

MODERNIZING TODAY

United States Office of Personnel Management
Retirement Programs

Volume Two • Issue One

The Modernization Effort— Focusing on the Customer

Ed Flynn, Associate Director
for Retirement and Insurance

Last fall, we held a series of very helpful and thought-provoking meetings with our customers around the country to listen to their thoughts about the Modernization effort. We heard the concerns and expectations of people who depend on our services in Philadelphia, Pennsylvania, Minneapolis, Minnesota, Washington, D.C., Portland, Oregon, and Boyers, Pennsylvania. These focus groups included current Federal employees and human resources specialists, all of whom have a direct interest in the success of our Modernization effort.

The feedback we got was tremendous—we received positive responses to our initiative and additional suggestions for change. I was extremely pleased with the reports of active participation by everyone who attended and I thank everyone involved.

As a result, we learned that our customers are looking to us to build a retirement system that makes the most of modern technology and focuses the power of that technology

on helping the people we serve. In the *I'm Glad You Asked* column you will see our answers to some of the questions we received from our customers.

This issue of *Modernizing Today* also contains other items I hope you will find interesting. We have an interview with one of the key technology players here at OPM and articles that describe other different facets of the Modernization effort. Finally, if you would like more information, please take a look at the *Have Questions or Suggestions?* section. We would like to hear from you.



Modernization effort— *A strategic initiative to rethink, reevaluate, and ultimately reengineer the various processes that support and provide retirement services.*

MARCH 2000

The Blueprint of the Modernization Effort

By Shoshanna Goodman
American Management Systems Team Leader



As you may recall from our last issue of *Modernizing Today*, we had a "late-breaking news" item that the Modernization effort's project team had just completed validation of the To-be model and was embarking on creating the blueprint for the reengineered

retirement processes. As we explained, redesigning the Retirement Program can be compared to building a house. Using the To-be model as our foundation, the project team has made significant progress in translating the To-be model sketch into a detailed floor plan for our "new house." We are in the process of documenting what the redesigned processes and new technologies will look like. As the team leader for this phase of our project, I would like to share with you how we have gone about creating the blueprint and what we have accomplished.

What is a blueprint?

The blueprint is the detailed layout of what functions and processes must be supported to ensure that the Modernization effort meets its primary goals and objectives. As the detailed floor plan of our "new house", the blueprint also informs the project team of the procedures and systems that it needs to design to transform the blueprint into a functioning system. We have been designing our blueprint one process or "room" at a time. This ensures that we can adequately focus on the details of each process.

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Quotable Quote

From the President of AFGE Local 32

Michelle R. Tolson



"One of the Reinventing Government initiatives was to empower employees to make decisions in the workplace regarding means, methods, and technology. A bonus of this initiative is that employees will provide better customer service.

Local 32 salutes RIS officials. They were open to empowering employees to play an active role in the process. These employees are making valuable contributions that are paying off already. With every accomplishment, the task force shows us that a labor and management team – working collaboratively – really can make a difference.

To Ed and the task force, we say, 'Keep up the good work and keep on keeping us informed.' As AFGE's slogan says: 'Government employees – nobody does it better!'"

The Blueprint of the Modernization Effort...

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Creating the blueprint is a step by step process. Each component of the design builds on the previous one. The first step we took in this phase of the project was to create detailed process steps based on the To-be model. In doing this, we added detail to the To-be model and performed a step by step analysis to determine how work would flow. We looked at who or what system would perform the work. We then used the detailed process flows to list the required functions (e.g., the ability to determine coverage, the ability to verify the member's security information, the ability to automatically determine service credit) of the future systems and processes. The finishing touch of our blueprint is an analysis of the types of data (e.g., member identification data, Tier 1 customer service call information, deposit eligibility information) we will need to access to ensure that we can properly automate and support the processes set out in the To-be model.

Because our house must have all of the elements that make it

an ideal place to live, we are validating each process blueprint with our stakeholders (OPM employee representatives, OPM management, and representatives of other Federal agencies) as we have developed it. Additionally, we have incorporated the results of our customer focus groups, mentioned in Ed's article. These activities continue to ensure that we are moving in the right direction.

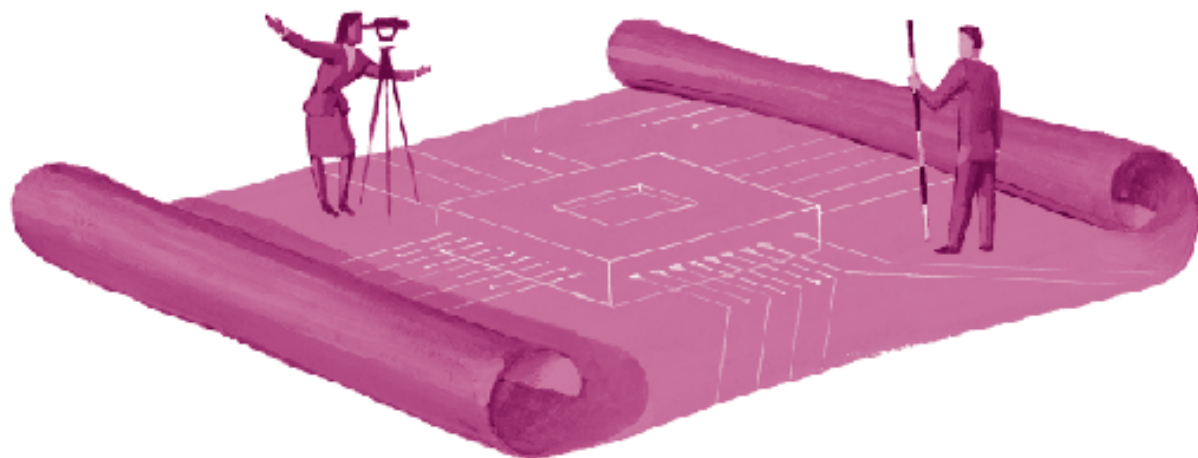
Where is the Modernization effort's project team on the development of the blueprint?

The project team is almost halfway through creating the blueprints for the 6 core processes (i.e., Member Administration, Claim to Payment Initiation, Annuity Roll Maintenance, Benefits Counseling, Employee Withholdings, and Trust Fund Management) of our To-be model. American Management System (AMS) is also working alongside OPM and IBM to help translate our blueprint into the technical design we will need

to properly build the systems that will support the future Retirement Program.

Where do we go from here?

The project team is working towards creating the blueprints for the remaining core processes. Additionally, AMS is gearing up to begin designing the procedures that support the To-be model along with developing an implementation plan. We will ensure that the employees who keep the Retirement Program running will be ready for any changes. We will identify any training needs that will be essential for a smooth transition. Finally, OPM, AMS, and IBM will continue to work together to ensure that the processes and systems that we develop work as a whole to exceed the expectations of employees, former employees, and retirees of the Retirement Program.



Merle Townley Interview

By Joe Parker and David Lewis



Merle Townley is the Branch Chief who leads the team working on the prototype Benefits Calculator. He works in Operations Support Division, the Office of Retirement Programs at OPM.

Q. Merle, what is your job?

A. The Quality Control and Authorization Branch (QCAB) ensures that the 2.4 million federal annuitants receive their payments as scheduled and respond to situations beyond our control such as when checks are lost or stolen—we make sure replacement checks are furnished as quickly as possible. We're also responsible for quality control and liaison with other Divisions for Automated Data Processing issues. Most recently, part of the branch has evolved into a team that helps with PC computer issues throughout the Office of Retirement Programs. My job is to make sure all the activities work together as a productive whole.

Q. It sounds like your job requires a lot of creativity?

A. Yes. I have many different responsibilities and the chance to keep up and use the ever-changing technologies and apply them to the Office of Retirement Programs.

Q. How did the team get started on the calculator endeavor?

A. We needed a kernel of business rules that could be used as a prototype and be incorporated into future systems. We had already been working on this because our traditional computer resources were squeezed by a combination of Y2K issues and the difficulty in hiring technical people. Also, the Office of Retirement Programs' workload is shifting from the old Civil Service Retirement System (CSRS) to the new Federal Employees Retirement System (FERS) with no offsetting increase in the tools needed for FERS claims. The project of building a calculator seemed perfect for an "early win" in our Modernization effort. Previous efforts to build a comprehensive Benefits Calculator had not been productive. There were vendors with benefits calculators, but their products were more in the category of "estimators"—and that is a significant difference. There is no margin for errors when you are building a calculator to compute federal employees' monthly retirement pay. Therefore, with the number of FERS claims increasing, the environment was right for an Office of Retirement Programs effort by people who understood the program.

Q. Don't you feel on the hot seat for a possible failure?

A. At the beginning of the project I guessed the odds of success were 1 in 5. Yet we went forward because the payoff would be huge. QCAB's talented people had the ability and courage to pull off the project despite the long odds. I believe if our task was to put a satellite in orbit, we could have accomplished it because of our determination.

Q. Wouldn't it be easier to tell a contractor what you want and let them build it?

A. We'll be looking towards Commercial Off-the-Shelf (COTS) solutions too, as new applications become available that meet our needs. As part of the Retirement Systems Modernization effort, we'll be evaluating various COTS solutions to get the most cost-effective solution for the long term. But the main advantage of creating a prototype calculator in-house is that many of us were Benefits Specialists and knew the work. This allowed us to make large impact decisions quickly. In addition, knowledge of retirement law and current practices is dispersed. There is no single person or source that knows it all down to the detail level. Telling a contractor what to do can be a very slow process. As I stated before, what we actually created was an automated set of business rules that can be used in development of new tools

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Merle Townley Interview...

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through the Retirement Systems Modernization effort.

Q. How do you know what to build into the system?

A. From the technical side, the QCAB team used the Internet and also talked directly to developers at Fortune 500 companies to glean ideas. We also studied the design of "estimators" and the COBOL code and design of the current mainframe system. From the retirement side, we tried to add components of the calculator that affected the largest number of retirement cases.

Q. How do the users input their ideas and needs?

A. Originally, because the developers were ex-Benefits Specialists, we designed the system for us. Then, as the project evolved, we got a lot of feedback from the end users and the FERS analysts. Now, we have a more formal system where an end user can email the lead developer and we try to respond in less than 24 hours.

Q. How long does it take to build a new program like the Benefit Calculator?

A. About 18 months, and about 4 to debug it.

Q. What is beta testing?

A. Beta testing is selected user testing. We alpha tested among the development group first, then beta tested with a select group of

users, then submitted it to Quality Assurance Division for further testing. We then put it in test production in the FERS adjudication branches, carefully checking each answer on every case. We also had an independent IV&V test done by Booz, Allen and Hamilton.

Q. How do you choose who will test the system?

A. We worked closely with the FERS Division Chief and his analysts. They made suggestions as to who should test the calculator.

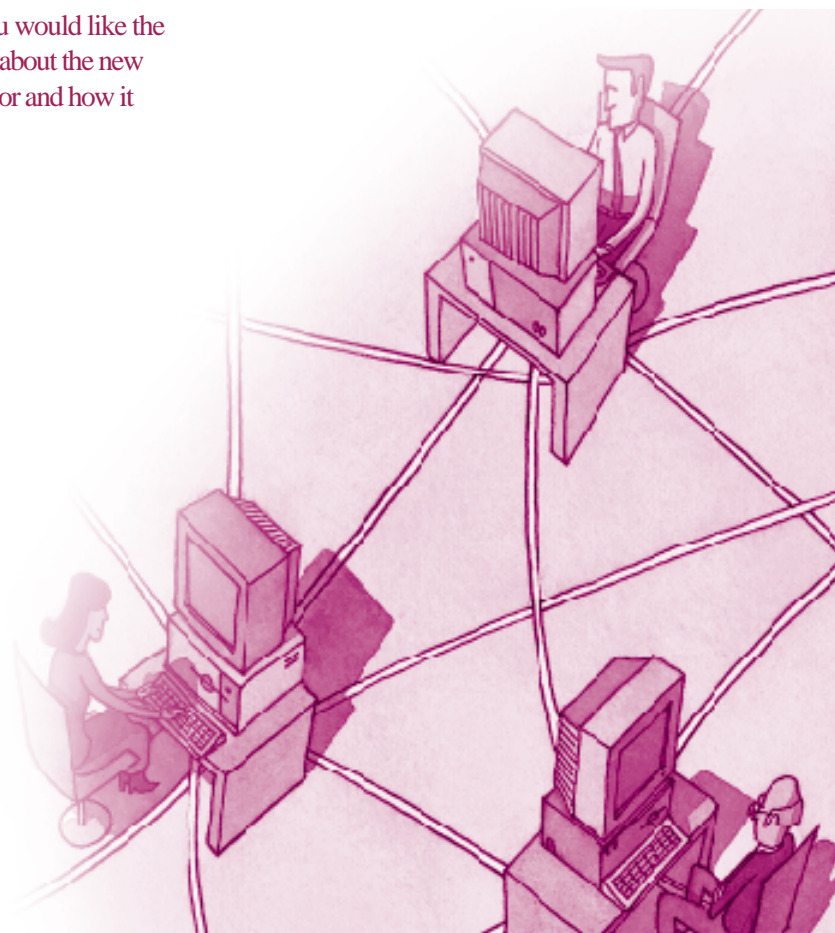
Q. How do you know what to change?

A. User feedback and discrepancies from known correct answers.

Q. What is it you would like the readers to know about the new Benefits calculator and how it works?

A. The easier it is to use means the harder it was to develop. The Benefits Calculator takes a very complex process and presents it to the user in an understandable and streamlined fashion. It is intuitive and based on English language cues, not codes. That makes a big difference to people. They don't have to learn a lot of codes. Our calculator only shows the user what they need and hides the rest letting Benefits Specialists be more productive and make fewer errors.

I would want my retirement calculated using this tool.



Measuring Results

By Chris Brown



We've reached the point in the Modernization effort where we need to figure out how we will know if the project is achieving the results we expect. Beyond this, we need to measure whether the Retirement Program is achieving the program goals and objectives we have established for it.

To do this, we need to establish a system of what is called "performance measures." Performance measures pertain to tracking the performance of an organization or a program to determine if it is fulfilling its mission and meeting its stated goals. Performance measurement does not focus on the performance of individuals. However, as individuals, we are all interested in how our organization performs. It is the combination of our individual efforts that

determines how well we meet our mission to provide "fast, friendly, accurate, and cost-effective services . . ."

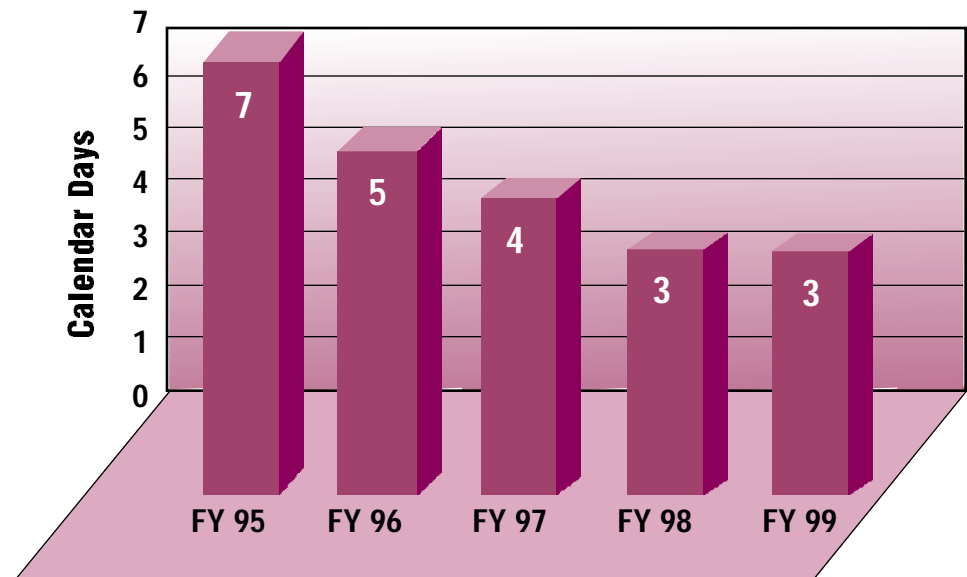
Performance measurement is not a new science for us in the Retirement and Insurance Service. We have tracked and reported our organizational performance for many years, using a system of performance measures that we call indicators. Since the early 1990s, we have reported these indicators as a part of our annual financial reports required under the Chief Financial Officers' Act. In 1993, President Clinton signed into law the Government Performance and Results Act which raised the

importance of performance measures and required that they be used in annual and strategic plans and to track agencies' progress toward meeting their goals and objectives.

The performance indicators we currently use for the Retirement Program include measures of customer satisfaction, such as the percent of new customers (annuitants) satisfied with how we processed their claim for benefits. Looking at this indicator allows us to see how our customers feel about the hard work we do to process claims as quickly and efficiently as we can.

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Interim Annuity Payment Processing Times



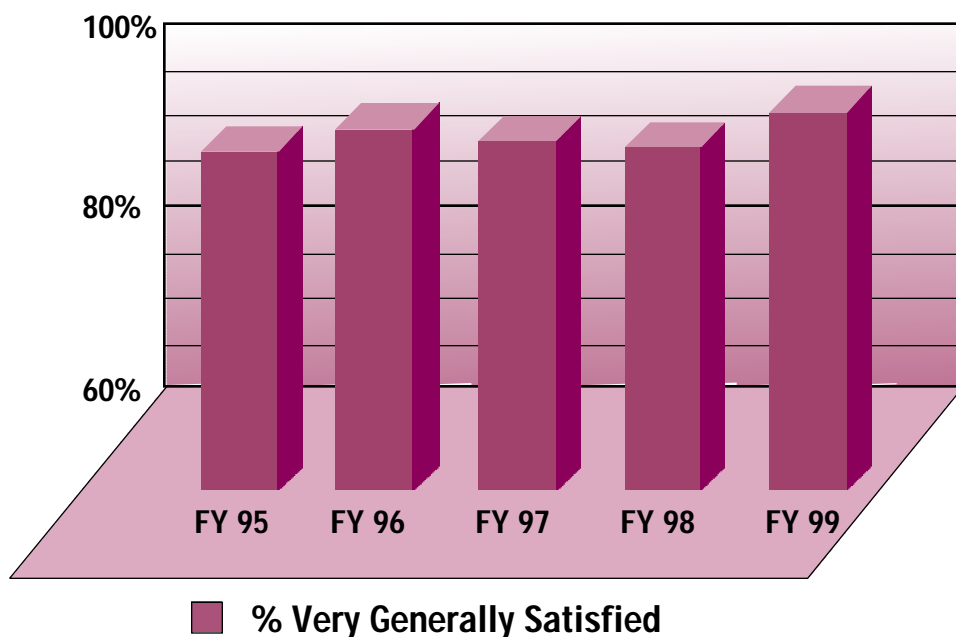
Measuring Results...

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Our indicators provide other ways for us to see how efficiently we do our work. For instance, we measure how long it takes us to authorize interim and final annuity payments. By aligning this information with customer satisfaction information, we can see how processing payments faster results in high customer satisfaction.

So, performance measures help us connect the work we do with the results our work has on our customers and our organization. We also measure the accuracy of our claims processing when the Quality Assurance Division reviews a sample of completed claims. Finally, we have financial measures, such as the cost of processing claims. We may continue to use many of these measures to evaluate whether the Modernization effort is working effectively. But, because the effort involves new business processes and systems, we may decide that some new measures are necessary. Also, we may find that the new systems will allow us to measure some things that our current systems don't measure. To work through these issues, we've established a performance measures committee to review the goals and objectives of the Modernization effort and all of our current performance measures. The committee will recommend what we should measure and how we should measure it.

New Customer Satisfaction with Overall Retirement Process



The Modernization effort will use a very sophisticated system of measures called the "Balanced Scorecard." This system is called the Balanced Scorecard because it establishes a balanced set of key measures that allow us to evaluate performance from the customer, business process, financial, and workforce perspectives. The benefits of

doing this now include gaining a program-wide perspective that includes functions performed by agencies, a greater emphasis on benefits counseling, and having measures that serve as early indicators for success, or warning signals that will help us guide the Modernization effort.

The Modernization Effort and Information Technology

By Joyce Ludwig
Business Systems Reengineering Division



Changing business needs often require new ways of working. Yet all too often, technology is purchased to improve productivity without rethinking the way work is being performed. As a result, dramatic improvements in service that could be achieved are missed. In successful business process reengineering, technology is not

added on to old processes but is used to support improved ways of working.

Who is working on the technology architecture and what is the purpose of it?

This spring IBM became the Modernization project's information technology partner. IBM is certified at Level 3 of the Software Engineering Institute's Capability Maturity Model (for more information, www.sei.cmu.edu). Currently, IBM is developing the technology architecture to support the process redesigns developed by American Management Systems. The purpose of a technology

architecture is to define the major kinds of technologies needed to support the reengineering effort. For example, which kind of database, relational or hierarchical, will best meet our needs must be considered. Deciding what company to buy the database from comes later. Of course, our choices will comply with the OPM Information Technology Architecture and the standards set by the Human Resources Technology Council. The Modernization effort's technology architecture will also ensure agencies are not required to change their technology architectures in order to participate in the effort.

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The Modernization Effort and Information Technology...

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How does a technology architecture benefit us?

You can think of the technology architecture as providing technology standards that apply to the whole organization. These standards ensure consistency so that information from various parts of the organization can be connected through the technology. A good example of the benefits will be seen in our call centers. Too many times, a customer's retirement data is not available through the Customer Service Specialist's work station. This forces the specialist to refer the customer to yet another person in yet another office (and it may not stop there). By being integrated and having access to the same data as others, we can handle most customer inquiries right then and there.

Another benefit is improved system maintenance. This allows the data processing organization to respond more

quickly to user requests. By eliminating the duplication that occurs with separate systems, only one part needs to be changed instead of several, simplifying maintenance. In addition to meeting your business needs more quickly, faster implementation of new technologies is possible, keeping our systems modern. As a result, technology serves those who use it, not the other way around.

How does the technology architecture fit into the overall Modernization effort?

In 2002, we will begin implementation of the redesigned

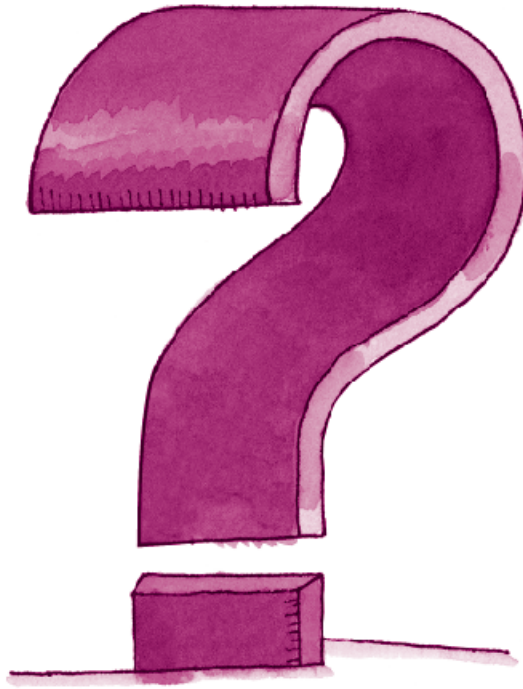
processes and organization, and underlying technology. Technology will be implemented in increments. Once each segment of technology is developed, IBM will provide training for it. The redesigned processes, organization, and supporting technology will improve productivity and efficiency, eliminate or reduce paper handling, standardize operations, harness the potential of the Internet, and strengthen the internal work force and participating agency benefit counselors.

User Satisfaction

Business Needs



Architecture



I'm Glad You Asked

From the Focus Groups

Will agencies want to participate in the Modernization effort?

Throughout the Modernization effort five agencies have served as champions for the effort and have worked side by side with the rest of the Modernization Team. They are the U.S. Postal Service, U.S. Department of Agriculture, Department of Labor, Department of Defense, and the Office of Personnel Management. Their support and input have shaped and molded the processes so that the Modernization effort will be acceptable across all agencies, and provide services that we need to conduct our business. We believe that every agency will want to participate because of the increased services it will provide their employees.

With the automation that will be introduced, will an employee still

be able to speak to someone directly if they don't feel comfortable with the automated tools or if they need special assistance?

We believe strongly that there should always be an advisor available for complex questions or for the "comfort zone" of employees and annuitants. To that end, the Modernization effort is building a three-tiered approach to customer service. In the first tier, the employee/annuitant can use self-service automation tools that will handle frequently asked questions or assist them in making routine requests. The second and third tiers provide the customer with personal assistance depending on the nature of the request. For example, the second tier would handle questions that require a broad spectrum of Retirement Program knowledge that only a Retirement Counselor at the agency can address. The third tier would deal with more complex questions that may

require OPM's subject matter expertise or interpretation. The Modernization team will always keep in mind an individual's need for human interaction when discussing important decisions that may have a life-long effect.

I'm a Benefits Counselor in an agency field office. Will the new system result in loss of jobs?

The new system focuses on the prompt payment of annuities and agencies having the complete history of an employee for more comprehensive counseling. The system should make the counselor's job easier. In addition, because of the access to information, agencies can do proactive counseling. This will not cause a loss of jobs, but makes it even more critical to have knowledgeable counselors available for their employees.

Will the Modernization effort take into account challenges for the West Coast, such as call center hours?

We want to be available to all our customers located all over the world and know that time-zone differences present a challenge. The Modernization effort will look at various options for providing our customers the services they need when they need it, e.g., Internet access to retirement information, email inquiries/responses, and additional options and flexibility with our current automated Interactive Voice Response system.

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I'm Glad You Asked...

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We want employees, annuitants, and HR Specialists to have as many options as we can support.

But we are not just waiting for Modernization. Our evening call center hours have already been extended. Callers can talk to a live Retirement Customer Service Specialist at OPM as late as 8:00 p.m. eastern time and as early as 7:15 am eastern time. In addition, our automated Interactive Voice Response System is available 24hours a day, 7 days a week.

What is the status of the Benefits Calculator?

As you've read in our previous issues of Modernizing Today, the RBC 2000 (Retirement Benefits Calculator 2000) will continue to be enhanced to compute a variety of claims. Currently it is computing a majority of the FERS cases. The calculator team will continue to work on additional enhancements and expand its capabilities. You can read about the development team and the process in the Merle Townley interview featured in this issue.

From OPM Retirement Program Employees

About a year ago, we saw a video at the all-hands meeting that showed a lot of computer technology. Does that really apply to Retirement Program employees and customers?

Yes it does. The video used some dramatized scenarios to show the capability of new technology. Although we may

not currently use it, that technology is available now. As we move forward, the things we must consider are the level of technology available within the many Federal agencies and also the level of technology available to our customers. The goal is to use the highest level of technology available to best serve our customers.





Have Questions or Suggestions?

We'd like to hear what you think! There are several ways to get more information about the Modernization effort, or provide feedback.

Contact BSRD-

Retirement and Insurance Service's Business Systems Reengineering Division (BSRD) supports the Retirement Systems Modernization (RSM) effort and manages the communication process. To find out more about the Modernization effort, please email us at: askrsm@opm.gov or write us at U.S. Office of Personnel Management, Business Systems Reengineering Division, 1900 E St. NW Room 3H28, Washington, DC 20415-3400; or fax us at (202) 606-0548.

Look us up on the World Wide Web-

If you have Internet access, you can visit the Retirement Systems Modernization web site at: www.opm.gov/retire/modern. Past *Modernizing Today* bulletins and notes from the focus group sessions can be found on the web site.

Late-Breaking News

As this issue went to print, the Member Administration Core Process blueprint and the Performance Measurement Program report were completed. Work on the Claim to Payment Initiation and Annuity Roll Maintenance core process blueprints has begun.

Modernization Communications Committee Members

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Joe Parker
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