



meeting **CABINET**

date **13 September 2006**

agenda item number

## **REPORT OF THE DEPUTY LEADER: CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEM**

### **1. Purpose of Report**

1.1 The purpose of this report is for Cabinet to approve –

- a) the award of a contract for a new corporate Customer Relationship Management (CRM) System as approved by Cabinet on 27 April 2005 (NOTTS Connect – next phase (Stage 2) of the Contact Centre project, agenda item number 29).
- b) delegated authority to the Chief Executive to enter into appropriate contractual arrangements.

### **2. Information and Advice**

#### **2.1 What is CRM?**

Customer Relationship Management (CRM) is a very broad term which applies to a spectrum of initiatives to improve the 'customer experience'. These range across strategic, operational and technical boundaries. In its simplest form, CRM provides the technology to manage customer requests, but in a wider context CRM will –

- Improve and standardise customer service
- Allow greater transparency of customer led operations and processes
- Provide a catalyst for culture change and service improvement

The Council's CRM vision, driven primarily by the NOTTS Connect contact centre project, will streamline and radically improve the 'customer experience' through improving access to services, understanding and managing customers needs and developing customer focussed processes across our range of services and access channels including telephony, face to face and the web.

Central to the Council's Strategic Plan, "All Together Better," adoption and corporate use of a CRM system will ensure that we –

- put the customer at the heart of everything we do by improving our responsiveness and ensuring that we can be contacted easily and respond quickly
- deliver affordable and excellent services through eradicating duplication, speeding up service delivery and providing services more efficiently and effectively through a single point of access.

Procurement and implementation of a CRM system will be central to realising this vision across all of our access channels and assist in building a culture of customer service professionalism.

The contact centre and county contact points currently use the Goldmine system - a software package used to track customer requests. This is not a CRM system and has had to be customised significantly to meet the needs of the service. As the contact centre operation grows, this system will not be sustainable nor provide the functionality required by the business to operate effectively.

## **2.2 What CRM means for the Authority**

CRM is more than a technology bolt-on, it is a philosophy and an approach -

- A fundamental change (transformation) to put the customer at the focus rather than the product or service
- Developing a deep understanding and interacting effectively with our customers
- Actively managing the customer relationship to ensure quality and efficiency
- Finding the right balance between the needs of the customer and the requirements of the service deliverer, then delivering it consistently

## **2.3 In practical terms, the NCC Corporate CRM system will provide –**

- a central database of customers
- a comprehensive database of information covering all services
- a record of all customer contacts with the Council, covering all service areas, allowing tracking of due, overdue and completed actions.
- integration with all the Authority's access channels (Contact Centre, County Contact Points, Web) and provision of E-service facilities across a range of media
- integration with back-office systems and databases supported by the appropriate business case
- workflow integration of end-to-end service delivery processes
- links to other government bodies and agencies

- means to allow customer self service over the Internet

## **2.4 CRM Benefits**

The benefits of implementing a CRM strategy focus on the Council's ability to enable better customer service, greater organisational transparency and increased operational efficiency, leading to long-term savings.

### **2.4.1 Better customer service** will be delivered through –

- Increased flexibility in how a customer accesses our services/contacts the council
- Reducing confusion for the customer about where and how to obtain services by providing a single point of contact
- Providing consistent information and services across channels due to better integration with departmental systems and processes
- Improving responsiveness to telephone enquiries by increasing the volume of calls handled.

### **2.4.2 Greater transparency** will enable better reporting, tracking and accountability across the council. A new CRM system will also enable the council to be responsive to customer enquiries by providing –

- Instant, up-to date and consistent information on service requests
- Detailed and complete reporting in relation to customers and how they use services
- Delivery of seamless processes through CRM integration and business process re-engineering.

### **2.4.3 Increased efficiency** will be delivered through cultural change moving away from the departmental focus and connecting information together around the customer.

- Better use of resources
- Higher levels of service
- Higher customer satisfaction

### **3. Tendering Process**

- 3.1 Following earlier approval to go to tender, formal tenders were invited under the EU procurement procedures for a new system to replace the old. Wide consultation took place with all departments of the Council in order to produce the specification for this Invitation to Tender. The aim was to find not only a solution which would be powerful enough to cope with the increasing complexity and demand required of the CRM software but also a cost-effective one.
- 3.2 A thorough and comprehensive evaluation exercise of the three tenders received has been undertaken which complies with the relevant EU procedures, resulting in the recommendation at the end of this report. This included site visits, supplier presentations and “hands-on” sessions, as well as a thorough analysis of the supplier submissions. This evaluation exercise was carried out by a cross section of officers representing all departments of the council.

### **4. Implementing CRM**

#### **4.1 Staffing Resource**

Following award of the CRM contract to the successful supplier, detailed discussions will take place regarding implementation and planning of the new system including migration from the current Goldmine system.

In order to facilitate this, temporary dedicated resources will be required in the form of (these staffing requirements are included in the financial analysis):-

1 x CRM Business Manager – an external appointment on a fixed term contract

2 x CRM Business Analysts – subject to suitable knowledge and experience internal secondments may be considered

1 x IT Project manager – to be sourced through the current NOTTS Connect ICT Strand.

Use of existing resources in the form of links with the current NOTTS Connect Development officers will support the transfer of new services into the CRM system.

#### **4.2 Implementation schedule**

A full implementation plan will be developed in conjunction with the chosen supplier. However in broad terms the implementation of the corporate CRM system will be on a phased basis as follows -

Phase 1 - Replace and migrate the existing Goldmine system used by the Contact Centre and County Contact Points (including the mobile unit) to the new CRM environment. (Planned within the existing NOTTS Connect budget) The timeline to be determined in association with the supplier

Phase 2 - In parallel we will develop the business case for back office integration to the CRM system and rollout CRM to the back office service areas which integrate to the CRM system. (Budget to be determined)

Phase 3 - Rollout of CRM to other Face to Face Access points i.e. Countywide reception areas, Registration offices, Libraries, Trading Standards offices plus others (No funding identified)

NB. Phases 4 to 6 to be agreed in terms of timescales and budget. Funding is available in the Capital programme for integration but to what extent is unknown pending prioritisation and detailed integration options.

Phase 4 - Back office integration phase 2 (Budget to be determined)

Phase 5 - Self service via the Internet to allow citizens to raise requests and track enquiries on line

Phase 6 - Access for other public sector organisations

## **5. Evolving issues**

5.1 During the detailed evaluation process a number of associated issues have been identified relating to the corporate use of a CRM system. These include the Authority's position on –

- Knowledge Management
- ICT Strategy
- Information management Strategy
- e-forms
- e-payments
- customer management strategy

These issues will be raised and discussed as appropriate to ensure coherence with the new CRM system and will require re-alignment to ensure delivery of the councils vision for improved customer access.

## **6. Statutory and Policy Implications**

This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder and those using the service. Where such implications are material, they have been described in the text of the report.

## **7. Service Diversity Review (SDR)**

All suppliers were questioned at pre qualification stage with regard to their competence and commitment in complying with equality legislation. All suppliers short listed provided acceptable responses to those questions.

The evaluation of the tenders submitted included responses to questions about eGovernment standards and protocols (relating to e-GIF, e-GMS and the Web Content Accessibility Guidelines) and whether suppliers would be able to achieve a minimum level of AA compliancy of the W3C WAI Web Content Accessibility Guidelines.

A SDR is currently in progress. This review is undertaking an impact assessment on the introduction and use of the CRM system across the following equality strands - age, disability, gender, race, religion or belief, sexual orientation and other areas of social exclusion. The outcome of the assessment will be recorded within the Service Diversity Review System.

## **8. RECOMMENDATIONS**

It is recommended that Cabinet –

- 1) Approves the award of the contract for the supply and maintenance of the new Customer Relationship Management (CRM) system to Lagan Technologies Limited for a period of 5 years with an option to extend at the sole discretion of the County Council
- 2) Note that the costs of the contract fall within the approved budget provision for the NOTTS Connect project as set out in the Director of Resources financial comments below.

**Councillor Mick Storey**  
**Deputy Leader**

**Director of Resources Financial Comments** (NS 9/8/06 )

The capital programme for the Notts Connect project is as follows:

2006/07	2007/08	2008/09	2009/10	Total
£2,107,000	£713,000	£500,000	£496,000	£3,816,000

This includes an amount for the purchase and installation of a CRM system.

When compiling the ongoing revenue budget for the project an element was identified for the revenue implications of the implementation and ongoing support and maintenance cost for the CRM system. The estimated revenue cost identified in this report will be contained within the budget for the Notts Connect project.

**Legal Services Comments** ( HD 31/8/06 )

The decision falls within the constitutional delegation to Cabinet.

**Background Papers Available For Inspection**

None

**Electoral Divisions Affected**

All