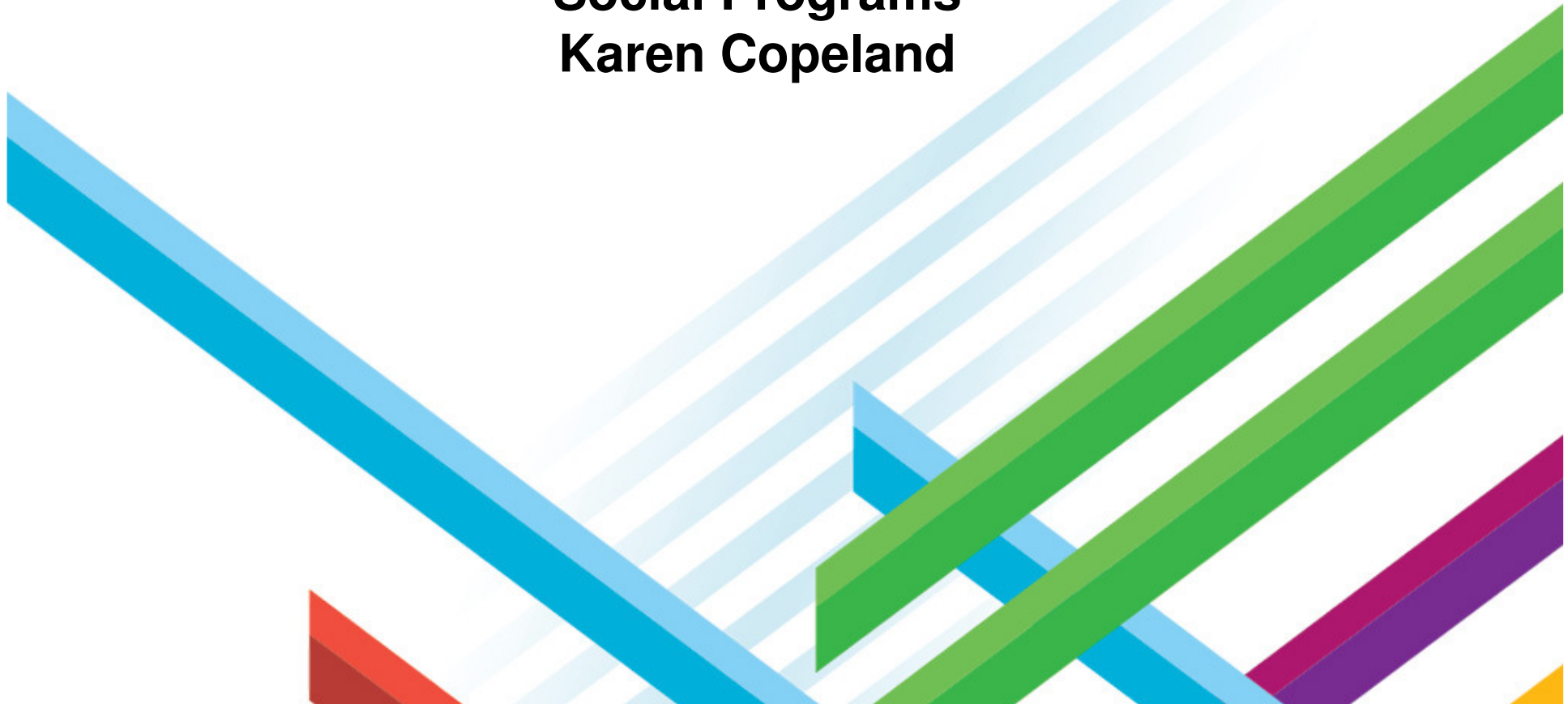# IBM LeadershipConnect

Driving Transformation for Greater Value

A Open Business Approach Supports Coordinated Social Programs

Karen Copeland

Agenda

1. 5 Global Trends in Social Program Reform
2. IBM Cúram Vision for Social Programs
3. RightServicing – A New Open Business Approach
4. For Further Information

1. Five Global Trends in Social Programs

With 5 global trends underpinning Social Program Reform

Cost Management

Curbing the **cost** of social programs remains paramount

Where does the money come from?

Government cannot carry the burden of **fully funding** social programs

What work can you do?

Participation is driving policy and programs

Who makes the decisions?

Focus on greater **control and choice** for recipients and more **equitable and consistent** delivery

Performance Measurement

Performance measurement has moved beyond accounting for activity to measuring success

Cost Management - Curbing cost remains paramount

- **Cuts, efficiencies and incentives continue to be used** drive down **costs**
  - Systematic review of social programs and cuts to deal with 'explosion' in costs
  - Streamlined, automated processes across back & front of office
  - Restructuring income support to improve incentives to work and reduce incentives to stay out of work
- Reducing dependency **on income support**
  - Review of program eligibility, duration and conditions of receipt
  - Return to Work, Work Readiness and Rehabilitation Services supporting rapid re-entry into the workforce limiting short and long term social program coverage
  - Focus on high needs: high cost individuals who require comprehensive management
- New funding approaches **to reduce impost on the public purse**
  - Individualised funding, means testing and co-payments tied to the individual replacing direct payments to providers and block grants
  - Increased use of charities and informal supports
- **Investment in** prevention **to avoid down stream costs**
  - Early and ongoing use of mainstream services to increase participation and defer downstream costs

Where does the money come from? - new approaches to who pays

- **Review of** tradition funding **mechanisms for Social Programs is growing**
  - Government looking to share the burden and offset future costs
  - Administration reform of income support particularly eligibility, entitlement and requirements
- Performance based payments **are replacing generic block grants**
  - Greater accountability on service providers and acquittal against services delivered and outcomes
- **Adoption of** individualised funding
  - finer tuning expenditure by calculating against the service requirements of the person
- **Reform to encourage** individual responsibility and cost sharing
  - Insurance & income protection seen as of mutual benefit
  - Means testing to prioritise funding to those least able to afford services
  - User pays and co-payments premised on when paying or part paying for a service only essential services will be used

What work can you do? – incentives to be productive

- **Global shift to** participation **in education, training and employment**
  - Increasing skills, opportunities and contribution to national productivity
  - Focus on mainstream services such as education & vocational training and health to prepare people with a disability for the workforce
  - Rehabilitation and Return to Work services focus on getting people back to work after illness or accident
- Structural reform **of the labour market to support inclusion & flexibility**
  - Introduction of rights based laws and regulations prohibiting discrimination and prejudice
  - Removal of labour market imperfections that support discrimination and prejudice
  - Greater use of flexible workplace arrangements and employer: employee negotiations
- **Acceptance of** mutual responsibility **and sharing the burden**
  - No longer universally accepted that income support be provided with little or no expectation of workplace participation
  - Greater use of private protection with individual responsibility to for future finances

Who makes the decisions? - person centred approaches

- **Increased understanding of** how services relate **to people lives driving choice and engagement**
  - 'In place' planning to localise service responses
  - Personalised service plans based on needs and outcomes
- Co-design **where all participants contribute to the design and delivery of services**
  - Individualised funding based on requirements rather than 'like for like'
- **Access to a** broader market **allowing for a variety of services providers**
  - Introduction of non traditional service providers
  - Reducing red tape to speed up responses
  - Self directed funding, allowing individuals to cash out funding packages and manage their budget, exchanging levels of service from one support to another
- Differentiated responses **that provide greater control**
  - Services offered on a self service, assisted and managed support requirements aligned to risk, complexity and capacity
  - Ongoing investment in channel and automation of process

How do we measure success – outcome orientated performance

- **Focus on reducing welfare dependency by** getting individuals off **programs**
  - Holistic approach to service delivery and collaboration
  - Outcome driven best practice for professionals
- **Performance focused on promoting** greater transparency **and analysis of** comparative performance
  - Shift from inputs and outputs to outcome measurement based on success
  - Linking of payments to service providers to achievement of individual outcomes
- **Systemic approach to** evidence based **program design**
  - investment in programs and services that have a clear evidence base of proven outcomes for individuals

2. IBM Cúram Vision for Social Programs

Social Program Management

Manage Citizen Needs to Outcomes Through A Personalized Approach to Service Delivery

IBM LeadershipConnect
Driving Transformation for Greater Value

Non-Government Organizations (NGO)

Government Agencies

Providers

Client

Life Events

Needs

1. Who is in need?
2. What are their needs?
3. Who can help?
4. How do we achieve sustainable outcomes?
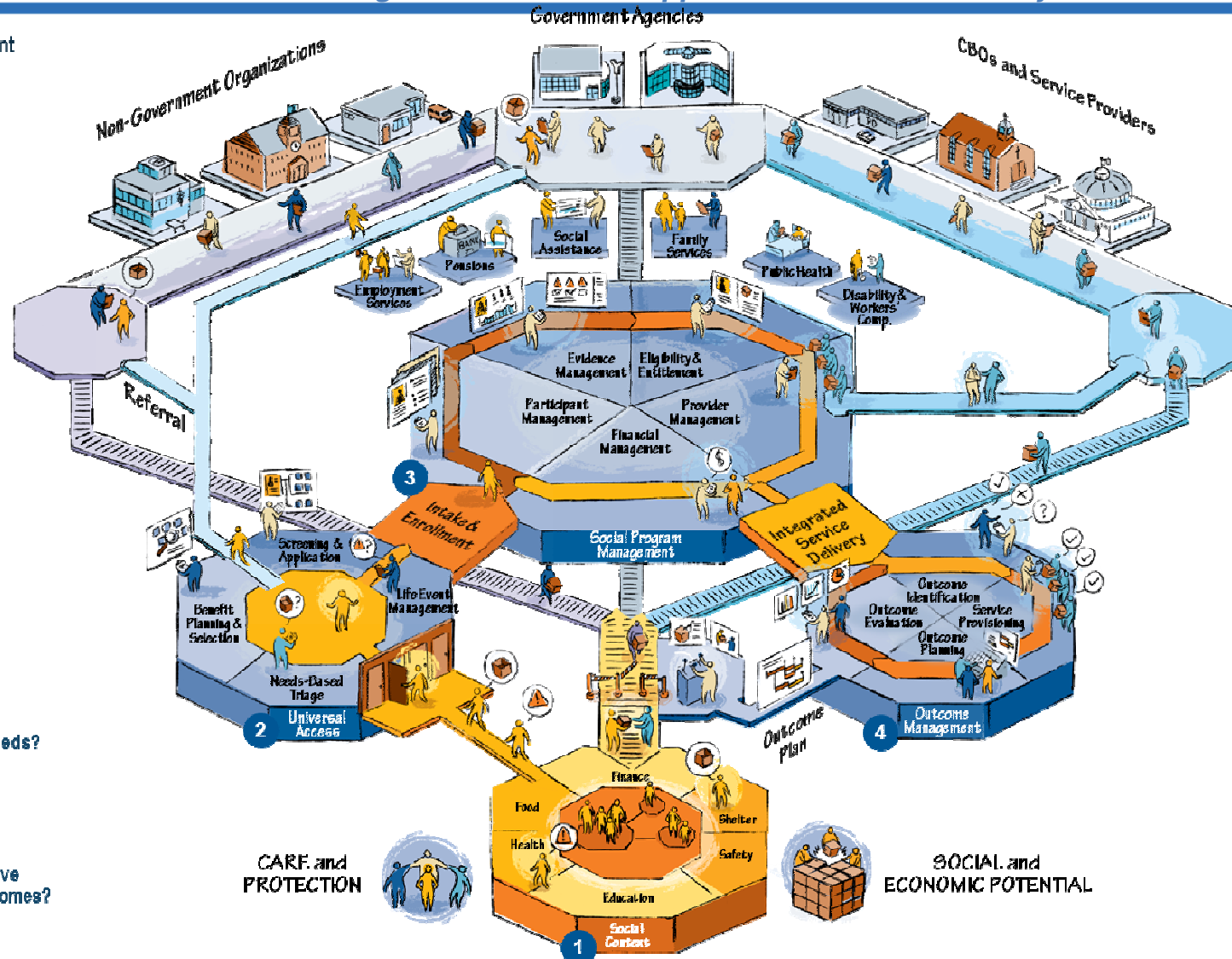
3. RightServicing™– A New Open Business Approach

The standardised 'one-size-fits-all' approach – is it enough?
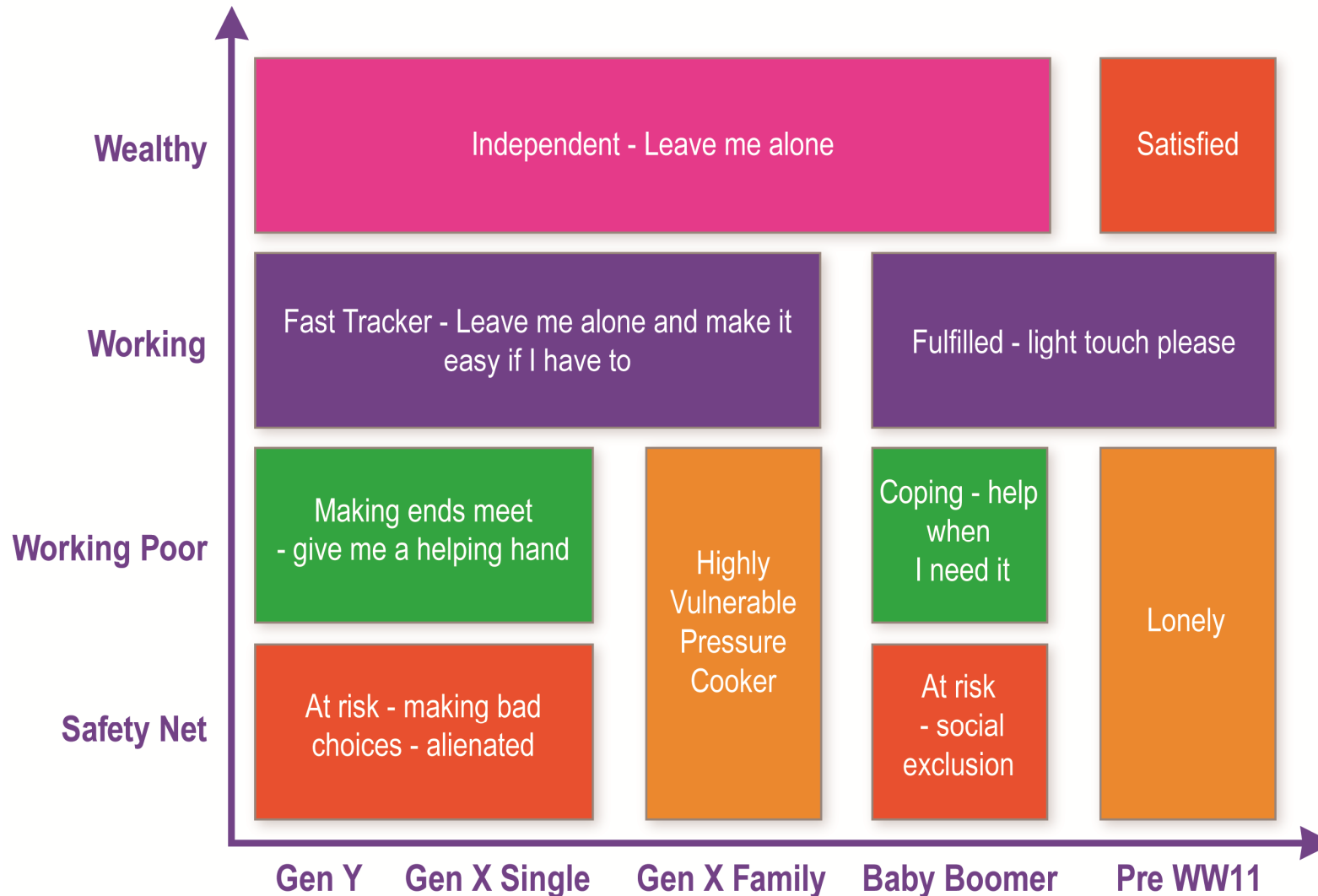
A new business approach for enabling a differential response in social program management

RIGHTSERVICING

A person entitled to a social program as is their right under the law and can manage their life affairs with little to no government intervention – they experience overservicing

A person experiencing multiple areas of social disadvantage, who needs more than a helping hand, a benefit payment or a sympathetic listener – they experience underservicing

A person whose needs and wants are understood and the social program management system offers a differential and appropriate response – they experience RightServicing

UNDERSERVICED

RIGHTSERVICED

OVERSERVICED

% of Customers

14
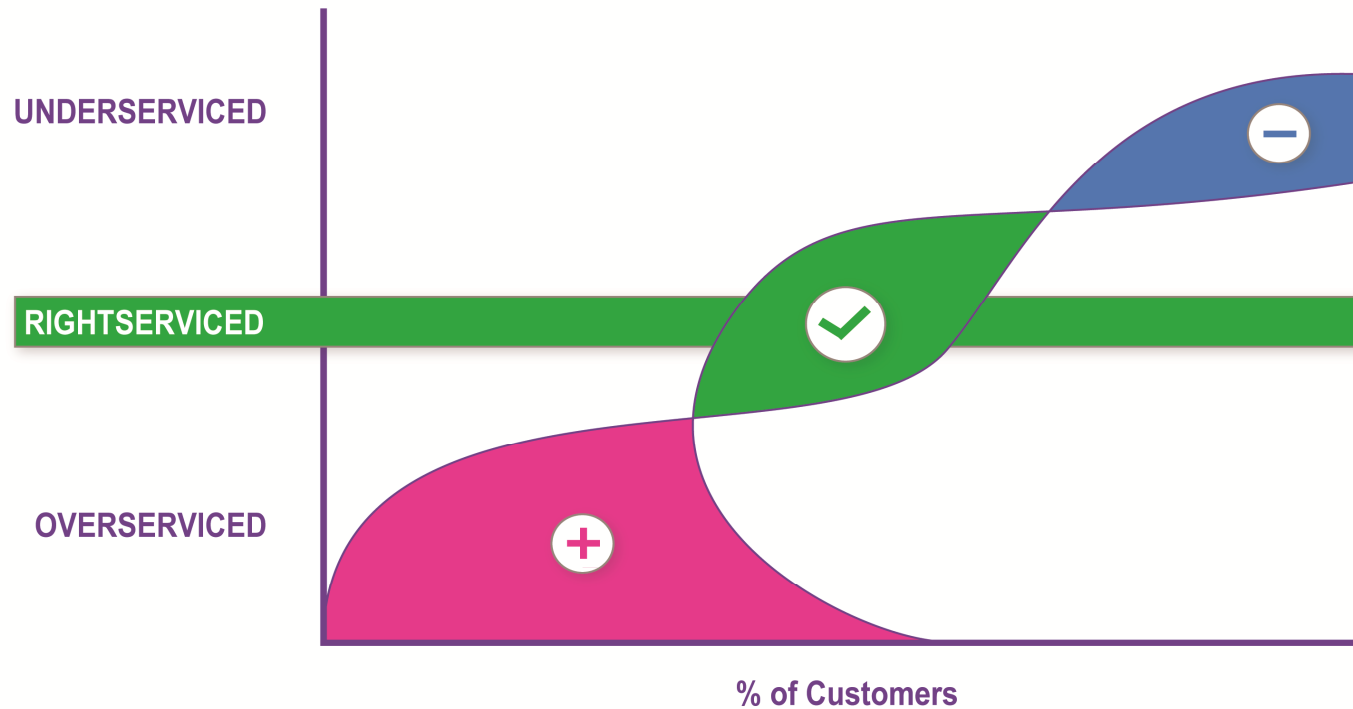
RightServicing – A Definition

> *A set of organisational attributes combining to provide flexibility and agility for a differential service response.*
>
> *RightServicing offers value and benefits for society, governments and social program management organisations through social, program outlay and productivity dividends.*

• Social program management systems are continually modifying and improving to meet the needs of individuals and communities while at the same time addressing societal level outcomes and fiscal realities.

• RightServicing identifies the key characteristics an organisation should invest in to strike this balance.

The RightServicing Zone – Rebalancing Overservicing And Underservicing

- Rebalancing the effort spent on over servicing to focus more on areas that are under serviced is the core of RightServicing.

- RightServicing is the optimal level of service that delivers good social outcomes.

- The RightServicing Zone lies between underservicing and overservicing on the service to outcome experience continuum.

- The aim is achieve the maximum amount of RightServicing.
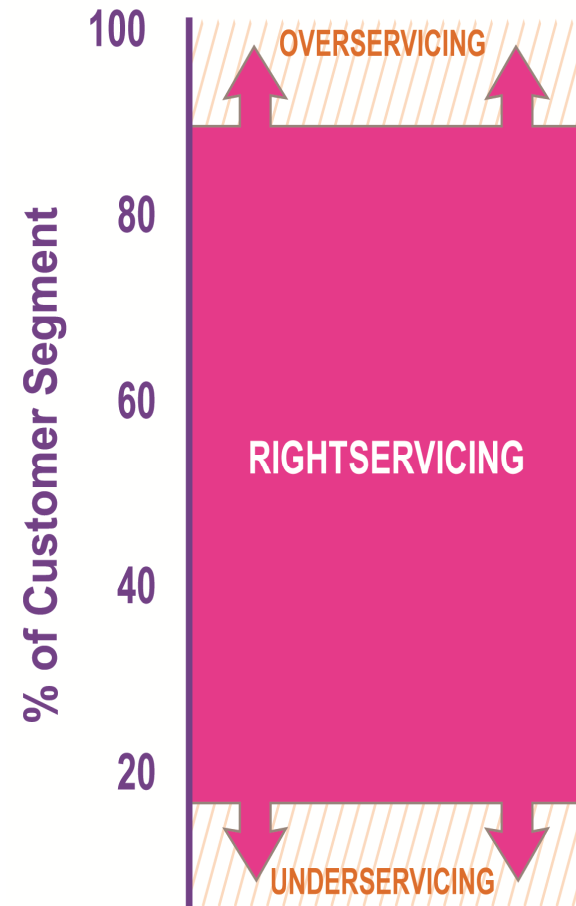
Pathway to RightServicing – RightServicing reshapes the one-size-fits-all curve to a new optimized service level

- As organisations adopt or improve RightServicing characteristics the RightServicing Curve will:
  - Trend downwards with the reductio[n] in service for people currently over serviced
  - Trend upwards as people currently under serviced receive more attenti[on]
- The level of service is differential rangi[ng] from very high (intensive and personalised) to very low (light touch/n[o] touch).
- People can receive an intensive personalised level of service for one social program and be low touch for another.
- What is important is for people to be in the RightServicing Zone and experience the level of service appropriate to their needs.

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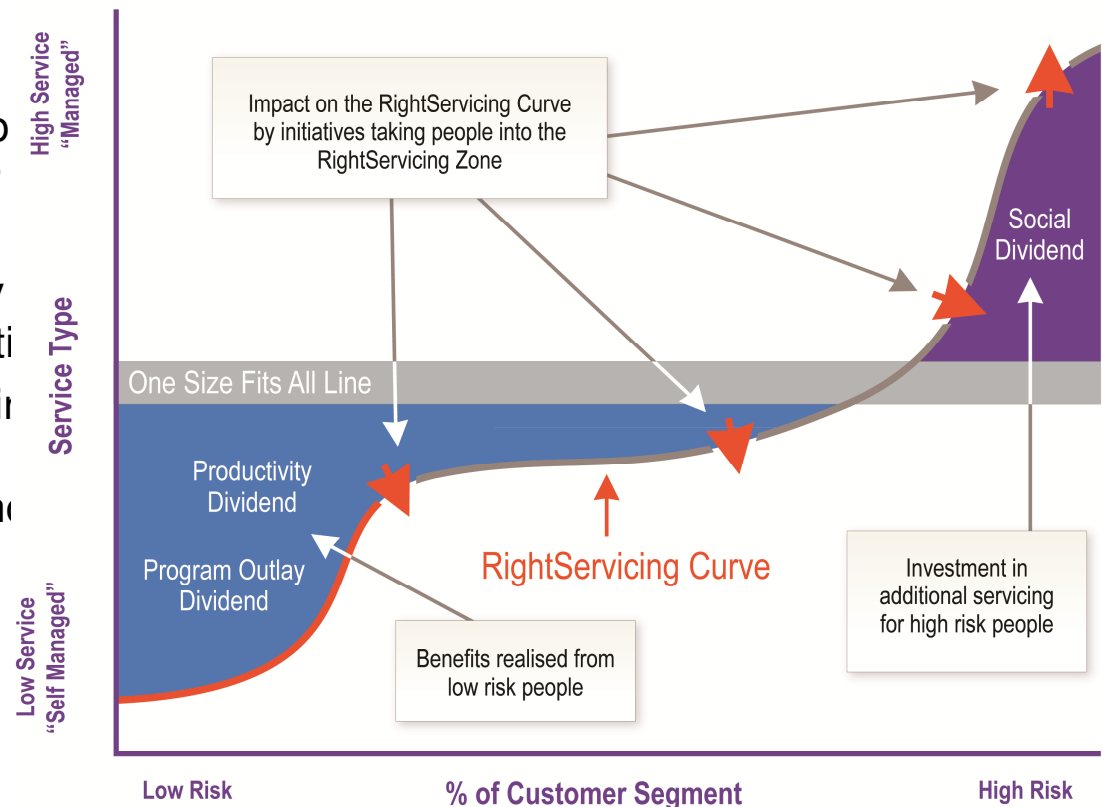
The RightServicing Characteristics

RightServicing was defined in the context of nine characteristics which were validated through research. The below table summarises the characteristics and the following slides give a more detailed overview of each one.

Characteristic	Description
Segmenting	**Grouping people together with similar needs and wants**
Fast-tracking	**Getting through the system with the minimum of fuss**
Addressing Complexity	**Complexity of people's circumstances is everywhere and must be recognised**
Risk Management	**Dynamic and focused on better service and compliance**
Accessing	**How people access and consume the social system**
Automating	**Technology to eliminate manual processing and reduce process cycle times and reduce cost**
Predicting	**Early intervention to stop social disadvantage - prevention is better than finding a cure**
Micro Programs	**New and innovative social program solutions to achieve desired outcomes and address complex problems**
Leveraging the Ecosystem	**Collaboration and sharing with other agencies and stakeholders**

Segmenting
Grouping people together with similar needs and wants

- Segmenting is the highest order RightServicing characteristic as it defines high priority areas requiring attention.

- It is a mechanism for identifying which groups of people are under serviced and those over serviced.

- Segmenting enables policy makers and service delivery administrators to see the people they serve in terms of their collective needs and wants rather than as beneficiaries of a particular social program.
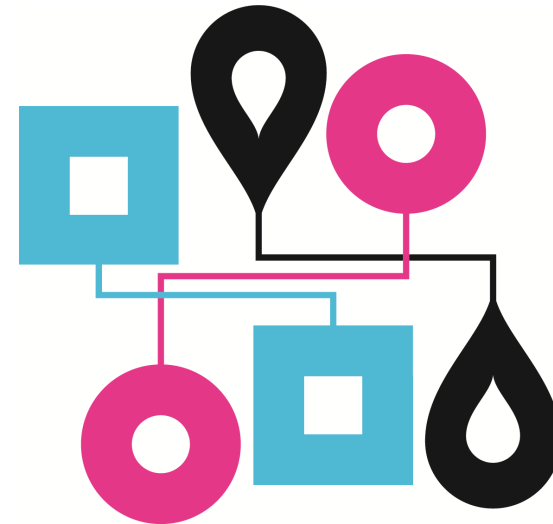
Example: New Profiling Model being piloted by the Irish Department of Social Protection
The model has the purpose of capturing information on which to then base predictions on. The DSP will use this segmentation scheme to help determine how best to serve the client, this will lead to a more efficient and effective service.

Segmentation puts the client at the center of your strategies

Persons with Disabilities

Seniors
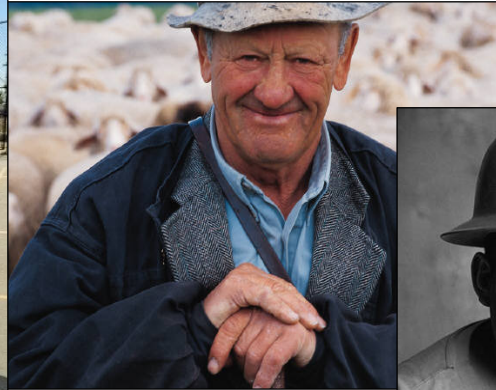
Children

Working age adults

Students

Families

Youth

20
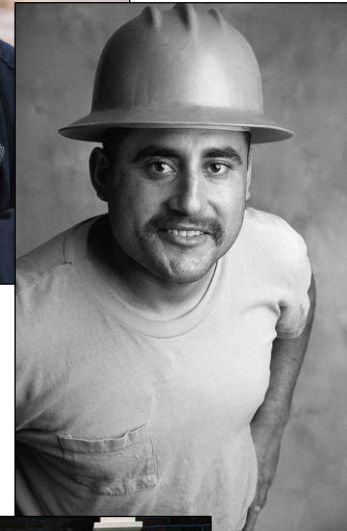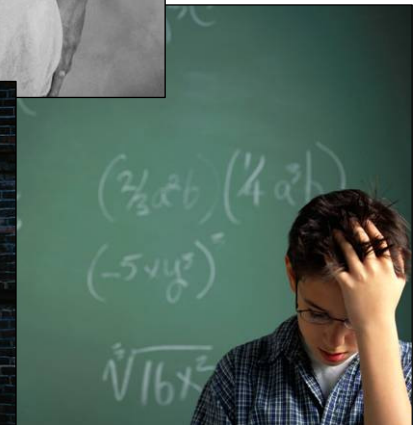
Fast-tracking
Getting through the system with the minimum of fuss

- The principle of Fast-tracking is based on the assumption that people's access to social programs should be made as simple and easy as possible until there is contra evidence that demands a different approach.

- The Segmenting, Risk Management characteristics should be used to identify people where Fast-tracking is appropriate with Automating enabling eligibility and entitlement information to be accessed and validated at source.

- Fast-tracking requires a consent model when it involves sharing and accessing information to provide a streamlined low touch service experience.
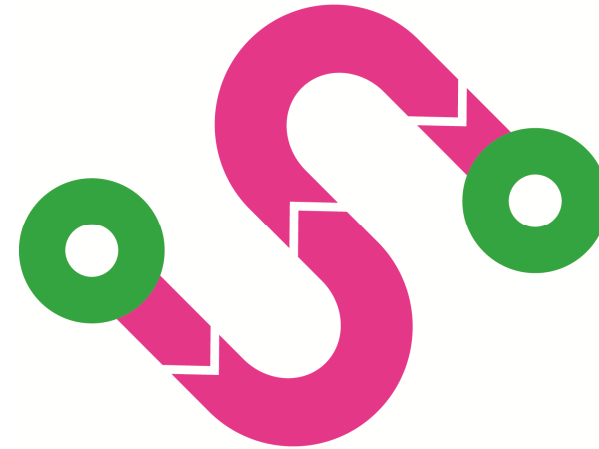
Example: The US Social Security Administration Fast-Tracks disability processes, providing 100,000 disabled applicants with quick decisions
The fast-track systems increase efficiency of disability processing and help to free up resources so the agency can better cope with the 250,000 increase in cases resulting from the current economic downturn.

Source: http://www.ssa.gov/pressoffice/pr/disability-fast-track-pr.html

In New Zealand – complex cases are prioritised

- **Intensive focus on high risk clients**
- **Work Readiness Model**
- **Within 28 days**
  - **40% don't need a benefit**
  - **60% won't be with them in 13 weeks**
  - **80% in 28 weeks**
- **30% additional workload with the same staff**

Addressing Complexity
Some people have complex circumstances and this must be recognised

- There are people and families who face multiple and/or long term social risk factors that lead to significant social disadvantage and barriers to work. For these people there are no quick fixes or simple solutions.

- It needs to be recognised that people in these situations represent a unique segment in their own right requiring special attention.

- While each case needs to be addressed on its merits, the first step is acknowledging that complexity exists and will always be resource intensive during the pathway to achieving a satisfactory social outcome.

- In most instances the solutions will not be found within the confines of a single agency of the social program management system. Many actors across many parts of government and civil society will need to be engaged.

Example: A new initiative in England addresses the problems of 120,000 families that fall into the 'complex needs' category
Family interventions were set up to Wrap around troubled families to tackle anti-social behaviour, youth crime, inter-generational disadvantage and worklessness.

Source:
https://www.education.gov.uk/publications/eOrderingDownload/DFE-RR174.pdf

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Addressing Complexity
Complexity of people's circumstances is everywhere and must be recognised

- The complex relationships between family/household members and their respective circumstances are captured and modelled

- Enables a holistic citizen-centric approach to integrated case management and service delivery

- Enables identification of potential risk factors (eg child safety) in the household

Risk Management
Better service and compliance

- Risk management in the field of social program management has two dimensions:

  1) Social risk – one or more factors an individual may experience thereby affecting their capacity to earn an income and/or participate in society e.g. losing a job

  2) Funding risk – the exposure to the program funding source from behaviour, either deliberate or through error and/or omission, that can be mitigated.

- Risk management needs to focus on both dimensions in parallel.

- The aim is to achieve a balanced approach to the application of business processes designed to mitigate both social risk and funding risk.
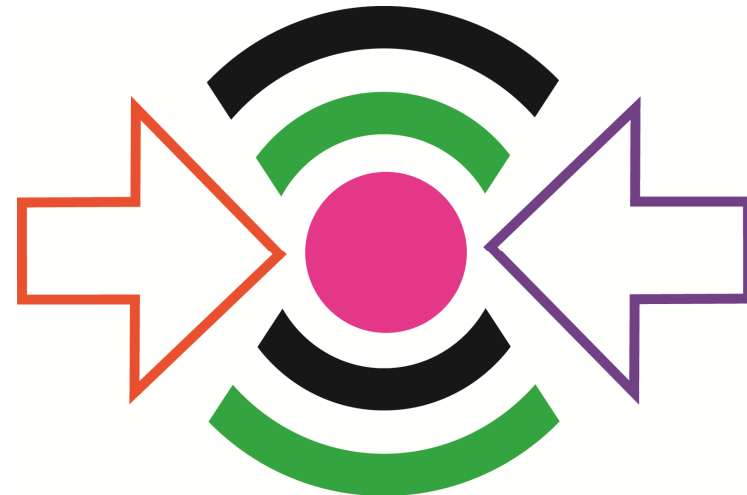
Example: Pôle emploi has an integrated Risk Management Department that is unique in social security – more like that of a Financial Services institution
The Risk Management Department has an integrated system for risk management with a harmonized set of processes, activities and management blending both audit and risk management disciplines.

Risk Management
Dynamic and focused on better service and compliance

Accessing
How people access and consume the social system

There are three distinct Access models which people can move between and/or use for different circumstances:

1) **Self-Managed** – People in control of their own circumstances who can access and consume programs and services in their own time and with their own means.

2) **Facilitated** – People who want to or are capable of self-managing and require some or minimal assistance to guide/coach/direct them through the social program system with the aim to eventually become self-managed.

3) **Managed** – People requiring assistance, often intensive, to achieve desired outcomes that need to be explicitly set and managed.
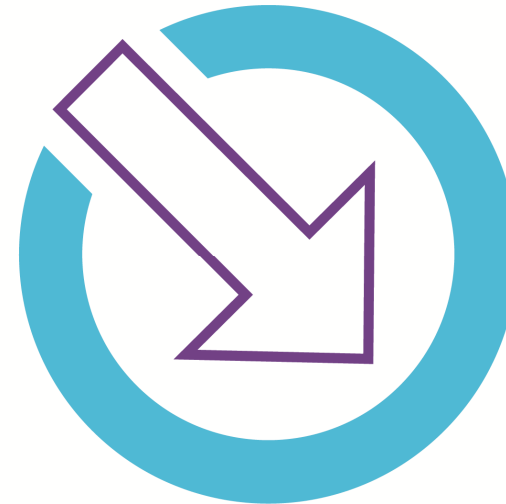
Example: ACCESS NYC provides convenient access for NYC residents
ACCESS NYC is a public-facing online screening tool that allows New York City residents to quickly and easily determine their potential eligibility for 35 city, state and federal benefit programs across 15 different agencies.

Community and Government Programs

Personalisation & Outreach

Automating
Technology to eliminate manual processing, reduce process cycle times and reduce costs

- Automation should be focused on eliminating manual processes and transforming business processes in a way that adds value for the customer or the agency and preferably for both.

- Agency staff time is better directed at those customer segments that are under serviced such as those with complex needs.
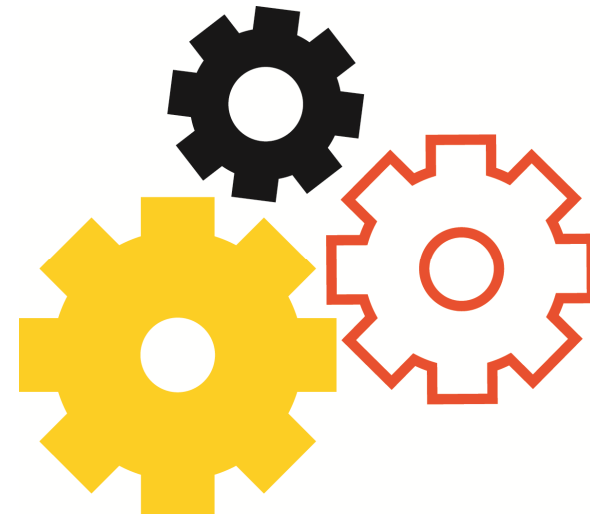
Example: Automation speeds up service delivery at WorksafeBC
A new comprehensive workers' compensation solution was developed that provides a core set of extendible claims lifecycle management capabilities to manage claimants from injury to outcome. The new system resulted in a major productivity boost.

Automating a contiguous transaction

Predicting
Early intervention to stop social disadvantage - prevention is better than finding a cure

- Predicting is a RightServicing characteristic based around the social context of individuals, families and communities.

- By predicting the likelihood of an event or pathway leading to an adverse outcome, interventions can be initiated to prevent this expected outcome.

- Predicting in the RightServicing context is a more personalised extension to the general principle of prevention behind industry based programs to mitigate social risks such as labour accidents.

Example: Alameda County Social Services Agency uses business intelligence to improve service delivery Business intelligence and automated alerts empower caseworkers to proactively manage their client base. They can run 'what-if' scenarios on the spot and see if there's a better way to handle that case.

Predicting - *Early intervention to stop social disadvantage*

What if it were possible to predict whether a young person will become a contributor or a burden to society?

The Opportunity

One of the most important issues that this charity for youth seeks to address is the rising number of young people between the ages of 16 and 19 who are not in education, employment or occupational training, a status known as NEET.

This charity wanted to identify youth at risk of becoming NEET and provide early intervention using a more precise and scientific approach than the manual processes that were being used.

What Makes it Smarter

The solution captures and analyzes large volumes of text and data from the records of all the local young people, revealing hidden patterns to accurately predict which individuals have a high chance — 60 percent or higher — of dropping out of school, occupational training or employment in the future.

As a result, the organization can target youth most at risk of becoming NEET and develop early intervention strategies tailored to each individual and situation.

Key Business Results

- Realises a success rate of more than 50 percent with its intervention cases by accurate and early identification of at-risk youth
- Delivers a 250 percent improvement in accuracy of identification of at-risk youths
- Provides a model that is 83.2 percent accurate against historical data, suggesting a high degree of validity for real-world predictions
- Reduces the time required for reviewing records and identifying at-risk youths by 77 percent, from 30 to 7 days, by automating the search process

Micro Programs
Designing social solutions to achieve desired outcomes and address complex problems

- A micro program is defined as a social program focused at individuals and/or communities (large and small) with complex social problems such as a region of higher than average long term unemployment or higher than average juvenile recidivism.

- There are three approaches emerging that classify as examples of Micro Programs:

  1) Personalised Budgets
  2) Conditional Cash Transfers
  3) Social Impact Bonds
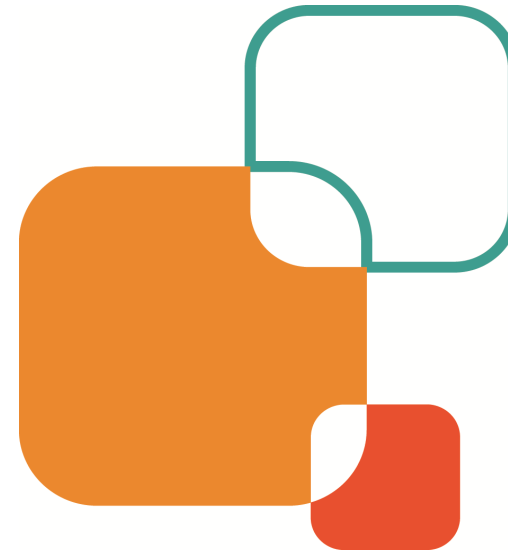
Example: Outcomes can be reached using 'Conditional Cash Transfers', as seen in the World Bank study

Conditional Cash Transfers (CCTs) have been used to facilitate much of the outcome focused work that has been undertaken in the developing world. This allows income related programing to target long-term health, education and inequality issues.

Source: http://siteresources.worldbank.org/INTCCT/Resources/5757608-1234228266004/PRR-CCT_web_noembargo.pdf

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Conditional Cash Transfers in 1997

IBRD 36715
JANUARY 2009
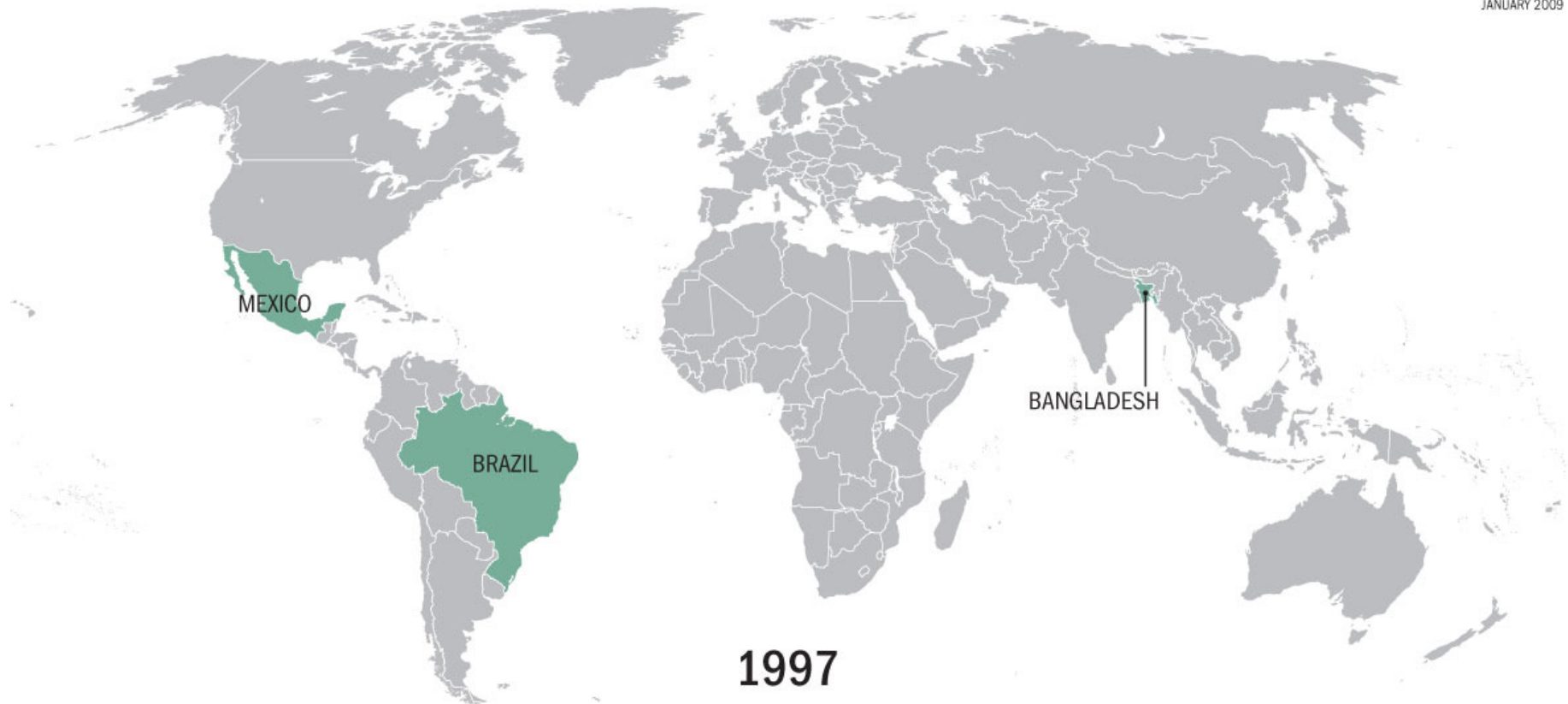
MEXICO

BRAZIL

BANGLADESH

1997

SOURCE: *Social protection in a Changing World: Using Evidence to Inform Policy Social Protection and Labor, The World Bank*

Conditional Cash Transfers in 2008
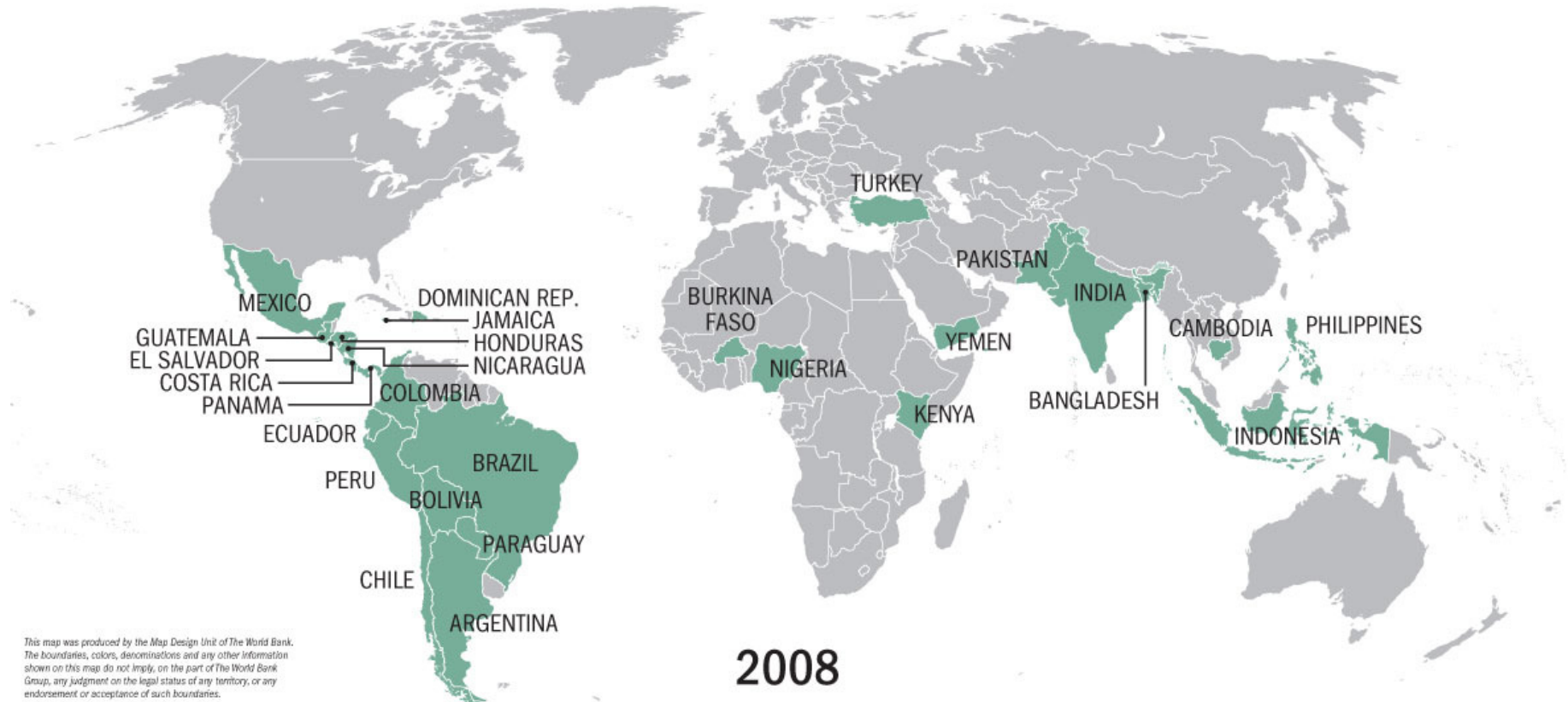
This map was produced by the Map Design Unit of The World Bank.
The boundaries, colors, denominations and any other information
shown on this map do not imply, on the part of The World Bank
Group, any judgment on the legal status of any territory, or any
endorsement or acceptance of such boundaries.

2008

SOURCE: *Social protection in a Changing World: Using Evidence
to Inform Policy Social Protection and Labor, The World Bank*

NYC Family Rewards – CCT

OPPORTUNITY NYC | FAMILY REWARDS

Executive Summary

TOWARD REDUCED POVERTY ACROSS GENERATIONS
Early Findings from New York City's Conditional Cash Transfer Program

James Riccio
Nadine Dechausay
David Greenberg
Cynthia Miller
Zawadi Rucks
Nandita Verma

mdrc

MARCH 2010

Break the cycle of intergenerational poverty

Experimental, privately funded CCT program

"Nearly all families eventually earned rewards"

"Reduced current poverty & hardship"

"Increased savings"

"Increased employment"

"Increased school attendance, course credits, grade advancement, & standardized test results …"

"Increased families' continuous use of health insurance coverage …"

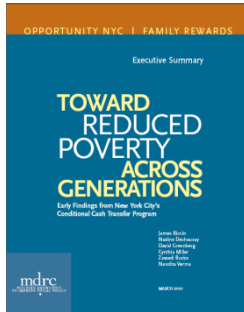| Activity	Reward Amount
Education incentives	
Elementary and middle school students	
Attends 95% of scheduled school days *(discontinued after Year 2)*	$25 per month
Scores at proficiency level (or improves) on annual math and English language arts (ELA) tests	
Elementary school students	$300 per math test; $300 per ELA test
Middle school students	$350 per math test; $350 per ELA test
Parent reviews low-stakes interim tests *(discontinued after Year 1)*	$25 for parents to download, print, and review results (up to 5 times per year)
Parent discusses annual math and ELA test results with teachers *(discontinued after Year 2)*	$25 (up to 2 tests per year)
High school students	
Attends 95% of scheduled school days	$50 per month
Accumulates 11 course credits per year	$600
Passes Regents exams	$600 per exam passed (up to 5 exams)
Takes PSAT test	$50 for taking the test (up to 2 times)
Graduates from high school	$400 bonus
All grades	
Parent attends parent-teacher conferences	$25 per conference (up to 2 times per year)
Child obtains library card *(discontinued after Year 2)*	$50 once during program
Health incentives	
Maintaining public or private health insurance *(discontinued after Year 2)*	
For each parent covered	Per month: $20 (public); $50 (private)
If all children are covered	Per month: $20 (public); $50 (private)
Annual medical checkup	$200 per family member (once per year)
Doctor-recommended follow-up visit *(discontinued after Year 2)*	$100 per family member (once per year)
Early-intervention evaluation for child under 30 months old, if advised by pediatrician	$200 per child (once per year)
Preventive dental care (cleaning/checkup)	$100 per family member (once per year for children 1-5 years old; twice per year for family members 6 years of age or older)
Workforce incentives	
Sustained full-time employment	$150 per month
Education and training while employed at least 10 hours per week *(employment requirement discontinued after Year 2)*	Amount varies by length of course, up to a maximum of $3,000 over three years

TOWARD REDUCED POVERTY ACROSS GENERATIONS Early Findings from New York City's Conditional Cash Transfer Program, MRDC 2010

Social Impact Bonds

Background

• Tied to the performance of a social enterprise that addressing social issue

• Provides long-term funds for promising ideas;

• Transfers risk to private capital markets;

• Costs public money only if the scheme provides specific social benefits

• Social enterprises spend less time raising funds

Example

• Reduce the rate of reoffending by young prisoners

• Depending on the recidivism rate, the government will pay investors in the first bond a return of 7.5-13% <u>only if</u> promised improvement is achieved.

Social innovation
Let's hear those ideas

The Economist

August 2010

Leveraging the Ecosystem
Collaboration and sharing with other organisations and stakeholders

- The term 'the whole is greater than the sum of its parts' succinctly describes the RightServicing characteristic, Leveraging the Ecosystem.

- The term leverage represents the value derived from a whole solution targeted at a problem rather than a collection of component pieces addressing component parts of the problem.

- The social program management ecosystem covers a wide variety of stakeholders including:

  1) People with needs and wants

  2) Government organisations - social policy, service delivery, funding from across all levels, national state and local government

  3) Service providers – for profit and not for profit

  4) Community Based Organisations

  5) Employers

  6) Social Partners such as trade unions, industry associations, professional bodies
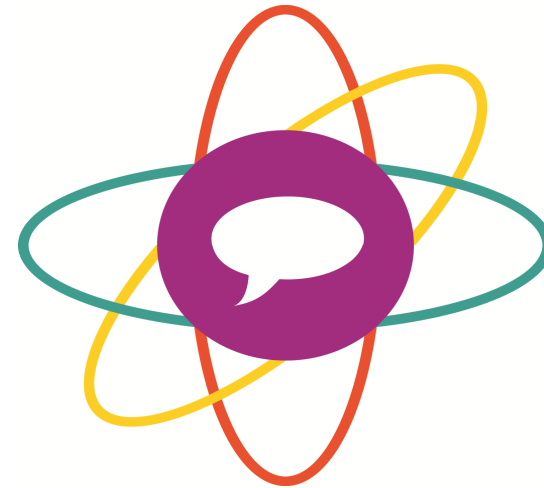
Example: Harlem Children's Zone – "A Safety Net woven so tightly that children can't slip through
The HCZ is a non-profit organisation for poverty-stricken children and families living in Harlem. It provides free support for children and families with the aim of breaking the cycle of generational poverty by wrapping children in a pipeline of health, social, and educational supports from birth through to college - "cradle-to-career" approach.

Source: http://www.hcz.org/home

Leveraging information has been taken to a new level in Belgium

FEDICT & National Register

spf ss

onss

onssapl

inasti

cpsm

onafts

adp

fat

fmp

onva

ossom

onp

cimire

inami

sickness funds network

onem

spf e & t

fonds de séc. exist.

Crossroads Bank for Social Security

Belgium Crossroads Bank

"Publish and subscribe versus copy and update"
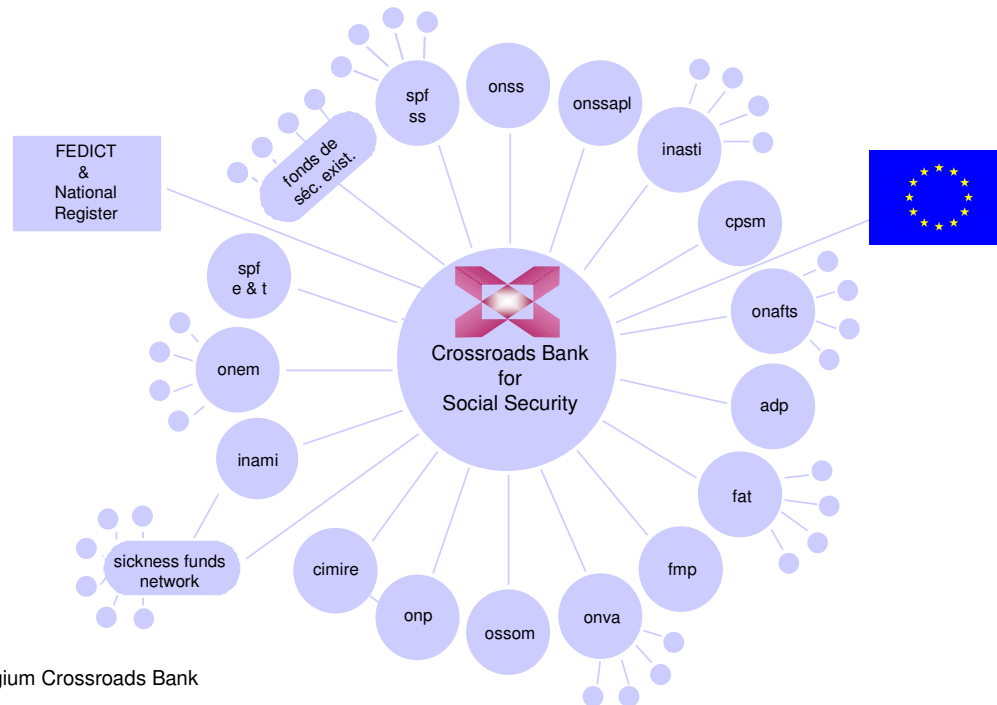
- Belgium's goal was to access information at its source versus relying on one major database

- Law of January 15, 1990 created the Crossroads Bank for Social Security

  - Has reduced the burden on citizens and employers
  - Has eliminated over 230 forms to date
  - Data items in remaining forms (~50)
  - Have been reduced by 1/3

40

Benefits Of RightServicing

For Government – achieve societal outcomes:
- Provide sustainable social programs while supporting economic growth
- Build confidence in a social system that fits the needs of the 21st Century
- Focus resources on those most in need to get better outcomes for the common good
- Deploying targeted programs to address the hardest societal problems
- Cost avoidance from consequences of long term social problems
- Turning tax consumers to tax payers

For the Individual and the Family – achieve aspirational goals and meet immediate needs:
- Giving people the greatest opportunity to maximise participation in the workforce and society
- Integrated services tailored to their real needs
- Empowerment to manage their needs without the direct intervention of government
- Have access to the full range of programs and services that are supportive when needed and withdrawn before creating long – term dependency
- Break the cycle of intergenerational welfare dependency

For the Social Organisation – better individual and societal outcomes:
- An efficiency dividend through delivering services to the majority at a lower cost
- Implementing a service delivery model that is beyond citizen centric as it continually transforms with society and citizens evolving needs
- Brings together the collaborative potential of government at all levels to deliver a more sustainable impact on individual and societal outcomes

4. For Further Information

For Further Information

To learn more about the Cúram Research Institute's current and past research projects you can access the website here:

http://www.curamresearchinstitute.com/

To download the RightServicing Paper click here:

http://www.curamresearchinstitute.com/sites/default/files/documents/ RightServicing_Apr2012.pdf

For any further information contact Eloise O'Riordan at:

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