



## **Agenda Item 8**

February 19, 2014

**ITEM NAME:** Customer Services and Support Performance Update

**PROGRAM:** Customer Services and Support

**ITEM TYPE:** Information

### **EXECUTIVE SUMMARY**

Delivering exceptional customer service requires that Customer Services and Support (CSS) tailor services to the needs of the customer. During the second quarter of Fiscal Year 2013-2014, CSS continued to perform at a high level while enhancing the customer experience. Generating a positive customer experience entails listening to the customer and incorporating their feedback into our service delivery. This quarter we have increased access by establishing the Employer Response Team and enriched the quality of our services by reducing our timeframes for responding to customer inquiries. Additionally, customer service enhancement projects have achieved successes and the Customer Contact Center has maintained low call wait times.

### **STRATEGIC PLAN**

This informational item supports the California Public Employees' Retirement System (CalPERS) Strategic Plan Goal B: "Cultivate a high-performing, risk-intelligent, and innovative organization." Assessing our level of performance on an on-going basis allows us to make informed decisions and deliver superior comprehensive customer service that is adaptable to our customers' needs.

### **BACKGROUND**

CSS uses a performance measurement methodology to evaluate the success of our mission and measure the impact of service delivery initiatives on operations and customer satisfaction. Our performance measurement approach is consistent with the best practices outlined in the CalPERS Board Governance Study Final Report (September 2011). CSS reports broader indicators of performance instead of individual performance metrics because this allows the Board to gauge performance of whole programs more efficiently. According to this approach we examine performance thresholds to identify exceptions warranting the Board's attention.

The Performance Metric Update below reflects the CSS performance data for the second quarter of Fiscal Year 2013-2014. Following the performance metric information, we include updates on the projects currently underway within CSS aimed at improving the customer experience.

## **ANALYSIS**

### **CSS Performance Metric Update**

The Performance Dashboard (Attachment 1) provides an overview of operations according to two Business Strategies identified by CSS: 1) Service Delivery and 2) Benefit Administration. The Business Strategies direct the approach CSS will undertake to achieve our Mission and Vision and each contain related Value Drivers and Attributes. Value Drivers represent the major impetuses for the success of our Business Strategies while Attributes describe the characteristics CSS must demonstrate to provide value to our customers.

Attachment 1 describes the status of Business Strategies, Value Drivers, and Attributes with colors of green, yellow, or red; each color indicates current status relative to our performance targets.

#### Business Strategy – Service Delivery

Service Delivery measures how well CSS is serving our customers and is reflecting a green status.

#### Value Driver – Customer Experience

Providing our customers with a positive experience is very important to CalPERS. The Customer Experience Value Driver remains in the green range from last quarter. The Attributes of Quality, Customer Satisfaction and Timeliness show a green status.

#### Timeliness

The Timeliness Attribute measures how well CSS completes work items and resolves customer inquiries in a timely fashion, which are important parts of our service delivery. This Attribute has moved from a yellow to green status as successful workload management efforts were implemented, however, Service Credit Purchasing and Membership Determination Processing fall within our exception reporting parameters and are mentioned below. Additionally, we have provided information below pertaining to a modification and addition to the metrics which make up the Timeliness attribute.

Service Credit Purchasing is able to complete new requests within service level agreements as the total inventory has been reduced. However, due to an existing group of constrained cases that are affecting overall processing figures, this area is unable to process all cases within the service level. Even though we are seeing gradual reductions in constrained cases, we expect this inventory to continue to impact average processing times during the third quarter.

Membership Determination Processing is processing at lower than normal process levels, however we have engaged in a concentrated effort to reduce inventory and improve processing. Within this area overall production levels have increased during the second quarter. Furthermore, we have allocated extra resources to assist with processing work items and the team is working closely with the Information Technology and Services Branch (ITSB) to develop automated solutions to resolve the existing inventory. Although we are experiencing incremental improvements, the workload in Membership will require additional time beyond the third quarter to return to normal processing timeframes.

In the Customer Contact Center we continue to experience an average call wait time below one minute for all customer calls. Refer to Attachment 2 for more details.

In a substantial performance gain, the timeliness of payroll adjustments made to service retirements has increased significantly since the first quarter and is now in a green status.

Over the last quarter we have added a new and modified an existing metric falling under the Timeliness attribute. We modified our workflow inquiry response metric to align with the reduction of our timeframes to respond to inquiries. These are inquiries which are not closed at first point of contact and require additional action. The metric improvement from ten to five business days for responding to these types of customer inquiries allows us to substantially enhance the customer experience and improve customers' satisfaction with our services.

Additionally under Timeliness, we have added a metric surrounding the response to inquiries submitted through secure messaging which is a self-service feature allowing customers to send an inquiry to CalPERS behind the security of their myCalPERS account. Like the Timeliness attribute, both the modified and new metric reflect a green status.

#### Value Driver – Customer Education

CalPERS training and education gives our customers the knowledge they need to get the full value of their promised benefits. The Customer Education Value Driver and its underlying Attributes of Availability and Effectiveness are still going strong as all metrics indicate a green status.

#### Business Strategy – Benefit Administration

Benefit Administration measures how well CSS manages several essential business activities and continues to reflect a green status.

Value Driver – Compliance

The overall Compliance Value Driver remains green. The Attributes of Appeals, Audits, and Risk Management continue to show green.

Value Driver – Operational Effectiveness

Operational Effectiveness measures both how much customers are increasingly performing transactions online and how efficiently we are managing our workload. This item is the first report we have made to the Board on these metrics and the Value Driver shows a green status.

Member Self-Service Utilization

Metrics underlying Member Self-Service (MSS) Utilization are driven by proportional increases in usage and the Attribute is currently reflecting green. The number of new myCalPERS accounts created, the number of address changes, estimates, and service retirement applications completed through MSS versus traditional methods (mail and telephone call) show a green status as the utilization of these features have increased. The proportional increases in open enrollment transactions increased slightly and maintaining payment options (direct deposits) also experienced an incremental increase. Over the next two quarters as self-service utilization marketing strategies are implemented and our customers are exposed to these online tools more frequently we anticipate additional incremental increases in usage.

Workload Management

Effectively managing workload allows us to successfully administer the system and adhere to the expectations of our customers. The metrics used to measure Workload Management include CSS overtime usage, the percentage of completed Employee Performance and Development reports, position vacancy rates within CSS divisions and the number of performance metrics we measure which reflect a green status versus those that do not. Although we will measure overtime usage annually, all of the other metrics under this Attribute display a green status.

**CSS Projects Update**

CSS has initiated several projects aimed at enhancing our business processes and services to achieve high-quality, timely, effective, and efficient customer service delivery to our members and employers. In the second quarter, these projects achieved several significant milestones.

#### Full Voice of the Customer

In collaboration with ITSB and the Office of Public Affairs, CSS initiated the Full Voice of the Customer project to develop a broad range of customer satisfaction surveys. Our first survey, released in October 2013, is an automated business process survey that collects user feedback on three Member Self-Service transactions (Address Change, Maintain Benefit Payments, and Retirement Estimate Calculator). In December 2013, the team implemented a general survey covering a broad range of CSS business processes that is available to all visitors to CalPERS On-line. Over the next two quarters the team will further expand and develop additional surveys on a wide variety of the services we provide. The results of these surveys will offer us valuable insight into the customer experience and allow us to enhance each interaction. CSS will be incorporating a portion of the satisfaction scores into our performance metrics for the fourth quarter report.

#### Employer Response Team

In the second quarter CSS established the Employer Response Team (ERT), comprised of program area experts throughout the organization. The ERT provides a single point of contact for employers and is dedicated to resolving critical and/or time-sensitive employer issues quickly. Since its' inception the ERT has been able to close the majority of these cases in one to three business days.

#### Core Competency Training

In October 2013, training units within CSS began implementing our Core Competency Training consisting of three instructor led courses (Writing Notes in myCalPERS, Life Cycle Training, Business Etiquette) and a job aid for complex analytical problem solving. This extensive training further refines our customer service skills, provides staff with a wider knowledge base, and equips staff with the necessary expertise to effectively serve our customers.

#### Life Cycle Education

Our Lifecycle Education project team is developing easily accessible resources tailored to the key life and career events during CalPERS membership and interactions and is aligning these with our current educational resources and services. This will ensure our customers receive valuable pension and health information when they need it.

#### Health Open Enrollment Project

In collaboration with several teams, our Health Account Services team successfully supported the implementation of the 2014 Open Enrollment project. The team generated an unprecedented and robust communication plan and shared materials with all seven health carriers prior to the beginning of Open Enrollment. Among other achievements, the team was able to implement four new Health Maintenance Organization health plans which resulted in the transition of over 68,000 members who changed their health plan during this year's Open Enrollment.

**BUDGET AND FISCAL IMPACTS**

Not Applicable

**ATTACHMENTS**

Attachment 1 – CSS Second Quarter Performance Dashboard

Attachment 2 – CalPERS Customer Contact Center Average Call Wait Times

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