

The benefits of web-based solutions to membership organisations.



Introduction

Many organisations, regardless of market sector, are now exploring the potential benefits of investing in a web based self-service solution for their customer base. Membership and awarding bodies are no exception to this as the perceived benefits are substantial. Many are adopting a strategy of making the web their key communication channel with members and/or students.

This is particularly crucial to organisations that aim to increase membership and/or student numbers without having to increase staff numbers to support the anticipated growth. A self-service solution can provide a wide-variety of transactions such as ordering, changes to details and finding information and advice. Managing information in this way, in a paperless environment, has been proven to streamline transactions, reduce waste and improve service levels. Generic benefits of self-service include:

- A reduction in costs through streamlined business processes
- Improved customer retention through improved customer service
- Development of more effective customer relationships through improved external and internal communication
- Improved range of services and support offered to customers
- Allows organisations to position themselves as more accessible to their client base on a 24/7 basis
- Provision of a platform to develop and deliver additional services

This paper is for those organisations that may be reviewing self-service solutions and it assumes that readers are familiar with the self-service concept. It covers the type of transactions that may be delivered as self-service with guidance on costing a business case.

Which transactions should be self-service?

An initial step is to ensure that your organisation understands what self-service transactions may be made available via the web. Largely this is dependent on your back office systems' web integration and its capability to automate administrative transactions. Ideally, in place should be a single, integrated central resource that is shared across the organisation to avoid duplication of effort and to prevent islands of data being created.

Transaction process flows should be reviewed to identify where unnecessary time-consuming steps in the process and frustrating delays could be eliminated through the use of web technologies. The elimination of these unnecessary steps will serve to improve customer service levels. Equally administrative resource will be free to spend less time on day-to-day recordkeeping and focus on value-added functions that aid in meeting the goals and objectives of the organisation (i.e. relationship management, member and/or student development and retention etc).

Transactions delivered as a self-service solution include the following:

Existing and new member/student extranet pin registration

Personal details

Enables members or students to easily and quickly amend their address and contact details (includes multiple addresses such as employment details).

They need only make the change once and the relevant administrative departments have immediate access to the amended and correct data.

Includes an interface to the Postcode Address File (PAF) for rapid and accurate data entry. Users may also nominate a preferred mailing address.

Member application/student enrolment

Enables members and students to complete and submit application and enrolment forms online eliminating typical costs associated with postage, letterhead and subsequent data entry.

Membership/student information

Enables members and students to easily and quickly view their existing membership details or course details.

Payments

Debit and/or credit card payments may be securely processed online negating the need for members/students to do so in person, over the phone or by mail.

Event booking

Members/students may peruse details on forthcoming events and book a place as required.

Results notification

Awarding bodies may release candidates' course results online through secure means to enable students to access them at will. This eliminates all the costs associated with postage and stationery and also reduces administrative costs.

Continuing professional development

Allows members to supply evidence of their studies online improving on a process that was previously performed via post.

Shopping

Members/student can purchase a wide range of goods online such publications, organisation merchandise, course material or past exam papers.

Enquiry desk

This provides registered users with access to a network of experts who can assist and aid in any queries that a member/student might have, facilitating a knowledge sharing environment. Queries can be allocated to specific experts where appropriate and members/students can login at any time to view the progress of their query.

Directory

A fully searchable and up-to-date list of members/student is readily available online. It is supported by an extensive choice of search criteria. Directories are typically made available as hardcopy by mail therefore web technology reduces costs and also provides real time updates.

Forgotten password reminder

Access to the self services should be through a safe and secure environment therefore users will be issued with a username and password.

Should they misplace or forget their password then the reissuing of it can be processed also online.

Volunteer groups

Provides members and/or students to view their current volunteer details easily and quickly.

It is important to recognise that in defining and implementing a self-service solution - one size does not necessarily fit all. Migrating your members and/or students to self-service may involve different strategies, particularly as some will be comfortable with the online approach and others may be initially resistant to computers.

Calculating the return on investment

From initial investigative work and available solutions to a review of transactions, organisations should be in a position to draw up a list of perceived benefits in adopting a self-service solution. Not all benefits will be quantifiable (such as strategic benefits that are less tangible) however where they are, 'hard' figures should support the business case and one approach to reaching these figures is to develop a series of word equations. These will enable the membership or awarding body to express in simple mathematics the impact of a self-service solution on particular processes and costs.

Below is an example word equation for illustrative purposes focusing on the processing of members' applications and students' enrolments. This is an equation that considers the cost of the transaction using an administrator to process the transaction versus the member/student performing the transaction online.

Step 1

(Estimated number of annual member applications / student enrolments)

x

(Estimate of average time in minutes of administrator processing applications/enrolments)

=

(Number of minutes spent annually processing applications/enrolments)

With example data:

(20,000 applications/enrolments)

x

(6 minutes each)

=

(120,000 minutes)

Step 2

$$\begin{aligned} & \text{(Number of minutes spent annually} \\ & \text{processing applications/enrolments)} \\ & \quad \times \\ & \text{(Estimated percentage of member applications /} \\ & \text{student enrolments made online rather than via traditional means1)} \\ & \quad \times \\ & \text{(Administrator's labour cost per minute)} \\ & \quad = \\ & \text{Annual savings that could be realised if applications /} \\ & \text{enrolments processed online} \end{aligned}$$

With example data:

$$\begin{aligned} & \text{(120,000 minutes)} \\ & \quad \times \\ & \text{(80\%1)} \\ & \quad \times \\ & \text{(\pounds0.18 per minute (equivalent to \pounds10.80) per hour)} \\ & \quad = \\ & \text{\pounds17,280 annual savings that could be realised if member} \\ & \text{applications / student enrolments are processed online} \end{aligned}$$

The assumption is made that a minute saved translates directly into a cost saving. This could result in one of the following business benefits for membership and awarding bodies:

1. Administrative resource could be reduced
2. Administrative resource could be re-assigned to another activity that is currently under staffed or focus on value added activities
3. Hiring of additional temporary or permanent administrative resource could be avoided

All three scenarios result in cost savings, but the timing of savings depends on the scenarios; and the amount of savings depends on assumptions about staffing levels in the absence of those efficiency gains.

1. This figure takes into account that proportion of members/students who for various reasons do not utilise the Internet.

Subject to the type of transaction, the following additional benefits may also be quantified:

1. Postage costs associated with mailings
2. Costs associated with stationary such as pre-printed letterhead or envelopes.

