



Agenda Item 9

May 20, 2014

ITEM NAME: Customer Services and Support Performance Update

PROGRAM: Customer Services and Support

ITEM TYPE: Information

EXECUTIVE SUMMARY

Customer Services and Support (CSS) is dedicated to achieving the highest level of service in administering the health and retirement benefits for the System. To accomplish this we seek out customer feedback and constantly measure progress in all our business areas. During the third quarter of Fiscal Year 2013-2014, CSS performed our operations at a high level and made process improvements to enhance the customer experience.

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." By continuously measuring our performance we are able to respond efficiently to our customers changing needs and anticipate and react quickly to any issues that may affect our customer service.

BACKGROUND

The CSS performance methodology is designed to assess our service levels and measure the impact of service and process improvements on our operations and on customer satisfaction. Our performance measurement approach is consistent with the best practices outlined in the CalPERS Board Governance Study Final Report (September 2011). To allow the Board to gauge performance of whole programs most effectively we report broad indicators of performance and performance exceptions.

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

ANALYSIS

CSS Performance Metric Update

The Performance Dashboard (Attachment 1) provides a broad picture of CSS operations through the lenses of two distinct Business Strategies, 1) Service Delivery and 2) Benefit Administration. Our Business Strategies direct the approach we take to achieve our Mission and Vision and each contain associated Value Drivers and Attributes. Value Drivers represent the major motivations for the success of our Business Strategies while Attributes are the characteristics we must exemplify to provide high 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 displaying a green status.

Value Driver – Customer Experience

Providing our customers with a positive experience is paramount to CalPERS. The Customer Experience Value Driver continues to be in the green range. The underlying Attributes of Quality, Customer Satisfaction and Timeliness all show a green status.

Timeliness

The Timeliness Attribute measures how quickly CSS completes work items and resolves customer inquiries, vital elements of our service delivery. Timeliness continues in green status, however, Service Credit Purchasing, Tax Withholding Elections and Membership Determinations fall within our exception reporting parameters.

In the second quarter update, we reported that service credit purchase processing would continue to be impacted for several months. Although the timeliness of Service Credit Purchasing still constitutes an exception, processing levels continue to rise steadily since the second quarter. As staff reduces the outstanding number of constrained cases, we will see a normalization of service levels.

Benefit Services Division (BNSD) experienced a large increase in workloads associated with the Specified Dollar Tax Withholding Project, resulting in processing delays. As part of this project, staff sent out over 90,000 letters and forms to specific members, requesting they complete and return new withholding elections.

The large volumes of returned forms have impacted overall processing, however, the team has developed a plan that will enable them to return to normal processing timeframes over the next quarter.

In the second quarter performance update, we reported that, due to large inventories, we expected membership determination processing to be impacted for several months. Since then, the team engaged in a concerted backlog reduction plan and closed a high volume of work items. Despite this progress, service levels will require additional time to improve to normal.

Value Driver – Customer Education

CalPERS training and education helps our customers obtain the knowledge they need to understand the full value of their benefits. The Customer Education Value Driver and its underlying Attributes of Availability and Effectiveness continue to 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 and shows a green status.

Member Self-Service (MSS) Utilization

Metrics underlying MSS Utilization are driven by proportional increases in usage and the Attribute is currently reflecting green status. We expect to see further increases in the use of MSS transactions as we further market these services and more customers discover the convenience and efficiency of conducting their CalPERS-related business online.

Workload Management

Effectively managing workload allows us to successfully administer retirement and health benefits and meet the expectations of our customers. All metrics under this Attribute display a green status.

CSS Projects Update

CSS conducts projects aimed at enhancing our business processes and services to achieve high-quality, timely, effective, and efficient customer service. In the third quarter, several of our current projects reached significant milestones.

Full Voice of the Customer

In collaboration with the Information Technology Services Branch (ITSB) and the Office of Public Affairs (PAOF), CSS initiated the Full Voice of the Customer project to develop a broad range of customer satisfaction surveys. Our first surveys, introduced at the end of 2013, collect customer satisfaction data on three MSS transactions (Address Change, Maintain Benefit Payments, and Retirement Estimate Calculator).

During the third quarter, the project team began to analyze and utilize survey data using Business Intelligence Analytics. In our first full quarter of data collection, 93 percent of customers reported they were satisfied or very satisfied overall with these business processes.

The team also developed surveys for two additional MSS business processes, Apply for Retirement and Designate a Beneficiary. These two new surveys were released on April 12, 2014 and are currently available to our customers.

Employer Response Team

The Employer Response Team (ERT) provides a single point of contact for employers and is dedicated to resolving critical and/or time-sensitive employer issues. In the third quarter the ERT closed the majority of its cases in one to three business days and received an 88 percent average satisfaction rating in its customer satisfaction surveys.

Employer Response Dialogues

The Employer Response Dialogues were launched in February 2014 as a companion access channel to the Employer Response Team. The sessions are tailored to the interests of our employers' key leadership staff, and are high-level, interactive discussions focused on the interests of employers. Before each event, we reach out to these employers to offer topics based on the subject matter of contacts coming through the ERT as well as current events impacting the business of providing retirement benefits, such as the Public Employees' Pension Reform Act.

Employers choose the topics they're interested in discussing and the session is customized to their preferences. With several different presentations prepared, we can quickly adapt the agenda by region, and CSS senior leadership can engage face-to-face with our employers' leaders and decision makers.

After each event, attendees were surveyed to gauge customer satisfaction and the effectiveness of the dialogue. In the third quarter, 92 percent of employers reported they were satisfied or very satisfied with the events and would attend another ERD in the future.

Form Letters Revision Project

As a customer service driven enterprise, we maintain communication with our participants and business partners through many diverse channels. Among the most important of these are our form letters. We use form letters to communicate with customers at key events in membership and retirement and during many business processes.

It is important to maintain the high standards of this essential method of communication, therefore, we are revising form letters to improve quality and ensure language used is consistent with current terminology, branding, business processes, and information systems. The project scope includes letters related to Service Retirement, Service Credit Purchasing, Community Property, Death Benefits, and the New Member Welcome Letter.

BUDGET AND FISCAL IMPACTS

Not Applicable

ATTACHMENTS

Attachment 1 – CSS Second Quarter Performance Dashboard

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