

**Kaplan Financial**  
**Client Services White Paper**

**Best Practices for Implementing a Service  
Culture Environment**

*Creating & maintaining dedicated client services team through Raving Fans plus One Service Model*

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## INTRODUCTION

### **How five leading brands becomes one entity, dedicated to your success**

When it comes to business, change is inevitable. With fierce competition and increasing customer demands -those who survive the mergers and acquisition game must be nimble enough to navigate the uncertainty of a global marketplace.

It is not enough to be the biggest player in the pond. The organization must be able to grow innovation while taking care of the traditional values that business must embrace to survive. Indeed, growth is not measured solely by the number of properties under the management of the business. However, rather by the customers that the company depends on to thrive.

Indeed, Kaplan Financial recognized this challenge while undergoing the largest corporate realignment in our 80-year history. Upon completion of our merger with BISYS Education Services and eMind® in 1<sup>st</sup> Quarter 2006, Kaplan Financial brought together five of the financial services industry's most trusted brands under one brand name. In doing so, we were not only compiled what we believe is the most comprehensive content library and feature rich set of compliance tools & services in the business. However, we also brought together very different corporate cultures spread across not only the United States but also in India. To meet our customers' expectations during this time, our organization realized that we had to develop a plan in which our numerous organizations could rally behind. The newly formed leadership team quickly took ownership of the initiative, and the results revolutionized not only our customer service strategy-but also the very fabric of our organization.

### **Creating Raving Fans...Plus One**

#### **Taking an already novel idea, and turning it on its head**

When authors Ken Blanchard & Sheldon Bowles first released *Raving Fans, A Revolutionary Approach to Customer Service* (1993, Harper Collins Publishing) it was considered by many to be the preferred manual for learning how to create positive customer relationships. Adapting the narrative into a fable, the text abandoned the academic style commonly found in business books. Over the years, millions have embraced its message of taking what customers expect to the next level.

The philosophy in itself seems relatively simple: going beyond words to discover client's true intent; creating an effective system to deliver on expectations repeatedly; and creating a culture that strives for this as a constant value. Turning customers into raving fans involves a shift in paradigm to where identifying needs goes beyond simple job requirements, but rather a reason for an organizations' existence.

Companies often exalt their customer service as a way to differentiate themselves from the competition. However, for companies who have mastered this idea, the clients lead the way in championing their service. Brands such as Wegmans & Nordstrom are but two examples of this phenomenon, where the fierce loyalty of the customer base sometime reaches cult status. Those retail companies achieved this without drastic price cuts, but rather by allowing customer service to be their driving force.

When the Raving Fan philosophy was introduced to the leadership team, it was adopted almost immediately from the top of the organization. Andrea Mainelli, CEO of Kaplan Financial, recommended the book as required reading for the sales and client service divisions of the company.

Nevertheless, in comparing our business model and newly formed mantra of that of competitors, we recognized that accepting the defined constraints of raving fans simply was not enough. With our organization's considerable size, customers expressed concerns that we would not be able to respond to their needs as efficiently and with as much passion as we did under our previous singular corporate entities. With this in mind, Kaplan Financial expanded the original concept introduced by Blanchard & Bowles to form a new reality-creating raving fans plus one.

Raving Fans plus One means that it is not enough to anticipate our client's needs. It means that we must constantly seek out to surprise & delight them. Do not just listen, but become fully engaged in every aspect of the key interaction. By doing so, success will not be identified solely in the cross selling opportunities but also with the acknowledgement of a continued relationship with the customer.

It is essentially, what separates a vendor relationship from a partnership. Vendors merely act as order takers. Partners are vested financially and emotionally with the outcome. Moreover, because the organization defines customers as both external (either characterized in B2B & B2C relationships) as well as internal (our co-workers & vendor) this should be a natural extension of our service organization. Furthermore, we see every employee, regardless of title, as a service representative.

The Gallup Organization calls this ability to trade and build on organic client relationships "Emotional Economy"; and interestingly enough-polls show that this simple concept is still considered overwhelmingly lacking with most business relationships. A 2005 Gallup study revealed that only 20% of business-to-consumer companies are fully engaged with their customer interactions. Just 12% of business-to-business relationships can be defined as fully engaged. By adapting the Raving Fans plus One model, Kaplan Financial sought to position itself as elite organization with a mind for both innovation as well as superior service.

The concept was highlighted during 1<sup>st</sup> Quarter 2006 kick-offs throughout Kaplan Professional's many divisions. In doing so, it created a new corporate culture where success is determined not by how many products sold but our customer's perception of

our service. Our mission statement, released in late 2005, related our new philosophy by identifying the client's role in our business model. Not only does it serve as a basic reminder of our responsibility to our customers, it places the responsibility in the hands of all operations & department. Although clearly our Client Services Department is the frontline of our organization, it is everyone's job to create a positive experience for our internal and external clients every day.

## Kaplan Financial Mission Statement

From education to compliance, from the enterprise to the individual, Kaplan Financial people turn inspired ideas into powerful solutions that help customers gain, retain, and track the credentials required to succeed in the financial and insurance industries.

## Translating Corporate Strategy into Front Line Action

### Incorporating a company-wide service model into our customer service team.

Once the mission statement was formed, Kaplan Financial then took on the arduous task of combining duplicate post-merger departments. Due partly to the fact that customer service was a focus point in our strategy; it was decided to bring all customer support teams to our corporate office in Chicago, IL. There, the group could benefit not only from uniform training and support, but also will have immediate access to various other customer affecting departments (technical support, sales support, etc.)

Customer Service was incorporated into a newly formed Client Services department, which was also reorganized to create an efficient workflow process. As a result, our organization created four specialized divisions.

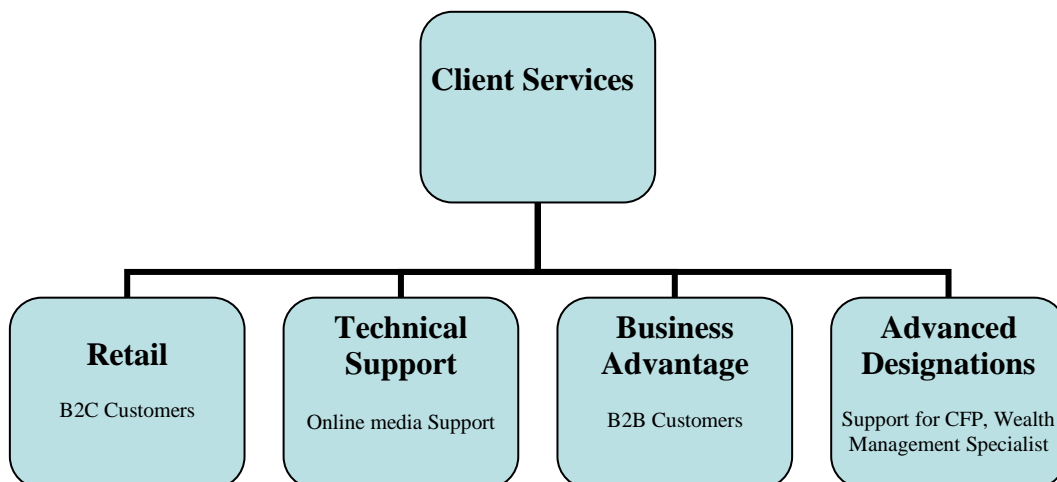


Figure 1-Overview of Client Services Divisions

These new divisions provided customers with a dedicated team within their area of interest, eliminating order error and providing a single call solution for our clients. The formation of the teams also established a career path model for our employees giving them the flexibility to pursue specialized training on various topics.

## **Training and Service Level Requirements**

### **Building the better service team one representative at a time**

As our customer base expanded, so did our customer services department to accommodate an estimated 750,000 phone interactions per year. With the higher expectations of a sophisticated customer base, it was important to the tools necessary to succeed. Therefore, all new Customer Service Representative undergo a rigorous process to prepare them to be successful.

Training begins with 2 weeks of classroom instruction, focusing on securities pre-licensing, firm element and order placement. At the end of the initial period, representatives are introduced into the queue where they will work exclusively with securities products as well as assisting customers in navigating our website, [kaplanfinancial.com](http://kaplanfinancial.com).

Training continues through 60 days, where the employees are instructed on our insurance pre-licensing and continuing education. It is during this time that representatives are instructed on service quality and corporate sales & service philosophy. Employees are considered successful in this phase once they demonstrate understanding of multiple insurance and securities product lines as well as receive satisfactory service scores. Reps are monitored for performance through the 90-day mark, where then they are given the opportunity to pursue specialized training in other departments.

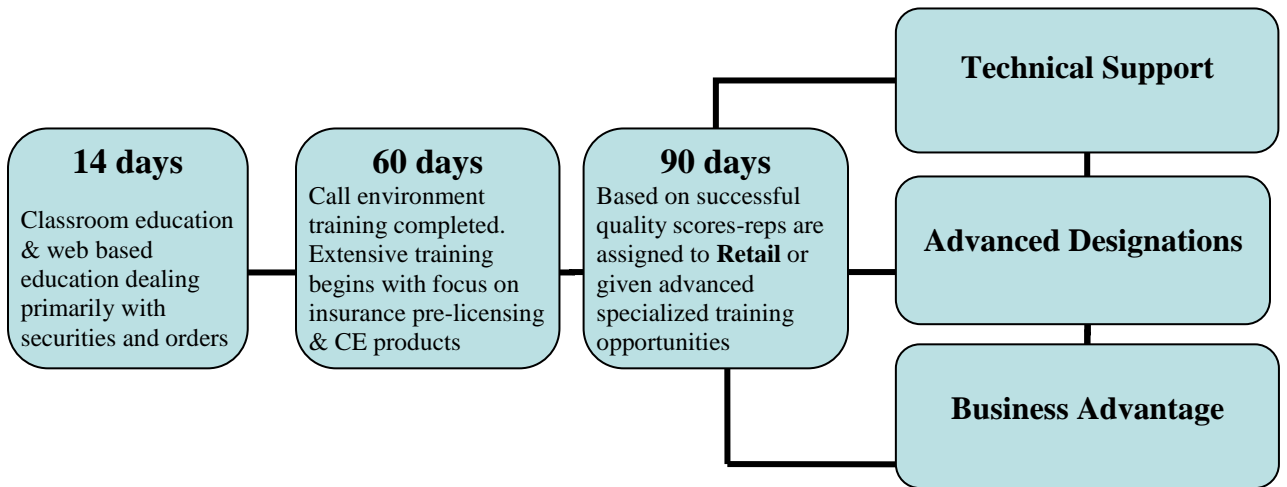


Figure 2-Training Module

Central to all training objects with new and existing employees is the focus on maintaining acceptable service levels within the call center. Quality scores are calculated monthly for representatives, with an estimated 10 calls reviewed based on set criteria based largely on four categories:

1. Addressing Concerns for client
2. Demonstrating understanding of issue
3. Developing resolution, presenting multiple alternatives if required; and
4. Expressing ownership and responsibility when warranted

To ensure continued commitment to these principals as well as the Raving Fans plus One service model, customer representatives are electronically monitored to review client interaction. During these reviews, management can review audio content of calls, as well as screen shots of any software accessed to resolve issue. Representatives are notified once monitoring is completed, and are given an opportunity to review sessions to determine improvement strategies. To be successful, representatives must maintain a minimum score of 83%. Bonuses are tied to high service level, serving as encouragement for keeping actively engaged with clients on every call.

In addition to minimum service levels tied to Quality Scores, bonuses are also tied to individual achievement within the specialized divisions. Representatives serving in the Business Advantage departments, for example, must demonstrate knowledge in corporate policy for the companies that they serve. They must be prepared to answer detailed questions regarding individual company discounts, specialized marketing programs and technical products available for company employees (such as firm element and

proprietary electronic courses, etc) as maintained in the Kaplan Financial Learning Manager.

## **Maintaining a Raving Fans Environment within Our Call Center**

### **From Satisfied Employees comes Satisfied Customers**

Keeping with the corporate strategy of Raving Fans plus One, Representatives are given multiple incentives beyond bonuses to maintain high service levels. Representatives are featured daily in a department publication that highlights best practices within the department. Accommodations from consumers are displayed prominently. In addition, representatives who routinely show exception customer service skills are honored during events such as Customer Service Appreciate week.

As a result, Kaplan Financial boasts a usually high retention rate among call center employees. Nearly 100% of staffing levels within the department changes are due to internal promotion, and not general attrition. Typically by comparison, turnover rates for similarly sized call centers hovers around 30%. Tenure for representatives varies widely from a few months to 28 years.

Much of our organization's success in this area is attributed to a culture that fosters advancement. Representatives who express interest in leadership opportunities are regularly given coaching sessions to help them advance. Representatives are also given a chance to participate in various interdepartmental activities, such as planning for corporate service projects. In addition, representatives are encouraged to submit ideas and initiatives on ways to improve overall internal and external client relationships.