



DBPR Re-Engineering Has Achieved Cost Savings, But More Can Be Done to Centralize Functions and Improve Services

at a glance

The Department of Business and Professional Regulation's call center and single licensing project was intended to improve business operations across divisions, improve customer service, centralize application processing, and streamline operations. The project has centralized many functions and produced cost savings. However, it has not achieved all of its objectives, and one-third of recent customers who responded to our survey were not satisfied with the Customer Contact Center's services. The department should facilitate electronic application submission for all licenses and seek to eliminate duplicative data systems. In addition, as the department's contract with its vendor will expire in 2008, it should begin a comprehensive analysis of post-contract options and report these results to the Legislature.

Scope

As requested by the Legislature, this report examines the Department of Business and Professional Regulation's (DBPR) central intake unit and Customer Contact Center. Specifically, the report evaluates the extent to which this initiative has achieved intended goals to improve operations and customer service, and identifies options for further improving these functions.

Background

DBPR is charged with regulating many Florida occupations and businesses to protect the health, safety, and welfare of citizens and visitors. The department regulates over 800,000 businesses and professionals in more than 200 license categories, ranging from cosmetologists to veterinarians and businesses ranging from alcohol and tobacco retailers to restaurants (see Exhibit 1).

Exhibit 1 DBPR Regulates Many Businesses and Professionals

Division	Number of Active Licensees as of July 1, 2005
Alcoholic Beverages and Tobacco	71,117
Boxing Commission	959
Certified Public Accounting	29,623
Hotels and Restaurants	121,567
Florida Land Sales, Condominiums and Mobile Homes	29,767
Pari-Mutuel Wagering	25,088
Professions	346,401
Real Estate	254,092
Total	878,614

Source: Department of Business and Professional Regulation.

In 2001, the department contracted with Accenture, LLP, to design, implement, and operate an online licensing system, Internet portal, and call center. This initiative was intended to consolidate department computer systems, telephone systems, and business operations to reduce costs and improve customer service by providing single points of entry through the Internet and call center. The department's contract with Accenture has three major components: (1) design, build, and implement a statewide licensing system and Internet portal; (2) provide application management services; and (3) implement centralized call center services.

Design, build, and implement a statewide licensing system and internet portal. In this component, Accenture developed an Internet portal and single licensing system, LicenseEase, which enables individuals to apply for and renew their regulatory licenses.¹ This component was divided into six major releases, with the final release completed in February 2003. Total payments to Accenture for this component were \$16 million.

Application management services. This component outsourced operations and maintenance support services for the single licensing system and the call center system. Accenture's responsibilities include providing technical support services, web hosting services, and managing application systems. The contract for this component runs from February 2, 2001, through December 31, 2008. The department pays Accenture a monthly maintenance charge of \$0.41 per account managed by the system. Payments for this component are estimated to be \$29.7 million through the end of the contract period; payments through September 2005 totaled \$13.2 million.

Call center services. In this component, Accenture developed and implemented a centralized call center for the department by providing the technology for voice, e-mail, Internet, and interactive voice response

capabilities. Accenture also assisted the department in re-engineering business processes and redesigning the department's organizational structure to achieve savings. This re-engineering involved moving some support activities, such as customer service and application processing, from the department's divisions to a central shared service center. The contract for this component is from February 2, 2001, through June 30, 2006. This component is funded through a benefit share agreement that requires DBPR to share with Accenture a portion of the cost savings attributed to this project.² Benefit share payments are estimated to be \$19.2 million through the end of the contract period; payments through September 2005 totaled \$13.6 million.

DBPR estimates that payments to Accenture will total approximately \$68 million through the completion of the contract in 2008. As Exhibit 2 shows, the department paid Accenture \$44.6 million as of September 2005.

**Exhibit 2
DBPR Has Paid Accenture \$44.6 Million to Date**

Contract Component	Estimate	Amount Paid as of September 2005
System Design, Build and Implementation	\$16,000,000	\$16,000,000
Application Management Services	29,695,533	13,188,873
Call Center Services	19,248,911	13,622,867
Other (Amendments) ¹	3,167,083	1,794,310
Total Payments	\$68,111,527	\$44,606,050

¹ Includes lease and maintenance of personal digital assistants for Divisions of Hotels and Restaurants and Alcoholic Beverages and Tobacco, interface capabilities for computer based testing for Certified Public Accountants, configuration for the Florida Engineers Management Corporation, design of the Tax/Audit option, and development and implementation of the Pari-Mutuel Compliance Monitoring and Audit System.

Source: OPPAGA analysis.

² Under the shared savings contract, Accenture developed the new system and will receive compensation from the department for the first five years of the project based on a set contract price plus an agreed percentage of the savings realized through the project. These percentages will vary from 40% in FY 2001-02 to a maximum of 67% in FY 2005-06. Benefit share payments to Accenture are paid in December and June, for the five-year period. Each payment is an estimate of the benefits to be realized over the following six months. An annual reconciliation or true-up process compares actual savings for the current fiscal year to estimated savings for the baseline fiscal year. The outcome of the true-up results in an adjustment invoice from Accenture.

¹ LicenseEase is a product of Versa Management Systems, Inc., a subsidiary of KPMG.

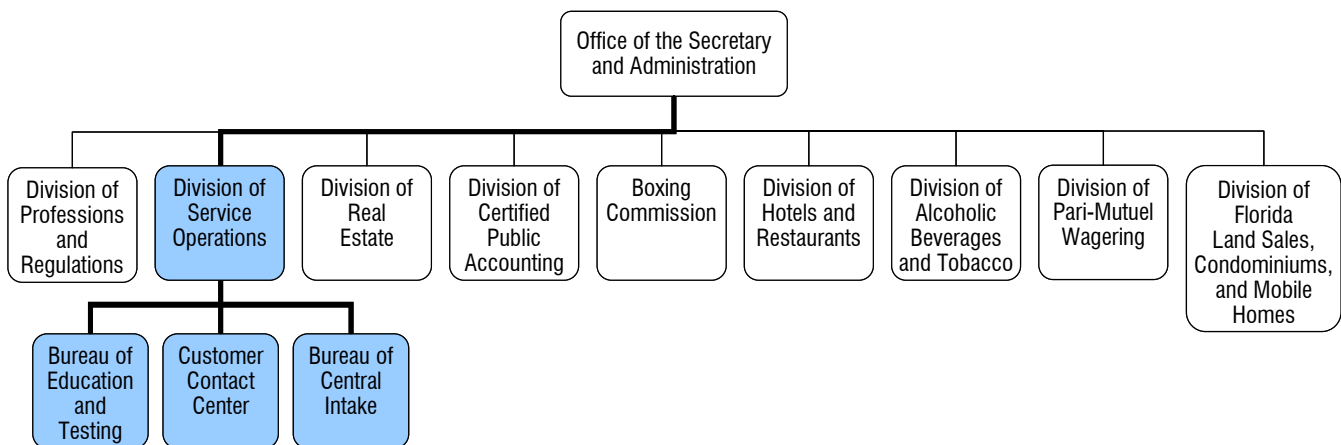
Reorganization. The department used the call center and single licensing system project to reorganize its structure to create the Division of Service Operations, a shared service center that replaced some service units formerly operated by divisions. The Division of Service Operations consists of three bureaus—Customer Contact Center, Education and Testing, and Central Intake (see Exhibit 3).

The Customer Contact Center handles initial interaction conducted by telephone, e-mail, and the Internet, providing the public with 24-hour access to information regarding the businesses and professions regulated by DBPR. The Customer Contact Center also responds to all general inquiries and disseminates materials such as forms, information booklets, and brochures. The Bureau of Education and Testing develops, administers, reviews and grades licensing examinations. The Bureau of Education and Testing also manages continuing

education providers and courses required for licensing. The Bureau of Central Intake processes applications and renewals for many of the businesses and professions regulated by DBPR. The Bureau of Central Intake also collects and processes revenue associated with licensing activities.

Resources. The Legislature appropriated \$4 million and 82 staff positions for the Customer Contact Center and \$6.2 million and 102.5 staff positions for the Bureau of Central Intake in Fiscal Year 2005-06. The Customer Contact Center allocates its operating expenses among the divisions and professional boards using data on the percentage of calls answered on their behalf, while the Bureau of Central Intake allocates its operating expenses using data on the activities performed by its operating units (such as applications processed, licenses issued, and cash receipts processed).

Exhibit 3
The Division of Service Operations Consists of Three Bureaus—Education and Testing, Customer Contact Center, and Central Intake



Source: OPPAGA analysis.

Findings

DBPR's objectives in implementing the call center and single licensing system project were to improve business operations across divisions, improve customer service, centralize application processing, and streamline operations. The department expected to achieve these objectives by redesigning business processes, implementing an electronic licensing system, providing Internet portal services, and maintaining a centralized call center. In addition to improving efficiencies, the project was expected to generate substantial cost savings.

The project has been successful in centralizing many functions, enhancing customer access to services, and achieving staff reductions. However, the department has not achieved all project objectives. Specifically,

- application processing and other functions have not been fully centralized;
- cost savings have been realized but are overstated due to the exclusion of some costs; and
- performance standards have been met, but one-third of recent customers who responded to our survey were not satisfied with Customer Contact Center services.

To ensure future success, the department must begin planning for the post-contract period, and should work with the Legislature to assess program options.

Several project objectives have been met

The call center and single licensing system project has generally achieved its goal of significantly restructuring department functions and resources to produce more streamlined and cost-effective operations. The project has enabled the department to reorganize business processes, update technology systems, and significantly reduce staff.

Prior to implementing the project, the department operated multiple fragmented computer systems and a large portion of personnel resources were spent on customer

interaction. Each program performed application processing and customer service functions and utilized separate information management systems. There were numerous points of entry for customer service and there was no capacity for electronic application submission or payment.

By implementing the call center and single licensing system, the department updated and consolidated the technology used for these core functions and improved operations and services for customers. The department now operates an information management system that supports most core business functions; the new system replaced more than 60 antiquated systems.

In addition to these technological advances, creating the Bureau of Central Intake, which performs application processing and license renewal functions, has enabled department staff to focus on their core regulatory functions. Previously, staff in each division was responsible for processing license applications and renewals in addition to their core regulatory duties such as inspections, investigations, and complaint processing. Moreover, the Customer Contact Center enabled the department to improve and centralize many customer service functions. Whereas each of the regulatory programs formerly responded to calls and performed customer service functions for the professions they regulate only during business hours, the Customer Contact Center now provides a more centralized point of contact for customers and offers 24-hour access to online services.

The project and its related restructuring of department functions have produced savings. According to the department's most recent legislative budget request, 249 full-time equivalent positions were eliminated due to the business transformations associated with the call center and single licensing system project.³ Eliminating these positions reduced the department's budget for salaries and benefits by \$9.4 million.

³ These reductions had limited impact on staff since many of these positions had been held vacant by the department.

Not all functions were centralized as intended

While the project and department reorganization has centralized some functions, it has not achieved all of its goals. Specifically, application processing has not been centralized as fully as intended, with several regulated professions and businesses still completing applications manually rather than submitting them online. In addition, while the project was expected to fully consolidate the department’s data systems and eliminate multiple databases, some divisions continue to maintain secondary systems.

Some divisions still process license applications and utilize secondary data systems. The department created the Bureau of Central Intake with the goal of streamlining application processing and license renewal functions and to centralize revenue processing for all licensing activities. While the bureau has centralized most of these functions, the degree to which it performs these functions for the divisions varies, as shown in Exhibit 4.⁴ For example, the bureau provides all licensing and revenue functions for the Divisions of Professions, Real Estate, and Certified Public Accounting. However, the bureau does not currently provide any services for the Boxing Commission and provides only partial services (mostly revenue collection) for the Divisions of Pari-Mutuel Wagering, Florida Land Sales, Condominiums and Mobile Homes, and Hotels and Restaurants.

According to the department, the Bureau of Central Intake does not process applications for some regulated entities due to their complicated requirements or unique business setting. For example, licensing for land sales requires the review of blueprints, building plans and other technical information that cannot be handled through the department’s on-line system. The bureau does not process applications for Pari-Mutuel Wagering and Boxing because these

applications are accepted and approved on-site at gaming and pugilistic venues.

**Exhibit 4
Central Intake Functions Performed for Divisions Varies**

Division	Initial License Application Processing	License Renewal and Maintenance	Revenue Collection
Alcoholic Beverages and Tobacco	No	Yes	Yes
Boxing Commission	No	No	No
Certified Public Accounting	Yes ¹	Yes	Yes
Hotels and Restaurants	No ²	No	Yes
Florida Land Sales, Condominiums and Mobile Homes	No	No	Yes
Pari-Mutuel Wagering	No ³	No	Yes
Professions ⁴	Yes	Yes	Yes
Real Estate	Yes	Yes	Yes

¹ Includes application functions performed for original licenses and temporary permits for firms and money collection for endorsement, reactivation, and first time CPA candidates.

² The Central Intake Unit performs data entry functions for licenses division staff have already approved for temporary events.

³ The Central Intake Unit screens applications for accuracy and completeness and processes fingerprint cards for licenses division staff have already issued onsite at pari-mutuel facilities.

⁴ This does not include licensing functions for professional engineers, child labor, and farm labor.

Source: OPPAGA analysis.

Despite the unique characteristics of some professions and businesses regulated by the department, additional opportunities to improve and streamline business operations across divisions may exist in online application submission. The department’s licensing system was intended to automate the licensing process, but currently many applicants cannot apply for licenses online. For example, applicants seeking boxing, alcoholic beverages and tobacco, or talent agency licenses may not apply online. While the application forms for these professions are accessible online, applicants must print them out, complete them by hand, and mail or hand deliver them to the department for processing.

⁴ Service level agreements define the services to be performed for each division, the expected service level, and the responsibilities of the division to enable the Bureau of Central Intake to provide the identified services.

According to the department, online submission is not feasible for these and other license applications because some licenses require third-party documentation that is not available for electronic submission. For example, applications for alcoholic beverage licenses require several documents typically provided in hard copy by various state and local sources, such as proof of corporate registration from the Department of State and fingerprint cards processed by a law enforcement agency.

However, the department could allow applicants to submit some information for such licenses online, a service that it now provides for some businesses and professions. At a minimum, all applicants (individuals and businesses) should be able to complete and submit an initial license form online. Applicants could then submit remaining information by mail or hand delivery. The department has master application forms for individuals and organizations, but the Division of Professional Regulation primarily uses these forms. Use of these forms should be expanded and utilized for licenses offered by other divisions such as Hotels and Restaurants and Alcoholic Beverages and Tobacco. Use of a standard form for all licenses would reduce the number of forms and simplify the application process.

Opportunities also exist to diminish the use of duplicative data systems. For example, the department's inspector general recommended that the Division of Land Sales, Condominiums and Mobile Homes discontinue using an Excel spreadsheet to track arbitration data already stored in the LicenseEase system.⁵ To address this concern, the department requested a modification to the LicenseEase system; according to department officials, the changes are scheduled to be implemented in December 2005.

⁵ *Division of Land Sales, Condominiums and Mobile Homes*, Department of Business and Professional Regulation Office of Inspector General, Audit Report AR 04-05-02, December 22, 2004.

Similarly, the Division of Alcoholic Beverages and Tobacco uses other systems, in addition to LicenseEase, to manage information used in enforcement and compliance for tax and auditing functions, although some information, such as enforcement alerts, is duplicated in both systems. To address this issue, the department contracted with a private vendor to design a consolidated tax auditing and compliance management system. A 2005 assessment of the alternatives available for systems consolidation determined that the tax auditing and compliance management system designed by Accenture is the best system for performing these functions.^{6,7} According to the assessment, implementing the tax auditing and compliance management system would extend the capabilities of the department's existing licensing system and eliminate the need to operate secondary data systems.

Cost savings achieved but amounts overstated

The contract projected that the call center and single licensing project would generate substantial savings, with primary cost reductions resulting from a decrease in the number of full-time equivalent positions due to new operating efficiencies. While major savings have been achieved, the reported amount of these savings is overstated and the current methodology for estimating costs savings is questionable because it does not take into consideration all costs associated with the project.

⁶ *Business Case Alternatives Analysis for Single Licensing System/Tax Auditing & Compliance Project*, KSJ & Associates, Inc., May 2, 2005.

⁷ In 2004, OPPAGA recommended that an independent entity develop a comprehensive cost-benefit analysis of alternatives to fully assess available options. See *DBPR Tax Functions Are Appropriately Placed; Expanded Use of DOR Tax Processing System Should Be Considered*, [Report No. 04-20](#), March 2004.

Cost savings calculations do not include all costs. According to the department’s July 2005 business case, total savings to be produced from the project are estimated at \$75.7 million through Fiscal Year 2009-10.⁸ As shown in Exhibit 5, the department reports that it achieved approximately \$12.8 million of these cost savings through Fiscal Year 2003-04.⁹ The department has not yet calculated savings for Fiscal Year 2004-05.

**Exhibit 5
DBPR Reported Achieving \$12.8 Million in
Cost Savings Through Fiscal Year 2003-04**

	Fiscal Year			Total
	2001-02	2002-03	2003-04	
Cost Savings	\$161,658	\$3,025,918	\$9,580,220	\$12,767,796
Share to Accenture	64,663	1,210,367	5,748,132	7,023,162
Share to DBPR	96,995	1,815,551	3,832,088	5,744,634
Benefit Share % (Accenture/DBPR)	40/60	40/60	60/40	55/45

Source: Department of Business and Professional Regulation.

The department attributed these savings to

- reengineered business processes that enable customers to submit data via the Internet thus reducing paper driven transactions;
- consolidating field offices and centralizing key functions formerly performed by divisions; and
- increased technology use.

However, the department’s cost savings are overstated due to flaws in the methodology it used for determining the project’s fiscal impact. In January 2004, the Auditor General reported that the methodology the department used to calculate project cost savings did not include as a cost the total payments to the contractor.¹⁰ For example, payments to Accenture for the licensing

⁸ The business case is produced quarterly and contains information to support the estimated payment invoices of the benefit share portion of the contract.

⁹ The department estimates that the project will generate an additional \$62.9 million in savings between FY 2004-05 and FY 2009-10, an average of \$10.5 million each year.

¹⁰ *On-line Licensing System and Call Center Services Agreement*, Department of Business and Professional Regulation, Florida Auditor General, [Report No. 2004-112](#), January 2004.

system and call center components were excluded as costs.¹¹ The department noted that these costs were excluded because it had reached an agreement with the contractor to include only operating costs when calculating project cost savings. However, excluding costs associated with project installation, implementation and engineering inflates claimed savings and increases the amount to be paid to the contractor. Based on the department’s calculations at the time of the Auditor General’s report, including these costs would have decreased total project savings by \$37 million and the contractor’s share by an estimated \$13 million. We concur with the Auditor General’s recommendation that the department reconsider its decision to exclude amounts paid to the contractor from its savings calculations. Reporting accurate data on the project’s fiscal impact is critical to enabling the Legislature and taxpayers to accurately gauge the results of the department’s re-engineering efforts.

Performance standards met, but one-third of survey respondents dissatisfied with services

The department has established some performance measures for the Customer Contact Center and the center is generally meeting its performance standards. However, these measures do not assess customer satisfaction, although the Legislature has expressed concern about user satisfaction with the department’s call center and online services. To assess customer satisfaction, OPPAGA surveyed a random sample of citizens who recently used these services.

Current performance standards met, but satisfaction not measured. As shown in Exhibit 6, the department assesses the center’s operations using two legislative performance measures relating to the number and percentage of calls answered.¹² The center met its standards for these measures in Fiscal Year 2004-05.

¹¹ DBPR paid \$16 million for the Design, Build, and Implementation of the Single Licensing System and Internet Portal component and is expected to pay an estimated \$19 million for the Call Center Services component.

¹² The Customer Contact Center also evaluates the performance of its customer service staff using mechanisms such as call monitoring, performance evaluations, and performance statistics.

**Exhibit 6
Customer Contact Center Met Limited
Performance Standards**

Performance Measures	Fiscal Year 2004-05	
	Standard	Performance
Customer Contact Center		
Percentage of calls answered	90%	100%
Number of calls answered	1.5 million	1.8 million

Source: Department of Business and Professional Regulation.

However, the department does not assess customer satisfaction with the Customer Contact Center. Department officials acknowledged that a mechanism is not currently in place to measure customer satisfaction with Customer Contact Center services, but indicated that options for doing so are being considered. Measuring customer satisfaction, a key indicator of program performance, helps managers identify strategies for improving services to customers. In addition, the Florida Customer Service Standards Act (s. 23.30, *Florida Statutes*) requires state agencies to develop customer satisfaction measures as part of their performance measurement system and provide statistical data on customer satisfaction measures in annual reports.

One-third of customers who responded to our survey were not satisfied with DBPR's services. To assess customer satisfaction with Customer Contact Center services, OPPAGA surveyed a random sample of citizens who recently used its services (see Appendix A for survey methodology). As shown in Exhibit 7, the respondents were generally satisfied with the interactive voice response system, customer service staff, and web services.^{13,14} Overall, respondents rated their satisfaction with these services as 73 on a 100-point scale. However, one-third of recent customers who responded to

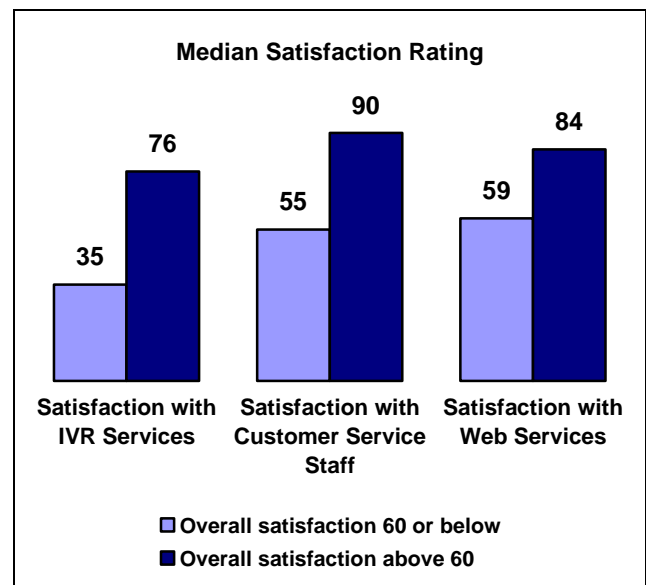
¹³ "Customer service staff" includes call center agents as well as other staff to whom calls have been transferred. According to department call center statistics, only 5.46% of calls to the Customer Contact Center were referred to other staff for resolution in Fiscal Year 2004-05.

¹⁴ Interactive Voice Response System is technology that allows users to use a touch-tone telephone to interact with a database to acquire information from or enter data into the database. IVR technology does not require human interaction over the telephone as the user's interaction with the database is predetermined by the system's programmed options.

our survey were not satisfied with these services, rating their overall satisfaction at 60 or below.

As indicated in Exhibit 7, respondents were most satisfied with the performance of customer service staff but were least satisfied with the interactive voice response system. Of the persons who were satisfied, customer service staff received a median rating of 90, while the interactive voice response system received a median rating of only 76. Dissatisfied respondents, those rating overall satisfaction at 60 or below, rated interactive voice response services at a low of 35, followed by customer service staff at 55, and web services at 59 (see Appendix A for detailed results).

**Exhibit 7
Survey Respondents Were Most Satisfied with
Customer Service Staff and Most Dissatisfied with
the Interactive Voice Response System**



Source: OPPAGA analysis.

Eighteen percent of respondents reported contacting the department to complain about the quality of these services.¹⁵ Respondents complained primarily about (1) the Customer Contact Center taking too long to respond to calls and information requests; (2) their inability to track whether the department had received information

¹⁵ Seventy-one percent of respondents reporting they complained to the department were dissatisfied respondents, rating their overall satisfaction with department services at 60 or below.

they submitted; (3) customer service staff not having the knowledge needed to answer their questions; (4) they received incorrect information about licensing requirements; and (5) unprofessional behavior of customer service staff. A recent satisfaction survey conducted by the Florida Institute of Certified Public Accountants revealed that licensed CPAs had similar complaints about the Customer Contact Center's services.

Comprehensive analysis of post-contract options needed

The Application Management Services component of DBPR's contract with Accenture, which provides for the outsourcing of operations and maintenance support services for the single licensing system and the Customer Contact Center system, ends on December 31, 2008.¹⁶ To avoid service disruptions and resulting customer dissatisfaction, it will be important for the department to start planning how it will provide these services well before the contract ends, as it may need several years to either develop the capacity to provide services in-house or to fully assess alternative vendors. The department currently plans to begin preparing for the post-contract period in January 2007, two years prior to contract expiration.

The department should develop a business case to identify the most cost-effective method for securing these services. At a minimum the analysis should include

- an estimate of all costs associated with each option;
- recommended solution and justification;
- transition management strategy;
- performance metrics; and
- recommended procurement process.

The department should complete its analysis of post-contract options by July 1, 2007, and

¹⁶ This includes support and maintenance of the single licensing system, support and maintenance of the infrastructure, code maintenance, bug fixing, version management and help desk support services.

provide this information to the Legislature for consideration.

Conclusions and Recommendations

DBPR's re-engineering and outsourcing has centralized functions and produced cost savings. However, it has not achieved all of its objectives, and one-third of recent customers who responded to our survey were not satisfied with the Customer Contact Center's services. We recommend that the department take several steps to further streamline its operations, improve customer satisfaction, and achieve additional savings.

- Continue to explore options to expand online application submission and eliminate secondary data systems.
- Develop customer satisfaction measures and report performance for these measures to the Legislature. To collect this data, the department should periodically survey citizens that use its services, and assess customer satisfaction with customer service staff, the department's website, and its interactive voice system. The department should use survey results to modify service delivery.
- Develop a business case for post-contract options by July 1, 2007, and submit this business case to the Legislature. The department should assess all costs associated with each option. At a minimum, the business case should outline the options evaluated and the criteria and performance metrics used in this assessment and recommend options and a transition management strategy.

Agency Response

In accordance with the provisions of s. 11.51(5), *Florida Statutes*, a draft of our report was submitted to the Secretary of the Department of Business and Professional Regulation for review and response.

The Secretary's written response is reproduced in its entirety in Appendix B.

OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

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Appendix A

Survey Methodology

As the Legislature has expressed concerns with customer satisfaction with services provided by Florida's Department of Business and Professional Regulation, OPPAGA surveyed persons who had recently used the department's Customer Contact Center to measure their satisfaction with its services. We modeled the survey after the American Customer Satisfaction Index designed by the partnership of University of Michigan, American Society for Quality, and CFI Group. The American Customer Satisfaction Index is routinely used in private industry and government. We designed our survey to identify the level of satisfaction with the department's website, customer service staff, and interactive voice response system; and the relative effect that each service has on overall satisfaction with the department.

Survey Procedures

The department provided a list of licensees and applicants who contacted the department from February 15, 2005, through May 15, 2005. The list contained multiple contacts for the same person and the following contact information—name, mail address, telephone number, e-mail address, and method of contact (e.g., call, e-mail, web, interactive voice response). Due to the resources required for a telephone survey, we decided to survey via U.S. mail and e-mail. Prior to selecting a random sample, we eliminated people whose only contact information was a telephone number.

We surveyed a random sample of 2,542 people from a list of 136,989. Of the 2,542 people contacted, 955 responded (a 37.6% response rate). We contacted people in the sample by e-mail and U.S. mail asking them to complete an internet survey. People not responding to the initial contact were contacted again by e-mail or U.S. mail. For those not responding and for whom we had a mailing address, we mailed a copy of the survey with a postage-paid return envelope.

Overall, we received responses from 37.6% of our sample. Survey respondents were somewhat different from the sample population in that a higher percentage had initially contacted the department via its website. However, given the relatively high overall satisfaction ratings, we believe that the survey results are not unduly biased from a greater likelihood of disgruntled people responding to the survey. Also, the over-representation of website users among respondents does not appear to have biased results given that web users' overall satisfaction was not substantially different from that of callers contacting Customer Contact Center agents.

**Table A-1
Persons Contacting the Department Through the Website Were Over-Represented
Among Respondents**

Type of Contact	Percentage of Contacts		
	All Contacts N=136,989	Sample N=2,542	Survey Respondents N=685 ¹
Call	59.2%	58.8%	50.9%
E-mail	6.7%	6.5%	5.5%
Interactive voice	15.1%	14.8%	14.9%
Website	49.8%	50.4%	62.8%

¹Analyzing the potential effect on survey results of people not responding to the survey requires matching respondents' identification numbers to the original list of contacts. While 955 people answered survey questions, 270 did not provide their identification numbers with their survey responses, which prevented us from tracking those respondents. Thus, we excluded those 270 respondents from this analysis of response bias.

Source: OPPAGA analysis.

Survey Results

We asked respondents to rate the department's website, Customer Contact Center agents, and interactive voice response services on a number of aspects. We also asked the respondents about their expectations and ratings for the overall quality of Customer Contact Center services and their level of satisfaction with those services. All ratings were on a 1 to 10 scale. We averaged survey items and converted to a 100-point scale to produce ratings for services, quality, expectations, and overall satisfaction.

As indicated in Table A-2, respondents were generally satisfied with Customer Contact Center services. However, one third of respondents were not satisfied, rating their overall satisfaction with the Customer Contact Center at 60 or below.

**Table A-2
Median Respondent Satisfaction Ratings with the Customer Contact Center's Services**

Survey Items		All Respondents	Overall Satisfaction Rating Above 60	Overall Satisfaction Rating 60 or Below
Website	Accuracy and reliability of information	80	90	70
	Value of information	90	90	70
	Ease of navigation	70	80	50
	Able to find desired information	80	80	50
	Retrieving and updating license information	80	90	55
Interactive voice	Accuracy and reliability of information	60	80	40
	Value of information	60	80	40
	Ease of navigation	50	70	30
	Able to find desired information	50	70	30
	Retrieving and updating license information	50	80	30
Customer Service Staff ¹	Courteous	90	90	70
	Knowledgeable, helpful, and responsive	80	90	50
Overall Quality of Services	Rate overall quality of all services	80	90	50
Expectations of Overall Quality	Rate how high/low expectations of overall quality	70	80	50
Overall Satisfaction	Rate overall satisfaction	80	90	40
	Rate degree met expectations	70	80	40
	Rate degree department is close to the ideal	70	80	40

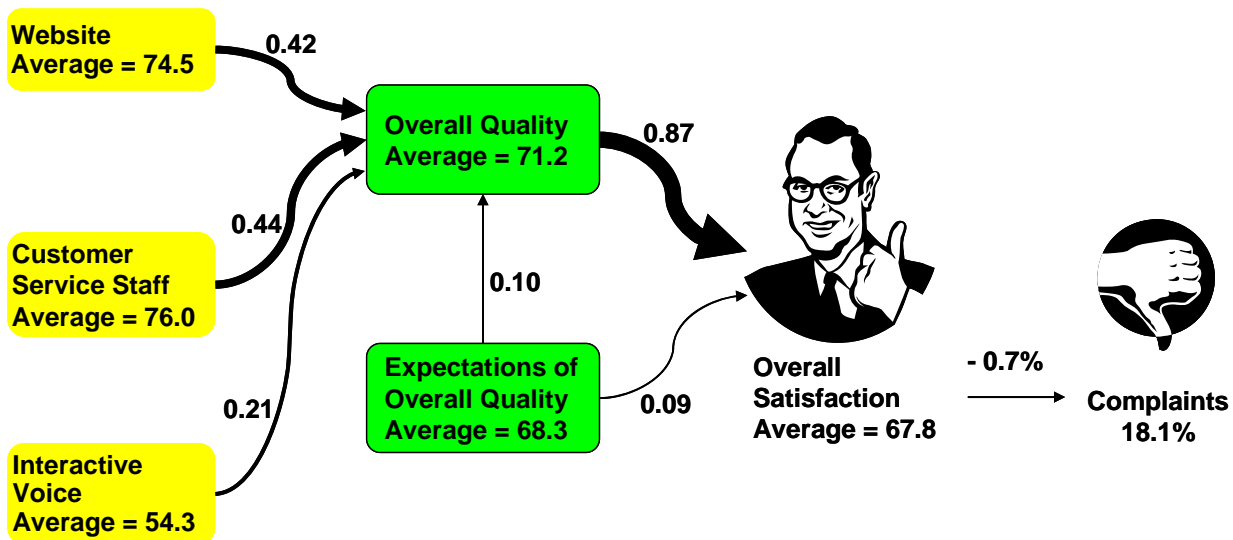
¹"Customer service staff" includes call center agents as well as division staff to whom calls have been transferred. According to department call center statistics, only 5.46% of calls to the Customer Contact Center were referred to division staff for resolution in Fiscal Year 2004-05.

Source: OPPAGA analysis.

We used a statistical technique referred to as structural equation modeling to identify the most important factors affecting satisfaction with the Customer Contact Center’s services (Hayduk 1987; Arbuckle and Wothke 1999). We estimated the effects of (1) the respondents’ experiences with the Customer Contact Center’s services, (2) their perceptions of the quality of those services, and (3) their expectations for Customer Contact Center services on their overall satisfaction with the Customer Contact Center. We also estimated how the respondents’ overall satisfaction affects the likelihood of reporting contacting the department to complain.

Table A-3 shows the effects of each factor on overall satisfaction and the likelihood of contacting the department to complain. Improving respondent’s ratings of website and customer service staff will have the most effect on improving ratings of overall quality and overall satisfaction. The effect scores in Table A-3 indicate the effect on the subsequent factor’s rating if the rating of the factor at the tail of the arrow is improved by one point. For example, if the ratings for website services were improved by five points, ratings of overall quality would go up from 71.2 to 73.4 ($71.2 + [5 \times 0.42] = 73.3$). Ratings of overall satisfaction would, in turn, increase 1.8 points ($5 \times 0.42 \times 0.87 = 1.83$) and the percentage of people making complaints would be reduced 1.3 percentage points to 16.8% ($5 \times 0.42 \times 0.87 \times -0.007 = -0.013$).

Table A-3
The Department’s Website and Customer Service Staff Are the Most Important Factors Driving Customers’ Ratings of Quality and Satisfaction



Source: OPPAGA analysis.

Appendix B



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION



December 14, 2005

Jeb Bush
Governor

Simone Marstiller
Secretary

Gary R. VanLandingham, Director
Office of Program Policy Analysis and Government Accountability
Claude Pepper Building, Room 312
111 West Madison Street
Tallahassee, FL 32399-1450

Office of the Secretary
1940 North Monroe Street
Tallahassee, Florida
32399-0750

Dear Mr. VanLandingham:

Enclosed is the Department's response to the Office of Program Policy Analysis and Governmental Accountability (OPPAGA) November 2005 draft report based on a review of this department's Division of Service Operations.

VOICE
850.413.0755

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850.921.4094

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Secretary@dbpr.state.fl.us

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We have worked closely with your staff in providing information for your report, and offer the following additional information in response to the specific OPPAGA findings, conclusions and recommendations.

We appreciate the time and energy put forth by your staff and we look forward to reviewing the final report. Please contact me at 413-0755 if you need further information or have additional questions.

Sincerely,
Simone Marstiller

Secretary

SM/vbh

cc: Julie Madden, Deputy Secretary, Operations
Ron Russo, Inspector General
Carmela Davis, Director, Division of Service Operations

Florida Department of Business and Professional Regulation
Response to Office of Program Policy Analysis &
Governmental Accountability
Report No. 05-60

CONCLUSIONS AND RECOMMENDATIONS

The OPPAGA audit finds that the DBPR re-engineering has centralized functions and achieved cost savings; however, it outlines three conclusions and recommendations for the department to continue to improve the services provided. The department's electronic application submission should be expanded to include additional professions and businesses to increase efficiencies and improve customer self-service capabilities. DBPR should implement processes to come to compliance with F.S. 23.30 requiring customer satisfaction analysis as a part of the Customer Contact Center's performance measures, and explore the elimination of secondary data systems integrated into the single licensing system utilized by the department.

OPPAGA RECOMMENDATION

- Continue to explore options to expand online application submission and eliminate shadow data systems.

AGENCY RESPONSE

- The department is reviewing the online application process for improvement to advance additional professions to the enterable applications.
- Statute changes to allow for electronic attestation of the application are being explored.
- Electronic fingerprinting is being implemented to increase portal activity.

OPPAGA RECOMMENDATION

- Develop customer satisfaction measures and report performance for the measures to the Legislature. To collect this data, the department should periodically survey citizens that use its services, and assess customer satisfaction with call agents, the department's website, and its interactive voice system. The department should use survey results to modify service delivery.

AGENCY RESPONSE

- In October, 2005 the Customer Contact Center began development of a Customer Contact Center Satisfaction Survey process. The survey includes random selection of customers utilizing the various support tools including the web portal, the Interactive Voice Response system and call center agents. Survey statistics are

currently being gathered to identify intake averages and to determine acceptable polling percentages.

- The Customer Contact Center conducts weekly customer satisfaction surveys and is compiling data for publishing.
- Our training program is built on service area inputs, customer survey results and new business processes activated.
- Quality assurance and quality control measures are being explored through the CORE team concept. Our next opportunity to request the addition of measures will be when we prepare the FY 2007-08 thru 2011-12 LRPP.
- Information sharing will elevate the quality of service to the customers.

OPPAGA RECOMMENDATION

- Develop a business case for post-contract options by July 2007, and submit this business case to the Legislature. The department should assess all costs associated with each option. At a minimum, the business case should outline the options evaluated and the criteria and performance metrics used in this assessment and recommend options and a transition management strategy.

AGENCY RESPONSE

- The department has begun the process for selecting a third party to assist the agency with the development of a business case for the post-contract options.