



Customer Management System Project
Outline Business Case

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1. Executive Summary

1.1 For the past seven years, customer contacts made via the Customer Service Centre and Customer Service Points have been managed using two main ICT systems:

- An automated call distribution system (ACD) provided by MacFarlane that routes calls to CSC agents that provides sophisticated call handling services, such as call queueing, in queue messaging and pre-recorded options for customers to select
- A Customer Relationship Management (CRM) system provided by Lagan Kana that logs customer interactions against a unique customer history. It creates and manages cases for resolution by the back office and provides scripted assistance to CSC Agents to allow them to answer as many enquiries as possible at first point of contact. The CRM has a separate module to allow Members to log cases and view their progress.

Over time the council has augmented these core systems with a variety of others to meet the changing ways that customers want to do business with the council. These include voice automated services, interactive website and mobile web services and now social media requirements. Both the CRM and ACD are hardware server based enterprise systems at a time when the ICT strategy is to consider virtualised or more agile cloud based solutions, that are easier to upgrade and support. This complex architecture affects system resilience and increases the risk of service disruption to customers and the ability to speedily diagnose and fix issues. There are also issues with PSN security compliance of the current CRM and the desupport of some of its elements such as the Members Portal.

1.2 This project seeks to replace these core systems and the related sub systems with a more modern, integrated, coherent and omni-channel customer management solution that will support the council's 'Digital First' ambitions. It aims to provide better functionality for customers to self serve, improve customer contact handling efficiency, streamline the number of technical systems deployed and explore the potential of cloud based solutions. It will ensure PSN compliance across the following customer management elements that are in scope:

- Multi channel contact distribution system (ACD+), including workforce management optimisation and customer satisfaction monitoring capabilities
- Voice automated services, including interactive enquiry logging capabilities over and above current switchboard and payment related functionality
- Multi-channel (including social media), CRM with "knowledge" capabilities, more flexible case handling and mobile case management, advanced analytics, improved management reporting and support for elected members
- Integrated web self service across all web platforms and devices linked to national MyAccount authentication services. Having readily configurable eforms and links to the same "knowledge" database for customers as is used by agents. Also with web chat, multi media, App building and single sign on capability
- Enhanced and easier to deploy integration capability between customer management and back office systems to reduce double handling and further improve first time resolution

- Consideration of moving to cloud based rather than hardware of virtual hardware based infrastructure solution for these services if this is demonstrably advantageous
- Decommissioning of legacy customer management solutions and migration of data.

1.3 The project is seeking to progress any tender for replacement solutions as a joint procurement with Highland Council as this will be more efficient than each council doing this individually and should result in improved tender responses. The council's Policy and resources Committee endorsed this approach on 30th October 2014. The project will cost £271,300 capital and £353,454 in revenue over 4 years, but it will generate £717,246 in system, employee and channel shift efficiency savings. Hence in total it is expected to deliver **£92,492** in cashable savings over four years, however the main drivers are to replace an increasingly aged system with a modern, robust customer management system that can support effective customer contact management for through to 2020.

2. Background

2.1 The Customer Service Centre and Customer Service Points were established in June 2007 using what was at the time leading edge CRM and ACD systems, both of which were based on rack mounted servers that required regular software updates to be loaded by the ICT and system admin. teams. In 2013 Lagan announced another major upgrade to its CRM system that included changes to its core software stack which would leave both the Members Portal and Web Self Service elements effectively unsupported going forward. The upgrade would also require three months of implementation effort and cost over £42,000 in Lagan professional services.

2.2 The MacFarlane ACD also required a change to the underlying voice architecture to ensure it worked effectively with the council's move to IP telephony and unified Lync communications. This was completed, however it had become apparent that the integrations between Lync, MacFarlane and the council's Netcall voice automated services had become very complex, onerous to support and had many points of potential failure that were difficult to diagnose.

2.3 Neither the CRM or ACD in their current configurations support customer interactions made via social media and neither offer cloud based options going forward. Both had reached the end of their initial contracts and were on annual contract renewals, hence possibly not leveraging the best maintenance and support deals. With all of this in mind the Customer Service Centre Support and Development Team began researching the market for customer management solutions and it became apparent that the CRM solution in particular had not maintained its previous lead in terms of functionality, support or customer focus. It was also apparent that there were a number of Scottish councils that were also looking to replace elements of their customer management systems and so there were opportunities for collaborative tenders.

2.4 The council also faces renewed efficiency challenges in the medium term and whilst the current mosaic of interdependent customer management systems have helped the council achieve good levels of channel shift in some areas, it is clear that the existing systems cannot support the more intensive 'Digital First' aspirations that will achieve significant savings from channel shift going forward. Building new integrations across such a diversity of systems and the time taken to make changes as the business evolves means more and more resource is

spent in support and less and less is free to develop and improve. Furthermore the current systems do not support the council's current ICT Strategy, which amongst other elements, foresees a move to more flexible and cheaper cloud based hosted applications that fully support mobile web customer contact and mobile employee work practices.

- 2.5 Finally, it must be noted that since existing systems were implemented, the volume and scope of initial contacts going through the CSC/CSPs has grown tremendously, with the total number of contacts from all channels set to be 305,000 in 2014 with web, digital TV, text, mobile web, mobile app and voice automated services added to the original CSC channels. Improvements to broadband and to 3G/4G coverage planned nationally can only increase customers' contact expectations and the council must put in place new systems capable of supporting this.

3. Introduction

3.0 It is essential that the Council has an agile, integrated and omni-channel Customer Management system, that offers maximum scope for customer self service, whilst also supporting the council's workforce to deliver excellent customer service when mediated contacts are required.

This project will procure (jointly with other councils), a coherent end to end customer management system that will allow the council to build and offer a greater range of customer self service processes across a wider range of channels. It will deliver an easier to support, streamlined system solution with a much more configurable user experience and with more powerful built in "knowledge" to assist with contact resolution. The solution will align better with our ICT infrastructure and strategy, ensuring we are compliant with the latest security standards. It will allow up front and back office systems to share data more effectively using master data management in order to enhance customer outcomes and thus make contact management more efficient.

3.1 To do this it is proposed that the project scope should include the procurement and implementation of a new customer management system capable of doing the following:

- Replacing the existing MacFarlane Automatic Call Distribution (ACD) system with an omni-channel contact distribution system that is fully integrated to Lync unified communications and which can be managed from any PC (including from home to support the council's agile working policy). It must also have inbuilt workforce management forecasting and planning (workforce optimisation replacing the current Injixo System), and customer satisfaction survey and monitoring capabilities. The system will have greater resilience
- Replacing the existing Netcall voice automated services and integrating them seamlessly with the other voice systems as a self service telephony solution. That solution will have intelligent voice interaction capability that will allow the council to offer 24/7 issue reporting by customers integrated to the new CRM, in addition to the existing switchboard and payments services.
- Replacing the existing Lagan CRM with an omni-channel customer relationship management system that can also take customer enquiry feeds from social media. This will provide an easier to configure user interface, a "knowledge" base that can learn from user interactions and which can be accessed by customers to self-serve. It must readily integrate to voice (including voice automated) and web services using national MyAccount authentication, including mobile web apps and provide enhanced analytical data across all channels as well as enhanced management information reporting. Case management will be improved with mobile case management and 'closing the loop' updates and case closure reporting to customers. Master customer record management and automated change of circumstances and record de-duplication will also be a requirement. Email handling capabilities will also be upgraded to provide a more seamless linking to cases, better spam handling and improved handling of attachments.
- Providing improved web self-service functionality for desktop and mobile devices, integrated to the CRM and to the council's online payment services where required. This will provide a simpler to build and maintain eform capability that can be extended to more processes and which has inbuilt mapping. It will have streamlined registration and authentication linked to

the Scottish Government's MyAccount service and will include links to the same "knowledge" database used by agents, an in house App building capability and supported web chat linked as a feed to the CRM and contact distribution system. It must also support effective inter agency working such as that between social care and the NHS through master customer and master business databases linked to back office office systems.

- It will replace the current separate NDL enterprise integration tool with a universal integration service that can enhance customer management by, for example, taking a consolidated view of a customer's data from many data sources and systems. Rather than simply offering system to system integration this will be a more configurable enterprise information management solution.
- 3.2 There is a significant opportunity for a joint tender and joint project management approach with Highland Council and Aberdeen City Council (other councils are also interested), with a provisional timetable of having the procurement complete by next Junel 2015. Thereafter it will take an estimated 7-8 months of implementation, migration and system decommissioning work after contract award to have the new systems up and running, providing the ring fenced resources indicated at section 8 are allocated. This cluster procurement approach is supported by the Local Government ICT Strategy that encourages collaborative procurement and shared services as a means of delivering efficiency and value for money.

4. Strategic Case

- 4.1 The Argyll & Bute Council's Customer Service Strategy is currently being reviewed; however it builds on that already defined as part of the 2010 Process for Change Customer Management Strategy. This advocated greater channel choice for customers, more convenient services including increased self-service opportunities, the growth of the Customer Service Centre and efficient digital services with a shift from high cost to low cost channels. Much has been achieved to realise this vision over the past four and a half years, however technology has advanced rapidly and we are seeing diminishing returns from channel shift due to the mosaic of now ageing systems in place to support it. This project will be a crucial enabler for that process to regain momentum and deliver further efficiencies and allow the council to do more with less.
- 4.2 The Head of Customer and Support Services recently undertook an assessment of the Council's digital commitment and capability, called 'Do We Do Digital?'. This identified that rather than offering digital as a choice, the council should adopt a 'Digital First' approach, providing digital services so good that all who can use them prefer to use them and those who cannot are supported to do so. In order to achieve this the council needs agile, up to date and user friendly customer contact and customer management systems that are seamlessly integrated and easy to keep up to date. This approach has ben endorsed by SMT and the Policy and resources Committee and this project will greatly facilitate its aims.
- 4.3 This Project will allow the council's customer service orientated technologies to align more closely with its 2013-2016 ICT Strategy and specifically by delivering a system that's:
- Fully PSN compliant
 - Based on a virtualised or cloud platform

- Is fully mobile web compliant (customer and employee mobile to assist with agile working and the many green benefits it brings)
- Will deliver enhanced information management and master customer database with opportunities for personalised services and inter agency working

Section 5.1.1 of the Strategy highlights the need for providing customer/citizen focused systems that are secure, reliable, resilient, high quality and high performing. The project will help to deliver all of these aspects of the Strategy.

4.4 This project directly assists the following Corporate Objectives

CO2: Working together to realise the potential of our communities. Through enhanced gateways and opportunities for customers to provide feedback on and input to service delivery and design.

CO3: Working together to realise the potential of our area. By helping local businesses to engage effectively with the council for resolution of issues and help with council services.

CO4: Working together to realise the potential of our organisation. By improving the management of and rationalising council assets and putting in place new processes that focus on customer needs.

It also directly supports the following Corporate Outcomes:

- We provide good customer service
- We have a skilled and competitive workforce
- Our services are continually improving
- We contribute to a sustainable environment.
- Our employees have the skills and attitudes to deliver efficient and effective services.

5. Objectives & Project Outcomes

The objective is to procure and implement a modern, unified, digital Customer Management System to replace the mosaic of legacy systems and support efficient and effective customer contact management for at least the next four years.

The project outcomes are:

1. To hold a successful procurement exercise (on a joint tender basis) that achieves the best value for money solution that meets the specified requirements.
2. To rationalise and streamline the current mosaic of different customer contact, management solutions so that the resource required to support them diminishes, they align better with strategic ICT infrastructure, have greater resilience and compliance with ICT standards such as PSN.
3. To provide an enhanced customer contact experience for customers, through a more user friendly, omni-channel experience with personalised, mobile device capable self-service and customer input opportunities and greater information about what is happening with service requests that they raise and access to a wider range of digital services through enhanced

authentication.

4. Increase accessibility to information and knowledge within the council that will enable individual employees to carry out their duties effectively and for customers so that they do not need to contact the council directly to find the information they need (avoidable contact). This will also enable improved inter-agency working.
5. To streamline current processes and reduce the amount of repetitive and routine administrative tasks performed by CSC and back office employees, through improved data management, customer identity management, data exchanging and system integration.
6. To ensure effective continuity of service during the transition from legacy to modernised systems so that customers are not inconvenienced, vital services are safeguarded and statutory requirements are met at all times.
7. To ensure all employees who operate the new systems or who are affected by them are kept fully informed and where appropriate are trained to use the systems effectively enough to maximise the return on investment. Also to enhance opportunities for more efficient remote working in line with the council's agile working policies, by having a mobile capable CRM system.

6. Key Milestones & Timescales

KEY MILESTONE	TIMELINE	STATUS
Research Market and Options	April - Sept 2014	Complete
Explore and seek approval for Joint Tender approach from P&R Committee	Aug – Oct 2014	Complete
Write and obtain approval of Outline Business Case from CSB and SMT	Sept- Oct 2014	CSB Approval Complete, SMT Approval Complete.
Complete Full Business Case with funding scoring.	Oct- Nov 2014	Complete
Business Case Approved by ICT Steering Board	Nov 2014	Complete
Business Case Approved by Capital Asset Management Board	Nov 2014	Complete subject to revenue funding approval
Project Board Established (joint with Highland and Aberdeen) and Project Team Established	February 2015	In Progress
Tender requirements baselined and approved	February 2015	In Progress
Procurement of system (2 Lots),PQQ then full tender.	March – May 2015	
Award of Contract and Standstill Period	June 2015	
System Design and Detailed Implementation Planning including planning of the migration from legacy systems	May-June 2015	
System Install and Build/test Environments and Build Team Training.	July 2015	
System Configuration and Build including Initial System Integrations and Initial Web Self Service	August-October 2015	
Service Testing and User Testing, Fail, Fix Retest	October- November 2015	
Data Cleansing and Data Migration Exercise	October- November 2015	
User Training and Communication Product Development	November - December 2015	
Contact Distribution System Go Live (ACD telephony+)	Mid January 2016	
CRM System and Web Self Service Go Live	Late January 2016	
Legacy system(s) decommissioning	February 2016	

7. Options Appraisal

7.1 Do Nothing

The implications of the 'Do Nothing' Option would be :

1. The Lagan CRM would become non compliant with PSN security requirements from January 2015, imperilling the council's Government Secure Network accreditation. The current version of the CRM utilises a desupported version of Java software.
2. The Council's Netcall voice automated services system will no longer be on a supported Microsoft platform as its server is currently MS SQL 2003, which becomes obsolescent in April 2015.
3. The council's web self service offering would stagnate as the current Lagan Connect To Tell Web service does not support single sign and its user interface is not mobile adaptive and is very unappealing to web users.
4. The council could not support the use of social media as a means of transacting with the council as current contact management systems do not support these channels. Hence manual workarounds would need to be implemented or add on systems procured otherwise this channel shift opportunity would be lost. Moreover the current CRM does not have a mobile adaptive interface, hence users with mobile devices will continue to avoid using this service.
5. The council would have to invest in alternative systems or modules for services not currently in place, but which would be included in the scope of this project, such as web chat and automated customer satisfaction surveys. This would add cost and complexity to an already stretched infrastructure.
6. The council would lose the opportunity to rationalise its current mosaic of Customer Management systems, thereby reducing vulnerabilities, support costs and system admin overheads. It would also prevent the Council moving to a more agile and easily updated cloud based solution and to align customer management systems with the ICT Strategy.
7. The council would not benefit from process and information management improvements arising from more user friendly interfaces supplied with enhanced business knowledge and joined up by wider, deeper and easier to maintain system integrations. This would also ultimately mean inter agency working was impaired.
8. Inability to show that the council was taking seriously its Corporate Objectives and outcomes relating to customer service and increased reputational and service delivery risks from increasingly unreliable and obsolete customer management systems.

7.2 Upgrade Existing Systems

The benefits of this option are:

1. Reduced risks to service disruption arising from the migration from legacy systems to newly procured systems
2. Less transitional anxiety for employees as they would continue to use well known systems that they have been using for a number of years
3. Reduced cost to procure as the cost to upgrade is £145,858 (over four years) less than that

for procuring a new solution – see Section 8.

4. Reduced implementation effort as the time to implement the upgraded CRM alone is three months compared to seven months to implement the full solution.

The disadvantages of this solution are:

1. Even if the main CRM is upgraded to the latest version, the web self service and Members Portal elements would need to be rebuilt as these are no longer being developed by Lagan. This would take an additional two months development work over and above the upgrade effort alone, plus additional cost for the Web Self Service module and payment integration.
2. Even the upgraded versions of current systems do not have functionality that is either required or seen as attractive following market research, including items such as, fully configurable user interface, support from any PC capability, enhanced 'knowledge' capability, channel analytics, enhanced management reporting, integrated web chat, integrated customer satisfaction survey, MyAccount Single Sign On.
3. The elements at 2 above would all be extra cost and extra implementation effort, negating most of the advantages noted above.
4. The council would lose the opportunity to rationalise its current mosaic of Customer Management systems, thereby reducing vulnerabilities, support costs and system admin overheads. It would also prevent the Council moving to a more agile and easily updated cloud based solution as neither incumbent vendor has cloud based solutions.
5. This approach would lead to increasing divergence of customer management systems from the ICT Strategy and its preferred infrastructure, with implications for costs, reliability, resilience and inter agency working.
6. The council would lose the potential benefits arising from a full tender to the market including new innovations, improved support and economies of scale from a joint tender bid.

7.3 Procure and Implement a New Unified Customer Management System

This is the preferred option and the table below lists the key advantages and disadvantages of this option.

Advantages	Disadvantages
It will provide a future-proofed platform for delivering the council's customer service objectives and outcomes.	The project is £145,858 more expensive than the upgrade + extras option over the term. See Section 8.
Will allow the council to streamline and rationalise our customer service system architecture, reducing internal support overheads external support costs.	Will potentially require a greater implementation effort than the upgrade options with higher migration risks if not managed correctly.
A rationalised architecture will give a more robust system with fewer points of failure and less potential for service disruption to customers, that is closely aligned to the ICT Strategy.	Will require a period where the CRM is not fully PSN compliant and alternative mitigation strategies would be required for this.
Will provide a better customer contact experience for customers, be this via improved and expanded	Will require a greater change management effort towards system users to accept the new

self service or through more efficient mediated contact handling.	systems and the advantages they will bring e.g. a configurable user interface.
Efficient 'more with less' customer management through a significant reduction in the amount of needless administration via improved integrations, fewer handoffs to the back office more first time contact resolution.	
Provides an enhanced capacity for Digital First channel shift through single sign on linked to the national MyAccount system, better eforms, integrated voice automation enquiry handling, customer facing knowledge databases and reporting of progress and closing the loop.	
It will provide better management information and analytics to improve decision making, workforce optimisation, benefits tracking and feedback to customers.	
It will enable opportunities for inter agency working via improved master customer/property databases, better integration tools and a possibility for shared service delivery over and above collaborative procurement.	
The project will provide a projected £92,492 in net channel shift, system support and other efficiency savings.	

8. Financial Case

8.1 Costs

Upgrade Option:

Lagan have quoted an upgrade cost of £42,500 capital and £22.2k revenue to upgrade to the latest version of 13R1, however it should be noted that if the upgrade option were taken there would need to be additional functionality procured to meet future requirements, including:

- Web Self Service to replace Connect To Tell: Capital £40,000 Revenue £5,600
- Web Chat: Capital £3000 Revenue £550
- Knowledge Database: Capital £20,000 Revenue £5,700
- Multi Channel Analytics: £4000 Capital, £750 Revenue.

The table overleaf summarises the costs of the upgrade solution plus required standalone modules and it includes a 3% yearly uplift for inflation.

TABLE 1: Upgrade Option	YEAR 1 2015/16 CAPITAL COST	YEAR 1 REVENUE COST 15/16	YEAR 2 16/17 REVENUE COST	YEAR 3 17/18 REVENUE COST	YEAR 4 18/19 REVENUE COST	TOTAL 4 YEAR COST
Upgrade Capital	£42,500	£22,500	£23,175	£23,870	£24,586	£136,632
Web Self Service	£40,000	£5,600	£5,768	£5,941	£6,119	£63,428
Knowledge Database	£20,000	£5,700	£5,700	£5,700	£5,700	£42,800
Multi-Channel Analytics	£4,000	£750	£773	£796	£6,318	£12,636
Web Chat	£3,000	£550	£567	£583	£4,700	£9,400
Note: Excludes possible infrastructure costs e.g. servers.	£109,500	£35,100	£35,982	£36,890	£47,424	£264,896

Hence the total cost over four years is **£264,896**, and this is in addition to the support costs for the existing services over four years of **£214,000** (see section 8.2), giving a total four year upgrade cost of **£478,896**.

Replacement Option:

A number of ballpark quotes were obtained from suppliers to inform the costs in this business case, including:

Oracle Service Cloud/Right Now: £50,000-100,000 however this only included the CRM, Social and Web Self Service elements with analytics and not the contact channel management or voice automated elements.

Firmstep Customer Experience Platform: £79,400 however this too only had the Web Self Service and CRM elements and not channel management (ACD replacement), voice automation or analytics.

Netcall Liberty/59R Platform: This had many elements required and was quoted at £150,000, however they did say that this price would be higher if it was subject to full tender. It still did not include the Master Customer Database for effective integration and identity management or workforce management and customer survey modules.

Highland Council were contacted to ascertain their estimated capital requirement and they have set aside £150,000 for the CRM element alone plus its related implementation costs.

With the information above, for the purposes of this business case a capital figure of £140,000 for the CRM and associated elements, plus £80,000 for a replacement contact management system has been assumed. Also assumed is an industry standard 22% of capital annual maintenance fee - £48,400 in year one. In addition two full time LG10 Project Officers will be required to do the design and build work on the system for eight months at a cost of £51,300. To fully deliver the channel shift benefits noted at 8.3 below the Digital First Action Plan requires the recruitment of a Digital Development Officer to manage a Service by Service re-engineering of customer facing processes and to promote the uptake of the new high quality digital services. This post will be at LGE10 (36,628) plus £4,000 pa in related costs (travel, equipment etc).

The total projected costs for the Replacement System Option is detailed in the table below and also includes a 3% annual uplift for inflation:

Replacement System Option	YEAR 1 15/16 CAPITAL COST	YEAR 1 REVENUE COST 15/16	YEAR 2 16/17 REVENUE COST	YEAR 3 17/18 REVENUE COST	YEAR 4 18/19 REVENUE COST	TOTAL 4 YEAR COST
Replacement System Capital	£220,000	£0	£0	£0	£0	£220,000
Replacement System Revenue		£48,400	£49,852	£51,348	£52,888	£202,488
Project Officer Costs		£51,300	£0	£0	£0	£51,300
Digital Dev. Officer Costs		£36,628	£37,360.56	£38,107.77	£38,869.93	£150,966
Note: Excludes possible infrastructure costs e.g. servers.	£220,000	£136,328	£87,213	£89,455	£91,758	£624,754

Hence the total cost over four years for a full replacement system is **£624,754**, some **£145,858** more than the upgrade option..

8.2 Cost Savings for Decommissioning Existing Systems

There are a number of existing systems that would be wholly replaced by the new solution, hence saving the maintenance costs for these systems going forward. These include:

TABLE 3: SOFTWARE DECOMMISSIONING	REVENUE COST SAVING per annum
Lagan CRM	£22,600
Lagan Connect To Tell Web	£5,600
MacFarlane ACD and Modules	£15,550
Netcall Voice Automation	£7,100
Netcall QBuster	£8,352
Injixo Workforce Management	£3,600
NDL Integration Software	£12,500
TOTAL SAVINGS Per Year	£75,302

Hence savings of **£75,302** can be made from decommissioning redundant systems but not until year 2 because these systems will still be required in 2015/16 while the new system is being built.

8.3 Projected Channel Shift Savings

Argyll and Bute Council has been tracking channel shift and its resultant savings since 2011/12. The high level figures for the past three years are:

2011/12 = 65,560 transactions, saving £125,600

2012/13 = 189,350 transactions, saving £199,400

2013/14 = 209,018 transactions, saving £211,500

Hence after the initial growth in channel shift following the Process for Change investments, channel shift has begun to plateau, albeit there has been a threefold increase over three years.

This Business Case assumes that with:

- refreshed technology
- more opportunities to self serve (e.g. via social media)
- a more user friendly and mobile adaptive self service portal
- a wider range of services, including self service knowledge and voice automated service requests
- better promotion of the improved digital offering

It is not unreasonable to forecast a conservative doubling of channel shift transactions and savings over the three year period following the implementation of the council's Digital Action Plan by the new Digital Development Officer. Hence an additional 70,000 transactions in Year 2, 135,000 in year 3 and 200,000 in year 4. This would produce £70,000 of benefit savings in Year 2, £135,000 in Year 3 and £200,000 in Year 4, based on an equally conservative £1 per transaction channel shift saving. No savings would be claimed in year 1 as the systems would not be live until December and there would be a period of bedding in new services and processes. In total there would therefore be channel shift savings of **£405,000** over four years, that would be tracked using the existing channel shift benefits realisation methodology approved by SMT.

8.4 Cost Benefit Analysis and Net Cashable Savings

The table below summarises the Net Present Cashable Value of the Project, assuming a 3% inflation uplift. It includes an assumed employee efficiency saving in the Customer Service Centre of 1 LGE 6 customer contact handling in year three and another in year four, arising from improved system integration, fewer handoffs to the back office, improved knowledge resources and speedier processing e.g. less rekeying. This is in addition to the channel shift savings which will accrue to the wider business which are not realisable in the same way.

Benefit Savings Vs Costs	YEAR 1 2015/16	YEAR 2 2016/17	YEAR 3 2017/18	YEAR 4 2018/19	TOTAL 4 YEAR COST/ BENEFITS
Capital Costs	-£220,000	£0	£0	£0	-£220,000
Project Officer Costs	-£51,300	£0	£0	£0	-£51,300
Capital sub-total	£271,300	£0	£0	£0	£271,300
Digital Dev. Officer Costs	-£36,628	-£37,361	-£38,108	-£38,870	-£150,966
Other Revenue Costs	-£48,400	-£49,852	-£51,348	-£52,888	-£202,488
System Maint Savings	£0	£77,561	£79,888	£82,284	£239,733
Employee Savings	£0	£0	£23,697	£48,816	£72,513
Revenue sub-total	-£85,028	-£9,652	£14,129	£39,342	-£41,208
Channel Shift Savings	£0	£70,000	£135,000	£200,000	£405,000
Net Present Value Benefit	-£356,328	£60,348	£125,432	£190,527	£92,492

The project is therefore expected produce a positive net present value of at least **£92,492** over four years, plus other non realisable efficiencies and non cashable benefits described below.

8.5 Non Cashable Benefits

Non cashable benefits include:

1. Improved customer satisfaction
2. More reliable and resilient systems with better business continuity
3. Higher employee morale from improved systems
4. Better service delivery
5. Improved customer engagement and consultation
6. Reputational gain for the council
7. Demonstrated commitment to council objectives and outcomes
8. Maintains the continuous improvement ethos and reduces audit risks
9. Provides improved capability for inter agency and shared service working.

9 Project Approach

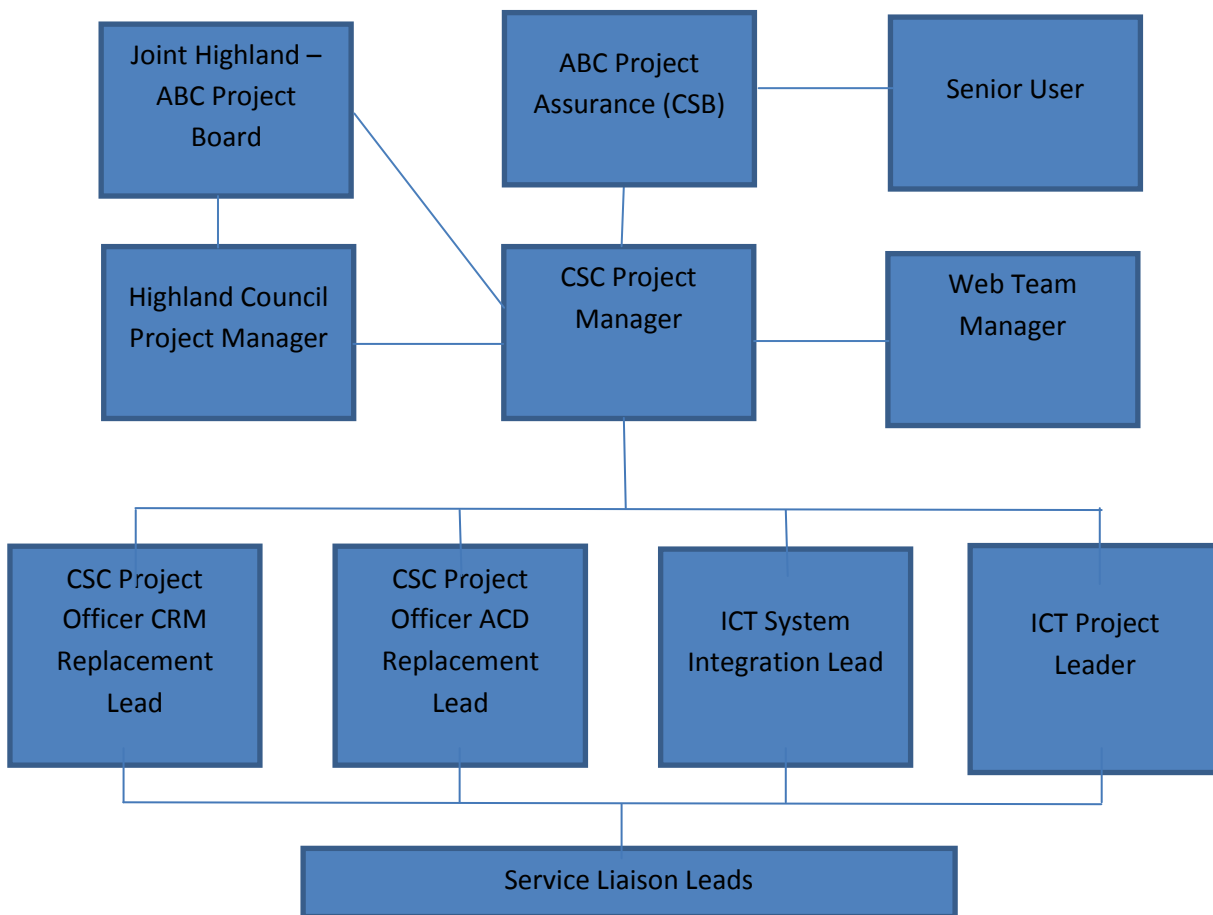
9.1 Project Structure

The Project will utilise the principles and governance of Prince2 Project Management. A joint procurement with Highland has been mandated by the Policy and Resources Committee and the proposed joint project structure is shown below. Judy Orr will be the Council's representative on the Joint Project Board, with Bob Miller as Project Manager and Mhairi Renton as Senior User.

The Project Sponsor on the Argyll and Bute side will be Director Douglas Hendry and the Customer Service Board will act as the Project Assurance, including lead users from each of the Departments as represented by the Customer Service Action Managers.

The size and complexity of the implementation will require two full time system design and build project officers working closely with a full time system integration lead from the ICT Application Development Team for a period of eight months. An ICT Project Lead will also be required to co-ordinate the other ICT and telecoms implementation activity.

Services will need to appoint a liaison lead to organise input to the CRM design and for user testing and sign off.



9.2 Implementation Approach

The project will be divided into four phases: Procurement, Design, Build, Test and Launch. There will be a dedicated Project Team working collaboratively with Highland Council on the procurement phase and thereafter solely as an Argyll and Bute Council enterprise for the implementation, unless a shared services arrangement is agreed following implementation.

The cutover from legacy to new systems will be done all at once, hence the need for a dedicated design and build team to create the systems in parallel with live running support and upkeep of the existing systems. There may be some scope to do the cutover of telephony ahead of the CRM to minimise risk, however this will depend on the systems procured.

The implementation approach needs to be a very collaborative one between CSC, ICT and the Services as the CSC supports all council services to some degree. The Web Team will also be integral to the design and build of the online component.

9.3 High Level Risks

Risk	Probability	Impact	Overall Risk Rating	Mitigation	Owner
Suitable resources are not available to take the project forward.	Medium	High	High	Dedicated Project resource is commitment as stated in the Business Case and back-fill resource is applied where required. Funding to be identified and approved prior to PID creation.	R. Miller
Appropriate input and support is received from Services to complete design and test activities	Medium	High	High	Lead Service Liaison Officers to be appointed and CSAMs to act as Department Lead Users. Comms Plan to be developed based on RACI Model.	R.Miller and CSAMs
Project does not deliver to timescales	High	Medium	High	Detailed planning phase in conjunction with supplier to identify timescale risks and appoint appropriate mitigation strategies. Professional services are the most likely cost escalation; hence a dedicated project build resource will help to mitigate this.	R.Miller
Cost Escalation	Medium	High	High	Detailed planning phase in conjunction with supplier to identify cost risks and appoint appropriate mitigation strategies. Contract conditions should be applied in relation to cost increases, e.g. fixed price.	R.Miller
Project does not deliver expected requirements.	High	High	High	Detailed scope & requirements are fully documented within the tender specification and have appropriate sign-off from all parties. Specific conditions in relation to the delivery of the specification are contained within the contract. Change Management procedures are put in place.	R.Miller
Stakeholder Buy-In	Medium	Medium	Medium	Effective communications Planning and buy-in from appropriate boards, with support from Service Liaison Leads.	R.Miller, CSAMs

9.4 Assumptions

1. The procured system will have to integrate to Lync 2013 as the corporate unified communication platform
2. The procured system will have to be PSN and PCA DSS System Compliant and provide self service authentication via MyAccount.
3. That Cloud based ACD and CRM options will be considered
4. That a full OJEU Procurement will be required.
5. That a dedicated design and built resource will be appointed for eight months with backfill to the CSC Development and Support Team
6. That the ICT Applications Support Team will be able to provide a dedicated integrations engineer for eight months and an ICT side Project Manager
7. That a Digital Development Officer will be appointed to ensure delivery of the channel shift benefits.
8. That channel shift benefits will be realised using the same methodology that was developed for the Customer Management Project
9. That there will be continued support from suppliers of legacy systems during the migration period.