



## Giving voice to customer-centricity

How quickly can a bank reasonably expect a return on a new investment in information technology? The answer is usually given in years, so senior managers are naturally very cautious about committing to major projects. But a recent project at Barclays Bank demonstrated how to go about achieving a very rapid return on investment and more intangible benefits including increased customer and employee satisfaction.

The most important financial decision that these customers are likely to make is to take out a mortgage to finance home ownership. In the UK the property market has boomed in recent years, and following the acquisition of the Woolwich Mortgage Bank, Barclays is the country's fourth largest mortgage provider, with a portfolio of £50 billion (€ 79 billion) of secured loans. The value of this business goes far beyond the loans themselves, however: mortgage customers present enormous cross-selling opportunities.

It is the task of the Credit Risk Management department to optimize the mortgage asset quality through its complex lending expertise, policy management and advanced business technology solutions. Pankaj Mistry, Data Warehouse Manager of the Credit Risk Management department explains: "We have a mature data warehouse and we are very information rich, in other words we have very good knowledge about how our portfolio is performing. The information we control is of immense interest to other business units within Retail Sector."

### About Barclays

Barclays is a major UK-based global provider of financial services, and the largest UK online banker with two million online customers. It achieved pre-tax profits of £3.49 billion (€ 5.5 billion), and had total assets of £316 billion (over € 500 billion) in 2000. Retail Financial Services (Retail Sector) is a very important division of Barclays' operations. Serving 17 million personal and small business customers, Retail Sector has defined its mission as "to deliver value to shareholders by placing the customer at the centre, of all activities".

In particular, the Credit Data Warehouse holds Pre-Approved Mortgage Limit (PAML) figures on some 3.5 million customers, information that is of vital interest to Retail Sector sales staff. "Access to this information gives the salespeople a tremendous advantage because they don't need to worry about a mortgage being declined after an offer has been made. They know exactly what the customer's limit is," says Mistry.

The challenge for Barclays Retail Sector was how to get the PAML information into the salespeople's hands at the point of customer contact – Retail Sector has thousands of sales staff based at hundreds of locations or out in the field. Any solution would have to be easily available, preferably not via a PC or terminal, as these are not available at all locations. Above all, a solution was needed quickly.

<b>Customer</b>	Barclays
<b>Industry</b>	Banking and Financial Services
<b>Business Issue</b>	Give salespeople rapid access to loan limit information
<b>Solution</b>	Deliver information from SAS data warehouse via telephone using new Interactive Voice Response technology
<b>Benefits</b>	Increased sales, time savings for sales force, increased customer satisfaction and a rapid return on investment



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**Pankaj Mistry,  
Data Warehouse Manager,  
Credit Risk Management**

“The sales staff were screaming for tools to help them achieve their mortgage sales targets, and an important element in the equation is the ability to make a firm offer,” says Mistry. “What we set out to prove is that results with a measurable impact can be delivered quickly. This development allows Credit Risk Management to focus sales activity on delivering assets of high quality, thus changing the risk/sales paradigm. Like any other company, Barclays is not going to commit large funds to projects with uncertain returns. Therefore we decided to start small and prove the concept,” he adds.

The solution was PAML-IVR (Pre-Approved Mortgage Limits-Interactive Voice Response), which gives dial-in access to information in the SAS Credit Data Warehouse via a fixed or mobile phone.

“We were pushing out the boundaries of technology with this project,” says Mistry, “as nothing similar has been tried before.” The project involved partnership between Mistry’s department at Barclays, SAS and Periphonics, the voice services arm of Nortel Networks.

“Because we were treading new ground, the objective was to prove the concept and not build up false expectations,” says Mistry. In fact, the success of the pilot project would have exceeded anybody’s expectations.

The prototype began in July 2000 and took 30 person-days’ effort (ten from Barclays staff). It went live on 22 September, with 25 users over a 90-day trial period. Components of the solution included a telephone line and hub, the IVR server and software, telephone scripting, a security application, the data server and software, and the interface program.

The way the solution works is that the sales person dials in through one of 30 dedicated lines to the Interactive Voice Response server. He/she hears a welcome greeting and the IVR server asks for a personal identification number (PIN) and a staff number. When these have been entered, the sales person is asked for the sort code of the sales outlet (for example, a bank branch), the number of applicants for the mortgage (one or two), and their customer identification numbers.

The IVR server feeds the request through to SAS data sets that are refreshed on a monthly basis with the latest information

from the SAS Credit Data Warehouse. SAS communication software feeds back the Pre-Approved Mortgage Limit data, which in turn is converted into voice output, giving the salesperson instant information on the size of the loan that can be offered.

“Although some of the technology components were completely new, the solution proved itself to be very robust and could support 24/7 operation,” says Mistry. “Within six weeks of going live, Barclays achieved £1 million (€ 1.6 million) in extra new sales, entirely attributable to the PAML-IVR solution. ROI was achieved in eight weeks. The sales people were delighted: they were making more sales and each sale was taking between 15 and 30 minutes less time to complete. Unsurprisingly, they insisted that the prototype be kept going beyond the trial period, and customers also expressed satisfaction with the faster service provided by PAML-IVR.”

Impressed by these results, in November 2000 the Retail Executive gave the go-ahead for an extension of PAML-IVR leading to a national roll-out to 4,000 sales people. By April 2001 Barclays had already attributed £70 million (€ 111 million) in pure new sales to the PAML-IVR solution, and the conversion rate of applications to actual completions has increased from forty to forty-five percent. Expenditure on the national system was recouped in six months.

But that’s just the immediate financial return. Pankaj Mistry summarizes the more intangible benefits by referring back to the organization’s mission: “The customer feels he has received a great service without paperwork: an immediate decision without the need to produce evidence. PAML-IVR helps make the customer feel that our service revolves around his needs as an individual. And that obviously helps to create shareholder value.”



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