

CUSTOMER CASE:



Caisse Nationale D'Assurance Vieillesse (CNAV) is a state-owned administrative body in France. CNAV has a nation-wide responsibility for managing the general pensions branch of the French social security system for employees in commerce, industry and services.

CNAV serves 10 million current pensioners and more than 30 million people belong to its pensions scheme. CNAV operates through 16 regional social security offices (CRAMs) and 4 overseas offices (CGSS) with approximately 13 000 qualified staff serving current and future pensioners.

CNAV Prepares for the Pension Boom with QPR ScoreCard



"We use QPR ScoreCard to monitor and consolidate our performance information from local offices to nation-wide level. Now everyone in our organization is interested in meeting the performance targets." says Mr. Dominique Gérard, Directeur de la coordination nationale at CNAV

Caisse Nationale D'assurance Vieillesse (CNAV) has implemented a nation-wide performance management solution in order to improve performance preparing for serving the increasing number of pensioners in the near future (+54 % by 2005/2006). The solution – powered by QPR ScoreCard and implemented by IMNET – consolidates performance information from 16 regional offices (CRAMs) and 4 overseas offices (CGSS) to national level. Incentives are linked to reaching local and national performance targets.

operations and performance to better serve the increased number of pensioners. Another challenge is that the Pension Boom is also hitting CNAV from inside as a number of experienced employees are going to retire in the coming years. This means the tacit knowledge in the heads of these people will be lost.

CNAV's response to this challenge is to improve performance by automating processes with renewed IT systems, improving retirement planning with the customers and implementing a performance management system with incentives.

From Baby Boom to Pension Boom

With the ageing population, France is facing a Pension Boom just like most of the European countries. There will be an increase of almost 60% in the number of pensions by year 2005/06. While the number of employees is going to increase only by about 10%, CNAV needs to improve its

Cascading from Government Management Agreement to Regional Performance Indicators

CNAV has chosen to become a pilot organization for reporting and consolidating performance information using score-cards.

“CNAV signs a management agreement with French government including objectives for a 4-year period (currently 2001-2004). The objectives are derived from the political strategy and the objectives are broken down to performance indicators with targets. After this, CNAV agrees the target levels with each local office (CRAM). The target levels are set progressively in order to reach the agreed national performance level at the end of the 4-year period.” explains Mr. Dominique Gérard, Directeur de la coordination nationale, in charge of the performance management at CNAV.

CNAV operates through 16 regional social security offices (CRAMs) and 4 overseas offices (CGSS).

Objectives are high-level targets such as the Accuracy of pension/salary information. 24 indicators have been derived from these objectives, for example Average number of days used to work on a pension folder.

Performance is reviewed monthly on local and national level. Performance targets for the final year of the 4-year period are always fixed while the targets for the previous years can be negotiated. Targets for the first year were set based on the average of the previous 3 years' performance.

Each local office gets its own scorecard for following its own performance against the local and national targets. The performance results are consolidated to the national level scorecard. Scoring and weighting of performance results is modified based on the importance of each objective and indicator.

Automation is Crucial

CNAV chose QPR ScoreCard as the software solution for automating the performance management system and IMNET for providing the implementation consulting services. Mr. Gérard feels that an automated system is one of the key success factors for establishing performance man-

agement in large, distributed organizations like CNAV.

“Previously we had two persons working in gathering, consolidating and distributing the performance information with Excel and paper. Now we have automated this process with QPR ScoreCard.” tells Mr. Gérard about the tangible benefits of automation. .

To ensure the quality of the performance information, all actual values for indicators are automatically fetched from other IT systems. No manual input is needed for updating the actual values of the indicators.

Currently QPR ScoreCard server is located in the premises of CNAV headquarters in Paris and local offices will use web clients to access the performance information through intranet. This allows efficient maintenance of the solution and easy access from any local office. Also the development of national and local scorecards is done centrally by the project team in Paris.

One For All and All For One

All employees in local offices will be able to view their own office's scorecard and also other offices' scorecards. This creates transparency and allows benchmarking between the offices.

Incentives are linked to reaching local and national performance targets. In total approximately 5 million Euros is reserved for performance-based bonuses annually. Reaching national targets triggers 2/3 of the total bonus while local targets constitute 1/3 of the total bonus. Each employee – from office clerk to director - gets a bonus of 400 euros, if all performance targets are reached.

Benefits and Experiences

In addition to saving time and effort in data gathering and reporting, QPR ScoreCard has made it easier to view and communicate performance information. Consolidated national performance overview also allows drill-down from the top-level objec-

tives to local indicators whenever the performance target is not met.

“This clearly allows us to make better decisions.” says Mr Gérard.

Defining objectives, indicators and targets as a teamwork has generated better commitment to the performance targets. Currently 15 of 20 local offices are meeting their performance target. QPR ScoreCard alerts users when targets are not reached.

“Now everyone in our organization is interested in reaching the performance targets.” summarizes Mr. Dominique Gérard based on CNAV's experience.

To ensure performance monitoring is done correctly, each local office is audited at least once during a 4-year period. This is done to avoid sub-optimization in the work processes in order to reach the performance targets. For example, delaying registration of applications to shorten the average processing time of applications to be reported.

Future Directions

Usage of scorecards and QPR ScoreCard is expanding inside CNAV and some local offices. For example, local office in Marseille is already implementing a performance management solution for their IT operations.

The negotiations for the performance agreement for period 2005-2008 have already started. The scorecards will be updated based on these renewed objectives. Also the incentive system will most likely be fine-tuned with the next agreement to better promote individual performance.

CNAV's ultimate goal is to improve performance for better quality of the service. This means an increasing number of customers – currently more than 30 million current and future pensioners - will be able to enjoy the results of performance management in the very near future.