Massachusetts Bay Transportation Authority

Innovation Proposals – Call Center

FMCB

October 2016

Goals for Flexible Contracting

massDOT
Massachusetts Department of Transportation
Rail & Transit Division

- **Focus on Core Mission:** Control operating costs in non-core areas (including long term pension and retiree hea...

- **Customer Service Improvement:**

- **Technology:** Partner with firms wh... contemporary technology and fre...

- **Speed:** Improve agility or reduce ...

- **Flexibility:** Improve ability to resp...

- **Scalability:** Improve efficiency by ... services quickly – create more var...

- **Business Risks:** Reduce business r...
- **Integration:** Collaborate with best...

Confidential DRAFT ...

Initial Focus: Corporate Services

massDOT
Massachusetts Department of Transportation
Rail & Transit Division

- Automated Fare Collection Technology and Cash Handling Operations
- Marketing Communications (Charlie Store retail operations, Marketing and Web Services, Call Centers)
- Materials Management and Warehouse Logistics
- Third Party Administration of Employee Leave Deferred Compensation Programs
- Cleaning and Elevator Maintenance (currently outsourced)
- Transit Police Dispatch
- Telecom Spend Management

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Call Center Innovation Proposal
Unsolicited proposal for Customer Call Center services received 10/24/2016

- We received an **Innovation Proposal** that expressed interest in **providing call center services** currently performed by MBTA's Customer Communications Department

- Proposal received from a call center provider:
  - › **Proposed transition to cost per call or cost per minute model**
    - » $1.00-$1.35 cost per minute (Indicative pricing from proposal, actual pricing developed through competitive process)
    - » MBTA average call time ~2 minutes; result is ~$2.00 - $2.70 per call
    - » Current fully loaded MBTA cost per call is ~$10
  - › Contract performance metrics will include quality and cost
  - › **Improved technology** to reduce call volume handled by agents, **increase self-service opportunities**

MBTA currently reviewing its current Customer Communications Department operations to evaluate the opportunity

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Corporate services modernization
Customer Call Center

1. Leverage state-of-the-art call center technologies

- Potential to implement voice recognition software, improve call routing, and other advances

- Technological improvements will continue to reduce call volume

  › Mobile applications and improved automated call services reduce need for call center representatives

2. Cost per call payment model allows call center capacity to adjust based on customer demand

- Cost per service model will allow MBTA to flexibly scale operations to future demand

- Call center will be able to meet demand peaks during service disruptions, emergencies, and weather disruptions

3. As technology improves and call volume drops, cost per call will increase without staff reduction on current fixed cost model

- We have seen this in the past four years with improvement of technology integration (e.g. Google Maps integration with APIs)

4. MBTA will shift internal focus to customer complaint resolution and service delivery improvement

Corporate services modernization
Public and Private Sector Both Utilize Outsourced Customer Care Services

The RIDE

NORTH TEXAS TOLLWAY AUTHORITY
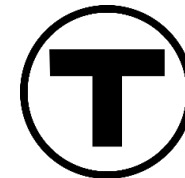
Corporate services modernization
A Robust Market Exists For Third Party Customer Experience Providers

Agency		Vendor
	Metropolitan Washington Airports Authority	Faneuil
	Virginia D.O.T.	Faneuil
	North Texas Tollway Authority	Faneuil
	Orange County Transportation Authority	Alta Resources
	WMATA - SmarTrip	Cubic
	Nassau Inter-County Express	Transdev
	MBTA –The RIDE	Global Contact Services
	Massachusetts Health Connector	Dell
	MassHealth (CHIP, Medicaid)	Maximus

Call Center Background
Key activities and purposes

- **28 employees: 4 management, 4 supervisors, 20 customer service representatives**

- **Respond to inquiries from a variety of sources: calls, emails, online forms**

- **Receive calls in English, Spanish, Chinese, Haitian French Creole, Cape Verdean Creole**

  › ~2-3% of calls are non-English; Less than ~0.1% of all calls are neither English nor Spanish

- **Respond to inquiries about services, schedules, and trip planning**

- **Record, communicate, and resolve customer complaints**

  › Work with other departments to communicate and act on complaints

  › If complaint registers as an emergency (e.g. erratic driving, need for police action), operations departments are notified immediately

- **Provide information to those who cannot access it in other forms**

  › Some users cannot use alternative services (e.g. internet) because they either do not have access to a smartphone/internet or have visual/cognitive impairments which prevent them from using such services

- **Acts as the main switchboard for MBTA**

- **Ancillary activities**

  › Support Charlie Card services

    » Refunds: Work with AFC to process forms

    » Card consolidation: Process forms for combining multiple Charlie Tickets onto one ticket

  › Provides translation services to other MBTA departments

Call volume by type
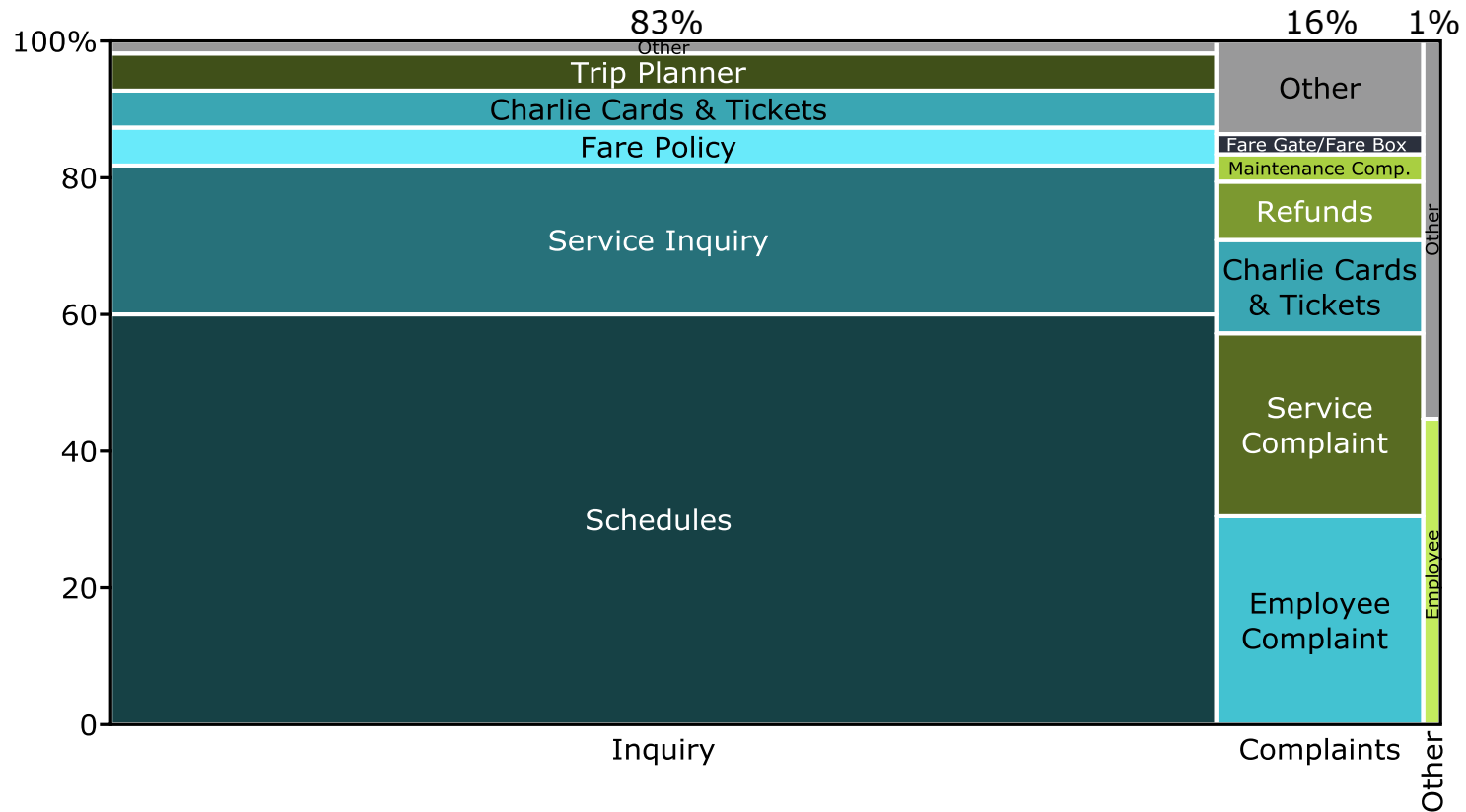
Total incident volume down 25% from FY13-FY16

Incident volume, FY13-16
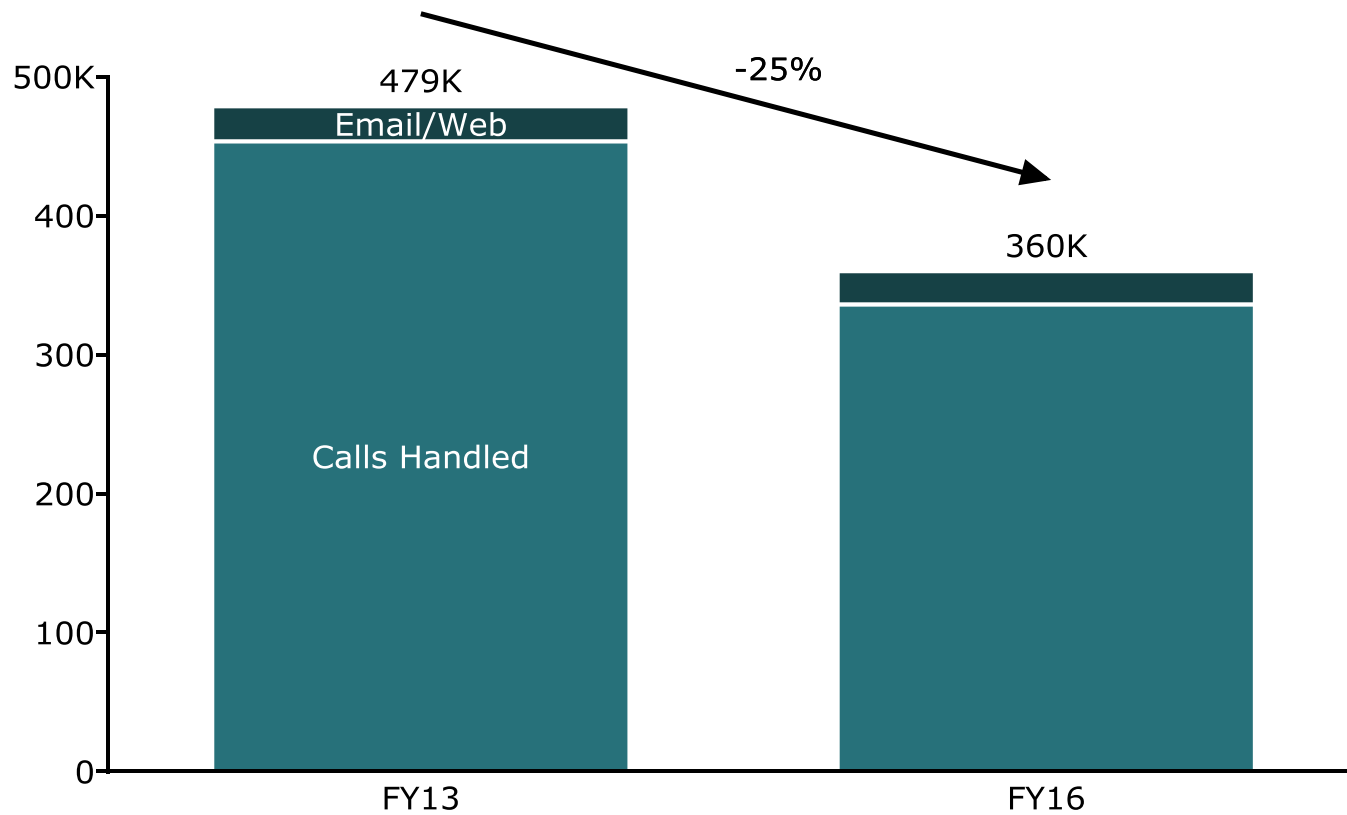
Call Center Operating Costs
Expenses have not matched changes in volume, grew 6% from FY13-16

Customer Communication Expenses
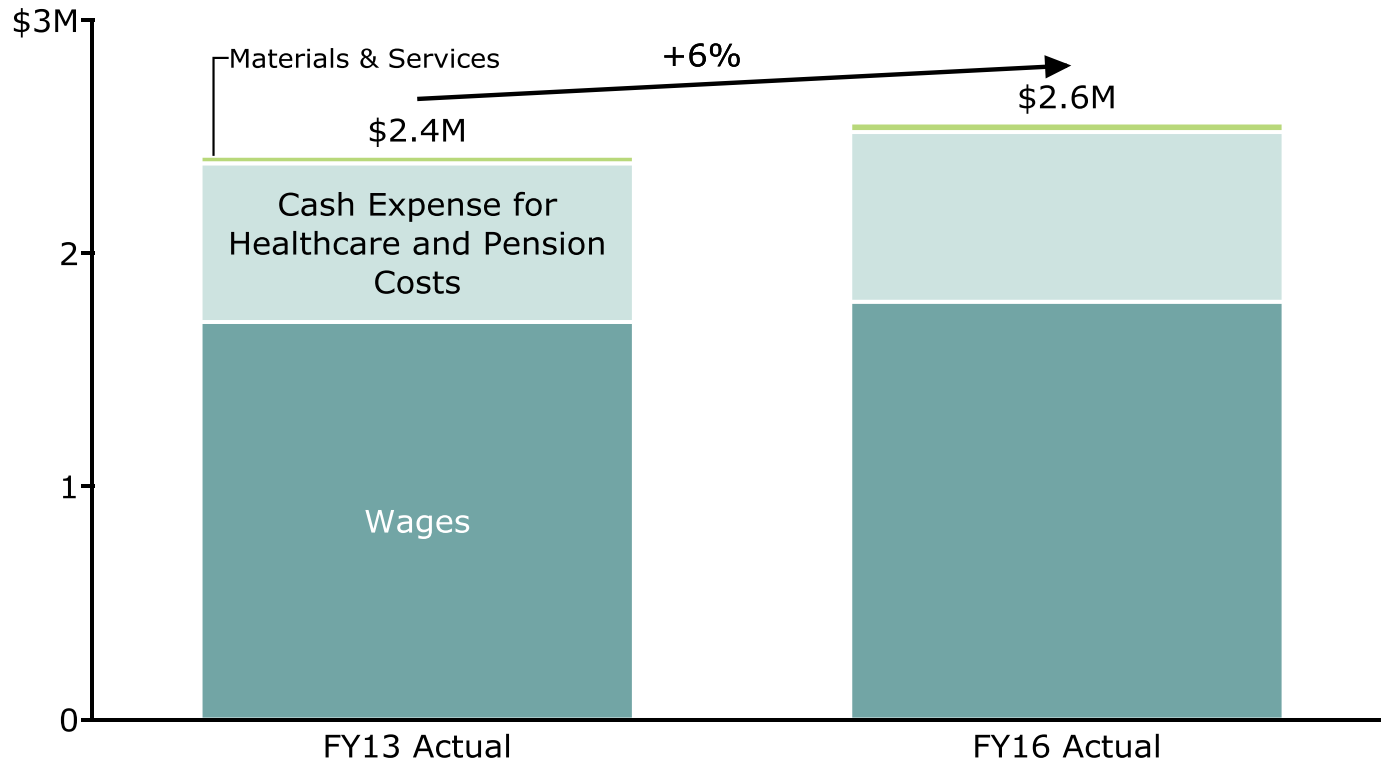
*Incidents includes all calls received (calls handled plus abandoned calls) and all email volume

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Call Center Operating Costs
Fully loaded FY16 call center expenses totaled $3.6M

FY16 Expenses

$4M

$0.19M

$0.84M

$3.59M

Materials & Services

$2.56M

Cash Expense for Healthcare and Pension Costs

3

2

Wages

1

0

FY16 Actual

Retiree Healthcare (Present value if fully funded)

Pension (Present value of likely true pension costs)

Total fully-loaded costs
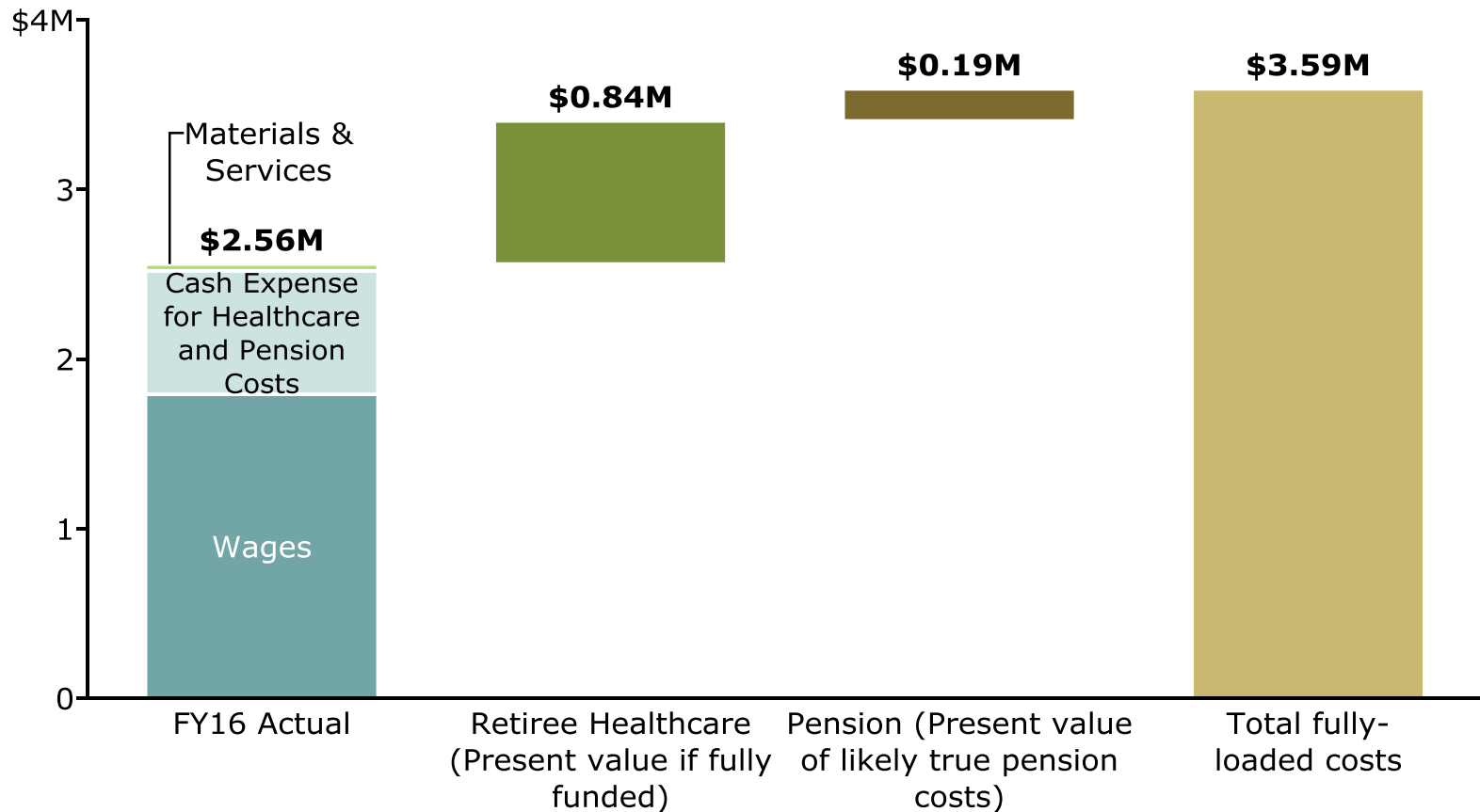
Note: Same methodology used as KPMG outlined in Money Room Review

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Operating Efficiency
Fully loaded cost per incident has risen ~41%

Fully loaded cost per incident*, FY13-FY17

+41%

$10/call

$9.99

$7.08

8

6

4

2

0

FY13 Actual

FY16 Actual
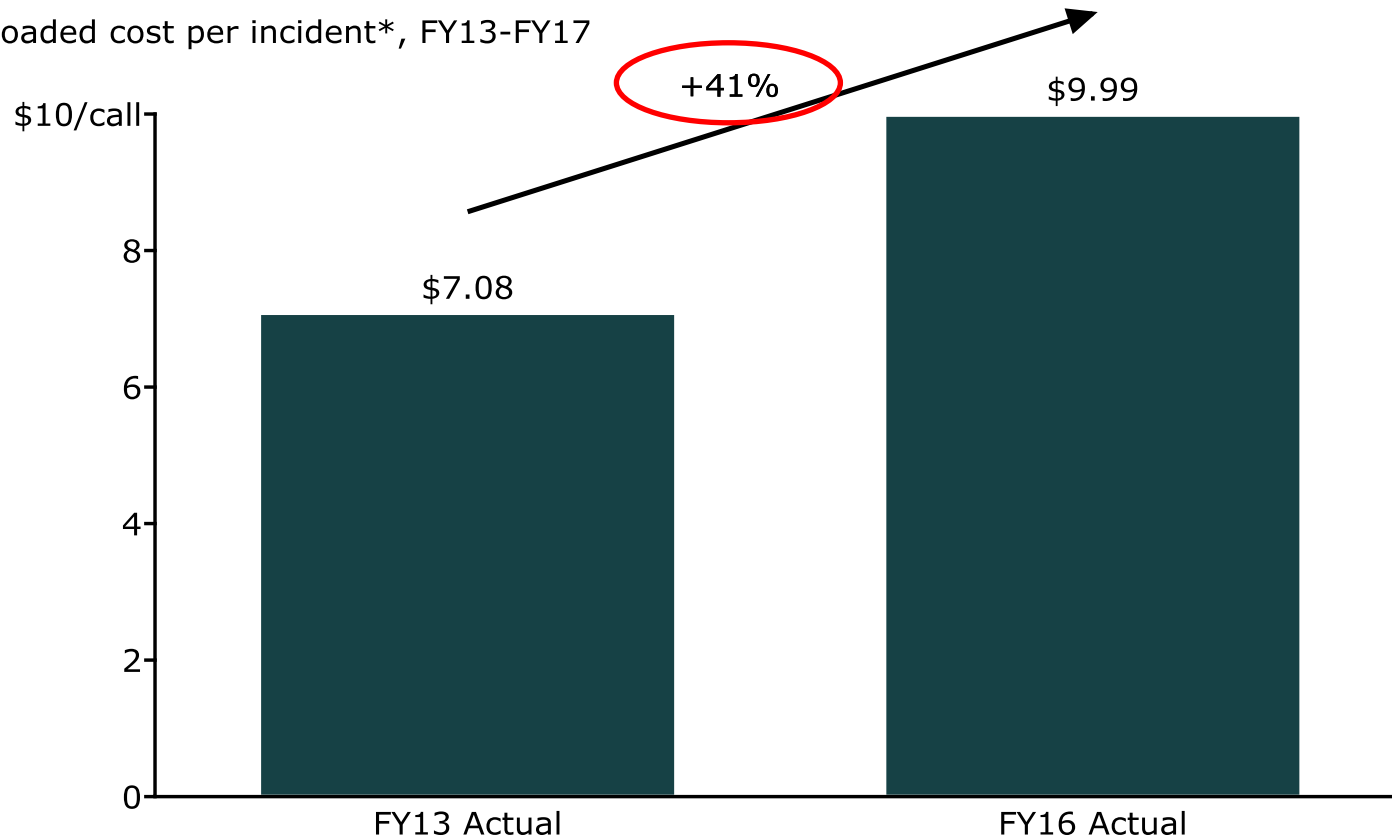
*Incidents include calls handled and all email volume
^Direct costs per incident include customer support representatives and supervisors salaries, materials, services, and
    allocated IT spending

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Operating Efficiency
There are currently 28 employees in the Customer Communications Dept.

COUNT

MANAGEMENT — Director — **4**

Deputy Director (TEA) | Analyst (L453) | Executive Assistant (TEA)

SUPERVISORS — Supervisor (STW) | Supervisor (STW) | Supervisor (STW) | Supervisor (STW) — **4**

REPRESENTATIVES — **20**

Call Center Rep (L453)	Call Center Rep (L453)	Call Center Rep (L453)	Call Center Rep (L453)
Call Center Rep (L453)	Call Center Rep (L453)	Call Center Rep (L453)	Call Center Rep (L453)
Call Center Rep (L453)	Call Center Rep (L453)	Call Center Rep (L453)	Call Center Rep (L453)
Call Center Rep (L453)	Call Center Rep (L453)	Call Center Rep (L453)	Call Center Rep (L453)

Executive
Union

What is the right organization structure for Complaint Resolution Department?

FOR DISCUSSION

COUNT

MANAGEMENT

Director

3?

Deputy Director

Analyst

COMPLAINT RESOLUTION EXPERTS

Complaint Resolution Expert

Complaint Resolution Expert

Complaint Resolution Expert

3?

Executive	
Union	

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Operating Efficiency
Partnering with 3rd party could provide MBTA with better technology, more service

MBTA COULD PARTNER WITH 3RD PARTY TO IMPROVE AUTOMATION

Call types (FY16 Full Year)

- Other 32%
- Service Inquiry 18%
- Schedules 50%
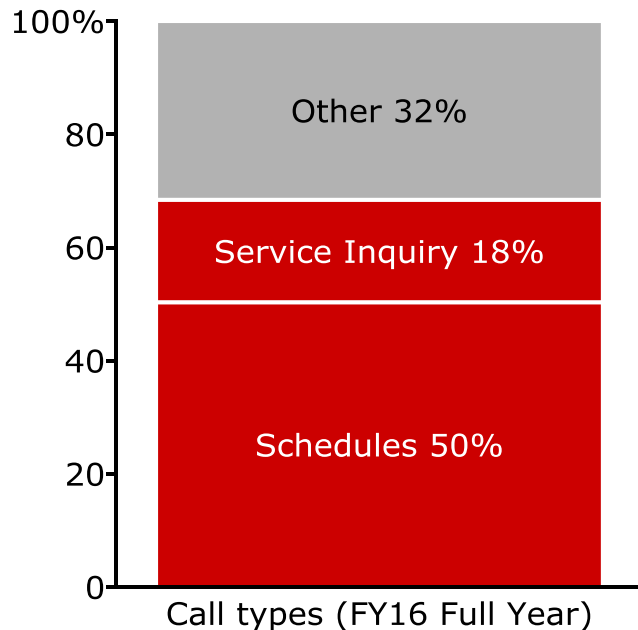
~70% of calls have high potential for automation, either through call center or online/app access

3rd PARTY PROVIDER COULD ALLOW MBTA TO COST EFFECTIVELY EXPAND SERVICE

- Expanded hours and flexible coverage
- Expanded backup and disaster recovery
  - > Better equipped to respond to weather disruptions or other events
- Increased self service options
- Cost effective access to latest call center technologies
  - > Share cost of technology with other customers of service provider

Operating Efficiency
Previous improvements in technology have reduced MBTA call volume

Calls Handled by Month

Total cost to MBTA

Savings of 70% for call center operations
Overall dept. savings of 50%

$3.6M

MBTA Call Center Operations $2.6M

MBTA Management and Complaint Resolution $1.0M

Fully-Loaded FY16 Actuals

$1.8M

Third party provider $0.8M

MBTA Management and Complaint Resolution $1.0M

Forecast Third Party Provider

Estimated 360,000 calls at $2.35 per call*

Pending management structure of complaint resolution department

*$2.35 per call measure assumes midpoint of cost range ($1.00-$1.35) in unsolicited proposal

Operating Efficiency
Cost per incident: MBTA has potential to save 50%+ on its Customer Call Center

Fully-loaded cost per incident

Savings of 70% for call center operations

Overall dept. savings of 50%

$9.99

$10/incident —

MBTA Call Center Operations
$7.32

$5.01

Third party provider
$2.35

MBTA Management and Complaint Resolution
$2.66

MBTA Management and Complaint Resolution
$2.66

Pending management structure of complaint resolution department

Fully-Loaded FY16 Actuals

Forecast Third Party Provider
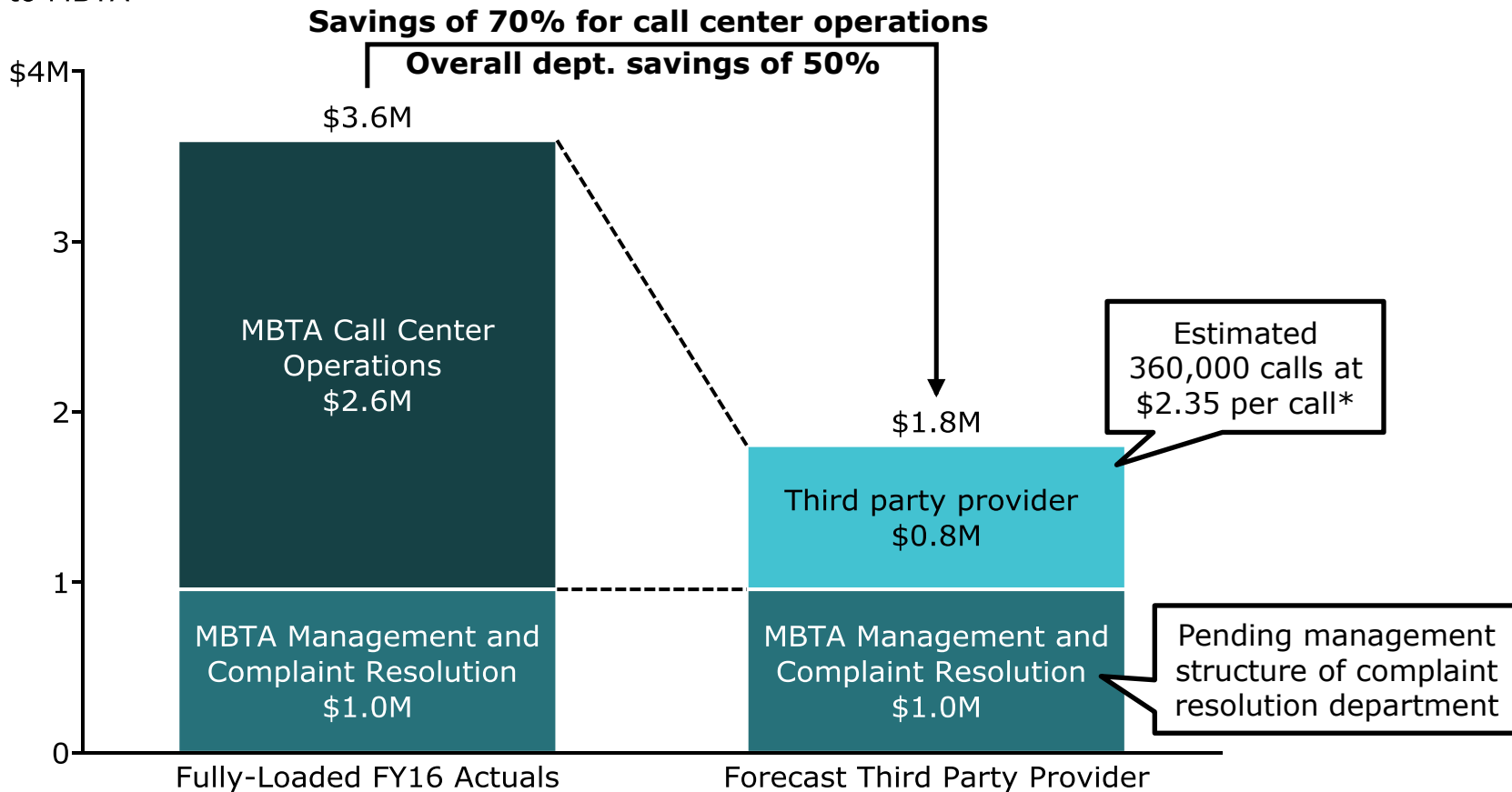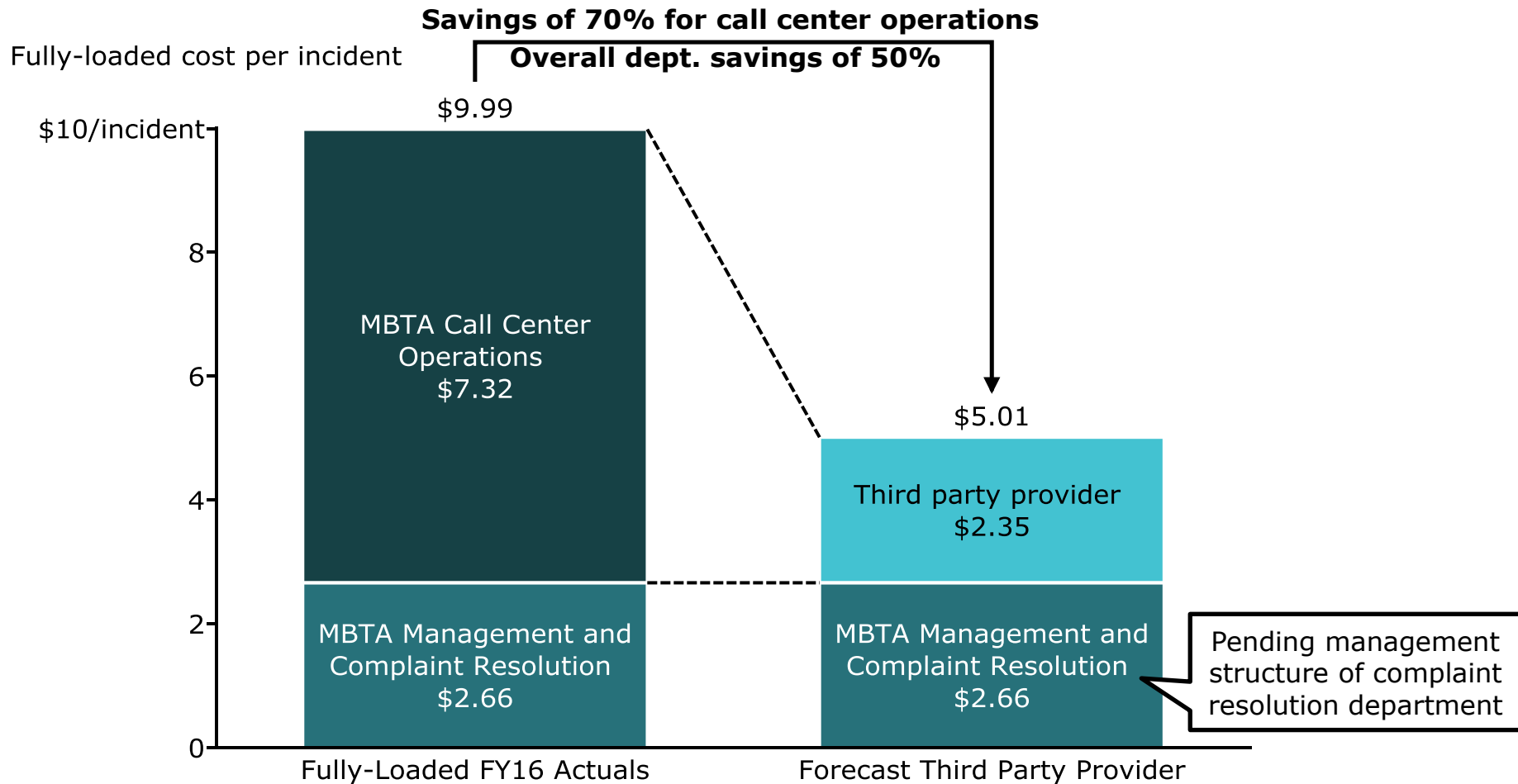
*$2.35 per call measure assumes midpoint of cost range ($1.00-$1.35) in unsolicited proposal

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1. **Discuss with FMCB**

2. **Proceed with RFP or request a Detailed Proposal**

   › If RFP, prepare and release to further test the market for customer contact solutions

3. **Analysis on complaint resolution management structure** for best-in-class customer experience

4. **Identify strategy** for seamless integrated customer experience

Appendix

Call Center functions

Some brief inquires

Calls (IVR/Avaya)

General Inquiry:
- Schedules
- Trip Planning
- Fare Info

"Happening now" emergency situation:
CC supervisor contacts OCC or TPD for immediate action

Closed immediately

Require resolution

MBTA customer

Email, Fax, Web, Walk-In

Manual entry into Heat System

Complaint emailed to department (Generated from Heat)

Departments without Heat access

Departments with Heat access

Complaint resolved

Resolve and enter into Heat

Email sent to Call Center

Complaint closure and final customer communication

Manual entry of resolution info to Heat

Outsourced

Future customer experience focus

Some brief inquires

General Inquiry:
• Schedules
• Trip Planning
• Fare Info

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Call Center Background
Call Tree

IVR Main Greeting:
English - Press 1
Spanish - Press 2

All English options are also available in Spanish (except Service Alerts)

Press 1 - Service Alerts
Press 2 - Subway, Bus, Boat
Press 3 - Commuter Rail

1 - IVR Transfer to automated Service Alerts

2 - ACD

3 – Transfer to Keolis

Option 1
MBTA Schedules, Travel Directions, Fare Info

1a. Subway, Bus, Ferry – Schedule Info
1b. Commuter Rail Schedule Info
1c. Travel Directions
1d. Fare/Charlie Card Info
1e. Corporate Pass, Internet Sales
1f. All Other Info/ Representative

1c, 1c, 1d, 1f Transfer to Call Center representative

1b Transfer to Keolis

1e Transfer to Charlie Card Services

Option 2
The Ride, Reduced Fare, Disabilities

2a. The RIDE
2b. Reduced Fare Info 2c. Lost Senior ID/Tap 2d. Representative

2a Transfer to The RIDE

2b, 2c, 2d Transfer to Call Center Representative

Option 3
Boston Public Schools

Recording and Representative

Option 4
Comments and Concerns/ Representative

4a. MBTA Subway, Bus, Ferry Comments
4b. Commuter Rail Comments
4c. Elevator/Escalator Status
4d. Administrative Offices

4b Transfer to Keolis

4c Transfer to Elevator/Escalator Updates

4a, 4d Transfer to Call Center Representative

Legend:
- Call Center
- Keolis
- Automated/Other MBTA

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