



Humana saved \$50 million thanks to improving customer service and reducing staff turnover.



Locations

Louisville, Kentucky, US



Business Type

Small Business Division; 40,000 Associates



Industry

Insurance & Healthcare



Focus

Customer Service & Work Culture

The Issue

In 2006, health insurance and health services provider Humana was challenged with a variety of customer and employee problems that were costing the company both time and money, including the following:

- The small business division was losing 7,000 members a month due to service issues
- Service was unacceptable
- Retention rates were at their lowest
- Poor service and customer complaints fueled each other

The Result

Humana saw significant improvements in customer satisfaction and cost-savings:

- Increased number of Humana associates by 37.5% in 10 years
- Improving customer service and staff retention resulted in a **\$50 million cost reduction**
- Claims **rework dropped** from 8.7% to 5.6%
- Call center volumes **decreased by almost 15%** (nearly 2 million calls)
- Employee satisfaction rose by 25%
- Retention also improved, resulting in reduced staff turnover rates
- As of 2017, return on investment reached \$28 million

The Disney Institute Approach

Humana executives turned to Disney Institute for guidance on how to make their business a more customer-focused company that would also be a great place to work.

Disney Institute conducted a "Perfect Service Summit" for Humana executives and managers to help them understand any weak points in their business model. Attendees saw quality service in action and discovered the following insights:

- The key drivers of customer satisfaction are not products, but people
- Outstanding customer service drives repeat business and customer loyalty

A Perfect Service model was embedded into its corporate culture. As a result:

- Within 8 months, the Perfect Service Experience program was rolled out to 10,000 associates, from the front line to executive leaders
- Employees were recognized for their individual efforts
- Front-line associates were empowered, encouraged to solve issues and speak up when something wasn't right
- Associates began anticipating possible issues during initial contact with customers, which dramatically increased the level of service and satisfaction

“Through this work with Disney Institute, our people get to really learn from the experts about culture and the ways to implement that culture. It's not just sitting and listening in a conference room. It's getting out in the field and seeing how it's done.”

Jason Fonder
Perfect Experience Director

Lessons Learned

Disney's best practices helped Humana executives realize their approach to service had not really been customer-focused as they intended. Humana needed to make an organization-wide commitment to achieving a higher standard.

Humana changed the way they did things based on Disney insights. It would take teamwork—everyone pulling together—to reach the next level.

Associates once viewed 5-million customer complaints as issues to handle, but now they are seen as 5 million opportunities to reflect the theme of Perfect Service.

Related Case Studies



Arkansas Children's Hospital

The state's only private, non-profit pediatric medical facility had mediocre patient satisfaction, a continuous employee attrition and difficulty recruiting key staff positions. Short-term fixes did not work. ACH leadership decided to enlist Disney Institute for help.

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Barton Healthcare

This California hospital suffered from higher than average employee turnover, low to average patient satisfaction scores and the threat of a new competitor. Management enlisted Disney Institute to help improve customer service and new-hire training.

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