

**REPLACEMENT/UPGRADE OF CUSTOMER CONTACT SYSTEMS**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 Further to the Leader's Report to Council on 25 September 2014 where it was reported that Customer Services has been researching alternative Customer Relationship Management (CRM) system suppliers, and that there may be an opportunity to do this collaboratively with The Highland Council, this report provides an update and seeks formal approval for going out to tender on a collaborative basis. The procurement would be led by The Highland Council.
- 1.2 We already work closely with the Highland Council on a number of areas. We currently are a member of the Pathfinder North partnership where they are the Lead Authority, and we have a project to provide them with Microsoft Lync systems hosted by us. We have undertaken a number of joint procurements previously. No particular risk or difficulties are anticipated with joint working. Joint procurement will be more efficient than each council doing this individually and may result in improved tenders.

**RECOMMENDATIONS**

- 1.3 Policy & Resources Committee is asked to approve the Council being named as a participant in a collaborative procurement led by The Highland Council for a replacement or upgrade of the council's customer contact systems.

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**2.0 INTRODUCTION**

2.1 Further to the Leader's Report to Council on 25 September 2014 where it was reported that Customer Services has been researching alternative Customer Relationship Management (CRM) system suppliers, and that there may be an opportunity to do this collaboratively with The Highland Council, this report provides an update and seeks formal approval for joining in their tender.

**3.0 RECOMMENDATIONS**

3.1 Policy & Resources Committee is asked to approve the Council being named as a participant in a collaborative procurement led by The Highland Council for a replacement or upgrade of the council's customer contact systems.

**4.0 DETAIL**

4.1 The Customer Service Board has considered a high level scope, approach and timescales for developing and implementing an updated Customer Service Strategy. This envisages research being carried out in the period up to end of October and a revised strategy being developed for approval in December 2014.

4.2 The research is split into two main elements. The first is a review of technologies and systems available in the marketplace. The second is research through the citizen's panel into our customers' requirements for interacting with the council, their willingness or otherwise to use digital channels, the barriers to this, openness to changes in provision of expensive face to face services, their experience of customer service standards and desire for new standards.

4.3 Research into alternative technologies has highlighted that the market has changed since we procured the Lagan CRM system and that system is no longer regarded as the market leader. The Improvement Service contract for the Lagan CRM system which many Scottish councils used to procure this system has expired and is not being renewed.

4.4 The Council requires to upgrade its existing Lagan CRM system from Version 7 to Lagan Enterprise Release 14 in order to maintain support. Whilst the cost of this is fairly modest, it means considerable work in re-engineering all online services currently provided through their Connect2Tell offering which will no longer be supported. The Members Portal functionality will not be upgraded and there will be technical challenges in continuing to use this as in order to overcome security vulnerabilities. It should be noted that the CRM system also includes the council's complaints system. Whilst undoubtedly these challenges could be overcome, this

has provided the impetus to consider the full range of customer contact technologies currently utilised. We use separate software from Macfarlane for handling telephone calls to the Customer Service Centre, plus voice automation software from Netcall, and integration software from NDL. The overall solution is fairly complex. Also it has been subject to outages particularly when the wide area network has failed. Future requirements are expected to place even greater emphasis on doing things digitally, and in having more seamless integration with social media channels.

- 4.5 It is expected that any new customer contact solution should facilitate a wide range of access channels and promote a single view of the customer, and provide seamless integration to a wide range of back office systems.
- 4.6 We presented to the Institute of Rating, Revenues and Valuation conference in early September jointly with Highland Council on “electronic engagement – is it working”. This presentation highlighted the similarities of our customer contact set ups and also the similarities in ambition for moving forward. The Highland Council has recently issued a Prior Information Notice to the market for customer contact system with responses due by start of October. They plan to hold a vendor day in mid November with a formal tendering process to commence late November. They have indicated a willingness to form a joint project team to undertake a joint procurement for both councils. The main difference in requirements is that we would also wish to include the telephony solution within scope. This could be handled through inclusion of telephony (Automated Call Distribution) as a separate lot and we would lead on those requirements.
- 4.7 Perth and Kinross Council are similarly facing a requirement to upgrade their Lagan CRM system and are considering going out to tender and have indicated that they may wish to join in. There may be other councils also interested. It is intended to invite other participants into this procurement through the auspices of the Local Government ICT Strategy Board. The Local Government ICT Strategy supports such procurements being done collaboratively wherever possible. It also promotes joint hosting of solutions. It would therefore be the intention to seek solutions that are hosted in the cloud, or hosted by a single local authority on behalf of others in addition to on-premise solutions. Resilience of solutions would be a major factor in the evaluation of the best option. This will be considered in the evaluation of the quality of the functionality provided in comparison to the full range of requirements.
- 4.8 It should be noted that the incumbent suppliers could tender on an upgrade basis if they desired to do so. Evaluation will also take into account the level of local authority resource required to implement the solution as well as external charges.
- 4.9 A business case is currently being developed for approval by the Customer Services Board, the ICT Steering Board and the Asset Management Board for the capital funding for a new or upgraded system(s). This would be funded from the applications project line with the existing IT capital programme. Any contract award following tender will be made in accordance with the council’s procurement manual, and will be authorised by the Executive Director of Customer Services who is also the chair of the Customer Service Board.
- 4.10 We already work closely with the Highland Council on a number of areas. We currently are a member of the Pathfinder North partnership where they are the

Lead Authority, and we have a project to provide them with Microsoft Lync systems. We have undertaken a number of joint procurements previously. No particular risk or difficulties are anticipated with joint working. It should be more efficient and save duplication of effort. Tender responses should be better value in response to the larger opportunity.

## **5.0 CONCLUSION**

5.1 This report seeks approval for naming this council as a participant in a collaborative procurement led by The Highland Council for a replacement or upgrade of the council's customer contact systems. The funding for this is expected to be come from the existing ICT capital programme and to be justified by the business case which is under development. Joint procurement will be more efficient than each council doing this individually and may result in improved tenders.

## **6.0 IMPLICATIONS**

- 6.1 Policy: In line with Local Government ICT Strategy and council's ICT strategy.
- 6.2 Financial: Replacement to be justified through a business case. Funding to be made available from the existing ICT capital programme – applications projects line.
- 6.3 Legal: None. We have previously had a number of joint procurements with The Highland Council and no legal difficulties are anticipated.
- 6.4 HR: None.
- 6.5 Equalities: None.
- 6.6 Risk: Risk will be managed throughout the procurement and any subsequent implementation in accordance with Prince2. If we do not upgrade, there would be risk that existing customer facilities would deteriorate and become more expensive or difficult to maintain.
- 6.7 Customer Service: New or upgraded customer contact system(s) would be expected to provide a significant enhancement to customer service and support a much faster move to digital channels.

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