

Our partners

Once again, our partners have been integral to enabling us to deliver our customer service targets in the face of high transaction volumes and a shift in sales channels, with more customers coming to us directly to invest with NS&I.

Our delivery partner: Siemens

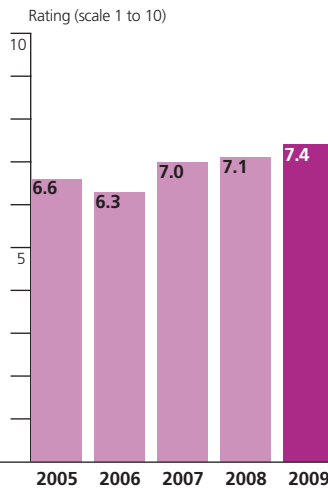
In achieving our Net Financing target this year, we delivered over £15 billion of sales. This meant another year of high transaction volumes and, once again, the Siemens team handled these high volumes in an exemplary fashion, ensuring that all Service Delivery Measures (SDMs) were met (see page 10). The 'virtualisation' of our operation, where incoming customer calls and emails are now handled across all UK sites to maximise our resources, has been key to managing the workload, as have the back office sites in Chennai, India.

As well as our SDMs, we also have a number of key performance indicators relating to service performance. One of the most telling statistics is that 94% of telephone queries were successfully handled by the person who answered the call, at the first time of asking. This is a key factor in maintaining high customer satisfaction levels, and reflects well on the call centre teams and the training, systems and information resources available to them.

That has been particularly important during a year which has seen significant change within the call centre environment with the introduction of the new infrastructure. Because we have decided to transfer products to the new system in phases, call centre staff must currently operate two systems alongside each other, switching between them depending on which product they are discussing. Call centre staff have been exceptionally responsive to the new system and we have had significant feedback from them praising its simplicity and usability.

Naturally, we worked closely with Siemens to ensure that the relevant people were trained on the new system and had appropriate call guides and other resources available. Even so, the responsiveness to change has been impressive – as has the response to the increased use of direct channels. There is a much greater demand for processing and managing online transactions, for instance, which has been fulfilled positively by the teams in our call centres.

NS&I and Siemens partnership scores



After 10 years our partnership with Siemens is stronger than ever. This year the annual partnership survey indicated that together NS&I and Siemens have improved the way we prepare for change: the score for handling operational change increased from 6.8 out of 10 to 7.3.³ This is just one of several significantly positive responses from the survey, which asks the same 22 questions each year to members of both organisations. Other significant improvements this year include:

- a score of 7.7 for 'NS&I involves Siemens fully in strategic decisions & work' – up from 7.4
- an increase from 7.1 to 8.1 for 'Communications are constructive during operational problem resolution'
- an overall partnership score of 7.4 – the highest level ever.

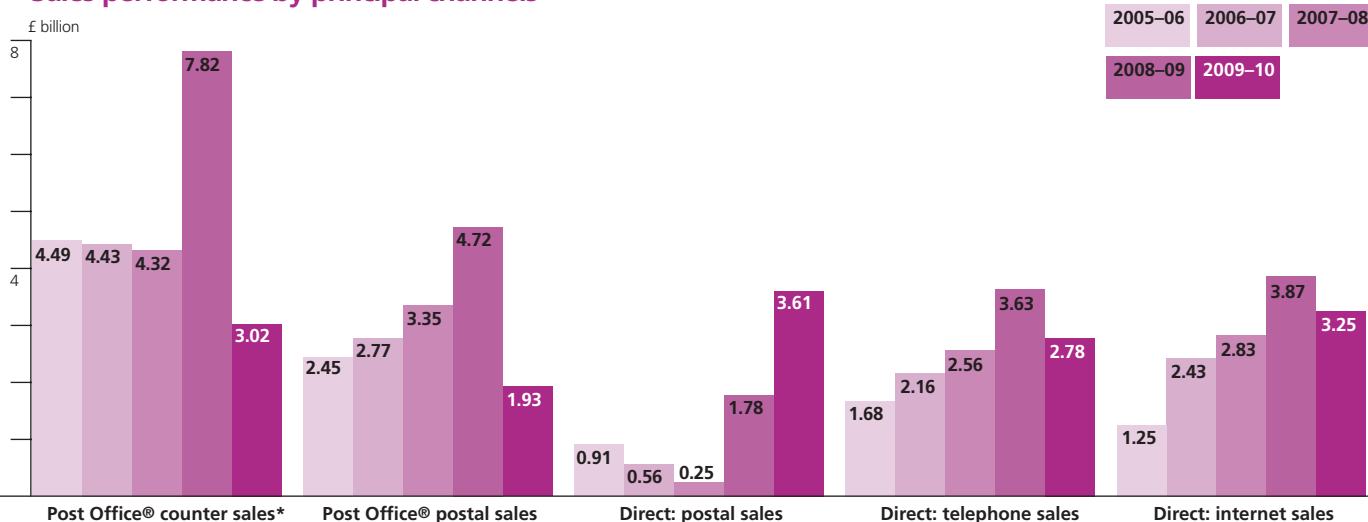
Service Matters – an independent third party who specialise in this area and ran the partnership survey – commented: *'An overall score of 7.4 for the NS&I and Siemens partnership is outstanding and demonstrates how consistently well they work together. The very high partnership score goes a long way to explaining why they are proving so successful at delivering beneficial change for customers and maintaining excellent levels of customer service.'*

These kinds of responses – as well as the performance figures – underline the strength of the partnership, which is now recognised as a best practice example of Public Private Partnership working. It involves not only the commitment of the people on the frontline, but also the management team and the investment of the whole organisation. For example, in developing our new data centres we were able to call on the technical expertise of Siemens to ensure that we have industry-leading standards of business continuity, disaster recovery and security.

The contract with Siemens ends in 2013–14, and during the coming year we will commence the tender process. We have been transparent with Siemens throughout about what this means and both parties are committed to maintaining the service standards and partnership right through to the end of the contract, but of course we will put in place processes to ensure that the tender is conducted properly and attracts a range of strong bidders, meeting NS&I's aims.

³ Respondents are asked for their view on whether 'NS&I & Siemens collectively handle operational changes very well'.

Sales performance by principal channels



As part of communicating our strategy and modernisation programme to Siemens staff, throughout the year we held a number of roadshow events at each of the Siemens sites (Blackpool, Durham, Glasgow and Chennai). These were led by NS&I's Chief Executive and members of the senior management team from both NS&I and Siemens, and provided an insight into our overall strategy and how the modernisation programme would affect individuals' roles and workload. They were highly successful, particularly in enabling staff to understand the timetable for transition and how they would be supported, and we plan to hold similar events next year.

Our distribution partners

The Post Office®

The Post Office® continues to provide an important distribution channel for our products and this year accounted for 35% of all sales by value. Many of our customers use the Post Office® network to help them invest in NS&I products. We value the support provided by the Post Office® to our customers.

In autumn 2008–09, customer numbers at Post Office® branches rose sharply due to the 'flight to safety'. This year, the underlying trend of a gradual reduction in sales through the Post Office® returned, with a corresponding increase in NS&I's direct sales.

During the last 12 months, the Post Office® has embarked on a major refurbishment of many of its larger offices, and as a part of this initiative we were pleased to collaborate on modernising NS&I's 'point of sale' display. As a result, the Post Office® has recently introduced new displays of NS&I products in over 1,000 Post Office® branches. These help to ensure that the NS&I range becomes increasingly distinct from the emerging Post Office® financial services range and help customers to understand the key features and any important differences between the two offers. A further – and related – initiative has involved the development of new NS&I training modules for Post Office® employees.

In recent years the Post Office® has developed its own range of financial service products, particularly in partnership with the Bank of Ireland. Some Post Office® and NS&I products have significant similarities, which is why it is so important – in line with our shared commitment to Treating Customers Fairly – that we seek to avoid overlaps and confusion between our respective product ranges.

This is also in line with the different strategies that the Post Office® and NS&I have for our respective financial services businesses, which reflect changing consumer behaviour. While for some of our customers the Post Office® is, and will remain, an important channel, others increasingly seek to manage their finances online, by phone and by post.

WHSmith

This year saw a significant change in our relationship with WHSmith as we moved from providing product literature only, to now providing financial education materials alongside details of our range. In most of WHSmith's prime high street locations, customers can now pick up NS&I guides providing practical, impartial financial information about important life events. These are based on the content from our You and your money website, and have proved very popular, as discussed in 'Our customers' (page 13).

Intermediaries

With more and more of our customers using Independent Financial Advisers (IFAs) to help them manage their money, we recognise that it is important to provide IFAs with accurate and timely information about our products. Although we maintain no commercial relationship with IFAs, we send regular communications about rates and product changes to nearly 35,000 registered recipients in the IFA community. We also work closely with relevant professional bodies including the Institute of Financial Planning and the Personal Finance Society.

* Figures differ slightly from those in the Product Accounts note 16: 'Related party transactions' due to timing differences (see page 99).