

Kookmin Bank heightens customer responsiveness with IBM software.

Overview

■ Challenge

Following a merger with a rival bank, Kookmin wanted to reduce telephone waiting times at its call center facilities, be able to locate customer information across multiple accounts and deliver fast, accurate responses

■ Why Become an On Demand Business?

To ensure the success of the merger, the bank needed to give its contact center agents instant access to customer information, which would allow them to work more productively and identify new sales opportunities

■ Solution

Kookmin built an integrated, knowledge-powered customer service solution that lowers costs, manages customer requests from multiple channels in realtime and delivers relevant information to agents located in a centralized contact center

■ Key Benefits

Full payback expected in less than one year following full implementation; 20% decrease in call handling time; additional revenues due to ability of call center agents to cross-sell services; improved responsiveness to customers



Kookmin is driving profitable, long-term customer relationships with a business system based on IBM technology.

When Kookmin Bank (Kookmin) joined with rival Housing & Commercial Bank (HCB), it was the largest corporate merger in Korean history. Kookmin emerged from the consolidation with the highest market capitalization of any Asian bank outside of Japan and China. Today, the Seoul-based institution is ranked 68th in the world with 180 trillion won (US\$155 billion) in assets and 26,000 employees.

To ensure the success of the merger, Kookmin set out to streamline its business operations and establish new benchmarks for customer service. As part of that goal, the bank decided to revamp its existing Seoul and

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– Youngho Lee, Managing Director, Kookmin Contact Center

Integrating solutions that help enable On Demand Business

On Demand Business Benefits

- Full payback expected in less than one year following full implementation
- 20% decrease in call handling time has improved customer responsiveness
- Additional revenues due to ability of call center agents to cross-sell services
- 70% reduction in customer calls to branch offices
- Newly streamlined, integrated business processes allow agents to work more productively, lower costs and respond to customer requests in realtime
- Open and scalable IT solution is both resilient and flexible, paving way for seamless future growth without having to rebuild infrastructure

Daejeon telephone customer contact centers, with an eye toward improved profitability and efficiency. In addition, the bank wanted the customer contact centers to take over the customer service calls handled by branch offices, allowing branch staff to concentrate on marketing and sales activities. "We operate in a very competitive marketplace and the contact centers are our face to the customer," says Youngho Lee, managing director, Kookmin Contact Center. "We had costly procedures in place that were preventing employees from doing their jobs effectively."

Service agents at both call center facilities were struggling to reduce telephone wait times, locate customer information across multiple accounts and deliver fast, accurate responses—problems that threatened the success of the merger if they weren't quickly resolved. The difficulties started after the two banks were merged, when customer calls increased dramatically and the bank had no central way to manage customer information. Compounding matters, the high turnover of the call agents led to a low skill level, further lengthening call handling times.

As a result, the centers had a high call abandon rate and customers were phoning the branch offices directly for information. This not only resulted in delays for the customer, it also was preventing branch office staff from focusing on their core responsibilities. "We wanted our key branch personnel to concentrate on marketing and sales, not answering routine customer questions," says Lee.

The call center as revenue generator

To raise employee productivity and customer service levels—and help assure the viability of the new company—Kookmin recognized that it needed to consolidate its two distributed contact centers into a single operation that would help it keep pace in an increasingly competitive marketplace. Specifically, Kookmin needed to integrate its disparate business processes and enable its agents to quickly locate customer information. In doing so, Kookmin hoped to transform its contact center into a revenue-generating department. The bank also needed to empower customers with the ability to access account information themselves.

Says Lee, "If we didn't find a way to streamline our operations and respond to customers with more timely information, we risked jeopardizing our position in the marketplace."

Powering customer service with knowledge

Working with IBM Business Partners KANA and Genesys, Kookmin built a solid and scalable business system foundation to drive profitable, long-term customer relationships. The knowledge-powered customer relationship management (CRM) solution provides a unifying integration of processes that empower agents with relevant CRM information in realtime. In doing so, the solution—which manages customer requests in one universal queue—ultimately minimizes situation

resolution time with both agents and customers. It also includes a self-service option for customers who want to address issues themselves. Key to the success of the project was IBM Business Consulting Services that guided Kookmin through the implementation process. IBM Business Consulting Services not only developed the contact center architecture, but also conducted external benchmarking and project ROI analysis and helped the bank refine its CRM strategy.

“Not only have we improved information sharing among our employees, we also have unlocked the information about our customers contained in our back-end systems,” says Lee. “This allows us to improve our customer response time while lowering costs.”

At the same time, Kookmin has empowered customers with the ability to resolve issues on their own by providing them with instant, easy access to their account information over the Web. Customers also have the ability to e-mail Kookmin staff members for problem resolution. This has helped Kookmin not only lower its operating costs and take the burden off the call center staff as well as the branch offices, but also to decrease its call handling time by 20 percent.

By providing contact center staff with immediate access to customer information, agents can work more productively and answer customers’ questions in realtime. Now when a customer calls, the service agent can see all of the customer’s accounts and immediately address questions by pulling up information directly from his or her desktop system.

This new system has generated a process for cross-selling and up-selling, allowing agents to leverage profit-generating opportunities connected with other departments throughout the bank. For example, a caller inquiring about the status of his or her mortgage can be notified about new rates for auto loans or special credit card offerings.

At the same time, customers can initiate service requests, review the history of their interactions across multiple communication channels, receive important service bulletins and manage their profiles and accounts—without the assistance of a call center agent.

WebSphere family provides foundation for success

The multi-channel solution is based on WebSphere® software from IBM, and includes a CRM application from KANA and a telephony system from Genesys. The KANA IQ eCRM application is powered by IBM WebSphere Application Server and runs on a resilient IBM @server® pSeries®. Employees access the system to manage customer contacts and customers interact with it as a Web self-service portal.

Key Components

Software

- IBM WebSphere Application Server
- IBM WebSphere Edge Server
- IBM WebSphere MQ
- IBM DB2® Universal Database™
- Genesys Enterprise Routing
- Kana IQ eCRM

Servers

- IBM @server pSeries
- IBM @server xSeries®

Services

- IBM Business Consulting Services

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WebSphere Application Server serves as the runtime engine for the Java™ technology-based KANA applications that provide the highly responsive services and information available to Kookmin employees and customers. "WebSphere software and Java are crucial components," says Lee. "They allow us to leverage the contact center for reuse in other channels, which we believe will be the key to the success of our new company." IBM DB2 Universal Database serves as the back-end information management system providing seamless access to company and customer information.

At the core of the system is the Genesys Enterprise Routing application, a call routing solution that can simultaneously handle routing requests for voice calls, e-mails and Web interactions. It uses VoIP as a communication channel for voice calls between the call centers located in Seoul and Daejeon. The solution routes incoming requests to the most appropriate agent, evaluating each interaction type and origination to assure proper treatment and priority according to the company's business rules. A channel gateway provides integration between the KANA and Genesys systems, providing agents with a 360-degree view of customer information.

The solution also includes IBM WebSphere Edge Server running on a pSeries system. WebSphere Edge Server provides caching, load balancing and content-based routing support to enhance the CRM system's availability, scalability and performance.

Standards-based solution paves way for future growth

To enable future expansion, Kookmin's new integrated, open and scalable IT solution is both resilient and flexible and will easily scale as Kookmin's business grows. "Banking solutions rise and fall on their ability to integrate multiple systems," says Lee. "We chose IBM because its open standards-based products allow financial institutions to connect various technologies to create cohesive, enterprise-wide systems."

Kookmin expects the system to pay for itself in less than one year once it is fully implemented. In fact, the company anticipates additional annual revenues due to the ability of call center agents to cross-sell services. It also expects to reduce customer calls to branch offices by 70 percent, allowing branch staff to work more productively and remain focused on their core sales and marketing activities. And because it can respond to customers in realtime, Kookmin is confident that it can provide the best customer service of any bank in Korea.

"By consolidating our customer-facing communication channels, we are able to provide cost-effective self-service solutions that improve customer satisfaction and allow us to deliver better service less expensively and more quickly," says Lee. "Now we can compete against some of Asia's biggest banks and better ensure the success of our merger."

For more information

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05-04
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