Two views on how customer experience can better serve US military veterans

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Robert McDonald, the former secretary of the US Department of Veterans Affairs, and Tom Allin, the agency's former head of veterans experience, discuss the role of frontline employees and organizational innovation in building a customer-centric culture.

Three years ago, the US Department of Veterans Affairs (VA) was embroiled in a crisis. Widespread reports of negligence in the treatment of veterans, as well as long wait times for medical care and subpar customer service, had damaged veterans' confidence in the agency. In response, the VA launched a comprehensive strategy called MyVA, with clear goals to improve the veterans and employee experience, establish a culture of continuous improvement, and enhance strategic partnerships.

While leaders acknowledge that the agency has a long way to go, the VA has made progress in key areas.[1] Late last year, the VA's then-secretary, Robert McDonald, and Tom Allin, at the time the chief veterans experience officer, sat down with McKinsey's Tony D'Emidio, David Malfara, and Maurice Obeid to describe their approach and priorities.

Those steps have become building blocks for current secretary David Shulkin and chief veterans experience officer Lynda Davis to create a shared-services model for partnering with VA units that administer health and other benefits, with an emphasis on improving customer experience and demonstrating return on investment for ongoing projects.[2]

Robert McDonald, secretary of the US Department of Veterans Affairs from July 2014 until January 2017, discusses how he worked to improve the veterans experience through a focus on the experience of his frontline employees.

McKinsey: *What are the biggest challenges you face as you think about delivering the type of experience you wish for veterans?*

Robert McDonald: Government organizations are very "rules-based" cultures that are designed for fairness and to protect people. In a sense, they are designed to reward institutional longevity rather than performance, and decisions are put in the hands of committees rather than frontline managers and employees. If you are trying to

deliver a great experience, you need extraordinary people who are focused on the customer and empowered to make the right decisions.

I like to tell two stories to illustrate what I mean. On one occasion, a nurse at one of our facilities noticed that a patient was late for his appointment. She knew the patient well and felt that something was wrong, to the point where she decided to call emergency services. The police were dispatched to his home, where they found that he was stuck

between two pieces of furniture and had nearly suffocated. The woman made a judgment call and saved the man's life.

Now, compare that to another situation in which a veteran who was unable to walk visited one of our medical centers. He called the desk clerk and was told that the staff was not allowed to go out and get him and that he should call 911. He called emergency services, and a fire truck and ambulance arrived and carried him into the medical center. The employees at the medical center didn't do anything wrong according to the rules, but it was a bad experience for that veteran that could have been solved if the front line felt empowered to make the judgment call. In a rules-based system, it's tough to get the kind of behavior that delivers a great experience.

McKinsey: *What have you been doing to help refocus the organization and reshape the culture?*

Robert McDonald: I'm a firm believer that the customer's experience is congruent with that of the frontline employees, but it takes a long time to convince agency leaders of that concept. It's a work in progress. From my experience in the private sector, I look at a store like Wegmans, and I'm not surprised at how successful they are and that they are consistently ranked as one of the top places to work in the United States. What I see is a company that respects the experience of the frontline workforce and has worked proactively on human-centered design. They understand the connection between the employee experience and the customer experience, but government agencies are still struggling to make that leap. I always stress putting the front line at the very top of the org chart and making them feel supported to make decisions rather than being constricted within a rules-based culture.

McKinsey: *How do you promote and reinforce the mind-sets and behaviors you need from the front line to deliver a successful experience?*

Robert McDonald: We started with a reaffirmation of the I CARE values. "I CARE" is an acronym that stands for Integrity, Commitment, Advocacy, Respect, and Excellence. Those values provide a baseline for the standards of behavior expected of all VA employees. They were designed the right way—from the bottom up—but I found that they were not inculcated into the culture of the organization. So we started taking efforts to reinforce these values and give the front line the support they needed to be successful. We now hold regular training events to reaffirm the values. We have the I CARE awards, which are recognition certificates that come to the front line directly from veterans. I hand them out when I visit one of our locations. Those kinds of artifacts are important to building culture and reinforcing mind-sets and behaviors. Rituals are important, too, so I attend a town hall any time I visit a location so that I can open up to them and make the culture more accessible and transparent.

It's important, as you go through this process, to build a sense of momentum by celebrating success with your people. When we started MyVA, our goal was to be the number-one customer-service agency in the federal government. We aren't there yet, but we have pockets of success. Our national cemetery has been number one in the ACSI[3] for six years, and our consolidated pharmacy has been ranked among the best by J.D. Power[4] for the past eight years. Perhaps most important, veterans' trust in the VA rose from 47 percent in December 2015 to 59 percent in June 2016.[5] Those kinds of smaller-scale wins show that the vision is possible.

McKinsey: *As you think about supporting the culture through the front line, what is the role of human resources in enabling success?*

Robert McDonald: Not surprisingly, in a service operation like this, your customer satisfaction is largely dependent on the empathy of the provider. We've talked a lot about how you train for empathy, and empathy has become one of the key hiring criteria for frontline employees.

We are also trying to improve the quality of candidates we get in the door. Recently we've been very aggressive in visiting business schools and medical schools to talk with students about a career in the VA. We are still in the early days, but we are getting a greater number of higher-quality candidates. People want to be a part of something bigger than themselves, so I think our message resonates when we go out and actively promote it.

When it comes to attracting talent and fostering passion in your workforce, I think that "mission" is the one thing the public sector has as an advantage over the private sector. At Proctor & Gamble,[6] we talked about how our products changed lives; that got close, but it still wasn't as powerful as the mission of something like the VA. We don't have high pay and bonuses like the private sector does, but we have a clear mission and passionate people.

McKinsey: *What advice would you have for your peers in other government agencies who may be embarking on a similar journey to improve customer experience?*

Robert McDonald: I have a model that I follow when thinking about a high-performing organization. I start with mission—have they taken the right steps to establish a clear mission for the organization? Then I move to values—what are the values, and have they been inculcated? Do they actually show up in the culture? Does the organization recommit to them every day? Then I move to vision—what do they want the experience to be? Then leadership—are the right people in place to execute the vision? Finally, technical expertise—do they have the right competencies, tools, and resources to execute the vision?

The congruency between the customer experience and the employee experience is also critical. When I look back at our employee experience during the crisis in 2014, I saw that we stopped trainings, halted off-site meetings, and significantly cut back on the support we were providing to our front line and managers. Again, it's not surprising that we started turning inward during a time of crisis, but we've started turning things in the other direction—instituting training, team huddles, and regular meetings to operate and keep the culture intact.

Tom Allin, the VA's former chief veterans experience officer, discusses how he built a customer-experience organization within the agency.

McKinsey: *When you started thinking about assembling a customer-experience organization within the VA, where did you start?*

Tom Allin: We began with four people, myself included, and didn't really have a clue where to begin, so we started off by visiting the General Services Administration in the public sector and some private-sector companies. We wanted to understand how others approached the topic and also understand what customer experience looked like in the private sector and how that could be adapted. I think the most difficult thing early on was to decide what we would be and what capabilities we needed to create. We

could have very easily been a customer-service office because we had so many challenges from a service perspective. We found that we needed to define customer experience because everyone had a different definition. Too many people think of customer experience as encompassing only the issue directly in front of them when they are fielding a complaint or interacting with a customer. I wanted us to broaden the aperture to think about the full customer journey through our system. I wanted to pull us away from just thinking about the operational components that happen "behind the scenes" of an interaction to thinking about all facets of the veterans experience and how our work affects our customers.

McKinsey: *So, based on that, how is your organization structured?*

Tom Allin: About six months ago, we arrived at the conclusion that there were four capabilities we could provide to the VA, so we are structured around those: insight and design, measurement, community, and enterprise operations.

We use our insight and design team as the single source of truth for what matters to the veteran, and we make that common source of expertise available for any part of the VA. Our measurement team is an independent source of expertise for teams that are taking on customer-experience efforts. We have no agenda ourselves, so we can be the last word in customer-experience measurement and provide a clear point of view for what is having an impact and what is not. The community group is comprised of 100 individuals who engage on 93 different veterans-engagement boards to hear the concerns of the veterans and bring them to our attention. And enterprise operations supports Vet.gov and contact centers.

McKinsey: *How does your office interact with the various departments within the VA?*

Tom Allin: We primarily engage in two ways. First, we facilitate training. For instance, we recently designed a customer-service training program called "Own the Moment." It's part of a two-week onboarding program that we built from scratch and are now rolling out across the Veterans Benefits Administration and the Veterans Health Administration.

The second and more substantial role we play is as an advisor to the major departments. As I mentioned, we are the primary source for collecting insight for what matters to our customers and measuring customer experience, so we help our colleagues across health, benefits, and other parts of our organization to understand the moments that matter within the customer journey. For

instance, in the veteran's journey to secure primary care, we are always being pressured to focus on wait time for an appointment, but we know that wait time is only one of many satisfaction drivers that make up that experience. We also know that, for most veterans, wait time does not even make their top ten list.

McKinsey: *What roles are defined within your organization, and what did you start with?*

Tom Allin: We started with insight design and measurement. If there is anything you need to be good at as a customer-experience organization, I think it is these two, because then you are an expert at both measuring and redesigning the customer experience. I think we were extremely lucky in staffing both. To lead the measurement team, we hired a PhD in stats who people respect and trust because she really knows her stuff. We are also working with an outside team to make sure that every study we take on is statistically relevant and conducted with sound methodology.

McKinsey: *Understanding that you are still starting up your team, how do you set priorities for the requests that come in?*

Tom Allin: When we first started, we were taking on all challenges because we were excited that people were asking for help. But now we do need a screen. First, a project has to have scale, because projects need a positive return-on-investment case to invest our resources. We are essentially a venture-capital firm, and we are investing our people as capital, so I think about things in terms of return for people hours. Second, a project has to have impact for the veterans based on what the insight and measurement teams have determined. A third consideration is the resources the project will consume. When something comes in, I have to weigh it against my available resources and the potential impact and determine if we have the capacity to do it.

Besides the prioritization, there is another question of what we own, what we fix and give back to the department, and for what we just act as a coach. Some things take a massive lift over a long period of time, but others we can serve in an advisory capacity.

McKinsey: *What advice do you have for other agencies thinking of starting a customer-experience office?*

Tom Allin: The backing of the most senior leader is critical to get started on the right foot. I think that an office like this will be short-lived unless you have someone to give you a seat at the table. I've seen examples in the private sector where the chief customer-experience officer is also the head of a major division or a major product, so it's easy for that individual to get things done effectively. But if you are setting up a whole new organization and don't have that kind of pull, you need a champion to help get the function established.

I would also say that the most important thing to own as a customer-experience organization is the measurement system. This is another way to ensure that the organization is sought out, because you can provide a level of consistency across the enterprise. For example, right now we are helping with a journey-mapping exercise with our primary care centers. We are helping them define the patient experience because they have no single definition. Now, each location is different, and the way they deliver service may vary, but once we are finished, we know that there will be a common set of five to six elements that will be most important to customers across the system, and each facility can use that to set priorities for how they deliver the experience. ∎

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[1] According to the VA's 2017 operational plan, key metrics of trust, effectiveness, and experience have improved by more than ten percentage points in less than a year.

[2] McDonald and Allin both departed the VA this year.

[3] American Customer Satisfaction Index.

[4] *My VA: Putting Veterans First, Transformation Update*, US Department of Veterans Affairs, November 2016, va.gov.

[5] "VA releases major report on progress of 'My VA' Transformation Process," US Department of Veterans Affairs, November 9, 2016, va.gov.

[6] McDonald spent 33 years at P&G, retiring in 2013 as chairman, president, and chief executive officer.

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