

Modernizing the delivery of **social security**

Italy's National Social Security Institute (INPS) transforms to improve service quality and operational efficiency



Facing a future characterized by an aging population, increased demand for social services and continued budget constraints, Italy's National Social Security Institute knew that it would need to dramatically transform the way it delivered and managed social security and welfare services in the future.

But achieving the scale of transformation required would be no small feat: INPS is the single point of contact for social security and assistance services in Italy, providing pension support to approximately 96 percent of all retirees and welfare benefits to more than 4.5 million beneficiaries.

A complex undertaking

The size and complexity of Italy's INPS is remarkable. More than 31,000 employees are spread across more than 300 offices, delivering a massive scope of services related to social security, as well as employment, welfare, disability and maternity support services across the country.

So when the organization received a mandate from government to improve efficiency, optimize resources and enhance service quality, INPS executives engaged KPMG in Italy to help them design and execute their enterprise transformation program.

Focusing on users

Recognizing the need to modernize their approach to service delivery, INPS's strategy placed a strong focus on centralizing and automating processes around a new 'customer-centric' service model.

Working closely with KPMG, INPS developed a transformation roadmap that would lead the organization through this massive change initiative. Some of the key initiatives called for:

- front and back-end processes to be re-engineered to maximize synergies and efficiency;

- new business intelligence, procurement and accounting systems to be designed to improve data-sharing and analysis;
- offices, infrastructure and resources to be rationalized and reassigned towards more value-added activities; and
- a new contact center model to be implemented to improve service quality and satisfaction for socially vulnerable citizens or those lacking IT capabilities.

INPS also knew that planning this complex endeavor would require an advisor like KPMG that could bring together not only extensive project management skills, but also a solid understanding of their operations and priorities, and

“ We chose KPMG because they consistently deliver value-added benefits and integrated, organized and innovative solutions. They take a 360-degree view of our organization and our challenges, analyzing our specific needs and developing a growth plan that draws from their unique cross-functional and multi-disciplinary perspective. ”

Mauro Nori, General Director, INPS.

an ability to take a holistic view of the transformation program to ensure that all interdependencies, risks and synergies were identified and addressed in the overall transformation program.

Transforming an institution

To start, the joint KPMG/INPS team undertook a series of foundational projects aimed at creating the right environment to support the transformation initiative. Following a thorough review of the current operating model and organizational structure, a new operating model was designed, supported by a new Strategic Plan which defined the strategic targets for INPS going forward. Communication and change management plans were also put into place, while IT governance was strengthened with an improved IT Demand Management and IT Project Portfolio Management platform.

Central to the new model would be the development of a customer-facing Multi-Channel Contact Center that would both provide information and receive

“KPMG’s professionals are highly qualified as experts in our sector. We view them as not just our service provider, but as a true partner and trusted advisor. In particular, KPMG’s ability to forecast the future demands of our clients and then develop processes and tools to help us meet that demand will help us sustain our service quality long into the future.”

Mauro Nori, General Director, INPS.

requests for services from clients across the country. Supported by a sophisticated Customer Relationship Management (CRM) platform, the Contact Center would be able to track workflows and improve the quality of data controls, leading to improved accountability, transparency and efficiency.

The integration of data and systems would also be key. KPMG worked with INPS to bring together their disparate accounting, Human Resources (HR) and control systems into a single centralized Enterprise Resource Planning (ERP) environment, automatically improving access to both internal and external data, and providing improved quality, certainty and accountability. All existing processes were also reviewed, re-engineered, standardized and – where possible – automated to ensure more consistent outcomes and service delivery.

Along with the rationalization of key resources towards value-added and core activities, the KPMG team also worked with INPS to reduce costs and enhance efficiency within their operations. For example, purchasing and procurement processes were reviewed, simplified and strengthened while procurement and contracting management functions were centralized. At the same time, KPMG led INPS in a logistics rationalization program aimed at improving real estate utilization and optimizing logistics.

Throughout the lifespan of the project, it would be critical to ensure that senior management and government stakeholders remained confident in the progress being made and the outcomes being achieved. To support this, KPMG

and INPS developed a management dashboard which provided a full view of the key metrics linked to effectiveness and efficiency. Reporting tools were also developed to support the ongoing monitoring of pensions and social security. And, to ensure that all systems were compliant with regulation and legal requirements, KPMG also worked with INPS to improve internal audit capabilities and processes.

Fit for the future

The INPS transformation initiative has already proven to be a success. Citizens can now access 40 new services delivered by the Multi-Channel Contact Center and more than 14 million individual ‘PIN codes’ have been distributed to individuals to enable secure access to online services. Satisfaction rates have skyrocketed to more than 80 percent.

At the same time, the automation of processes has led to a reduction in the time for the collection of contributions and has helped improve debt collection rates by about 30 percent. The new IT governance platform also contributed to efficiency, enabling a 25 percent IT cost reduction over 2 years and a 12 percent increase in ‘on time’ project deliveries.

By working with KPMG, INPS was able to ensure that their new operating and service models would not only be sustainable, but would also be responsive to shifting client demands in the future. Thanks in part to KPMG’s end-to-end delivery approach and holistic view, Italy’s citizens now have access to better quality social services, delivered more efficiently and at a lower cost.

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