
**PERFORMANCE AUDIT OF THE
PUBLIC UTILITIES
DEPARTMENT CUSTOMER
SUPPORT DIVISION
CUSTOMER SERVICE OFFICE
(CALL CENTER)**

**Office of the
City Auditor**

City of San Diego



The Call Center Can Enhance Customer Experience and Internal Operations by Using Call Center Technology, Clearly Defining Performance Metrics, Increasing Representative Autonomy and Training, and Improving Internal Communications

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THE CITY OF SAN DIEGO

June 4, 2019

Honorable Mayor, City Council, and Audit Committee Members
City of San Diego, California

Transmitted herewith is a performance audit report on the Public Utilities Department Customer Support Division Customer Service Office (Call Center). This report was conducted in accordance with the City Auditor's Fiscal Year 2019 Audit Work Plan, and the report is presented in accordance with City Charter Section 39.2. The Results in Brief are presented on page 1. Audit Objectives, Scope, and Methodology are presented in Appendix B. Management's responses to our audit recommendations are presented after page 46 of this report.

We would like to thank staff from the Public Utilities Department Customer Support Division for their assistance and cooperation during this audit. All of their valuable time and efforts spent on providing us information is greatly appreciated. The audit staff members responsible for this audit report are Megan Garth, Shawneé Pickney, and Danielle Knighten.

Respectfully submitted,

Kyle Elser
Interim City Auditor

cc: Kris Michell, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Ron Villa, Assistant Chief Operating Officer
Rolando Charvel, Chief Financial Officer
Andrea Tevlin, Independent Budget Analyst
Mara Elliott, City Attorney
Ken So, Deputy City Attorney
Johnnie Perkins Jr., Deputy Chief Operating Officer
Matt Vespi, Interim Director, Public Utilities Department
Lisa Celaya, Interim Assistant Director of Business Support, Public Utilities Department
Craig Boyd, Deputy Director, Public Utilities Department
Wanda Forte Mason, Customer Information & Billing Manager, Public Utilities Department

OFFICE OF THE CITY AUDITOR
600 B STREET, SUITE 1350 • SAN DIEGO, CA 92101
PHONE (619) 533-3165 • FAX (619) 533-3036

TO REPORT FRAUD, WASTE, OR ABUSE, CALL OUR FRAUD HOTLINE (866) 809-3500



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Results in Brief

The Public Utilities Department (PUD) provides water and wastewater treatment and disposal services for the City of San Diego's customers. Within PUD, the Customer Support Division (CSD) provides customer service to the City's water and wastewater customers. CSD's Customer Service Office (Call Center) handles and responds to customer phone calls and emails regarding account/billing inquiries, water conservation information, water waste complaints, and general water/sewer utility information. Within CSD's Quality Assurance Section, its Billing Group (Billing) and Safeguarding Group (Safeguarding) are responsible for customer billing and payment processing. These groups work symbiotically to provide customers with the best customer service.

According to the City of San Diego's (City) Customer Service best practices, the City places great emphasis on delivering high quality customer service to all customers. Every call that comes into the PUD's Call Center is a data point that can provide information on customer needs. Call data can also provide information on customer satisfaction and Customer Service Representatives' (CSRs) efficiency and effectiveness.

Call centers are the focal point of customer interactions with an organization. Therefore, it is imperative for PUD to have clearly established performance goals for both its Call Center and for individual CSRs to ensure that interactions with customers are professional and responsive, and to ensure that internal operations are designed to meet service level expectations.

Moreover, the best call centers leverage people, process, and technology; they also review their operating environment in search of new ideas and processes to improve performance. This means that call centers must have mechanisms that

facilitate information sharing between their various organizational sections. While technology is useful in this regard, cultural changes within an organization and new operational rules, such as PUD's internal reorganization, can facilitate more integration and collaboration and/or necessitate a re-visitation of staff roles and responsibilities.

We found that CSD could make internal improvements in the following areas: 1) in its use of Call Center technology to collect data; 2) in establishing performance metrics for the Call Center as a whole and for its staff; and 3) in empowering CSRs to address customer inquiries, increasing training, and improving internal communications between groups that handle concerns.

We found that PUD is not leveraging its Call Center software. Although PUD has access to the full suite of products, it uses approximately half of the available products to varying degrees. In addition, PUD has not created adequate policies and procedures, and has not provided ongoing training to staff to safeguard system knowledge for future users. While system literature exists, it is not a sufficient mechanism for fostering proficiency in the use of the system.

We also found that CSD does not consistently assess or have formal goals for key Call Center performance metrics. The metrics used to assess individual performance do not meet industry standards as ideal for improving Call Center operations. Additionally, PUD does not effectively communicate Call Center expectations and feedback to CSRs regarding call quality. Furthermore, CSD has only one key performance indicator that tracks the average number of days to respond to and resolve customer-initiated service investigations. However, this metric is not Call Center specific.

Lastly, we found that the Call Center cannot provide high quality customer service due to a fractured internal structure in which CSRs lack autonomy to address customer concerns. We also found that CSD needs to provide guidance to staff on

how to properly categorize the reasons for calls in the call system. CSD also lacks communication between CSD sections responsible for handling customer requests. Additionally, cross-training is infrequent, although a desire for it exists amongst CSD staff. We also found that CSD has not completed an analysis of staff duties to determine if CSRs can manage additional call transactions. PUD has also not developed written guidance for how call activities should be categorized. Call Center CSRs operate in a highly reactive internal environment due to poor internal communication and information sharing. Moreover, CSD does not have an established training plan that would address ongoing training needs.

To improve its operations, we recommend that CSD develop a plan to maximize the use of its chosen call system by acquiring a subject matter expert that can provide technical and operational support, identify its call system needs, and facilitate knowledge transfer via documented policies and procedures and staff training. We recommend that CSD develop key performance indicators to establish its baseline performance. It should continually reassess these key performance indicators based on the Call Center's capacity and desired goals, and should establish and communicate individual and overall Call Center performance expectations to staff. Lastly, we recommend that CSD review authorization levels for staff, develop written guidance to standardize entry of call activities, improve internal communications, and develop or provide access to training programs that will enhance the technical and soft skills of its staff. We made a total of six recommendations and PUD management agreed to implement all of them.

Background

Introduction In accordance with the Office of the City Auditor’s Fiscal Year (FY) 2019 Audit Work Plan, we conducted a performance audit of the Public Utilities Department (PUD) Customer Support Division (CSD), Customer Service Office (Call Center).

The overall objective of this audit was to determine the efficiency and effectiveness of the Call Center—call wait times and customer service. To achieve this objective, we:

- Evaluated the Call Center’s phone system capabilities (i.e., automated processes, reporting, etc.) and whether these capabilities are sufficiently used or integrated into PUD's operations. Our observations can be found in **Finding 1**.
- Identified and assessed the Call Center’s use of performance measures and evaluated the extent to which these measures are used to review employee performance, overall Call Center performance, and customer satisfaction. Our observations can be found in **Finding 2**.
- Evaluated roles and responsibilities of the Call Center’s Customer Service Representatives (CSRs) to determine if CSRs are equipped to resolve customer calls via proper training and supervision, appropriate authorizations, and familiarity with call and billing system capabilities. Our observations can be found in **Finding 3**.

A detailed objective, scope, and methodology statement is found in **Appendix B**.

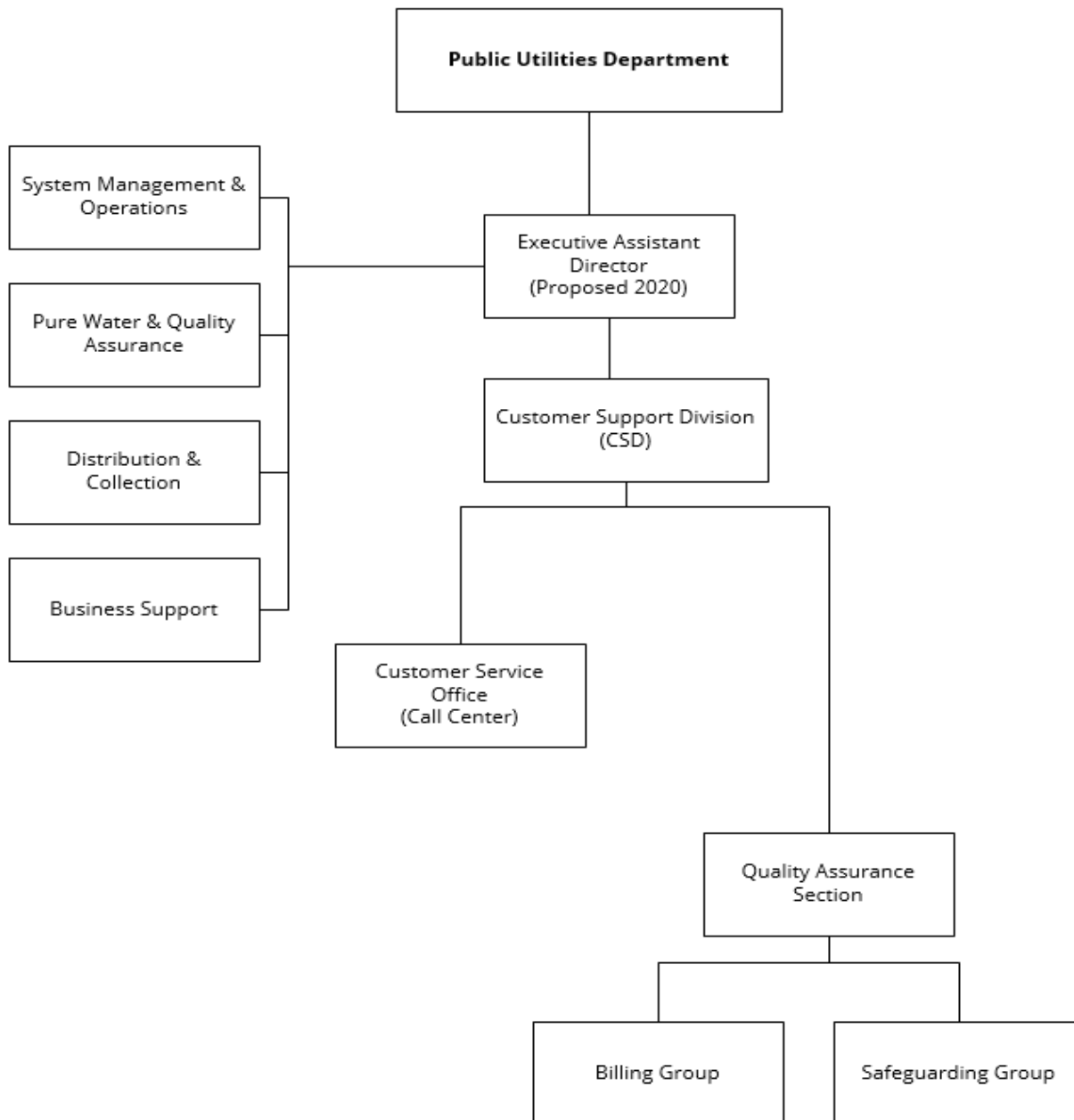
***Customer Support
Division Organizational
Structure***

The Public Utilities Department (PUD) provides water and wastewater treatment and disposal services for City of San Diego (City) customers. Within PUD, the Customer Support Division (CSD) provides customer service

to the City's water and wastewater customers. The Customer Service Office (Call Center) handles and responds to customer phone calls and emails regarding account/billing inquiries, water conservation information, water waste complaints, and general water/sewer utility information. Within CSD's Quality Assurance Section, its Billing Group (Billing) is responsible for customer billing and payment processing. Its Safeguarding Group (Safeguarding) is responsible for collections and overdue accounts. Together, these groups work symbiotically to address customer concerns. PUD's organizational chart is shown in **Exhibit 1**.

Exhibit 1:

The Call Center, Billing Group, and Safeguarding Group Within the Public Utilities Department Provide Customer Service to the City of San Diego’s Water and Wastewater Customers



Source: OCA generated based on the Public Utilities Department updated organizational chart dated February 2019.

**Customer Support
Division Staffing
Overview**

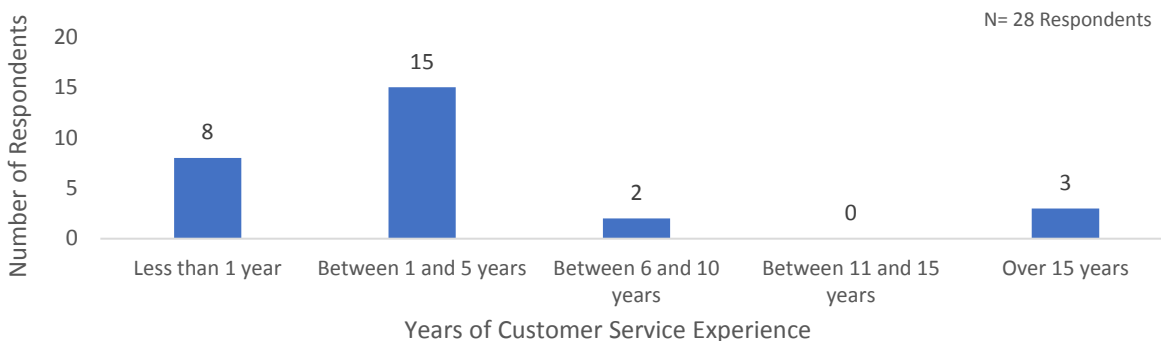
In FY 2019, CSD’s Call Center, Billing, and Safeguarding groups had an average of 64 positions, with 50 filled and 14 vacant. Most of these positions are CSR positions. Over the last two calendar years (2017 and 2018), the Call Center, Billing, and Safeguarding groups have seen increased employee turnover within the groups from 18 percent to 25 percent. For its supervisory positions, in FY 2018, the Call Center added 2 Customer Service Representative Supervisor positions. With these additions, the Call Center has 4 Customer Service Representative Supervisor and 4 Senior Customer Service Representative positions, all of which are filled as of our review in FY 2019.

**Customer Support
Division Customer
Representative
Experience Overview**

In February 2019, we conducted a survey of the Call Center staff to understand their perspectives on employee customer service trainings, employee supervision, and possible areas for operational improvement. We inquired about years of customer service experience. For the three supervisors, experience ranged from 1–15 years in the current position. As for the 28 CSRs that responded, as shown in Exhibit 2, a little over 50 percent of the respondents reported having 1–5 years of customer service experience. Approximately 28 percent of the respondents reported having less than one year of experience.

Exhibit 2:

Years of Customer Service Experience as Reported by the Customer Support Division Call Center Customer Service Representatives



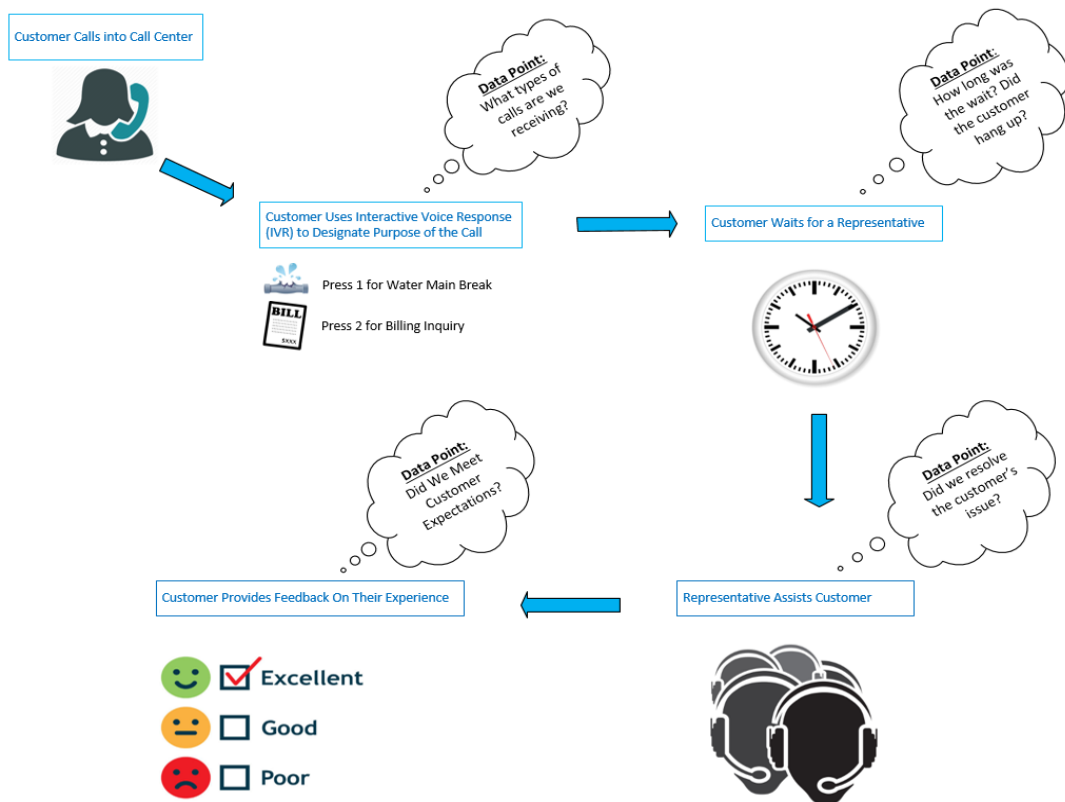
Source: OCA generated based on survey of Customer Support Division Call Center Customer Service Representatives.

The City Uses Aspect Software for Its Call Center Operations

When customers call into a call center, there are opportunities for technology to enhance the customers' experience and provide the call center with data that can assist it with improving operations. As shown in **Exhibit 3**, during a typical customer interaction, a customer uses the interactive voice response (IVR) to be routed to a CSR based on the reason for their call. The length of time it takes a customer to reach a CSR, the number of customers who hang up before reaching a CSR, and the customer's overall satisfaction with the level of service provided, are data points on call center efficiency and effectiveness. This data can be captured using call center technology if a call center has enabled these capabilities in their call system, and via assessment of identified call center metrics.

Exhibit 3:

Call Center Technology Provides Data Points that Can Assist Call Centers with Improving Operations



Source: OCA generated based on call center metrics.

A call center uses technology to facilitate sharing of customer information to maximize the quality of each customer interaction. Technology is also used to improve CSR productivity and call quality, as well as the overall performance of the call center itself. PUD, along with five other City departments—Parks and Recreation, Treasurer’s Office, Development Services, Environmental Services, and Information Technology—uses call software and hardware by Aspect Software, Inc. (Aspect) in a variety of ways to handle incoming calls and to manage its Call Center data.

Aspect Software has a variety of capabilities, including routing incoming calls to the appropriate channels to handle customers’ requests and capturing audio and video records (e.g., CSR actions on the computer screen) for management to review with CSRs during call quality monitoring. Additionally, Aspect offers real-time statistics, such as the longest wait time and the number of callers that hang up before reaching a CSR (known as abandonment) on a dashboard.

Measuring Call Center Performance

Successful call centers use key performance indicators (KPIs) to make data-driven decisions that will increase efficiency and optimize customer satisfaction. Call center KPIs are metrics that are used to evaluate a call center’s progress towards meeting its customer service goals. They typically assess the performance of the representative, the team, and the call center as whole. Additionally, KPIs can be used to determine trends (such as the types of calls that require the CSR to speak with callers the longest) or in benchmarking efforts to measure progress towards goals in comparison to the industry standard. Taken together, call center KPIs provide information to make operational adjustments that positively impact the customer’s call experience. Call center industry KPIs include, but are not limited to:

- **Average Time in Queue** – The average amount of time callers wait in call queues before a CSR answers. This metric only includes calls that had a wait time.

- **Average Abandonment Rate** – The percentage of callers who hang up before reaching a CSR.
- **Call Quality** – Determines how well a CSR deals with customers.
- **Schedule Adherence** – A measure of the CSR’s degree of compliance with their assigned schedule.
- **Customer Satisfaction** – Level of customer’s happiness, contentment, and comfort with the level of service provided.
- **First Call Resolution** – Percentage of calls in which the CSR resolves the caller’s issue without having to escalate, transfer, or return the call.
- **Average After Call Work Time** – The average amount of time a CSR spends completing work related to the call after they finish the call.
- **Service Level** – The percentage of calls answered within a specified number of seconds.
- **Agent Turnover Rate** – The percentage of CSRs who leave the call center.

Audit Results

Finding 1: The Public Utilities Department is Not Leveraging Features of Its Call Center Software that Would Enhance Customer Experience and Improve Internal Operations

According to the City of San Diego's (City) Customer Services best practices, the City places great emphasis on delivering high quality customer service to all customers. Every call that comes into the Public Utilities Department (PUD) Customer Support Division (CSD) Customer Service Office (Call Center) is a data point that can provide information on customer needs based on the types of calls received (e.g., billing inquiries, assistance with the online account maintenance tool My Water Easy, water emergencies, etc.). Customer calls can also provide information on customer satisfaction and Customer Service Representative (CSR) efficiency and effectiveness through call monitoring and customer satisfaction post-call surveys. Call centers use technology to facilitate sharing of customer information to maximize the value of each interaction and improve CSR productivity, quality, and performance.

We found that PUD is not leveraging its Call Center software, Aspect Software, Inc. (Aspect). Although PUD has access to the full suite of products, it is not maximizing the full capacity of the system. Furthermore, PUD relies on institutional knowledge, has not developed adequate policies and procedures, and has not provided ongoing staff training to safeguard system knowledge for future users. While system literature exists, it is not a sufficient mechanism for fostering proficiency in the use of the system. Staff within the Call Center spend time navigating a circular feedback loop between staff in PUD and staff in the Department of

Information Technology (DoIT) in a quest to find someone knowledgeable of the Aspect system. Moreover, according to PUD, and a Program Manager within the City's Performance and Analytics Department (PANDA), in their experience, efforts by PUD to seek technical assistance from Aspect have been unproductive, leading PUD to explore other options for a call center system vendor.

Consequently, without full usage of the system, the City is not recouping its investment in the system. Moreover, by not having dedicated staff who can offer operational and technical assistance for its call center system, PUD does not have the staff capacity to develop policies and procedures on system use, to troubleshoot issues, or to facilitate training and resource development.

According to Control Objectives for Information and Related Technologies (COBIT) guidance, organizations should develop a plan and maintain operational procedures and related activities to support all delivered services. Additionally, organizations should develop mechanisms to ensure that future users of the software can exercise their responsibility, including training, knowledge transfer, and ongoing support.

To address these issues, we recommend that PUD assess its Call Center data and system needs and develop a plan that includes acquiring a dedicated subject matter expert that can provide technical and operational support for its call system. We also recommend that CSD develop policies and procedures on how to use the system to facilitate knowledge transfer.

What We Found ***The Public Utilities Department is Not Leveraging Features of Its Call Center System***

We found that PUD did not properly plan its use of the Aspect phone system to meet its business needs. According to Aspect, PUD has Aspect’s full suite of products shown in **Exhibit 4**. However, is not leveraging its \$682K investment at full capacity. For example, according to an Aspect representative, the CXP Module can reduce wait times by preemptively sending messages to callers notifying them of a major issue (e.g., water break) without CSRs having to answer each call. This notification can be sent via text message.

Exhibit 4:

The Public Utilities Department is Not Leveraging Its Call Center Software

Product	Description	In Use by PUD
1. Aspect Quality Management (AQM)	Allows for a supervisor to monitor the quality of customer service representatives’ interactions with customers and to provide feedback.	Very Limited Use
2. Aspect Performance Management (APM)	Reports, analyzes, and tracks key performance indicators (KPIs) for the call center and for individual representatives. This tool can be set to monitor whatever KPIs the client selects.	Not Used
3. Unified Integrated Platform (UIP)	This software platform is the hub of communications for the call center. It directs all types of inbound calls to the appropriate representatives and allows them to make outbound calls.	Used
4. Aspect Customer Experience Platform (CXP)	Platform maintains personalized Interactive Voice Response (IVR) that has a positive impact on first-contact resolution rates—freeing up the contact center representatives to address more complex problems. It allows organizations to design, develop, document, test, deploy, report on, and analyze self-service applications.	Not Used
5. Workforce Management (WFM)	This product helps management schedule staff and forecast staffing requirements across all customer-facing inbound, outbound, blended, and back office resources.	Not Fully Used

Source: OCA generated based on Aspect literature and an interview with an Aspect Representative.

Why This Occurred ***Call Center Staff Lack Sufficient Guidance and Training on the Call System and Institutional Knowledge Has Been Lost***

We found that the City's historical practice of concentrating knowledge in individuals and development of limited policies and procedures, combined with normal attrition and a lack of training (both the availability of trainings and the staff's lack of knowledge about an available training resource), has left Call Center staff in a dearth of knowledge on how to use Aspect to meet its data tracking and performance management needs. Moreover, according to PUD, dissatisfaction with Aspect's responsiveness and technical assistance has added to PUD's inability to maximize its use of the call system.

According to PUD and DoIT, since implementing the Aspect call system, PUD has lost staff that were knowledgeable about the system due to normal attrition. According to a DoIT Program Manager, while DoIT is responsible for managing Aspect's technical infrastructure, such as software upgrades, it is not responsible for helping PUD and other City departments that use Aspect with their Aspect business needs. Limited Call Center policies and procedures to facilitate knowledge transfer, combined with loss of institutional knowledge, has resulted in a loss of productivity as inquiries about the system remain unresolved or require a considerable amount of time to answer.

According to DoIT, since FY 2018, there have been internal discussions between DoIT, PUD, and other departments that use Aspect to hire an internal Program Coordinator to support departments using Aspect. In the FY 2020 Proposed Budget, DoIT requested a position for a Program Coordinator to address the need. According to PUD, it will partially fund this position if approved by the City Council.

Additionally, our survey of Call Center staff showed that the majority of CSR respondents are unaware of Aspect's online learning tool, Active Learning, which provides guidance on how to use a variety of Aspect's products. Our review of an Aspect Active Learning training log confirmed very little usage between calendar year (CY) 2017 and CY 2019. During this period, only 3 of 190 CSD employees logged in and completed sessions.

Our survey results noted that most CSRs and Supervisors felt that formal trainings on technical skills (e.g., Aspect, SAP) and soft skills (e.g., customer service and cross-training) are infrequently offered and, when they are offered, the quality of the trainings ranges from average to below average. Supervisors expressed great desire for more training on Aspect.

Moreover, according to PUD, as of April 2019, it made an internal decision to explore other call center system options to replace Aspect. In FY 2019, PUD with the assistance of a Program Manager in the City's Performance and Analytics Department (PANDA), began conversations with Aspect to address its concerns regarding systems compatibilities and training. According to PUD and PANDA, in their experience, months of conversations with Aspect have been unproductive.

**Effect of Not Taking
Action**

PUD Will Continue to Not Maximize its Call System Investment and Will Not Utilize Existing Features to Improve Customer Service

Call Center management will continue to spend time seeking assistance while being limited in their ability to use Call Center data to effectively manage operations, hold staff accountable, and make necessary improvements to provide better customer service. By not fully utilizing the system, the

City is not recouping its investment in the system. Moreover, by not having dedicated staff who can assist PUD with using the call system to meet its business needs, PUD does not have the staff capacity to develop policies and procedures for system use, to troubleshoot system issues, or to facilitate trainings and resource development. Without system training and processes in place to effect knowledge transfer for current and future users of the system, PUD will continue to not maximize its use of the system to address its internal needs and the needs of customers.

What Should Have Occurred ***The Call Center Should Have Formalized Mechanisms to Ensure Full Utilization of Its Call System***

According to Control Objectives for Information and Related Technologies (COBIT) guidance, organizations should develop a plan and maintain operational procedures and related activities to support all delivered services. Additionally, organizations should formalize mechanisms, such as policies and procedures, to ensure that future users of the software can exercise their responsibility, including training, knowledge transfer, and ongoing support.

According to the Committee on Sponsoring Organizations of the Treadway Commission (COSO), effective internal control activities include designing the information technology system to achieve objectives. For the Call Center, this would include identifying and analyzing Call Center and agency performance through analysis of Call Center statistics, measuring CSR efficiency and effectiveness through call monitoring analyses and feedback, and conducting staff training on the system. The system has capabilities to conduct these activities, but the Call Center is underutilizing those features.

Recommendation #1: To maximize its call system investment and provide enhanced customer service, the Public Utilities Department's (PUD) Customer Support Division (CSD), should assess its Call Center data and system needs and, within its chosen call center system, develop a plan that includes, but is not limited to:

- Acquisition of a dedicated subject matter expert (SME) to provide technical and operational support for the call system; and
- Determination of data necessary for management and Supervisors to assess customer service goals. (Priority 2)

Recommendation #2: To facilitate knowledge transfer for future users of the call management system, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop policies and procedures on how to use the system, including the system's reporting capabilities. CSD should also develop a training plan to educate staff, at least annually, on the use of the Call Center system's features. (Priority 2)

Finding 2: The Customer Support Division Does Not Comprehensively Evaluate Staff and Call Center Performance in Alignment with Industry Best Practice

Call centers are the focal point of customer interactions with an organization. Therefore, it is imperative for PUD to have clearly established performance goals for both its Call Center and for individual Customer Service Representatives (CSRs). Call Center goals ensure that interactions with customers are respectful and responsive, and ensure that internal operations are designed to meet service level expectations.

To make data-driven decisions on operations and performance, call centers should develop key performance indicators (KPIs). Call center KPIs assess the performance of the representative, the team, department, and/or the call center as a whole. Moreover, KPIs help determine call center trends that can help increase efficiency (e.g., better call routing), optimize customer satisfaction, and benchmark performance to make comparisons to industry standards. Overall, KPIs provide information about how a call center is performing and can be used to make strategic decisions for improving desired results.

Based on our review of the Customer Support Division (CSD) Customer Service Office (Call Center), we found that the Call Center does not consistently assess or have formal goals for key call center performance metrics. We also found that while the Call Center has metrics for CSRs, Senior CSRs, and Supervisors, these metrics are neither formal nor consistently applied. Furthermore, the individual metrics used do not

meet industry standards as ideal for improving call center operations. Lastly, we found that Call Center management does not effectively communicate Call Center expectations and feedback to CSRs regarding call quality.

The Call Center has not identified sufficient metrics for measuring the performance of its Call Center and its CSRs. It's FY 2019 Adopted Budget metric to track the average number of days to respond to and resolve customer-initiated service investigations is not specific to Call Center performance. In addition, to evaluate CSR performance, PUD uses one metric, the number of calls answered per day per representative. However, a review of employee evaluations showed that these metrics are not consistently evaluated. Moreover, a review of industry best practice does not include these metrics as useful performance indicators. We also conducted a survey of CSRs' perspectives on Call Center operations, training, and communication, and found that approximately 36 percent of CSRs are not clear or are only somewhat clear on performance expectations for the Call Center.

Without formal Call Center KPIs, Call Center management cannot evaluate its performance in meeting customers' needs. Furthermore, without formal KPIs, staff may not be aware of their performance expectations. Additionally, without consistent application, CSRs may be unaware of their performance and may not know how they need to improve and, conversely, in what areas they excel. Furthermore, Supervisors are unable to assess overall team performance and Call Center performance.

According to industry standards, organizations should identify KPIs for evaluating operational performance and customer satisfaction. According to industry guidance, PUD should identify KPIs using the SMART model, meaning indicators are specific, measurable, achievable, reliable, and time-sensitive. For the Call Center, that would include identifying the key metrics necessary for evaluating its operations, assessing

baseline performance, and developing service goals based on its own staffing and resource capacity. Additionally, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) recommends that management institute written policies and procedures to support implementation of management's directives. For the Call Center, this would include informing CSRs as to which KPIs are used, how they are calculated, the purpose of each KPI, and how each KPI feeds into the decision making of the organization and performance evaluation of the CSRs.

We recommend that Call Center management establish baseline KPIs using current data and compare them with industry best practice. Over time, Call Center management should adjust them based on data available and Call Center capacity (e.g., staffing, etc.). As the Call Center develops and formalizes performance metrics, management should establish and communicate individual and overall Call Center expectations.

What We Found ***The Call Center Does Not Have Formal KPIs Specific to Its Operations***

We found that the Call Center does not consistently assess or have formal goals for key call center performance metrics that would measure CSD's progress towards meeting the City's goal of providing high quality public service with a customer-focused culture.

To assess CSD's Call Center performance, we reviewed Call Center data based on industry related KPIs. Those KPIs include, but are not limited to, first call resolution (the percentage of calls that do not require any further contact to address a customer's reason for calling), customer satisfaction (an assessment of a caller's satisfaction with the service received), and call quality monitoring (an evaluation of a CSR's performance on adhering to their call scripts, courtesy and professionalism, etc.).

In reviewing Call Center metrics, as shown in **Appendix C**, during the 12-month period of June 2018 to May 29, 2019, the Call Center's average time in the queue was almost 5 minutes. The Call Center had an informal goal of 2 minutes. While acceptable average time in the queue varies by industry, the goal is to keep the average time in the queue as low as possible to minimize the number of callers who hang up before receiving resolution to their issue or to minimize the number of frustrated customers that are less likely to cooperate or communicate effectively with CSRs.¹

Furthermore, the Call Center is not monitoring information that may assist it with first call resolution. Call center software and performance metrics can aid in successful first call resolution. However, as is discussed in **Finding 1**, the Call Center is underutilizing its software. First call resolution entails understanding the nature of the calls and why calls were escalated, which the Call Center is not monitoring. It also includes improving CSR performance, such as through appropriate individual performance metrics and consistent, quality trainings, which CSD needs to strengthen.

CSD may not receive a true representation of customer satisfaction for the Call Center because since the post-call customer satisfaction survey is not automated, there is a risk that CSRs are disproportionately offering the survey to customers who are more likely to have favorable responses. Post-call survey automation is a function of the CXP module of Aspect which is currently not in use by CSD. Moreover, the survey is not offered in multiple languages, thereby limiting participation from non-English speakers.

Additionally, we found that Call Center management inconsistently monitors CSRs' call quality, a performance metric that evaluates CSRs' performance on a variety of criteria, including CSRs' adherence to their call scripts and first

¹ For the calculation of the average time in the queue, DataViews, the repository of the Aspect call data, only retains information for the previous 12-month period.

call resolution. We found that while Call Center Supervisors are informally required to review six calls per CSR on a biweekly basis, according to CSD Management, this has not been consistently practiced.

We acknowledge that CSD has developed some criteria for monitoring call quality. Call Center Supervisors evaluate CSRs on approximately 17 different indicators, including whether CSRs followed the opening and closing scripts, adhered to PUD's information sharing policy, used a professional tone, and answered customers' questions completely. However, we observed that the call monitoring sheet does not include if the CSR was able to resolve the customer's reason for calling, an important component of first call resolution. Moreover, we did not find evidence that the results of call quality reviews are assessed in the aggregate, to observe any trends or patterns, for example, that can be addressed through a routine, group training.

Individual Performance Metrics are Not Evaluated Consistently, and are Not in Alignment with Industry Best Practice

While Call Center management evaluates CSRs based on the number of incoming calls answered per day per representative, this metric is not in line with industry standards. Additionally, this metric does not focus on first call resolution, an important industry standard that has been shown to increase customer and employee satisfaction.

Call Center management requires CSRs to answer 30 or 60 calls per day, depending on the CSR's part-time or full-time status, respectively. However, this metric unfairly evaluates CSRs' performance based on circumstances outside of their control. For example, it does not account for each day's potential call volume or the fact that some calls may take longer to resolve than others. This metric may unintentionally encourage poor performance to turn calls quickly, rather than ensure that CSRs fully address customers' questions. Furthermore, we found that employees were inconsistently evaluated on this metric.

The Call Center's Customer Satisfaction Survey May Not Accurately Represent Customers' True Level of Satisfaction

While there is no standard method for calculating customer satisfaction, common practices include collecting data through customer surveys that ask general questions related to call quality, call resolution, and how satisfied the customer was with the service received. We found that while the Call Center uses a customer satisfaction survey, there is a risk that the results are skewed toward more favorable scores and may not represent an accurate picture of customers' satisfaction. The post-call survey asks customers to respond to the following questions using a numerical score of 1–5, with a score of 5 being the highest:

1. The Public Utilities Department Customer Service Representative was knowledgeable about my issue;
2. The Customer Service Representative was helpful and courteous; and
3. The Public Utilities Department provides high quality water and wastewater service.

Because CSRs must ask customers if they want to take the survey at the end of the call, the risk of CSRs self-selecting customers with favorable experiences to take the survey is high. Our review of customer satisfaction data for one week in October 2018 showed overall favorable customer satisfaction results. However, the Call Center may not capture true customer sentiment, including the opinions of those with less than favorable experiences. Furthermore, the survey results only capture aggregated responses, and are not available by individual CSR. Therefore, survey results do not capture customers' satisfaction level provided by individual CSRs.

Additionally, customer survey results may be even further skewed and unrepresentative of the City's diverse population because the survey is only offered in English. As a result, the Call Center cannot obtain the opinions of, and thereby understand the needs of, customers who do not speak English.

Why This Occurred ***The Call Center Does Not Have Sufficient and Clearly Communicated Key Performance Indicators***

The Call Center has not identified sufficient KPIs specific for measuring the performance of its Call Center and its CSRs. In its FY 2019 Adopted Budget, PUD has only one customer-related KPI that tracks the average number of days to respond to and resolve customer-initiated service investigations. However, this KPI is not specific to Call Center performance.

Essentially, the Call Center has been operating in an informal environment that has not strategically assessed its operational needs and service level expectations. The Call Center has not developed the performance goals necessary to assess its performance and level of customer satisfaction.

Furthermore, CSD has not institutionalized performance expectations in written policies and procedures, and according to our survey results, CSRs have expressed a desire for greater communication of these expectations and additional trainings. For example, our survey results showed that although 95 percent of CSR respondents were generally clear on their individual performance expectations, at least 36 percent were not very clear on the performance expectations of the Call Center as a whole. Additionally, Supervisor responses regarding Call Center and individual performance expectations suggested that greater clarity is needed.

Effect of Not Taking Action ***Without the Assessment of Appropriate KPIs, Call Center Management May Miss Opportunities to Improve Processes***

Without identification and assessment of appropriate KPIs, Call Center management and staff are unaware of areas for improvement and conversely, areas where the Call Center and individual employees excel. Furthermore, Call Center

management cannot identify trends that can inform them of customer concerns and that would allow them to make the needed staffing and training adjustments.

What Should Have Occurred ***The Call Center Should Have Aligned Its KPIs with Industry Standards***

According to industry standards, organizations should identify KPIs for evaluating operational performance and customer satisfaction. To that end, the overall goals of the Call Center and the organization should be aligned. According to industry guidance, developing and tracking SMART (specific, measurable, achievable, reliable, time-sensitive) key performance indicators (KPIs) can be used to assess the performance of the CSR, team, and call center. Furthermore, they can be used to determine trends and make data-driven decisions that will increase efficiency and optimize customer satisfaction. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) also recommends periodic review of goals and objectives through establishment of baseline understanding of performance and evaluation of results. For the Call Center, that would include identifying the key metrics necessary for evaluating its operations, assessing baseline performance, and developing service goals based on its own staffing and resource capacity.

Additionally, COSO recommends that management institute written policies and procedures to support implementation of management’s directives. For the Call Center, this would include informing CSRs as to which KPIs are used, how they are calculated, the purpose of each KPI, and how each KPI feeds into the decision making and performance evaluation for the representatives and organization.

Recommendation #3:

To improve internal operations and provide best-in-class customer service, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop key performance indicators to establish baseline performance and compare them with industry best practice. To that end, if metrics include the use of customer satisfaction surveys, the surveys should be automated and offered in appropriate languages. Additionally, CSD should continually reassess these key performance indicators based on the Customer Service Office (Call Center) capacity (e.g., staffing, etc.) and desired goals. Lastly, CSD should establish and communicate individual and overall Call Center expectations to staff. (Priority 2)

Finding 3: The Customer Support Division Cannot Meet the City's Goal to Provide High Quality Public Service Without Empowered Customer Service Representatives, Increased Training, and Improved Internal Communications

The best call centers leverage people, processes, and technology. They also review their operating environments in search of new ideas and processes to improve performance. This means that call centers must have mechanisms that facilitate information sharing between their various organizational sections. While technology is useful in this regard, cultural changes within an organization and new operational roles, such as the Public Utilities Department's (PUD) reorganization, can facilitate more integration and collaboration and/or necessitate a re-visitation of staff roles and responsibilities.

We found that PUD's Customer Support Division (CSD) Customer Service Office (Call Center) cannot provide high quality customer service due to an internal structure where Customer Service Representatives (CSRs) lack autonomy. Specifically, CSRs have the authority to handle only about 20 percent of incoming calls on their own. We also found that CSD needs to provide guidance to staff on how to properly categorize the reasons for calls in the call system. Moreover, training is infrequent, although a desire for it exists amongst CSD staff. Additionally, CSRs report poor or limited communication between CSD sections responsible for handling customer requests.

The lack of staff autonomy resulted because CSD has not completed an analysis of staff duties to determine if CSRs can manage additional call transactions. Staff training is inadequate because CSD does not have an established

training plan that would address ongoing training needs. In addition, Call Center CSRs operate in a highly reactive internal environment due to poor internal communication and information sharing within various groups of CSD.

By not revisiting staff roles and responsibilities, CSRs may be forwarding requests to Senior and Supervisor CSRs that can be managed by the CSR and lead to first call resolution. To that end, CSR's need proper training because poorly cross-trained staff are ill-prepared to react efficiently in times of high call volume and workload. Also, there is little visibility into the workload and work processes of other groups whom they rely on to process customers' requests. This ultimately impacts the Call Center's responsiveness to customers' needs.

According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO), organizations should establish structure, authority, and responsibility. Furthermore, COSO recommends that entities demonstrate a commitment to attract, develop, and retain competent individuals by evaluating staff competencies and addressing shortcomings. Moreover, COSO recommends that entities obtain or generate relevant and quality information and distribute that information as part of its internal control activities for achieving the organization's objectives.

To ensure proper CSR autonomy, enhanced training, and improved internal communication, we recommend that CSD review authorization levels to determine if CSRs can handle more responsibility, develop a training program or provide access to trainings specific to the technical and soft skills of the Call Center staff, and develop written guidance that facilitates communication regarding updates to customer accounts between the various sections within CSD and that standardizes the types of call activities that should be categorized under each call reason type.

What We Found ***Call Center Customer Service Representatives Lack Autonomy to Efficiently Respond to Customer Inquiries***

We found that CSRs have the authority to handle the types of calls that receive the least amount of incoming volume to the Call Center. Specifically, most of the calls received require the intervention of a Call Center Senior or Supervisor, at minimum for review or processing. Additionally, some of those calls require forwarding on to other groups within CSD (such as the Billing Section) for processing. As a result, this process makes it unlikely that most customer requests will be resolved within the first call.

We found that most calls are related to account management and bill payment. When we interviewed Supervisors to understand the types of transactions that fall under these categories, and the level of authorization needed for each, we also found that staff in the Call Center may not all categorize the reasons for the calls the same way in the system. Since there was overlap in a few call types, to conduct our assessment, we combined relevant categories to obtain an estimate of the types of calls the Call Center typically receives.²

Based on our estimates, approximately 80 percent of all calls require the intervention of a Call Center Senior or Supervisor. Therefore, CSRs are only empowered to address approximately 20 percent of calls, usually involving water repairs, non-water related calls, and assistance with the online payment portal, My Water San Diego.

Furthermore, based on our interviews with Call Center Supervisors, we found that approximately 33 percent of call inquiries into the Call Center can be processed within the Call Center. The other 67 percent require the assistance of other

² For example, if a customer called to waive a deposit, according to the Supervisors, staff have entered that in the system as either an Account Management or Payment Related inquiry. We combined those two categories.

groups within CSD (outside of the Call Center) for processing, such as Billing, Safeguarding, and Field Services.

We also found that Call Center Seniors and Supervisors may have little time to manage staff. Their time is spent following up on calls that CSRs forward to them for review and approval and on follow-up for calls that were not resolved during the initial customer interaction. Furthermore, CSRs noted in their responses to our survey that Call Center Supervisors were inconsistently available to provide feedback or to answer questions.

CSD Does Not Provide Adequate Training for Staff Development

We found that CSD is not providing adequate training, inclusive of cross-training, for staff to competently and comfortably answer calls. Our survey results suggest that with greater training and more autonomy, most CSRs expressed a desire to handle calls that currently require Supervisor and Senior CSR approval. This would include handling calls related to installment plans, customer extensions, refunds, restoral approvals, credit transfers, waiving fees (e.g., security deposits, check return fees, disconnections fees), processing customer move in/move out duties, explaining high bills to customers, and escalated calls.

Survey results indicate infrequent and average to below average quality for offered trainings. Specifically, both CSR and Supervisor respondents indicated that formal trainings in technical skills (i.e., Aspect, SAP, My Water SD, EAM) and soft skills (customer service and cross-training) are either sometimes offered or not offered at all, and the quality of the trainings that are offered range from average to below average. Furthermore, all Supervisor respondents and 71 percent of CSR respondents noted that little cross-training classes are offered, with most comments indicating the desire for such trainings.

Our survey results also indicate that some respondents reported that the Call Center's onboarding training does not

adequately prepare new CSRs to perform the duties of their position and in some cases, it has not been provided. Survey results indicated that nearly 20 percent of CSR respondents have not taken the onboarding training. Of those who took it, only 43 percent of respondents thought that the onboarding training was helpful in preparing them to perform their job effectively. Those results suggest room for improvement in the quality and consistency of the onboarding training.

Additionally, survey results show that Supervisor respondents either did not receive supervisory training when they were promoted or hired, or the training received was scored as only somewhat helpful.

CSD Groups that Handle Customer Requests Lack Internal Communication Mechanisms

CSD's Billing, Safeguarding, and Field Services groups—are siloed. Specifically, these groups operate without established lines of communication. More than half of the Call Center CSR survey respondents indicated that they do not have access to the information they need to answer customers' questions. Most Call Center CSR survey respondents commented that they need regular access to or regular communication of updated internal policies and procedures, department changes, updates regarding customer accounts, and other relevant or customer-related information from other PUD groups.

For example, in our conversation with Supervisors, we learned that approvals of a customer request for an adjustment of a High Bill Exception (HBE) is completed by the Billing Section. As part of the process, a CSR receives the call, notes the customer's request in the system and submits an HBE Form to the Senior CSR for review. After the Senior reviews the form to ensure the relevant information is included, the form is forwarded to Billing. According to Call Center Supervisors, Billing only communicates approvals via email to the CSR, but does not communicate denials. Moreover, information is not communicated, via email, letter,

or follow-up call, with the customer. Furthermore, if a customer calls for an update, if there is no note of approval, the CSR must follow-up with their Senior, who must follow-up with Billing. This is not a practice that lends itself to first call resolution.

To compound the issue, in our survey of Call Center staff, we found that CSR respondents overwhelmingly (76 percent) feel that CSD management does a below average job of communicating and coordinating information between other PUD groups. Supervisor respondents responded similarly, agreeing that CSD management is average or below average in coordinating and communicating information between other PUD groups.

Why This Occurred ***CSD Lacks Sufficient Guidance Regarding Authorization and Updates to Accounts, and Has Not Completed a Staff Analysis to Determine Whether CSRs Can Handle Additional Responsibilities***

While CSD has a Billing Manual providing guidance on how to handle various billing transactions, it does not detail who is authorized to complete various transactions. PUD stated that CSD relies on SAP's internal safeguard which assigns levels of system access and transaction processing authorization based on the position type. However, CSD has not completed an analysis of staff duties to determine if CSRs can manage additional call transactions. Moreover, the Billing Manual, or other guidance, does not outline the call activities that should be categorized under each call type.

As for why CSD lacks effective communication, there is no written guidance for how CSD groups should document updates to customer accounts. Specifically, there is no guidance about how long it should take for each transaction type to be approved and entered into the system.

Furthermore, there is no guidance on how that information should be recorded, such as via notes within the Call Center system or via interdepartmental communication or email, and/or via call or written correspondence with the customer. Furthermore, there is no written guidance on the content or the level of detail of the system notes regarding the status of customers' requests and approvals.

Lastly, staff training is inadequate. Current training does not provide enough guidance on how CSRs should categorize incoming calls and how to document customer call activity. Moreover, CSD does not have an established training plan that would address ongoing training needs.

**Effect of Not Taking
Action**

Without Revisiting Staff Roles and Improving Guidance, CSD's Responses to Customer Calls Will Continue to be Inefficient

By not ensuring that all staff consistently categorize call types, CSD cannot rely on data accuracy to tailor its operations to address customer needs. By not revisiting staff roles and responsibilities, CSRs may be forwarding requests to Call Center Seniors and Supervisors when additional training and autonomy of CSRs could lead to first call resolution. The unnecessary increase in workload for Call Center Seniors and Supervisors likely only increases delays in processing customers' requests and leads to customer dissatisfaction.

Without clearly established lines of communication and cross-training, these groups operate in a highly reactive environment with little visibility into the workload and work processes of other groups that they rely on to process customers' requests. Additionally, poorly cross-trained staff are ill-prepared to react efficiently in times of high call volume and workload.

Ultimately, customer service suffers as customers receive inconsistent messages from Call Center staff and likely experience longer delays in processing of their requests. Without actual insight into processing times and expectations, CSRs effectively do not have the information necessary to lead to a first call resolution. This results in customers having to make follow-up calls to obtain the status of their inquiries. Additionally, Supervisors must spend time following up internally on customers' requests.

What Should Have Occurred

CSRs Should Have Appropriate Authorization and Training to Efficiently Address Customer Concerns

According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO), organizations should establish structure, authority, and responsibility. For the Call Center, that would include ensuring that the appropriate levels of authorization are afforded to CSRs to efficiently address customer concerns and meet the City's goal of providing high quality public service. COSO also recommends that organizations deploy control activities through policies that establish expectations and procedures that put policies into action.

Furthermore, COSO recommends that entities demonstrate a commitment to attract, develop, and retain competent individuals by evaluating staff competencies and addressing shortcomings. According to industry guidance, call center technology should be carefully leveraged with well-trained staff. Well-trained employees that can satisfactorily answer customer questions increases employee motivation and may reduce high employee turnover, a common occurrence in call centers.

According to industry guidance, the ideal situation for all groups who are integral in handling customers' requests is to share the same goals and responsibilities for each other's failures and successes. Moreover, COSO recommends

that entities obtain or generate relevant and quality information and distribute that information as part of its internal control activities for achieving the organization's objectives. The establishment of written policies and procedures for documenting customer interactions and changes to customers' accounts will ensure that CSD as a whole, not just the CSR handling the call for that day, is accountable for helping customers get resolution as quickly as possible.

Recommendation #4: To ensure that Customer Service Representatives (CSRs) consistently enter the correct reasons for customer calls into the Call Center system, the Public Utilities Department's Customer Support Division (CSD) should develop written guidance that standardizes the types of call activities that should be categorized under each call reason type. (Priority 2)

Recommendation #5: To ensure that Customer Service Representatives (CSRs) have the proper authority to efficiently respond to customer inquiries, the Public Utilities Department's Customer Support Division (CSD) should review authorization levels for its Customer Services Office's (Call Center) CSRs and determine which additional authorizations/customer requests CSRs should be able to process/approve without the intervention of a Call Center Senior CSR or a Supervisor. (Priority 2)

Recommendation 6: To enhance training and improve internal communication, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop a training program or provide staff access to trainings specific to the technical and soft skill needs of the Call Center staff, including training on properly entering system codes. PUD should develop written guidance on how long it should take for each transaction type to be approved, entered in Customer Care Services/SAP system, and communicated to CSD staff and customers. This guidance should also include the level of detail for system notes regarding the status of customer transactions. (Priority 2)

Conclusion

Call centers play a vital role in supporting and delivering services offered by the government. The Public Utilities Department (PUD) Customer Support Division (CSD) Customer Service Office (Call Center) handles and responds to customer phone calls and emails including account/billing inquiries, water conservation information, water waste complaints, and general water and sewer utility information.

The staff within the Call Center are often the public's first level of interaction with PUD. Customer's experience, whether favorable or unfavorable, reflects whether the City of San Diego (City) is achieving its goal of providing high quality public service. To that end, it is essential for the Call Center and its staff to have the necessary resources and training, and appropriate authority and internal communication channels to promptly address customer concerns. Furthermore, it is imperative for the Call Center to develop a comprehensive understanding of its performance to better tailor operations to meet customer needs. Based on our findings, we made six recommendations to help CSD with its customer service improvement efforts.

First, we found that the PUD is not fully leveraging its Call Center software. PUD has access to the full suite of products, including tools for call monitoring, staffing forecasts, and data collection. However, it uses approximately half of those products to varying degrees. To address these issues, we recommend that PUD assess its Call Center data and system needs and develop a plan that includes acquiring a dedicated subject matter expert that can provide technical and operational support for its call system. We also recommend that CSD develop policies and procedures on how to use the system to facilitate knowledge transfer.

Second, we found that while the Call Center has metrics for Customer Service Representatives (CSRs) and Supervisors, these metrics are neither formal nor consistently applied. Moreover, the individual metrics used do not meet industry standards as ideal for improving Call Center operations. We also found that PUD does not effectively communicate Call Center expectations and call quality feedback to CSRs. We recommend that Call Center management establish baseline key performance indicators and evaluate them consistently. We also recommend that the Call Center management establish and communicate individual and overall Call Center expectations.

Third, we found that the Call Center cannot provide high quality customer service due to a fractured internal structure in which CSRs lack autonomy to promptly resolve customer inquiries and CSD lacks communication between its various sections responsible for handling customer requests. We also found that CSD need to provide guidance to staff on how to properly categorize the reasons for calls in the call system. Moreover, cross-training is infrequent, although a desire for it amongst CSD staff exists. We recommend that CSD review authorization levels and determine if CSRs can handle more responsibility. We also recommend that CSD develop written guidance that helps facilitate communication regarding updates to customer accounts between the various sections within CSD and that standardizes the types of call activities that should be categorized under each call reason type. Lastly, we recommend that CSD develop a training program, or provide access to trainings, specific to the technical and soft skills of the Call Center staff.

Recommendations

Recommendation #1: To maximize its call system investment and provide enhanced customer service, the Public Utilities Department's (PUD) Customer Support Division (CSD), should assess its Call Center data and system needs and, within its chosen call center system, develop a plan that includes, but is not limited to:

- Acquisition of a dedicated subject matter expert (SME) to provide technical and operational support for the call system; and
- Determination of data necessary for management and Supervisors to assess customer service goals. (Priority 2)

Recommendation #2: To facilitate knowledge transfer for future users of the call management system, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop policies and procedures on how to use the system, including the system's reporting capabilities. CSD should also develop a training plan to educate staff, at least annually on the use of the Call Center system's features. (Priority 2)

Recommendation #3: To improve internal operations and provide best-in-class customer service, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop key performance indicators to establish baseline performance and compare them with industry best practice. To that end, if metrics include the use of customer satisfaction surveys, the surveys should be automated and offered in appropriate languages. Additionally, CSD should continually reassess these key performance indicators based on the Customer Service Office (Call Center) capacity (e.g., staffing, etc.) and desired goals. Lastly, CSD should establish and communicate individual and overall Call Center expectations to staff. (Priority 2)

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Recommendation #6: To enhance training and improve internal communication, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop a training program or provide staff access to trainings specific to the technical and soft skill needs of the Call Center staff, including training on properly entering system codes. PUD should develop written guidance on how long it should take for each transaction type to be approved, entered in Customer Care Services/SAP system, and communicated to CSD staff and customers. This guidance should also include the level of detail for system notes regarding the status of customer transactions. (Priority 2)

Appendix A: Definition of Audit Recommendation Priorities

DEFINITIONS OF PRIORITY 1, 2, AND 3

AUDIT RECOMMENDATIONS

The Office of the City Auditor maintains a priority classification scheme for audit recommendations based on the importance of each recommendation to the City, as described in the table below. While the City Auditor is responsible for providing a priority classification for recommendations, it is the City Administration’s responsibility to establish a target date to implement each recommendation taking into consideration its priority. The City Auditor requests that target dates be included in the Administration’s official response to the audit findings and recommendations.

Priority Class ³	Description
1	Fraud or serious violations are being committed. Significant fiscal and/or equivalent non-fiscal losses are occurring. Costly and/or detrimental operational inefficiencies are taking place. A significant internal control weakness has been identified.
2	The potential for incurring significant fiscal and/or equivalent non-fiscal losses exists. The potential for costly and/or detrimental operational inefficiencies exists. The potential for strengthening or improving internal controls exists.
3	Operation or administrative process will be improved.

³ The City Auditor is responsible for assigning audit recommendation priority class numbers. A recommendation which clearly fits the description for more than one priority class shall be assigned the higher priority.

Appendix B: Objectives, Scope, and Methodology

- Objectives** The overall objective of this audit was to determine the efficiency and effectiveness of the Public Utilities Department (PUD) Customer Support Division (CSD) Customer Service Office (Call Center) call wait times and customer service. To achieve this objective, we:
- Evaluated the Call Center’s phone system capabilities (i.e., automated processes, reporting, etc.) and whether these capabilities are sufficiently used or integrated into PUD's operations;
 - Identified and assessed the Call Center’s use of performance measures and evaluated the extent to which these measures are used to review employee performance, overall Call Center performance, and customer satisfaction; and
 - Evaluated roles and responsibilities of Customer Service Representatives (CSRs) to determine if CSRs are equipped to resolve customer calls via proper training and supervision, appropriate authorizations, and familiarity with call and billing system capabilities.

Scope and Methodology Our audit scope focused on the period of FY 2016 through a portion of FY 2019. Between October 21, 2018 and October 29, 2018, auditors shadowed the Call Center. As part of our review, we documented observations related to:

- **Call Answering** – including if the CSR asked for account security information, and what was the purpose of the call;
- **Call Escalation** – if CSRs escalated calls to the supervisors and the reason, including needing a higher level of authorization;

- **Call Exit** – if the CSR addressed customer needs without the assistance of a Supervisor, if the CSR referred the customer to other helpful resources if necessary, if the CSR asked if they could assist the customer with anything else, if the CSR offered the post-call customer satisfaction survey; and
- **Other Observations** – such as if the CSR followed required scripts, observations of system glitches that interfered with CSR performance, etc.

To evaluate the Call Center's phone system capabilities, we reviewed the Aspect contract and the scope of work to identify call system features and available technical assistance. We assessed if the current system is meeting the needs of the Call Center by examining the availability and use of the call system modules, including access to various methods of customer communication, call monitoring capabilities, and performance indicator development and evaluation. We also identified the types of performance reports available in DataViews, the Call Center data repository, to determine if the Call Center uses the reports to assess CSR and Call Center performance. We also interviewed call system stakeholders within PUD, Purchasing and Contracting, the Department of IT (DoIT), and Aspect.

In our review of performance measures for individual staff and the Call Center as a whole, we researched best practice for call center metrics. Based on available data, we analyzed PUD's Call Center performance against industry standards. For data reliability, we performed testing on the accuracy of the data entered in the Call Center's Monthly Summary, as well as the outputs from the reports furnished in DataViews, Aspect's Call Center data repository. Based on our testing, we calculated the queue time based on the reports run, since queue time was not predicated on manual data entry but is based on the time associated with each call.

Additionally, we reviewed performance evaluations of Call Center staff to assess expectations and to determine if metrics used aligned with industry standards. We also reviewed post-call customer satisfaction survey data for the week of October 21, 2018 to October 27, 2018, the week auditors shadowed the Call Center.

To evaluate roles and responsibilities, including whether CSRs are trained, authorized, and equipped with the proper resources to complete their job duties, we conducted a survey of CSRs, CSR Seniors, and CSR Supervisors to:

- Identify the level of customer service training received and staff satisfaction with content of the training;
- Identify staff attitudes regarding access to resources needed to be an effective customer service representative; and
- Understand the typical CSR daily call experience.

We also reviewed the types of transactions that require the approval of CSR Seniors, CSR Supervisors, or other sections within CSD that handle customer requests, such as the Billing and Safeguarding Groups. Within the Customer Care Solutions (CCS) module in SAP, we reviewed customer interaction records and notes history to assess the level of customer account information communicated between the various groups. We also interviewed CSR Supervisors to understand daily operations, how they assess call quality, and the types of calls that CSRs escalate to them or CSR Seniors.

We limited internal control testing to: 1) the control activities regarding the development and maintenance of operational procedures and related activities to support delivered services, including the proper planning, training and knowledge transfer of the call system technology; 2) monitoring as it relates to selecting, developing, and performing ongoing evaluations of CSR and Call Center operations; and 3) the control environment and the

established authorities and responsibilities of CSRs.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix C: The Public Utilities Department Performance on Key Performance Indicators (KPIs) that Impact Customer Satisfaction

KPI	Description	CSD Performance
Average Time in Queue	<ul style="list-style-type: none"> The average amount of time callers wait in queues before a Customer Service Representative answers (only includes calls that had a wait time) Industry Goal: Varies by industry, but the goal is to keep time as low as possible PUD's Informal Goal: 120 seconds (2 mins) 	<ul style="list-style-type: none"> 12-month period June 2018- May 29, 2019 Approximately 4 mins 54 seconds
Average Abandonment Rate	<ul style="list-style-type: none"> The percentage of callers who hang up before reaching a representative Industry Goal: 5% - 8% 	<ul style="list-style-type: none"> 9% in CY 2017 and CY 2018*
Call Quality	<ul style="list-style-type: none"> The quality of Customer Service Representative interactions with the customers Industry Goal: Focus on 3-4 identified call quality indicators and assess at least 2 calls per Customer Service Representative per week 	<ul style="list-style-type: none"> Supervisors and/or Senior CSRs review 6 calls per representative biweekly (calls reviewed are a minimum of 3 minutes in length) Indicators of call quality reviewed include whether the CSR followed the opening script, validates customer information, tone is courteous, CSR is actively listening, the CSR remains calm when responding to difficult situations CSD inconsistently reviews CSRs' call quality
Schedule Adherence	<ul style="list-style-type: none"> A measure of the Customer Service Representative's degree of compliance with their assigned schedule Industry Goal: 95% 	<ul style="list-style-type: none"> Schedules reviewed for purpose of verifying timesheets in SAP

Performance Audit of the Public Utilities Department Customer Support Division Customer Service Office (Call Center)

KPI	Description	CSD Performance
Customer Satisfaction	<ul style="list-style-type: none"> Level of customer’s happiness, contentment, and comfort with the level of service provided Industry Goal: 90% 	<ul style="list-style-type: none"> Since the survey is not automated, customer scores skew heavily towards highest score, suggesting that CSRs may only offer the option to complete the survey when experience is favorable
First Call Resolution	<ul style="list-style-type: none"> Percentage of calls in which the Customer Service Representative resolves the caller’s issue without having to escalate, transfer, or return the call Industry Goal: 70% - 75% 	<ul style="list-style-type: none"> PUD does not have and/or utilize the components necessary for FCR such as increased representative autonomy, increased representative performance, and the usage of call center software
Average After Call Work Time	<ul style="list-style-type: none"> The average amount of time a Customer Service Representative spends completing follow-up work after disconnecting from call Industry Goal: 6 minutes 	<ul style="list-style-type: none"> In the Aspect call system, wrap-up time expires after 3 minutes
Service Level	<ul style="list-style-type: none"> The percentage of calls answered within a specified number of seconds Industry Goal: 80% of calls answered in 20 seconds or less 	<ul style="list-style-type: none"> PUD has not established service goals
Agent Turnover Rate	<ul style="list-style-type: none"> The percentage of Customer Service Representatives who leave the Call Center Industry Goal: 15% 	<ul style="list-style-type: none"> 18% in CY 2017 25% in CY 2018

+Note: Calendar Year 2017 included only 10 months, because data was not available while the Aspect UIP Module was implemented.

*Note: Did not include the outlier months of November and December 2017 and January and February 2018 due to the influx of calls related to the water billing issues. If included, the totals were 10% and 13% respectively.

Source: OCA generated based on Aspect Data Views Reports and Monthly Summary Provided by PUD.



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: June 4, 2019

TO: Kyle Elser, Interim City Auditor, Office of the City Auditor

FROM: Matthew Vespi, Interim Director, Public Utilities Department
via Johnnie Perkins, Deputy Chief Operating Officer, Infrastructure/Public Works

SUBJECT: Management's Response to the Public Utilities Department's Customer Support Division Customer Service Office (Call Center) Audit

The purpose of this memorandum is to provide Management's response to the recommendations in the Office of the City Auditor's Performance Audit of the Public Utilities Department's (PUD) Customer Support Division (CSD) Customer Service Office (Call Center).

PUD would like to take this opportunity to provide findings and outcomes, some of which have already been implemented, from an internal assessment of the Customer Support Division (CSD) that commenced last fall. The results of the assessment closely align with the Call Center Audit findings and recommendations.

Last summer, the Mayor directed an internal assessment of PUD. As part of this direction, a team of three City employees - led by a staff member from the Performance and Analytics Department - focused exclusively on CSD. Beginning in September 2018, the team launched an extensive review of existing processes and systems, conducted staff interviews, and analyzed the use of existing technology and best practices from other organizations to determine methods for enhancing customer service.

As a result of this analysis, on May 14, 2019, a proposed restructure of CSD was announced. The structure focused on creating three fully-functional teams: Customer Success, Customer Advocacy, and Workforce and Resource Development (Attachment 1). The reorganization, including the identification of additional staffing resources, is necessary to provide a structure that enhances the customer service experience.

The Customer Success team is proposed to consolidate all Customer Services Representatives (CSRs) throughout CSD and create individual teams of all levels (entry-level to supervisors) to improve the ability for staff to resolve calls upon first contact with a customer. The Customer Advocacy team will be staffed by the appropriate classifications to perform analysis of data, take a proactive approach in support of complex customer matters, and ensure bills are generated accurately. The remaining support functions, including a new position to provide operational knowledge of the data and systems utilized throughout the division, will be in the Workforce and Resource Development team. The reorganization is subject to the meet and confer process with the Municipal Employees Association (MEA), the recognized bargaining unit for CSD, which was initiated in May 2019.

The restructure and additional personnel is the first step. However, without management providing adequate tools and training for employees, they will not be able to fulfill the mission of a customer-service driven organization.

PUD's internal review identified that the existing call center software is not conducive to providing effective customer service, as the system's platform inadequately provided the necessary technology and tools, thus hindering day-to-day operations for customers and staff alike. The call center software needs to be user-friendly, and must provide information readily to the public, enable staff to find applicable information to aide in customer service, and allow supervisors and managers to both assess performance of staff and review call center metrics to evaluate the program's overall performance.

Based on the current status of the call center software, PUD and the Department of Information Technology (DoIT) are in the final stages of assessing the options of 1) keeping the existing system and enhancing it to provide the necessary tools for staff; or 2) replacing the existing system completely. The analysis is expected to be complete by September 2019. If a new system is required, the existing vendor's contract is due to expire on December 31, 2019, and PUD would work to complete the new procurement by that date. As the City Auditor outlined in the Call Center Audit, this is a critical component for a successful call center. After in-depth review, it is clear that - to date - the appropriate tools have not been provided to employees. Regardless of which option is chosen, employees performing the related duties will have a role in final implementation.

The internal review team also identified the need for a refocused and comprehensive training program to address both technical and non-technical (soft) skills. To focus on soft skill-based training, a new training program was implemented in January 2019. The newest CSRs were trained with a curriculum that focused on how the function of customer service in CSD relates to the missions of the City and PUD. This training also addresses customer service skills and self-awareness, and will be offered continuously and in multiple formats. A fully comprehensive training program for current CSD employees which includes technical and non-technical skills, is subject to the meet and confer process, which has been initiated in conjunction with the reorganization.

Throughout both the internal review and external audit, it has become clear that management did not provide staff with adequate resources. Establishing proper, up-to-date technology and requiring training crucial to providing first-class customer service will go a long way in improving PUD operations. A complete overhaul of the operations requires investment, oversight, and time to ensure proficient use of new technology and resources. Management is committed to creating a high performing customer-centric division, and appreciates the recommendations provided by the Office of the City Auditor.

RECOMMENDATION #1: To maximize its call system investment and provide enhanced customer service, the Public Utilities Department's (PUD) Customer Support Division, should assess its Call Center data and system needs and, within its chosen call center system, develop a plan that includes, but is not limited to:

- Acquisition of a dedicated subject matter expert (SME) to provide technical and operational support for the call system; and
- Determination of data necessary for management and Supervisors to assess customer service goals. (Priority 2)

MANAGEMENT RESPONSE: Management agrees with the recommendation.

PUD and DoIT recognize the need to provide additional technical support for the call center software system (regardless of reconfiguring this existing system or acquiring a new system). In support of this need, PUD and DoIT are creating an organizational structure to ensure technical resources are available. PUD has identified an existing Information Systems Analyst II position that will work in conjunction with DoIT staff to provide technical level support. It is intended that this position will be transferred from PUD to DoIT in the next budget process.

Operational support will be provided by a Program Coordinator (Data Manager) which was recommended in the revised organization chart and included in the Proposed Fiscal Year 2020 Budget. This position is in process of being created and is scheduled to be heard at the June 6, 2019 Civil Service Commission and if approved, will be considered by the City Council in July. This is one of the Department's highest priorities for new staffing resources and the process to recruit will commence as soon as possible, anticipated to be in September 2019.

During the planning stage of the call system software (whether reconfiguration of existing system or acquisition of a new system), the data needs to support management and supervisors' assessment of individual customer services representatives and the overall program will be identified and appropriate reporting capabilities will be ensured. This is anticipated to be available by the of end of calendar year 2019.

Target Implementation Date: January 31, 2020.

RECOMMENDATION #2: To facilitate knowledge transfer for future users of the call management system, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop policies and procedures on how to use the system, including the system's reporting capabilities. CSD should also develop a training plan to educate staff, at least annually on the use of the Call Center system's features. (Priority 2)

MANAGEMENT RESPONSE: Management agrees with the recommendation.

PUD is currently cataloging existing policies and procedure manuals, reviewing, identifying gaps/deficiencies, and working on a plan to update. Management recognizes that current manual is outdated and will ensure that, moving forward, these policies and procedure manuals be reviewed and updated, on a routine basis to be determined (not longer than annually). Currently, the Utility Account Management Policy Manual is in process of being updated and should be completed by the end of calendar year 2019. The timing on policy and procedure manuals as they relate to the call system software will be tied to the implementation of the call system (whether reconfiguration or new acquisition) which is targeted for the end of calendar year 2019.

Target Implementation Date: January 31, 2020.

RECOMMENDATION #3: To improve internal operations and provide best-in-class customer service, the Public Utilities Department's (PUD) Customer Support Division (CSD) should develop key performance indicators to establish baseline performance and compare them with industry best practice. To that end, if metrics include the use of customer satisfaction surveys, the surveys should be automated and offered in appropriate languages. Additionally, CSD should continually reassess these key performance indicators based on the Customer Service Office (Call center) capacity (e.g., staffing, etc.) and desired goals. Lastly, CSD should establish and communicate individual and overall Call Center expectations to staff. (Priority 2)

MANAGEMENT RESPONSE: Management agrees with the recommendation.

Development of new performance indicators will be instrumental in evaluating the performance of the Customer Support Division staff. However, it should be noted that identifying new performance indicators is only the first step. Having quality data and ability to obtain that data to measure performance will be crucial. As such, the new Program Coordinator (identified in the Workforce and Development team of the new organizational structure) is key to utilizing our technology resources effectively. Furthermore, the new organizational structure proposes the addition of unclassified Program Managers who will be accountable for reviewing and communicating performance. In addition, it is envisioned that if improvement in customer service is not meeting goals, the Program Managers will be responsible for identifying the root cause of issues, recommending changes, and measuring success. These measures will be communicated to all stakeholders routinely. Identification of new key performance indicators will be completed by the end of calendar year 2019 as timing will be associated with new positions that will be recruited in the fall of 2019. Key performance indicators will be published in conjunction with the development and release of the Fiscal Year 2021 Proposed Budget (April 2020). However, it should be noted, that historical data may not be available and baseline data will be developed during Fiscal Year 2020.

Target Implementation Date: December 31, 2019.

RECOMMENDATION #4: To ensure that Customer Services Representatives (CSRs) consistently enter the correct reasons for customer calls into the Call Center system, the Public Utilities Department Customer Support Division (CSD) should develop written guidance that standardizes the types of call activities that should be categorized under each call reason type. (Priority 2)

MANAGEMENT RESPONSE: Management agrees with the recommendation.

Standard Operating Procedure (SOP) WtrBillOps - 6 was implemented in October 2018 and requires that the Customer Services Supervisors and Senior CSRs monitor three calls per CSRs per pay period (equating to a review of six calls each pay period for each of the CSRs). Currently, the review is focused on fundamental information, including opening script, closing script, offering the survey, and entering the correct disposition code. Data is being collected; however, the information has not consistently been reviewed by management. The reorganization, including the new management positions overseeing each of the three teams, will enable this review to be completed routinely and ensure findings are communicated. This recommendation is subject to meet and confer, which staff has initiated.

Target Implementation Date: January 31, 2020.

RECOMMENDATION #5: To ensure that Customer Services Representatives (CSRs) have the proper authority to efficiently respond to customer inquiries, the Public Utilities Department's, Customer Support Division (CSD) should review authorization levels for its Customer Service Office's (Call Center) CSRs and determine which additional authorizations/customer requests CSRs should be able to process/approve without the intervention of a Call Center Senior CSD or a Supervisor. (Priority 2)

MANAGEMENT RESPONSE: Management agrees with the recommendation.

The primary reason for the reorganization was to achieve the goal of first call resolution. The Customer Success Teams are envisioned to be individual teams that include all levels of CSRs from entry-level to Supervisor. In addition, the Utility Account Management Policy Manual is currently in the process of being updated as noted in the management response for

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Kyle Elser, Interim City Auditor, Office of the City Auditor

June 4, 2019

Recommendation #3 and roles are being reviewed in order for the CSRs to have the appropriate authorizations within SAP.

Target Implementation Date: December 31, 2019.

Recommendation #6: To enhance training and improve internal communication, the Public Utilities Department (PUD) Customer Support Division (CSD) should develop a training program or provide staff access to trainings specific to the technical and soft skill needs of the Call Center staff, including training on properly entering system codes. PUD should develop written guidance on how long it should take for each transaction type to be approved, entered in Customer Care Solutions/SAP system, and communicated to CSD staff and customers. This guidance should also include the level of detail for system notes regarding the status of customer transactions. (Priority 2)

MANAGEMENT RESPONSE: Management agrees with the recommendation. As discussed in the beginning of this memorandum, the most recent CSR recruits to join CSD were trained in February 2019 with a curriculum that provided an overview of the City, how the function of customer service in CSD relates to the overall mission of the City and PUD, self-awareness and customer service skills. PUD is in the process of creating a robust and effective training program for all CSD staff, new hires and current employees; however, this is dependent on meet and confer before implementing. This recommendation requires meet and confer, which staff has initiated.

Target Implementation Date: January 31, 2020.

Sincerely,



Matthew Vespi
Interim Director, Public Utilities Department

Attachment: 1. Proposed Revised Organizational Chart – Customer Support Division, Public Utilities Department

cc: Kris Michell, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Ronald H. Villa, Assistant Chief Operating Officer
Rolando Charvel, Chief Financial Officer
Aimee Faucett, Chief of Staff, Office of the Mayor
Julio Canizal, Director, Risk Management Department
Julie Rasco, Director, Human Resources Department
Rania Amen, Assistant Director, Public Utilities Department
John J. Helminski, Assistant Director, Public Utilities Department
Juan Guerreiro, Interim Assistant Director, Public Utilities Department
Lisa Celaya, Interim Assistant Director, Public Utilities Department
Craig Boyd, Deputy Director, Public Utilities Department
Colin Brazile, Interim Deputy Director, Public Utilities Department
Jessica Lawrence, Director of Finance Policy and Council Affairs, Office of the Mayor
Lee Friedman, Infrastructure Policy Manager, Office of the Mayor

Customer Support Division – Proposed Reorganization May 2019

