

This is DMV's fifth Peak Performance Meeting. This is DMV's first monthly report-out.

Attendees:

Cary Kennedy (CFO), Dave Edinger (CPO), Steve Ellington (Treasurer), Brendan Hanlon (BMO), Scotty Martin (BPA), Stephanie Adams (BMO), Illya Scott (DMV), Tony Frazzini (DMV), Derrick Kuhl (BMO), Laurel Bandy (BMO)

Vision Alignment

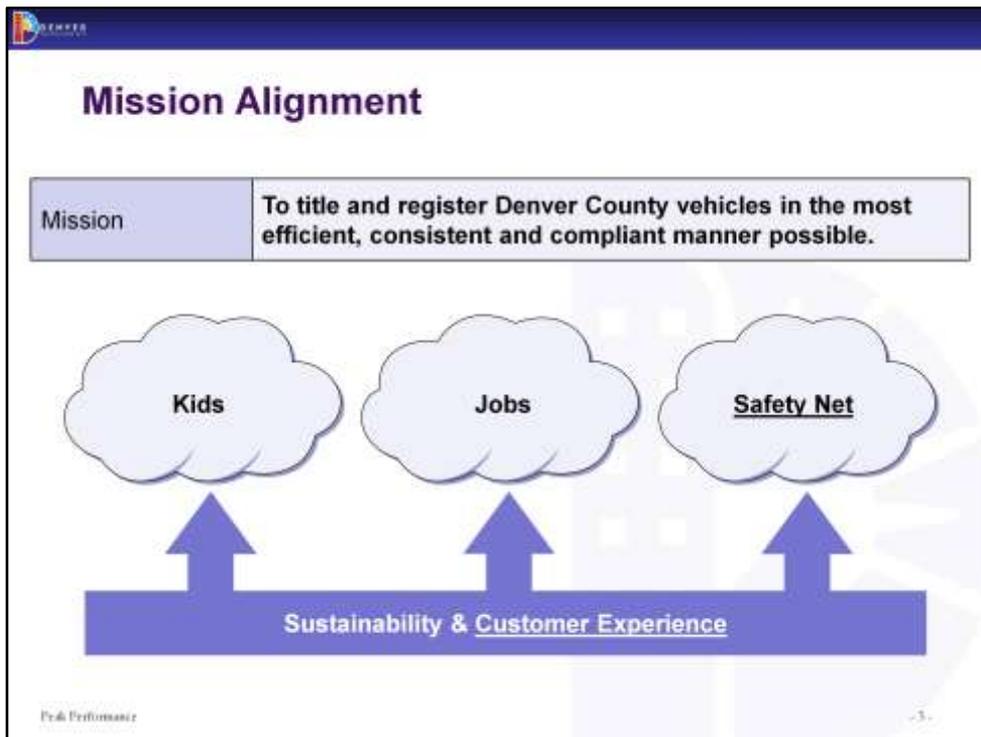
Citywide Vision:	We will deliver a world-class city where everyone matters
Agency Vision :	To be the premier vehicle registration and licensing agency in the State.

Peak Performance

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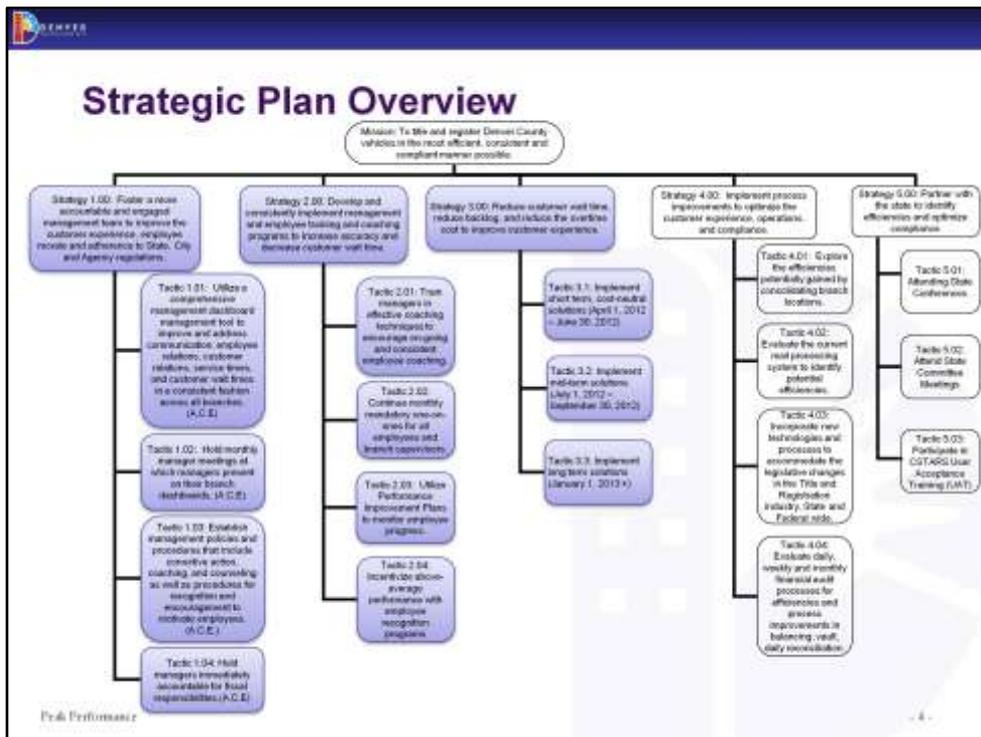
DMV’s vision is measurable. It aligns with the Citywide vision in the following ways:

- Citywide: DMV touches a large population citywide. Its constituents are dealerships, fleets and other entities, as well as the individual customer.
- Everyone matters: DMV strives to provide excellent customer service and reduce wait times because everyone matters. DMV coordinates with the State to reduce vehicular crimes because everyone’s safety matters.
- World-class: While Denver Motor Vehicle cannot compare itself to DMVs in other states because CO has different standards for titling than other states, they do measure themselves against other CO counties. The Vision is to become the leader in the MV industry in state of CO. Denver County is one of the largest counties of the 68 counties that administer and regulate motor vehicle laws in the state. The State does produce data that allows each county to monitor performance.



DMV's mission aligns with the mayors priorities in the following ways:

- Safety net- DMV impacts Safety Net by complying with State and National vehicular crime-related regulations and programs to prevent title fraud, title washing, cloning, alterations, protect abuse victims through the address confidentiality program, and detect fraudulent drivers licenses.
 - DMV has a large enforcement role in keeping vehicular crime at bay.
 - DMV will not issue a title on anything that is not road worthy, thereby keeping Denver's streets safe.
 - DMV trains staff to prevent crime.
 - DMV coordinates with other safety agencies through the stolen vehicle identity program. Stolen vehicles are flagged by police, and DMV puts a hold on the VIN.
 - DMV is working with state to align names on Drivers Licenses and Titles on new transactions to comply with state statute.
 - DMV is launching an initiative to track renewal tabs to prevent fraud.
- Customer Experience
 - DMV is one of the most visible Customer Experience agencies in the County.
 - DMV has daily contact with a variety of constituents
 - DMV strives to provide excellent customer service



DMV created their Strategic Plan in November 2011 to identify their priorities for a Better, Faster, Stronger DMV. DMV is focusing on Strategies 1&2 during the current time period and beginning to work on Strategy 3. DMV is going through a culture change to empower management and decrease turnover. DMV believes this is the foundation for strategies 3-5 and specifically, improving the customer experience. For example, providing training and close guidance for counter staff allows them to provide faster and more comprehensive customer service. Managers are being held accountable for daily deadlines (balancing and batching). Branch managers are now taking customer complaints directly. DMV leadership has a commitment to change the public perception that DMV provides poor customer service.

Legend – What do the symbols mean

-  Current metric meets or exceeds the goal or standard
-  Current metric is within an order of magnitude of the goal or standard
-  Current metric is outside of an order of magnitude of the goal or standard
-  Current metric is trending positively from the last reporting period (making progress towards the goal or standard)
-  Current metric is trending negatively from the last reporting period (moving away from the goal or standard)

A color and direction will be combined to form the following:

-  
-  

Peak Performance

DMV is using this simple legend to identify progress on key metrics “at a glance.”

Metric	Last Measure	Current Measure	Goal	Progress	Last Measure
Service Time	<u>0:04:41</u> 2011 all branch average	0:04:23	Decrease		Q1 2012 Average
Customer Wait Time	<u>0:52:18</u> 2011 all branch average	1:07:31	40:00 by Jan 1, 2013		Q1 2012 Average
Manual Renewal Rate	<u>59%</u> 2011 all branch average	57.66%	Decrease		Q1 2012 Average
Online Renewal Rate	<u>21%</u> 2011 all branch average	22.66%	Increase		Q1 2012 Average
Mail-In Renewal Rate	<u>20%</u> 2011 all branch average	19.66%	Increase		Q1 2012 Average
Error Rate*	<u>3.50%</u> 2011 all branch average	1.83%	Decrease		Q1 2012 Average
Back Log	<u>3,181</u> 2011 all branch average	1093 pieces	600 pieces/month by Jan 1, 2013		Q1 2012 Average
Overtime	<u>235.98 hours</u> 2011 all branch average per month	333.59 hours	Decrease OT & OT Spend		Q1 2012 Average

*Error rate depends on state audit. State rate = rejects. Normally the state audits 14%. Denver MV was audited in 2011, so the state sampled more than 14% (est. 60%), which increased the error rate in 2011.

* Backlog: March 2012 had no trainees processing and on-calls were out.

Strategy 3: Reduce customer wait time, reduce backlog, and reduce the overtime cost to improve customer experience.

Tactic 3.1: Implement short-term, cost-neutral solutions (April 1, 2012 – June 30, 2012)

Tactic 3.2: Implement mid-term solutions (July 1, 2012 – September 30, 2012)

Tactic 3.3: Implement long-term solutions (January 1, 2013 +)

Sub-Tactic 3.1.1: Implement dedicated renewal lines in all branches to reduce customer wait time for renewal transactions.

Sub-Tactic 3.1.2: We'll renew cards on the day of the processing month, instead of the end of the month. This gives customers more time to plan financially and utilize online and mail-in services.

Sub-Tactic 3.1.3: Put DMV reminders in City Council newsletters to increase awareness of online and mail-in renewal options.

Sub-Tactic 3.1.4: Develop a customer survey to understand why customers renew in person rather than online or by mail-in lockbox.

Sub-Tactic 3.1.5: Eliminate full-time counter employees to allow for better customer service.

Sub-Tactic 3.1.6: Increase processing center FTE by two by leveraging new hires.

Sub-Tactic 3.1.7: Identify internal processing deadlines for the Dealer Drop Off program.

Sub-Tactic 3.2.1: Implement specific steps to encourage all dealers to utilize the Dealer Drop Off program for all dealer payment processing. Action items include but are not limited to: establishing code processing at the Northwest Branch, upgrading CAD software to enforce the 30-day drop-off time, full-time new purchases, and changing the new dealer processing time allowed.

Sub-Tactic 3.2.2: Implement identified action steps to increase the percentage of items and mail-in renewals. Action items include but are not limited to: A data audit with postage and cost program to increase mail-in renewals, renewal reduction campaign including Dealer Council & City Council, CCC Meetings, and other events and events, and award the public renewal 12% Commission charge to reduce the financial impact renewal costs.

Sub-Tactic 3.3.1: Implement identified action steps to maintain the backlog at 500 pieces per month, and the maximum wait time at 40 minutes or less 95% of the time.

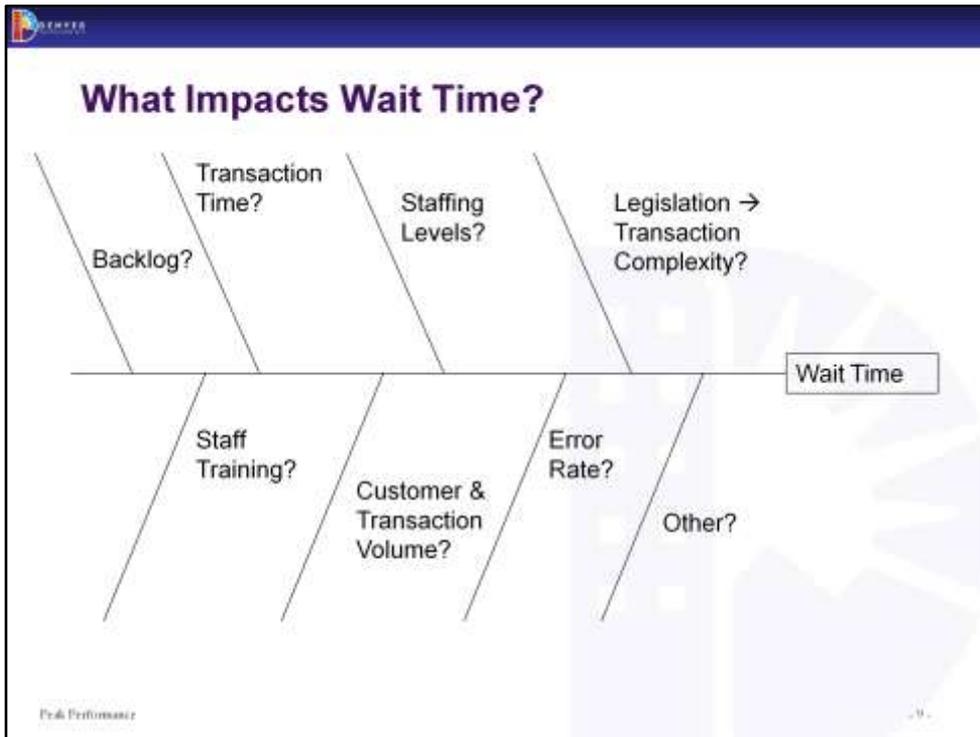
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DMV has revised strategy 3 to more accurately capture their priorities. The revised plan will be published to the Peak Performance website after this report-out.



Quarter 1 months are highlighted in dark blue. There doesn't seem to be a seasonal trend. However, if there is seasonality, based on 2010 and 2011, we would expect wait time for the next 6 months to be higher than Q1.

All Sub-tactics in Tactic 3 are anticipated to reduce wait time.



These are things that *may* impact wait time. Through Peak Performance, DMV can vet these beliefs and focus strategies accordingly.



Wait Time Correlations

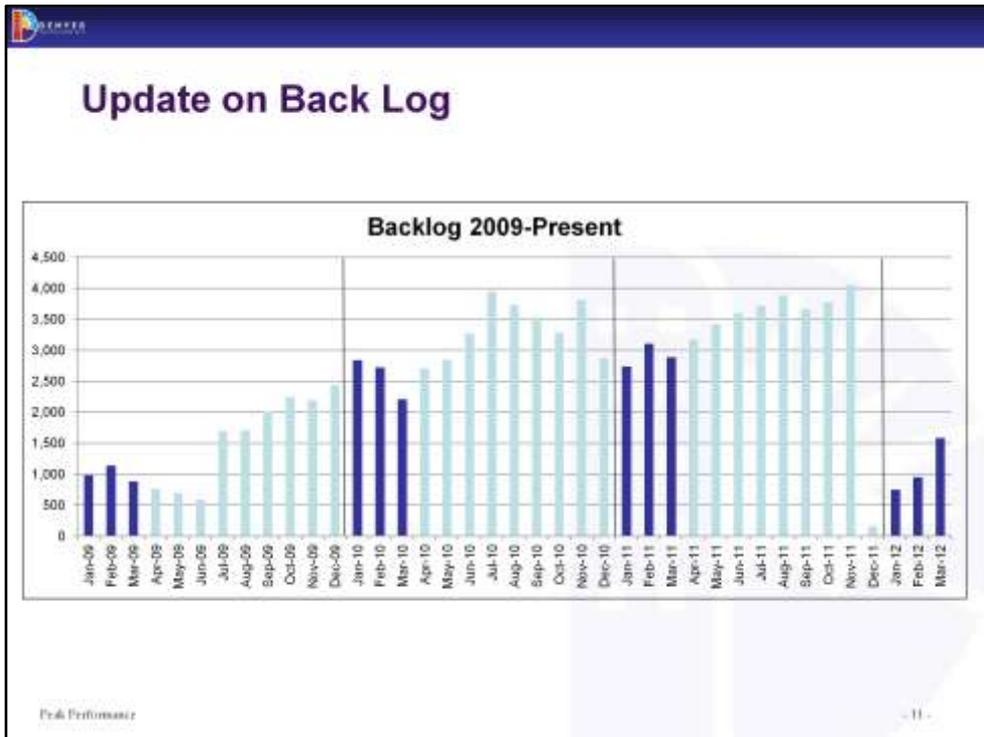
<i>Wait Time Correlation</i>	<i>r</i>	<i>Implication</i>
# Transactions	-8.25%	<i>Not influenced by # transactions</i>
# Customers	4.64%	<i>Not influenced by # customers served</i>
# Hours worked	-21.66%	<i>Mild impact by # hours worked</i>
# Transaction / Hour	19.79%	<i>More efficient with longer wait times</i>
% OT Hours	62.61%	<i>Spending more hours in OT when wait times are long</i>
Transaction Times	-13.28%	<i>Not influenced by transaction time</i>

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Correlation analysis can help identify main drivers of wait time.

This slide shows the correlation coefficient (r) for wait time and several of the metrics being measured. The strongest correlation is Overtime.

* r does not imply causation, only that a relationship exists.

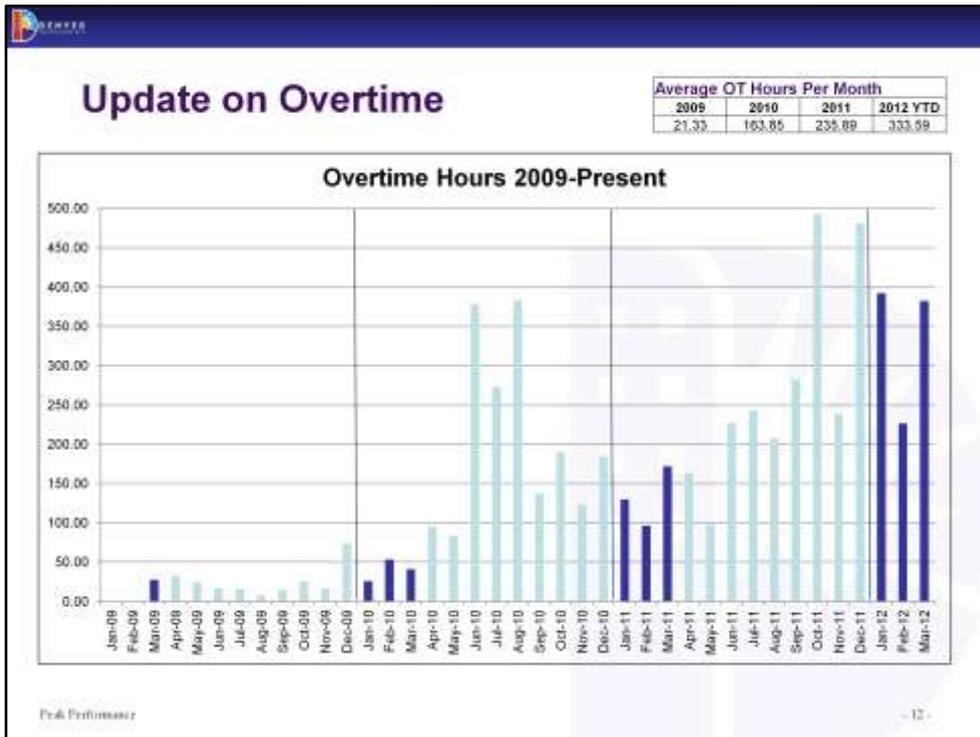


Quarter 1 months are highlighted in dark blue. There doesn't seem to be a seasonal trend.

The backlog is down year to date.

The backlog increased more than usual in March because there were no trainees in the processing center and all three on-calls were out for most of the month.

Sub tactics 3.1.5, 3.1.6, 3.1.7 are anticipated to decrease backlog.



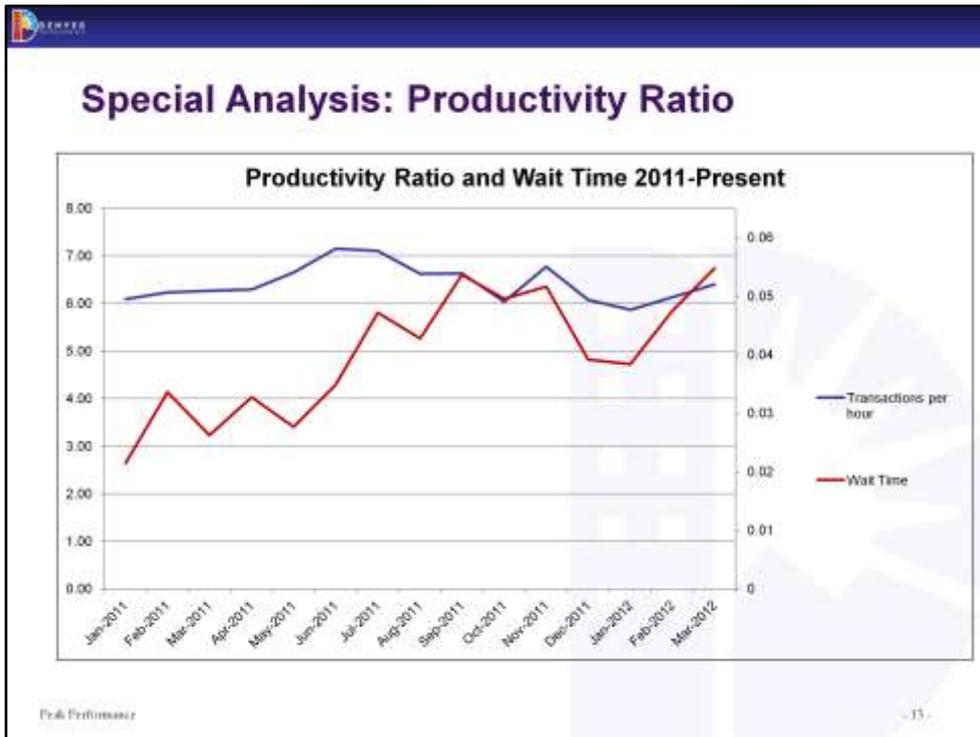
Quarter 1 months are highlighted in dark blue. There doesn't seem to be a seasonal trend.

Q1 Average 2011: 132.67

Q1 Average 2012: 333.59

At the current spend rate, projected OT spend for 2012 is \$89,104. 2011 spend was roughly \$80,000.

All Sub-tactics in Tactic 3 are anticipated to reduce OT.



*Productivity Ratio = Transactions per total hours worked. Includes regular time, overtime, comp time and work from home.

*Total hours worked includes ALL DMV staff. For next report can get data for processing staff only.

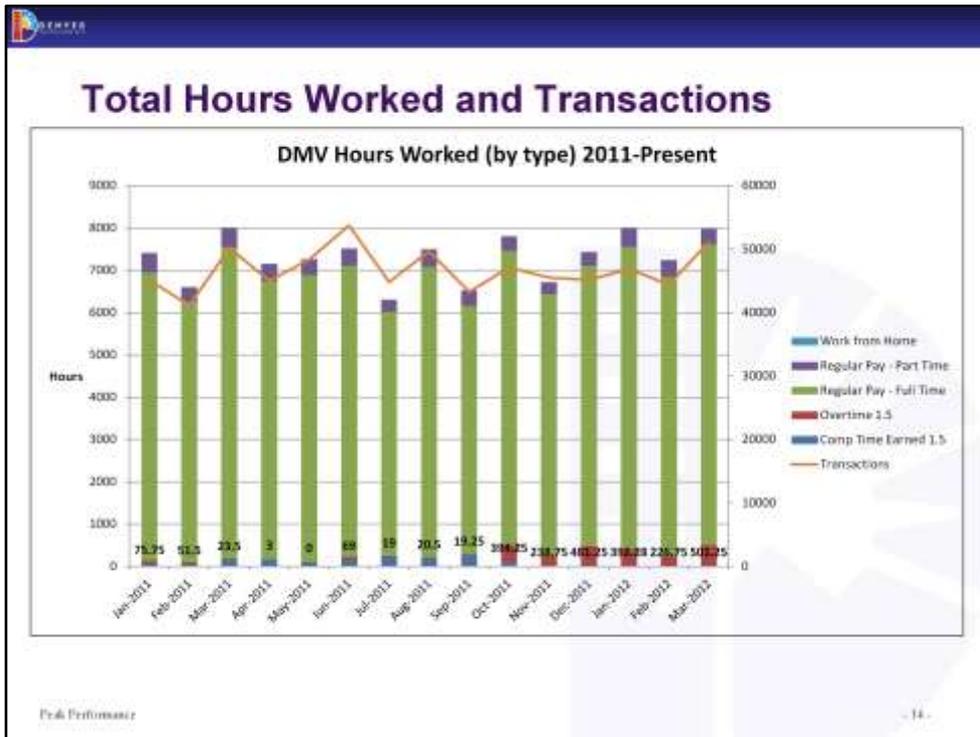
Q1 2011 Ratio Average: 6.20

Q2 2012 Ratio Average: 6.13

The Productivity Ratio has declined slightly in quarter-to-quarter comparison.

Changes in the ratio are driven by the number of transactions. Hours worked changes month to month but has an insignificant variance. The ratio of Transactions per total hours worked has remained relatively constant over the past year. The minimum was Jan-2012 (5.87 transactions per hour) and maximum in June-2011 (7.15 transactions per hour). Range is 1.29 transactions per hour.

As productivity increases, wait time should decrease, but the correlation coefficient of these two data sets (r) is .26, which indicates the relationship between wait time and the ratio of total hours worked to transactions (productivity) is positive, but not strong.



Total hours worked has remained relatively flat, however overtime as a portion of total hours has increased.

Why?

- FTE on FMLA
- Vacancies

The number of transactions correlates to the number of hours worked.



Number of hours worked has remained relatively flat since the beginning of the reporting period. Overtime as a portion of total hours worked is trending up.

Wait time is not correlated to the total number of hours worked.

Conclusions

- Overtime continues to rise as a percentage of total hours worked.
- Backlog is down YTD, but rising month over month.
- Customer Wait Time continues to rise month over month.
 - Root cause of wait time is undetermined.
- There is no seasonality in the key metrics.
- The Productivity Ratio has remained relatively flat since the beginning of the reporting period.
 - Transaction and Customer volume are correlated to hours worked.
 - Productivity Ratio and wait time are not strongly correlated.

Next review

- **Next Performance Review: May 2012**
 - Report on Jan-April 2012

- **Strategies and Tactics of focus for next meeting:**
 - **Strategy 3:** Reduce customer wait time, reduce backlog, and reduce the overtime cost to improve customer experience.

Update on Data Development

- **Data identified in Metadata & Strategic Plan that DMV does not currently have:**
 - Employee Satisfaction
 - Transactions/employee/hours worked
 - Reconciliation Errors
 - Proposals to CSTARs
 - Proposals Accepted
- **Working with CSA to develop FTE data to support Strategies 1 & 2**
- **DMV developing reports to gather all CSTARs-based data monthly**