

Throwback to Yesteryear Yields Present-Day Profitability Payback

Executive Summary

Training in The 7 Habits of Highly Effective People® and The 4 Roles of Leadership® at ScriptSave has helped the company create a level of customer care and concern reminiscent of decades past—and unheard of in the industry today. Senior management attributes the company's revenue growth, dominant market share, solid customer relationships, and job-satisfaction levels to the team spirit and corporate culture enhanced by The 7 Habits®.

ScriptSave has been listed in the *Inc. 500* for the years 2000 and 2001, with five-year growth rates exceeding 1600 percent. Revenues for 2001 were \$15.6 million, and are projected at \$19.8 million for 2002. All calls to the company's Customer Assistance Team are answered in person, with 95 percent of calls answered within 15 seconds. The “call-abandonment” or customer hang-up rate is one of the lowest in the industry. What's more, the rate of employee turnover is less than half the industry average.



ScriptSave Customer Assistance Specialists like Ana Orozco have no restrictions on phone time to discuss callers' concerns and serve their needs.

Remember when the milkman delivered to your door, the doctor made house calls, and the nice kid pumped your gas, washed the windshield, and gave candy to the children? If you do, you might understand the world of Tucson, Ariz.-based ScriptSave, a leading provider of prescription-drug discounts and pharmacy savings programs for senior citizens.

Dial most customer-service phone numbers these days and you get an impersonal, automated message and a menu of buttons to push. ScriptSave, however, is a notable exception to the prevailing customer-care mentality. The company's CEO, Charlie Horn, believes that looking back to a simpler time has been the key to ScriptSave's phenomenal success and growth.

Founded in 1994 as the Medical Security Card Co., the firm changed

its name to ScriptSave in 1998 to reflect the focus on providing maximum prescription savings for individuals who don't have insurance coverage for prescription medicines. ScriptSave serves its plan sponsor clients—hundreds of leading insurance organizations, Blue Cross Blue Shield plans, major employers, and healthcare organizations—by managing and explaining the details of the prescription discount cards to individual cardholders who number in the millions. Virtually all ScriptSave cardholders are over age 50, and 80 percent are over age 65.

ScriptSave has developed a national network of pharmacies that grants discounts to ScriptSave cardholders. Discounts average more than eight dollars per prescription at over 30,000 pharmacies nationwide (95 percent of all pharmacy chains). Plan savings for cardholders are projected to exceed \$180 million in 2002.

Man Over Machine

ScriptSave has three main service teams, each charged with providing “positively outrageous service.” Roughly 35 call center professionals in the Customer Assistance Team (CAT) answer more than 1,400 toll-free calls

CAT Specialist Serves, Consoles Cat Owner

The following story illustrates the “positively outrageous service” provided to cardholders by ScriptSave’s Customer Assistance Team (CAT):

Mary Williams, a ScriptSave Customer Assistance Specialist, took a call from a Mrs. Smith from the East Coast. Mrs. Smith had just received her ScriptSave discount card in the mail, and was calling to obtain names of pharmacies in her area that would honor the card. Mary gave her the information, and also provided an educational overview of the card’s additional features.

During the conversation, Mary sensed that her customer was somewhat distraught. After listening patiently, Mary learned that Mrs. Smith’s close, long-time companion was very ill—so ill that his survival was in doubt. Mary ultimately discovered that Mrs. Smith’s priceless companion was ... her cat.

For the next 20 minutes, Mary continued to listen to her customer’s concerns, validated her feelings, and tried to reassure her. Mrs. Smith was overwhelmed that anyone would take the time to listen to an “old woman” fuss over her cat. Not only did Mary take the time to listen and answer all of her customer’s questions about the program, she followed up after the call with a brief personal note to Mrs. Smith, expressing her best wishes for the cat’s full recovery.

per day—personally. The second team, Account Services, works with new plan sponsors to install and provide critical, ongoing support for the ScriptSave card program. Pharmacy Assistance, the third team, serves the needs of ScriptSave’s pharmacy partners, enrolling new stores in the network.

“A Smile in Her Voice”

A stroll through the call center creates the feeling that you’ve stepped back a few decades to a simpler time when you could linger with a customer, swap stories, or even make a friend.

When ScriptSave was founded, Horn grappled with the challenge of how to best handle customer service. He knew that most calls would come from cardholders aged 65 and older, and that they would need the type of friendly, compassionate, personal service and attention not possible with an automated system. Horn first outsourced the customer service function to a call center but never had a good handle on how well cardholders were being served. By 1997 he had moved customer service in-house.

Horn credits the near miraculous harmony and zeal of ScriptSave employees to three factors:

- Belief that cardholders are deserving of a calm, human voice and a listening ear—each time, every time they call for help. In a world driven by automation, this is unheard of.

- Trust in the judgment of carefully screened and trained call-center professionals, who are authorized to take whatever time is necessary to help customers who are trying to navigate the rules, regulations, and paperwork required to preserve health and dignity.
- Corporate-wide embrace and individual belief in a set of core principles adapted from The 7 Habits of Highly Effective People training and literature.

These three factors intertwine to ensure that those served are provided “positively outrageous service,” which ScriptSave cultivates with rewards, personal and group recognition, and training that enhances skill and sensitivity to clients. Feedback from one client praising a ScriptSave associate for her wonderful service noted “she always has a smile in her voice and is consistent with her positive attitude.”

ScriptSave hires those who possess most of the skills required to serve its customers, and helps them acquire the skills they still need. New employees receive up to three weeks of formal training before they take their first call, plus another 60 hours of training per year. “Ninety-five percent of our calls are answered within 15 seconds by a warm, caring human voice,” Horn said. “Our call-abandonment, or hang-up rate is one of the lowest in the industry.”

Vital Role of The 7 Habits Training

Horn said the team spirit that pervades ScriptSave was sparked by the vision and desire of his executive team to create a company culture based on respect for individual needs, talents, and capabilities. The team figured that once everyone understood what the business was all about, and had been given a reason and the tools to deliver unparalleled service, that breakaway growth would follow. The team was right.

The catalyst for the ScriptSave culture was Gloria Centofanti, Vice President of Organizational Development. Buoyed by her experience implementing The 7 Habits with a former employer, Centofanti was thrilled with the prospect of introducing the training when the company was a fraction of its current size. She, along with her OD team members Cyndi Sparks, Manager of Learning and Development, and Melissa Roadman, Director of Human Resources, shaped the culture. FranklinCovey partners Debra Larson, Managing Client Partner, and Susan Dathe-Douglass, Leadership Consultant, have worked hand-in-hand with the ScriptSave team to provide the best resources to achieve the desired results.

According to Centofanti, training in The 7 Habits training has helped ScriptSave “operationalize” its mission statement: *We serve others as we would like to be served. We are advocates for each other and our customers.*



The 7 Habits principles are a “common bridge” for resolving conflict, a common language for discussing priorities, and a scale for balancing investment decisions of corporate, community, and personal resources.

“ScriptSave professionals at all levels are not judged solely by the speed and efficiency of their work, but by the responsiveness that empathetic listening allows them to leverage with each client to create a lasting impact,” Centofanti said. “Although certainly not as simple as it might sound, The 7 Habits provides practical insight on how to handle individual client requirements, no matter how far outside the norm. We’re also better at planning and organizing for the expected, and reacting to the unexpected.”

“Code Blue”

Centofanti cited the company’s creation of “Code Blue” as a response mechanism for the unexpected.

Due to a snafu in the enrollment of a new plan sponsor, ScriptSave was flooded with thousands of unanticipated calls from new cardholders. The company’s response to such a dramatic work overload was to mobilize every employee from every department for two solid weeks

to serve the customer. “There’s no question as to priority or to individual or organizational responsibility,” Centofanti said. “Company values, embraced at the very beginning, dictate that the customer is in the preeminent position.”

Shedding New Light on “Focused Productivity”

ScriptSave has gone to creative lengths to help employees focus on its mission and devote as much time as possible to “Quadrant II” activities.

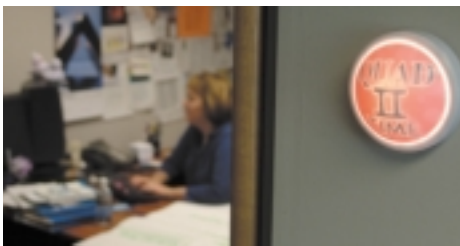
	Urgent	Not Urgent
Important	I <ul style="list-style-type: none"> • Crises • Pressing problems • Deadline-driven projects, meetings, reports 	II <ul style="list-style-type: none"> • Preparation • Prevention • Planning • Relationship building • Re-creation • Values clarification
Not Important	III <ul style="list-style-type: none"> • Needless interruptions • Unnecessary reports • Unimportant meetings, phone calls, mail, e-mail • Other people’s minor issues 	IV <ul style="list-style-type: none"> • Trivia, busywork • Irrelevant phone calls, mail, e-mail • Time wasters • Excessive TV, Internet, relaxation

Time Management Matrix

As described in the time management bestseller *First Things First* by Stephen R. Covey, Roger A. Merrill, and Rebecca R. Merrill, Quadrant I represents things that are both important and urgent. ScriptSave’s “Code Blue” response to the tidal wave of new cardholder calls is a prime example of important and urgent Quadrant I activity.

By contrast, Quadrant II is the “quadrant of quality.” It’s where employees “... anticipate and prevent problems, empower others, ... or invest in relationships through deep, honest listening.”

ScriptSave created and supplies each employee with a “Quadrant II light,” positioned outside offices and cubicles. When lit, it signifies that the employee is focused on an extremely important priority—usually tied to customer service—and fellow employees know to respect this highly productive time.



“Quadrant II” time is focused, quality time.

“The most critical habit of The 7 Habits is Habit 5: Seek First to Understand, Then to be Understood®,” said Maria Lopez, Director of Service Operations, the heart of the customer-response system at ScriptSave. “Our objectives within the call center are to make a difference in someone’s life, to know that we’ve acted with integrity, and to be constantly learning, adapting, and evolving.”

Such emphasis on quality vs. quantity translates into increased job satisfaction levels as well. According to Lopez, ScriptSave is an employer of choice in the Tucson area. Recruiting is driven by word of mouth through employees,

and the turnover rate is less than half the industry average.

Future Focus

Rod Dunmyre, ScriptSave Executive Vice President and a former customer, said The 7 Habits has allowed the company to create its own culture, rather than suffer culture by default. “Our success in the marketplace of largely senior citizens is attributable to the time deposits we make in the ‘Emotional Bank Accounts’ of those who call us. In order to have a clear sense of what we must do next in the marketplace we need to make an intense investment in seeking first to understand. While ScriptSave was first to the market, larger competitors have entered the industry. What we do next—and how we make ourselves different and valuable—will shape our future.”

Added CEO Charlie Horn, “We rely on The 7 Habits to align us as we grow. It provides a common language—a common mentality for our entire organization. Our corporate culture is a true team environment, and our employees understand how we interrelate, how we are linked. I lead our new-employee orientation, and afterwards the comments frequently are: ‘I see how I fit into the organization.’ That’s important!”

Horn concluded, “Our revenue growth, our dominant market share, our major industry relationships are, I believe, an indicator of the positive financial impact attributable to The 7 Habits.”

Fast Growth Creates “License to Lead”

ScriptSave employees experienced The 7 Habits training to establish a code of conduct for how they would work together and treat their customers. An internal needs assessment revealed other gaps in leadership skills. ScriptSave’s fast growth had spawned numerous management positions filled internally by employees with no previous leadership experience.

According to OD team member Cyndi Sparks, who is certified to facilitate The 7 Habits of Highly Effective People and The 4 Roles of Leadership workshops, ScriptSave developed a 12-month “License to Lead” training initiative for all supervisors and executives. The 4 Roles course—which teaches the key roles of pathfinding, aligning, empowering, and modeling—launched the initiative. Monthly “development dialog” sessions followed over the next 11 months covering topics that tied back to The 4 Roles framework.

In turn, “License to Lead” inspired a new, six-month effort dubbed “Leadership Readiness”—also based on The 4 Roles—which trains employees wanting to become leaders.

“Our business path is a winding one,” Sparks said. “Markets and strategies shift and change, but The 4 Roles has given us the leadership framework to determine if we’re aligned properly and if we have the right processes and systems in place to adapt to change and reach key objectives successfully.”