MICHIGAN DEPARTMENT OF TREASURY

Customer Service Improvement Project

Michigan Treasury accenture Team

Providing tools for superior customer service

State of Michigan
Department of Treasury

Customer Service Improvement Project (CSIP)

2003 NASCIO Awards Recognition
Digital Government: Government to Citizen (G to C) nomination

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2003 NASCIO Recognition Awards
Michigan Department of Treasury
The Michigan Treasury Department's 150-person call center is live on an integrated Customer Relationship Management (CRM) system, which was first released on January, 2002.

Executive Summary

One of the Michigan Department of Treasury's goals is to provide quality financial, tax, and administrative service for the citizens of Michigan. Neither the 2 million customers who contact it annually nor the employees felt the Department was serving its customers well. The Department knew it needed a whole new approach to serving citizens. In fact, prior to the initialization of the project it completed a comprehensive analysis of all business processes and developed a list of key weaknesses, which included at the top of the list customer service.

As part of a broader enterprise wide program administered by the Michigan Department of Information Technology, the Michigan Department of Treasury teamed with Accenture to develop and implement a multiple channel Customer Relationship Management (CRM) system. The customer channels are comprised of:

1) A fully integrated Call Center with an Interactive Voice Response (IVR) system for self-service.

2) An Internet web site to check the status of personal accounts and business tax accounts. Visit http://www.michigan.gov/iit for a customer view.

3) A CRM integrated white mail(postal mail, fax, etc) correspondence channel.

Together, for nearly two years, starting in the summer of 2001 the Michigan Treasury Department, Accenture and the Michigan Department of Information Technology designed a new system to extract information from existing tax databases into a newly implemented CRM system. This enables Customer Service Representatives (CSRs) to provide answers to routine questions, while the taxpayer is on the phone. For more complex questions, an electronic customer service request can now be created to research the matter and follow up with the customer. In addition, the CSRs have a complete customer history available to them on their computer when the customer calls. Prior to implementing the project previous systems were very manually intensive.

> "As a result of the new automated processes, our customer service representatives are better positioned to respond to taxpayer inquiries without follow-up calls. Since we've expanded our customer-service channels, which now include the Internet, an interactive voice response system and a Call Center, we've actually reduced our staff time by over 20% while increasing three-fold the number of customers we serve in each month."
> **- Steve Hilker, Call Center Director, Michigan Department of Treasury**

The Michigan Treasury Department is one of the first states in the country to implement a fully integrated customer contact solution that improves operating effectiveness and provides customers 24-hour 7 days a week access to personal tax account information. The system can answer over 70% of all taxpayer questions automatically without requiring the involvement of a State Customer Service Representative. Questions such as:

- What is the status of my return,
- When will I receive my tax refund,
- What were my estimated tax payments during last tax year,
- Can I have a copy of my prior years return,…etc.?

These types of questions can all be handled by the new integrated customer contact solution.

A) Description of Project

The Michigan Department of Treasury had a number of customer service problems facing them before they fully implemented the Customer Relationship Management (CRM) system in December 2002. Some of the key problems that were identified included:

Accessibility and Responsiveness
- Over 40% of callers received a “busy signal” during the peak tax-filling season.
- Hold times ran 10 minutes or more. Existing systems did not accurately measure blocked calls or hold times.

Service Channels
- Limited or no taxpayer self-service options for registration, account balance checks, transaction history review, etc.
- New service channels were opened without sufficient planning to provide adequate staffing and good customer service.
- Interactive Voice Response (IVR) self-service was limited and was not linked to other contact options.

Organization and Staffing
- Over half of the IIT Customer Service Representatives (CSRs) were seasonal employees.
- Current systems did not support the total skill utilization of customer service representatives (CSRs).
- Limited cross training of CSRs.
- Current system did not monitor employee productivity.

Monitoring and Reporting
- No ability to track calls by topic, reason or resolution.
- Customer service benchmarks were not established nor was performance measured against relevant benchmarks

Systems Support
- CSRs had limited access to tax returns, correspondence, notices and other pertinent documents.
- CSRs had no access to on-line problem resolution templates, case histories, regulations or other electronic tools.

To address these issues, the project team identified several customer service strategies and incorporated them into the implementation strategies (major project milestones- *see below for a detailed description of what each milestone entailed*).

The major **customer service strategies** were:

- Build and implement an integrated Customer Relationship Management system.
- Short-term focus was to measure customer service in terms of the customers service experience.
- Long-term focus on the quality of service provided for each contact (web, IVR, call center) made by customers.
- Increase self-service options and the number of customers served via these channels.
- Build and leverage the Customer Relationship Management system to increase the performance capability of the Customer Service Representatives.
- Improve the level of first-call resolutions.
- Implement quality improvement capabilities that refer customers to alternative channels (i.e. Web, IVR), improve tax law accuracy, improve tax account information accuracy and customer friendliness.

For nearly two years the Michigan Treasury Department, Accenture and Accenture and the Michigan Department of Information Technology successfully developed and incrementally rolled out the three major milestones for the Customer Service Improvement Project (CSIP) through the use of the following technologies:

> *Siebel Call Center/eService:* Siebel is a commercial product that was implemented to track customer service activity and to provide web access for taxpayers.
>
> *Computer Telephony Integration (CTI):* Genesys is a commercial product that was integrated to provide routing phone calls to the most appropriately skilled agent and also provides customer account screen pops. A screen pop is a feature that allows the calling customers account information to be automatically accessed on the CSRs computer screen.
> *Interactive Voice Response (IVR) System:* Intervoice is a commercial product that provides an automated voice self-service applications.

Electronic Document Management image processing: FileNet's commercial product was integrated with Siebel to provide an image database for scanned correspondence and a knowledge management information database for frequently asked questions.

Voice Recording & Quality Management: NICE, a commercial product was integrated with Siebel to provide quality monitoring of incoming calls.

By integrating these commercial products this has resulted in vastly improving service to taxpayers through web and IVR self-service as well as more accurate and real-time information supplied to the CSRs to more quickly handle calls.

Each milestone provided new functionality to Treasury's business and also allowed for minor enhancements to previous released functionality. A brief summary of each milestone follows:

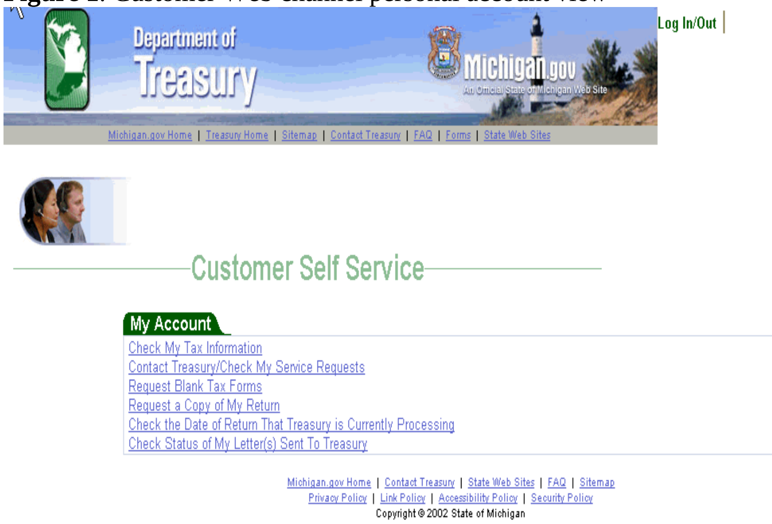
Milestone 1 (September 2001 - January 2002) enabled initial call center core functionality (utilizing Siebel 2000 standard thick client) that included:

- Establishing a call center technical environment, including database, application server, and telephony components.
- Extracting, loading, and maintaining legacy reference data.
- Creating and maintaining an inventory of customers' inbound telephone contacts and service requests.
- Assigning service requests to a teams/individuals within or outside call center.
- Tracking customer contact and related service request resolution time.
- Training individual and business call center agents on Siebel Call Center application.
- CRM deployed to Individual Income Tax (IIT) and Single Business Tax (SBT) units.
- Screen pops used to identify incoming calls.
- Contact logs created to track the history of each incoming call including call reasons/resolution codes.
- CSRs being able to create service requests for additional follow-up.

Milestone 2: (January 2002 – August 2002) included:
- Building an electronic document management system (EDMS) for imaging correspondence.
- Providing limited web account self-service and service requests.
- Providing Email (website form and auto acknowledgement).
- CRM being deployed to Sales, Use, and Withholding (SUW) and Tax Registration units.
- Adding Imaging of inbound correspondence in CRM.
- Customers being able to create service requests over the Web and receive follow-up emails and information.

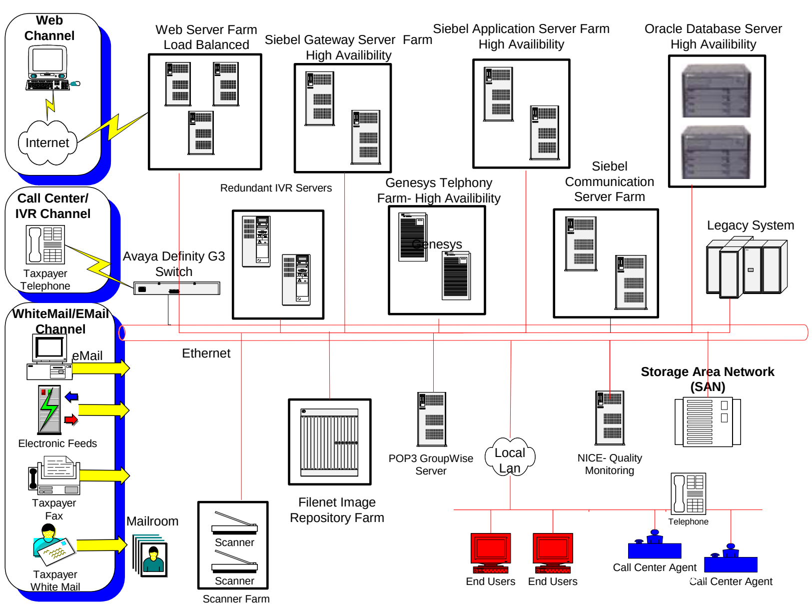
Milestone 3: (August 2002 – December 2002) included:
- Deploying CRM to other major business tax units.
- Providing full web account self-service to IIT and SBT taxpayers. **See Figure 1.**
- Implementing Genesys skills based call routing to IIT call center.
- Imaging outbound correspondence in CRM.
- Integrating self-service IVR with the IIT Call Center.
- Upgrading from Siebel 6.3 to a web based version, Siebel 7.0.

Figure 1. Customer Web channel personal account view



The CRM system was designed on an n-tier architecture. **See Figure 2.** The n-tier architecture is characterized by the functional separation of applications, services components and their distributed deployment providing improved scalability, manageability and resource utilization. A tier is the functional hardware and software required to perform a specific function. A combination of Windows 2000 and UNIX servers were for this project.

Figure 2. System Topology



B) Significance to the improvement of the operation of government.

This call center system has enabled the Treasury's customer contact center to reduce the workload and increase service levels by better tracking customer contact communications by initiating/assigning service requests to appropriate State personnel.

The main benefits to the operation of government are listed below:

- **Do more with less!** Michigan Department of Treasury can service more taxpayers than before with fewer staff. We have seen tremendous benefits year over year. The department has been able to increase the total number of customers served by over 200% and at the same time decreasing the overall staff time by nearly 30%. **See Figure 2.**
- Work items can be easily assigned and tracked between teams using service requests.
- Leverage the CRM system to increase the performance capability and efficiency of the CSRs.

Figure 3. 2002-2003 comparison of Customer Contacts and Staffed Hours.

	FEB/MAR 2002	**FEB/MAR** 2003	**2002/2003** % Change
Staffed Hours	9,430	6,867	-27%
# of Taxpayer Calls	85,867	66,767	-22%
# of IVR Calls	210,938	788,945	274%
# of Web CL Contacts	0	65,082	
Total Contacts	296,805	920,794	**210%**

C) Benefits realized by service recipients, taxpayers, agency or state

The two main beneficiaries in the CSIP system that was implemented at the Department of Treasury have been the citizens of Michigan and the Department of Treasury. From the analysis that was done early in the project the project team reported that 41% of incoming calls during peak volumes were related to inquiry about one's tax refund status. To enable a faster resolution time of these types of questions they can now be answered through either one of the self-service channels, the web or the IVR.

Other key benefits to Michigan customers (taxpayers):

- They have a variety of contact channels to receive information about their account(s).
- Provided with more timely and efficient customer communication because CSRs have a complete customer history available to them on their computer when the customer calls.
- Full account security when accessing the Internet personal account site.
- Less time spent on hold waiting to speak with a skilled agent.
- Consistent answers across all contact channels.

Other key benefits to Department of Treasury:

- Reduced number of CSR assisted contacts by directing customers to self-service options for:
  - refund status information.
  - estimated payment information.
  - prior year refund amounts.
  - Ask Treasury a Question.
  - Treasury forms.
  - Order copies of current or prior year tax forms.
- Low maintenance costs due to the implementation of a commercial off the shelf product. There was very little customization on this project.
- CSRs receive a desktop screen pop with the inbound customers account information. This reduces the time spent on each call by having the account information readily available.
- Reduced call volume by enabling more self-services options. Focused CSRs on more difficult level of calls by matching the customer to the agent with the most appropriate skills.
- Less processing of paper work- Documents are stored and managed electronically.
- Quality assurance and performance monitoring of call center agents.

D) Return on investment short term/long term payback

The State funded project was aimed at primarily improving the customer service of the Michigan Department of Treasury. The overall objectives were to:

1) Become a leading provider of timely, measurable, high quality responses to taxpayers.

2) Use multiple, customer preferred service channels supported by a well trained customer friendly professional staff.

3) Promote Continuous Service and Process Improvement.

The headline qualitative ROI from this project was measured by tracking the total number of customer contacts per agent hour (**See Figure 3).** This has enabled the department to become more efficient in the number of customer contacts per agent hour worked. In the short term, the investment in the project has enabled the Department of Treasury to address many of the stated problems early in the project with tangible results. The project was able to achieve a qualitative ROI by addressing these problems.

Accessibility and Responsiveness

- Time to respond to taxpayer email has reduced from nearly 2 weeks to 2 days through the use of canned responses.

➢ For the busiest month of the year, April, the call center had reduced busied calls from 225,034 to 2,346.

➢ The average amount of time (speed of answer) a customer waits in queue before connecting to a CSR can now be accurately reported and the Department has baselines to measure year over year progress.

Service Channels
➢ Customers have a number of self-service options (web, IVR) to check account balances checks, transaction history, etc.
➢ Total customer contacts have increased nearly three fold to date due mainly to the new self-service options. **See Figure 5.**

Organization and Staffing
➢ The IIT call center department was able to reduce temporary staff employees by 13% from 2002.
➢ The IIT CSR staffing composition in 2003 included early 30% from other tax divisions (Single Business Tax (SBT), Sales use and Withholding (SUW)). These skilled CSRs were able to cross over to take IIT calls during high call volume periods due to the generic nature of the CRM system.
➢The new system can report on the number of calls CSRs field per day.

Monitoring and Reporting
➢ System has the ability to track the number of abandon calls and also identify the caller's number.
➢ Management has the tools to track the reason and resolutions of each customer contact.

Systems Support
➢ CSRs have access to electronically stored customer correspondence while the customer is on the phone
➢ CSRs have access to customer case history from the various channels while the customer is on the phone.

For the long term, we see this very strong trend continuing as more taxpayers will rely on the IVR and web for their tax status inquires. This will enable the department to retain a low, stable number of highly skilled agents to handle the more complex tax questions instead of having to incur the costs of hiring temporary workers during the tax seasonal period.

Example summary calculations from Figure 3.
Total Contacts from Feb/Mar 2002 = 296,805
Total Staff hours from Feb/Mar 2002 = 9,430

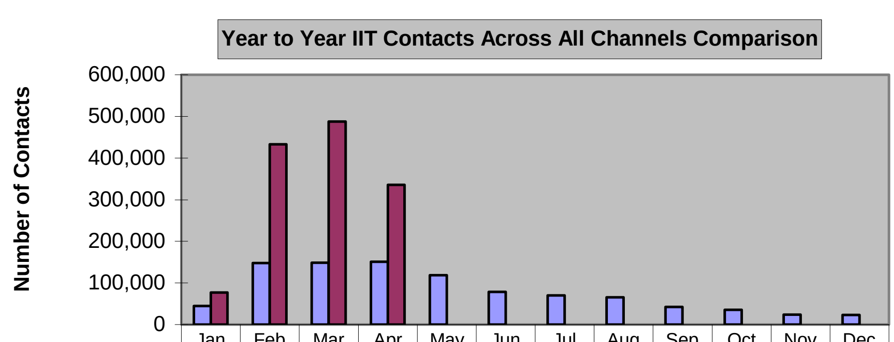
$$\frac{\text{Total Contacts from Feb/Mar 2002}}{\text{Total Staff hours from Feb/Mar 2002}} = \frac{296{,}805}{9{,}430} = 31.5$$

Figure 4. Customer Contacts/Agent Hour worked **2002/2003**

<u>**FEB/MARCH**</u>

# of Customer contacts/agent hour	**2002**	**2003**	**% Change**
	31.5	134.1	**326%**

Figure 5. Individual Income Tax (IIT) yearly contacts.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Contacts in 2002	44,318	148,22	148,57	151,21	118,52	78,608	69,977	65,256	42,439	35,230	24,002	23,307
Total Contacts in 2003	77,386	432,90	487,89	335,65	0	0	0	0	0	0	0	0