



Agenda Item 7

November 14, 2012

ITEM NAME: Performance Measurement for Customer Service Areas

PROGRAM: Customer Services and Support

ITEM TYPE: Information

EXECUTIVE SUMMARY

CalPERS recently reengineered our technological foundation while developing several strategic initiatives which transform service delivery and together generate the platform for improved customer service. A key component to improved service delivery is quantifying progress by measuring and analyzing performance. Customer Services and Support (CSS) has adopted a new performance measurement methodology to evaluate its overall performance in regards to customer service delivery.

STRATEGIC PLAN

This informational item supports Strategic Plan Goal B "Cultivate a high performing, risk-intelligent, and innovative organization." Measuring how well we are serving our customers positions our leaders and staff to make informed decisions surrounding customer service and enables CSS to deliver superior end-to-end customer service that is adaptive to our customer's needs.

BACKGROUND

Performance measurement tools are used in the performance management discipline to gauge how well an organization or department is performing with respect to an outcome, objective, process, initiative, or service. CSS is using performance measurement to evaluate performance with respect to an updated service delivery mission, and measure the impact of service delivery transformation initiatives on operations. This performance measurement approach was presented to the Board in April of 2012.

CSS designed a performance measurement approach consistent with the leading practices outlined in the CalPERS Board Governance Study Final Report (September 2011). As a result, CSS is reporting 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. Using this approach, CSS constructed a Value Driver Tree, which served as a foundation for the Dashboard (Attachment 1). CSS began collecting performance data in July 2012 and uses the Dashboard to review and

discuss performance. The Dashboard enables CSS leaders to identify trends and potential service delivery shortfalls while allowing them to mitigate the shortfall by taking necessary action.

This report reflects the performance data for the first quarter of Fiscal Year 2012-2013. In some areas, data was not available due to technical constraints or the need to develop dynamic metrics which correlate to the identified Value Driver. Areas where data is not available or metrics are being developed currently appear as grey on the Dashboard, but will be populated once data is gathered. CSS will be capturing the data quarterly and understands this is an evolving process and as we identify measures the Dashboard will be updated accordingly. Additionally, at the end of the Performance Measurement narrative, we included supplemental Customer Contact Center information. A comprehensive overview of the Customer Contact Center will also be delivered in a Board workshop in December.

ANALYSIS

The Performance Dashboard (Attachment 1) includes two Business Strategies identified by CSS: 1) Service Delivery and 2) Benefit Administration. Each Business Strategy has Value Drivers and Attributes linked to them. The Business Strategies represent the approach CSS will undertake to achieve the mission and vision, the Value Drivers represent the major drivers of success for the Business Strategies and the Attributes describe the behaviors CSS must exhibit to deliver value to our customers.

Attachment 1 depicts the Business Strategies, Value Drivers and Attributes with corresponding colors of green, yellow or red. As illustrated on the Performance Dashboard each color represents a status indicator pertaining to performance targets. The areas in grey are meant to illustrate areas where data was not readily available to extract or metrics have not yet been developed.

Below is a narrative on the scores attained for each of the Business Strategies, Value Drivers and Attributes featured on the Performance Dashboard.

Business Strategy – Service Delivery

Service Delivery measures how well CSS is serving our customers and currently has a yellow status indicator. This Business Strategy is segmented into two customer service oriented Value Drivers; Customer Experience and Customer Education. Each Value Driver has its' own color status indicator and various Attributes which are discussed below.

Value Driver – Customer Experience

A customer's positive experience is paramount to CalPERS. Customer Experience is currently yellow. This Value Driver incorporates three Attributes – Quality, Customer Satisfaction and Timeliness. Each Attribute has various metrics associated with it that roll-up into the Customer Experience status indicator color.

Attribute – Quality

This Attribute's current status is green indicating CSS is meeting or exceeding performance targets. Evaluating the quality of work, and quality assurance, drive this Attribute.

Attribute – Customer Satisfaction

Customer Satisfaction reflects a green status indicator. Surveying customers is the primary metric behind this Attribute. Surveys are sent to a sample of customers who have had an interaction with the Customer Contact Center or a Regional Office. These surveys measure various aspects of the experience as well as overall satisfaction with the service received. When available, CSS will also collect data from the annual survey administered by our Public Affairs Office.

Attribute – Timeliness

Timeliness is the most heavily weighted Attribute under this Value Driver and includes several individual metrics. Serving our customers, business partners and stakeholders in a timely manner is critical when creating a positive customer experience.

This Attribute's status indicator is yellow. Certain metrics under Timeliness are not meeting service level expectations, such as call wait times, retirement allowance adjustments – payroll, payment of post-retirement death benefit claims, service retirement processing and service credit purchases. Mitigation plans are in place in each of these areas. CSS expects to gain improvements in these areas as the mitigation plans are implemented.

Value Driver – Customer Education

The capability of members, employers or stakeholders to make informed decisions centers upon the successful delivery of educational products and training services administered by CalPERS staff. Customer Education reflects a green status indicator and includes two Attributes: Availability and Effectiveness.

Attribute – Availability

Making ourselves available and scheduling training opportunities which are convenient for our customers is the standard across our organization. This Attribute is in the green status.

Attribute – Effectiveness

Effective customer education includes offering training courses and materials which meet the needs of our customers. Under the Effectiveness Attribute we report a green status indicator demonstrating our propensity to meet and exceed our customer's expectations.

Business Strategy – Benefit Administration

Benefit Administration measures how well CSS manages certain business activities. This Business Strategy, which is reflecting a green status, is divided into three administrative oriented Value Drivers; Compliance, Self-Service, and Operational Effectiveness. Each Value Driver has its' own color status indicator and various Attributes which are discussed below.

Value Driver – Compliance

Compliance measurement is currently green. This Value Driver is comprised of three Attributes: Appeals, Audits and Risk Compliance.

Attribute – Appeals

This Attribute measures the percentage of administrative decisions upheld by the CalPERS Board and is currently green.

Attribute – Audits

CalPERS performs internal audits of various departments and external reviews of our business partners. This Attribute is showing a yellow status indicator due to a low closure rate of external reviews.

In order to resolve external reviews CalPERS must rely on our external business partners to furnish specific, and many times complex, information. The information is not always readily available and the proposed manner of resolution proposed by CalPERS is not always agreed upon by the business partner. Although staff works hand in hand with our business partners the findings may present problems for them that fall outside the purview of CalPERS, making resolution time consuming and cumbersome. Staff will be increasing efforts in working with the business partners to aid in timelier audit outcomes.

Attribute – Risk Management

This Attribute is currently green and measures the number of identified risks against the number of mitigation plans created to counteract the risk. Risk is identified and evaluated as it relates to business operations. These risks are also monitored and reported on within the Enterprise Risk Management Dashboard.

Value Driver – Self Service

Self Service aims to measure the usability and capability of the myICaIPERS self-service functionalities. This Value Driver is currently greyed out. Self-Service functionality is being phased in and once we have experienced the full capabilities we will begin to baseline and measure the data. When the data is available CSS will report the findings to the Board in a manner consistent with the other Value Drivers. The Attribute associated with this Value Driver is labeled as Utilization which will seek to measure the various self-service processes and functionality being performed by our customers.

Value Driver – Operational Effectiveness

This Value Driver was created to gauge CSS's overarching goal to become more efficient within the department. Operational Effectiveness is currently greyed out as metrics have not been established to measure growth in this area. CSS is developing measures that align with initiatives and tactics included under the Service Delivery Transformation Roadmap, Business Plan and Strategic Plan. A multi-phase initiative is also being launched to evaluate and improve the operations of the core functional areas within CSS. The first area of focus will be the Customer Contact Center. Many of these initiatives and tactics focus on improving operational effectiveness and efficiency and by measuring their progress we will strive to quantify the improvements made in this area.

As discussed above, the majority of Performance Measures, and the overall outlook of customer service delivery within CSS, is healthy as we are operating at high levels in many areas. CSS's global performance is well within the acceptable range and trending towards meeting and or exceeding measurement targets. Only a few areas require considerable improvements and these areas have plans in place to accelerate their progress and improve their status indicator. As this Performance Management approach is refined, expanded and fully administered CSS will be better positioned to service our customers in a proficient manner.

Customer Contact Center Information

An element of Performance Measurement is Customer Contact Center wait times. Customer Contact Center call wait time metrics fall under the Timeliness Attribute and help shape our customer's overall experience.

As expected, service levels in the Customer Contact Center in October improved over September as the annual open enrollment cycle concluded October 5. In response to a request for historical comparison information, the Average Call Wait Times chart in Attachment 2 was created. This chart shows improvement in average wait times from a September average of 15 minutes (18 minutes for members, 3 minutes for employers) to 12 minutes in October (13 minutes for members, 7 minutes for employers). Once Open Enrollment ended, wait times for members improved significantly with wait times in single digits on 9 of the remaining 18 days of the month.

On the other hand, wait times for employers typically remain higher during the weeks following the closure of open enrollment as employers have questions during the processing of the health transactions for their employees. Overall, the chart reflects a reduction of 21 minutes for the combined average wait times for members and employers as compared to October 2011 (64 percent improvement). Note: The average wait time methodology was refined in October 2011, therefore data prior to that period is not available.

The Call Wait Time Intervals chart in Attachment 3 reflects the volume and percentage of calls by varying minute intervals for the past three months (August through October 2012). Although there are customers who waited on the line longer than desirable, this chart illustrates that the large majority, approximately 70 percent, continued to wait on the phone less than 6 minutes.

Historically, average wait times have been computed based on all calls received. To provide more comprehensive data, the charts now include a breakdown between those calls in which customers remained on the line to hold for a live agent, and those in which they elected to receive a callback.

ATTACHMENTS

- Attachment 1 – 2012/2013 Quarter 1: Performance Dashboard
- Attachment 2 – Customer Contact Center Average Call Wait Time
- Attachment 3 – Customer Contact Center Call Wait Time Intervals

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