

## RURAL TELEWORK

# Case Study

## Washington Dental Service

### Creating a Customer Service Center in Colville

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Washington Dental Service recognized the need to expand its operations in the late 1990's. “We began to run out of space at our Seattle facility and, at the same time, it was increasingly difficult to attract quality applicants for customer service and claims processing positions,” explains Heather Kirton, director of operations. As a result, the company's three-year business plan included an initiative to evaluate expansion alternatives.

The initiative began in earnest in early 2001. Craig Gowdey, vice president and chief information officer, said the company did not go into the process expecting to locate in a rural community. Washington Dental Service considered alternatives from outsourcing to creation of a second site. “Initially, we looked at sites along the Interstate 5 corridor but costs and staffing issues led us to explore other options,” explains Gowdey. Previous work with the Washington State University (WSU) telework group led the company to consider efforts the state was sponsoring in rural communities.

One of those efforts was the WSU Rural Telework Project, designed to strengthen and diversify the economies of rural Washington communities through telework job creation. Colville was one of the communities participating in the project and Washington Dental Service decided to explore it as a potential second site.

Initially the company solicited information from Colville by anonymously posing a set of questions to the community using WSU as an intermediary. This was followed by additional questions and site visits. “The bottom line was we needed to be confident the community could support all of our needs - from a qualified workforce to our technology and facility requirements,” says Kirton.

#### Industry:

- Insurance

#### Location:

- Main Office: Seattle, Washington
- Rural Office: Colville, Washington

#### Features:

- Fully equipped office in converted restaurant
- Insurance claims processing and customer service operations

#### Statistics:

- Opened February 2002
- 59 available workstations
- 29 jobs (28 claims processors and customer service representatives hired locally)

#### Business Benefits:

- Reduces operating costs by more than one million dollars over three years due to lower real estate and labor costs
- Provides access to a stable and capable labor pool
- Alleviates a space shortage in the main office
- Supports Washington state community needs and maintains in-state jobs consistent with business vision and image

#### Community Benefits:

- Creates 29 professional-level jobs with benefits
- Diversifies the employment base in the community
- Creates opportunities for further development of “information economy” jobs

Washington Dental Service applied financial, cultural and political criteria to evaluate the alternatives. In September 2001, senior management selected Colville for its expansion based on the following business reasons:

- Lower cost of living and real estate costs
- Quality workforce
- Necessary technology infrastructure
- Supportive economic climate and community

The Colville office is expected to save Washington Dental Service over a million dollars in a three-year period. In comparison to the Seattle area, real estate costs are one third lower and labor costs are 15 to 20 percent less. In addition to cost savings, locating an office in Colville is consistent with the company's business objectives in Washington. Jim Dwyer, CEO, observes, "It keeps Washington Dental Service business in Washington state and provides economic development opportunities to a rural area of the state."

Once the decision was made, Washington Dental Service developed a detailed and ambitious five-month timeline to open this new office. Key aspects of this process were to build-out the facility and hire staff. Facility development was conducted by the Tri-County Economic Development District (TEDD) using an economic development administration grant and bank loan. TEDD converted a former restaurant in downtown Colville into a technology incubator, and Washington Dental Service became TEDD's first tenant in the facility.

The Colville Washington State Employment Security office helped fill positions. Employment Security accepted more than 200 job applications and pre-screened candidates. Washington Dental Service conducted two rounds of interviews and hired 14 people. A training team came to Colville and provided several weeks of instruction about the company, dental terminology and data entry.

A second round of hiring for customer service representatives was completed in early April 2002, and 14 additional positions were filled. Along with the manager of the Colville office who came from Seattle, there are now 29 employees at the site.

Hiring claims processors and customer service representatives in Colville contrasted sharply with the experience Washington Dental Service was having in Seattle. Leslie Hodson, team leader, front end team, sums it up, "We were extremely pleased with the quantity and caliber of the applicants."



In February 2002, the Colville office opened on schedule. Claims processors are performing work once done by temporary employees in the Seattle office and customer service jobs that were outsourced to a California firm. Near term results met or exceeded the company's expectations. According to Tal Mashat, the Colville site manager, "This is an incredible facility, we have a dynamic team, and operations are seamless, as if we were in the Seattle office."

The future for the newest Washington Dental Service office is promising, says Dwyer, "Opening this office signifies a long and prosperous relationship with the people of Colville."

### About Washington Dental Service

Washington Dental Service, a member of the Delta Dental Plans Association, is Washington state's largest dental benefits company — serving more than 1.5 million people. As a nonprofit, public benefit corporation, Washington Dental Service's mission is to improve the oral health of the public. The dental benefits company specializes in delivering dental benefits and focuses on oral health science and research. Washington Dental Service has dental-trained, knowledgeable customer service agents and nine out of 10 dentists in Washington state on its network. With approximately 280 employees, including 150 in operations (mailing and scanning claims, claims processing and customer service), Washington Dental Service's headquarters are located in Seattle, Washington.

## Colville Prepares for the Information Economy



Colville is a rural community of almost 5,000 people located in northeast Washington, 75 miles north of Spokane and 40 miles south of the Canadian border. The economy in this region has historically been dependent on timber and natural resource based industries. The decline of these industries contributed to relatively high rates of unemployment.

In response to these trends, community leaders set out to diversify the economy. Marty Wold, executive director, Tri-County Economic Development District (TEDD), explains, "We wanted to attract businesses that use telecommunications and realized infrastructure improvements were needed."

Led by Al Kowitz, Washington State University Stevens County Cooperative Extension, and community leader, Malcolm Friedman, the Rural Information Technology Center (RITC) was formed in 1999. A locally funded, nonprofit corporation, RITC members recognized that the telecommunications infrastructure in place at the time was not adequate in terms of bandwidth or redundancy. By collecting information and raising awareness, RITC helped the community identify its telecommunications needs and began pursuing solutions.

One solution was to collaborate with two local telecommunications providers, Qwest and CenturyTel, to fill gaps in the fiber network and increase bandwidth. By summer of 2001, that was complete and it was time to tackle the redundancy issue. TEDD secured a \$1.1 million grant through the Washington State Community Economic Revitalization Board (funded by a court settlement with Qwest) to provide redundancy for the area. The project is scheduled for completion in 2002.

The community continues to prepare for new information based jobs. RITC expanded its efforts, providing Microsoft Office User Certification and Geographic Information System (GIS) training and employment opportunities. TEDD identified the need for a technology incubator and received \$1.3 million in US Department of Commerce Economic Development Administration grants and loans to establish one.

Years of focused effort and collaboration among community members paid off in September 2001, when Washington Dental Service selected Colville for its new call center. Wold says, "We feel fortunate to have Washington Dental Service in our community because they are an excellent neighbor and a tremendous source of family wage jobs with great benefits."