DERBY CITY COUNCIL

Business Case for the Procurement of a Customer Service Information System

RECOMMENDATIONS

1.1   Microsoft's CRM system is accepted as the corporate customer services solution for the Council and is rolled out across all services as they migrate into Derby Direct in accordance with the Council's Contact Centre Strategy.

1.2   A business case is prepared for the possible procurement of a corporate Electronic Data Retrieval and Management System and Workflow Solution. This will be part of the Council's Strategic Information Technology Framework.

REASONS FOR RECOMMENDATIONS

2.   The CSIS proof of concept pilot has been successful and roll out of the Microsoft CRM product will improve delivery of Council services to our customers.

SUPPORTING INFORMATION

3.1   The Customer Service Information System – CSIS – proof of concept pilot, using Microsoft's Customer Relationship Management system – CRM - has been operational in our pest control service since 22 September 2005. The abandoned vehicles service and dog warden's service became operational within the pilot from 24 November 2005.

3.2   The pilot has been conducted in Derby Direct, the Council's Contact Centre in the Council House. After a very thorough evaluation of the Microsoft CRM software and its impact on service delivery to our customers which included a demonstration of the system for all Cabinet members, the CSIS Board and the Building on Excellence Board are satisfied that the proof of concept pilot is delivering an improved customer service to our citizens in the city as well as giving our staff better job satisfaction knowing they are now giving a better service.

3.3   The executive summary of the business case is attached at appendix 2 and a full copy of the business case is available on the Council's intranet on the following link: http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=5899.

3.4   A lesson learned from the pilot is recognition that in order to gain full benefits from the CSIS system and efficiencies from back office business processes, we also need to procure and implement a corporate Electronic Data Retrieval and Management System and Workflow Solution. Consideration for possible acceptance of such a solution will be subject to a separate business case and a further report for yourself as Cabinet member for Corporate Policy.

OTHER OPTIONS CONSIDERED

4.   Prior to the proof of concept pilot using Microsoft's CRM system, as part of the Derbyshire e –Government Partnership, we were involved in a review and tender process to select a CRM solution on behalf of the partnership from eight of the leading CRM suppliers. We found that none of these suppliers fully aligned with the strategic framework approach that we had adopted and the cost of these systems was also very high.

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Background papers:	CSIS Business Case on the intranet – link is http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=5899
List of appendices:	Appendix 1 – Implications Appendix 2 – CSIS Executive Summary

IMPLICATIONS

Financial

1.1 The total cost of our in house pilot has been £166,300 as shown in table 1 on page 12 of the business case document. However all this cost is non recurring should CSIS be rolled out across that Council as we now have the staff with the required skills to do all future work in house following lessons learned from the pilot. The only cost we would incur is the cost of additional Microsoft CRM licences at £450 per licence as more services are migrated into Derby Direct. These costs will be met from our E Derby budget allocation for the CSIS project.

1.2 As for the potential costs following roll out; what has come out of the pilot is the concept of a 'dynamic business case' that has identified 'one off', up front development and infrastructure costs, but also quantifies the benefits out of each subsequent piece of business process re-engineering – BPR - analysis for each new service brought into the CSIS environment. This is a significant shift away from the traditional way of preparing a business case, with clearly defined costs around procurement and implementation of a system and the subsequent benefits. The traditional approach is not appropriate following lessons learned from this pilot, where each time a service undergoes BPR and is brought into CSIS, the cost and savings model will change dependant upon such variables as the complexity of integration with the appropriate line of business application and the scope of efficiencies and savings arising out of the BPR analysis.

1.3 Each time a new service is brought into CSIS, the cost model will change dependant upon such variables as the complexity of integration with the appropriate line of business application, the number of customer telephone calls expected, complexity of the service and existing contact centre workloads. This information will not be fully quantifiable until the BPR analysis has been performed which will be on a service by service basis.

1.4 To give an example based on experience gained from the pilot, the estimated cost of migrating our Streetcare and Parking Service operations into Derby Direct with full back office integration into Microsoft CRM will cost circa £35,000, including the cost of licences. However, the CSIS Project Board is confident that the efficiency savings gained from within the service and the corresponding reduction in numbers of full time equivalent customer service operatives that will be needed within Derby Direct, will be more than this.

Legal

2.	None directly. Contract negotiations with Microsoft will commence should the recommendation to roll out the Microsoft CRM system be approved.

Personnel

3.	All employees affected by the implementation of CSIS and the migration of front line customer services into Derby Direct will be fully consulted in accordance with agreed procedures.

Equalities impact

4.	None directly arising from this report.

Corporate objectives and priorities for change

5.	The evidence gathered and articulated in the business case demonstrates that the CSIS concept, supported by the Microsoft CRM software solution, will enable the delivery of the Council's vision and corporate plan priority of improving customer in all council service areas.