

## **First Class Customer Service – Customer Experience Phase One**

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**Portfolio:** Transformation and Organisational Development

**Ward(s) Affected:** All

### **Purpose of the Report:**

This outline business case provides a proposal for initiating a Discovery exercise to identify and map out the current end-to-end Customer Journeys and the associated Customer Experience at each touchpoint and interaction with the two Councils.

### **Recommendations:**

1. To agree to initiate the discovery phase as the first phase towards establishing the current state, the future state and the underpinning technology to inform a fully-costed business case for investment to deliver a First-Class Customer Service.
2. To utilise the £110,000 from Earmarked Reserves agreed by Cabinet on 8<sup>th</sup> February 2022 with Broadland District Council's contribution of £49,500 to be used on consultancy resource to support in the development of a full outline business case.

### **1. Summary**

- 1.1 The purpose of this report is to outline the need to seek consultancy support to further explore the One Team vision for delivering first-class customer experience from a people, process and technology perspective.

1.2 To seek Cabinet approval to initiate the discovery phase to accurately inform what first-class customer service means for the One Team and to deliver a fully costed business case for the technology solution(s) that underpins the vision for first-class customer service.

## 2. Background

1.3 South Norfolk Council and Broadland District Council's Strategic Plan 2020 – 2024, set out its vision to; *“work together to create the best place for everyone, now and for future generations”*. A key element of achieving this vision is the commitment to *“putting the customer at the heart of everything we do.”*

1.4 The ICT and Digital Strategy set out the need to improve and transform our service offering through the innovative use of technology. With a focus on first class customer service and a reduction in the cost of end-to-end service delivery, whilst enabling customers to interact with us in a modern and efficient way.

1.5 To achieve a first-class customer service the following strategic guiding principles have been highlighted:

- **Principle 1 - *Right First Time***: Reduce cost and failure demand by getting it right first time, minimising repeat contact and keeping the customer informed.
- **Principle 2 - *Every Contact Counts***: Making connections based on customer data and joining up our service offering to benefit the customer.
- **Principle 3 – *Delivering an Excellent Customer Service***: Customers can access our services at a time that suits them, using their channel of choice and receive a consistent customer experience.
- **Principle 4 – *Grow a ‘Customer-first’ Culture***: Invest time in understanding customer needs and customer demand. Learning from customer feedback and insight to target services to those that most need them.
- **Principle 5 – *Organised around customer need***: Use technology to transform our approach to service delivery, streamlining services and removing obstacles. Thereby enabling the council to provide more tailored/ value added services for those who need them.

1.6 In 2021, Methods completed a Key Business Systems Review that recommended that South Norfolk Council and Broadland District Council undertake an exploration exercise to better understand the quantifiable benefits that digital technology could deliver against the First-class customer service principles set out above.

- 1.7 The adoption of digital capabilities and new technologies would enable the One Team to achieve its strategic principles and, the vision set out in the ICT and Digital Strategy through redefining customer journeys, transactions and processes that will reduce inefficiencies and enable the One Team to achieve an optimised model of customer experience.
- 1.8 To understand the customer experience across the One Team and identify the benefits that could be realised against each strategic principle a discovery phase is required with an estimated total cost of £110,000 with Broadland District Council's total contribution of £49,500.
- 1.9 The discovery exercise will include an analysis and assessment of where and how the customer journey and customer experience can be improved along with a Future-State analysis and construct of what a First-Class Customer Service and Customer Experience should look like from a People, Process and Technology perspective – the sorts of solutions we should consider, and the level of business benefit we can expect to achieve through the implementation and adoption of the proposed solutions.
- 1.10 This Discovery Phase will be Phase 1 of a wider initiative to implement First Class Customer Service and will serve to inform the content of this initiative in terms of the current situation, the opportunity for improvement, the sorts of solutions we should implement, the associated cost and timeframe estimates, and the resulting business.

### **3. Current position/findings**

- 1.11 In 2021, the One Team initiated a Key Business Systems Review with the intention of producing a roadmap for system consolidation that supports the One Team collaboration, namely our Systems Transformation Programme.
- 1.12 The review identified at a high-level some key challenges and shortfalls in the customer experience driven by technological infrastructure and inefficient processes. However, more detailed analysis is needed to better inform the solutions we could implement and the quantifiable benefits that could be realised against the investment needed.
- 1.13 A summary of the findings from the Key Business Systems review are highlighted below:
- Limited system integration between the councils and different departments within them.
  - Different and inconsistent customer journeys across the two councils and its systems.
  - No central customer record or ability to share customer information across the councils and its services as customer information is currently stored in disparate systems which do not communicate with each other.
  - Large technical debt and multiple ICT workaround fixes that absorbs resource and capacity.

- Multiple customer records without a master record and unconnected accounts.
- Rolling contracts for multiple systems without market assessments taking place, although this is being addressed through the implementation of consolidated systems.
- Limited Case Management functionality or the ability for different business areas across each council to work collaboratively.
- A fragmented customer service operating model, with little resilience against a backdrop of increasing demand.
- A lack of joined up data, management information or reporting.

- 1.14 Some of the above challenges have been addressed through the success of the System Transformation programme, the consolidation of our line of business systems and introduction of the data and intelligence tools through our PowerBI programme. However, some of these challenges remain.
- 1.15 The focus of our transformation to date has been largely centred on the implementation of technology to meet contractual end dates, alongside internal process tweaks and the alignment of policies and procedures to yield efficient working practices as set out in the collaboration feasibility study.
- 1.16 Transformation has been driven within structural hierarchies; service-by-service or directorate. The recognition that transformation is cross-cutting and spans across organisational boundaries has led to a refocus of the way we group our projects and programmes with the introduction of a thematical approach.
- 1.17 The opportunities presented by the Beyond the Horizon programme has further influenced the need to shift our transformation efforts away from system consolidation and technology implementation towards the way we serve customers and the experience they receive from us through a programme of transformation work called 'First-Class Customer Service'.

## **2 The First-Class Customer Service Portfolio**

- 2.1 The First-Class Customer Service portfolio positions technology as an enabler and sets out to maximise the efficiency of our One Team collaboration by transforming our core services to the end goal of delivering first-class customer service. **Appendix One** sets out the detail on the structure of this portfolio and its three associated programmes of work.
- 2.2 Without this key shift in focus customers will continue to find the process of engaging with departments or services ineffective, fragmented, and unsatisfying, ultimately hampering how customers feel about their interactions with the One Team.
- 2.3 The need to deliver a first-class customer experience is coupled with the backdrop of ever-increasing demand and rapidly changing customer expectations all contributing to the need to do things differently and continue to deliver more within existing resources.

2.4 Currently our customer contact routes are limited, and our demand is serviced via our higher cost channels such as, phone.

<b>Average cost per transaction by channel</b>				
Source	Face-to-Face	Telephone	Post	Online
PWC Report	£10.54	£3.39	£12.10	£0.80

2.5 A first-class customer service can achieve smooth, collaborative management of customers, can accurately channel and predict demand for services to ensure that customer requests are promptly dealt with in a way that reduces failure demand, removes pressure on back-office departments and reduces cost.

### 3 Potential Benefits

3.1 The benefits of delivering a first-class customer service relate to real cost and efficiency savings, notably:

- Improved Customer choice and access through the provision of additional contact channels e.g., online portal, chat, etc. which do not always require costly human intervention. For example, Durham County Council has seen the number of customer requests being made online soar since the GovService launch. This dramatic shift in contact channel has already identified over **£250,000 in annual savings**, a figure that continues to grow over time.
- Replaces poor working practices that waste time, improving efficiency and enabling more value-added work to be completed. For example, North West Leicestershire Council created time efficiency savings through integrating online forms of **1,641 working hours** equivalent to **226 working days**.
- Increase customer satisfaction, customer experience and service quality through the introduction of automated workflows, robotic processes and a reduction in failure demand. For example, Wrexham Borough Council adopted a CRM and looked at provide timely reminders to residents about their bin collection days. This has resulted in:
  - **48% reduction** in missed bin calls
  - **27% reduction** in contaminated recycling bins
  - **8hr job** that is now fully automated without human intervention.
- Could enable a reduction in the number of siloed software applications.
- Targeted marketing campaigns around services, events, business and tourism to build levels of engagement and yield improved marketing success by enabling us to better understand and segment our customers.
- Better communication and knowledge sharing between services and departments.

### 4 The Approach – Discovery Phase

- 4.1 The discovery phase is designed to better understand the current customer offering across services, document the current landscape as well as the future state of customer experience and outline the technological solutions that could deliver it.
- 4.2 The discovery phase and analysis will take approximately 6-8 weeks, this is looking at as-is processes to identify current state and where potential efficiencies could be achieved through the digitalisation of end-to-end customer journeys and the technological solutions that underpin it.
- 4.3 It is recommended that this discovery phase is undertaken to better understand costs, benefits and implications with a view to building a full business case for a customer solution(s) that deliver against our strategic principles. An outline of the proposed approach is detailed in the table below.

Activity	Description
Current State Analysis	Identify and define required roles and responsibilities, Access workforce and highlight resourcing gaps, Cost analysis and options appraisal to fill gaps
Service Process Catalogue	Engage wider business to understand business processes, develop 'as-is' service process catalogue, Initiate Service Design
Evaluation and Procurement	Assessment of current market, Alignment of option against requirements, Initial recommendations. Finalise SNBC requirements and take to market, assist with assessments and interviews, assist in final decision making
Configuration (install / set)	Mobilise, define, agree key components and standards. Create relevant templates to expedite delivery and ensure consistency of build and configuration
Total	£85,000 - £110,000

- 4.4 It should be noted that this discovery phase will not deliver a digital customer experience solution, but a suggested programme of work, costs and benefits to inform a full business case to seek approval for the required investment for the recommended technical solution to inform the delivery of first-class customer service.

## 5 Indicative Timescales

- 5.1 Outlined in the table below are some indicative timescales associated with the delivery of a fully costed business case. These timescales are indicative and will be influenced by capacity within teams to support the discovery phase analysis alongside other in-flight projects, procurement process and supplier lead in time.

<b>Activity</b>	<b>Indicative Timescales</b>
Cabinet agreement to proceed to discovery phase	Q3
Procurement starts	Q3
Contract award	Q4
Discovery phase initiated	Q4
Discovery phase completed	Q4
Full Business Case to Cabinet	Q4

## **6 Procurement**

- 6.1 The most appropriate procurement route will be followed to allow for the work to be completed.

## **7 Proposed action**

- 7.1 It is proposed that South Norfolk and Broadland District Council initiate the discovery phase to inform the vision of first-class customer service and the proposed technological solutions and programme of work that could deliver it.

## **8 Other options**

- 8.1 **Option 1 - Do Nothing:** Cabinet could choose not to initiate the discovery phase to inform our approach to first-class customer service. Continue with current disparate line of business systems and fragmented customer journey. This option would preserve the current technology architecture and customer experience and see IT services continue to build bespoke point-to-point solutions for the integration of applications, using middleware or process automation tools where point-to-point integration is not available.

<b>Pros</b>	<b>Cons</b>
Tried and tested approach	Relies on limited in-house resource
Some in-house resource already skilled	High technical skill level required
No additional capital or revenue investment needed	Does not provide workflow and SLA management around customer interactions
	Is not providing a consistent and improved customer experience
	Does not move the Councils forward on delivery of their digital and IT strategy.
	Incurs continuation of technical debt with increased risk and cost from managing increased demand.

## **9. Issues and risks**

- 8.2 The full business case may present an inviable position of investment or may not be approved. There will remain value from the completion of Phase 1 discovery

work that has been completed in helping the One Team to understand customer demand, make small scale improvements and drive our customer services target operating model.

- 8.3 A CRM solution may not be the recommended solution after analysis.
- 8.4 As part of the discovery phase there may be wider recommendations that will need considering under the First-Class Customer Service programme which may require further investment.
- 8.5 **Resource Implications** – Although the discovery phase is likely to be light touch, timing to engage the organisation in this work is critical and will need to be assessed against the wider programmes and projects already underway such as, Beyond the Horizon and the IT Fundamentals work as to not overburden teams with the volume of change.
- 8.6 **Legal Implications** – using a procurement framework for this evaluation and appointment ensure compliance with public contract regulations.
- 8.7 **Equality Implications** – None. This is not delivery or implementation.
- 8.8 **Environmental Impact** – None
- 8.9 **Crime and Disorder** – None

## **9 Conclusion**

- 9.1 The need to transform our customer experience solution was identified in the Key Business Systems review and the ICT and Digital strategy. An improved customer experience is a key contributor to our strategic objectives.
- 9.2 An improved customer experience is thought to have the potential to deliver efficiencies and contribute towards our One Team collaboration objectives. This is the first stage in supporting us to fully understand what a first-class customer service means for the One Team and the options for delivering it. Include here your reasons for the recommendations.

## **10 Recommendations**

- 10.1 To agree to initiate the discovery phase as the first phase towards establishing the current state, the future state and the underpinning technology to inform a fully-costed business case for investment to deliver a First-Class Customer Service.
- 10.2 To utilise the £110,000 from Earmarked Reserves agreed by Cabinet on 8th February 2022 with Broadland District Council's contribution of £49,500 to be used on consultancy resource to support in the development of a full outline business case.



## Background papers

None

## Appendix One

The diagram below illustrates the programmes that contribute to the First-Class Customer Service portfolio.

