



Major Building Society

A Major Building Society wanted to improve the performance of its sales team—the solution was to give them fewer leads

Sales people are an expensive resource for any business but especially in the Financial Services sector where there is near-constant oversight of how they are selling. For a major Building Society the challenge was how to identify which mortgage enquires merited a visit by a sales person as opposed to those that only merited referring to the Society's website.

Background

Established over 100 years ago this Building Society had established a firm niche in above average value mortgages. However, this market is always fiercely competitive because they tend to be low-risk and have long lifetime values once you "hook" them. But, because these people are no mugs it is not easy to persuade them to take a mortgage with any particular provider.

In the case of this Building Society in early 2002, the problem was that the conversion rate from enquiry to sale was falling. In fact each salesperson was only making two sales per week.



The lead process

The starting point was to review how leads were traditionally handled. Here we found

that the only criteria used was the value of the mortgage. From this the lead either went to a basic call-centre, a more advanced call-centre, to a branch or, if it was really high value, to a sales person. What we found was that the value of the mortgage had little relationship to the complexity of the transaction or the needs of the customer. A better measure was needed.

FlexPoint Lead Scoring

FlexPoint is a value-based segmentation tool—that is, it looks at what a potential customer is worth vs the effort required to make them a customer. But because it is impossible to know on an

individual basis what the true worth might be it instead creates segments. In the top segment there is a preponderance of potential customers who ARE worth dealing with. In the bottom segment it is the other way around. FlexPoint, essentially says "look, this person MIGHT be worthwhile, but the sheer cost of assessing everyone in this segment is greater than the profit you could ever make—so why bother?"

Four Segments

By reviewing three years leads and sales results we were able to build a FlexPoint

model that allocated all leads into one of four groups. The first, lowest group, simply got referred to the Society's website to "take a look". If they then came back, then they would move up a group. The next group went to a call-centre, capable of moving an enquiry a long way towards a sale. The third group were given appointments in Branch and the fourth group were passed to Sales for personal appointments.

The number of leads passed to sales fell by 70%, but actual sales nearly doubled

Startling Results

The results were astonishing. The number of leads passed to sales fell by 70%. But, they converted far more—sales per person jumped to nearly four per week on average. This was mainly because the sales people now had more time to focus on the real opportunities and could ignore the "time-wasters".

Next Steps

To find out more about how FlexPoint can transform your sales and marketing, call us now on +44 (0) 1189 880 321. Or visit our website at www.atriumgroup.com