



UI Modernization

**The New Jersey Experience
NASWA Annual Conference
September 15, 2008**

Agenda

- History
- Objectives
- Project Accomplishments
- Self Service Initiatives
- Lessons Learned
- Going Forward

Project History



STATE OF NEW JERSEY

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Project History

- In 2001, New Jersey Department of Labor and Workforce Development (NJLWD) committed to modernizing its Unemployment Insurance (UI) benefit delivery process and technology in order to provide the best possible customer service.

Project History (continued)

- UI's current mainframe system, LOOPS (Local Office Online Payment System), is more than 25 years old and imposes serious limitations on the efficient and effective delivery of UI services.
- The system uses a COBOL platform and does not provide flexibility.
- Ancillary systems are not integrated.
- The system's inadequacies can cause delays in paying UI benefits and prevents staff from providing timely and complete claims information to customers.

Project History (continued)

- **June 2002** NJLWD issued a Request for Proposal (RFP) seeking consultant services to assist us in mapping our strategy for optimizing business processes and modernizing the systems that support these processes.
- **November 2002** PA Consulting began work on the strategic plan for building a new, comprehensive UI benefits system: the New Jersey State Unemployment Compensation Claimant and Employer Service System (NJ SUCCESS).

Project History (continued)

- **October 2003** NJLWD issued an RFP for project services and a Validation, Verification and Testing (VV&T) vendor.
- **November 2003** NJ awarded a five year contract to Tier Technologies to assist with writing the RFP for the design, development and implementation (DD&I) of NJ SUCCESS and to assist with project oversight.
- **November 2004** The RFP for the DD&I vendor was published.

Project History (continued)

- **August 2005** A four-year contract was awarded to Accenture LLP on for the Design, Development and Implementation of NJ SUCCESS for New Jersey Department of Labor and Workforce Development.
 - The contract was for the delivery of an integrated technological solution for New Jersey's unemployment Insurance (UI) benefits system for a firm, fixed price.
 - The contract provided for the delivery of the completed system and full functionality; it did not provide for phasing in of functionality.

Project History (continued)

- **April 2008** NJ SUCCESS functional design was completed. At that time, NJLWD was facing circumstances that made it advantageous to have some of the functionality of NJ SUCCESS available more quickly. Those circumstances included:
 - An increase in the unemployment rate
 - Under-funding of UI administration requiring doing more with less.
 - A possible Federal extension of benefits
 - A state early retirement incentive program which would result in loss of personnel

Project History (continued)

- **June 2008** As a result of these circumstances, the original DD&I contract was amended to allow a phase-in of select, critical functionality covered under the contract that, according to current projections, could not be delivered prior to April 2010. The focus of the modernization was then centered on the Self Service Initiatives (SSI).
 - The Self Service Initiatives, in three releases, will permit the early delivery of the virtual call center for claims taking, web claim filing without UI agent intervention and bi-directional electronic transmittal of employer forms.
 - This early deployment of specific functionality will assist LWD to more quickly meet significant program performance improvement metrics, improve customer service delivery to both claimants and employers and address a staff shortage by allowing more claims to be processed by fewer agents.

Project History (continued)

- The contract amendment also provides for the vendor's assessment of the project that will include:
 - Analysis of the functional design document
 - Assessment of the current UI application's design, maintainability, operations and support (technology)
 - Assessment of current functional state of the application (business requirements)
 - A recommendation of how we should continue with NJ SUCCESS after the Self Service Initiatives have been completed.

Project Objectives



STATE OF NEW JERSEY

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Project Objectives

- The primary objective of the UI Modernization project is to redefine the unemployment insurance business model to support the needs of NJLWD customers in today's environment, while anticipating future growth and change.
 - Improve service delivery by revolutionizing unemployment insurance services, while maintaining the integrity of the Trust Fund.
 - At each point of customer contact, we will provide a fair, friendly and high quality service to every member of the workforce community (claimants, employers and workforce partners).

Project Objectives (continued)

- **For claimants**, we will help them focus on reemployment by making the claims process timely, efficient, and informative. We will also help them to access related government services by improving referrals from UI, in partnership with the workforce community.
- **For employers**, we will simplify correspondence and improve our responsiveness. We will treat employers as partners in the provision of unemployment insurance.
- **For staff**, we will empower them to deliver superior service by ensuring a stable work environment, creating equal opportunities for career growth and providing appropriate tools and training to do the job. We will treat our employees with the same professionalism and respect they are expected to share with every UI customer.

Project Objectives (continued)

- The Project includes the redesign and reengineering of all unemployment insurance business processes and technical systems with the following goals:
 - Optimize staff resources by balancing workload across the state.
 - Communicate clearly, in a way the customer will understand – including the language they understand wherever possible.
 - Streamline communications using modern tools and encourage customers to use the same tools, particularly employers.
 - Where needed, redirect inquiries to the right person to resolve a problem, first time.
 - Improve responsiveness to customer (whether claimant, employer, or internal agency) needs.
 - Treat our customers with respect and not as numbers.
 - Get accurate data from the start – and reuse it to avoid re-keying.
 - Employees will have access to all of a customer's non-confidential data (via their case file).

Project Objectives (continued)

■ Goals: (continued.)

- Apply rules fairly and consistently and maintain regard for due process.
- All new processes and systems must be flexible and easy to change.
- Access to UI is available 24/7.
- Ensure that staff have the tools and training they need to succeed.
- Make the Division of UI a fulfilling place to work.
- Provide a career path to employees.
- Use tools effectively to enable performance management, development and policy improvement.
- Ensure that staff have the knowledge, tools and support necessary to deliver the best service possible.
- Ensure that state involvement occurs during entire lifecycle of project so that technical knowledge transfer occurs enabling the state to support and maintain the system on their own after full implementation.

Project Objectives (continued)

■ Goals: (continued.)

- Maintain equally the integrity of systems, processes and finances.
- Maintain the integrity of the trust fund.
- Support initiatives led by our workforce partners through close co-operation and data-sharing.
- Ensure that claimants are aware of reemployment and other related services as early as possible.
- Prevent incorrect payments, before they happen.
- Allow our UI employees to create their own management reports.
- Promote customer self-service (via phone, web or email), while preserving in-person service for those who need it.
- Deliver timely, seamless service without sacrificing quality.
- Provide superior customer service.

Project Accomplishments



STATE OF NEW JERSEY

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Project Accomplishments

- **Direct Deposit** — This allowed claimants the option of having their Unemployment benefits directly deposited into their bank account.
 - This reduced the opportunity for checks to be stolen.
 - It allows claimants to receive the funds much more quickly.
 - It reduced requests for State personnel to track missing funds
 - It also increases the availability of State personnel for other tasks.

Project Accomplishments (continued)

- **Digital Recording** - All Claims Examiners' fact finding and Appeals Examiners' hearings are now digitally recorded.
 - This allows the original Claims Examiners' hearings to be available for review prior to an Appeal Hearing.
 - This also allows the original Appeal Hearings to be available for review prior to Board of Review Hearings.
 - It reduces operator errors.
 - It increases accuracy and efficiency, and provides improved customer service.

Project Accomplishments (continued)

- **The Completion of Functional Design** – This process resulted in the creation of a blueprint for the entire design of NJ SUCCESS.
 - It also provided an outline of our current operating systems
 - Resulted in the creation of a data library.
 - It resulted in the creation of foundational Business Rules and Use Cases, which detail the specifics of how UI conducts business.
 - It will serve as the springboard for the coding of NJ SUCCESS.

Project Accomplishments (continued)

- **Virtual Call Center** – Three independent Call Centers were combined to create one virtual call center, which will evenly distribute incoming calls to available agents throughout the State.
 - This will significantly reduce the amount of time claimants wait to speak with an agent.
 - This allows all agents to take both intrastate and interstate claims.
 - It will reduce the costs associated with supporting and maintaining multiple physical Call Centers.
 - It improves customer service.

Self Service Initiatives



STATE OF NEW JERSEY

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Self Service Initiatives

- What are the Self Service Initiatives?
 - Release 1 – The Virtual Call Center
 - Release 2 – Web Claims without Agents
 - Release 3 – Bi-directional Communications
with Employers

Release 1 - Virtual Call Center

- Currently NJ has three distinct Call Centers
- Release 1 Objectives
 - Improve customer service by distributing the workload evenly throughout the state
 - One queue for the entire State (centralized call distribution)
 - Customer gets the next available agent
 - Decrease wait time
 - Consistent claim processing throughout the State
 - Provide centralized management system

Release 1 Virtual Call Center

■ Objectives (cont'd.)

- Reduce the cost and staff support required to maintain the telephony environment
- Decrease maintenance costs
- Software updates and changes need to occur in only one switch
 - Vector changes
 - Messaging
 - One database

Release 1 – Virtual Call Center

- Business Value
 - Consolidated Database
 - Auto Scheduling
 - ID tracking on Claims
 - Auto fill of mailing address
 - Allowing out of state zip codes to be processed

Self Service Initiatives Schedule

Release 1 – Virtual Call Center

- Design and Development
 - May 1, 2008 – June 9, 2008 **(Completed)**

- Hardware and Software Deployment
 - May 13, 2008 – August 8, 2008 **(Completed)**

- System test
 - May 13 – July 9 **(Completed)**

- Implementation
 - August 22, 2008 - Virtual Call Center **(Completed)**

Release 2 Web Claims without Agents

- Currently, each claim filed by Internet must be handled by an agent.
- Release 2 Objectives
 - Decrease the amount of phone calls by increasing web usage
 - Ability to process some web claims without agent intervention
 - Integrate new NJ SUCCESS web screens with the legacy RCC application that transmits those claims to LOOPS.
 - Provide the ability to schedule appointments
 - Ability for proofed claimants to view employer data, as well as their weeks and wages
 - Provide an Interface with O*NET auto coder to improve occupational coding

Release 2 Web Claims without Agents

Release 2

- Design and Development
 - May 1, 2008 – July 15, 2008 (Completed)

- System Test
 - June 4, 2008 – November 3, 2008

- Implementation
 - November 20, 2008

Release 3 Bi-directional e-Communications with Employers

- Currently, employer e-communication is only outbound.
- Release 3 Objectives
 - Develop a method for employers to communicate with us electronically regarding separation issues (using UI SIDES specifications).
 - Develop a document management system and library to process the responses and store the records.
 - Develop workflows and procedures for efficient distribution of the work so that all issues are addressed and adjudicated timely.

Self Service Initiatives Schedule

Release 3

- Functional Design
 - June 4, 2008 – June 20, 2008 (**Completed**)

- Technical Development
 - July 15, 2008 – October 31, 2008

- System Test*
 - June 20, 2008 – December 31, 2008

*Includes Planning

- Implementation
 - February 6, 2009

Lessons Learned



STATE OF NEW JERSEY

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Lessons Learned

Pre RFP

- When undertaking a project of this magnitude, it is imperative to have a detailed blueprint of the overall business and technical functionality, but its implementation should be conducted in a phased-in approach.
- It is important to have a clearly defined goal and metrics for the project. The mechanism for bringing these goals about should never become more important than the goals themselves.
- Make sure expectations are realistic.

Lessons Learned (continued)

Pre RFP

- Assess health of current benefit processing system up front to determine options:
 - Maintain existing system
 - Modify/enhance existing system
- Determine depth / breadth of Modernization:
 - Baseline existing system (s) current functionality up front.
 - Identify and develop functional design for “new functionality planned”.
 - Conduct gap analysis between current/future functionality to gauge the magnitude of change.
 - With all factors considered, such as Total Cost of Ownership, available skill sets, business value, determine whether to build from scratch or use existing system in some format as foundation.

Lessons Learned (continued)

Pre RFP

- Consider putting business functionality (self service initiatives) in place prior to project initiation so that resources are freed up to work on the project. This also helps to mitigate the impact of the diversion of these resources on service delivery.
- Have independent experts review the proposal before it is released.

Lessons Learned (continued)

Pre RFP

- Identify site needs as early in the process as possible; especially space, electricity and air conditioning; and initiate work to have needs completed so that schedule delays are minimized.
- When working with personnel from various departments/divisions, it is important to be united in the common goals. Engaging in teambuilding activities prior to the commencement of the project may be helpful.

Lessons Learned (continued)

RFP

- Make sure your RFP is highly detailed and takes all scenarios into consideration.
 - Be as specific as possible when defining the scope of the project.
 - Detail the specifics of how each phase will be conducted. Include the number of people to be working on a given component as well as their specifications.
 - Make payments deliverable based rather than time and materials based.
 - Consider including an enforceable performance bond – the vendor would put up a certain percentage if a deliverable is not met under the agreed upon conditions.
 - Consider including vendor personnel specifications such as parameters for the turnover rate for vendor team members and the location of where work is to be performed (on/off-site).

Lessons Learned (continued)

Managing the Project

- Ensure that the State Team is well versed in Project Management methodologies and has documented repeatable procedures/processes that are adhered to.
- Strong communication between the various teams and departments working together is essential

Lessons Learned (continued)

Managing the Project

- Ensure that you have adequate State resources and subject matter experts to dedicate to the project.
- Ensure that all project team members are aware of the objectives, vision and principles that guide the project.
- Make sure that you have the appropriate people in the appropriate positions. Team leaders need to be grounded in the vision, have strong communication skills and able to facilitate design sessions.

Lessons Learned (continued)

Managing the Project

- Ensure that all project members are aware of, and are guided by the Federal Secretary's Standards, Core Measures, and Government Performance and Reporting Act Performance Measures.
- Make sure there is adequate involvement/input from technical agencies, but technology should inform, not drive, business decisions.

Lessons Learned (continued)

Managing the Project

- Ensure the project is managed by a project schedule that should be established in the very early stages of the project.
- Ensure there is a vehicle in place for the timely acquisition of the appropriate hardware/software needed so that delay in receipt does not result in a delay in the project schedule.
- Make sure your overall project schedule and your procurement schedule are synchronized. This will ensure the equipment ordered is utilized in a timely fashion.

Lessons Learned (continued)

Managing the Project

- The Project Management Office (PMO) should assume an advisory role. Project managers should be directly involved in key project decisions.
- Ensure the project documentation is managed and stored in an easily accessible format.
- Make sure there is sufficient documentation in order to minimize time lost to re-work.

Lessons Learned (continued)

Managing the Project

- Ensure risks from all perspectives and all parties/stakeholders are considered.
- Ensure there is an established hierarchy for problem resolution and that all parties adhere to it.
- Ensure that there is a strong change management/communications component to the project.
- Quick, tangible wins keep your project team and stakeholders motivated.

Lessons Learned (continued)

Managing the Project

- Do not have the same people in charge of both Project Management and VV&T.
- Ensure that there are common and clear expectations of what is expected to be delivered by developing a Deliverable Acceptance Criteria for each Deliverable and ensuring that the vendor clearly understands the State's expectations in relation to the Deliverable.
- **Reassess the project performance and direction at regular intervals.**

Going Forward



STATE OF NEW JERSEY

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Assessment

Assessment Objectives

- Review the current Functional Designs and Technical Infrastructure of NJ Success.
- Evaluate our current technology.
- Recommend an approach for proceeding with the development of NJ SUCCESS in a manner that builds upon the Self Service Initiative, and is within the budget.
- Determine the business value for the recommended approach.
- Identify any additional operational improvements that can reduce costs or improve productivity.

Assessment

- Assessment Focus
 - Current Mainframe System (LOOPS) Enhancements
 - Identify issues with financial charging and adjustments processing
 - Understand ability to build Web capabilities against LOOPS
 - Identify Opportunities to enable flexibility – break up complex programs, remove dead code, reduce redundant code, Isolate data access and presentation layers, etc

Assessment

■ Focus (continued)

■ Additional Business Capabilities

- Correspondence – standardize forms through Doc1, implement house-holding
- Enhance Electronic Library – common Imaging repository
- Telephony – Digital Recording, Unified Messaging, and new IVR
- Workflow – additional use of work list items for tasks that require agent intervention
- Add Claim Types to web-based file a claim (enhancing R2)
- Build Employer Web Self Service functions (building upon R3)
- Create ability to Maintain Claims (enhancing R2) – direct deposit, profile, etc
- Implement Data Warehouse and Data Marts
- Provide a consolidated system Menu for new and existing functions/screens
- Determine ways to reduce overall operating costs

Assessment

- Delivery date: September 26, 2008
- State will analyze recommendations.
- State will finalize going forward decision November 2008.

Questions



Questions

For additional information please contact project sponsor:

Priscilla E. Carrano, Assistant Commissioner
New Jersey Department of Labor & Workforce Development
PO Box 058
Trenton, New Jersey 08625
609-292-7586
Priscilla.Carrano@dol.state.nj.us