

COO Brief

Member Services Automation & Cost Reduction

Essential Reading for:

Chief Operating Officers • Chief Member Officers
Executive GM Operations • Head of Member Services

BackPro AI
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www.backpro.ai

Executive Summary

Superannuation funds face escalating member query volumes while operating expense ratios come under scrutiny. Traditional scaling requires proportional headcount increases—every 10,000 new members demand additional contact centre staff.

BackPro AI breaks this linear cost relationship by automating 70% of routine member queries while maintaining complete APRA SPS 234 data sovereignty.

Key Benefits

- **70% query automation:** Balance inquiries, contribution confirmations, investment options, and insurance details handled instantly
- **50% cost reduction:** Lower cost per member through automated responses and reduced contact centre staffing
- **24/7 availability:** Members receive instant responses outside business hours, eliminating Monday morning backlogs
- **Staff capacity freed:** Contact centre teams focus on complex scenarios requiring human judgment and emotional intelligence
- **APRA compliant:** Complete data sovereignty—all member data stays within your Australian infrastructure

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1 The Member Services Challenge

1.1 Exponential Query Growth

Member query volumes grow faster than budgets:

- **Account balances:** "What's my super balance?" — 35% of queries
- **Contribution tracking:** "Did my employer contribution come through?" — 25%
- **Investment options:** "What's the difference between Balanced and High Growth?" — 15%
- **Insurance coverage:** "What insurance do I have?" — 12%
- **Pension calculations:** "How much will I have at retirement?" — 8%
- **Other:** Regulatory changes, fee inquiries, beneficiary updates — 5%

Volume Spikes: EOFY (June-July) sees 150% increase. Budget announcements create surge in queries about regulatory impacts.

1.2 Cost Per Member Pressure

Operating expense ratios directly impact competitiveness:

- Industry average: 0.80-1.20% of FUM
- Every basis point matters for member returns
- Traditional scaling: Linear cost growth with member numbers
- Contact centre costs: \$45-60 per hour (total compensation)

The Trap: Growing AUM should reduce expense ratios, but query volumes prevent scale benefits.

1.3 Service Level Challenges

Members expect instant responses:

- **Response time SLA:** 48 hours typical, but members expect same-day
- **Multi-channel inconsistency:** Phone, email, web portal provide different answers
- **Peak-time delays:** Hold times spike during EOFY and market volatility
- **Staff turnover impact:** Training cycles create service quality variation

1.4 Staffing Challenges

Contact centre operations face structural issues:

- **High turnover:** 20-30% annual churn typical
- **Training costs:** 3-6 months to full productivity
- **Knowledge loss:** Experienced staff departures create capability gaps
- **Peak staffing:** Over-staffed for troughs, under-staffed for peaks

2 Automation Without Compromise

2.1 What AI Can Automate (70% of Queries)

2.1.1 Balance Inquiries (95% Automation)

Member asks: "What's my super balance?"

AI process:

1. Authenticates member via secure portal or IVR
2. Queries administration platform for current balance
3. Retrieves investment option breakdown
4. Formats response with YTD performance

Response time: Instant

2.1.2 Contribution Tracking (90% Automation)

Member asks: "Did my employer contribution come through this month?"

AI process:

1. Queries contribution transaction history
2. Identifies most recent employer contribution
3. Confirms date received and amount
4. Flags if contribution overdue based on employer cycle

Response time: Instant

2.1.3 Investment Options (85% Automation)

Member asks: "What's the difference between Balanced and High Growth options?"

AI process:

1. Retrieves investment option PDSs
2. Extracts asset allocation, risk profile, and returns
3. Generates comparison table
4. Includes disclaimer: "This is not financial advice"

Response time: Instant

2.1.4 Insurance Coverage (80% Automation)

Member asks: "What insurance cover do I have?"

AI process:

1. Queries member insurance records
2. Retrieves death, TPD, and income protection details
3. Shows premium amounts and coverage levels
4. Provides link to insurance policy documents

Response time: Instant

2.2 What Requires Human Escalation (30% of Queries)

AI escalates to staff when:

- **Complex scenarios:** Divorce settlements, estate distributions, tax implications
- **Emotional situations:** Financial hardship, TPD claims, death benefit nominations
- **Policy gaps:** Questions not covered by existing documentation
- **Complaints:** Dissatisfaction requiring empathy and problem-solving
- **Financial advice:** Any question requiring AFSL-licenced advice

Escalation benefit: Staff receives full context—member query, AI-gathered data, relevant documents—enabling faster resolution.

2.3 APRA SPS 234 Compliance

All member data stays within your infrastructure:

1. **On-premise deployment:** AI runs in your Azure/AWS/GCP environment
2. **Zero external calls:** No API calls to ChatGPT, Claude, or offshore services
3. **Your access controls:** Inherits your Azure AD authentication and permissions
4. **Audit trails:** All queries logged to your SIEM for compliance

3 ROI Calculation Methodology

3.1 Cost Per Query Analysis

3.1.1 Current Manual Cost

Average member query handled manually:

- **Response time:** 30 minutes (includes queue time, research, documentation)
- **Staff hourly cost:** \$45 (total compensation)
- **Cost per query:** \$22.50

For a fund with 150,000 members receiving 5,000 queries/month:

- **Annual queries:** 60,000
- **Annual cost:** \$1,350,000

3.1.2 Automated Cost

70% of queries automated:

- **Queries automated:** 42,000/year
- **AI cost per query:** \$0.10 (compute cost)
- **Automated query cost:** \$4,200/year

Remaining 30% manual:

- **Queries manual:** 18,000/year
- **Manual cost:** \$405,000/year

Total automated annual cost: \$409,200
Annual savings: \$940,800 (70% reduction)

3.2 FTE Impact

3.2.1 Current Staffing

5,000 queries/month \times 30 minutes = 2,500 hours/month
2,500 hours / 160 hours per FTE = 15.6 FTE

3.2.2 Post-Automation Staffing

1,500 manual queries/month \times 30 minutes = 750 hours/month
750 hours / 160 hours per FTE = 4.7 FTE

FTE reduction: 10.9 FTE

Alternative: Maintain headcount and handle 2.3 \times query volume growth

3.3 Intangible Benefits

Beyond direct cost savings:

- **Member satisfaction:** Instant responses improve NPS
- **Staff satisfaction:** Focus on interesting complex cases, not repetitive queries
- **Consistency:** Same answer quality regardless of staff experience or turnover
- **Scalability:** Handle query volume spikes without overtime or temp staff
- **Competitive positioning:** "24/7 instant support" marketing differentiator

4 Change Management

4.1 Staff Communication

Frame AI as augmentation, not replacement:

1. **Message:** "AI handles routine queries so you can focus on complex member needs"
2. **Retraining:** Upskill contact centre staff for escalation handling
3. **Career paths:** Create specialist roles (complaints, hardship, complex advice)
4. **Involve staff:** Frontline teams provide feedback on AI accuracy and improvements

4.2 Member Communication

Transparent rollout approach:

- **Opt-in initially:** "Try our instant balance lookup"
- **Human option always available:** "Speak to a team member" prominently displayed
- **Set expectations:** "For complex queries, our team will call you back within 24 hours"
- **Privacy assurance:** "Your data stays within our secure Australian systems"

4.3 Quality Monitoring

Establish oversight framework:

- **Daily:** Monitor AI response accuracy and escalation rates
- **Weekly:** Review sample of AI interactions for quality
- **Monthly:** Report accuracy metrics and member satisfaction to leadership
- **Quarterly:** Adjust AI prompts and templates based on error patterns

5 Implementation Timeline

5.1 Week 1-2: Technical Integration

1. Deploy BackPro in your Azure/AWS environment
2. Integrate with administration platform API
3. Connect to member portal and contact centre systems
4. Configure authentication via Azure AD
5. Set up audit logging to SIEM

5.2 Week 3-4: Testing & Validation

1. Test balance inquiry automation
2. Validate contribution tracking
3. Test investment option explanations
4. Verify insurance coverage lookups
5. Compare AI responses to staff-prepared answers
6. Establish baseline accuracy (target: ≥98%)

5.3 Week 5-8: Pilot Rollout

1. Start with balance inquiries only (highest automation rate)
2. Limit to web portal users (tech-savvy demographic)
3. Staff monitor all AI interactions
4. Collect member feedback
5. Refine AI prompts based on edge cases

5.4 Week 9+: Full Production

1. Add contribution tracking and investment options
2. Extend to all channels (phone IVR, email, chat)
3. Train all contact centre staff on escalation handling
4. Implement ongoing monitoring dashboards
5. Report results to board

6 Success Metrics

6.1 Primary KPIs

- **Automation rate:** % of queries handled without human intervention (Target: 70%)
- **Cost per query:** Total cost / total queries (Target: 50% reduction)
- **Response time:** Average time to member resolution (Target: ≤ 5 minutes for automated)
- **Member satisfaction:** NPS for AI interactions (Target: ≥ 40)

6.2 Quality Metrics

- **Accuracy rate:** % of AI responses requiring no correction (Target: ≥ 98%)
- **Escalation rate:** % of queries requiring human intervention (Expected: 30%)
- **Error correction:** Number of AI mistakes requiring follow-up (Target: ≤ 2%)

6.3 Operational Metrics

- **Peak handling:** Query volume during EOFY vs. available capacity
- **After-hours usage:** % of queries handled outside business hours
- **Staff productivity:** Complex queries resolved per FTE

7 Next Steps

1. **ROI calculation:** Use your actual query volumes and staff costs to calculate specific savings (15 minutes)
2. **Operations walkthrough:** Demo member query automation and escalation workflows (30 minutes)
3. **Technical validation:** Review integration approach with your IT and security teams (45 minutes)
4. **Pilot proposal:** Present 4-week pilot plan to executive team for approval

Contact

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Schedule a 30-minute operations walkthrough to see member query automation in action and calculate your specific ROI.