

Cabinet

27 January 2023

Customer Platform

Recommendations

That Cabinet:

1. supports the implementation of the Microsoft Technology Platform as the Council's customer platform and as a replacement for the existing Firmstep solution;
2. approves the investment of up to £2,000,000, to be funded from the monies set aside for the digital roadmap, for the procurement of an external partner to support the implementation of the Microsoft Technology Platform; and
3. authorises the Strategic Director for Resources, in consultation with the Portfolio Holder for Customer and Transformation, to undertake an appropriate procurement process for an implementation partner and authorises the Strategic Director for Resources to enter into all necessary agreements on terms and conditions considered acceptable to him.

1. Executive Summary

- 1.1 The Council's Digital and Data Strategy 2022-2025 sets out the approach to achieving the ambitions set out within the Council Plan, while the Digital Roadmap provides a sequential approach to realising the strategy.
- 1.2 The Roadmap is designed to enable services to make internal operations more efficient and to increase the quality and breadth of digital services available to citizens. It will also significantly improve the quality of data available to target resources and services more effectively. The Roadmap provides the foundation for the Council's digital service delivery into the future. It is independent of technological changes to specific service-related systems, such as Social Care, Education and Fire and Rescue, but takes account of these line of business systems.
- 1.3 The Council currently has numerous customer relationship management (CRM) platforms in operation in multiple services. The most prominent is Firmstep, a system used for several years to support Customer Services. The platform has been developed and configured to meet specific service needs as they have been presented.

- 1.4 The Digital Roadmap anticipates moving to a single customer platform which would allow officers to view the full history of citizen interaction and actions taken previously. This would allow officers to access a fuller record of contact, to provide a more joined up response, and enable the citizen to more quickly achieve their outcome.
- 1.5 For a CRM to support the digital and data needs of the Digital Roadmap and Council Plan, a new approach is needed. We need to think about our customers and all their interactions with us, to minimise the barriers to them doing so digitally, and to make our delivery processes as efficient as possible. Continuing to develop the existing Firmstep implementation is possible, however it would be slow, require significant resource and not provide the end flexibility our Council Plan requires. It is therefore not recommended.
- 1.6 The implementation of a new 'digital-first' customer platform, a strategic CRM, is the foundation stone in the delivery of the Digital Roadmap. The Microsoft Technology suite of products that the Council has already purchased provides functionality for the kind of strategic CRM that the Council requires into the future. However, in order to implement this effectively, successfully and at pace across the Council, there is a need to commission external support to work alongside Council officers to build the new platform to the Council's requirements as the Council does not have the current capacity or capability to deliver such a solution at the pace required. After assessing options, an experienced implementation partner is therefore sought to advise, plan, and implement the new customer platform, whilst providing knowledge transfer and supporting the implementation of best practice support processes.
- 1.7 Procurement of this external support and expertise will take place through a compliant procurement framework (G-Cloud) as this provides a timely and cost-effective method of engaging with organisations that can work at the scale and pace required.

2. Analysis

Current State

- 2.1 Since 2014, the main CRM supporting customers contact has been Firmstep. Firmstep is used to record customer contacts from telephone and web channels, and to manage cases for progression by officers and partners. Additionally, other services have relied on applications that provide elements of CRM functionality. There are 32 separate examples of applications (digital systems) that provide some form of CRM functionality.
- 2.2 Experience has taught us that to produce the customer platform we require, Firmstep would require complex, time-consuming development. The digital strategy and roadmap imagines a future customer platform designed to make the digitisation of processes quicker, less expensive, and easier to maintain. Our analysis indicates that this vision is better delivered through a new technology and strategic customer platform design.

Future State

- 2.3 This proposal imagines a single customer platform for the Council, that allows:
- simple and repeatable digitisation;
 - direct 1-to-1 communication with citizens so they can view and easily understand where they are in any process with us;
 - a single view of the citizen;
 - consistent and quality data collection and analytics accessible to our reporting tools; and
 - further rationalisation of CRM applications.
- 2.4 We have to date worked with an established, global organisation who, after considering our vision, strategic technology landscape, and appraising the options available to us, have advised that a bespoke platform built on Microsoft technologies will provide the capabilities we require.
- 2.5 Implementation of the digital roadmap was delayed by work which provided positive assurance that the roadmap and customer platform could support the proposed Adult Social Care reforms. However, the Government announced in its Autumn Statement that the reforms would be delayed for two years. The new timeframe to which the Adult Social Care reforms are progressing provides a positive opportunity for the Council to implement and embed the new Customer Platform so that it can support future implementation of the Social Care Reforms.

Deliverables

- 2.6 The proposed new customer platform enables new means of delivering business processes not currently available to the Council. These are not all IT-dependent; some require business process change. They are:
- online payments available to all services;
 - citizens having direct access to feedback;
 - single data point recording for residents;
 - single view of residents for officers;
 - automated translation of email to customer record;
 - new channels available to be integrated into service delivery and automatically to customer record, eg. Live chat, Chatbot, social media; and
 - delivery of automation of high volume, transactional processes.

3. Options appraisal

- 3.1 In formulating the recommendations set out in this report, a full options appraisal around the new customer platform has been undertaken. This has considered the two broad options available:

- 3.1.1 Option 1 - continue to develop the existing platform (Firmstep); or
- 3.1.2 Option 2 – develop a new customer system.
- 3.2 The expectations and needs of a customer platform have changed over the last decade, and to achieve the future aspirations set out in the Council Plan we recommend Option 2.
- 3.3 Option 2 requires a new customer system to be identified. The Council could procure a new system through a competitive procurement process. However, given the Council has already purchased a Microsoft suite of products which includes customer platform functionality through the Microsoft Technology Platform, it is considered more cost-effective and in keeping with our best value duties to develop the Microsoft product.
- 3.4 A key differentiator for the Council in selecting the Microsoft platform is the ability for seamless integration with our Microsoft products, making it easier to create digital services for residents as well as providing customer data that can be used directly by our Data Platform and Power BI.
- 3.5 Using a different product or provider would result in the Council having to invest in more resources over time to develop such services, without the benefits of Microsoft’s ongoing investment in technologies such as artificial intelligence (AI) and intelligent automation, both of which can continue to make services easier to deliver for us and easier to use for residents.
- 3.6 The full options appraisal for selection of the new customer platform is set out at Appendix 1. The expected benefits of the new system are set out at Appendix 2.

4. Approach to Implementation

- 4.1 Having determined to adopt the Microsoft Technology Platform as our new customer platform, it is recognised that a detailed and comprehensive implementation programme will be required.
- 4.2 It is envisaged that implementation will be undertaken in distinct phases which will allow for scoping, designing, and testing before fully transitioning to the new system:
 - 4.2.1 Phase 1 - optimising the business processes currently in Firmstep and developing them for reuse in the platform. This scope is expected to provide the capabilities currently used in the Customer Service Centre;
 - 4.2.2 Phase 2 – development of new digital services, prioritised on impact to our residents, businesses, and officers; and
 - 4.2.3 Phase 3 – Adult Social Care processes are transferred to the new system – timing to be determined depending on the pace of implementing the national Adult Social Care reform agenda.

- 4.3 The adoption of the Microsoft Technology Platform will also provide the opportunity to remove existing applications which provide CRM functions to a range of other services across the Council. This is consistent with the Council's current application rationalisation agenda and associated savings.

5. Environmental Implications

- 5.1 There are no direct environmental implications resulting from the strategy. However, it should be noted that a study conducted by Accenture for Microsoft referenced in "Data Centre Efficiency, Renewable Energy and Carbon Offset Investment Best Practices" compared the environmental impacts of providing three of Microsoft's business applications – Exchange, SharePoint and Dynamic CRM – through customer data centres and Microsoft cloud data centres. The study found Microsoft cloud-based operations reduced carbon emissions by an average of 60% to 90% for medium-sized operations (per ~1,000 users).

6. Financial Implications

- 6.1 The recommended technology forms part of the suite already available to the County through its Microsoft platform and licensing arrangements, and therefore no procurement for a technology product is required.
- 6.2 In terms of implementation and the procurement of an implementation partner, £5m has been set aside for the Digital Roadmap in the 2022-23 budget resolution "to drive future cost reductions as a result of the investment made" over 3 years from 2022/23 (£1.8m / £1.1m / £2.1m). To date spend against this budget has been limited largely due to the delay in being able to mobilise the digital roadmap which arose from the work required to assure ourselves that the roadmap was consistent with changes that would be required by the delayed Adult Social Care reforms.
- 6.3 In arriving at the £2m maximum expenditure on implementation, a robust investigation phase has been undertaken to understand the effort required to deliver to the scope. The delivery model is predicated on a co-production between the implementation partner and internal resource with a reducing reliance on the implementation partner over the lifecycle of the project as our internal capabilities increase. This, alongside an appropriate contingency (5%) included within the £2m provides confidence that the external expenditure will not exceed the £2m requested.
- 6.4 It is anticipated that there will be savings within service budgets resulting from the implementation of a new platform, to be realised predominantly through process optimisation and automation. These savings are not currently identified. Once implemented, the new customer platform can be used as a catalyst to further the improvement of processes and deliver the resulting officer efficiencies and enhanced outcomes for our citizens.

- 6.5 However, the case to justify this investment rests predominantly on non-financial benefits which are set out in Appendix 2. Without a new customer platform, achieving the digital ambitions of the Council Plan and Digital and Data Strategy would require a similar level of investment in Firmstep.

7. Timescales associated with the decision and next steps

- 7.1 The following table provides an outline indicative implementation timeline which will be validated following contract award.

Activity	Start	Completion
Identification of an external partner and signing of contracts	February 2022	March 2023
Process complexity validation workshops	March 2023	April 2023
Integration workshops	March 2023	April 2023
Implementation of processes	April 2023	June 2024
Release 1 - Correspondence / Complaints, Reusable customer-facing components	-	August 2023
Release 2 – Existing digital services optimised to use reusable components	August 2023	December 2023
Release 3 – Remaining processes, Functionality for Highways Phase 3	-	June 2024
Operation and support	June 2023	June 2024

Appendices

Appendix 1 – Options Appraisal

Appendix 2 – Benefits Realisation

Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): Not applicable. This is a countywide matter.

Other members: The Chair and Party Spokes of the Resources and FRS Overview and Scrutiny Committee: Councillors Adrian Warwick, Parminder Singh Birdi, Sarah Boad, Caroline Phillips, and Will Roberts.

Appendix 1 – Options Appraisal

Develop Existing platform

Pros	Cons
Known entity (operational today).	Licence costs increased at last renewal and anticipated to increase again.
Established ICT support base.	Time consuming to implement change.
Is delivering the current processes and customer volumes.	Existing data quality is poor due to configuration.
	Reengineering / automating existing processes is complex.
	Our data hosted in European Union rather than UK.
	To produce the requirements would mean starting again in a new Firmstep instance which may disincentivise process optimisation from services.

Microsoft Technology Platform

Pros	Cons
Better customer experience (including new channels not available in Firmstep) because of migration.	New ICT support skills (but also the basis for development).
Optimisation of Microsoft investment (works seamlessly with existing tools).	Training cost to adopt a new platform for Customer Service Centre (and wider organisation).
Microsoft's range of tools, including artificial intelligence (AI) and automation, receive significant investment.	
Channel integration - updates can also be sent by text, WhatsApp, and social media direct messages.	

Pros	Cons
Platform for applications rationalisation / CRM consolidation.	
Provides customer insight and action through its unique AI and sentiment analysis (how the customer is feeling), with ongoing development from Microsoft in these areas.	

Non-Microsoft Technology Platform

Pros	Cons
Better customer experience (including new channels not available in Firmstep) because of migration.	Anticipated to be a longer implementation compared to Microsoft Technology (in part due to higher internal training need).
Channel integration – depending on technology platform updates can also be sent by text, WhatsApp, and social media direct messages.	Training cost to adopt a new platform for Customer Service Centre (and wider organisation).
Platform for applications rationalisation / CRM consolidation – depending on technology platform.	Development required to work fully with existing Microsoft technology.
	Potential to create a silo where data cannot be fully used across the organisation.

Appendix 2 – Benefits realisation

Financial Benefits

- 1.1 There are several financial benefits to consider alongside the scope associated with the investment. By implementing a new customer platform, we believe that, over time, efficiencies in the region of 10 FTE will be realised through process redesign, information from customers being right first time, and embedding automated processes which we envisage would be achieved through turnover and/or natural wastage.
- 1.2 Over £900k of one-off cost avoidance has been identified due to not needing to develop the Firmstep platform to meet current demand for digital service enhancement
- 1.3 £150k of ongoing savings have been identified (post implementation and adoption) through more people interacting digitally (resource reduction) and the consolidation of existing CRM platforms (licence savings). Further resource savings are anticipated as further services are digitised into the Customer Platform.

Non-financial benefits

- 1.4 The benefits of efficient CRM systems are in their ability to improve human processes. They become quicker, less focused on failure demand management and easier for the customer to manage. However, they rely on significant change in processes.

Benefit	Description
Pace	Quicker response to new or changing business need. Emerging service demand for digitisation or digital change can be evaluated and serviced more quickly, meaning faster realisation of the service-identified benefits.
Reusability	A reuse first approach embedded, meaning that technology components (e.g. online payments) are available to all services.
Better customer interaction	Using our existing customer data to minimise what they need to input at each new interaction (e.g. only ask for an address if we do not already hold it). Information 'coming into' the Council is of higher quality, increasing how easily queries and requests can be managed without requesting additional information from the customer.

Benefit	Description
Reduction in failure demand	<p>Channel shift away from voice calls by giving customers a direct 'feedback loop.' They will be able to see 'live' the request status and updates online and discuss with a chatbot.</p> <p>This should reduce the resource required to respond to customer contacts chasing / checking on the status of their query or request and increase the capacity of agents to respond to multiple online chats simultaneously compared to a single telephony contact.</p>
Single customer record	<p>Understanding our customer behaviour, what they need from us, and how we respond to service the demand.</p> <p>It will provide us with the ability to report on and analyse trends in customer activity, customer pathways within the organisation and to partners, and demand.</p>
Reduction in complaints and contact to our people	<p>Visibility to citizens of the status of their correspondence / query and signposting to resources that could improve or accelerate the required outcome, moving demand from officers to digital services.</p>
Enhanced front door	<p>Easy to use, citizen-centric forms and processes which can be easily extended for new requirements within services such as Children and Families. Foundation for major change, such as Adult Social Care Reform, using repeatable business processes (e.g. assessments).</p>
Responding when things do not go as planned	<p>A consistent citizen and service-centric data source with audit trails allowing officers to efficiently respond to Member queries or external obligations (e.g. Ombudsman), and to do so through consistent, repeatable processes.</p>
Reducing demand through contextual information	<p>Using what we know about our citizens (e.g. their address) to provide proactive information relevant to them. This could include planned highways works, streetlight repairs, country park opening hours, or waste and recycling centre information.</p>