

**This document summarizes best practices and industry benchmarks relevant to the office of Student Financial Assistance (SFA). The content of this document is based on input from the following.**

**1) SFA:**

- Five-year Performance Plan
- Findings from the Customer Service Task Force
- Documentation provided by SFA

**2) Andersen Consulting:**

- Knowledge Xchange Management Resources
- Past work completed by Andersen Consulting for SFA and other AC clients

**3) SFA Contractors (where noted)**

**This is a discussion document and is NOT intended to provide benchmark and best practice recommendations for SFA to adopt. Rather, the document serves as reference materials for SFA to consider in parallel with its Performance Measurement planning efforts.**

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## ***Table of Contents***

- Overview
- Summary of Industry Best Practices
- SFA - Private Sector Benchmarks Comparison
  - Student Channel
  - School Channel
  - Financial Partners Channel
- Summary of Performance Measure Gaps
- Other Industry Benchmark Considerations
- Appendix: Performance Measures Detailed Matrix (attached)

**During our analysis efforts we identified several gaps between measures that SFA tracks versus those tracked by leading financial institutions. Understanding these gaps could assist SFA in prioritizing projects.**

### ***Overall Findings Related to Performance Measures***

#### **We discovered . . .**

- Compared to most world-class financial organizations, SFA has fewer measures in place to measure “speed” and “quality” (e.g., % applications processed correctly).
- Many current and target performance measures that SFA tracks are below those levels achieved by private sector financial institutions.
- Although SFA has many performance measures to track “unit cost”, many of the current performance metrics were not available and several of the target performance metrics were not estimated (i.e. tracked by SFA).
- SFA does not track customer satisfaction measures consistently across SFA student, school, and financial partners channels.
- And finally, no process (e.g., surveys, polls, etc.) exists to capture and monitor employee satisfaction (including retention) at SFA.

**As a result of these findings, SFA would benefit from conducting a more detailed baselining effort. This effort might involve confirming strategic performance measures and developing a framework for driving these measures down to an operational level.**

**Several financial institutions have adopted a range of lending and collections best practices and benchmarks in order to achieve superior performance. In an effort to assist the office of Student Financial Assistance (SFA) with achieving similar results, we have summarized some of those relevant measures. Specifically, we have:**

- Reviewed SFA's Performance Plan to understand its business objectives as well as performance measures and objectives.
- Met with various SFA personnel Researched external industry metrics and best practices to provide a benchmark against which to measure SFA.
- Gathered SFA's performance measures for its current and target environments.
- Analyzed best practices that are relevant to SFA's business and performance objectives.
- Mapped industry benchmarks to SFA's business goals, from which ongoing comparison can be measured.
- Identified important gaps between industry benchmarks and SFA's performance measures.
- Offered additional measures that SFA might consider when establishing or re-baselining its performance measures.

**Our research suggests that many financial organizations similar to SFA rely on best practices around “speed”, “cost”, and “quality” to achieve world-class performance.**

<b>Best Practice</b>	<b>Characteristics</b>	<b>Benefits</b>
<p><b>Customer Satisfaction</b></p> <ul style="list-style-type: none"> <li>■ Develop Single Customer Relationship</li> <li>■ Fully utilize Technology</li> <li>■ Scripting Calls</li> <li>■ Test callers</li> </ul>	<ul style="list-style-type: none"> <li>■ One person deals with the customer (single interface).</li> <li>■ Avoid use of manual work where technology can be used more effectively.</li> <li>■ On-line script which prompts representatives about to purpose of call.</li> <li>■ Check the level of service of staff.</li> <li>■ Supervisors have ability to listen in on telephone conversations of each staff member.</li> </ul>	<ul style="list-style-type: none"> <li>■ Establishes a single relationship with a particular customer.</li> <li>■ Saves time; and also reduces costs.</li> <li>■ Provides customers with various access/delivery options.</li> <li>■ Ensures efficiency of conversations.</li> <li>■ Maintains customer relations standards.</li> <li>■ Improves level of customer service.</li> </ul>
<p><b>Lower Unit Costs</b></p> <ul style="list-style-type: none"> <li>■ Outsourcing</li> <li>■ Integrated Technologies</li> <li>■ Consolidated Functions/Processes</li> <li>■ Communication Support</li> </ul>	<ul style="list-style-type: none"> <li>■ Forming partnerships with outside agencies.</li> <li>■ Integrating legacy and new technologies.</li> <li>■ Streamlining processes for efficiency.</li> <li>■ Automated letter production, electronic faxing, and e-mail integration.</li> </ul>	<ul style="list-style-type: none"> <li>■ Allows focus on core lending skills and provides clear pricing of outsourced activities.</li> <li>■ Reduces system costs.</li> <li>■ Elimination of redundant processes.</li> <li>■ Elimination of manual process.</li> <li>■ Reduction in turnaround time.</li> </ul>

**Summary of Best Practices (cont.)**

<b>Best Practice</b>	<b>Characteristics</b>	<b>Benefits</b>
<p><b>Lower Unit Costs (cont.)</b></p> <ul style="list-style-type: none"> <li>■ Other aspects of on-line collections system</li> </ul>	<ul style="list-style-type: none"> <li>■ Automation of routine activities.</li> <li>■ Interfaces with customer database.</li> <li>■ Automated performance monitoring.</li> <li>■ Compatible with recoveries system.</li> </ul>	<ul style="list-style-type: none"> <li>■ Elimination of manual process.</li> <li>■ Reduction in turnaround time.</li> <li>■ Elimination of multiple data entry.</li> </ul>
<p><b>Employee Satisfaction</b></p> <ul style="list-style-type: none"> <li>■ Empowered team environment</li> <li>■ Performance-based pay</li> <li>■ Ratios and figures for monitoring human resources</li> <li>■ Self-management teams</li> <li>■ Well-defined career path and job grades</li> </ul>	<ul style="list-style-type: none"> <li>■ Give team members authority over certain decisions.</li> <li>■ Team members eligible for salary increase only if team satisfies performance standard.</li> <li>■ Teams supported by specialized work cells.</li> <li>■ Skill-based pay as a function of job importance and commissions.</li> <li>■ Package should include non-risk (salary) and risk (bonus) component.</li> <li>■ Set key productivity measures and track performance on a continual basis.</li> <li>■ Staff levels, turnover and absence, costs per head (recruitment, training, salary).</li> <li>■ Responsible for their own holiday planning, flexi-hour working, training plans, reward and recognition systems and group performance measures.</li> <li>■ Grant appropriate titles to ensure duties and compensation reflect title.</li> </ul>	<ul style="list-style-type: none"> <li>■ Reduces management responsibility.</li> <li>■ Increases employee morale.</li> <li>■ Motivates individuals to achieve desired results.</li> <li>■ Provides clear recognition of good work.</li> <li>■ Provides personnel function with data on all aspects of human resources.</li> <li>■ Increase job satisfaction and morale among employees.</li> <li>■ Higher staff retention rate.</li> <li>■ Greater job satisfaction.</li> <li>■ Increased staff skill set.</li> </ul>

**These performance drivers In addition to best practices, many lending and collections financial institutions have used various industry benchmarks to measure their success. We have attempted to represent some of these measures in a format that is most relevant to SFA. Therefore, we have . . .**

- Selected the most critical performance measures, based on our understanding of SFA’s target environment and business objectives.
- Aligned performance measures with several SFA delivery channels -- students, schools, and financial partners.
- Grouped performance measures according to their impact on SFA’s business objectives of customer satisfaction, lower unit costs, and employee satisfaction.
- Provided SFA current and target performance measures. We assumed the time frames to achieve target levels are consistent with the time frames established in SFA’s performance plan unless otherwise noted.
- Considered benchmarks from various types of financial institutions in order to provide meaningful comparisons. For example, we used several direct lending sources (e.g., retail bank, credit card, etc.) to compare with the student channel measures. We also included indirect lending sources (e.g., car dealers) and “guarantor-like” sources (e.g., insurance companies) to compare with the measures for the school and financial partners channels.
- Provided descriptions and sources for each performance measure/benchmark in an attached detailed matrix.

### SFA Performance Summary - Student Channel

Performance Objectives	(Student) Performance Measure	SFA Current Performance	SFA Target	Private Sector Benchmark
<b>Customer Satisfaction</b>				
<ul style="list-style-type: none"> <li>■ Overall Customer Service</li> </ul>	<ul style="list-style-type: none"> <li>■ % of customers characterized as “very satisfied”</li> </ul>	<ul style="list-style-type: none"> <li>■ Direct: 59%</li> <li>■ FFEL: 54%</li> </ul>	<ul style="list-style-type: none"> <li>■ Direct: Not Estimated</li> <li>■ FFEL: Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Retail Bank: 90%</li> </ul>
<ul style="list-style-type: none"> <li>■ Application Processing and Disbursement</li> </ul>	<ul style="list-style-type: none"> <li>■ Time required to process an application</li> </ul>	<ul style="list-style-type: none"> <li>■ FAFSA: within 8 days</li> </ul>	<ul style="list-style-type: none"> <li>■ FAFSA: within 8 days</li> </ul>	<ul style="list-style-type: none"> <li>Retail Bank:</li> <li>■ Paper: 24-36 hours</li> <li>■ Electronic: 1-2 hours</li> </ul>
	<ul style="list-style-type: none"> <li>■ % of applications processed correctly (without error)</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>Credit Card Co:</li> <li>■ greater than 95%</li> </ul>
	<ul style="list-style-type: none"> <li>■ % of funds disbursed correctly</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>Retail Bank:</li> <li>■ greater than 99.5%</li> </ul>
	<ul style="list-style-type: none"> <li>■ Convenience of submitting applications(% of paper vs. electronic applications)</li> </ul>	<ul style="list-style-type: none"> <li>■ Paper: 80%</li> <li>■ Electronic: 20%</li> </ul>	<ul style="list-style-type: none"> <li>■ Paper: 70%</li> <li>■ Electronic: 30%</li> <li>(represents FY00 target)</li> </ul>	<ul style="list-style-type: none"> <li>Retail Bank:</li> <li>■ Paper: 20%</li> <li>■ Electronic: 80%</li> </ul>
<ul style="list-style-type: none"> <li>■ Loan Servicing/ Consolidation</li> </ul>	<ul style="list-style-type: none"> <li>■ Time required to process a loan payment (servicing)</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>Retail Bank:</li> <li>■ within 24 hours</li> </ul>

“NA” denotes performance measure was not available when document was prepared.  
 “Not Estimated” denotes performance measure is not tracked or known.

**SFA Performance Summary - Student Channel (cont.)**

Performance Objectives	(Student) Performance Measure	SFA Current Performance	SFA Target	Private Sector Benchmark
<b>Customer Satisfaction (cont.)</b>				
<ul style="list-style-type: none"> <li>■ Loan Servicing/ Consolidation (cont.)</li> </ul>	<ul style="list-style-type: none"> <li>■ Time required to process loan consolidation application</li> <li>■ % of direct loan consolidation applications processed correctly</li> </ul>	<ul style="list-style-type: none"> <li>■ Direct: 50 days or less</li> <li>■ Not Available</li> </ul>	<ul style="list-style-type: none"> <li>■ Direct: 60 days or less</li> <li>■ Not Available</li> </ul>	<ul style="list-style-type: none"> <li>■ Retail Bank: 7-10 days</li> <li>Credit Card Co:                             <ul style="list-style-type: none"> <li>■ greater than 95%</li> </ul> </li> <li>Credit Card Co:                             <ul style="list-style-type: none"> <li>■ greater than 99%</li> </ul> </li> <li>■ Mort. Servicing: 89%</li> <li>■ Retail Bank: 75%</li> <li>Retail Bank                             <ul style="list-style-type: none"> <li>■ within 5 days</li> </ul> </li> <li>■ Mort. Servicing: 85%</li> <li>■ Fin. Instit. (avg.): 2.0%</li> <li>■ Mort. Servicing: 3.9%</li> </ul>
<ul style="list-style-type: none"> <li>■ Call Centers</li> </ul>	<ul style="list-style-type: none"> <li>■ Availability of customer support (successful contact)</li> <li>■ % of inquiries resolved with one call (during or after call)</li> <li>■ Time to resolve inquiry</li> <li>■ % of customers satisfied with problem resolution</li> <li>■ Abandoned call rate</li> </ul>	<ul style="list-style-type: none"> <li>■ Public Inquiry Calls (PIC): 95%</li> <li>■ PIC: Not Estimated</li> <li>■ PIC: within 10 days</li> <li>■ PIC: Not Estimated</li> <li>■ PIC: Not Available</li> </ul>	<ul style="list-style-type: none"> <li>■ Public Inquiry Calls (PIC): greater than 95%</li> <li>■ PIC: Not Estimated</li> <li>■ PIC: Not Estimated</li> <li>■ PIC: Not Estimated</li> <li>■ PIC: Not Available</li> </ul>	

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**SFA Performance Summary - Student Channel (cont.)**

Performance Objectives	(Student) Performance Measure	SFA Current Performance	SFA Target	Private Sector Benchmark
<b>Lower Unit Cost</b>				
■ Application Processing and Disbursement	■ \$ cost to process an application	■ FAFSA: \$5.00*	■ Not Estimated	Credit Card Co: ■ Paper: \$3.50 ABA: ■ Electronic: \$1 -\$ 3
	■ \$ cost to process a loan (administrative and disbursement expenses)	■ Direct Loan: \$26.85* ■ Pell Grant: \$10.76*	■ Not Estimated	Credit Card Co: ■ \$0.09 (90% electronic) ■ \$0.12 (80% electronic)
■ Loan Servicing/ Consolidation	■ \$ cost per direct loan payment processed	■ Paper: NA ■ Electronic: NA	■ Paper: NA ■ Electronic: NA	Credit Card Co: ■ Paper: \$0.35 ■ Electronic: \$0.04
	■ \$ cost per direct loan serviced	■ Overall: NA ■ In-School: NA ■ In Repayment: NA	■ Overall: NA ■ In-School: NA ■ In Repayment: NA	■ Retail Direct: \$64 ■ Mort. Servicing: \$48 ■ Home Equity: \$56
	■ \$ cost per borrower serviced	■ Not Available	■ Not Available	■ Not Estimated
	■ \$ cost per consolidation loan originated	■ Not Available	■ Not Available	Credit Card Co: ■ \$0.09 (90% electronic) ■ \$0.12 (80% electronic) <i>note:</i> <i>(\$ same to process a loan)</i>

“\*” denotes an estimate and does not include ED overhead assignment costs.  
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**SFA Performance Summary - Student Channel (cont.)**

Performance Objectives	(Student) Performance Measure	SFA Current Performance	SFA Target	Private Sector Benchmark
<b>Lower Unit Cost (cont.)</b>				
■ Debt Collections	■ Default recovery rate	■ Overall: 15%	■ Overall: 10% and above	■ Fin. Instit. (avg.): 15%
	■ Default rate (statutory)	■ Overall: 8.8% (National student loan default rate - FY97)	■ Overall: below 8.8%	■ Retail Bank (avg.): 4% ■ Revolving Credit Market: 1.87%
	■ Delinquency rate (30 days)	■ Overall: Not Estimated	■ Overall: Not Estimated	■ Revolving Credit Market: 4.2%
	■ % Write-off/Charge-off	■ Overall: Not Available	■ Overall: Not Available	■ Retail Bank: 2%
■ Call Centers	■ \$ cost per direct loan account serviced	■ \$9 per account	■ Not Estimated	■ Fin. Instit. (avg.): \$3.50
	■ \$ cost per call handled	■ PIC: Not Estimated	■ PIC: Not Estimated	■ Human: \$2-\$5 ■ Automated: \$0.10-\$0.40
<b>Employee Satisfaction</b>				
■ Overall Employee Satisfaction	■ % of employees characterized as "very satisfied"	■ Overall: 61%	■ Overall: 75% (top 5 govt agencies)	■ Overall: 95% ■ IRS: 56%
	■ Employee retention	■ Overall: Not Estimated	■ Overall: Not Estimated	■ Fin. Instit: 85-88%
	■ Number of yearly training days per employee	■ Overall: Not Estimated	■ Overall: Not Estimated	■ Fin. Instit: 3-5 days

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### SFA Performance Summary - School Channel

Performance Objectives	(School) Performance Measure	SFA Current Performance	SFA Target	Private Sector Benchmark
<b>Customer Satisfaction</b>				
<ul style="list-style-type: none"> <li>■ Overall Customer Service</li> </ul>	<ul style="list-style-type: none"> <li>■ % of customers (schools) characterized as “very satisfied”</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Retail Bank: 90%</li> <li>■ Auto dealers: 85-95%</li> </ul>
<ul style="list-style-type: none"> <li>■ Transactions Processing and Disbursement</li> </ul>	<ul style="list-style-type: none"> <li>■ Time to originate and disburse a loan/grant</li> <li>■ % of financial transactions processed correctly</li> </ul>	<ul style="list-style-type: none"> <li>■ Direct Loan: 3 days</li> <li>■ Pell Grant: 3 days</li> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Direct Loan: 3 days</li> <li>■ Pell Grant: 24-36 hours</li> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>Credit Card Co:</li> <li>■ Paper: less than 24 hrs</li> <li>■ Electronic: 1-2 hrs</li> <li>■ Retail Bank: 97%</li> </ul>
<ul style="list-style-type: none"> <li>■ Customer Support</li> </ul>	<ul style="list-style-type: none"> <li>■ % of inquiries resolved with one call (during or after call)</li> <li>■ Time to resolve inquiry</li> <li>■ % of partners (schools) satisfied with problem resolution</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> <li>■ within 4 days</li> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> <li>■ within 4 days</li> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Retail Lending: 75%</li> <li>■ Mort. Servicing: 89%</li> <li>Retail Bank:</li> <li>■ within 5 days</li> <li>■ Mort. Servicing: 89%</li> </ul>

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**SFA Performance Summary - School Channel (cont.)**

Performance Objectives	(School) Performance Measure	SFA Current Performance	SFA Target	Private Sector Benchmark
<b>Customer Satisfaction (cont.)</b>				
■ Customer Support (cont.)	■ % of channel partner (school) complaints relative to total number of channel partners	■ Not Estimated	■ Not Estimated	Automotive dealers: ■ Not Available
	■ Abandoned call rate	■ PIC: Not Available	■ PIC: Not Available	■ Insurance Co: 4%
<b>Lower Unit Cost</b>				
■ Transaction Processing and Disbursement	■ \$ cost per loan originated and disbursed	■ FFEL: \$7.47*	■ Not Estimated	Fin. Institutions (avg.): ■ Not Estimated
■ Customer Support	■ \$ cost per call serviced	■ Overall: Not Estimated	■ Overall: Not Estimated	Fin. Institutions (avg.): ■ Paper: \$3.50
	■ \$ cost for monitoring partner	■ Overall: Not Estimated	■ Overall: Not Estimated	■ Not Available
<b>Employee Satisfaction</b>				
■ Overall Employee Satisfaction	■ % of employees characterized as "very satisfied"	■ Overall: 61%	■ Overall: 75% (top 5 govt agencies)	■ Overall: 95% ■ IRS: 56%
	■ Employee retention	■ Overall: Not Estimated	■ Overall: Not Estimated	■ Fin. Instit: 85-88%
	■ Number of yearly training days per employee	■ Overall: Not Estimated	■ Overall: Not Estimated	■ Fin. Instit: 3-5 days

"\*" denotes an estimate and does not include ED overhead assignment costs.

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## SFA Performance Summary - Financial Partners Channel

Performance Objectives	(Financial Partners) Performance Measure	SFA Current Performance	SFA Target	Private Sector Benchmark
<b>Customer Satisfaction</b>				
<ul style="list-style-type: none"> <li>■ Overall Customer Service</li> </ul>	<ul style="list-style-type: none"> <li>■ % of customers (fin. partners) characterized as “very satisfied”</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Insurance Co: 80-90%</li> </ul>
<ul style="list-style-type: none"> <li>■ Transactions Processing*</li> </ul>	<ul style="list-style-type: none"> <li>■ Time required to complete a financial transaction</li> </ul>	<p>Avg. for all transactions:</p> <ul style="list-style-type: none"> <li>■ Not Available</li> </ul>	<p>Avg. for all transactions:</p> <ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<p>Insurance Co:</p> <ul style="list-style-type: none"> <li>■ Claims: 1-2 hours</li> </ul>
	<ul style="list-style-type: none"> <li>■ % of financial transactions processed correctly</li> </ul>	<p>Avg. for all transactions:</p> <ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<p>Avg. for all transactions:</p> <ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Insurance Co: 98.5%</li> </ul>
<ul style="list-style-type: none"> <li>■ Customer Support/Oversight</li> </ul>	<ul style="list-style-type: none"> <li>■ % of service level agreement fulfilled to satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Insurance Co: 90%</li> </ul>
	<ul style="list-style-type: none"> <li>■ Availability of channel partner support (successful contact)</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Retail Bank: 75%</li> </ul>
	<ul style="list-style-type: none"> <li>■ % of inquiries resolved with one call (during or after call)</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Insurance Co: 75-80%</li> </ul>
	<ul style="list-style-type: none"> <li>■ Time to resolve inquiry</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<p>Insurance Co:</p> <ul style="list-style-type: none"> <li>■ Claims: w/i 7 days</li> </ul>
	<ul style="list-style-type: none"> <li>■ % of partners satisfied with problem resolution</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Mort. Servicing: 85%</li> </ul>
	<ul style="list-style-type: none"> <li>■ % of partner complaints relative to number of partners</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Estimated</li> </ul>	<ul style="list-style-type: none"> <li>■ Not Available</li> </ul>

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 “Not Estimated” denotes performance measure is not tracked or known.

**SFA Performance Summary - Financial Partners Channel (cont.)**

Performance Objectives	(Financial Partners) Performance Measure	SFA Current Performance	SFA Target	Private Sector Benchmark
<b>Customer Satisfaction (cont.)</b>				
■ Customer Support/Oversight (cont.)	■ Abandoned call rate	■ PIC: Not Available	■ PIC: Not Available	■ Insurance Co: 4%
<b>Lower Unit Cost</b>				
■ Transaction Processing and Disbursement	■ \$ cost per financial transaction	Avg. for all transactions: ■ Not Available	Avg. for all transactions: ■ Not Estimated	Insurance Co: ■ Paper: Not Available
■ Customer Support/Oversight	■ \$ cost per call serviced	■ Not Estimated	■ Not Estimated	■ Fin. Instit. (avg.): \$3.50
	■ % of administrative costs relative to total costs of maintaining partner relationship	■ Not Estimated	■ Not Estimated	■ Not Applicable
	■ Cost recovery ratio	■ Not Estimated	■ Not Estimated	■ Credit Card Co: 17% ■ ABA: 33%
<b>Employee Satisfaction</b>				
■ Overall Employee Satisfaction	■ % of employees characterized as "very satisfied"	■ Overall: 61%	■ Overall: 75% (top 5 govt agencies)	■ Overall: 95% ■ IRS: 56%
	■ employee retention	■ Overall: Not Estimated	■ Overall: Not Estimated	■ Fin. Instit: 85-88%
	■ Number of yearly training days employee	■ Overall: Not Estimated	■ Overall: Not Estimated	■ Fin. Instit: 3-5 days

"NA" denotes performance measure was not available when document was prepared.  
 "Not Estimated" denotes performance measure is not tracked or known.

**As the benchmark summary indicates, several SFA performance measures were either not available or not estimated at the time of our review efforts. Many of these measures are critical for world-class financial organizations.**

### **Summary of Key Performance Measure Gaps**

#### **Customer Satisfaction**

Quality Measures:

- Percentage of loan applications processed correctly
- Percentage of funds disbursed correctly
- Percentage of direct loan consolidation applications processed correctly
- Percentage of customers satisfied with problem resolution

Speed Measures:

- Percentage of inquiries resolved with one call
- Time required to process a loan payment

#### **Lower Unit Cost**

Cost Measures:

- \$ cost per direct loan payment processed
- \$ cost per consolidation loan originated
- Delinquency rate (30 days)
- Percentage of Write-offs/Charge-offs
- \$ cost per call handled

#### **Employee Satisfaction**

Quality/Cost Measures:

- Percentage of employees classified as “satisfied”
- Employee retention rates
- Number of yearly training days per employee

**As SFA looks to become a performance-based organization (PBO), SFA should also consider additional measures used by financial institutions.**

***Additional Industry Measures to Consider***

<b>Performance Measure</b>	<b>Description</b>	<b>Benefits</b>
<b><i>Debt Collections</i></b>		
■ Dollars Recovered Ratio	■ Amount recovered/total amount delinquent.	■ Lower Unit Cost
■ Resolution Rate	■ Number of accounts resolved for a given period/total number of accounts for the period.	■ Lower Unit Cost ■ Customer Satisfaction
■ Number of Contacts per Hour	■ Number of telephone contacts made per hour.	■ Lower Unit Cost
■ Number of Delinquent Accounts per Person	■ Number of delinquent accounts assigned to each person.	■ Lower Unit Cost
■ Turnover Ratio	■ Time taken to pay per account/time period available for payment.	■ Lower Unit Cost
■ Number of Accounts Actioned	■ Measure of throughput of collections.	■ Lower Unit Costs
<b><i>Customer Support</i></b>		
■ Average Call Waiting Time	■ Average length of time inbound calling customers spend in telephone queue.	■ Customer Satisfaction
■ Kept Promises Ratio	■ Number of promises kept/number of promises taken.	■ Customer Satisfaction
■ Number of Promises Taken	■ Number of promises for payment of delinquent accounts.	■ Customer Satisfaction
<b><i>Employee Satisfaction</i></b>		
■ Employee Absenteeism	■ Number of unexcused days an employee is away from work on an annual basis.	■ Employee Satisfaction