

ATTACHMENT B - VA Contact Center Environment

VA handles 140 million calls a year about Veterans health care and benefits. VA's existing contact center landscape is highly specialized and localized in centers of different sizes across the country. VA's contact centers have a decentralized, fragmented infrastructure supporting 348 dedicated contact centers. The infrastructure is so fragmented that over 1,000 additional locations are acting as de facto contact centers or performing public outreach duties.

VA's contact centers are all decentralized which means different operational and technical environments. The operational environment encompasses different phone numbers, authorities, policies, processes, agent training, contracts, systems, and performance. The technical environment encompasses different architectures, phone carriers, switch services, customer relationship management and knowledge management software and data. With so much variation of technology, VA is paying a high cost for software and associated maintenance which can be greatly reduced through consolidation and use of outsourced managed services. Furthermore, the decentralization and fragmentation makes it impossible for VA to efficiently meet Veteran expectations, take full advantage of voice and contact center technology, strategically manage performance, analyze improvement alternatives, or make evidence-based decisions. Since 2015, VA has been modernizing the contact centers by planning for a more centralized and integrated enterprise contact center environment. Modernizing the VA Contact Centers is a strategic transformation priority of VA and has enterprise-wide sponsorship and operational support across the Department.

VA has looked at the cost of modernizing call centers (i.e., outsourcing Tier 1 call center operations, outsourcing 50% of VA's call center technology stack) and it is an expensive, multi-year event. A completed rough order of magnitude analysis of call center modernization return on investment (ROI) shows that with an investment of approximately \$1B, breakeven occurs in year 3 with a \$2B gain during year 5. This ROI is based primarily on a reduction of labor resulting from Tier 1 outsourcing. VA has also begun to analyze its cost per call which ranges from \$85/call for the most complex types of inquiries to \$5/call for the simplest inquiries. To reduce cost per call, VA must standardize its operational and technology environments, ensure that call volume is directed to the lowest cost call center(s) meeting Veteran needs, and repurpose call center labor to other needs.

VA's Call Center Modernization planning is driven by:

- The Office of American Innovation
- President Trump's 10-Point Plan
- OMB Memorandum 17-22
- Secretary Shulkin's 10-Point Plan
- VA's Veteran Experience Feedback

VA's future state for contact center modernization includes:

- improved and streamlined Veteran experience (as measured by customer satisfaction scores) from first greeting to the individual VA call center agent that can resolve the Veteran issue
- a "Single Front Door" for Veterans with one central phone number to access information on the services and benefits they have earned

- streamlined technical integration that connects call providers, local phone carriers, and switching services
- a standardized, enterprise-wide technical infrastructure that can be adapted to future consolidation
- consolidated and centrally stored information to allow Veterans and Contact Center Agents to access information and status of queries
- automated call center processes that seamlessly support various channels (voice, chat, web, email) to access, track, and enable our call center employees to direct calls based on a hierarchical model
- outsourced technology infrastructure and contact triage through a GSA managed services agreement
- the utilization of workforce management tools and industry best practices to effectively use existing resources
- improved and standardized utilization of call center metrics (i.e., abandonment rate, first call resolution, queue wait times) that drive customer satisfaction.
- removal of unnecessary technology at contact centers being incorporated under a GSA managed services agreement
- cost avoidance through more efficient and effective delivery of information to the Veteran
- faster triage of emergency Veteran health and benefit needs
- useful call center performance data to drive continuous improvement of process and use of resources and technology
- enterprise-wide contact center governance and decision making that optimizes the best of centralization and decentralization