Citigroup Presents:

Benchmarking the Success of Your Program
Benchmarking the Success of Your Program

Citibank® Commercial Cards, Government Services
Dave Ruda, Beth Shepherd, September 1, 2005

The Seventh Annual GSA SmartPay Conference
Goal & Objectives

- To learn what benchmarking is and how it can make your program even more successful and productive
- To learn benchmarking techniques
- To learn what some of the key metrics are that help you track your program
- To learn how to develop a benchmarking program
Agenda

- What is Benchmarking
- Why is Benchmarking Important
- Internal Revenue Service Purchase and Travel Card Programs
- Industry Trends and Statistics
- How to Develop Your Benchmarking and Metrics Program
- Summary
What is Benchmarking?

- Identifying areas for focus
- Finding a recognized leaders’ best practice
- Resulting in the replication of the best practice in your environment
What is Benchmarking?

- Process, process, process
  - Studying who is excellent and why
  - Measuring your organization and challenges to improve
- Study of best practices
- Any functional area can be benchmarked
Why is Benchmarking Important?

- Being asked to do more with less
  - How do we solve that

- Discovering if you are doing it right
  - How do you know

- Removing barriers to success

- Creating new efficiencies
  - Better at delivering your organization’s mission
  - Cost savings
  - Improved work environment
Benchmarking the Success of Your Program

Beth Shepherd
Internal Revenue Service
### Program Overview - Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Statistics</th>
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<tr>
<td><strong>Purchase Cardholders</strong></td>
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<td></td>
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<td>Annual Transactions</td>
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Program Overview

- Key points of how purchase and travel programs are run
  - Centralized Administrative Responsibilities
  - Web-based training
  - Website Information
  - “Ticket” via website for customer questions / responses
Areas of focus

- Customer Service
- Monitoring program
- Addressing internal controls
Internal Revenue Service
Purchase and Travel Card Programs

Policy & Guidelines

- Mandatory Use
- Authorized Uses of the Travel Card
- Unauthorized Uses of the Travel Card
- Card Regulations
- Inappropriate Use
- Management Responsibilities
- Cardholder Responsibilities
- Credit Cardholder Security
- Travel Vouchers: Relationship to Travel Cards
- NEIU Use of the Travel Card
- Dependent Accounts
- Credit Checks
- Cash Advance from ATM
- Record Retention Period for Travel Card Documentation
- Emergency Team Special Travel Card Privileges

Need More Help: Create A Service Ticket

Printer Friendly Format
Delinquent Accounts

- Past Due Accounts
- Suspension and Reactivation
- Multiple Suspensions
- Cancellation
- Cancelled Card and the Need to Travel
- Reinstatement Process
- Payments Returned for Non-Sufficient Funds
- Salary Offset

Past Due Accounts

If an account is unpaid 45 days from the closing date on the statement in which the undisputed charge(s) first appeared, Citibank will send the cardholder a "past due" letter. If the account remains unpaid at 55 days, Citibank will send the cardholder a "pre-suspension" notification. Failure to pay undisputed charges within 55 days from the closing date on the statement in which they first appeared can result in disciplinary action.

Related Guidance

- Inappropriate Use guidelines offer specific instances of misuse and their resolutions.
- The Credit Card Abuse Penalty Guide provides Lender Relations guidance for penalty determinations for the misuse of the Travel Card and Purchase Card

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Suspension and Reactivation

If an account is unpaid 60 days from the closing date on the statement in which the charge(s) first appeared, Citibank will suspend the cardholder's Travel Card and the cardholder will not be able to charge any items to the Travel Card. Citibank will reactivate a suspended card after payment has been received.
Internal Revenue Service
Purchase and Travel Card Programs

Areas of focus - Customer Service

- Customer Service
  - Fillable forms for changes to credit card accounts
    - Address changes
    - Card cancellations
    - Card limit changes
    - MCC / declined transactions
Internal Revenue Service
Purchase and Travel Card Programs

Areas of focus - Customer Service
Internal Revenue Service
Purchase and Travel Card Programs

Areas of focus – Monitoring Program

- Monitoring program
  - Creating custom reports
- Tracking
  - Cardholders
  - Hierarchy changes
  - Card limits
Internal Revenue Service
Purchase and Travel Card Programs

Areas of focus – Monitoring Program
Internal Revenue Service
Purchase and Travel Card Programs

Areas of focus – Monitoring Program
Internal Revenue Service
Purchase and Travel Card Programs

Areas of focus – Monitoring Program
Areas of focus – Monitoring Program

- Monitoring program
  - Identify potential inappropriate use
    - Funding not approved
    - Personal use
    - Non-payment
  - Projects
    - Holiday purchases
    - Canceling cards
Internal Revenue Service
Purchase and Travel Card Programs

Areas of focus – Addressing Internal Controls

- **Addressing internal controls**
  - Credit Card Services Information Tracking (CCSIT)
    - Access database that tracks
      - Delinquencies
      - Multiple suspensions
      - Non sufficient funds (NSF)
      - Salary offset
      - Inappropriate use of a credit card
        - Purchase and Travel Cards
  - Information downloaded into Labor Relations (LR) Tracking System
    - Cardholder’s Manager contacted by LR for resolution
Areas of focus – Addressing Internal Controls

- Addressing internal controls
  - Credit Card Services Information Tracking (CCSIT)
    - Equitable treatment of similar offenses
    - High visibility within top management
    - Proactive approach
- Metrics
  - Tool to identify areas of concerns
  - Measure improvements
Summary

- Program metrics
- Trends
- Future enhancements
  - Benchmark established for IRS
  - Ongoing improvements and enhancements
Benchmarking the Success of Your Program

Dave Ruda
Citigroup
Industry Trends and Statistics

Office of Management and Budgets’ circular

OMB’s circular – improving the management of government charge card program
- Key points
  - Guidance
  - Minimum standards
  - Best value
  - Improvements for program management
  - Metrics
Industry Trends and Statistics (continued)

Palmer and Gupta studies

- **Studies**
  - 2003 Purchase
  - 2004 Travel

- **Purpose**
  - Providing organizations useful information to help them maximize the benefits of their program

- **Methodology**
  - How it is done
  - Who participated

- **Critical success factors**

- **Future trends**
Industry Trends and Statistics (continued)

2003 Palmer and Gupta Purchase Card Study

- Nearly 600 participates from 19 banks
- Growth of use
  - Doubled in two years
  - Average organization’s purchase card spend increased 105%
- Efficient way to buy
  - $23 billion in process savings
  - 74% reduction in procurement time
  - 57% reduction in number of petty cash accounts
Industry Trends and Statistics (continued)

2003 Palmer and Gupta Purchase Card Study

- Cards in the hands of buyers
  - Wider distribution lead to greater cost savings and benefits

- Performance driven results
  - Creative uses of cards
  - Analyzing spend
  - Restrictions…right ones / rights accounts
  - Policies

- Misuse continues to be very low -- $270 for every $1,000,000
Industry Trends and Statistics (continued)

2004 Palmer and Gupta Travel Card Study

● New
  – Private and public sector, including the federal government

● Who participated
  – Government and private sector

● Travel trends

● Common traits of successful programs
Industry Trends and Statistics (continued)

- Association of Government Accountants (AGA) Study
- New in 2005
- Purpose
  - Discover what is happening in government card programs
  - Focus strictly on government
- Key findings
How to Develop Your Benchmarking and Metrics Program

- Reviewing your program
  - Cross-function team
  - Performance vs. goals
  - Processing costs
  - Card spending patterns
  - Type of purchases on the card vs. check
  - Cardholder satisfaction survey
  - Policies and procedures audit
  - Management survey

- Focusing on areas that need improvement
  - Top two or three “problem areas”

- Investigating who is best in class
  - IRS is an excellent example
How to Develop Your Benchmarking and Metrics Program (continued)

- **Identify best in class**
  - Identify organizations that are leaders in the areas you want to improve
    - Conferences
    - Industry / trade organizations
    - Consult customers
    - Suppliers

- **Study their approach**
  - Establish expectations
  - Analyze research
  - Detailed discussion with the organization
    - Objectives
    - Discussion guide
    - Process map
    - Confirm with the organization
Implementation
  - Project plan
  - Cross function team
How to Develop Your Benchmarking and Metrics Program (continued)

- Resources
  - Beating the competition: A practical guide to Benchmarking, Kaiser Associates, Vienna Virginia, 1988
  - Leadership through Quality: Implementing competitive Benchmarking, Xerox Corporation, Stamford Conn, 1987
Measuring your success
- Confidence breeds success
- Be prepared…never know who is to come knocking!

Getting the metrics right
- Relevant, timely
- Easy to use
- Uniform
- Multi-dimensional
  - Target the hot spots and can be graphical in their presentation

Incorporating them into your processes
- Planning
- Budget cycle
How to Develop Your Benchmarking and Metrics Program (continued)

Metrics – “What gets measured, gets improved”

- Basic tracking
  - Trends
    - Monthly spend and transactions
    - Number of cardholders / percentage
  - Top merchants
  - Top MCCs
  - Delinquencies

- Cost savings
  - Number of purchase orders eliminated
  - Rebate dollars

- Program management
  - Number of cardholders to approving officials and A/OPCs
  - Cardholders and management surveys
Summary

- Learning what benchmarking is
  - Becoming even more effective
  - Staying on the top of your game

- Developing new and improved tools at the IRS
  - Forms
  - Travel management

- Getting started with benchmarking program
  - Research
  - Team commitment
  - Replicating best in class in your organization

- Proving it!
  - Metrics are the proof in the pudding
Benchmarking the Success of Your Program

Questions?
Reminders

- Thank you for attending this session!
- Visit the Citigroup Welcome Center
  - Hynes Ballroom 306, on the third floor
  - National Industries for the Blind will have a display of products
- Visit the Citigroup Technical Demonstration Center
  - Hynes Ballroom 305, on the third floor
- Citibank hands-on training sessions
  - Hynes Ballroom B, on the third floor
- Please take a moment to complete your GSA survey for this session