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## U.S. Government: Working Better on Less

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**T**he federal government realizes that the private sector gets the job done quickly and efficiently and that many federal agencies are fraught with waste and mismanagement, at taxpayers' expense. This has caused a new vision to emerge, which mandates these agencies "do better with less" or face elimination and replacement through outsourcing or privatization. With this focus, federal agencies are now taking measures to become efficient organizations.

### **Problem**

The Veteran's Administration MidSouth Customer Accounts Center, a test organization, wanted to identify inefficiencies within their business processes and to identify



employee performance levels. A recommendation was made to link hospital databases together to increase efficiencies in data searching. Another recommendation concerned personnel utilization, shuffling the FTE positions to gain maximum utilization.

### **Solution**

MidSouth Customer Accounts Center—Veterans' Integrated Service Network #9—is a call center/collection agency. This call center is a pilot program, and if it succeeds, others will be implemented across the nation. This is how it works. When a veteran goes to a hospital, he is interviewed and the health insurance information is input into a database. MidSouth Customer Accounts Center accesses the information from the hospital database and bills the third party, the insurance carrier, or first party (the veteran himself). MidSouth Customer Accounts Center also handles follow-up interviews and the actual collection of the bills. MidSouth is a regionation of seven veterans' hospitals in Tennessee, Kentucky, and West Virginia and this is where the first pilot program is being conducted. If the plan works, the VA will regionalize other hospitals. MidSouth's priorities, in order of importance were as follows:

### **At a Glance**

#### **Problem**

The Veteran's Administration MidSouth Customer Accounts Center, a test organization, wanted to identify inefficiencies within their business processes and to identify employee performance levels.

#### **Solution**

Their priorities, in order of importance were as follows:

- 1) Identifying the "full-time equivalent utilization" (FTE) to consolidate unnecessary activities.
- (2) Clearly and logically demonstrate their business process and identify inefficiencies within the system.
- (3) Proper training of employees to increase their return on what they were spending.

#### **Results**

ProcessModel helped by easily flowing out the business processes, helped significantly improve utilization of employees, and greatly reduced a backlog in other departments, which helped all of them run more efficiently. Because Phase Two of the simulation has not yet begun, the results are still "work in progress." However, the Veterans' Administration feels it has already met their initial return on their investment.

(1) Identifying the “full-time equivalent utilization” (FTE) to consolidate unnecessary activities. In this area, they desired to find out what percent of the time their employees were kept busy.

(2) Clearly and logically demonstrate their business process and identify inefficiencies within the system.

(3) Properly train employees to increase their return on what they were spending.

## Results

ProcessModel helped by easily flowing out the business processes. It took two weeks to conduct interviews with employees, build processes, and apply resources (employees) to the processes. From ProcessModel, charts and graphs helped identify FTE utilization. In the Insurance Identification and Validation Department (the division responsible for calling insurance carriers to verify benefits for which vets are eligible), it was discovered that the employees in this department were not well utilized. The department was running 30-35 per-

cent of utilization. Because of this significant finding, employees were reassigned according to department of need, and the IIVD Department began running at 90-95 percent of utilization. This also greatly reduced a backlog in other departments, which helped all of them run more efficiently.

Because phase two of the simulation has not yet begun, the results are still “work in progress.” However, the Veterans’ Administration feels it has already met their initial return on their investment because ProcessModel has identified FTE and, prior to engaging this particular simulation model, they had hired other consulting services and nobody (even the Government Accounting Office) could tell them how well they utilized their employees. ProcessModel was the key tool that revealed the answer. In addition—through ProcessModel—the VA found that the Customer Service Department was maxed out and working too hard. The Billing Department was operating 75 to 80 percent of capacity.

## Future Applications

Dynamics Research Corporation is leading a cross-functional team to capitalize on ProcessModel simulations to produce greater efficiencies within governmental

processes. These processes have been examined through prior business process reengineering efforts, but failed to meet the expected return-on-investment goals. Their proven methodology, coupled with the use of ProcessModel, will demonstrate the ease to which return-on-investment goals can be achieved in a federal government agency, while creating efficient processes.

## FIND OUT MORE

**About the Author:** Chuck Aucoin is a Systems Analyst with Dynamics Research Corporation in Orlando, with headquarters in Andover, Massachusetts. For the past year, he has been the lead modeler for the Chief, Naval Education and Training Command’s Training Business Modeling and Simulation efforts conducted by DRC. He has seventeen years experience with the military, both active and reserve. Chuck has five years of experience in strategic planning and Total Quality Management, and has taught several classes on Competitive Sourcing and Most Efficient Organization Development. Chuck has a Bachelors of Art in Biology from Erskine College.

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