



Agenda Item 13

May 15, 2012

ITEM NAME: Customer Service Delivery Transformation and Performance Measurement

PROGRAM: Customer Services and Support

ITEM TYPE: Information

EXECUTIVE SUMMARY

The CalPERS 2011-2012 Business Plan established a customer service objective to develop an enterprise strategy for transforming our core service delivery to meet the changing needs of our customers. This agenda item presents the enterprise framework, performance measurement approach and specific objectives for service delivery transformation.

BACKGROUND

CalPERS made a significant investment in its technological foundation over the past five years. In addition, it has undertaken several strategic initiatives that together have built the basic foundation for service delivery transformation. In the last year, key accomplishments in this area included the initial launch of the new state-of-the-art my|CalPERS system, and implementation of an organizational realignment.

In order to maintain forward-focused momentum, and to leverage the tools and structure put into place, an objective was included in the 2011-2012 CalPERS Business Plan (Objective 1.3) to develop an enterprise strategy for transforming service delivery. One of the initiatives under this objective is:

Develop an enterprise framework and identify objectives for service delivery transformation over a three to five year horizon.

This agenda item presents the enterprise framework, performance measurement approach and specific objectives for service delivery transformation. Together these will support the development of a roadmap for service delivery transformation.

ANALYSIS

Service Delivery Transformation Objectives

Following the enterprise framework discussed below, Customer Services and Support (CSS) developed four key objectives for service delivery transformation: Access, Quality, Effectiveness, and Services. CSS will focus on these four objectives through a wrap-around customer care approach. With this approach CSS will wrap

its services and attention around its customers to ensure they have the best possible customer experience. To be successful in these areas, CSS will wrap multiple enablers around its service delivery and enhancement efforts. These enablers fall under four broad categories of People, Process, Partnership and Technology.

The following visual depicts the enablers and objectives and the wrap-around customer care approach:



CSS leadership identified a menu of opportunities to be explored within each objective, examples are highlighted below:

Access: *We Are Available.*

Ensure customers can access CalPERS and our services easily through varied methods. Example opportunities to explore:

- Expansion of Integrated Voice Recognition (IVR) self-service options.
- Additional access channels such as live chat, mobile applications.
- Customer flow management technology for Regional Offices.

Quality: *We Get It Right.*

Deliver value-added, accurate services using customer care principles (e.g., being courteous and professional). Example opportunities to explore:

- Consolidated and integrated internal staff training efforts.
- Improve website search capabilities and content management.
- Align identified core business processes to my|CalPERS capabilities.

Effectiveness: *We Do It Well.*

Efficiently utilize our resources to deliver timely, helpful services. Example opportunities to explore:

- Intensify self-service marketing campaign.
- Utilize business intelligence to identify trends and customer needs.
- Develop and implement strategies to reduce backlogs.

Services: *We Provide What You Need.*

Deliver the right services which are responsive to customer needs. Example opportunities to explore:

- Improve the process for handling complex customer issues.
- Perform proactive outreach and education based on customer life cycle.

Enterprise Framework

In partnership with the Enterprise Strategy and Performance Division, CSS adopted the following five step framework for service delivery transformation:



In 2011-2012, CSS advanced through the first three steps of the framework as described below.

Step 1: Key Issues Analysis

CSS senior leaders performed an environmental scan and current state assessment. During the process the project team identified CSS strengths, weaknesses, opportunities and threats.

Step 2: Establish Vision and Mission

During the key issues analysis, ideas about CSS' future state and opportunities for customer service delivery transformation emerged. In order to focus future service delivery considerations, CSS next established a vision and mission, through a collaborative effort involving all levels of CSS staff and leadership:

CSS Vision: Innovate, Serve, Educate, and Empower

CSS Mission: We make a difference through our commitment to excellent customer service.

The vision and mission were communicated to all CSS staff to ensure everyone is aligned with the direction of CSS.

Step 3: Set Goals and Targets

CSS concurrently identified targets for the service delivery transformation objectives or goals presented above, and for performance measurement. These were built on the information gathered in the first two steps, and through further discussion.

Performance Measurement

Performance measurement tools are used in the performance management discipline to gauge how well an entity is performing with respect to an outcome, objective, process, initiative, or service. CSS seeks to use performance measurement to evaluate its performance with respect to its updated service delivery mission, and measure the impact of service delivery transformation initiatives on its operations.

CSS designed a performance measurement approach with the current governance model in mind. Consistent with the leading practices outlined in the CalPERS Board Governance Study Final Report (September 2011), the proposed reporting will facilitate the Board's oversight of overall performance relative to agreed goals, outcomes, and success criteria, as well as oversight of the program operations, services and their performance.

As a result, CSS will provide indicators of performance areas, not individual performance metrics, so the Board can more effectively monitor program performance. The outcome of this reporting will aid the Board in identifying performance thresholds that trigger exception reporting, warranting Board attention.

CSS is using a structured approach to define, implement, and utilize effective performance measurement (Attachment 1). Using this approach, CSS constructed performance measurement tools, two of which are discussed below: a Value Driver Tree (Attachment 2) and a Dashboard (Attachment 3). The Value Driver Tree is comprised of Business Strategies, Value Drivers, Attributes, and Metrics. Business Strategies represent CSS' approach to achieving its vision and mission. Value Drivers represent the major drivers of success for the Business Strategies. Attributes

describe the behaviors CSS must exhibit to deliver value. Metrics demonstrate performance under each Attribute.

CSS adopted the following Business Strategies, Value Drivers, and supporting Attributes to support its vision and mission.

Business Strategy	Value Drivers	Attributes
Service Delivery	Customer Experience	Quality Customer Satisfaction Timeliness
	Customer Education	Availability Effectiveness
Benefit Administration	Compliance	Appeals Audit Findings
	Self-Service	Utilization Effectiveness
	Operational Effectiveness	Risk Management
High Performing Staff	To be determined in conjunction with the 2012-2014 CalPERS Business Plan Objective 2.2: Optimize staff competency to enhance customer service delivery. Objective 2.2 will enhance staff performance through the design and implementation of a training program focused on optimizing staff competencies and promoting success in the new my CalPERS business environment.	

Metrics used to demonstrate performance for each Attribute are currently in a draft format. These draft metrics are included in Attachment 2, and are scheduled to be finalized in July 2012. It should be noted that some of the metrics will not be available until later stages of my|CalPERS implementation. In addition, CSS will also add metrics as its technology advances and its operations change over time. Metrics will be reviewed by CSS leadership every six months for relevancy.

CalPERS leadership will use the metrics to manage operational performance. Through a structured, balanced scoring at the metric level, CSS overall performance will be rolled into a Dashboard Report (Attachment 3), which will be provided to the Board. This will further enable the Board to remain focused, informed, and engaged on the strategic issues.

Next Steps

CSS will complete Step 4 of the enterprise framework by developing a three-to-five year roadmap in the first quarter of the 2012-13 Fiscal Year, then proceed with Step 5, development of an implementation plan. In July 2012, CSS will finalize its performance measurement approach and begin gathering performance data. The first quarterly Performance Dashboard Report will be presented to the Pension and Health Benefits Committee in November 2012. In the interim, the Pension and Health Benefits Committee will continue to receive updates on customer service.

BENEFITS/RISKS

CSS' customer service delivery transformation and performance measurement efforts are key enablers to fulfilling CalPERS mission of creating and maintaining an environment that produces responsiveness to all those we serve.

ATTACHMENTS

- Attachment 1 – Performance Management Approach
- Attachment 2 – CSS Value Driver Tree
- Attachment 3 – Customer Service Performance Dashboard

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