanted to spend as little time as possible in the customer's house as they were paid on collections made. The team tracked the frequency of the numerous opportunities for a defect when completing a calling card. Calling card procedures were amended and modifications to the calling card itself were made. Gradually the collectors got to know the customers' movements and vice versa and the proportion of visits where cash was not collected dropped significantly.

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### Business benefits

The company saw a 50% reduction in related complaints. They restructured via a rationalisation of regional staff. Company reputation and policyholders' repurchase intent were enhanced and €140,000 of direct costs were eliminated.