

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Monday, 25 January 2021</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Procurement of a Digital Customer Experience Platform (CRM replacement)
Purpose of Report:	To obtain Cabinet approval to award the contract for the supply of a replacement CRM system for the Council
Report Owner:	Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Tom Bowring, Head of Policy & Business Transformation
Elected Member and Officer Consultation:	Consultation has been undertaken with the Leader of the Council, Managing Director, Head of Finance and Monitoring Officer/Head of Legal & Democratic Services.
Policy Framework:	This report is a matter for Executive Decision by Cabinet
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• This report sets out the reasons why it is necessary to procure a new Digital Customer Experience Platform (DCXP) for the Council and the key functionality required to meet the needs of our residents and the objectives of the Council.</li> <li>• The report excludes budgetary and other procurement details that are considered to be commercially sensitive. Cabinet are asked to consider the Part II report which addresses these issues.</li> <li>• Support for the Council's current Customer Relationship Management (CRM) system ends in December 2021, the Council's current CRM supplier has stated that the current version of Oracle CRM will no longer be supported or maintained after this time. The other modules of the Oracle ERP system are to be upgraded to the new Oracle Cloud versions in the coming year.</li> <li>• It was agreed that a separate exercise would be undertaken regarding the CRM to assess solutions available, whilst also remaining an option as part of the upgrade to the Cloud version of Oracle. The existing Customer Relationship Management (CRM) system, with aging functionality and limited integration capability, has been a significant impediment to achieving the objectives of Digital Strategy of true citizen focussed service transformation and, in particular, meeting the increasing citizen requirement to interact with the Council online.</li> </ul>	

- The development of a new Digital Customer Experience Platform (DCXP) is a key element in achieving these goals, enabling the delivery of transformed services from initial contact to fulfilment of service through improved online self-service opportunities, easier systems integration, timely operational data and customer insight.
- The Council requires a modern Cloud-hosted platform that can successfully integrate with both a customer facing self-service portal and its key business systems.
- In light of these circumstances, the Council is therefore required to engage in a procurement exercise to ensure that a replacement platform is implemented in order to avoid disruption to existing services, ensure that customers can easily make contact with the Council via their preferred channel and that requests for service can be acted upon and communicated back to customers in a way that matches their expectations.

## **Recommendation**

1. That Cabinet consider the proposals set out in the report in conjunction with the Part II report on the same matter later in the agenda.

## **Reason for Recommendation**

1. To ensure delivery of Council services is not disrupted and can be developed to meet future customer experience and efficiency requirements in line with the Council's Constitution and procurement regulations.

## **1. Background**

- 1.1 The Council's current Customer Relationship Management (CRM) system was purchased and implemented in 2006. With the exception of key security patching, the fundamental design and workflow of the system has not changed significantly in the last 14 years. In contrast, customer service technologies have evolved rapidly in response to changing customer expectations regarding service experience.
- 1.2 Oracle, the supplier of the Council's current CRM system has notified the Council that it intends to cease all support for the current on-premise version of its CRM, requiring all organisations that wish to continue using the platform to upgrade to a new version of the platform. This also applies to the other modules within the Oracle Enterprise Resource Planning system. The Council has recently procured licences for these modules with Oracle and a project is underway to commence preparatory work to migrate these modules to the Cloud during 2021.
- 1.3 A key element of the Council's change strategy is to improve and transform its service offering through the innovative use of technology. With a focus on customer needs and reduction in the cost of end to end service delivery, these will be important criteria when looking at the replacement of a CRM system - ensuring that customers and staff alike have access to accurate and up to date information regarding requests for service, that staff are empowered to act on that information and that the Council's is delivering joined up and timely services.
- 1.4 The current CRM system is used as the core customer service platform for the Council and is used to record contact from service users and businesses for most Council services, including requests for Neighbourhood Services & Transport, Housing and Adult Social Services. Contacts are recorded as service requests and relayed to other departments either via access to a CRM work queue or via an automated email that enables staff to deliver services based on the request. Updates regarding service completion are fed back to customer service agents via updates to the notes field of each individual service request. Except for

limited processes within the street lighting department, no services currently benefit from the ability to directly integrate customer services requests from CRM with line of business systems to provide a seamless experience for the customer and reporting and feeding back on requests.

- 1.5** A series of Digital Customer focus workshops have been held with staff to identify issues with the current CRM system. Issues identified focussed on the inability to directly provide progress updates back to customers, a requirement to double-handle information when using other back office systems, double handling of information when customers access services online and the lack of a useful mobile working interface for field workers required to deal with and update service requests. All of the issues described can be linked to the inability of the current CRM system to co-exist with modern line of business systems and increase the risk of service failure.
- 1.6** To address these issues, a Digital Customer working group was set up to work with service areas to improve current working processes, ensuring that the user experience for customers was streamlined across service areas and that the relevant information regarding service requests was received by business units in a way that enabled efficient service delivery.
- 1.7** The Council's website remains a popular and well-used gateway into Council Services. Undergoing a comprehensive redesign in November 2018 after a significant amount of research into the current customer experience and "user journeys", the main website was redesigned to re9focus on key service and information provision most useful to users of the site. This included redesigning key features of the site to accommodate users that were increasingly accessing the site primarily via mobile devices.
- 1.8** The implementation of user self-service request and payment forms for multiple services has grown as the website has been transformed over time from primarily being an information repository to a key customer service contact point. However, the inability to integrate these requests for service/payments with its main CRM system effectively neuters the ability to deliver a consistent customer service channel to a customer base that increasingly want to interact with the Council via online services where possible and at a time that suits their own individual lifestyle and working arrangements. Due to its age, the current CRM lacks the technical ability to link with modern line of business systems that are Cloud hosted.
- 1.9** The impending upgrade of the current Oracle ERP system to the new Oracle Cloud "Fusion" platform offers the ability to upgrade the Council's current on-premise Oracle CRM system to its Cloud-based equivalent, Oracle CRM OnDemand. It was considered prudent to use this opportunity to evaluate the market place for CRM/Digital Customer Experience Platforms (DCXP) and review the options (including that proposed by the incumbent supplier) for a CRM/DCXP

platform that both meets the current needs of its users and provides an element of future proofing.

## **2. Key Issues**

- 2.1** The development of a fit for purpose digital customer platform to meet the needs of our customer and business users forms a key part of the Council's Digital Strategy. Increasing demand from customers in areas such as Neighbourhood Services & Transport and Social Services requires the ability to accurately channel and predict demand for services to ensure that customer requests are promptly dealt with in a way that reduces failure demand and removes pressure on Contact OneVale and back office departments. An effective CRM system remains the key to providing a trackable solution to customer demands.
- 2.2** Key features required of a Digital Customer Experience platform include an integrated website portal for customer contact, enabling customers to log and receive updates regarding services requests without necessarily having to call the Council during standard office hours. A multi-channel approach to customer contact will ensure that the resources available at C1V and within the Council's back office departments can be utilised for queries that require human skills and attributes. This will seek to ensure that resources can be dedicated towards value-adding tasks, minimising unnecessary administration and re-work, ensuring better outcomes for residents.
- 2.3** The availability of accurate and instant data via information management dashboards remains of key importance to the development of a digital customer experience platform if it is to be useful in analysing current requests and predicting future demands for services.
- 2.4** In addition, the new platform must have the reporting functionality to interrogate the hundreds of thousands of individual interactions with residents, across multiple channels which when amalgamated provide valuable insight into customer needs and requirements and allow the Council to make strategic decisions as to shape how, when and where services are delivered to produce the best outcomes for our residents.
- 2.5** The ongoing COVID-19 pandemic also required services to quickly pivot to meet changes in customer demand and volume. In the past, CRM systems have often relied upon programming code and expensive technical resources to deliver this. A key feature of DCXP platforms is the reversal of this trend, with new platforms relying upon low or 'no code' programming to create process workflows without technical coding ability. Any new system will be required to be administered on a low or no-code basis enabling business units in conjunction with Customer Relations to respond quickly to changes in customer expectations, legislative requirements and available resource.

- 2.6** It is important to recognise that the adoption of a modern technology platform and the ability to take a citizen focussed approach to development of services will require a different way of working to be developed within the Council. A multi-disciplinary team will be required to develop customer insight, undertake resulting service reviews and build new processes within the platform. While these skills exist within the Council, they are dispersed across multiple services limiting effectiveness. As part of implementing the new system, consideration will be given to the most appropriate and sustainable structures to support this change in working practices.
- 2.7** The Council's Digital Strategy encourages a cloud-first approach to the procurement of new systems, minimising the Council's on-premise technology estate. The strategy also encourages the use of open Application Programming Interfaces (APIs) which connect systems in order to encourage the flow of information, enabling business systems to communicate and further reduce manual duplication of effort by preventing the need to retype or manually upload information between systems.
- 2.8** The Digital Customer project team has facilitated the design of a set of functional and technical requirements documents which will be used to evaluate potential solutions.
- 2.9** It is recommended that the project is managed by the Operational Manager (Customer Relations) as project manager with the project sponsor being the Head of Policy and Business Transformation. A project team will consist of a range of staff from across the council involving key stakeholders from a variety of departments. A proportion of these participants may need to be involved on a full time basis at various points in the project and consideration will be given to be back-filling their substantive posts to ensure service continuity.
- 2.10** All reporting of project progress will be made to the Council's Oracle Steering Group, with key decisions referred up to the Council's Strategic Leadership Team.

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** A key element within the Council's vision for the future is to continually improve and transform our services. A key cornerstone of this is a commitment to implementing innovative technologies and processes, to focus on customer service and to reduce revenue expenditure as far as possible. A commitment to this principle is required to ensure the staff have access to better quality information, that staff are empowered to act on that information and that the Council's staff are delivering joined up and timely services.

- 3.2** The proposal seeks to introduce several key improvements to the way in which customers and businesses interact with the council, preventing the need for repeat contact and improving communication between the person requesting the service and person delivering the service. The increased availability of digital service channels and improvement in proactive customer feedback seeks to reduce environmental impact and enable customers to request/receive information regarding service requests in a manner that mirrors their interactions with other service providers.
- 3.3** A key requirement of the new system will be the ability to provide all public facing information bi-lingually.

## **4. Resources and Legal Considerations**

### **Financial**

- 4.1** Costings for Cloud-based DCXP platforms licences are normally provided on a subscription basis. This represents a move away from previous models largely comprising of a significant upfront payment for the implementation of on-premise technology platforms, accompanied by a smaller annual subscription for technical support.
- 4.2** Please refer to the Part II report later on this agenda for further information regarding budget and costs.

### **Employment**

- 4.3** Implementation of a new DCXP platform is expected to provide a number of key benefits relating to employees' ability to deliver key services.
- 4.4** Whilst it is envisioned that the initial implementation will be performed in tandem with the chosen supplier, ongoing phases of the project will be managed in-house by the internal project team. The requirement to deliver significant business transformation in terms of channel shift, process change, and operational efficiency will require the formation of a dedicated digital customer team, comprised of existing roles and resources seconded from the Customer Relations, Communications and Business Improvement teams.

### **Legal (Including Equalities)**

- 4.5** Cabinet are asked to consider the Part II report on this matter which sets out the relevant legal considerations relating to procurement and contract options.

## **5. Background Papers**

Link to Speculative Procurement Notice "Market Consultation for a Digital Customer Experience Platform"

[https://www.sell2wales.gov.wales/search/show/search\\_view.aspx?ID=AUG343520](https://www.sell2wales.gov.wales/search/show/search_view.aspx?ID=AUG343520)