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Correspondence Memorandum

Date: August 26, 2020
To: Employee Trust Funds Board
From: John Voelker
 Deputy Secretary
Subject: Organizational Metrics

This memo is for informational purposes only. No Board action is required.

At each Board meeting since March 2018, I have submitted a memo entitled Operational Metrics. You will note that this memo is entitled Organizational Metrics. The title change signifies further progression in our approach to measuring agency performance. The operational metrics focused on how well we were meeting day-to-day performance objectives. Focusing on those objectives facilitated a variety of operational improvements and resulted in overall better business unit performance.

Organizational metrics will be broader and measure agency performance in terms of meeting the ETF's four strategic goals. If aligned properly, progress in meeting organizational goals should move the agency closer to achieving the organization's vision. This memo will describe the new organizational metrics. The associated performance targets and corresponding data will follow at the December Board meeting.

We have identified the organizational metrics as our North Star metrics. Like its namesake Polaris, the North Star sits directly above the North Pole. Before GPS, the North Star would be a reliable indicator of the direction you were headed. The ETF North Star metrics will serve in the same capacity by indicating if we are going in a direction that will result in accomplishing the organization's strategic goals. Each agency goal has three different measurements and are described below.

Strategic Goal: Create an Effortless Customer Experience

Measurement: Percent of survey responses that reflect a positive customer experience score

Description: This metric will assess the customer experience from the members' perspective. The scope for the initial metric will be for members, including active

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employees, retirees, and others who receive ETF services. Similar scores for employers, third-party administrators, and other partners will be determined later.

The customer experience feedback score will come from customer surveys and be calculated by aggregating three different measures into an overall score. The three customer measures include the Net Satisfaction Score, the Net Easy Score, and the Net Promoter Score. Survey questions will be asked throughout the year at the conclusion of specific transactions or interactions.

Measurement: Average wait time score of identified transactions

Description: This metric will assess a customer's ability to complete common (high volume/high impact) transactions with ETF within their expectations of service delivery and timeliness. This measure will be the average wait time performance score. The initial list of transactions that will be scored include:

- Beneficiary Designations
- Contacts with ETF
- Retirement Estimates
- Retirement Applications
- Appointments
- Payment Set-up
- Death Benefit Application

Measurement: Average self-service score for identified transactions

Description: This metric will assess a customer's ability to perform functions without the assistance of ETF personnel. In other words, what is the availability of self-service options for customers. The measure will be the Average Self-Service Score for the following transactions:

- Insurance Enrollment
- Beneficiary Designation
- Contacts with ETF
- Retirement Estimates
- Retirement Applications
- Appointments
- Payment Set-up
- Death Benefit Application

Strategic Goal: Implement outcomes driven performance measurement and process management

Measurement: Percent of Level 1 processes that are performing at expected service levels

Description: This metric will assess processes across the organization to ensure they are performing at or above defined targets. Setting performance targets and measuring processes provides key information to help ensure their quality and timeliness meeting customer expectations. For those not meeting performance

targets, it provides identification of opportunities for improvements. This metric is dependent on the completion of the documented processes measurement.

Measurement: Percent of Level 1 processes that are documented, with appropriate performance measures and controls in place

Description: This metric indicates the percent of processes that are documented and have performance targets set. Identifying and documenting processes provides the basis on which to define and measure performance.

Measurement: Number of process improvement initiatives that result in improvement in at least one of the performance criteria

Description: This metric will assess the number of process improvements that have been completed, resulting in service improvements, increased transparency, operational improvements, and other key categories. In order to have a culture of continual improvement, process improvement initiatives need to be encouraged, measured, and evaluated. To that end, this metric will identify the number of process improvements completed that accomplish at least one of nine performance criteria.

Strategic Goal: Build a Talented and Agile Workforce

Measurement: Percent of new hires meeting proficiency requirements during the first 12 months of ETF employment

Description: This metric will assess the effectiveness of the recruitment and onboarding processes by measuring how well new employees perform after hiring. This includes assessing progress in meeting newly defined enterprise-wide competencies as well as job specific skills and attributes that vary by job classification and level. Proficiency will be measured quarterly from start date.

Measurement: Percent of permanent FTE workforce meeting proficiency requirements

Description: This metric will assess the skills of the ETF workforce. This includes assessing progress in meeting newly defined enterprise-wide competencies as well as job specific skills and attributes that vary by job classification and level. Proficiency of permanent FTE workforce will be assessed annually.

Measurement: Percent of competency-based performance program tasks completed on schedule

Description: A competency-based performance program is a new approach for ETF. As a result, the ability to measure the proficiency level of new and existing employees noted above will take some time to implement. This metric is intended as an interim measure to track the progress of implementing the new performance program.

Strategic Goal: Implement Modern, Secure, and Resilient Information Technologies

Measurement: Percent of applications in the Invest quadrant of the Gartner TIME model

Description: This metric will assess the health and business value of the ETF IT application portfolio. The metric is based on Gartner's TIME model. Gartner is a global research and advisory firm providing information, advice, and tools for leaders in IT. TIME represents a 2x2 quadrant and is an acronym for Tolerate, Invest, Migrate, Eliminate. TIME simplifies the process of assessing the applications that support ETF's business functions by plotting the business value of an application against overall technical condition, including the quality of the technologies used to support it. Applications in the invest quadrant are both of high value and good, sound technical quality.

Measurement: Percent of data meeting data quality target score

Description: This metric will assess the quality of the data in our IT systems. High-quality data is essential for an effective information system. Currently ETF categorizes data into six different domains. These include person, organization, WRS accounts, benefits distribution, insurance, and financials. A weighted data quality score will be calculated for data contained in these domains.

Measurement: Percent of Key Risk Areas that are within established risk thresholds

Description: This metric will assess IT security by examining key risk areas within the organization. The four general categories that will be examined include:

- Infrastructure vulnerabilities remediated
- Incident response
- Vendor lifecycle review
- Employee security awareness

These new metrics and the current scores will appear in an "ETF scorecard," with the first edition being distributed for the December board meeting. We are still refining the data collection. One notable difference in the new scorecard will be the inclusion of both annual performance targets as well as aspirational long-term performance targets. The annual targets will serve as indicators to ensure we are on track to meeting the long-term targets. The long-term targets are those we believe are necessary to meet if we are to successfully accomplish our strategic goals.

I will be available at the meeting to answer questions.

Otherwise you can contact me at 608-266-9854 (email john.voelker@etf.wi.gov) with questions or comments.

