WIRRAL COUNCIL

CABINET

23 JUNE 2011

SUBJECT:	**CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM**
WARD/S AFFECTED:	**ALL**
REPORT OF:	**DIRECTOR OF FINANCE**
RESPONSIBLE PORTFOLIO HOLDER:	**CLLR STEVE FOULKES**
KEY DECISION?	**NO**

1.0 EXECUTIVE SUMMARY

1.1 This report informs Members of the conclusions and recommendations contained within the review of the Customer Relationship Management System (Oracle CRM), carried out by the Society of IT Managers (SOCITM). It primarily concludes that the system is fit for purpose as a corporate CRM solution; can significantly assist the Council in understanding citizen service requirements, is key to managing the relationship between the Council and service users; and can assist in reducing service costs by driving automatic processes that assist staff in delivering those services or enabling self service via the Internet. To be effective it must manage service delivery across all delivery channels, that is, One Stop Shops, Call Centre and the internet. It suggests that, where possible, the system is extended from its current position to manage all service delivery and maintain a holistic view of services delivered to individuals, which further assists in the understanding of service users needs. The report also concludes that replacement would be difficult, expensive and severely impact on services being delivered by current users.

2.0 RECOMMENDATIONS

2.1 That Cabinet support the existing practice of developing the CRM system to encompass additional areas of service delivery, where a business case has identified that either service improvements or cost saving can be made and to extend the system across as many service areas as practicable.

2.2 That Cabinet endorse the enhancement of the system to provide a holistic view of the facilities provided to each citizen.

2.3 That Cabinet approve the migration to Oracle Release 12 if an investigation into the application functionality and business benefits show that the advantages outlined in the SOCITM report can be delivered.

2.4 That the cost of the upgrade (£100,000) be met from the Efficiency Investment Fund.

3.0 REASONS FOR RECOMMENDATIONS

3.1 As stated in the report, the current CRM system is delivering significant benefits to the Council in terms of service quality and cost reduction. It can facilitate the channel shift to self service delivery via the Internet to further reduce cost and can be developed to guide service users through the processes.

3.2 Development of the system to provide a holistic view of a citizen's use of Council services can highlight links between those services and enable business processes to be developed that lead the service user through the range of services available that meet their particular circumstances.

3.3 To ensure that users can only access information pertinent to themselves when using self service channels, there is a need to reinforce citizen authentication. This is already in place on some systems but different methods are in use. As the range of services delivered via the Internet increases it is unrealistic to expect users to remember different user names and passwords. The CRM system can provide a single point of authentication to all Council services and, by use of the Government Gateway, can extend the use of the same authentication to Government systems.

3.4 Oracle has superseded Release 11 of the CRM system with Release 12. This improves the usability of the system and introduces some additional functionality that SOCITM feel would be beneficial. These will be investigated in more detail before committing to upgrade the system. Remaining on Release 11 will cost the Council an additional £40,000 each year in extended support costs and Oracle will eventually withdraw support altogether, forcing the Council to move to a later version. It is estimated that the cost of the upgrade will be in the region of £100,000.

4.0 BACKGROUND AND KEY ISSUES

4.1 Both the Gershon (2004) and Varney (2006) reports emphasised the need to manage existing service delivery channels and engineer a shift to service delivery via the Internet to reduce costs. Being able to authenticate citizens was seen as key to Internet based service delivery that involved personal or sensitive data. CRM systems were recognised as an effective way of achieving this and linking Government and Local Government service delivery.

4.2 Oracle CRM was introduced into the Council by Fujitsu following which the IT Section took over the support and development of the system, which has proved problematic due to the size and complexity of the system. The Oracle CRM system is in use by a number of other local authorities but usually with support from an external organisation.

4.3 The SOCITM review of IT Services carried out during 2010, and reported to Cabinet on 14 October 2010, recognised the difficulties being experienced and questioned the validity of using the Oracle CRM as a corporate solution. It recommended a separate review of the system, which has been completed. The resulting report is included as an exempt report on this agenda.

4.4 Subsequent to the 2010 review Council staff within IT Services and the Customer Service Development Team have developed the skills required to maintain and develop the system. In addition a support contract has been negotiated with Mokum, a specialist Oracle support provider, to provide advice and guidance where required.

4.5 A summary of the Conclusions and Recommendations contained within the report is given below.

4.5.1 CRM is currently deployed to support One Stop Shops and the Call Centre to process service requests for geographically based services such as Highways, Street Scene and some Environmental Health (e.g. Pest Control).

4.5.2 It is also used to manage the service provision by these departments including the facilitation of mobile working and subcontractor management. Integration developed by IT Services has allowed these departments to dispense with a number of business applications which has delivered an ongoing cost saving.

4.5.3 The Oracle CRM solution is now so embedded into the working practices of these departments which currently use the solution that it would be impossible to discontinue its use without deploying alternative applications which would incur considerable expense.

4.5.4 If Oracle were to be replaced by an alternative CRM solution the integration work required to bring a replacement system to the standard currently provided in the Oracle CRM implementation would be very substantial. Whilst it would theoretically be possible to retain the Oracle back-end functionality and use the replacement system as a front-end, such an arrangement would be complex and increase ongoing support costs.

4.5.5 This report concludes that Oracle CRM should remain in use for the existing Departments for the medium to long term whatever the outcome for other users.

4.5.6 Oracle CRM has been successfully deployed to create some customer based services for Complaints, Information formats, Family information, General Enquiry, School Travel, DASS services and Parking Tickets.

4.5.7 These are implemented as "freestanding" services which keep no holistic view of the overall portfolio of services delivered to the customer or a complete record all of a customer's interactions with the Council.

4.5.8 The lack of creation of the 360º view of the customer is the primary weakness of the current implementation of CRM.

4.5.9 Building CRM as the repository for all customer interaction can provide a valuable corporate resource to provide this 360º view which will then allow a better understanding of patterns of customer contact and to plan and predict future service requirements.

4.5.10 The 360º view will help Customer Services better understand each customer's circumstances and thus ensure that all of the customer's requirements across a range of services can be addressed during a single contact.

4.5.11 This report recommends that Wirral develops CRM to provide this consolidated 360º view of all customer interactions with the Council no matter which service is requested or access channel used.

5.0 RELEVANT RISKS

5.1 Loss of key IT or Customer Service Development staff, changes in Council ICT priorities or changes in Government ICT or service delivery strategies are the main risks to the successful development of the system and deployment of solutions.

6.0 OTHER OPTIONS CONSIDERED

6.1 During the review, consideration was given to replacing the system with another corporate CRM system, an open source system or by a series of point solutions. These were discounted on the basis of the cost of change, including the redevelopment of the applications already in place, and the disruption this would cause to the services delivered by existing users.

7.0 CONSULTATION

7.1 As part of the review, consultations were held with existing system users.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 None

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

9.1 To remain with Oracle version 11 will incur additional annual support costs of £40,000. The estimated cost of migrating to version 12 is £100,000, breaking even in two and a half years. Oracle will eventually cease support for version 11, forcing the Council to migrate to a later version.

9.2 It is recommended that the cost of the upgrade be funded from the Efficiency Investment Fund.

9.3 IT and staffing requirements can be met from within existing resources, assuming current priorities do not change. The position of Data Custodian will be created as part of the restructure of the Information Management Team.

9.4 There are no asset implications.

10.0 LEGAL IMPLICATIONS

10.1 None

11.0 EQUALITIES IMPLICATIONS

11.1 None

11.2 Equality Impact Assessment (EIA)
    (a) Is an EIA required?   No
    (b) If 'yes', has one been completed?   No

12.0 CARBON REDUCTION IMPLICATIONS

12.1 None

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 None

FNCE/113/11

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APPENDICES

SOCITM Report – Review of Customer Relationship Management System - Exempt Report

REFERENCE MATERIAL

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet ~ ICT Strategic Review	**14 October 2010**