



# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

### Customer Care Centers

### Audit Report

Report Number  
MS-AR-15-006

June 11, 2015



THANK YOU FOR CALLING  
YOUR UNITED STATES  
POSTAL SERVICE. HOW  
MAY I HELP YOU TODAY?



# OFFICE OF INSPECTOR GENERAL UNITED STATES POSTAL SERVICE

## Highlights

***Residential and business customers contact the U.S. Postal Service through various toll-free telephone numbers for information on hours, prices, service issues, or other postal-related inquiries.***

### Background

Residential and business customers contact the U.S. Postal Service through various toll-free telephone numbers for information on hours, prices, service issues, or other postal-related inquiries. These numbers received over 52 million calls in fiscal year (FY) 2014, 16 million of which were routed to the four Postal Service Customer Care Centers (Care Centers).

The Postal Service finished insourcing its Care Centers in March 2014, and has about 1,500 agents nationwide handling calls. Care Center agents typically either immediately respond to customer requests or route calls to local operations staff. Managers oversee Care Center operations and review select calls for quality assurance. Care Center operations cost \$129 million in FY 2014, including \$13.2 million in contractor costs for training, reporting, and other functions.

Care Centers are crucial for retaining customers and revenue and the Postal Service identified three performance metrics for its Care Centers: customer satisfaction, timeliness, and quality of information.

Our objective was to evaluate the effectiveness of the Care Centers and determine whether there are opportunities for improvements.

### What The OIG Found

There are significant opportunities to improve the Postal Service's Care Centers. First, quality assurance reviews are insufficient, as 75 percent of them were not completed as required in FY 2014, and only shorter calls were chosen for review. Care Center managers stated this is a result of system issues and limited time. Second, there is no standardized, consolidated reporting process in the field to improve employee performance management and monitoring. Third, the Postal Service does not have a meaningful performance metric for evaluating the quality of information provided to callers.

These issues collectively limit effective management and assessment of Care Center performance. We estimate \$1.05 million in Care Center costs in FY 2014 as disbursements at risk due to insufficient quality reviews.

Finally, the Postal Service should periodically assess the need for contractor-provided training and reporting. Contractor support is needed in this area at this time; however, using Postal Service employees for these activities may prove financially and operationally beneficial as the Postal Service becomes more experienced in managing its Care Centers.



# OFFICE OF INSPECTOR GENERAL

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## UNITED STATES POSTAL SERVICE

### What The OIG Recommended

We recommended the Postal Service develop and implement controls for assuring that quality reviews are performed within established timeframes and calls are randomly chosen for review; establish standardized, consolidated reporting procedures for field supervisors; and develop a quality of information performance goal.

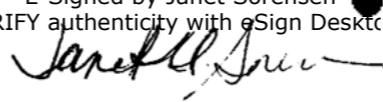
# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

June 11, 2015

MEMORANDUM FOR: JAMES A. NEMEC  
VICE PRESIDENT, CONSUMER AND INDUSTRY  
AFFAIRS

E-Signed by Janet Sorensen  
VERIFY authenticity with eSign Deskto  


**FROM:** Janet M. Sorensen  
Deputy Assistant Inspector General  
for Revenue and Resources

**SUBJECT:** Audit Report – Customer Care Centers  
(Report Number MS-AR-15-006)

This report presents the results of our audit of the U.S. Postal Service's Customer Care Centers (Project Number 15RG005MS000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Joseph Wolski, director, Retail, Sales, and International, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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# Findings

**The Postal Service spent \$129 million on Care Center operations in FY 2014, which included \$13.2 million for contractor support for training, reporting, and other functions.**

## Introduction

This report presents the results of our audit of the U.S. Postal Service's Customer Care Centers (Project Number 15RG005MS000). Our objective was to evaluate the effectiveness of Customer Care Centers (Care Centers) and determine whether there are opportunities for improvement. See [Appendix A](#) for additional information about this audit.

Residential and business customers contact the Postal Service through various toll-free telephone numbers for information on postal-related issues, such as hours, prices, service, or other inquiries. These numbers include 1-800-ASK-USPS, 1-800-Stamp24 (stamps), and 1-800-222-1811 (domestic and international tracking). These telephone numbers received over 52 million calls in fiscal year (FY) 2014, with 36 million processed with the automated Interactive Voice Response (IVR)<sup>1</sup> system and the remaining 16 million routed to four Care Centers.

The majority of the calls routed to Care Centers were categorized as General Inquiry (38 percent), Track and Confirm (17 percent), and Redelivery (9 percent). The Postal Service spent \$129 million on Care Center operations in FY 2014, which included \$13.2 million for contractor support for training, reporting, and other functions.

About 1,500 agents at the four Care Centers nationwide handled calls in FY 2014. Management selected these Care Center agents from various parts of the organization and included temporary and career employees. Twenty-six percent of the career employees are rehabilitation staff,<sup>2</sup> which is consistent with a previous U.S. Postal Service Office of Inspector General (OIG) audit recommendation that the Postal Service use employees in rehabilitation status to perform Care Center work.<sup>3</sup> Care Center agents typically handle calls in one of the following ways:

Click on a chat bubble to reveal details on responses.



The Postal Service originally outsourced Care Center management and staffing and chose to insource staffing in 2012. It did so as a result of a 2011 contract with the American Postal Workers Union (APWU) and a May 2010 OIG report that recommended the Postal Service develop a plan for insourcing all Care Center work.<sup>4</sup> The Postal Service completed insourcing Care Centers operations in March 2014, but still contracts out Care Center training and consolidation of information for bi-monthly performance management reports.

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- 1 An automated telephone system that interacts with callers, gathers information, and routes calls to the appropriate recipient.
  - 2 Rehabilitation employees are identified by status: *Limited duty* - A temporary assignment for an employee who is unable to perform his or her regular duties due to an occupational illness or injury; *Light duty* - A temporary assignment for an employee who is unable to perform his or her regular duties due to a non-work-related injury or illness; and *Rehabilitation* - An assignment given to an injured employee when the employee's doctor notifies the Postal Service that the employee has reached maximum medical improvement and still has medical restrictions that prohibit a return to his or her regular job. A permanent rehabilitation assignment may or may not include essential functions of the employee's regular job.
  - 3 U.S. Postal Service's Use of Employees in Rehabilitation Status (Report Number HR-AR-10-002, dated May 27, 2010).
  - 4 U.S. Postal Service's Use of Employees in Rehabilitation Status (Report Number HR-AR-10-002, May 27, 2010).

**This report has not yet been reviewed for release under FOIA or the Privacy Act. Distribution should be limited to those within the Postal Service with a need to know.**

**While the Postal Service has made significant progress in managing its Care Centers, there are opportunities for improvement.**

**The Postal Service is not sufficiently conducting Care Center quality assurance reviews.**

The Postal Service identified customer satisfaction, timeliness, and quality of information as key quality components when insourcing work for its Care Centers. Improving customer service satisfaction is a key component of the Postal Service's Delivering Results, Innovation, Value, and Efficiency (DRIVE)<sup>5</sup> Initiative 25, Improve Customer Experience. Care Centers continue to be integral to the Postal Service's ability to retain customers and increase revenue.

## Conclusion

While the Postal Service has made significant progress in managing its Care Centers, there are opportunities for improvement. First, quality assurance reviews are insufficient, as 75 percent of them were not completed as required in FY 2014, and only shorter calls were judgmentally chosen for review. Care Center managers stated this is a result of system issues and limited time to conduct reviews.

Second, Care Centers lack a standardized, consolidated reporting process in the field to improve employee performance management and monitoring. Care Center managers spend time creating their own reports to manage operations. Finally, the Postal Service does not have a meaningful performance metric for evaluating the quality of information its agents provide to callers.

These issues collectively limit the Postal Service's ability to effectively manage and assess Care Center performance. For example, limiting quality reviews to only a judgmentally selected set of calls (the shorter calls) prevents the Postal Service from comprehensively assessing call quality. We estimate \$1.05 million in Care Center costs in FY 2014 as disbursements at risk due to insufficient quality reviews.

Finally, in other matters, the Postal Service should periodically assess the need for contractor-provided training and reporting. Contractor support is needed in this area at this time; however, using Postal Service employees for these activities may prove financially and operationally beneficial as the Postal Service becomes more experienced in managing its Care Centers.

## Care Centers

The Postal Service has made progress managing its Care Centers, including effectively incorporating rehabilitation employees to staff them. But it has an opportunity to improve Care Center procedures by addressing issues related to its quality reviews, field reporting, and performance metrics. The overall effectiveness of the Care Centers will be at risk until management takes corrective action, as these issues hinder the Postal Service's ability to effectively manage and evaluate Care Center performance.

## Quality Reviews

The Postal Service is not sufficiently conducting Care Center quality assurance reviews. First, it is not conducting enough quality reviews. Care Center quality analysts should complete a minimum of 15 quality evaluations per day.<sup>6</sup> We found that 75 percent of reviews were not completed in FY 2014. Second, quality reviews are only being conducted on shorter calls. Judgmentally excluding calls for quality reviews prevents the Postal Service from generalizing performance results on the overall quality of its Care Center operations.

<sup>5</sup> DRIVE is a management process the Postal Service uses to improve business strategy, development, and execution. The initiatives include cost cutting, revenue generation, and capability enhancement.

<sup>6</sup> *Customer Care Center Quality Assurance Strategic Operating Manual*, Version 1.0, May 6, 2014.

**The Postal Service lacks a standardized and consolidated reporting process for field supervisors to improve employee performance management and monitoring.**

**The Postal Service does not have a meaningful performance metric for evaluating the quality of information that its Care Center agents provide to callers.**

Postal Service Care Center managers stated that ongoing system issues prevented them from completing the reviews. Specifically, they stated the system used to manage the review process was down for 293 hours (14 percent of operational hours) in FY 2014. Postal Service quality review agents also noted they do not have enough time to conduct 15 evaluations per day and that selecting the shorter calls helps them save time. They specifically mentioned that having to handle other assigned duties, such as training and substituting for supervisors, reduces the time available for quality reviews. Finally they noted the Postal Service, on average, allots only 20 minutes to listen to a call, review the information, and conduct an assessment. With an average call lasting nearly 7 minutes, quality analysts stated they have limited time to review call information and conduct their assessment.

We recognize the system complications and time constraints Care Center officials face, particularly during the transition to insourcing these operations. Still, insufficient quality reviews limit the Postal Service's ability to accurately and comprehensively assess quality and performance. We estimate a combined total of \$1.9 million in Care Center costs for FYs 2014 and 2015 are at risk due to insufficient quality reviews.

## Field Reporting

The Postal Service lacks a standardized and consolidated reporting process for field supervisors to improve employee performance management and monitoring. Reporting responsibilities are currently divided between the Postal Service and its contractor. Care Centers are responsible for reporting related to daily operations and the contractor is responsible for consolidating Care Center performance information for bi-monthly management reports.

Care Center field supervisors stated they did not have standardized, consolidated performance reports and, in some instances, felt the need to create their own reports to manage operations. The business justification for insourcing Care Center employees identified the need for summarized and detailed reporting on call volume, quality, and performance metrics to enable oversight. Furthermore, leading practices<sup>7</sup> advocate a reporting strategy that provides a complete review of Care Center performance and suggests steps to improve operations.

Postal Service officials recognized the reporting challenges, stating they stem from the infancy of the Care Center program. But until a standardized reporting process is developed, Care Center field supervisors will not be able to consistently monitor performance.

## Performance Metrics

The Postal Service does not have a meaningful performance metric for evaluating the quality of information that its Care Center agents provide to callers. The Postal Service's business justification<sup>8</sup> to insource Care Center employees identified the three following performance metrics management will use to evaluate Care Centers: customer satisfaction, timeliness, and the quality of information. Table 1 illustrates that the Postal Service has had trouble meeting its timeliness and customer satisfaction goals. Care Center managers stated these performance challenges arose from difficulties in insourcing the program, particularly with transitioning Postal Service employees to become agents and aligning resources with changing call volumes. They also stated that, as the Postal Service gains more experience in these operations, it expects performance to reach its targeted levels. We agree that additional experience, along with the aforementioned efforts to enhance quality reviews and field reporting, could help drive needed performance improvements.

<sup>7</sup> North American Quitline Consortium, *Call Center Metrics: Best Practices in Performance Measurement and Management to Maximize Quitline Efficiency and Quality*, Quality Improvement Initiative (Reynolds, P.), 2010, and *Call Center Essentials, Performance Management Best Practices, Parts 1 and 2*, Symmetrics Contact Center Performance Management presentation at Michigan State University, May 2014.

<sup>8</sup> U.S. Postal Service, *Decisions Analysis Report, Business Case Modification, Customer Contact Centers Insourcing* 670265, June 19, 2014.

**Table 1: Care Center Goals and Performance, FY 2014 and Week Ending April 10, 2015**

Metric	Goal	Performance - FY 2014	Performance - Week Ending April 10, 2015
<b>Timeliness</b>			
Percentage of calls answered within 40 seconds	80%	16%	41%
Abandon rate	4%	38%	23%
Average handling time (in minutes)	6:30	6:52	7:22
<b>Customer Satisfaction</b>			
Customer satisfaction scores (percentage of satisfied customers based on surveys of callers)	90%	74%	77%
<b>Quality of Information</b>			
Quality of information provided (the quality reviewer's assessment of the completeness and accuracy of information provided by the agent)	N/A	54% <sup>a</sup>	70%
Quality of information – knowledge of products/services (percentage of satisfied customers based on surveys of callers)	N/A	70%	65%

Source: Postal Service Care Center Executive Reporting Source; Consolidated Reporting System; Postal Service Satisfaction Enterprise Customer Care data; and Postal Service officials.

Note: "N/A" indicates data not available.

<sup>a</sup> This score represents data from April through September 2014.

Table 1 also shows that a quality of information goal has not yet been established. Research on leading care centers shows that goals are useful for driving positive behavior that facilitates successful Care Center operations. For example, the industry measures customer satisfaction with customer satisfaction scores as a percentage ranging from 0 to 100. High scores for companies such as Amazon and Costco ranged from 80 to 90 percent in 2014. The Postal Service uses a contractor to measure customer satisfaction through surveys and the average customer satisfaction rating for its Care Centers was 74 percent for FY 2014. The Postal Service captures "quality of information" data from two primary sources:

- Through the following question on its quality review questionnaire: "Did the agent provide complete and accurate information?" The Postal Service, however, does not have a performance goal related to this component. Postal Service officials stated they assess the quality of information as part of their overall performance goal for quality evaluations. This goal, however, is not specific to quality of information. Relying on this goal as a representation of quality of information would be misleading, as an agent could fail the quality of information question but still pass the overall performance goal.
- Through customer surveys that measure the customer's perception of the agents knowledge of products and services and other related indicators.<sup>9</sup> The Postal Service, however, does not have performance goals related to these components.

<sup>9</sup> The other related Quality of Information metrics the Postal Service uses include Professionalism/Courtesy; Usefulness of Resolution; Speed of Response; Accuracy of Information; and Understood Issue. We focused on Knowledge of Information as it has a direct relationship to quality of information and was tracked in both FY 2014 and FY 2015.

***As the Postal Service becomes more experienced in managing its Care Centers, it may prove financially and operationally beneficial to use postal employees for tasks currently completed by the contractor.***

We believe Care Center managers should develop a quality of information goal, not only because the Postal Service identified quality of information as a key component of its Care Centers, but also because providing accurate information to callers is a Care Center leading practice. Establishing a goal would enhance the Postal Service's ability to assess Care Center performance, particularly as the Postal Service's preliminary Care Center performance is below its targets.

## **Other Matters**

### **Contractor Assessment**

The Postal Service relies on contractors to help it insource its Care Centers. Specifically, the Postal Service is paying over \$13 million annually for a contractor to provide training, reporting, and other functions. Management stated this support has greatly assisted the transition to staffing Care Centers with postal employees, particularly because Postal Service trainers were not authorized as part of the insourcing process and contractor support is still needed.

As the Postal Service becomes more experienced in managing its Care Centers, it may prove financially and operationally beneficial to use postal employees for tasks currently completed by the contractor. The Postal Service has not yet analyzed the costs and benefits associated with retaining this contractor because the transition is new and the contract runs through September 2016.<sup>10</sup> The Postal Service's guidelines state that it should consider extending a contract once its original term expires.<sup>11</sup> In the future, it will be useful for the Postal Service to periodically assess the need for contractor-provided training and reporting consistent with these principles and practices.

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<sup>10</sup> The contract is scheduled to expire September 30, 2016. The contract, however, contains renewal options for FYs 2017-2018 and FYs 2019-2020.

<sup>11</sup> *Supplying Principles and Practices*, Section 5-10, updated February 1, 2015. The renewal should not take place until management decides there is a need to continue and that maintaining the current supplier's performance would represent the best value for the Postal Service.

# Recommendations

***We recommend management develop and implement controls for assuring that quality reviews are performed within established timeframes and calls are randomly chosen to review; establish standardized, consolidated reporting procedures for field supervisors; and develop a quality of information performance goals.***

We recommend the vice president, Consumer and Industry Affairs:

1. Develop and implement controls for assuring that quality reviews are performed in established timeframes and calls are randomly chosen for review.
2. Establish a standardized, consolidated reporting process for field supervisors.
3. Develop a quality of information performance goal.

## Management's Comments

Management agreed with our findings and recommendations, but disagreed with our calculation of disbursements at risk. Regarding recommendation 1, the Postal Service agreed that its quality reviews were insufficient and reiterated that system issues and the need to shift quality analyst resources to the Wichita Care Center hindered their ability to meet their quality review standards. Management stated that they have rectified these issues and intend to engage Supply Chain Management to recoup costs associated with the system outages. Management also stated they have taken actions to improve their quality review program; including ensuring that there is a relevant statistical sample size of calls reviewed and enhancing program reporting. Management stated that they have already implemented improved controls consistent with the recommendation.

Regarding recommendation 2, management stated that they are improving the Care Center's reporting strategy through such actions as standardizing reporting elements. Management also described certain reporting challenges, including high costs and performance measurement constraints. Management stated they will complete these reporting strategy improvements by November 30, 2015.

Regarding recommendation 3, management stated that they will develop criteria for the "complete and accuracy" category of the quality scorecard and create a corresponding performance metric. Management also recognized the importance of customers seeing value in the quality of information provided to them. Management stated that they will start annualized reviews of quality performance goals on October 1, 2015.

Regarding our calculation of disbursements at risk, management stated that our estimate was overstated, as Care Center operations only had ownership of the full range of calls in late March 2014, representing about 50 percent of the fiscal year. Management stated that only factoring in the period of April through September 2014 (compared to the full year the OIG factored into our analysis) showed:

- Sixty-four percent of quality reviews were not completed as required for FY 2014, compared to the OIG's calculation of 75 percent.
- Care Center costs as disbursements at risk from insufficient quality reviews for FY 2014 of \$447,679, compared to the OIG's estimate of \$1,051,964.

See [Appendix B](#) for management's comments, in their entirety.

## Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.

Regarding recommendation 1, we agree that the corrective actions described by the Postal Service in its comments and supported through subsequent documentation are consistent with our recommendation and we will close the recommendation with the issuance of this report.

Regarding management's disagreement with our calculation of disbursements at risk, we included the entire fiscal year in our analysis, which accounted for the difference between the Postal Service's estimate of 64 percent and our estimate of 75 percent. We disagree with management's proposal to use only the 6-month period of April through September 2014 based on the following:

- Care Centers began answering and reviewing calls in October 2013;
- Quality analysts were on board for all of FY 2014; and
- Care Center monthly quality review targets were the same for every month in FY 2014.

Per discussions with Postal Service management, we updated the "Quality of Information" data in [Table 1](#).

The OIG considers recommendations 2 and 3 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions for these recommendations are completed. These recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

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## **Appendix A: Additional Information**

### **Background**

The Postal Service developed the Care Center concept in 1996 to centralize, standardize, and improve its handling of telephone inquiries from the public. These centers should provide customers with easy access to local Post Office hours and location information, postage prices, Zone Improvement Plan (ZIP®) Code lookups, stamp sales, and tracking and delivery confirmation of Express® and Priority Mail® items.

The Postal Service originally outsourced the management and staffing of its Care Centers. The Postal Service decided to insource Care Center staffing in 2012. The decision was the result of a 2010 contract with the APWU and a May 2010 OIG report that recommended the Postal Service develop a plan for insourcing all Care Center work.<sup>12</sup> In its business justification for insourcing, the Postal Service expected this change would increase customer satisfaction and save operations costs because calls would be handled more efficiently.

The Postal Service's Consumer and Industry Affairs Department took over managing and staffing these centers in 2014, and currently employs about 1,500 agents and support staff at four Care Centers in the following locations: Troy, MI; Los Angeles, CA; Wichita, KS; and Edison, NJ. Management chose these locations based on geographic issues, such as where facility closures resulted in groups of displaced employees who could staff the Care Centers.

Residential and business customers contact the Postal Service through various toll-free telephone numbers to get information on Post Office hours, prices, or service issues; and any other postal-related inquiry. These numbers include a general information number (1-800-ASK-USPS), as well as more specified numbers. For example there is 1-800-Stamp24 for stamps; 1-800-222-1811 for domestic and international tracking; and 1-877-640-0724 for the Business Service Network. The Postal Service received over 52 million calls at its various numbers in FY 2014, with 36 million calls being processed through the automated IVR system. The IVR system allows customers to interact with a host system via a telephone keypad or speech recognition, which allows them to retrieve the answer to their inquiry by following the IVR dialogue. IVR systems can respond with pre-recorded or dynamically generated audio to further direct users on how to proceed.

The remaining 16 million calls that IVR did not process were routed to one of the four Care Centers. Most of these calls came from residential and small business customers, with the majority of them categorized as General Inquiry, Track and Confirm, and Redelivery (see [Table 2](#)).

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<sup>12</sup> U.S. Postal Service's Use of Employees in Rehabilitation Status (Report Number HR-AR-10-002, dated May 27, 2010).

**Table 2: FY 2014 Care Center Call by Type**

Call Type	Call Count	Percentage of Calls
General Inquiry	6,152	38.6%
Track & Confirm	2,800	17.1%
Redelivery	1,421	8.7%
International Track & Confirm	1,175	7.2%
Misdelivery	847	5.2%
Change of Address	838	5.1%
Hours & Locations	714	4.4%
Internet Customer Care Center Technical Support	617	3.8%
Stamps	489	3.0%
Hold Mail	386	2.4%
Inspection Service	245	1.5%
Passports	176	1.0%
Prices & Commitments	154	0.9%
Small Business	112	0.7%
ZIP Code	94	0.6%
Track & Confirm	83	0.5%
Other <sup>a</sup>	70	0.4%
Total	16,373	100%

Source: Postal Service Consolidated Reporting System.

<sup>a</sup> The “Other” category includes the following: International Pricing, SureMoney, Global Express Guaranteed, Go Post, and Business Service Network.

## Objective, Scope, and Methodology

Our objective was to evaluate the effectiveness of the Care Centers and determine whether there are opportunities for improvement. To accomplish our objective we:

- Reviewed Postal Service policies, procedures, and guidance related to the roles, responsibilities, and structure of the Care Centers, including specific details for handling calls.
- Reviewed FY 2013 and 2014 Care Center data, including the number and location of facilities; the number and types of calls; employees; customer response and resolution rates; customer satisfaction; and management’s goals, targets, and performance.
- Observed operations and interviewed staff at the four Care Centers.

- Reviewed Postal Service DRIVE initiative 25, Improve Customer Experience.
- Reviewed leading practices of comparable Care Center operations.

We conducted this performance audit from October 2014 through June 2015, in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on April 13, 2015, and included their comments where appropriate.

We assessed the reliability of call volume and financial data by extracting data from the Enterprise Data Warehouse, Genesys Interactive Insights, Consolidated Reporting System, and the Foresee - Satisfaction Enterprise Customer Care System. We compared data obtained from these systems to Postal Service management reports and discussed potential data reliability concerns with Care Center officials. We determined that the data were sufficiently reliable for the purposes of this report.

## Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact
<i>Tax Filing Season - 2014 Performance Highlights the Need to Better Manage Taxpayer Service and Future Risks</i>	GAO-15-163	12/16/2014	None

**Report Results:** This Government Accountability Office (GAO) audit concluded that, although the IRS received fewer calls in 2014, the percentage of callers who sought help and received it remained low and wait times remained high compared to prior years. The GAO recommended that the IRS benchmark phone service against best practice industry standards. The IRS disagreed with the GAO's recommendation, indicating that its operations are not comparable to those of other organizations.

<i>Customer Service Feedback</i>	NO-MA-13-001	12/17/2012	None
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**Report Results:** This management alert was a result of concerns large business mailers raised regarding mail operations' feedback system during the fall mailing season. The audit team concluded the feedback system was not designed to provide timely, well-informed feedback to customers and was not set up to provide maximum mail visibility to customers. We recommended management provide Business Service Network (BSN) representatives with training and access to Postal Service data systems and ensure that all field personnel respond to customer service requests from BSN representatives within 24 hours. Management agreed with the recommendations.

## Appendix B: Management's Comments

JAMES NEMEC  
VICE PRESIDENT  
CONSUMER & INDUSTRY AFFAIRS



May 20, 2015

Lori Lau Dillard  
Director, Audit Operations

Subject: Draft Audit Report – Customer Care Centers (Report Number MS-AR-15-DRAFT)

In response to the results of the audit of the U.S. Postal Service's Customer Care Centers (Project Number 15RG005MS000), we agree that while the Postal Service has made significant progress in managing the Care Centers, there are opportunities for improvement. We agree that the quality reviews are insufficient. However, we have determined that 64 percent, not 75 percent as indicated in your report, were not completed as required for FY 2014. Additionally, we estimate \$447,679, not \$1.05 million, in Care Center costs in FY 2014 as disbursements are at risk due to insufficient quality reviews. Management is responsive to the findings and offers the following:

**Recommendation 1:** Develop and implement controls for assuring that quality reviews are performed in established timeframes and calls are randomly chosen for review.

**Management Response:** Management agrees with this recommendation as the Quality Program described in the recommendation is in place. The Quality Program measurement system has been in place since October 2013 and fully implemented after March 28, 2014 when Convergys agents no longer supported the Customer Care Centers. Part of the Quality Program is to assign Quality Analysts a specific number of calls to review for the purpose of ensuring agents provide accurate information and that the customer has a positive experience with that agent. The Quality Program system based on parameter settings of call date, call length, agent, etc. randomly selects the call that the Quality Analyst will review.

**Action Plan:** We will continue to improve this program to ensure that a relevant statistical sample size of the total population of calls is reviewed and analyzed based on the programs standards and parameters. Quality Analyst Weekly Report, depicting productivity on completed reviews, is now provided to the care center managers and Enterprise Customer Care leadership. (Attachment A).

**Other Considerations:** The Customer Care Center operations took over ownership of the full range of calls in late March 2014, representing approximately 50% of the fiscal year. During this time, there was 14% downtime incurred due to system issues. In addition, several of the Quality Analysts (QAs) had to be repurposed to support bringing up the 4<sup>th</sup> Customer Care Center in Wichita, KS. During the timeframe from July-September 2014, approximately 20% of enterprise QA resources were supporting Wichita in Supervisory, Training or Quality activities.

Using the period from April – September 2014 as the baseline, the annual disbursement figure noted in the report is reduced by 50% or \$699,496.

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WASHINGTON, DC 20260-5600  
[WWW.USPS.COM](http://WWW.USPS.COM)

Comparing the results to the number of evaluations completed factoring in the other support work performed during this period and adjusting the target accordingly, the 75% deficiency rate is also reduced by 11% to reflect that 36% of the targeted evaluations were completed during this same period or 64% of the evaluations were at risk.

Using the April-September timeframe and adjusting for Quality Analysts doing other work in support of the customer care center, the adjusted disbursements at risk is calculated at \$447,677 as compared to the original figure provided in the report of \$1,051,964, resulting in a reduction of 58%.

The original figure provided accounts for the entire FY, whereas the adjusted totals reflect the specified timeframe above. The adjusted disbursements during such time frame are calculated at \$699,496 with \$604,287 at risk.

OIG Original	Adjusted	Delta
16 Analysts	16 Analysts	
Annual Salary = 87,437	Annual Salary = 87,437	
Annual disbursements = \$1,398,992	Annual disbursements (April – September 2014) = \$699,496	- \$699,496
Disbursements at Risk (75%- FY 14)= \$1,051,964*	Disbursements at Risk (64%- April- Sep)= \$447,677	- \$604,287

\* Based on calculations provided by OIG at 75% incompleteness rate, actual disbursements at risk are \$1,049,242 (65,742\*16\*1.33\*.75), not \$1,051,964, or -\$2,722

The instability of the Quality Program system (due to inaccurate capacity planning when the system was installed) for over four months of the year severely impacted the ability to meet our performance standards within our established timeframes. This has been rectified and will assist with the implementation of our action plan. Additionally, we intend to engage Supply Chain Management to recoup the costs due to system outages.

**Recommendation 2:** Establish a standardized, consolidated Reporting process for field supervisors.

**Management Response:** Management agrees with this recommendation as the Care Centers are committed to continue improvement of our strong reporting strategy. Managing operations in a dynamic, ever changing environment such as a Care Center, involves many types of reporting; real time reporting (30 minute incremental reporting of volumes, call types, etc.), consolidated performance reports (Monthly Operations Review), forecasting volume (Weekly Capacity Planning), and historical trend reporting just to name a few. These reports are in place and assist with a 'complete review of call center performance' which allows management to drive process and operational improvements. The challenge is to create a consolidated, standardized report to improve employee performance management and monitoring at the Centers.

**Action Plan:** Continue to improve our reporting strategy by ramping up our Consolidated Reporting System (CRS) which is a repository of information that is fed by the many Customer Care Center systems

as well as feeds from other USPS systems of record. We recognize that we are challenged in the area of creating an overall picture of the agent for field supervisors for these reasons:

1. The high cost and extended development time to integrate systems relating to agent performance such as IWS, TACS, ERMS, GQM, Skills Assessor, etc. to provide consolidated reporting, or one stop shopping for agent information.
2. Performance measurement (productivity) constraints by the APWU.

In our continuous improvement of our reporting strategy we will standardize the elements that will be used throughout the enterprise to create a report that will assist with improving "employee performance management and monitoring" by our Customer Care Center management.

**Recommendation 3:** Develop a quality of information performance goal.

**Management Response:** Management agrees that this recommendation and will stress the importance of the existing goal to the employees of the Care Centers. Currently the performance metric is a weighted element in the 26 item Quality Scorecard (Did the agent provide complete and accurate information?) This item is heavily weighted which if the agent doesn't meet the criteria they will fail the evaluation. The agents are allowed to see what is expected in that category, what they received in that category and the reason why the element received a failed rating.

**Action Plan:** We will continue to develop criteria for the 'complete and accurate' category of the Quality Scorecard and periodically review the weighting for that element on the Quality Scorecard. In addition, in response to the recommendation above, we will create a metric that uses this element to assess overall Care Center performance.

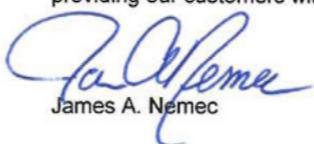
**Other Considerations:** The USPS measures the quality of the customer experience from two sources:

1. Quality Analyst Reviews
2. External Customer Satisfaction Surveys/Agent Satisfaction

It is most important that the customer sees value in the quality of the information provided to them. The external surveys show a positive agent satisfaction score that speaks to the quality of information provided to our customers represented by three questions in our agent satisfaction surveys:

- |   |       |
|---|-------|
| • Agent knowledge of Products and Services: | 69.7% |
| • Agent Provided Accurate Information:      | 69.2% |
| • Agent Understood my Issue or Concern:     | 79.6% |

In closing we appreciate the USPS OIG acknowledging that the Customer Care Centers are a nascent organization, utilizing a repurposed staff with little exposure to technology, and little customer service experience. Quality in overall Care Center performance, in providing accurate information to customers and quality in our agent performance is of utmost importance in the success of our Centers and in providing our customers with a positive customer experience.



James A. Nemec



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