

# CHESHIRE EAST COUNCIL

## Cabinet

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<b>Date of Meeting:</b>	1 December 2009
<b>Report of:</b>	Paul Bayley, Customer Services Manager Gareth Pawlett, Head of Technical Strategy & Planning
<b>Subject/Title:</b>	Procurement of Customer Relationship Management (CRM) Solution for Cheshire East Council
<b>Portfolio Holder</b>	Councillor David Brown

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### 1.0 Report Summary

- 1.1 Authority is sought to procure software, hardware and professional services that will constitute the implementation of a Customer Relationship Management (CRM) solution. The CRM Solution's functionality (see section 3.0 below) will underpin the Council's Customer Access Strategy.
- 1.2 Cheshire East has three CRM systems inherited from the former constituent Councils. One of these could be rolled out for the whole of Cheshire East; however, the cost of developing one of these systems may not offer the most economically advantageous solution and would not comply with procurement legislation. As a result the recommendation is to tender the requirement with a view to having a solution operational by April 2010.
- 1.3 The intention is to use the Office of Government Commerce (OGC) framework solutions and its associated CRM Framework Agreement. This will ensure that the requirement is exposed to competition and secures submissions from companies with proven abilities in this area.
- 1.4 Capital Provision has been made in the 2009/10 Budget (see Para 8)

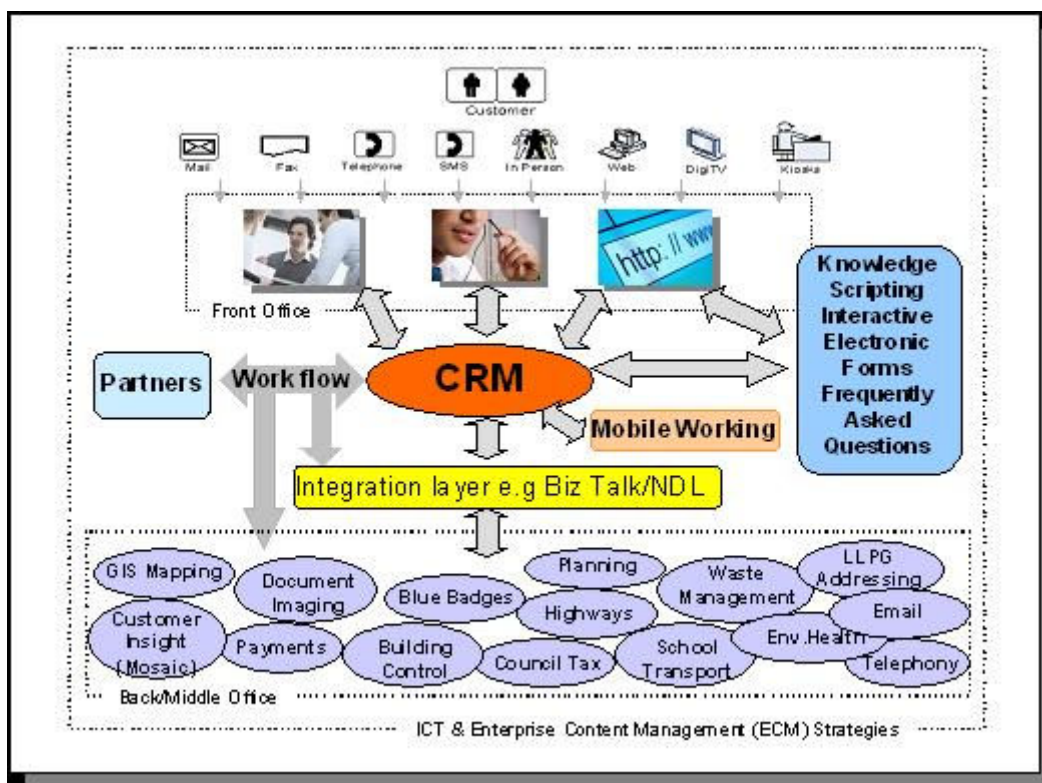
### 2.0 Decisions Requested

- 2.1 Approval for the procurement of software, hardware and professional services that will constitute the implementation of a Customer Relationship Management (CRM) solution.

### 3.0 Reasons for Recommendations

- 3.1 Cheshire East's aim is to bring high quality cost-effective services closer to the customer and to put the customer at the heart of everything it does.
- 3.2 Key elements of this are to record and progress service requests in an effective manner across a range of access channels and to ensure that all these channels are informed with comprehensive customer data, some of which is currently located in back office systems.

- 3.3 Another important element is to enable the Council to maintain a corporate view of customer interaction. In effect this will be a single view of the customer encompassing their contact history, their needs and preferences, current “open” interactions and current progress in resolving them. This information will be available to the customers themselves when self-delivering services and to staff when delivering services on their behalf.
- 3.4 Such an approach will enable the Council to deliver not only a customer’s immediate presented needs but to identify related needs and address these at the same visit. This is known as *The Circle of Need*. Similarly a customer should only need to inform the Council once about a change in their circumstances and this should then be progressed across other departments and other community providers. This is known as *Tell US Once*.
- 3.5 The whole aim is improve the customer experience, reducing avoidable customer contact, delivering one-stop customer services and, at the same time, improving efficiency and reducing cost.
- 3.6 To achieve these aims the Council needs to procure software, hardware and professional services that will constitute the implementation of a Customer Relationship Management (CRM) solution.
- 3.7 The chart below shows how the CRM will interact with the various customer channels and service systems. It will be a key component of the wider Cheshire East Enterprise Architecture.



- 3.8 The solution will be used principally, but not exclusively, within Customer Services, particularly because the majority of customer contacts occur within the Division. However, the solution will interact with key back office systems

and provide a comprehensive workflow engine to progress customer requests wherever they need to be delivered.

- 3.9 The solution will also record and progress Corporate Complaints & Suggestions, and Freedom of Information requests so as to encompass a complete picture of customer interaction.
- 3.10 Crucially, it will also provide management information for services and the corporate centre to highlight service failures and secure root cause resolution.
- 3.11 The CRM Solution's functionality will underpin the Council's Customer Access Strategy.
- 3.12 The intention is to use the Office of Government Commerce (OGC) procurement vehicle and its associated OGC CRM Framework Agreement. This will ensure that the requirement is exposed to competition and secures submissions from companies with proven abilities in this area.
- 3.13 An existing CRM solution could be rolled out for the whole of Cheshire East. For example, the Microsoft Dynamics Solution, in use at the Dalton House Contact Centre, has comprehensive functionality, was partially developed as part of the former County Council's Transforming Cheshire Initiative and has already received investment of up to £120,000 in licensing cost. However, the resource needed to develop this, or the Capita CRM in use at Macclesfield, or the LA CRM in use at Crewe, Nantwich and Sandbach, needs to be evaluated against other providers to secure the most economically advantageous solution for the Council.
- 3.14 Therefore, bids to develop legacy solutions will be evaluated alongside solutions offered by companies such as Northgate or Lagan to ensure that commissioning and life cycle resourcing are properly understood. There is also the prospect that a legal challenge could be launched if a legacy system is rolled out without competition because of the scale of current solutions compared with the much larger scale of the whole Cheshire East solution.
- 3.15 2009/10 Capital Provision has been made (see 8) below) and a detailed CRM Requirements Document with Executive Summary has been produced.

#### **4.0 Wards Affected**

- 4.1 The initiative is not ward dependant but will enable any ward specific issues to be recorded against a customer profile and prompted during a customer interaction.

#### **5.0 Local Ward Members Not Applicable**

#### **6.0 Policy Implications including - Climate change - Health**

- 6.1 Reducing avoidable customer contact will reduce travelling needs. CRM with its customer profiling and links to socio economic and retail data (Mosaic) can target carbon footprint and health improvement campaigns to receptive citizens.

**7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

7.1 None

**8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

8.1 A capital provision has been included within the 2009/10 Capital Budget. The procurement process will, however, secure the best value solution for the Council, taking into account any costs of borrowing and previous expenditure on the legacy CRM system development.

8.2 ICT revenue budgets will fund the annual maintenance charges of circa 15-18% associated with the CRM, but these will be offset by the elimination of maintenance costs from existing CRMs and associated systems.

8.3 The benefits of CRM, for example improvements in efficiency, reduction in avoidable contacts, and a migration to self-delivery channels, will be realised across the Council, and assistance will be sought from Finance to ensure those benefits are allocated to Customer Services to help offset the prudential borrowing costs.

**9.0 Legal Implications (Authorised by the Borough Solicitor)**

9.1 Advice has been sought and acted upon regarding the procurement of the CRM.

**10.0 Risk Management**

10.1 The risk of securing the wrong solution has been mitigated by comprehensive analysis of Cheshire East's requirements, thorough assessment of the marketplace, the approaches taken by other Councils and a competitive tender process involving companies with a proven track record of delivering CRM solutions.

**11.0 Background and Options**

11.1 CRM solutions, traditionally associated with the private sector, are now considered essential for delivering quality customer services in the public sector. They break down the silo approach to delivering services and introduce workflow to ensure customer requests are progressed in a structured and timely manner to a conclusion. They bring back-office information into the front office where it is needed to serve the customer and they enable a customer to self-serve through a web portal. Importantly they provide a corporate view of customers and comprehensive management information to improve the customer experience and corporate efficiency.

11.2 The Council could choose not to procure a CRM solution but this would prevent Customer Services from fulfilling its role as one of the Council's key Transformation Enablers. It would also inhibit the Council's progress to customer service excellence.

## **12.0 Overview of Year One and Term One Issues**

- 12.1 During the early part of 2010/11 the CRM will be developed to deliver the wide range of services currently provided in the Customer Centres, Contact Centres, Customer Service Points and via the Website. However, front office service depth will be optimised at least to the maximum depth currently delivered at any location. Challenges will be encountered in creating a unified front office where services have not yet harmonised their service systems, however, the use of integration interfaces will through the CRM secure a single view of these multiple systems.
- 12.2 Further developments of the CRM will follow aligned to the Corporate Business Transformation programme. It will support the findings of the CWIEP Development Management Initiative, which is evaluating migrating planning services into the corporate front office. It will also move into delivering more comprehensive high volume Waste Management and Revenues and Benefits services and into *Tell us Once* and *Circle of Need* functionality (see 3.4 above).

## **13.0 Access to Information**

The background papers used in the preparation of this report are:

- Customer Access Strategy
- Customer Access Vision 2009 – 2013
- CRM Requirements Document
- CRM Requirements Executive Summary

Contact the report writer to inspect them:

Name: Paul Bayley  
Designation: Customer Services Manager  
Tel No: (01606 2)71567  
Email: Paul.Bayley@cheshireeast.gov.uk