To: City Executive Board

Date: 4th June 2009   **Item No:**

Report of: **Policy, Performance and Communications Manager
and Head of Business Transformation**

Title of Report: **Rollout of Customer Relationship Management (CRM)
across Oxford City Council**

<u>**Summary and Recommendations**</u>

Purpose of report: To request approval for the procurement of a
corporate licence for the rollout of the
corporate Customer Relationship Management
(CRM) way of working and system.

Key decision?   Yes

Executive lead member: Councillor Oscar van Nooijen

Report approved by:
Finance: Sarah Fogden

Legal: Lindsay Cane

Policy Framework: Transform Oxford City Council by improving
value for money and service performance

Recommendation(s):   That the Executive Board approves the
corporate rollout of the Customer Relationship
Management (CRM) way of working and
system across Oxford City Council via the
procurement of a corporate licence, following
the successful pilot in Oxford City Homes.

What is CRM?

1. Customer Relationship Management (CRM) is a business philosophy which involves:

   - Identifying, recording and responding to customers' needs
   - Building a relationship with each customer to improve the quality of the service and customer satisfaction
   - Maximising value for money.

2. Customer Relationship Management (CRM) processes enabled by a system is an approach that turns this philosophy into practical reality. This is done through:

   - Reviewing and improving processes via Business Process Improvement (BPI). This leads to operational efficiencies that are enabled by ICT, telephony, the One Stop shops and the web site.
   - Setting up the infrastructure and operations for an integrated set of CRM services including linking our CRM system to our operational systems.

3. Our CRM processes and system enable staff to:

   - Ensure that customers receive the same information whether they access our services using the web, the telephone or face to face using a centralised knowledge base
   - Satisfy most customer requests on a first time basis
   - Hold customer information in a single customer record
   - Build up a history of all previous interactions between the customer and the council which customer services staff will be able to view electronically. This makes for:
     - o A more efficient interaction in that staff will need to use less time asking questions – e.g. what is your address? – as this information can be automatically provided based on the caller's phone number.
     - o More focused questions
     - o A more proactive service in that other issues – e.g. progress on a service repair or a rent enquiry – can also be dealt with.
   - Monitor progress on customer requests and feedback to customers
   - Monitor our performance against services standards.

4. Peter McQuitty is the corporate sponsor of the CRM project and the project is governed by a Project Board made up from Heads of Service receiving, creating and supplying CRM services.

A Corporate CRM Solution

5. The Phase 1 pilot in Oxford City Homes was implemented on 1 June 2009, and 90% of processes are now successfully supported by CRM.

Appendix 1 highlights the successes the cross-council team has delivered including improved customer service experience and efficiency and 'one version of the truth' in terms of customer information via joined-up systems.

6. Approaches applied from the start of phase 1 are being incorporated into phases 2 and beyond. These include:
   - taking a customer-centred approach including customer consultation
   - Services having a significant team involved in CRM from day 1
   - using Business Process Improvement (BPI) techniques to map and improve processes before they are enabled by CRM. The approach used in phase 1 has already been improved for BPI in phases 2 & 3
   - having a robust programme and project governance to monitor progress and make decisions to help the project deliver.

   The main lessons learnt are:
   - allowing the right amount of time for creation of processes, customer scripts and technical configuration with the ground breaking nature of this project
   - providing enough Service and ICT resource for the complexity of the project and the demands of business as usual.

7. Following the completion of phase 1, the rollout of the corporate CRM system and ways of working is proposed to follow the schedule below:
   - Phase 2 – City Works – by Autumn 2009
   - Phase 3 – Customer Services – by Spring 2010
   - Phase 4 and onwards – other services and areas including Environmental Health, Environmental Development including Planning, Corporate feedback and complaints and Community Housing.

   Taken with the move to a 'one number for all services' contact centre in the early part of 2010, this will constitute a major improvement in the Council's arrangements for customer contact.

Risks

8. The risks involved in continuing the CRM project are significantly reduced following the successful pilot in Oxford City Homes. The CRM corporate risk register in appendix 2 shows relevant risks and how we are mitigating these:

Equalities Impact

9. The implementation of CRM will positively help equalities by allowing our services to be available to a wider number of our customers over a wider number of access channels. CRM will help the council to more consistently apply our customer services standards, learning from and using customer feedback and compliments.

Climate change / environmental impact

10. The implementation of CRM across the council should have a positive impact on climate change and the environment by improving access to our services and potentially reducing the need for travel, e.g. with more services available over the Internet.

Financial implications

11. The potential economies of scale and single point of contact capability this would deliver would accelerate the return on investment beyond that available to Oxford City Homes alone.

12. The additional cost of the corporate licence for phase 2 and onward, together with some additional Lagan support, is £177,516 (£150k previously agreed for the OCH pilot) and will be funded from the agreed capital project funding of £420,579. Ongoing Lagan maintenance and support charges of £55,940 per year are funded from budgets in the Services covered in the rollout.

Legal implications

13. An advantageous agreement with Lagan for CRM is in place for the corporate rollout, obtained as an option as part of the existing contract, which we need to take up within 90 days of phase 1 going live.

Options

14. The options for the council are:
    a. Do nothing – this is not an option as we will not be able to improve services to customers significantly or reduce some costs, without CRM
    b. Rollout CRM corporately as proposed, in a phased approach, so that we move forward towards a 'one number' contact centre.
15. Option b. is recommended.

Recommendation

16. That the Executive Board approves the corporate rollout of the Customer Relationship Management (CRM) way of working and system across Oxford City Council via the procurement of a corporate licence, following the successful pilot in Oxford City Homes.

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Appendix 1 – CRM Phase 1 Pilot Details

Customer Experience, Efficiency and Script flow
Each contact centre process has been re-designed to incorporate 'lean' and 'continuous improvement' business process improvement (BPI) concepts and opportunities. Each process has a script associated, which enables the Contact Centre Operative to follow a prescribed route and have access to information pages, knowledge and operational system data to enable:

- higher levels of customer satisfaction
- higher percentage of calls answered first time by contact centre staff
- more proactive response to customer queries
- higher percentage of calls resolved at first point of contact
- establishment of more effective process management
- more effective use of resources.

Data
As a dependent stream of the project, both Customer and Address data have been loaded into the CRM system to aid efficient searching and verification of City Homes Customers.

Customers
Tenant data has been extracted from the Northgate iWorld system and linked to the property by the Local Land & Property Gazetteer (LLPG) Unique Property Reference Number (UPRN), which ensures that the correct tenant data is linked to the correct property to provide data synchronization and integrity during integration and verification.

Addresses
Addresses have been loaded from the LLPG, which has been cleansed and matched to meet BS7666 standards. 2,700 Servitor Addresses and 300 iWorld addresses have been cleansed as a by-product of this process.

System Integration
As part the implementation of Lagan CRM at Oxford City Homes, integration has been developed with operational systems such as Servitor for logging Housing Repairs and Optitime for making appointments. These integrations have been achieved using a 'middleware' toolkit supplied by NDL and in doing so the Council has achieved the first 'real time' integration with these systems nationally. This integration allows for data to be retrieved and passed to the operational system during a CRM Script flow without directly accessing the system itself.

Appendix 2 – Risk Register

See next page.

No.	Risk Description Link to Corporate Obj (all are transforming council)	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
Risk Score	**Impact Score**: 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic **Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain														
1	Risk that the Services might resist new CRM process introduction	4	3	Lack of understanding of new ways of working or buy-in to them	**Mitigating Control**: Use resources from Services to implement BPI change and show benefits **Level of Effectiveness**: (M)	4	2	**Action**: Reduce **Action Owner**: Ben Brownlee **Mitigating Control**: Monitor involvement **Control Owner**: Ben Brownlee	**Outcome required**: Changes are incorporated into Services. **Milestone Date**: Ongoing	Q1	Q2	Q3	Q4	I 4	P 2
2	Risk that we might not have enough business resources	4	3	Lack of involvement in projects, degree of comfort factor or inertia at a personal level	**Mitigating Control**: Ensure sponsor / HoS buy-in, and that resources are agreed by them for duration of phase **Level of Effectiveness**: (M)	3	2	**Action**: Reduce **Action Owner**: Peter McQuitty **Mitigating Control**: Monitor resources **Control Owner**: Peter McQuitty	**Outcome required**: Enough staff for projects **Milestone Date**: Ongoing	Q1	Q2	Q3	Q4	3	2
3	Risk that we might not have enough ICT resources to deliver integration	3	3	Lack of resources due to competing change and projects	**Mitigating Control:** Plan for and bid for ICT resource **Level of Effectiveness:** (M)	3	2	**Action**: Reduce **Action Owner**: Ben Brownlee **Mitigating Control**: Monitor resources **Control Owner**: Ben Brownlee	**Outcome required**: Enough resources for project **Milestone Date**: Ongoing	Q1	Q2	Q3	Q4	I 3	P 2
4	Project may fail due to inadequate planning across the phases	3	3	Lack of integration of phases and inadequate thinking about the desired end state	**Mitigating Control:** Planning facilitation agreed and in use across phases **Level of Effectiveness:** (H)	2	2	**Action**: Reduce **Action Owner**: Helen Rowlands **Mitigating Control**: Monitor plans Control Owner: Helen Rowlands	Outcome required: Phases delivered on time Milestone Date: Ongoing	Q1	Q2	Q3	Q4	I 2	P 2

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										Q1	Q2	Q3	Q4	I	P
5	Project may fail to deliver to dates agreed due to inadequate management	4	2	Lack of local and corporate management	**Mitigating Control:** Project Managers trained in City PM approach, coaching in place, project assurance happening, plans are realistic for future phases **Level of Effectiveness: (**H)	2	2	**Action**: Reduce **Action Owner**: Jeff Ridgley **Mitigating Control**: Monitor and assure project management **Control Owner**: Helen Rowlands	**Outcome required**: Phases delivered on time **Milestone Date**: Ongoing					2	2