

TONBRIDGE & MALLING BOROUGH COUNCIL

ICT and E-GOVERNMENT ADVISORY BOARD

21 July 2005

Report of the Management Team and the Cabinet Members for Resources & Capital Projects and Efficiency & Innovation

Part 1- Public

Matters for Recommendation to Cabinet - Council Decision

1 CUSTOMER CONTACT STRATEGY

Summary

This report provides Members with an update on the options for the introduction of Contact/Call centres into this authority, together with Customer Relationship Management (CRM) software to manage the customer interface. The report seeks Members endorsement of an overall approach to introduce a solution appropriate to this authority.

1.1 Background

- 1.1.1 Members will recall that last years CPA assessment was extremely positive about the Council's services. The assessment did highlight that we were not as advanced in progressing the "e-agenda" as some other authorities. One response was the creation of a high level Strategic E-Government Group (SEGG) under the direction of the Chief Executive. This group is charged with driving forward the e-agenda, including CRM considerations. Good progress has now been made.
- 1.1.2 At the meeting of this Advisory Board on 09 November 2004, Members received a report that set out the overall context for consideration of contact centres/CRM. The report made specific reference to a range of issues including the requirement for local authorities to meet ODPM Priority Outcomes for e-government, the approach being adopted by other Kent authorities, technological and cultural considerations.
- 1.1.3 At that time your officers remained to be convinced that implementing a dedicated call centre would be of benefit either in cost terms or customer service delivery. The report also identified plans to undertake research to develop a database of our existing customer contacts in order to understand our existing patterns of enquiries, and the need for further investigations before determining the way forward.
- 1.1.4 On the 1 March 2005, Members of the Policy and Best Value Committee recommended the completion of remaining improvement actions from the

Involving the Public Best Value review. This review also highlighted the need for further investigation into call centre and CRM options.

- 1.1.5 Members will be pleased to note that under the guidance of SEGG, a significant amount of research has now been undertaken which can inform Members and assist in determining a way forward.

1.2 Summary of Research to Date

- 1.2.1 Existing Customer Contact Patterns – The Improvement & Development Unit led an authority wide study into the existing patterns of customer contacts. Based on a 2-week period, face-to face and telephone contacts were monitored by all members of staff. These were then seasonally adjusted to give an estimate of the overall picture for these contacts. This was an extensive and extremely helpful piece of work. A summary of the key headline results is shown at **[Annex 1]**. A full copy of the report can be made available on request. There are several key findings I would draw to Members attention

- There are over 30,000 telephone and face to face contacts from the general public and other stakeholders in a typical calendar month.
- Most of these contacts are processed by just a few sections of the Council:
 - The following eight sections account for over half of contacts made by phone: Revenue, Client Services, Development Control, Community Services, Benefits, Facilities Management, Building Control and Leisure Administration.
 - The following three sections account for over three-quarters of contacts made face to face: Cashiers, Community Services and Benefits.
- Over eight out of ten telephone calls and visits are “quick”, lasting less than 5 minutes each.
- Over three-quarters of “quick” initial contacts are completed:
 - Almost half of these completed contacts request readily available information and over a quarter request, pay for or receive a service/benefit/form.
 - Over half of these “quick” completed contacts are accounted for by: Community Services, Cashiers, Revenue, Client Services and Benefits.
- The analysis also provided strong evidence that contacts are generally responded to by staff on appropriate grades. For example, staff on grades 1-4 handle over 70% of all contacts that request readily available information.

1.2.2 Study of existing contact centres - Both Members and officers have visited other Contact Centres run by local authorities in Kent including, Ashford, Maidstone, Swale, and Kent County Council. This authority is also now a member of the Kent Customer Services Network Group (KCSNG), which comprises of all the Customer Contact Managers across the County. The key point emerging from this work is that there is no single standard approach adopted. For example, there are wide variations in the range of services actually handled by call centres (council tax, benefits, planning and housing advice are often excluded). Some contact centres are in reality only message taking services whilst others offer a high degree of full integration with back office service and systems. A contact centre may have one dedicated telephone number or multiple numbers and there are often specialist teams in sections within the centres.

1.2.3 Range of IT / telephony solutions – As Members will be aware this authority has a number of IT systems in place for services including Council Tax, Benefits, Planning, Environmental Health and Land charges. Further study has been undertaken to consider how a CRM solution might be implemented to support these systems, whilst allowing fulfilment of the ODPM priority outcomes. It appears there are a number of possible options, subject to determining this authorities own priorities.

1.2.4 Summary of Findings - Having undertaken this research it has become clear that there are a wide variety of ways in which others are approaching the issue of customer contact strategies. The challenge for this authority is to develop a customer contact strategy which builds on our current strengths and provides the opportunity for better customer services whilst meeting the national e-targets.

1.3 Developing a Customer Contact Strategy (CCS) for TMBC

1.3.1 Draft requirements of a CCS - In order to inform Members and assist them in deciding the way forward, SEGG have gone back to basics and prepared a set of draft requirements that could form the basis of any customer contact strategy. These requirements are:-

- Make improvement for our customers
- Promote and develop a customer orientated culture
- Hit Government Targets – National targets issued by ODPM including
 - One stop resolution of Housing and Council Tax Benefit enquiries.

- Systems in place to ensure effective and consistent CRM across access channels to provide 'first time fix' for citizen and business enquiries
 - All e-mail and web form acknowledgement to include a unique reference number to allow tracking
 - Integration of CRM systems with back office activity
 - Facilities to support the single notification of change of address.
- Achieve efficiency gains – Gershon agenda, and capital/revenue implications
 - Minimise organisational change given our current high performance
 - Maintain or exceed levels of customer satisfaction.
- 1.3.2 SEGG also recognised that any CCS needed to include a wide range of access channels including electronic, web-based, telephone, written and personal contact, in recognition of the diverse customer base.
- 1.3.3 Potential customer contact models – There are a wide range of practices being adopted by others. From consideration of these, 4 possible models have been identified. Each of the models 1-3 represents a particular format but there is the ability for transition from model to model.
1. Full blown contact centre with integrated CRM, with or without integration to back office systems. This is often an aspirational concept with the practice being a somewhat piecemeal approach.
 2. Maintain existing customer interface but implement a CRM system distributed across the authority.
 3. Local functionally based teams centred on areas of high volume of customer contact with CRM solution (mini call centres).
 4. Remain as at present – SEGG however believe this is not a real option as it cannot meet ODPM requirements (a core requirement for the CCS).
- 1.3.4 Preliminary Evaluation of Options –evaluation of the four models against the requirements assists in determining the way forward. A preliminary “in-house” evaluation was undertaken by SEGG [**Annex 2**]. This was very much an initial overview analysis. This preliminary consideration led SEGG and Management team to favour Model 3, whilst recognising the need for a more thorough and robust evaluation by external parties.

- 1.3.5. External Evaluation of Options –A consultants study was commissioned to evaluate these options in relation to both the external requirements (ODPM targets), and in relation to the existing TMBC practices, culture and customer satisfaction levels. The consultants, led by Spink Telecom Consultants Ltd have produced an extremely comprehensive and informative report [**Annex 3**].

Sandy Spink from Spink Telecom Ltd will attend the meeting to present his report. A number of areas will be discussed including CRM (background and operations), Customer Contact Models & evaluation, possible approach to implementation, staff interviews, CRM solutions & IT enhancements, strategic evaluations, communications strategy and the recommended way forward.

- 1.3.6 Staff consultations – Staff are aware that this authority is only one of 2 in Kent without a contact centre. As such there is some interest in this matter. A number of staff have been directly engaged in interviews with the external consultants. A number of concerns were expressed during this process but when given more information about CRM and the distributed contact centre model, the Consultants felt that the overriding message was of support for systems that would improve customer services. It is critical that staff are involved in the development of this project. Your Management team has considered the consultants report and support the recommended approach.

1.4 A Way Forward

- 1.4.1 The Consultants report endorses the distributed contact centre model (Model 3) as an appropriate way forward for this authority to proceed to fulfil the key requirements for the CCS. This approach builds on existing strengths and existing centres of expertise, with the opportunity for development in the future in the light of operational experience and customer feedback. The report recommends a phased approach seeking to implement CRM first in areas of high volumes of customer contact, with opportunities to look at some short term “quick wins”.
- 1.4.2 As a specific element of the study, the ability to fulfil ODPM requirements has been addressed by RSE consulting [**Annex 3**]. They have confirmed this is an appropriate model and made some specific suggestions for services to be included, for example early inclusion of Benefits services.
- 1.4.3 Members will appreciate that the development of a customer contact strategy and the implementation of CRM is a significant task. In order to move this project forward the Consultant Study recommends the “next steps” should be
- “A PID (Project Initiation Document) should be drawn up to highlight the various stages, responsibilities, risks and constraints. Phase 1 departments are to be identified.

- Process mapping of Phase 1 departments must be carried out as soon as a decision is made to proceed. This can also be used to develop the knowledge base.
- CRM procurement is the next stage, for the pilot departments, which can be done through GCAT, or via OJEC, whichever route is preferred. It is important that a clearly defined specification is drawn up in either case.
- Following selection, commence integration with relevant applications and incorporate process maps and knowledge base.
- The communications strategy should be an ongoing project within CRM with regular review meetings following implementation.”

1.5 Financial Implications & Procurement

1.5.1 At the meeting of the Finance and Property Advisory Board held on 5 January 2005, Members agreed the CRM project for fast-track evaluation. The evaluation has been completed in bringing this report forward [**Annex 4**].

1.5.2 Final costs will depend on the number of distributed contact centres, the number of staff involved and the level of integration with back office systems. Indicative costs are contained in [**Annex 3**]. These can be summarised as follows:

- Telephony - £60,000
- CRM set up £150,000 (later phases up to additional £100,000)
- Process mapping £40,000

1.5.3 Total start-up cost could therefore be in the region of £250,000, but this is heavily dependent on a number of factors to be specified in the tender document for this first phase of implementation.

1.5.4 It is proposed that these costs be met from a number of sources: -

- £60,000 from the existing Capital Renewals budget provision for telephone systems. Members should note that the existing profile of expenditure for the replacement of the Councils switchboard will need to be reviewed in the light of emerging new technology. This is being considered on a county wide basis by the Kent Connects team.
- £140,000 from the existing IEG budget. There is currently £300,000 remaining in the IEG budget, but as Members are aware there are a number of priority projects being progressed which will require funding from this source. These projects are being progressed but the final costs are not yet known. Any IEG funding remaining once all

these projects have been implemented will be allocated to the remaining CRM costs. It is however proposed that Members agree additional funding of £50,000 from reserves in order to ensure sufficient funding is available for this CRM project and all the priority projects.

- 1.5.5 If Members accept the evaluation of the CRM system, the next stage is procurement. There are a number of CRM suppliers. Our consultant has advised that GCAT mini-tender approach is acceptable with the two market leading companies, Caps/Lagan and Northgate, as the supplier options. He advises this approach as the Caps/Lagan integration with a number of back office systems used by the Council is already available and tried and tested, and Northgate now own SX3 (the Council, Revenue and Benefits software). Northgate is the system already embedded within many Kent local authorities, creating a standard platform for possible future partnerships. Each therefore has a claim to integration with TMBC's main back office applications, which must be thoroughly proven through the tender process. This process should also identify possible options for future working with other Council's.
- 1.5.6 It is therefore proposed that following the development of the detailed specification quotations be sought from Caps/Lagan and Northgate. Members will be interested to note that Sevenoaks District Council and Tunbridge Wells Borough Council are undertaking a similar exercise and options for cost reduction will be explored.
- 1.5.7 Should Members accept the strategic approach set out in this report, the Chief Executive intends to bring forward proposals to the next meeting of the General Purposes Committee to ensure that this important project has adequate staffing resources.

1.6 Timescales

- 1.6.1 The target dates in relation to the ODPM priorities require a CRM solution to be in place by 31 December 2005. Given the significant amount of work to be undertaken it is unlikely that an operational system will be in place. It will however be sufficient for the procurement arrangements to have been progressed, and for the operational plan being implemented.
- 1.6.2 Due to the timescale associated with this project it will not be possible for this report's recommendations to be reported to Members of the Finance & Property Advisory Board as is the usual practice. The recommendations will go to Cabinet on 7 September and onward to Council on 27 September.

1.7 Summary and Recommendations.

- 1.7.1 The implementation of the proposed customer contact strategy is a significant project. We have taken a cautious approach, learning from others and developing

a model, which can be seen as “best fit” with our own local priorities, balanced with the government requirements.

1.7.2 Whilst we currently have high levels of satisfaction compared to many other local authorities, it is important for us not to be complacent, but to seek continuous improvement in the quality of our customer services.

1.7.3 It is therefore **RECOMMENDED** that :-

- 1) the principle of adopting a distributed call centre model supported by CRM software be endorsed, and
- 2) Approval be given to progress the implementation of the project as set out above at 1.4.3
- 3) Approval be given to the procurement process as set out above in 1.5
- 4) Approval be given to the funding proposals set out above in 1.5.4
- 5) A Customer Contact strategy be prepared to include all aspects of customer contact channels including face-to-face, telephone, e-mail and website.

Background papers:

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Nil

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