

Better Measures And Management To Drive Performance

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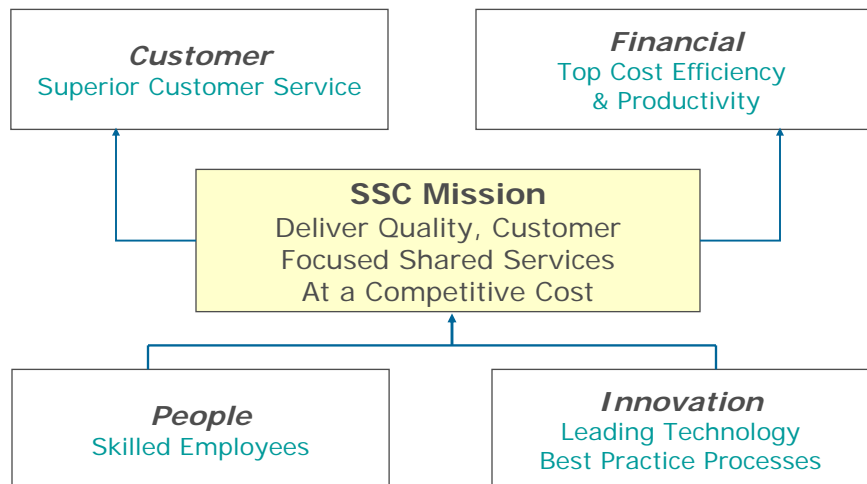
Agenda

- Background - Case Study
- Performance Model
- Key Performance Results
- Questions

Background - Case Study on Metrics for a Shared Services Provider (SSP)

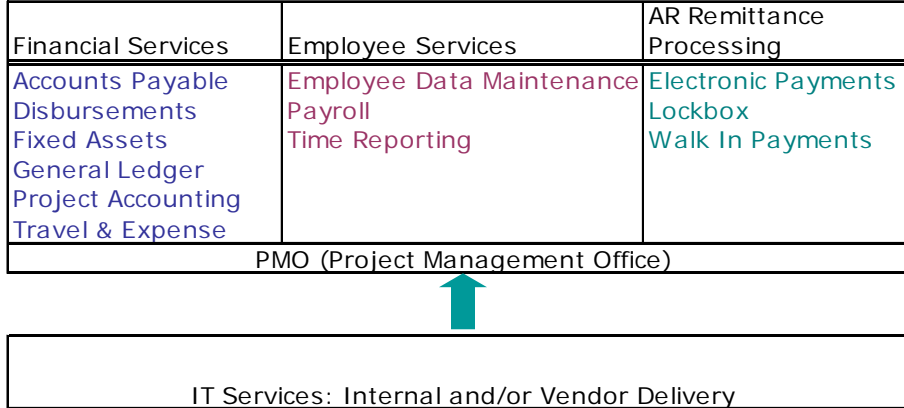
- Shared Services Provider (SSP) for Transaction Processing Services Focused on:
 - People: High Performance, Customer Focused Organization
 - Process: Best Practice, Standardized Processes
 - Technology: Streamlined via Automation & Integration, Leverage Web
- Clear and Simple Mission Statement
 - Deliver Quality, Customer Focused Shared Services at a Competitive Cost

Background - SSP Mission & Key Focus Areas (Example)

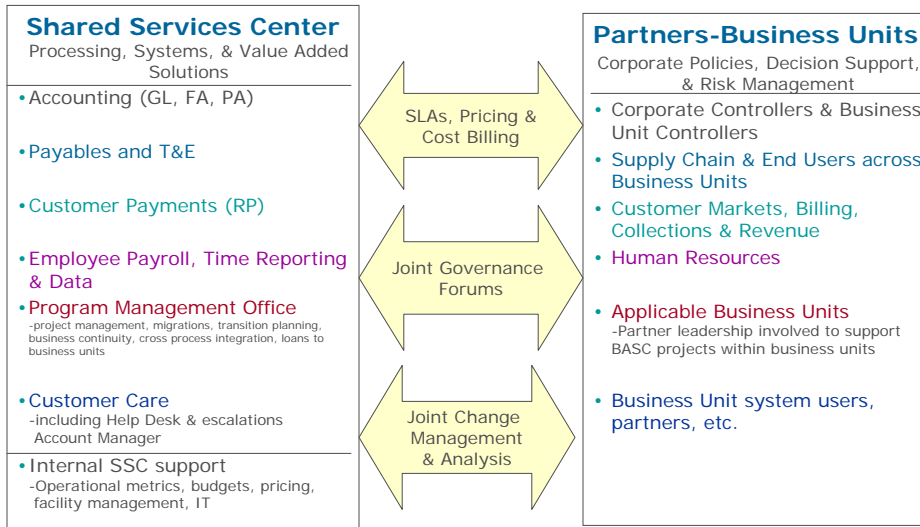


Background - SSP Scope of Services/Products (Example)

Scope of Services May Include:



Background - SSP Organization Model & Connection to Corporate Roles



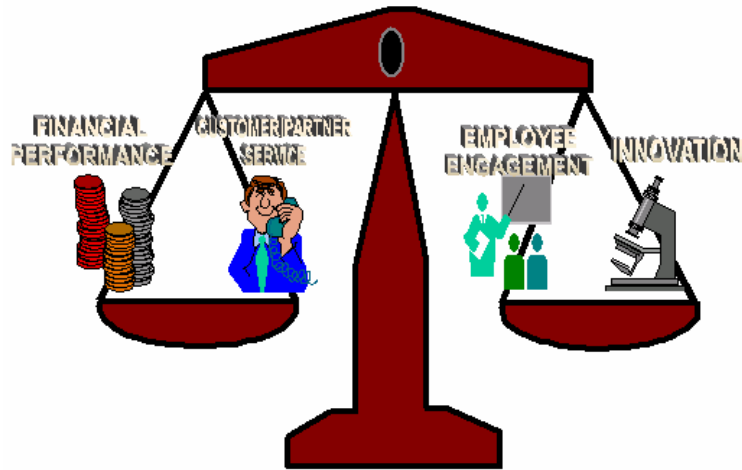
Overall Performance Model



Steps to a Balanced Focus

1. Identify a Few Balanced:
 - Key Focus Areas (KFAs)
 - Key Performance Indicators (KPIs)
 - Performance Levers
2. Set KPI Targets
3. Cascade KFAs and KPIs
4. Capture, Communicate & Celebrate Results
5. Constantly Calibrate

Balanced Scorecard Performance Framework



SSP Balanced Scorecard (Example)

Key Focus Area (KFA)	Key Performance Indicator (KPI)	Measurement
Customer / Partner	<ul style="list-style-type: none"> Customer satisfaction Service Level Agreements (SLA) Ad hoc feedback 	<ul style="list-style-type: none"> Customer survey – Min 4.0 out of 5.0 SLA metrics Feedback & comments
Financial	<ul style="list-style-type: none"> Productivity-Unit cost trends & Volume Per FTE Budget variance Benchmark ranking 	<ul style="list-style-type: none"> Year / year Budget vs. actual Comparison to 1st quartile
Innovation	<ul style="list-style-type: none"> Milestones met Process improvements 	<ul style="list-style-type: none"> Milestones met Payback Quantity & quality
Employee Engagement & Development	<ul style="list-style-type: none"> Employee satisfaction survey % job changes / certification / education 	<ul style="list-style-type: none"> Survey results vs. BellSouth average Time in position, % formal education/certification Participation in Training /Development Offerings

SSP Balanced Scorecard (Example) Driving Outcomes!

KFA	KPIs	Performance Levers
C U S T O M E R	<ul style="list-style-type: none"> • Satisfaction survey • % SLA met • Ad hoc feedback 	<ul style="list-style-type: none"> • Help desk • Employee job metrics • Job knowledge & customer care skills • Cross training • Communication / education via user training, helpful hints, Web site • Recognize employee, publish customer verbatims • Customer tours, site visits • Productivity & efficiency => price

SSP Balanced Scorecard (Example) Driving Outcomes!

KFA	KPIs	Performance Levers
F I N A N C I A L	<ul style="list-style-type: none"> • Unit cost trends & Volume Per FTE • Budget variance • Benchmark rankings 	<ul style="list-style-type: none"> • Innovation/process improvements • Capacity management – people & system • Premium prices for non standard service • SLA standard prices constrain unit cost • Seek & secure new customers/services/volumes • Job knowledge/skills/content/change • Accountability via performance targets • Track, communicate, & celebrate results

SSP Balanced Scorecard (Example) Driving Outcomes!

KFA	KPIs	Performance Levers
I N N O V A T I O N	<ul style="list-style-type: none"> Milestones met Process improvement 	<ul style="list-style-type: none"> Build & maintain process & technical skills Special cross process teams Solicit feedback, listen, & act Multiple year strategic planning Identify improvements via benchmark & set targets Recognition & awards

SSP Balanced Scorecard (Example) Driving Outcomes!

KFA	KPIs	Performance Levers
E M P L O Y E E	<ul style="list-style-type: none"> Employee satisfaction survey % Job changes Certification & education Participation in Development/ Training 	<ul style="list-style-type: none"> Visibility of management Communicate, Celebrate, Calibrate <ul style="list-style-type: none"> Townhalls, quarterly updates, team building Job guides/training – classroom & Web Employee profiling, career planning & movement Accountability & recognition Involvement in Employee resource center & curriculum offerings Encourage/recognize formal education & certification Continuous “Thank You”

SSP Detailed Metrics - Examples

Service Level Agreement	Operations	Employee
<p>Accounts Payable</p> <ul style="list-style-type: none"> • Help Desk calls resolved within 2 business days. • 95% of "New Vendor" updates made within 4 business days <p>Disbursements</p> <ul style="list-style-type: none"> • 100% of refund checks will be issued within 72 hours of receipt of file • 100% of check investigations will be complete within 48 hours of receipt. <p>Employee Records</p> <ul style="list-style-type: none"> • Web site availability – 95% min. • Payroll & organizational changes processed within 2 days (average) • Record changes processed in ½ day (average) 	<ul style="list-style-type: none"> • Help Desk <ul style="list-style-type: none"> - % Answered (Target: 80-90%) - Resolution within 2 days - Passwords reset immediately • Paychecks mailed 2-3 days prior to payday. (Co. practice/contract) • Replacement checks generated and mailed next business day if received by noon. • Priority documents input with 24 hours (Disciplinary entry & I9) • Records available immediately via Web after processing 	<ul style="list-style-type: none"> • Account Reconciliation (Current) • Stops/Reissues Input to Bank and System (Timeliness & Accuracy) • Fraud Cases-Affidavit sent to customer within 1 business day of request • Escheat due diligence requirements met prior to state filing • Time to Process Request • Number of Requests Closed

Key Performance Results

Key Performance Results – External Recognition Is Important! (Examples)

2003: Voted One of Top Most Admired Shared Services Providers



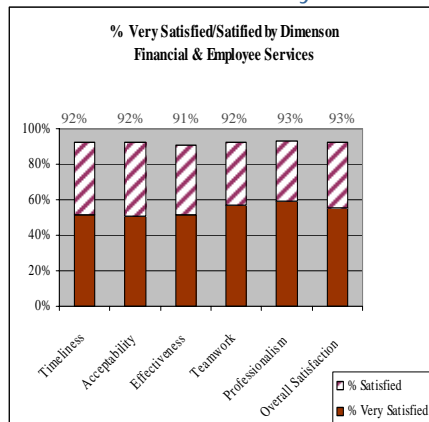
2005: Awarded "Best Mature Shared Services Provider Award"



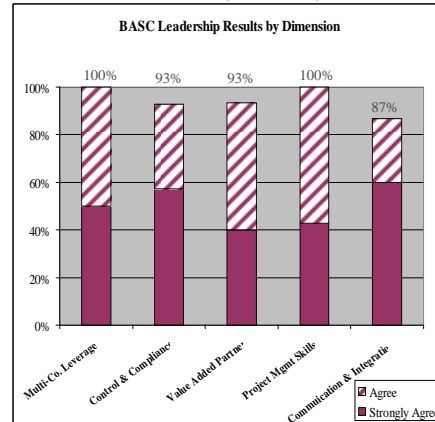
SSP Scorecard Results - Customer Satisfaction

Customer/Partner Survey
(4.5 rank of 5.0, with 5.0 Very Satisfied)

Service Delivery



Leadership Perception



SSP Scorecard Results - Customer Feedback (Samples)

...dedicated to what they do and are always on their "A" game

What a great team to work with. They are responsive to the needs of their customers

...very patient and makes me feel that no question is a stupid question

I left our encounter with a warm "fuzzy" feeling and that's a satisfied customer.

Your willingness to share your knowledge, measured with patience, amazed me.

We need more people like him, that are willing to help someone and do it with a "smile".

We have asked a lot of you in the last few months but you delivered

SSP Scorecard Results - Financial

- 1st quartile in Lowest Unit Cost vs. External Benchmarks
 - 100% of the 7 Financial Services Processes
- Greater Than 54% Decrease in Resources in Financial Services Processes
- Continued Budget Underruns & Year-Over-Year Cost Declines
 - Rebates Given to Customer/Partners Every Year

SSP Scorecard Results - Innovation (Samples)

- Financial Reports Published to Web
- One Integrated Platform & Financial Language
- Web-based Self Service, Workflow, & Controls
 - Employee pay advices, address changes, etc.
 - Merit increases/bonus input by managers
 - Automated T&E and AP manual invoice routing for approval via workflow
 - Automated barcode/faxing/scanning of invoices and any required travel receipts
- Single Travel Card with Automated Download into T&E
- Oracle "Alerts" to Managers on Employee Spending, Credit Card Delinquencies, etc.
- Single Bank Account per Pay Type (e.g. Accounts Payable, Payroll, Refunds)
- Single Purchasing Card (58 % Penetration Rate)
- Automation of Mass Asset Additions
- Standard Automated Affiliate Billing & Cashless Settlement Process
 - About \$4 billion per year transactions

SSP Scorecard Results – Employee Engagement & Development

- Employee Survey Results: 15% Better than National Norm
- Employee Development
 - Up to 39% Job Changes in Financial Services per Year- 2004 & 2005
 - CPE Videos and "Lunch & Learns"
 - BASC Curriculum & Employee Resource Center Web site with Training Available
 - BASC Mentor Program-Heavy Involvement
- Communication & Celebration
 - Quarterly State of the Union Sessions
 - Town Hall Sessions
 - Team Building Events
 - Annual Celebrations (e.g. Karaoke)

Questions ?