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## Customer Contact Programme (2015-18) Lessons Learned Report

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### 1. Outline and aims of the programme

- 1.1 The Customer Contact programme was initiated to deliver the technology and re-designed processes to support the council's Customer Contact strategy, aimed at meeting the changing needs of our customers for access to services, in particular to services accessed via the internet.
- 1.2 The focus was on two key outcomes: to improve service users' experience of accessing council services, and to reduce the cost of those services by encouraging users to self-serve. Responding to enquiries the first time they are raised reduces unnecessary effort for residents together with preventing avoidable work for staff.
- 1.3 In March 2015, the council awarded a contract to General Dynamics IT Ltd (henceforth GDIT) to deliver this technology and support the associated changes in business process design.
- 1.4 The programme was split up into two distinct elements: the Customer Contact projects was to deliver the website and process changes and the Electronic Document Records Management System (EDRMS) project was to deliver an enhanced intranet and file storage solution.
- 1.5 The initial programme budget was £2.8m (for both Customer Contact and EDRMS elements) plus an annual revenue budget of approx £344,000.

### 2. Project performance: what was achieved?

- 2.1 A new, transactional website was delivered in 2017. This included sections for online reporting and service requests for Waste services, Highways, Property, Leisure, Libraries and Mayor's events. A section for the Complaints department was also included and went live for an initial period, although the council and the provider subsequently agreed a few weeks later to take this off line, pending further fixes.
- 2.2 The provider delivered 55% of the outcomes that were set out in the original requirements specification. They automated, in total, 142 processes.
- 2.3 In addition, a further 78 transactions were either developed or amended for integration with new 3<sup>rd</sup> party systems as part of South London Waste Partnership (SLWP) Phase C work, separately funded. Data shows that overall an average of 60% of contact is online which continues to rise. The take-up has confirmed that there is a high demand for online services by Merton residents and offers reassurance that the design of the system is intuitive. As intended by the programme, resident feedback continues to be sought with improvements made to the automated processes as appropriate.
- 2.4 Expenditure at end of March 2019 was £3.7m, which includes staffing costs, infrastructure and licences, and payments to the provider. This expenditure is over a 7 year period.

2.5 The programme budget was £2.8m, plus additional funding of £0.2m and revenue funding for the contract of £1.8m up to 2018/19 which results in an overall budget of £4.8m. Expenditure on the project was £3.7m.

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2.7 Whilst departments within the Council have made savings and improved efficiencies in the service areas, it is difficult to link these savings directly to the project. Direct savings targets were deliberately not attached to the programme because the improvements provided are translated into efficiencies by all services across the whole council. As an example, Leisure and Culture have seen savings of approx. £6,000 per annum due to moving services away from the Mango site.

### **3. Lessons learned: what went well?**

#### The Contract / Procurement

- 3.1 The contract was structured in a way that was beneficial to the council, and this should be replicated for similar projects in future. It was clear, understood fully by the council's senior officers, and used to manage the project throughout its lifecycle.
- 3.2 The contract was outcomes based, with an agreed list of all council transactions included, together with well-defined quality criteria. This provided a clear basis for discussions between the council and the external provider about what was in and out of scope, and when individual products met the required standards.
- 3.3 Specifying for payment to be made in stages, upon completion of deliverables, protected the council's financial interests and ensured that the council only paid for what was actually delivered.

#### Staff Involvement & Engagement

- 3.4 The council reaped the benefit of its commitment to involve and include its staff in the project. Although this was resource intensive, it not only helped to ensure the products worked for the council, but it also resulted in knowledge transfer to and upskilling of our staff.
- 3.5 The council's staff assigned to the project had in-depth knowledge of the council's processes and transactions, enabling them to work with the GDIT developers to advise what the system should look like and what it needed to do. The council consistently made resources available to carry out User Acceptance testing (UAT) and to attend the playback sessions with the external development team. This extended to council staff working with the provider at their officers in Canary Wharf.
- 3.6 The council's IT staff gained greater technical knowledge and experience from their close working with an external partner.

#### Implementation / Delivery

- 3.7 The website, a new and improved staff intranet (Merton Hub), and CRM system were all successfully delivered, with a number of improvements made to many of the council's processes.
- 3.8 Web forms across a number of services were reviewed and re-developed, and forms that were obsolete or no longer required were removed. In total, 204 transactions were automated and residents are able to transact on the website. The total number of web pages was reduced by around 50%.
- 3.9 The involvement of experts in user experience in the website design (via a 3<sup>rd</sup> party called Prospect) meant that user behaviour was clearly understood and this contributed to the website having a very user-friendly look and feel. The new digital design guidelines can be applied to other sites, contributing to a more professional and consistent look and feel.
- 3.10 Overall, council officers brought a disciplined approach to project management, both from an internal perspective and in holding the provider to account.

#### **4. Lessons learned: what might we do differently in future?**

##### The Contract / Procurement

- 4.1 Prior to the procurement exercise, available evidence and previous experience suggested that the competitive dialogue process would be the best option for procuring a new system. In future, all projects and programmes should fully assess the strengths, weaknesses, risks and resource implications of each possible procurement route.
- 4.2 With hindsight, it may have been more straightforward and quicker to purchase a product rather than procuring a set of people with expertise to customise the Microsoft platforms. It should be noted, however, that the technology market has changed over the last 5 years and there are more providers and products available now than there were at the time of procurement. The council did explore 'off the shelf' products but there was nothing that met the council's need at the time and soft market testing with potential providers confirmed the approach.  
  
However in future, when considering system implementations, modular development (delivering elements in smaller chunks of delivery) and utilising off-the-shelf functionality should be fully explored, and the provider's road map considered before a contract is awarded.
- 4.3 Separating the EDRMS element from the Customer Contact element might have led to additional providers coming forward during the procurement process. Although the professional procurement advice was to seek a single provider, and there was significant interest during the soft market testing with five providers taken into competitive dialogue, it is possible that some may have been put off by there being one Lot rather than two Lots. In future, the possibility of having contracts in place with more than one provider – in order to spread the risk of delivery – should be fully explored (although it should be noted this is likely to be more expensive)
- 4.4 The council agreed a mature project management approach with the provider, which focused on outcomes rather than demanding a detailed project plan up front. In

future, given this experience, consideration should be given to requiring suppliers to provide a more specific mobilisation plan, prior to any work being started.

#### Staff Involvement & Engagement

- 4.5 The planning and sequencing around UAT and quality assurance of products could have been organised more efficiently. Council staff were often required to step in and support with reviewing solutions provided by the external provider due to a lack of quality assurance. In future, consideration should be given to the potential impacts on staff in the event that a supplier does not perform as expected.
- 4.6 The project was viewed in some quarters solely as an IT project. Whilst we did hold sessions with services to inform them about the project and to drive change management across the council, there were still some areas who felt the project was an IT implementation rather than changes to ways of working. This meant that there were missed opportunities around organisational buy-in and engagement. In future, similar projects should be branded as business change projects, which will increase buy-in and provide greater opportunity to enhance the customer journey and drive efficiencies in business processes. Future projects and programmes should also plan to carry out more change management and engagement than they may think necessary, to retain staff interest and support for the programme.
- 4.7 One of the reasons the provider was selected was because they were experts in Microsoft Dynamics and SharePoint – software products that require specialist skills. The arrangement was for knowledge and skills transfer as part of the contract, but this could have taken place more quickly. When there were issues the council was reliant on the provider's diagnosis and advice, rather than being able to make our own assessment. In the future, if there are ongoing issues with providers and the council does not have suitable in-house skill sets, consideration should be given to recruiting specialist/technical project staff to work with the provider. This may reduce the reliance on suppliers' knowledge and experience, albeit at a significant cost.

#### Implementation / Delivery

- 4.8 Over time, council staff needed to focus more on contractual management of, and disputes with, the provider. This was a strength in terms of ensuring the council's position was protected; however it was difficult in these circumstances to maintain focus on the ambitions of the project in parallel. This is a lesson for future projects that find themselves in a similar situation: to ensure their vision remains at the forefront of the project team's minds through regular review of the original business case, benefits, and Project Initiation Document with providers.
- 4.9 There were mixed views from staff who were involved about whether the scope of work was too ambitious, in terms of achievability within the timelines. This review noted, however, that all of the bidders indicated, via competitive dialogue, that they could deliver the specification of requirements so at that point in time there was no reason to doubt whether delivery was feasible. Although some members of project

team reported a measure of scepticism now about how they felt about the feasibility at the time, this may be influenced by hindsight. Ultimately, the eventual unsuccessful outcome does not invalidate the initial optimism of council staff at the time. Future projects and programmes should, however, take into account this potential 'optimism bias' when evaluating providers' promises.

- 4.10 IT moves at a fast pace; and project plans often find it difficult to keep up. Agile project management is one of the ways that projects seek to manage this challenge. In this case the provider had committed to manage development of the products via Agile, although this did not materialise. In this context some of the solutions presented by the provider needed rework as they were not of the required standard and therefore not acceptable to the council. Future projects will always need to consider carefully where more traditional 'waterfall' project plans are required to provide certainty to the council, and where an agile methodology is suitable.
- 4.11 Delays on the part of the provider meant that the integrations with Veolia and idverde systems were needed following the implementation of the new waste service as part of SLWP Phase C. Work had previously been completed on a waste management solution which was then reworked when the waste management contract with Veolia came in. The council took the decision to proceed with an interim online solution prior to the SLWP changes, so as not to delay the ability for residents to use online services. They balanced the demand for online functionality with the potential for rework. It could be argued that work (and the time and effort involved) was wasted, but conversely, had an interim solution not been in place the availability of online reporting would not have been available to residents and therefore their experience as customers diminished.
- 4.12 It is important that system implementations fully exploit the opportunity to improve and simplify business processes. Whilst this was the aim of this programme in practice, the business units involved said they found it difficult to find the time and resources to adopt this approach, even though it would bring greater benefits in the long term. Future projects and programmes should give careful consideration to building in time and resource to undertake business process reengineering ahead of any implementation (as is the case with the current Customer Contact Strategy refresh).
- 4.13 Some business leads said they had not been sufficiently engaged in early design and development; however the project team described a high level of engagement and involvement taking place. This suggests that the level of engagement required with affected business areas cannot be underestimated. Future projects should consider planning for more change than might appear necessary, in order to bring people along the 'change curve'.
- 4.14 Projects should always consider how to judge the right balance between incremental change and large 'big bang' implementation with a fixed timeline. In this case the original timeline developed by the external provider required a lot to be delivered in a relatively short space of time. Delivering smaller changes incrementally may, in some cases, lead to less re-work in the development and testing stages. The provider had said that they would adopt a more agile approach to delivery when delays became apparent – however this did not materialise. Future projects in similar

circumstances might structure delivery into manageable phases so as to reduce the risks and pressures arising from implementation.

Risk register and other observations

- 4.15 The provider found it difficult to retain and recruit staff with the required developer skill set. Future projects should consider in advance with providers how this can be planned for and mitigated.
- 4.16 Some feedback on the Project Sponsorship and Project Board highlighted the balance that needs to be struck between ensuring proper ownership and facilitating healthy internal challenge. As a Corporate Services project, it was good practice to have a Sponsor who was representative of the department, with the ability to direct resources and take strategic decisions as appropriate.