Industry
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CalPERS

Introduction

The California Public Employees' Retirement System, or "CalPERS", is the nation's (U.S.) largest public pension fund, and third largest in the world, with $170 billion in assets. CalPERS is a defined benefit retirement plan and manages pension and health benefits for more than three million California public employees, retirees, and their families.

Business Problem

CalPERS needed to prepare for the approaching "wave" of baby boomer retirees and streamline its customer service processes to support its expanded services offerings. As the services offered to members expanded, the process of providing customer service became increasingly more complex. Customer service agents often managed and hopped between as many as ten different applications in response to a telephone inquiry.

CalPERS' core benefits system runs on a high-performance, mainframe-based platform. Many new client/server based applications had been added in recent years to support the variety of processes and record keeping. As a result, the learning curve for new agents was growing. The manual process of toggling across multiple mainframe screens and duplicate data entry was less than productive.

Project Goals

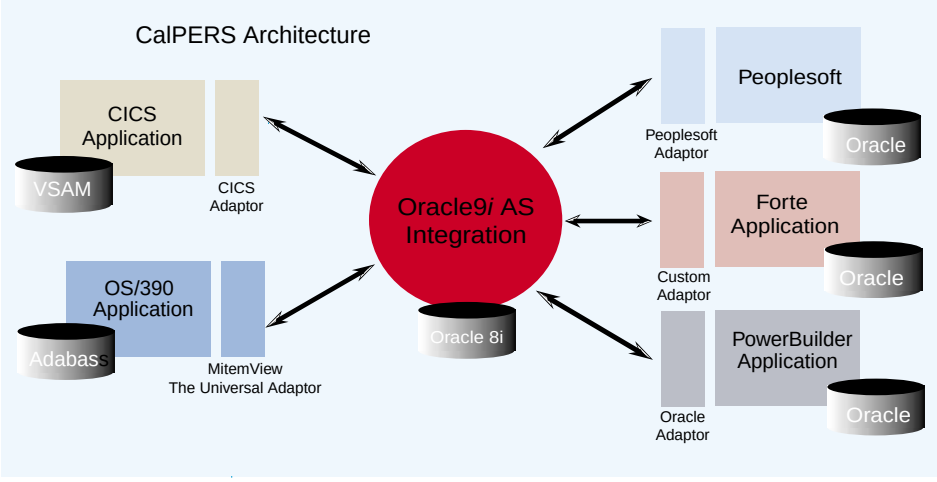
In the fall of 1998, Barbara Hegdal, Assistant Executive Officer at CalPERS, commissioned a project for the Member and Benefits Services Branch to improve the operational needs of its employees, and ultimately the service level to its members.

"We wanted to create an environment that would provide the best quality service at the initial point of contact. CalPERS members have high service expectations and deserve excellent service levels," said Hegdal.

To improve customer service and the operational needs of its employees, CalPERS required a high performance and non-invasive legacy integration solution upon which user friendly, composite applications could quickly be developed.

Implementation

In 1998, CalPERS began a series of technology initiatives to improve the quality of service to its growing membership. The first of these initiatives, named "SmartDesk", went live in 1999. SmartDesk is a composite application that integrates and consolidates multiple applications that are client/server or mainframe based. It greatly simplifies the work process for users because service representatives can access multiple systems through one application rather than toggling through many screens. Requests for information come back with one screen containing all the data requested.



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"Nearly every member's request involves looking up some piece of legacy data. Having this crucial Mitem*View* link available to many more employees will help us realize enormous gains in productivity at less cost. Mitem*View* is also highly adaptive to new infrastructure requirements as we grow, and gives us the ability to quickly deploy additional composite applications that are user friendly and can further reduce costs."

Tim Garza - CalPERS

"The SmartDesk design was very customer centric," said Frank DeYoung, supervisor of the Benefits Service Division's Call Center. "We knew that when agents had to skip from application to application, and rekey social security number and other member information, it was less than an efficient process and prone to user error," said DeYoung. "For example, our staff uses a minimum of ten different applications during a normal workday. Before SmartDesk was implemented, an address change required an agent to perform three distinct steps with many system interactions, most of which involved duplicate data entry and look-ups of member information."

The integration of the mainframe-based core benefits system into SmartDesk posed a difficult challenge to the project team. The IT staff at CalPERS had considerable experience with several RPC - based technologies and HLLAPI screen scraping. The success or failure of SmartDesk would be based on the overall performance, reliability, and construction time for the new application.

After the project team conducted several feasibility tests, it was concluded that none of the more familiar technical approaches worked. "The RPC approach did not lend itself to the rapid application development methodology we had chosen for the project," explained Clyde Blaisdell, technology architect for SmartDesk. An alternative technology, Mitem*View*, was selected. "The event-driven characteristics, performance, and non-invasive nature of Mitem*View* made it the logical choice for our project," said Blaisdell.

Each SmartDesk client has a Mitem*View* desktop that provides the legacy integration capability that enables each SmartDesk user to directly access the OS/390 mainframe data they frequently need.

Moving up the Integration Ladder

Building on the success of SmartDesk, CalPERS's newest technology initiative involves a server-based solution. Using Oracle 9*i*AS as the integration foundation, CalPERS recently expanded their integration infrastructure and extended the SmartDesk application throughout the enterprise. In the first phase, each SmartDesk client had a Mitem*View* desktop that enabled it to access the mainframe.

In the second phase, Mitem*View* is built into an Oracle adapter and is used at the server level. Thus, any client plugged into the Oracle infrastructure can tap into the Mitem*View* server for direct mainframe access.

"We decided to expand our integration initiatives with the leading-edge Oracle 9*i*AS, however, Oracle couldn't talk directly to the mainframe. Therefore, we extended our use of Mitem*View*, elevating it to a server level application, so that everyone connected to Oracle could easily access vital mainframe data through Mitem*View*," said Tim Garza, chief, Enterprise Modeling and Management.

Results

Since deployment of the SmartDesk / Mitem*View* application, CalPERS has reported these results:

- Increased overall effectiveness of operational processes by 20 percent and created a more robust customer relationship management environment.
- SmartDesk reduced average call duration time from 6 1/2 minutes to 4 minutes - a 39% reduction.
- SmartDesk reduced system navigation time for end-users by 30 percent and customer service representative training time by 30 percent.

With the expanded Oracle 9*i*AS infrastructure, CalPERS has achieved two key objectives. They provided users with one integrated view of all the organization's disparate systems and applications and secondly, everyone on the new enhanced Oracle system has direct mainframe access to tap into legacy data. CalPERS estimates that MITEM's rapidly deployed, non-invasive solution reduced average application development time by 25 percent.

Currently, 400 CalPERS users are fully deployed on the new system. Ultimately this will be expanded to CalPERS' entire user community of 1200 to further streamline internal processes that will increase service levels and continue to meet the expectations of its growing membership.