



# Merton customer insight



Final draft report  
4/12/13

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# 1. SUMMARY

## Summary

- We have helped Merton towards their vision: 'To design cost effective, efficient and user friendly means of contacting the council and then encourage our customers to use the channels that are most effective'.
- Our work set out a detailed analysis of the relationship between Merton's customers, channels and services, the findings of which were supplemented by customer segmentation analysis based on Mosaic, and engagement with all directorates at target operating model board meetings.
- There is great potential for Merton to build and use customer insight throughout the organisation to achieve improved customer services and identify end to end cost savings.
- Building up capacity and establishing clear accountability with quality measuring and reporting tools, will help embed transformation change across the organisation.

Customer insight will be critical for successful change



## 2. PROJECT BRIEF

# Project brief

1. Provide detailed understanding of the three-way relationship between Merton’s customers, channels and services, in order to inform the design and implementation of the customer contact programme.
2. Answer the following questions for the council:
  - i. How do our customers expect and desire to access our services?
  - ii. Which channels are appropriate to our customers?
  - iii. Which services and combination of services do our customers use?
  - iv. Which channels are appropriate given the nature of our services?

Requirement	Response
How do our customers expect and desire to access our services?	Mosaic segmentation analysis, baseline contact data, customer survey/safari
Which services and combination of services do our customers use?	Baseline contact data, Mosaic segmentation analysis, customer survey/safari
Which channels are appropriate to our customers?	Mosaic segmentation analysis, geo-demographic research, benchmarking, service propositions
Which channels are appropriate given the nature of our services?	Mosaic segmentation, benchmarking, service proposition

# Deliverables

The following deliverables form part of this document or have been delivered as part of the project:

1. **Channel management plan** – recommendations, quick wins and hypotheses from phase one, further developed as a channel strategy.
2. **Cost to serve proposal** – a model for costing the end to end service process.
3. Recommendations for an ongoing strategic customer insight capability
4. **Dashboard reporting framework** – outlining the purpose and structure of the dashboard, key indicators and recommendations for use

See also:

- Merton customer contact – initial analysis to inform development of a channel management plan
- Customer segmentation and geo-demographic analysis to inform a channel management plan.

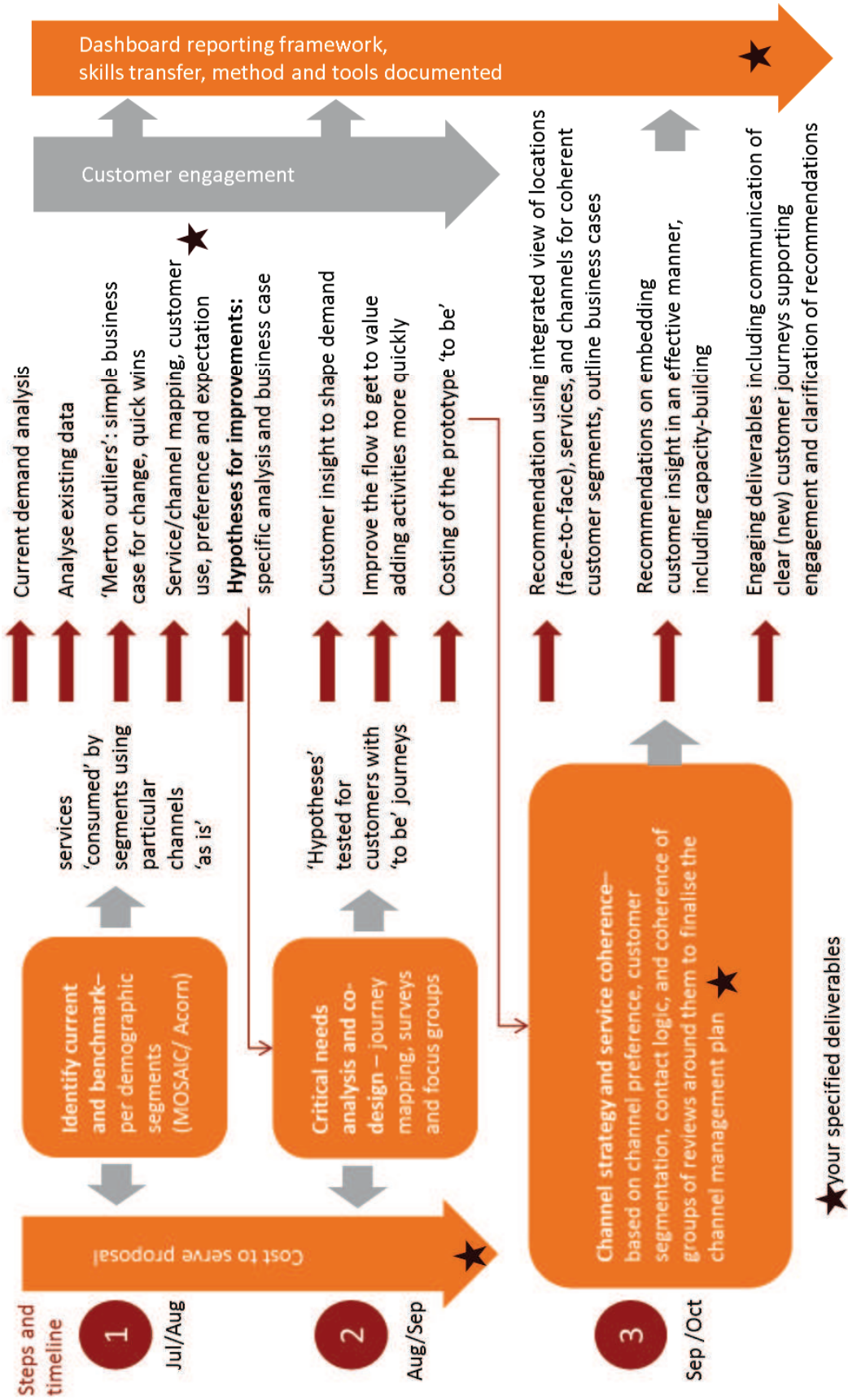
## Other deliverables

- Presentations to and engagement with all directorates target operating model boards
- Customer survey/safari and training
- A study of customer contact and customer needs in Merton adult access team – looking at customer segmentation, demand analysis, process and customer journey mapping, and channel shift potential
- A customer focused workshop for the new environmental health housing team – focusing on customers and channels, value/failure demand, the customer offer, service process mapping and customer journey mapping
- Training on customer insight techniques
- Training on use and theory of Mosaic public sector segmentation

We aligned our approach and outputs with the ownership and communications strand of the customer contact programme, ongoing consulting help from John Mallaghan, and the current procurement exercise.



# Core process for project – as per proposal



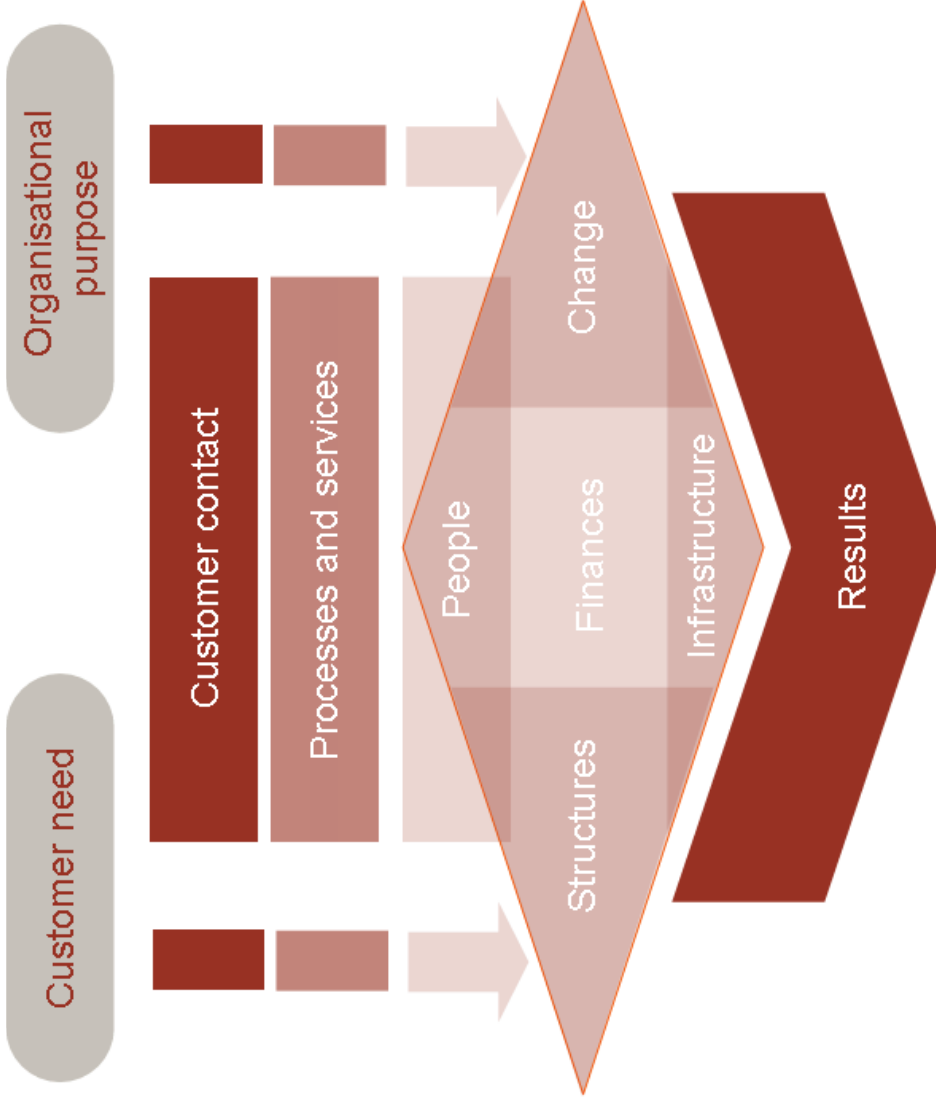
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## 3. REDQUADRANT – OUR APPROACH

# The importance of customer insight



Customer need is central to 'outside-in' organisational analysis and change

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## Key customer services concepts need to be re-visited

### Three good ones

- Customer experience is important – but beware of the statistics
- Be systematic – plan, do, act, check, (or define, design, develop, deliver) – continuous improvement is key
- The interface with our customers is vital – the most critical!

### Eleven to consider with caution

- Good service costs more
- Simply, standardise, share
- Front office/back office divide

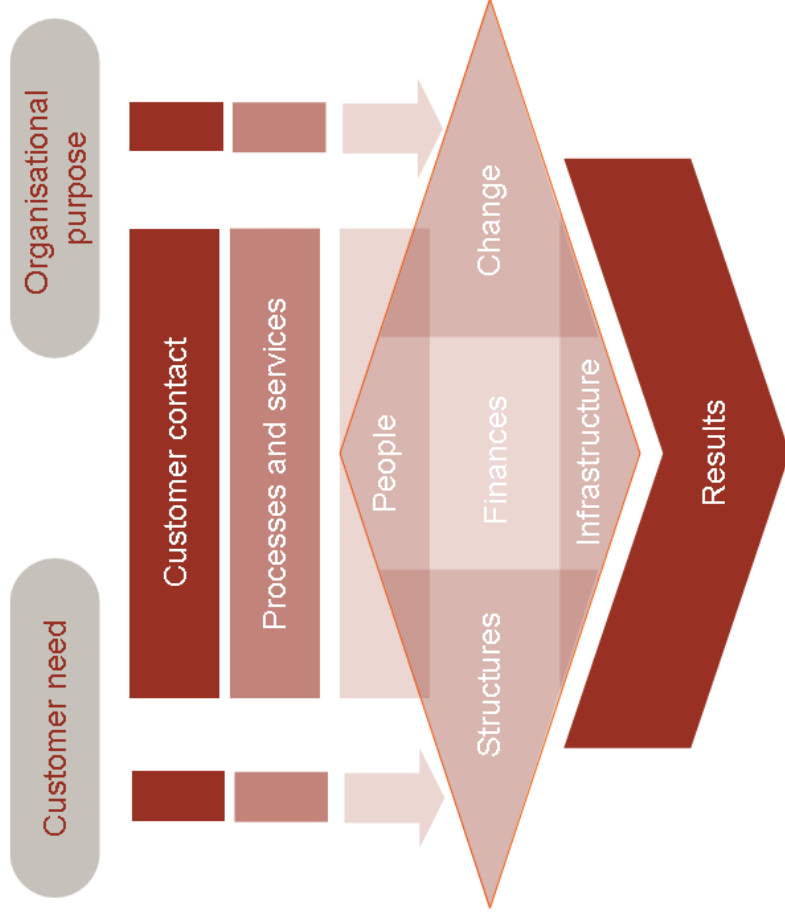
- Optimising resource
- Channel migration
- ‘We already know our customers’
- Queuing, triaging, waiting
- Pareto principle will solve all
- Segmentation is the answer
- CRM and technology is the solution
- Customer satisfaction will give us the ultimate measure

### Operating models (org designs)

- can work
- but the devil is in the detail and the local situation

## A focused approach

- Start from purpose
- Understand demand
- Build an evidence base
- Decrease unnecessary contact / increase necessary
- Good customer services cost less
- Create flow and target perfection
- Build organisational processes to meet demand
- Engage and empower staff
- Develop change management – a responsive organisation
- Engage and empower customers
- Treat demand appropriately



## What is insight?

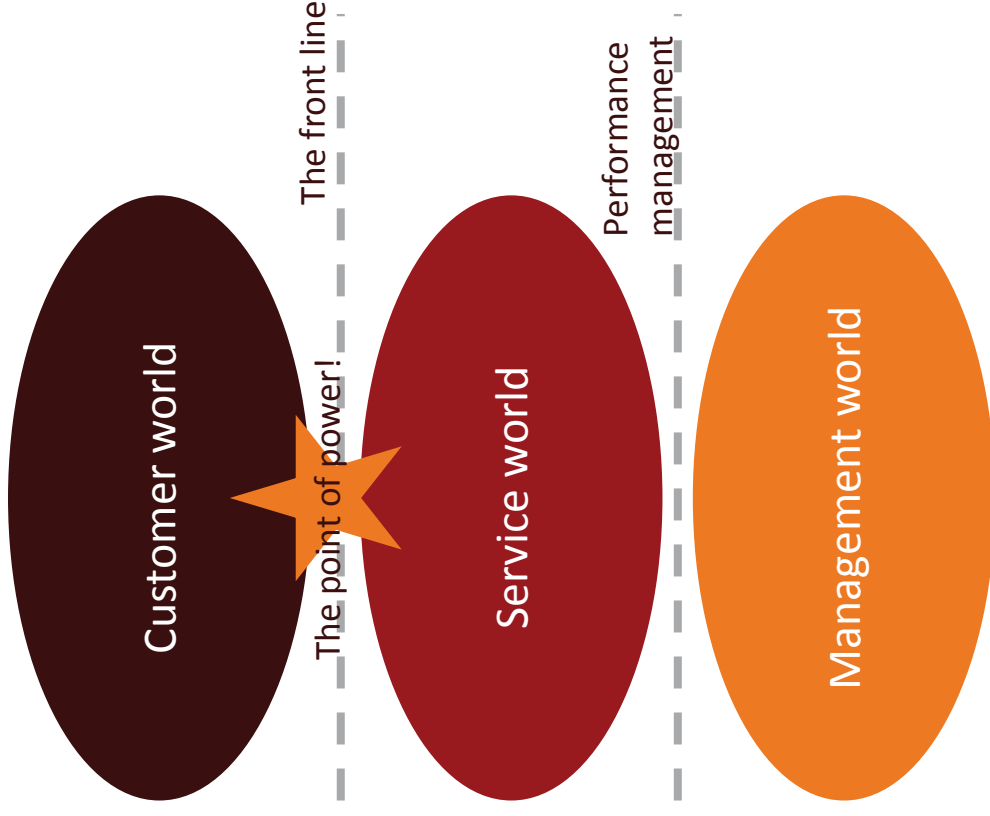
'We shouldn't confuse 'insight' with 'research'. Insight is about the strategic interpretation of customer data and information, providing a rich and deep understanding of our customers, their needs and what we can do to help ensure our services fit usefully into their lives. To succeed, we must know what information we need and how to collect it; have the capabilities and processes to analyse this and turn it into accessible and actionable material; and most importantly, promote the culture to create and value this insight on an ongoing basis.'

Deidre Sorensen of the Department of Health

## Getting it right spans different worlds

### A traditional view:

- The 'customer world' is separated from 'service world' by an invisible divide (we even call it the 'front line')
- This is further separated from 'management world' by another invisible divide – called 'performance management'
- In the customer world, we do market research
- In the service world, we do business process reengineering
- In management world, we do business planning – and cutting



## Building blocks for true customer management

1. Vision of future service provision;
2. Customer strategy identifying how the organisation's demand, purpose, business and financial plans will be met through customer service provision;
3. Valued customer experience identifying the desired future customer experience;
4. Organisational collaboration between the various parts of the organisation;
5. Business processes critical to delivering the customer experience;
6. Information (data and analysis);
7. Technology applications, architecture and infrastructure; and
8. Metrics and measurement.

(Gartner 2007)



## Customer insight – good practice and learning

Some of the organisations we have worked with recently:

- City of Westminster
- London Borough of Islington
- London Borough of Southwark
- Reigate and Banstead Borough Council
- Plymouth City Council
- Wycombe District Council
- The Local Government Association (LGA) – evaluation of the Customer Led Transformation Programme
- 2010 CSLG/Capital Ambition London benchmarking survey and channel strategy
- 2012 Local authority benchmarking survey
- The RedQuadrant Customer Transformation Club



## 4. THE FINAL DELIVERABLES



## 4.1 CUSTOMER SEGMENTATION

# Contents

- Customer segmentation – what is it?
- Customer segmentation – its purpose
- Merton – general findings
- Mosaic analysis
- Merton’s customers – channel preferences and channel shift
- Postcode level service analysis

Customer segmentation outline

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insight for Merton 20



## Customer segmentation

- Is one of the first customer insight tools to think about using – as one size rarely fits all!
- At its simplest it's about classifying a population into different groups, recognising that not all people are the same or need the same things
- Can be really simple and straightforward – gets you thinking about the varying needs of different customer groups
- Becomes far more powerful when linked to real **service and channel use data**
- A good foundation is **database segmentation** – using existing internal data or information sourced from a third party (e.g. Acorn and now Mosaic for Merton)
- It can be supplemented by
  - **qualitative segmentation** – built using learning from depth interviews or focus groups. Doesn't give hard numbers, but can be faster and cost less. Can fill gaps in understanding – especially why people do and need. things; and
  - **quantitative research-based segmentation** – hard numbers and analysis based on a questionnaire or survey-based research
- Approaches can be combined to build more powerful segmentations as required or to suit the needs of a particular project or service area

## Purpose of segmentation

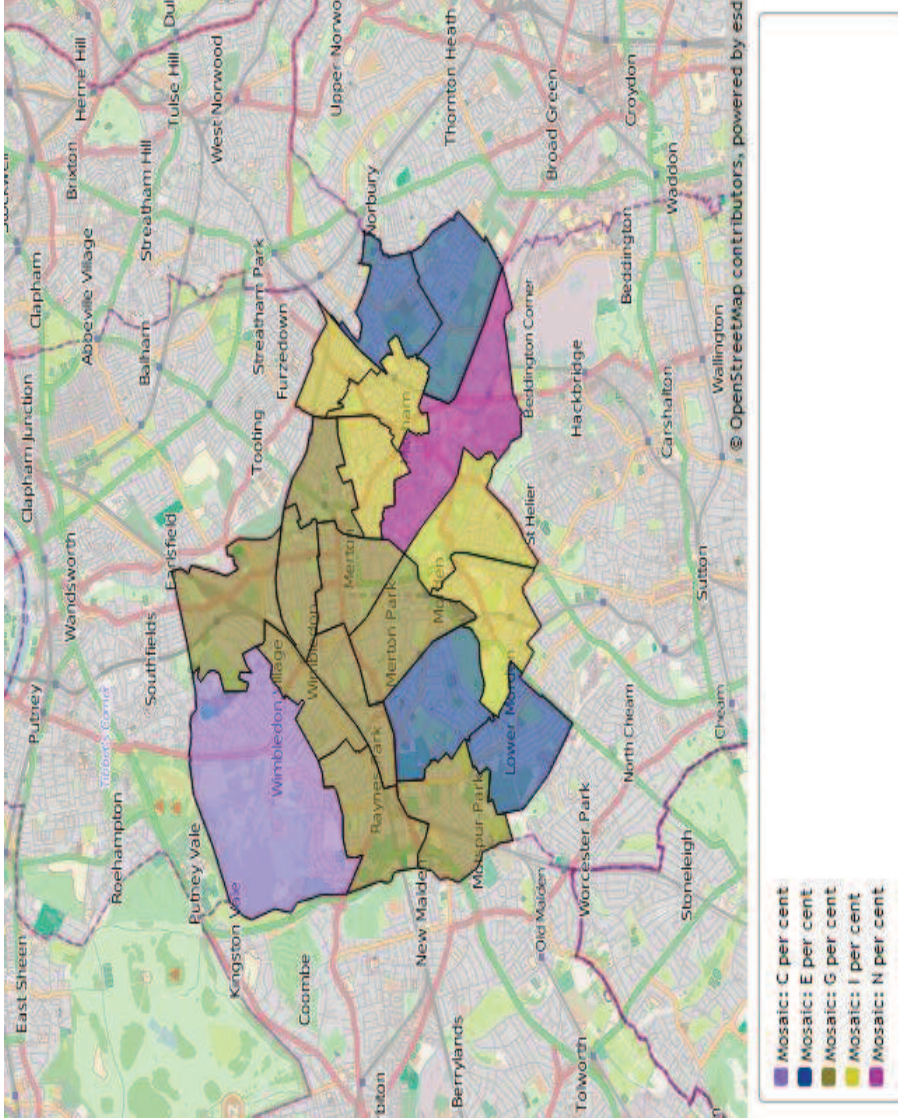
- It helps us to understand different people and their varying needs so that we can tailor services and target limited resources more effectively
- Before you do customer journey mapping or satisfaction measurement – it helps to focus on the customer groups you are going to be thinking about
- It can be used for many things: to target communications, give a better customer experience, better design services, target resources, decide where savings can be made with the minimum negative impact upon customers
- There is no right way of doing it – so think about what you are trying to do and why first
- Remember that all types of segmentation are based on four basic things:
  - **WHO** people are;
  - **WHERE** they are;
  - **WHAT** they do; and
  - **HOW** they think and feel

The purpose of segmentation is to **predict** what groups will do

## Customer segmentation in Merton

- High level geo-demographic analysis points to some clear differences between certain areas of the borough – most obviously east and west
- These differences (e.g. household tenure, qualifications, economic activity, transport links) will individually and collectively impact upon the services residents are likely to need from the council and their relationship with it
- ESD toolkit reports functionality was used to plot characteristics related to deprivation and social/digital exclusion. This mapping reinforces the greater dependence upon council services in the east and south
- A key recommendation from phase one was that postcode level service analysis and mapping be carried out to more precisely illustrate service need and take-up. Postcode analysis has been done in phase two as part of the Mosaic segmentation exercise
- For more detail see *Merton customer contact – customer segmentation and geo-demographic analysis to inform a channel management plan* and the Mosaic analysis in this presentation

# Merton customer segmentation – top five Mosaic groups



- **Group G young, well-educated city dwellers – 41.8%**
- **Group I lower income workers in urban terraces in often diverse areas – 18.4%**
- **Group E middle income families living in moderate suburban semis – 15.7%**
- **Group C wealthy people living in most sought after neighbourhoods – 8.6%**
- **Group N young people renting – flats in high density housing – 5.9%**

Mosaic classification – 15 groups; 69 types based on 440 data elements

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# What do Mosaic groups tell us? Example pen portrait


A
B
C
D
E
F
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26
27
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30
31
32
33
34

Hammersmith and Fulham 9.31%  9.10%

## Group G: Young, well-educated city dwellers

### Overview

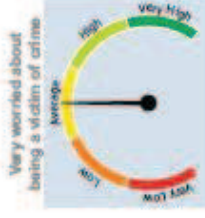
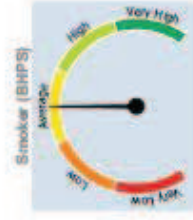
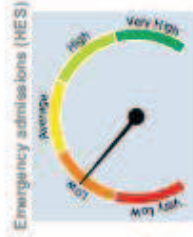
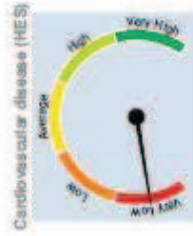
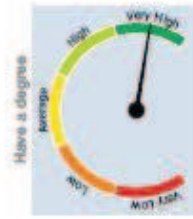
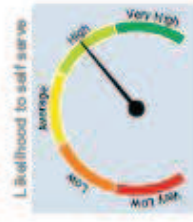
- Key Features**
- Young singles
  - Students
  - Degree level education
  - Creative jobs
  - Diversity
  - Ethical products
  - Internet searches
  - Theatre and arts
  - Cinema



### Access Information

- Receptive**
- Internet
  - National Papers
  - Non Receptive
  - Face to Face
  - Local Papers
- Service Channels**
- Receptive
  - Mobile Phone
  - Post
  - Non Receptive
  - Face to Face

### Requirements



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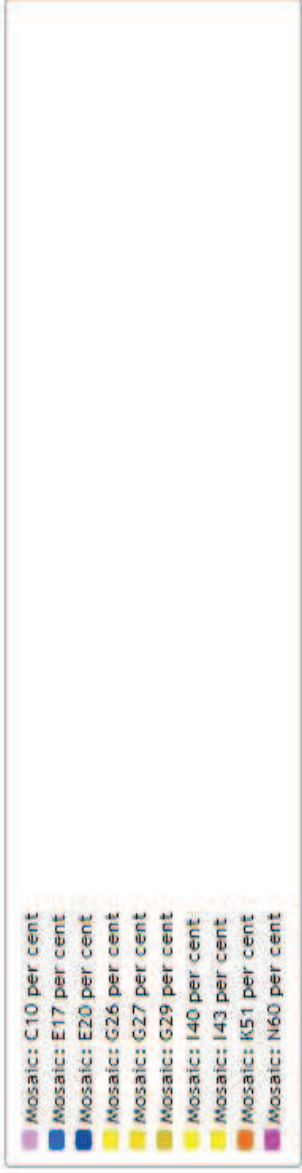
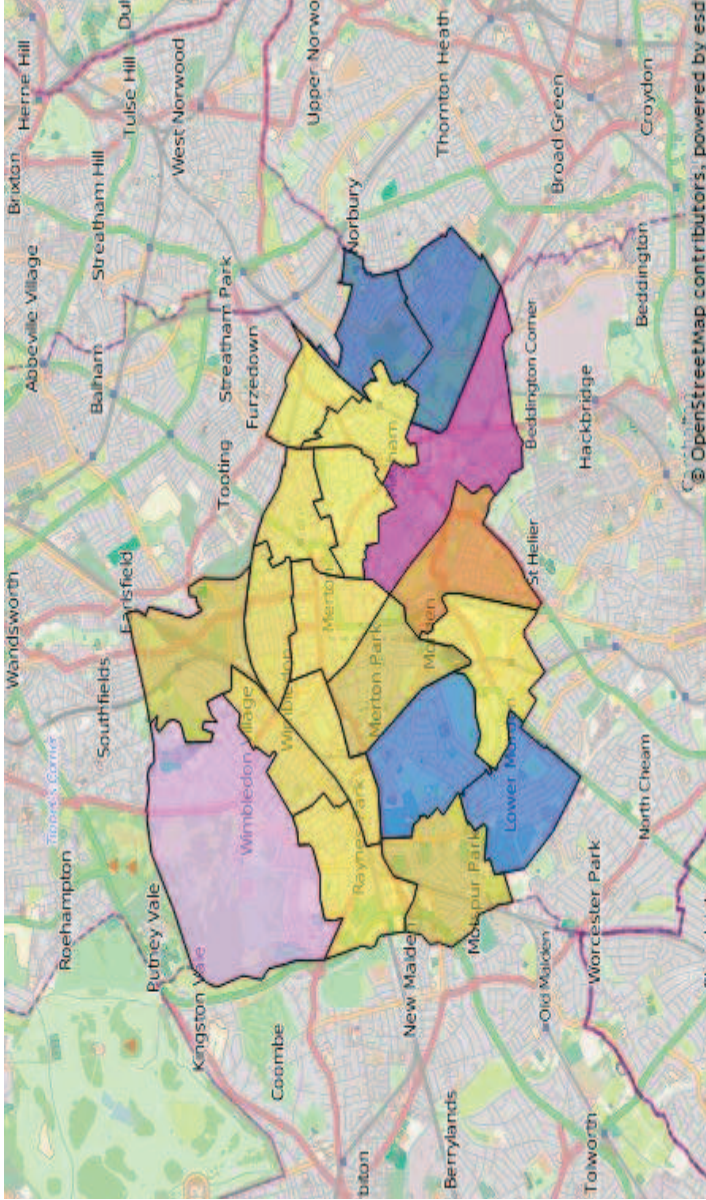


## The characteristics of Merton's top five Mosaic groups

- **Group G** young, well-educated city dwellers – 41.8%: high likelihood to self-serve; access information – receptive to internet, non-receptive to face-to-face contact (f2f); service channels – mobile telephony and post, non-receptive to face to face . Likely to be light users of council services (central/north west)
- **Group I** lower income workers in urban terraces in often diverse areas – 18.4%: average likelihood to self-serve; access information – receptive to SMS & interactive TV, non-receptive to standard telephony; service channels – none significant, but non-receptive to post. Higher demand for council services especially by lower income parents with small children (south and east)
- **Group E** middle income families living in moderate suburban semis – 15.7%: high likelihood to self-serve; access information – phone & internet, non-receptive to f2f; service channels – internet, phone, mobile telephony, post, non-receptive to f2f. Low levels of social deprivation but national average need for social services (south east and south west)
- **Group C** wealthy people living in most sought after neighbourhoods – 8.6%: high likelihood to self-serve; access information – internet & phone, non receptive to f2f; service channels – internet, phone & post, non-receptive to f2f. Very wealthy – low need for social services (north west)
- **Group N** young people renting flats in high density housing – 5.9%: very low likelihood to self-serve; access information – SMS, non-receptive to internet & phone; service channels – none significant, but non-receptive to internet, phone, mobile and post. Low incomes and high levels of social deprivation (south east)

High level findings – self-serve likelihood, information channels and service transaction channels, and likely need for council services.

# Merton customer segmentation – top five Mosaic types



- **G29: Young professional families settling in better quality older terraces – 17.95%**
- **G26: Well educated singles living in purpose built flats – 12.18%**
- **E20: Upwardly mobile South Asian families living in inter war suburbs – 8.91%**
- **I40: Multi-ethnic communities in newer suburbs away from the inner city – 8.73%**
- **E17: Comfortably off suburban families weakly tied to their local community – 6.41%**

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## Channel preferences of your customers

- 66% of Merton's population have a very high likelihood to self-serve (4 or above on the Mosaic self-serve indicator)
- In addition, just over 18% have average likelihood to self-serve (3 on the indicator)
- 66% are actively receptive to internet for accessing information – and only 5.9% actively non-receptive to internet (Group N – young people renting flats in high density housing, who are only really receptive to SMS)
- 24.3% actively prefer internet as a service channel – this rises to 60% if we include those who are not actively non-receptive
- 66% of the population are non-receptive to face to face for either accessing information or as a service channel
- In terms of channel shift, the population can be divided into three broad categories:
  - **Early adopters of digital self-service**
  - **Tentative adopters of digital self-service**
  - **Naturally resistant to digital self-service**

# Merton's target groups for channel shift

- 1. Early adopters 66%**
  - C, E and G – spread across borough
  - Preference for transacting online and dislike of face to face
  - But Groups C and E also receptive to conventional phone and post – so still some potential for channel shift away from these channels
  - Should be possible to move them to online self-service with relatively low cost/effort but maybe not the greatest value as probably low users of council services (some greater need for services likely in Group E)
- 2. Tentative adopters 18.4%**
  - Group I – south and east
  - Includes households more reliant on state support and council services
- Overall many could transact online with some encouragement and support – not yet actively receptive, but clear dislike of phone for information and post for transacting
- 3. Naturally resistant 5.9%**
  - Group N – distinct pocket in south east
  - Likely to unwilling/unable to transact online (even if smartphone/SMS use high)
  - Interesting lack of internet usage amongst the young and marked lack of channel receptivity
  - Some will become used to online with support; others may need long term 'assisted digital' help or face to face intervention either at the Civic Centre or more locally
  - Can you target them with SMS info?

These target groups should form the basis of your channel shift strategy, underpinned by the our service-specific postcode analysis.

## Postcode-level service take-up

- The Mosaic public sector profiling tool was used to profile the take-up of certain key Merton services at postcode level :
  - revenues and benefits – housing benefit applications
  - housing needs – homelessness applications
  - housing needs – new housing register applications
  - adult social care – older people, occupational therapy, direct payments, mental health
  - electoral registration – online registration
  - adult education – students enrolled for 2013/14
- The profiling tool analyses service take-up by Mosaic type which gives a level of insight in to the circumstances, needs and channel preferences of applicants that would otherwise be difficult to achieve
- This level of insight can be used to inform both individual service target operating model planning and the development of a more strategic corporate approach to the integration and clustering of services based upon individual and type needs

## Use of service-level analysis

Example findings:

- To identify channel shift potential (electoral register and adult education)
- To target key customer groups and inform preventative action (housing benefit, homelessness and new housing register applications)
- To inform service planning for the future (adult social care)
- To determine how services may be better integrated and clustered around the needs of specific key customer groups

Merton does not have the Mosaic postcode mapping tool, so our analysis has been limited to identifying the prevalent Mosaic types using services, rather than mapping them in geographical locations across the borough

Our detailed findings are set out at annex one



## 4.2 A CHANNEL STRATEGY FOR MERTON

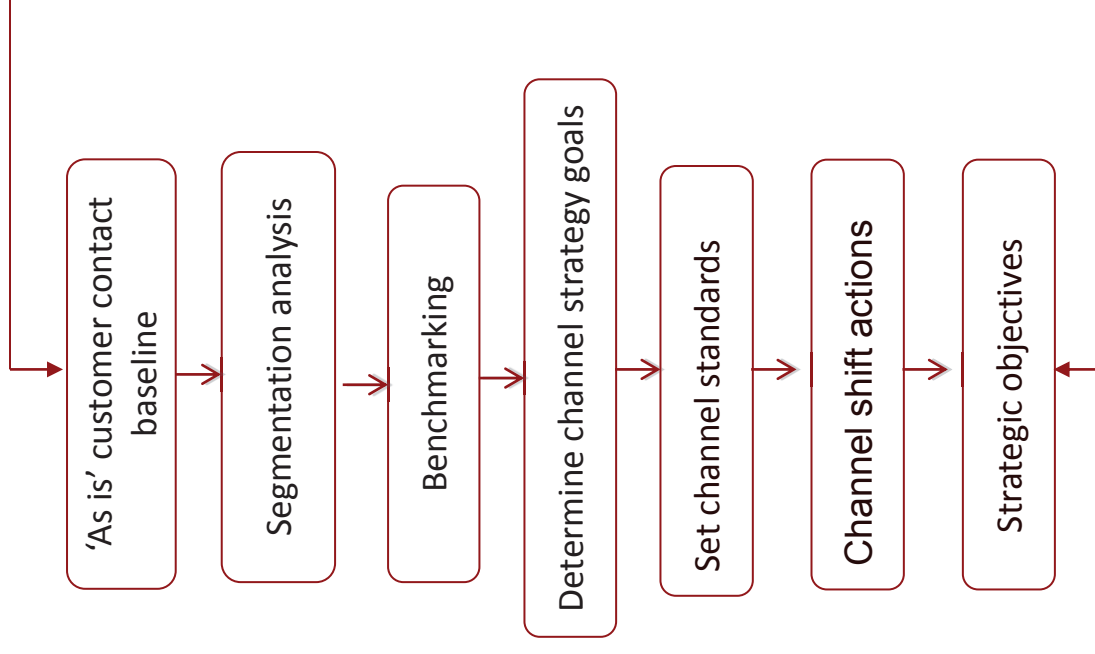


## Contents

- Building a channel strategy
- Customer contact baseline and RedQuadrant recommendations
- Channel strategy goals – creating a new customer service proposition
- Local authority benchmarking – comparative findings and good practice for Merton
- Strategic objectives going forwards

## Building a channel strategy – an iterative process

1. Build the 'as is' baseline of customer contact – *customer contact data analysis*
2. Use customer insight to know what customers want and how to drive customer behaviour change – *segmentation analysis*
3. Learn from and apply good practice – *benchmarking*
4. Create a new customer service proposition – *determine channel strategy goals*
5. Set measures of operational success – *channel standards*
6. Determine key priorities – *channel shift actions*
7. Set strategic objectives for the future – *embed management information and cost to serve*



Embed this whole process into business planning – the three to five year strategic planning process and annual, operational planning



# CUSTOMER CONTACT BASELINE AND RECOMMENDATIONS

## Headlines – contact volumes by channel 2011-12

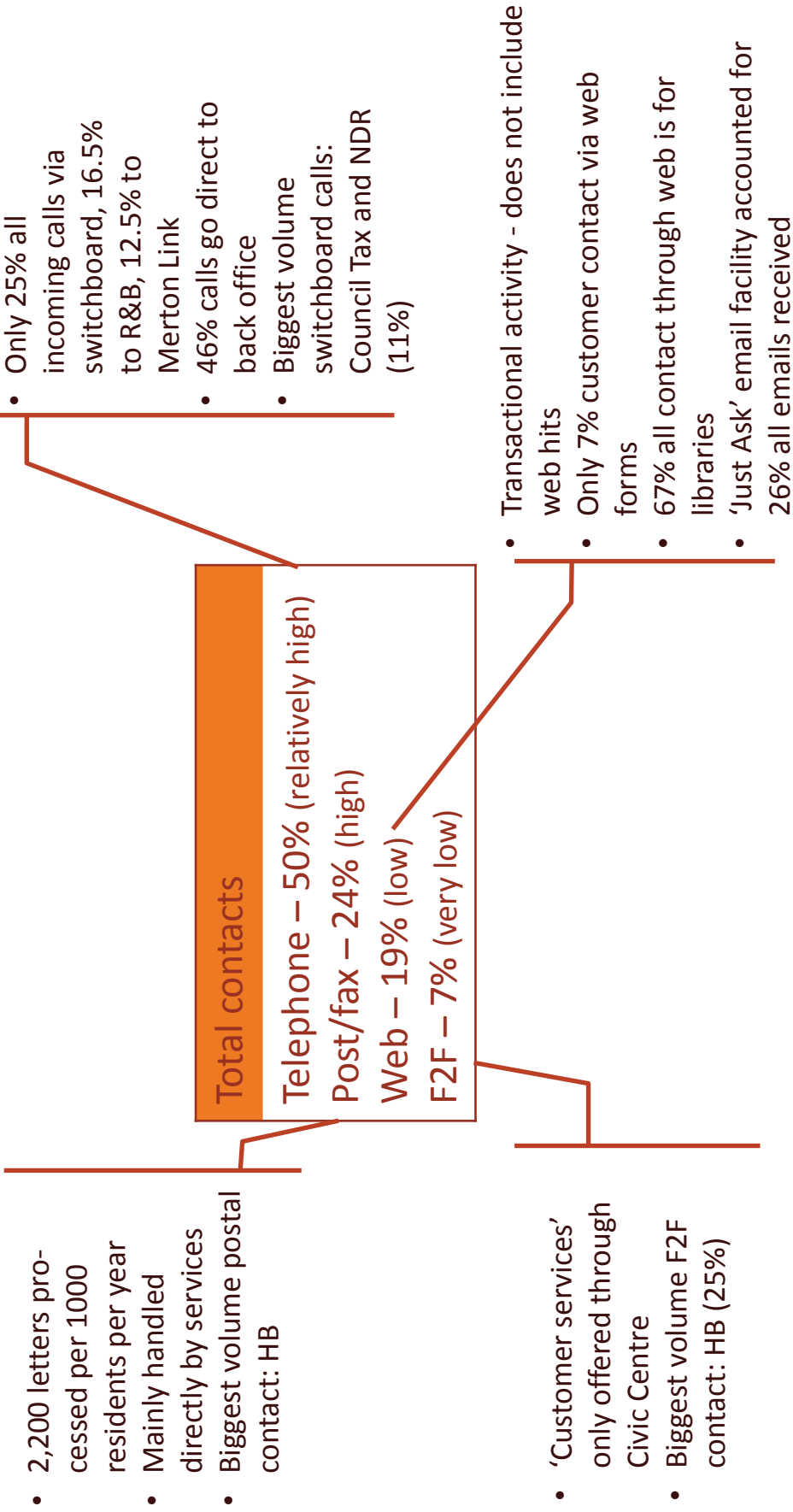
Directorate	Face-to-face	Phone <sup>1</sup>	Post/fax	Email	Web	TOTAL
E&R	32,900	224,500	43,500	106,500	21,600	429,000
CSF	3,300	121,400	6,900	10,200	3,200	145,000
C&H	10,900	66,700	6,200	15,600	97,000	196,400
CS incl. Merton Link and R&B	84,000	539,700	400,300	100,600	8,200	1,132,800
Merton Link/contact centre <sup>2</sup>	43,200	356,600	72,000	60,000	-	531,800
<b>TOTAL</b>	<b>131,100</b>	<b>952,300</b>	<b>456,900</b>	<b>232,900</b>	<b>13,000</b>	<b>1,903,200</b>

<sup>1</sup> Conventional telephony – calls via switchboard or direct to back office lines (handled by call handlers or via AVR where applicable)

<sup>2</sup> Merton Link services are included in the customer services total but highlighted as a separate line in this table. They are not double-counted in the overall total

High level contact volumes by channel – since then face-to-face volumes have fallen further in Merton Link revenue and benefits (data not provided)

# Channels – the ‘as is’ picture



## Merton’s total contacts 2011/12

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## Customer-facing services

Merton Link acts as the main face-to-face and telephony channel for a range of customer services. It comprises:

- Civic centre reception
- Face-to-face channels for some services, including staff from both Merton Link and revenues and benefits
- Contact centre, including switchboard and first line resolution for a small number of services
- Cash office (closed September 2013)

There are an additional 45 customer-facing service-specific contact points across the borough, including libraries.

Unusually for a London authority, Merton has just a single face-to-face contact point for accessing a range of council services.

## Main high volume service areas 2011-12

The top 15 high volume services for both directorates and Merton Link (all channels) are as follows (time per transaction was estimated as part of the '11-'12 exercise):

<b>Housing benefits</b>	<b>234701</b>
<b>Council tax</b>	<b>225677</b>
<b>Electoral services</b>	<b>1111020</b>
<b>Merton Link payments</b>	<b>95421</b>
<b>Streetscene enquiries</b>	<b>92456</b>
Development control	76702
Just Ask (email)	60000
Waste	59170
Building control (second highest minutes per transaction – 15.35)	40096
Leisure support (highest minutes per transaction – 16.20)	55671
Environmental health, trading standards, and licensing	37508
Place making and public realm	27773
Parking control/permits	24969
Merton adult access team (MAAT)	21435
Traffic/highways (third highest minutes per transaction – 15.12)	21217

## Initial observations – directorates and services

- The top 15 high volume services make up around 1.2 million of the total 1.9 million first line contacts
- Directorates:
  - E&R – very high levels of phone and email contact which should be investigated
  - CSF – predominance of phone contact also to be looked at
  - C&H – high levels of phone contact, but also web (the latter doubtless influenced by Libraries online presence)
- Services:
  - Payments – 71,500 payments were made by post
  - Electoral register – 90,000 postal contacts made
  - Streetscene enquiries – over 86,000 by phone to Merton Link
  - Development control – 29,000 postal contacts
  - Waste – 45,500 phone contacts
  - Revenues and benefits – drives particularly high volume of contact and merits particular attention

**Focusing on these findings makes good sense in terms of effective contact and channel management.**



## Types of transactions

For the purposes of the 2011/12 analysis, all Merton customer contact was assigned to one of three contact types:

1. Information provision/signposting;
2. First line service provision; and
3. Complex service provision (specialist or professional)

This provides a useful framework for distinguishing different types of contact – see full analysis at annex one.

Distinguishing types of transactions enables you to see where there are opportunities to handle contact through better channel management.

The July 2012 cabinet report concluded that short/medium duration contacts that are either information provision/signposting or first line/transactional should be targeted first for channel shift opportunities.

## Our recommendations for 'quick wins'

- 1. Waste** – more online automated functionality to counter high volumes of Merton Link and contact centre contact, back office telephony and high reported levels of avoidable contact. Target garden and bulky waste
- 2. Payments** – further push is needed to encourage automation to cut high levels of post/fax contact which may rise even further now the cash office is closed. Look at rationalising e-payment channels and driving up e-billing and direct debits
- 3. Streetscene** – further automation is required to reduce high volume of telephony contact through Merton Link (at present there is no e-form integration and customer options are multiple and confusing)
- 4. Electoral register** – investigate the 90,000+ post contacts associated with the process of renewing electoral registration, and people moving in and out of the borough. National changes to the electoral system next year would provide a good focus for activity in this area
- 5. Environmental health** – investigate opportunity for more frontline/online functionality to counter both high volume of back office telephony categorised as complex service provision and high reported levels of avoidable contact

## Quick wins continued

- 6. Development control** – look at the 29,000 postal contacts driven by outdated use of postal forms and failure to make optimal use of the planning portal
- 7. Building control** – investigate high f2f and phone contacts classed as complex service provision in the context of the forthcoming trial of handling building control calls via the contact centre
- 8. Leisure** – look at what is driving high levels of back office calls, especially with the outsourcing of leisure facilities
- 9. Parking permits** – there seems to be patchy online automation combined with high levels of back office calls, so enable parking permits to be purchased online, not just renewed, and reduce volume of postal applications. Also enable penalty charge notices and representations to be dealt with online and remove PDF parking permit application from website (these are still accepted by email)

Accepted– now integrate into target operating models and implement

## Guiding principles and hypotheses

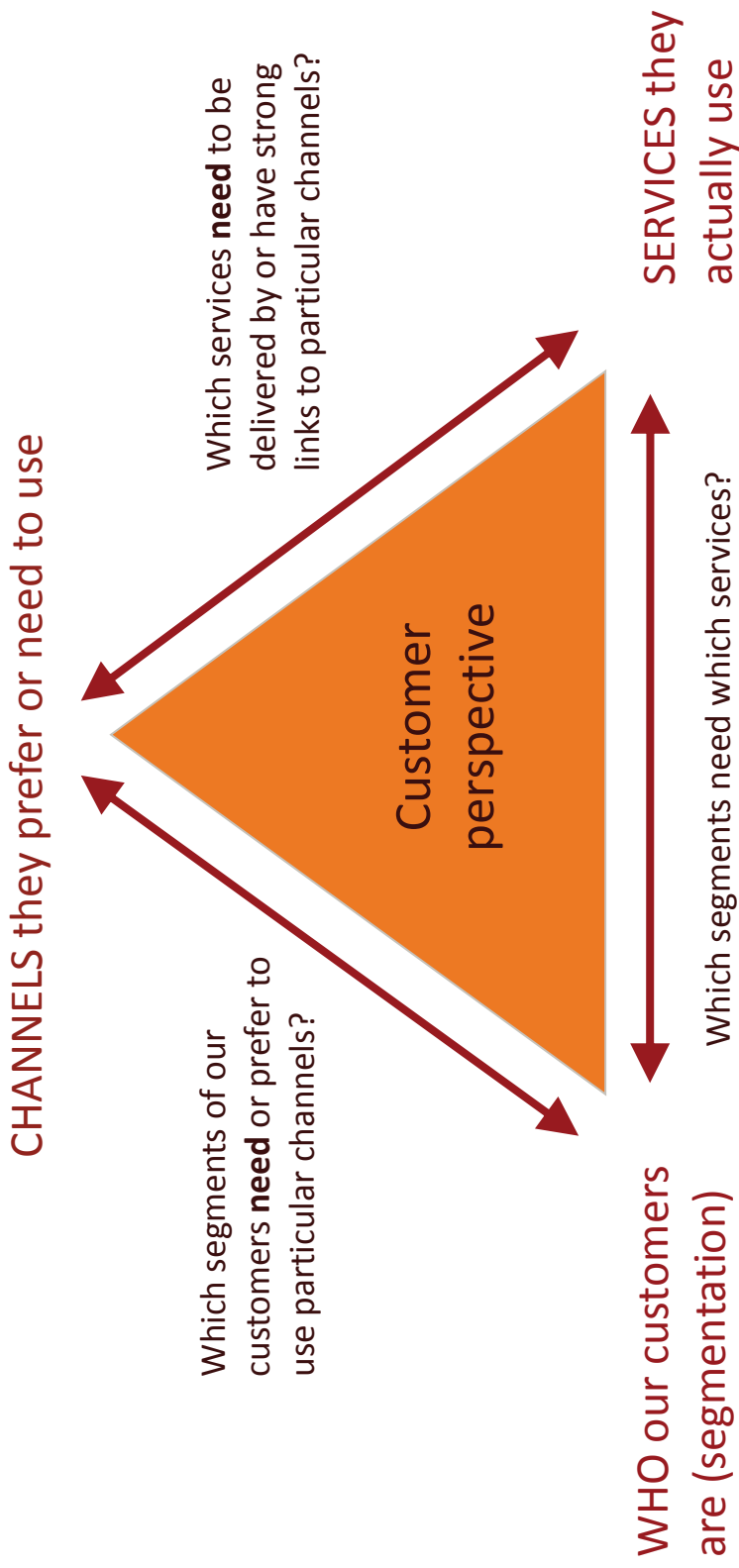
- Online automation and self-service for greater efficiency and faster service fulfilment
- Development of 'assisted digital support'
- Reduction on internal/external reliance on post and telephony channels
- Service integration and the coherent clustering of services to better meet customer individual/group needs
- Focus on improved management of customer demand and reduction of avoidable contact
- Better channel data gathering/analysis processes built into business as usual operations management
- Effective contact management based on the optimal mix of customer purpose and channel needed to deliver the required outcomes

A corporate channel and contact management approach



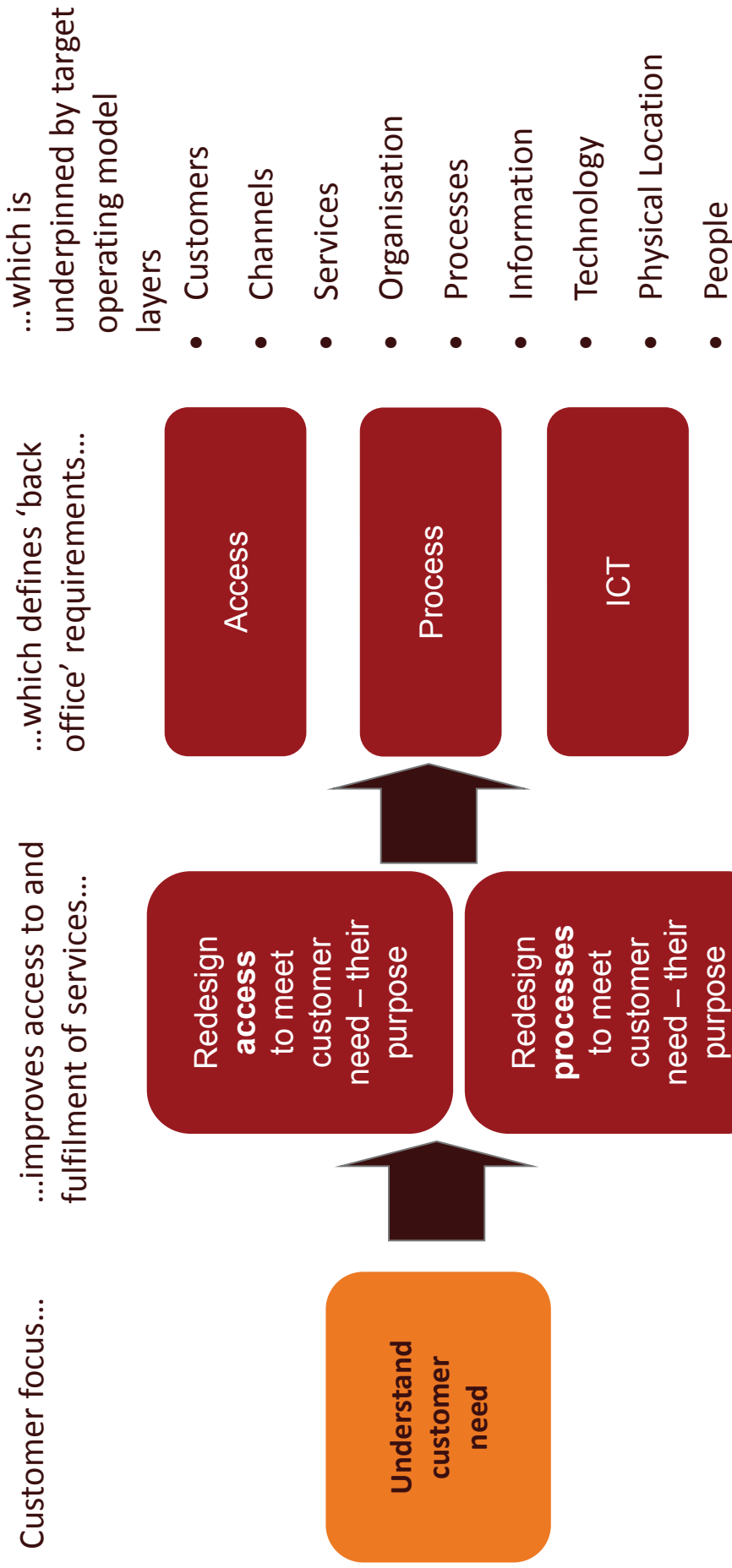
# CHANNEL STRATEGY GOALS: A NEW CUSTOMER SERVICE PROPOSITION

# Customer perspective at the heart of channel strategy



Clear understanding needed at programme and operating model level

# The focus needs to be on understanding customer need...



Understanding demand and real customer need is a crucial driver of efficiency and optimised service delivery

## ...and removing waste

- In 2012 service areas provided self-reported levels of 'avoidable contact' (failure demand) as part of the options appraisal baseline study
- It is assumed that the standard NI14 criteria were used (see following slide)
- The breadth of the exercise is impressive – as are the generally high rates of failure demand reported
- Highest reported levels as follows:
  - Information provision/signposting: housing 52-75%; parking permits 66%
  - First line service provision: waste 60%; parking permits 45%
  - Complex service provision: placemaking and public realm 40%; waste 40%
- More recently smaller sampling exercises have been carried out

Clear focus on reducing failure demand must be core to the channel strategy

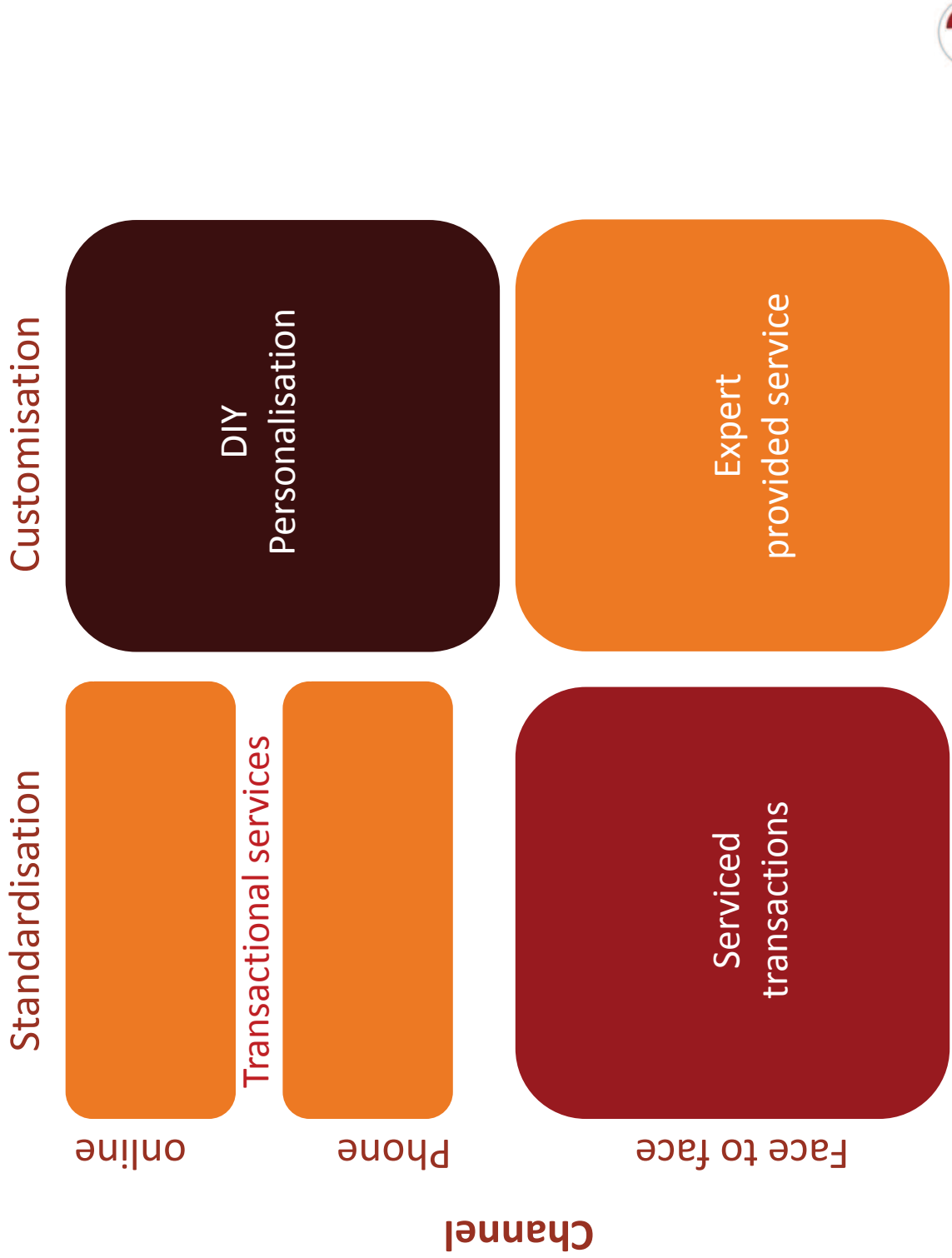


# Customer service proposition

Customer service proposition		
	Standardisation	Customisation
<b>Service characteristics</b>	<ul style="list-style-type: none"> <li>● reliable</li> <li>● know what you get – clear expectations</li> <li>● standard quality</li> </ul>	<ul style="list-style-type: none"> <li>● reflecting small group/individual needs</li> <li>● specialist knowledge required</li> </ul>
<b>Main organisational focus</b>	<ul style="list-style-type: none"> <li>● operations, low cost, common processes</li> <li>● standard outputs</li> </ul>	<ul style="list-style-type: none"> <li>● customer partnering, best solution, projects</li> <li>● various outputs</li> </ul>

‘Standardise when you can; customise when you should’

# Customer proposition for Merton



RedQuadrant customer  
insight for Merton 50



## Next steps for Merton

- We presented the customer service proposition model at each of the directorate channels layer target operating model board meetings we attended
- Merton accepted the model as the basis for some 'as is' and 'to be' analysis of its channel strategy
- Each attendee was asked to complete a customer service proposition model for their own service area – but only one of these has yet been returned (libraries)
- We therefore recommend that one of the outputs of this project is the corporate agreement that the completion of service proposition models is made a required element of the target operating model channels layer – as a basis for Merton's future channel strategy
- The completed set of service proposition models will provide solid foundations for a clear, bespoke corporate channel shift plan



# BENCHMARKING: COMPARATIVE DATA AND GOOD PRACTICE

## 2012 survey – comparisons with Merton (see annex 4)

Key finding	Description	Current position
To improve service, help customers to get things done	The three most important factors identified in improving service to customers were process improvement, channel shift, and improved systems integration (linking web forms and the systems that customers and customer contact staff use to the back office systems that do the real work).	Little if any application integration in place, some focus on process improvement and channel shift, but lacking a coherent, cross-council approach.
To improve online service, help customer to get things done online	Most councils are/will be looking to prioritise online customer contact, but to continue to allow a mix of face to face and telephone, with customers choosing the most appropriate mix to suit their needs. The most critical thing is that however you contact your council, the same degree of resolution of needs should be possible.	Recognition currently that the same degree of resolution of needs is not possible online, but again lacking a clear strategic approach.
It is still very hard to get things done online	54% of authorities still only have limited interactive transactional e-services while only 25% of authorities have reached the 'holy grail' of seeing 'Substantial increase in e-interactions , significant changes in patterns of customer contact, fully interactive transactional e-services'.	Web site is very well rated, but not well used for transactional services – with few fully transactional services available.
Demand for online services has increased – but so has demand for other 'channels'	There was a mixed picture in terms of reported 'channel shift' over the past three years: internet transactions have increased for 95% of authorities, telephone for 62% and face to face for 35%, with a decrease in face to face and telephone contact reported by 12% and 13% of authorities respectively.	Volumes of face-to-face contact remain relatively very low at Merton compared with other channels, but volumes of phone and post contact are too high.
There is no single agreed future model of local authority customer contact	Councils are moving over the next three years to a variety of customer contact models – an absolute prioritisation of self-service, the development of a deeper single point of contact and clustering according to customer types. This pattern is consistent across all channels, with a general (but not complete) move away from shallow single point or department-based contact models.	There are developments in customer contact with which Merton is not currently aligned but should consider in its future channel management plan.
Digital inclusion is increasingly important	A majority of authorities are making an effort to support digital inclusion using a variety of methods such public access to PCs, assisted self-service and training for customers.	Merton is well placed to use the civic centre kiosks, along with public access PCs in libraries, the civic centre, and other outlets.



# STRATEGIC OBJECTIVES

## How to embed the channel strategy

1. Improved management of customer demand and reduction of avoidable contact, through:
  - Better understanding of the drivers of customer demand and assessment of value as compared to failure demand
  - Reduction in multiple contact points and front/back office handoffs
2. Better contact and channels data gathering, management and understanding
  - Put processes in place to ensure that all required data can be gathered in a consistent and comparable way despite multiple customer entry points and internal systems
  - Complement 'transactional' data with customer segmentation, satisfaction, demand and cost to serve analysis
3. Clear accountability in the Merton organisation for all of the above, with clear management processes for defining, agreeing and tracking goals.

Collectively these will be your strategic objectives and measures of success...



## 4.3 DASHBOARD



# Contents

- Purpose of a dashboard
- Concept behind the design
- What should be measured- measure what matters to the customer
- Proposed measures for success
- Mock up design of dashboard

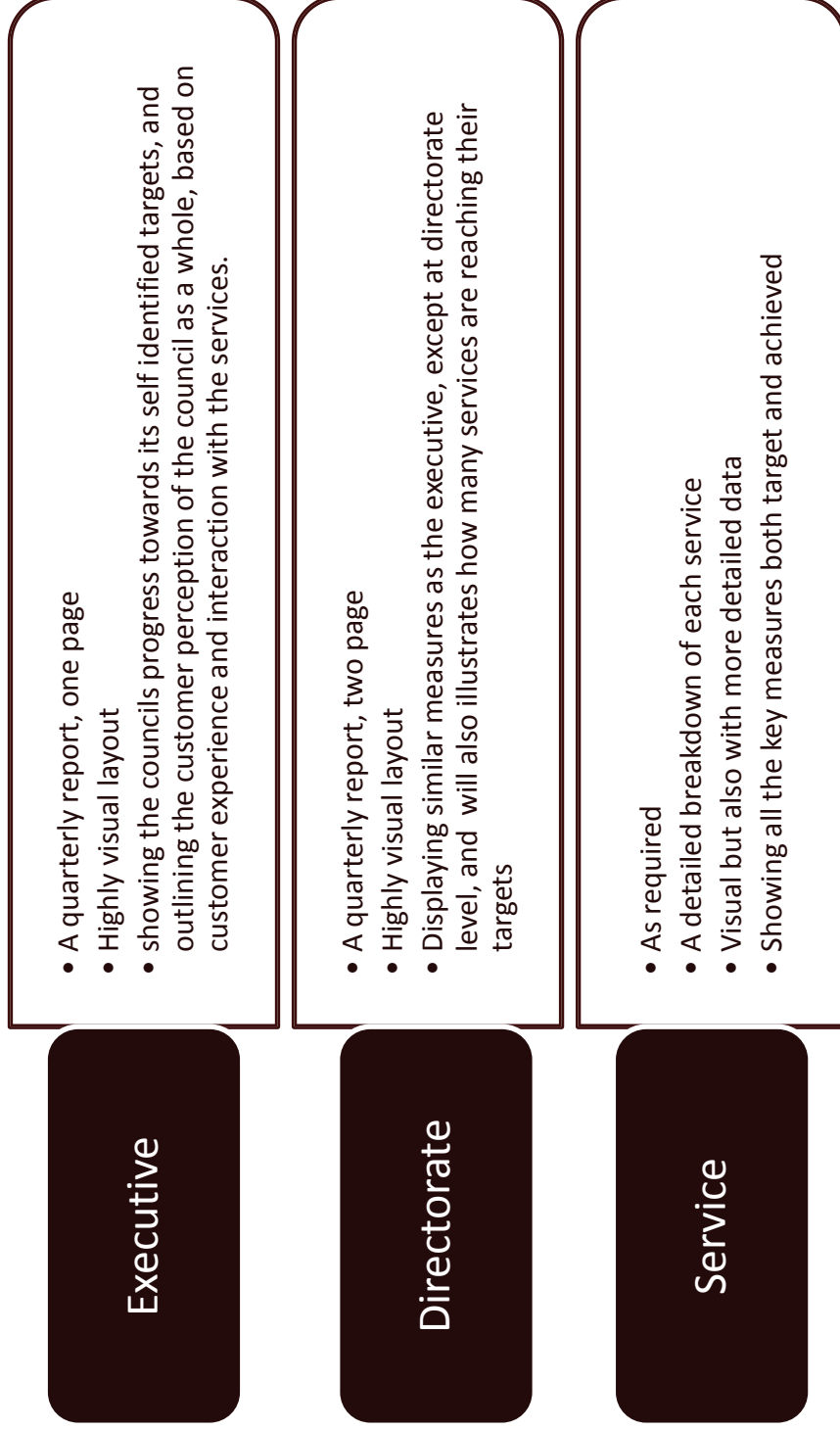
## Dashboard- the purpose

- To develop a dashboard reporting framework to demonstrate how Merton is performing against agreed baselines and business plan goals
- The dashboard can therefore, provide accountability to departments to run their own business, while allowing a transparent view at different levels of the organisation
- The benefit which a dashboard can provide is not to measure performance in an abstract context, but to measure success towards pre set goals
- We recommended linking the dashboard to the target operating models to enable the value of the tool to be fully realised- for example, after clearly outlining in the target operating model what the target in customer channels strategy is, the dashboard can be used to measure progress towards that target
- Measuring progress against agreed goals, leads to management taking on the target operating model process with greater focus and incentivises managers to reach the goal as the success can be openly measured and observed

The dashboard can be a 'live' tool to help all levels of the organisation

# Dashboard – concept design

- The dashboard should be designed in three layers. The data from each layer aggregated to the higher level to reflect the level of detail needed.



# Measure what matters... to the customer

Its easy to focus on the things which matter less to the customer. Most organisations will create performance indicators which fall into the bottom left quadrant (red text)

But we need to develop indicators which also fall into the other quadrants as they matter more to customers

Volume of transaction	Customer satisfaction score
Avoidable contact <i>Performance exceeds service level</i> No of calls Average handling times % incorrectly assigned	Shift to self serve  Done in one

End to end

Functional

No Matter to the customer? Yes

## Balance between customer impact and internal signals and targets

Stephen Parry: <http://goo.gl/PcOa7r>

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## Customer performance measure

It is recommended that the programme assesses its own success in terms of these:

Volume of individual transactions per year	Higher volume services appear to benefit from economies of scale that allow them to realise greater savings.
Done in one	Errors cause re work. It is estimated that it takes four times longer to fix an error than it does to complete the original task correctly the first time round. And, the time taken to commit an error is the same as doing it right.
Shift to self service	Savings can be realised at all stages of channel shift, however, the expected amount of savings increases as the level of take-up goes beyond 40% and up to 60%, before slowing as services approach full self service.
Avoidable contact	Reducing failure demand is the most effective way to reduce costs and is one of the key reasons for customer dissatisfaction/frustration.
Customer satisfaction	measuring an improvement in how satisfied customers are is a key indicator that your on the right path.

# Dashboard – measuring success

## Executive

1. Summary of the top 15 volume services; (matched against the appropriate targets)
  - Total number of contacts
  - % by channel
2. Total cost of delivery (cost to serve)
3. Customer satisfaction score (average and variation)
4. Total avoidable contact in the council (shown as %)
5. % of 'target' services done in one
6. Self service goal; % of the set target which has moved to self service per service function

## Directorate

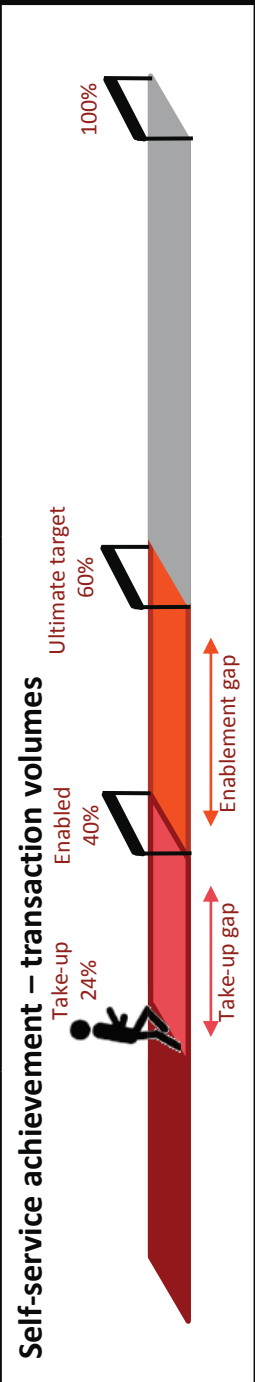
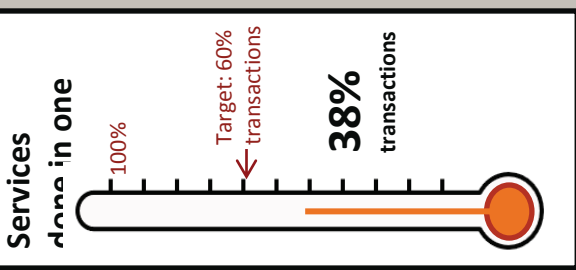
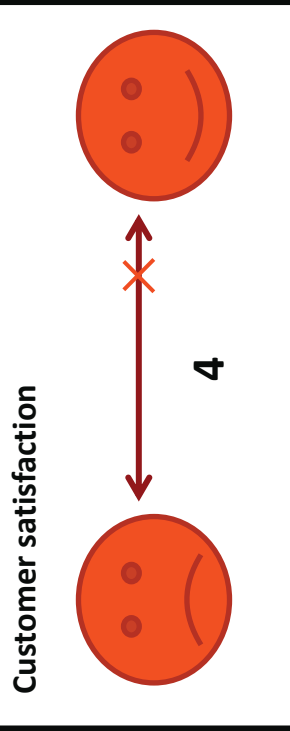
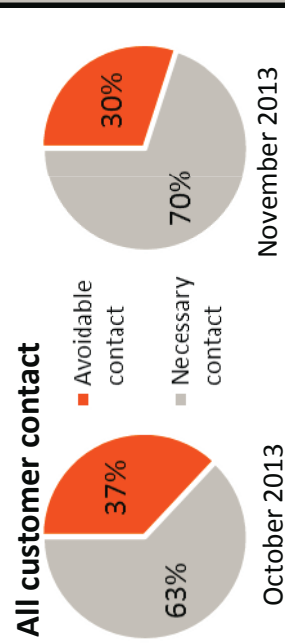
1. As above with directorate service data broken down by departments
  - Total number of contacts
  - % by channel
2. Total cost of delivery (cost to serve)
3. Customer satisfaction score (average for each department and for the total directorate)
4. Total avoidable contact in the directorate (shown as %)
5. Number of 'target' services done in one/ pre set goal
6. Number of self service/ pre set goal

## Service

1. As above with the different service data broken down by service area.
2. Customer satisfaction core
3. Avoidable contact
4. Number of services done in one and the number of services not done in one
5. Number services of self service and the number of services which are not self serve.

# Dashboard – mockup

TOP 15 SERVICES (BY VOLUME)	F2F		PHONE		POST		EMAIL		WEB		TOTAL NUMBER OF CONTACTS	TOTAL COST OF CONTACT
	Current %	Target %	Current %	Target %	Current %	Target %	Current %	Target %	Current %	Target %		
Housing Benefits	14	20	20	30	64	30	2	10	0	10	234701	
Council Tax	3	0	48	30	38	40	8	10	2	20	225677	
Electoral services	0	0	12	10	82	70	3	5	3	15	111020	
Merton link payments	25	15	0	0	75	70	0	0	0	15	95421	
Streetscene enquiries	7	0	93	80	0	0	0	0	0	20	92456	
Development control	7	0	37	40	32	25	19	25	5	10	76702	
Just ask (email)	0	0	0	0	0	0	100	100	0	0	60000	
Waste	0	0	77	60	2	0	17	20	4	20	59170	
Leisure support	10	10	38	35	4	2	42	43	5	10	55671	
Building control	18	10	70	70	4	0	7	10	0	10	40096	
Environmental health, trading standards and licensing	1	0	69	70	15	10	15	20	0	0	37508	
Place making and public realm	0	0	45	30	1	0	54	65	0	5	27773	
Parking control/permit	0	0	54	35	0	0	14	20	31	45	24969	
MAATS	0	0	79	80	8	5	12	15	0	0	21435	
Traffic/highways	0	0	52	50	34	25	8	10	6	15	21217	



RedQuadrant customer insight for Merton 63





## 4.4 COST TO SERVE

RedQuadrant customer  
insight for Merton 64



## Contents

- The vision for a cost to serve model
- Traditional ways of measuring cost
- The theory behind cost to serve end to end
- Excel model (separate document)
- How should Merton approach this?
- Recommendations
- Relationship with the wider customer programme

## Cost to serve model

The vision for a cost to serve model is:

1. To offer Merton a way to understand the financial impacts of managing customer demand across multiple delivery channels.
2. To do this in a way that will inform key management decisions, in conjunction with other data and insight.
3. To help validate and measure the success of customer strategy.

What is a service?

- What a customer wants to do
- Continues until the customer is satisfied- or if failed can kick off another service
- Cost per service 'type'

The end goal is to have 'cost to serve' become part of BAU for all services

## Some traditional ways of doing cost to serve

- 1. Socitym** – f2f £7.40; phone £3.00; web £0.32 – Front facing service delivery only, not end to end and potentially pushes waste down stream into the back office which is not captured in the cost
- 2. FTE costs** - Average salary + on-costs; @ 60% staff utilisation and 10% management, e.g. in 2011/12:
  - Housing: 25.5 staff handling 32,000 contacts
  - ASC: 41 staff handling 65,000
- 3. Activity Based Costing** – identify each of the activities in a service, assign them costs (incl. overheads), add them together and divide by unit (usually number of transactions). Good for private sector.

All have their flaws – we need a model that reflects real Merton costs

# Costing the whole service process

The 'front office' –  
The point the customer  
engages the council.

Point of contact

- Marketing/comms
- Channel types
- Cost of call contact
- Cost of technology
- Cost of face-to-face
- Cost of triage
- Volumes (per channel)

What the customer  
does not see.

Back office processing

Technology

People

- Back office administration
- Postal costs
- Back office service delivery
- Human assistance
- Commissioned service
- Decision making

Customer objective  
concluded

Completed transaction

- Time
- Done in one
- Number of contacts
- Customer satisfaction
- Avoidable contact

Measures cost

Measures effectiveness



## How should Merton approach this?

Activity	Measurement	Activity	Measurement
Marketing	The cost to the service	Time	End to end time recording from point of contact to the point of completed transaction
Cost of contact centre	The cost to the service		
Cost of technology	The cost to the service	Done in one	Counting the number of contacts ideally in future using a Unique Transaction Reference Number (UTRN)
Cost of face to face	The cost to the service		
Cost of triage	The cost to the service		
Volumes	Number of contacts per channel	Number of contacts needed to complete service function	Counting the number of contacts – in future ideally linking contacts for a single transaction via UTRNs
BO Administration	The cost to the service		
Postal cost	The cost to the service		
BO Service solution	The cost to the service	Customer satisfaction	Exit survey for each channel measuring satisfaction and dissatisfaction
Human assistance	The cost to the service		
Commissioned service	The value of the contract	Avoidable contact	NI14 criteria
Decision making	The cost of preparing and holding meetings		

## Cost to serve recommendations

- A useful cost to serve model will be closely integrated with any operational reporting dashboard, its one of the last things to look at.
- The end goal is to see both customer insight and cost to serve become embedded within the business planning process
- Referring to the 'three levels of embedding insight' (see below), the twelve month goal should be to reach level two with selected services
- Longer term plans should not be developed until the electronic service delivery (eSD) platform is procured and further developed
- The goal should be to develop a model that reflects as closely as possible the real Merton costs. This should be seen as a management tool, not as a new accounting system

## Relationship to wider customer contact Programme

- Cost to serve and other reporting tools must be seen as critical requirements of the Merton eSD procurement
  - The capability may not be procured with the system, but should be explicit requirements.
- Moving ahead with dashboards and cost to serve need not wait the eSD procurement, since much can be done operationally to prepare the organisation.
- Specific eSD areas that impact cost to serve and dashboards include:
  - Design of the UTRN solution
  - Data Hub/Warehouse and master data solutions
  - Customer relationship management decisions
  - The account/portal approach and solutions.
  - Customer performance management.
- Perhaps most important of all is to agree the role of the customer contact programme in defining and managing the transition to the 'to be' operational and organisational state.



## 4.5 CAPACITY BUILDING WITHIN THE ORGANISATION



## Customer insight capability within the organisation

- This section covers the purpose, function, and positioning of customer insight within the organisation
- The key strategic questions to be answered are:
  - How do we want to deliver customer change and transformation?
  - What do we need customer insight capability for – what do we want it to achieve? By what method?
  - What level of customer insight capability are we seeking – what level of data will we work with?
  - How should it act across the organisation?
  - Where in the organisation should customer insight capability should be located?
  - How do we establish the capability?
- The annex covers skills and capacity transfer during this project

Form should follow function

# Organisational customer insight – three levels

## **Level one: understand customer data and insight at a point in time**

Channel and service volumetric data and other demographic analysis undertaken for a particular purpose or project, with no ongoing ownership or strategy



## **Level two: start to embed customer insight into the organisation**

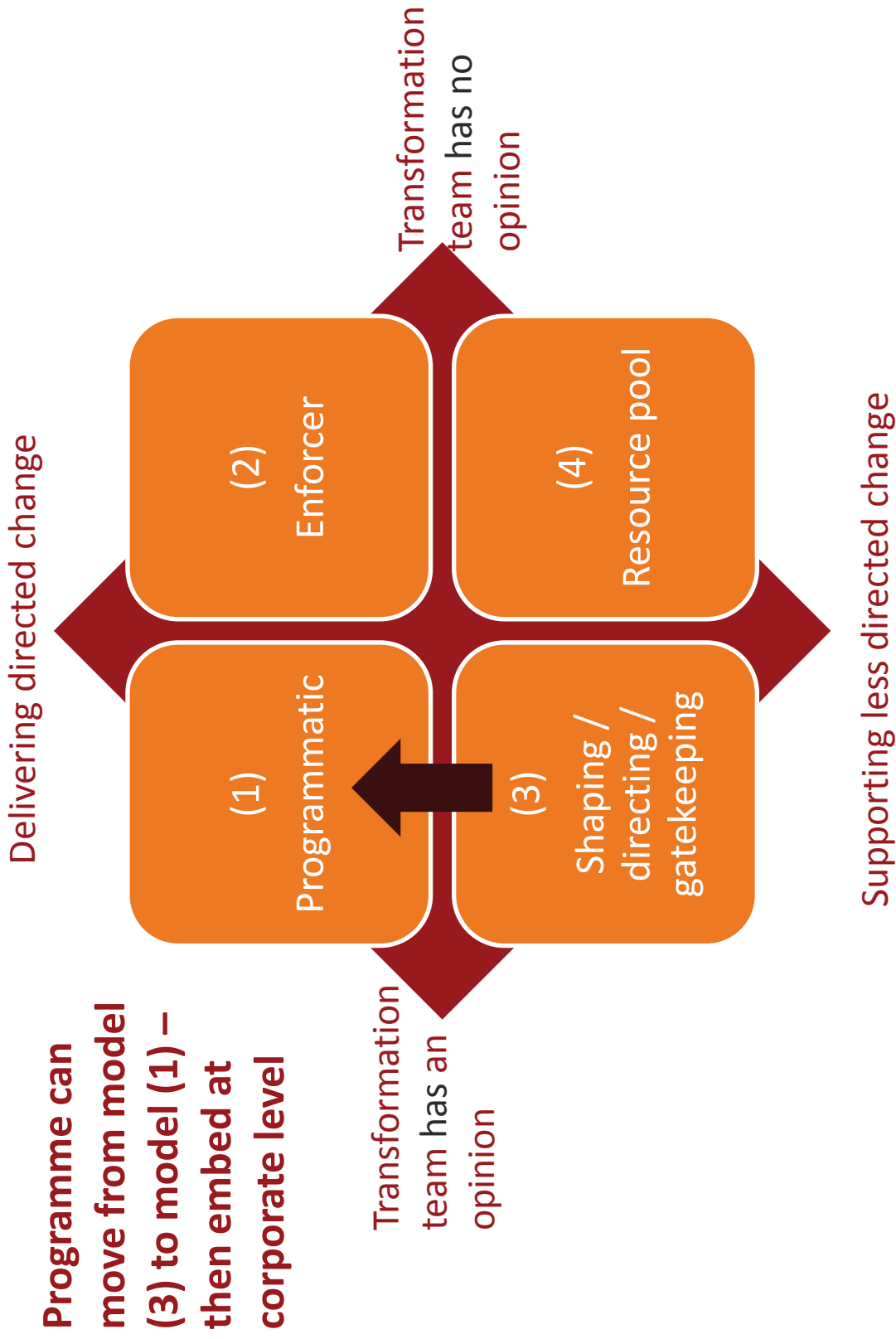
Clear, ongoing ownership of operational customer insight, with best practice examples of some services making use it. Shared understanding of importance of end to end cost to deliver services again with some evidence of best practice in some services



## **Level three: a customer driven organisation**

Customer insight and demand at the heart of business planning across the organisation. True understanding of end to end cost to serve and customer experience. Proactive demand and channel management backed by a culture of 'everyone is responsible for excellent customer service'

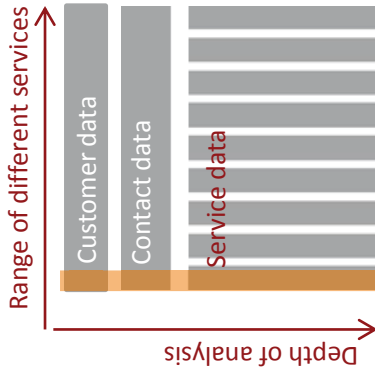
# How do we want to deliver transformation?



**Programme can move from model (3) to model (1) – then embed at corporate level**

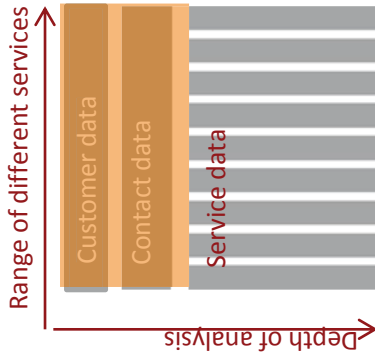
# How do we want to deliver customer led change?

## Service review



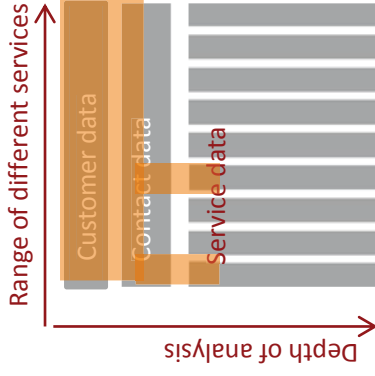
- In-depth insight to transform a service end-to-end
- More engaging types of customer insight – the service in the context of the customer's life and needs
- Definitely co-design
- Works best when a rapid prototype of new solution can be tested
- Biggest opportunities and most transformational, might not fit contact model

## Channel improvement



- Identifies opportunities for change
- More objective and estimated customer data, plus customer preferences (surveys, focus groups)
- More likely to be about redesigning the contact elements only – need to maintain same hand-off to back office service
- Likely to lead to a more corporately specified contact model and opportunities to merge services

## Customer contact improvement



- Change service processes but not delivery – no transformation
- Some engagement and co-design, but less transformation
- Customer insight about the engagement with the service
- Significant process change and would benefit from prototyping

**Both wide and deep impact is required for real improvement and savings**

Embed in business planning and performance to achieve all three

## Why do we need customer insight capability?

- The only way to deliver really massive change without significantly impact customers, quality of life etc
- Allows us to focus on real customer need, and to address it in the most efficient way
- Practical free from ideology, can unite services
- Proven return on investment
- Needs to inform day-to-day service delivery, planned change, and transformation approaches
- Our customer procurement can drive and enable this change – and implementation will fail without excellent customer insight
- Providing the stories and the data from customer builds the strongest case for change

Must be focused on change at all levels

## What level of data do we need to work with?

We therefore need the insight to work at all levels:

- Business as usual performance measures
- Business planning
- Transformational change
- Large-scale transformational programmatic change
- Medium-scale, medium-term service-led change
- Small-scale, incremental service-led improvement
- Ongoing improvement prompted by opportunities and customer feedback

There is no 'exclusive domain' of customer insight – a 'golden thread'

# How should the function act across the organisation?

## Option 1 – non-centralised

- Capture data through IT systems (functional role only)
- Reports distributed to services
- Assume better data will drive improvement – no obligation to report on it or incorporate in business as usual or change
- Open to services to use as they see fit

## Option 2 – centralised

- Central team owns and manages the data
- Influences and controls decisions
- Manages change, sets and polices targets
- Makes service and IT decisions

## Options 3 – ‘healthy tension’

- New team at Directorate level with real power
- Owns the insight
- Owns channels
- Doesn’t own the service but takes an end-to-end view
- Manages/influences what the customer interface is
- Central to business planning and involved in central management team discussions
- Shares responsibility for achieving targeted change

As with the US constitution, power needs to exist to be shared!

## How do we establish the capability?

- New team managing insight and the web – overall channel responsibility
- Directorate level
- Begins integrated into programme team, transitions into substantive role
- Negotiate yearly goals with services for each performance measure
- Tie in to current business plan process but also on an ongoing basis
- Owns data development, has the capability to train others in customer insight techniques – trains and develops people in each directorate who then have responsibility for training others
- Ensure that customer insight included in performance indicators, business plans, and all transformation
- Initially in programme team with end-to-end responsibility for the customer
- Director level, lead trainer, performance lead

**Small, powerful, influential team**



## Critical success factors

- Have **top level leadership and sponsorship** to help create a customer-focused culture
- Draw on information from multiple sources and turn it into **evidence that has business value**
- Be **independent** but have **traction** across the organisation
- Value customer insight as a strategic asset informing policy, strategy, operations and communications, and
- Contain the right level and mix of **skills and experience**, and liaise closely with other council teams such as communications, strategy, and policy
- **An independent customer advocacy role**, to challenge as well as support the rest of the organisation. To act as the impartial voice of the customer across the business, even if that means delivering unpalatable messages which may conflict with received wisdom. Must also be outward-looking, drawing information from other organisations and international best practice, spotting opportunities for synergy, and joining up across service areas, and improving service outcomes.

# Goals

- **Customer insight valued as a strategic asset**  
All policy, strategy and delivery development frameworks should include links to customer intelligence, showing where customer insight has been considered and incorporated into findings and recommendations. In service development this means information from the customer at every stage, including proof of concept, prototype, usability testing, and so on.
- **To become the single recognised place in the organisation** where insight is made available as a strategic overview, optimising existing resources before commissioning new studies.
- **To be able to shape the information routinely gathered** to ensure the organisation asks the right questions about the things that really matter to the customer and checking that the right things are being measured in a consistent and coherent manner across disparate service areas.

## Right level and mix of skills in team and organisation

- Requires both specialist and generalist skills, including: strong communication and networking skills; direct links to the front line; excellent marketing and strategy capability; business analysis; ability to engage with business teams; good networking capability; and the ability to draw upon the right skills elsewhere in the organisation (for example, accountants, statisticians, and researchers) as required for specific tasks
- Reporting at a senior level to advise and help develop business priorities/strategies
- Advising on an appropriate range of insight tools
- Helping to define what action is going to be taken
- Investigating the links between customer and business outcomes, and ensuring these are established, measured and tracked
- Commissioning and managing major insight initiatives
- Disseminating key findings of insight inside and outside the department
- Acting as an insight repository to store and re-use intelligence



# CAPACITY BUILDING ARISING FROM THE PROJECT

## The project has contributed to skills and capability

RedQuadrant have transferred skills and capability through this project in the following ways:

- Training aligned with our service transformation programme – focusing on demand analysis and service design driven by customer insight
- Training and joint delivery of ‘customer safari’ customer behaviour analysis in Merton Link
- Skills transfer in developing approaches for services to undertake ‘deep dive’ level analysis (although the ‘deep dives’ were not undertaken due to service engagement and programme priorities and resources)
- Target operating model presentations linking core findings of our work with tools for services to undertake their own customer need-level analysis
- Practical training on use of Mosaic data for postcode-level segmentation

A wide range of tools, frameworks, and approaches have been shared

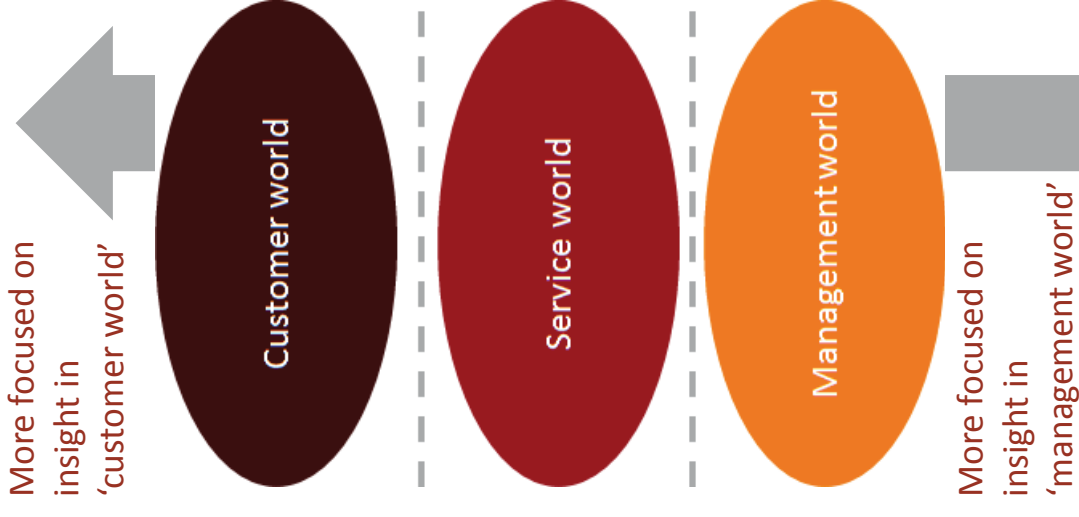
## Core training content

1. cost-to-serve – understanding real cost and developing the model
  2. theory and overview of customer insight – which tools for which job
  3. demand analysis – understanding real demand, practical approach
  4. service metrics – what's useful, mapping to customer insight grid
  5. channel migration – how to do it wrong, how to do it right
  6. customer approaches – journey mapping, behaviour change... etc
  7. performance indicators – measures that drive change
- Material was varied according to the needs of the four Merton employees attending, all from the programme/transformation team
  - Practical exercises were undertaken and linked to programme activities
  - A categorisation of customer insight approaches for different uses was developed

Overview and provision of tools for range of uses of customer insight

# Categorisation of customer insight methods

- Survey – satisfaction, perceptions, preferences – also non-customers
- Segmentation – which customers, which services, which channels (preferences and likely behaviour)
- Focus groups (A) – messaging and perception – what they think of us
- Exit survey – customer perception, resolution, effort
- Ethnographic studies – ‘their world’ – all interactions – ‘us as part of their lives’
- Focus groups (B) – needs and usability – how we can work with them better
- Behaviour change (A) – drivers and prompts – long-term drivers of need
- Behaviour change (B) – drivers and prompts – access channels/service use
- Customer safari – face-to-face contact improvement
- Call listening/observation/‘back to the floor’ – customer journey in a segment of the service/demand analysis
- Demand analysis – purpose, failure demand – customer interactions with our systems
- Journey mapping – extended engagement ‘us as part of their needs’
- Customer dissatisfaction – improvement opportunities to meet needs
- Co-design – how to meet customer needs – what we can do together
- Customer effort – overall measure of accessibility
- CPx – overall measure of effectiveness  
(‘Contacts per x – total contacts with council per user/house etc)





## 5. CONCLUSIONS AND RECOMMENDATIONS



## A. Implement the easy stuff

Develop an implementation plan for the easy and quick wins which we have identified from our phase one and two analysis:

1. Quick wins – ensure these are embedded in the channels target operating models and each has an action plan for its implementation
2. Revisit hypotheses as foundations for channel strategy
3. Further service postcode level analysis and mapping
4. Develop service clusters around types/categories of customers

## B. Develop a customer-focused organisational culture

Embed the learning from this project in a variety of ways into business as usual operations:

1. Develop a climate for change then a culture change
2. Update the target operating models with the insight derived from the project and the new customer proposition models ('The Cubes')
3. The target operating models should reflect the overarching channel strategy and approach we have recommended
4. Use the insight in day to day business planning
5. Use Mosaic on an ongoing basis with service level postcode analysis
6. Use the customer insight techniques we have recommended to actually engage at first hand with customers

A successful approach to this will need organisational change, the embedding of new skills and changes to roles and responsibilities

## C. Corporate focus

Take specific action at programme level to:

1. Collect the right data at the right time, and extend this ethos across the council in terms of populating the dashboard and moving towards a meaningful cost to serve model
2. Harness the new IT specification to enable the above
3. Establish a council-wide performance and insight team with clear roles and responsibilities
4. Recommendations and outputs of this project be linked into the procurement process for the developing IT specification

And link activity to future projects and ongoing consulting work



**ANNEX 1: MERTON CUSTOMER  
SEGMENTATION FOR CHANNEL  
SHIFT AND SERVICE PLANNING**

## i. Identifying channel shift potential

Merton adult education students (enrolled for academic year 2013/14)

The most significant profile types are:

- 17% - G29 Young professional families settling in better quality older terraces - prefer conventional telephone followed by the Internet to access services. Self-service indicator high
- 13% - G26 Well educated singles living in purpose built flats – prefer to access service by internet followed by telephone. Self-service indicator very high
- 7% - C11 Creative professionals seeking involvement in local communities – Favour internet (40%) significantly higher than the national average of 31%, followed by conventional telephone. Preference to use mobile is low at 5.5%. Do not like to access services using f2f

These types are likely to enrol online with relatively minimal effort – clear potential for channel shift

## i. Identifying channel shift potential

### Electoral Registrations completed online

- 19.7% - G26 Well educated singles living in purpose built flats - prefer to access service by internet followed by conventional telephone. Receptive to Internet and papers to access information. Receptive to Internet, phone, and post to access services. Self-service indicator very high.
- 18.5% - G29 - Young professional families settling in better quality older terraces - prefer conventional telephone followed by the Internet to access services. Do not like to access information and services using face to face. Self-service indicator high.
- 8.9% - G27 - City dwellers owning houses in older neighbourhoods. Self-service indicator is high.

These top types all fall within group G which has a high propensity to use the Internet. These groups are likely to access services online.

How could you use this information to inform the channels target operating model?

## ii. Targeting key customer groups and taking preventative action

### Housing Benefit Claimants

The most significant profile Types are:

- 140 Multi-ethnic communities in newer suburbs away from the inner city
- G26 Well educated singles living in purpose built flats
- 141 Renters of older terraces in ethnically diverse communities

Profile types 40 & 41 both favour conventional telephone significantly more than the national average. Their propensity to use the Internet for accessing services is slightly below the national average. They are more likely to use mobile telephony than the national average.

Profile type 26 favours the internet as their preferred access channel followed by conventional telephone.

Claimant analysis by Mosaic type and channel preference to inform target operating model planning

## ii. Targeting key customer groups and taking preventative action – examples

### Homelessness

- 115 homelessness applications made from April to September 2013
- 42 applicants from group I – Lower income workers in urban terraces in often diverse areas. Average likelihood to self serve
- 32 applicants from group G – Young, well-educated city dwellers. High likelihood to self-serve

### Housing register

- 14.7% - 140 multi-ethnic communities in newer suburbs away from the inner city
- 11% - E20 upwardly mobile South Asian families living in inter war suburbs
- 10% - G29 young professional families settling in better quality older terraces

How could you use this information to inform housing needs target operating model?



### iii. Informing service planning for the future – adult social care

- Using postcode information from CareFirst, Mosaic has been used to provide a segmented overview of Adult Social Care service users.
- When the overall borough profile groups are compared to the Adult Social Care client base, ‘young, well-educated city dwellers’ remains the largest group (G), but the overall proportion of the population drops from 41.8% of the overall population to just a third (33.3%).
- Unsurprisingly the most significant proportionate increases come from the more elderly groups described as ‘elderly people reliant on state support’ (M) and ‘active elderly people living in pleasant retirement locations’ (L).
- In terms of the 69 profile types, the most significant postcode types within the adult social care population are ‘young professional families settling in better quality older terraces’ (G29 - 16.7%) and ‘upwardly mobile South Asian families living in inter war suburbs’ (E20 - 10.5%).
- For Customer Contact, these postcode groups represent residents that would favour the use of both telephone and internet use to access services, and use e-mail as a significant purchasing channel.
- These groups would therefore be strongly inclined towards self-service for accessing services and information online.

Findings from the phase two review of adult social care and Merton adult access team

## iv. Determining how services can be better integrated and clustered around the needs of specific customer groups

- Our phase one recommendations included the hypothesis that integration and clustering of services around customer need constitutes a logical and cost-effective service proposition.
- In particular, we recommended the following be investigated by Merton:
  - the grouping of housing, welfare benefits and employment services
  - the grouping of housing and adult social care services
  - a single point of enquiry for children and families
- Our initial phase two analysis of Mosaic types and postcode service data clearly indicates that in terms of housing benefit, housing needs, and to only a slightly lesser extent adult social care, the following Mosaic types will be key targets when planning a more integrated approach in future across directorates – all feature heavily in the current take up of these services:
  - **E20**
  - **G26**
  - **G29**
  - **I40**
  - **I41**
- We therefore recommend that Merton now plans to carry out postcode mapping for a clear visual analysis of where services users are and how best to reach them
- We also recommend the use of the Mosaic grand index to obtain a more detailed picture of Merton's citizens and how they live their lives

### Recommendations for follow-on work

RedQuadrant customer  
insight for Merton 98





# ANNEX 2: THE MERTON CUSTOMER EXPERIENCE

RedQuadrant customer  
insight for Merton 99

## The Customer experience

- Merton does not currently have a routine corporate approach regarding the gathering of customer insight data relating to the customer experience of frontline customer service or transacting via the different channels available.
- However, the 2012/13 annual survey of residents does reveal some findings related to service delivery and contact channels:
  - 37% of respondents felt that it was difficult to get through to the council on the phone (lower than perception across London as a whole – 46%)
  - Only 54% felt that the council responds quickly when asked for help
  - Respondents reported that a range of channels are used to access council services: 21% website; facebook 4%; twitter 2% - as well as traditional printed material
  - 26% of younger respondents stated that they would prefer to contact the council via the web; 19% via email; and 7% via SMS.
  - None of the younger respondents wanted to contact Merton via council offices

What is the customer's perception of service delivery?

RedQuadrant customer  
insight for Merton 100



# Understanding the customer experience

There are lots of ways to engage with customers to understand their experience. The methods used to gather the data to support the findings in this annex include:

- Customer satisfaction surveys
- Customer journey mapping
- Customer safari techniques
- Demand analysis

Data was captured over two periods at Merton Link through direct engagement with customers both face to face and over the phone.

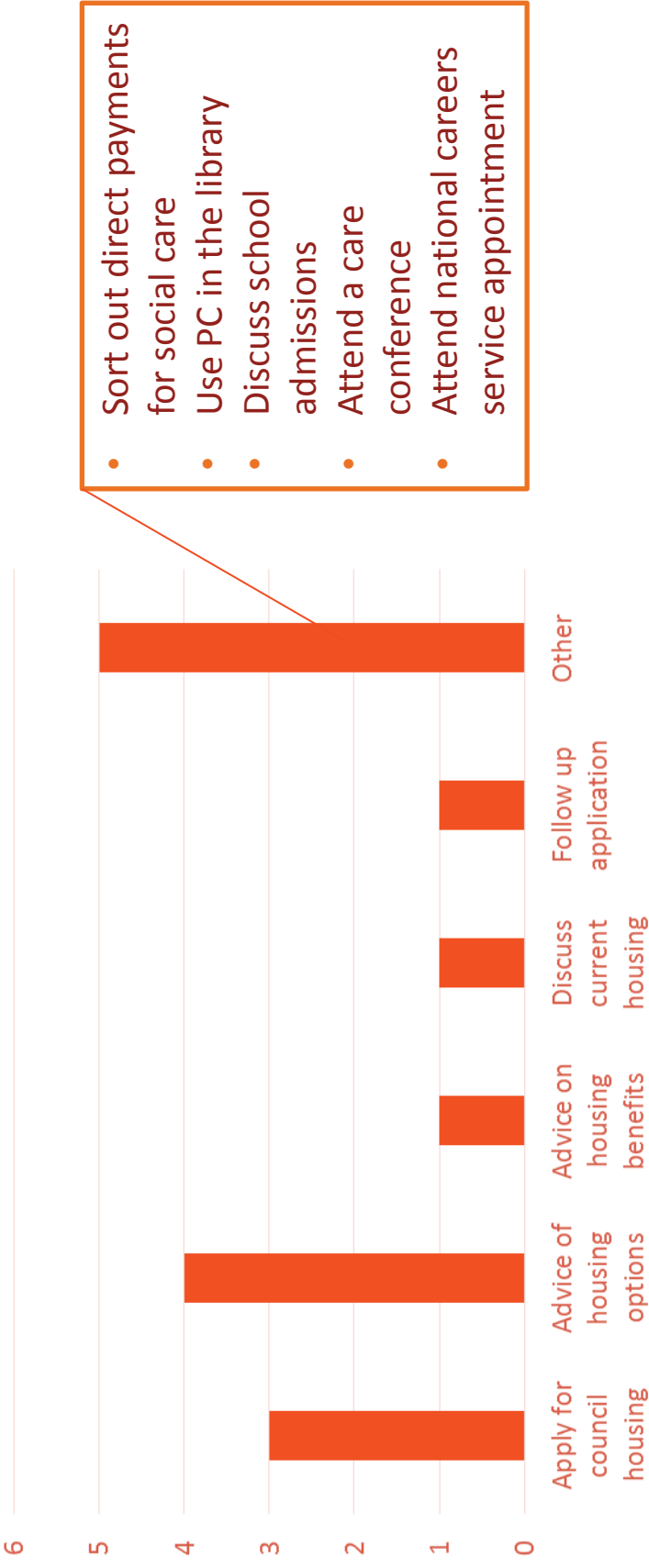
Key to understanding the customer experience is understanding what it is that the customer wants

## The customer experience: summary of key findings

- Customers are looking for a well-organised, quality service that answers all their questions in one visit. This is more important to them than been seen quickly.
- Generally, customers feel that the service provided is good. However, key areas for improvement include:
  - Improved staff availability at peak times of customer demand
  - More information made available online and distributed by email
  - Clearer information that is simple to understand
  - Ensure staff remain professional as well as friendly
  - Improved access to parking
  - Keep customers informed during the housing process to avoid unnecessary visits to check progress

# Customer demand: understand why your customers make contact

Of the 15 people interviewed face to face, reasons for visiting Merton Link included:



While this is just a small sample, it is clear that Merton Link is used for a variety of reasons. It is important that the right facilities and right information is available for customers to meet these needs.

The space at Merton Link is used for a variety of reasons not solely for customers using Merton Link services.

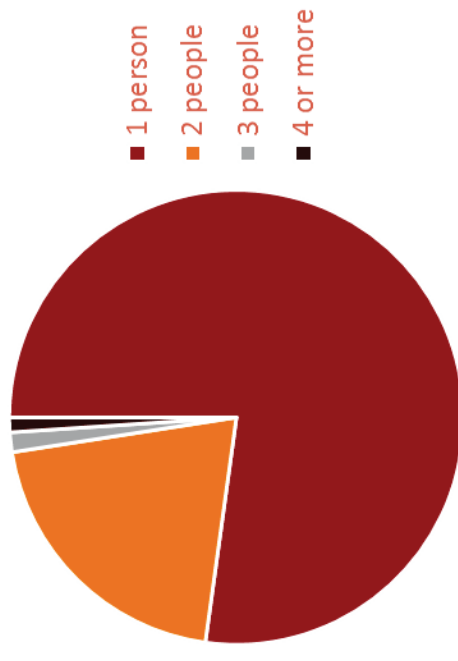


## Customer demand: understand when your customers make contact

Based on data gathered during two visits to Merton Link:

- The flow of customers into Merton Link was relatively steady with peak times during early morning and at lunch (around 12 o'clock).
- The overwhelming majority of customers visited alone.
- When visiting in pairs, the customers appeared to fit into one of the following groups:
  - parent with a young child;
  - older parent and son/daughter where English may not be the parent's first language;
  - female customer with a friend.
- Few people came into Merton Link and left without speaking to anybody.

Proportion of customers entering Merton Link based on group size



More customers visit in the morning and at lunch, and most visit alone



## Understand your customers: what's important to them?

‘quality not speed’

‘I need a sense of achievement’

‘willingness to help’

‘access to facilities’

‘well-organised’

‘all in one visit’

‘the right facilities’

‘I want to walk away with my questions answered’

‘quality information in reasonable time’

‘being seen quickly’

‘organised’

‘to be seen by the right person’

Customers are looking for a well-organised, quality service that answers all their questions in one visit.

# How are we doing: 'well-organised'

Data and observations gathered using customer safari methodologies identify how the centre is organised and the areas utilised.

## Reception

- processes customers quickly - *of the people observed, most queued and spoke to a receptionist in 3 to 5 minutes. Individuals either leave with paperwork or are directed to a waiting area.*
- at peak times there are often desks unoccupied by staff, or occupied by staff who are not serving customers - *provision at peak times could be adapted to meet the demand*
- the four desks are rarely occupied simultaneously and reception staff are often not busy with customers - *desks and reception staff could be better utilised*
- reception staff are friendly and knowledgeable but sometimes unprofessional

'They were discussing their personal lives while I was waiting which I didn't like'

While the reception system appears well organised and processes customers quickly, there are opportunities to improve how the facilities are utilised for the council.

RedQuadrant customer  
insight for Merton 106

# How are we doing: ‘well-organised’

Data and observations gathered using customer safari methodologies identify how the centre is organised and the areas utilised.

## Areas B (triage) & A (housing teams)

- lots of seating space is available in both areas and provides a waiting area for visitors to staff in the civic centre as well as people using Merton Link services – *people coming down from the departments are not sure who they are collecting so have to ask all customers*
- desks and private rooms are never all occupied – *these could be better utilised as resources for staff in the civic centre times to enable better customer service*
- there are high numbers of un-staffed desks even when lots of customers are waiting. This is particularly the case for Area B – *staff could be used flexibly when required at peak*
- there are scribbles and damage on signage – *returning customers know where to go, but there are opportunities to improve area signage to make the distinction clearer for new customers and improve the layout*

# How are we doing: 'access to the right facilities'

## Payphones

- utilised most at peak times
- the provision of phones is correct – *at no time were customers waiting to use the phones. It was common for two phones to be in use at once.*

'good facilities'

## Café

- used principally by council staff and civic centre visitors – *in 16 snapshot observations taken across two days, only 4 Merton Link customers were observed using the cafe*

## Noticeboards

- available but with little information presented – *more useful information could be presented on noticeboards*
- few leaflets or brochures are available to read when waiting – *one customer notes that 'printouts of what services are offered would have been useful'*

'efficient and easy to access'




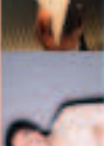




## Accessibility

- public transport is good but better directions from the tube would help
- access to parking for those who drive is difficult, particularly for those with mobility issues – *better accessible parking is needed*

'need better accessible parking'


# How are we doing: 'a quality service'

## Customer1

Objectives, scope and journey type	Customer segment				Marrned, 65 or over, Deirdre has a disability
Having received direct payments for years, they suddenly stopped without any notification or explanation. We've visited Merton Link to speak to someone to find out why and resolve the situation.					
Moments of truth					
Key journey steps	Personal carer had to leave	Caring agency staff put in for 2 hrs each day	Son advised we talk to the Ombudsman	Got a call from Pauline, my social worker	Came to Merton Link to talk to Pauline
+100 Actions, feelings, thoughts and reactions	This was difficult - I've had the same personal carer in for 38 hours each week for 7 and a half years, and the same social worker for over 20 years. This was a very stressful time	There was no explanation why an agency carer was put in rather than getting direct payments; no explanation why the hours were cut from 38 to 14; no reason given; and no communication. Peter has to help me now, but he is 82 and can't help with my personal care. It is too much for him. They've even offered him care but it is so expensive we can't afford it. We can't cope any more without proper support!	We were so unhappy and stressed. We spoke to the Ombudsman who advised we come in and talk to the social worker and find out what is going on. Very confusing.	This must have been because we contacted the Ombudsman because she phoned us to come in and talk without us calling her. She wanted to make an appointment for us to come down and talk, but wanted to arrange a time when I couldn't do it, as I had a hospital appointment. We finally found a good time.	I just want to find out why this is happening. We're uncertain and stressed, and shouldn't have to come out into the cold in the bad weather to sort this out. We have a mobility car which helps but there is no parking nearby!
-100					
Touch points with the council	None	None - no letters, no contact, no explanation	None	Telephone call	Merton Link Reception, Merton Link










# How are we doing: 'a quality service'

## Customer2

Objectives, scope and journey type	My aunt was in residential care and I wanted to see if she was entitled to financial help.	Phoned the council	Phoned the council for a second time	Customer segment	Relative of a Merton resident in care.
Moments of truth					
Key journey steps	Phoned the council	Phoned the council for a second time		Confusion at the conflicting information and the wait continues.	
+100 Actions, feelings, thoughts and reactions	I telephoned the council a few months ago because my aunt has been in residential care for a while and her money is running out. I'd been told to contact them and that they might be able to help, but the council said that my aunt should contact them when she had less than £23,000 left.  It was easier to call the council than go in as I have limited time and generally, I don't mind using the telephone service.	My aunt's money was getting even lower so I rang the council again. This time they told me the money had to be less than £20,000 to be considered a priority.		The information the second time round was different to what I'd been told before which was frustrating. It would have been better to get the proper information the first time round rather than waiting and hoping!  It wasn't clear who I'd spoken to either time so I don't know where the wrong information came from. And there was no continuity between the two calls, even in who I spoke with. If I'm going to use the phone service I want to get the right information!	
-100					
Touch points with the council	Telephone conversation	Telephone conversation	Telephone conversation	N/A	













# How are we doing: 'a quality service'

## Customer3

				
<p>Objectives, scope and journey type</p>	<p>My father is a Merton resident with a carer. I got in touch to find out about getting bars fitted in his house and to see if the council can provide walking sticks because I wasn't sure what the council provides.</p>			
<p>Moments of truth</p>				
<p>Key journey steps</p>	<p>Phoned the council</p>	<p>Assigned a contact person</p>	<p>The occupational therapist visited the house</p>	<p>Occupational therapist provided lots of useful information</p>
<p>+100 Actions, feelings, thoughts and reactions</p>	<p>I phoned the council. It was hard work getting the information I needed out of the person I spoke to – I had to be persistent in asking rather the information being given out clearly and easily.  I've dealt with hospitals and know what often needs to be done to get the information I need so am persistent. But I don't think others who don't have the same experience would be able to get the information they need.</p>	<p>I was assigned a contact person and eventually managed to book an appointment for the therapist to visit my father's home.</p>	<p>The therapist visited and we spoke about my father's situation. It was good to speak to someone that understood our situation and knew what was available.</p>	<p>Some of the suggestions were small but really important and helpful. The therapist was fantastic and put us in touch with all the other services that we could access.  Once we identified what we actually needed, the service was very good and I was very satisfied. It was hard work to start with though.</p>
<p>-100 Touch points with the council</p>	<p>Telephone call</p>	<p>Telephone call</p>	<p>Face to face house visit</p>	<p>Face to face house visit; leaflets</p>

# How are we doing: 'a quality service'

## Customer4

	  	  	   		<p>My mother is in a care home and has broken her arm. I wanted to speak to someone to find out about financial support arrangements.</p>	<p>Relative of a Merton resident in care.</p>
<p>Objectives, scope and journey type</p>	<p>Moments of truth</p>	<p>Key journey steps</p>	<p>Customer segment</p>			
<p>+100</p> <p>Actions, feelings, thoughts and reactions</p>	<p>Phoned the council</p> <p>I've not really had any contact with the council apart from this phone call. I wanted to talk about financial arrangements for my mother so called the finance department.</p>	<p>Lady answered</p> <p>The lady that answered the phone was very helpful. She told me it would take about a week to receive the financial booklet with more information.</p> <p>Generally I'm happy with the information the lady provided. But I'd prefer someone to come round to the house rather than speak about this over the phone. It's an assessment – so someone should meet me and my mother.</p>	<p>Received information booklet in the post</p> <p>I received the booklet yesterday with no problems so just need to fill it in now.</p> <p>I'm concerned about when I'll find out whether my mother will get an assessment – the financial side I understand, but I'd like to know as far in advance as possible when my mother's assessment will be, as I have to travel to London to be here for it. I've no indication of when it will take place.</p>			
<p>-100</p>	<p>Telephone conversation</p>	<p>Telephone conversation</p>	<p>Booklet in the post</p>			
<p>Touch points with the council</p>	<p>Telephone conversation</p>	<p>Telephone conversation</p>	<p>Booklet in the post</p>			



## How are we doing: 'a quality service'

When asked how Merton are doing in self-identified areas of importance, key customer quotes include:

'Front-line staff do not always know about other options and services that are available'

'I'm not sure what services are really available to me'

'Everyone is trying their hardest but it is hard to help within the current system.'

'appointments are generally on time'

'Sometimes it can be a bit slow...'

'More discussion of what is available is needed'

'Staff are really friendly. They speak the same language and I feel like they care'

## How are we doing: 'a quality service'

Areas suggested for improvement by customers include:

- More, clear information accessible online
  - 'access to specific as well as generic information online would save a visit'
  - 'an online pdf submission portal would mean I didn't have to come in to give in paperwork'
  - 'an online do-it-yourself application form would save me coming down only to be told I'm not eligible'
- Improve awareness of the website as a source
  - 'I didn't know information was available on the council website. I've never accessed it'
- Better communication - acknowledgement and updates throughout the application process
  - 'if you keep us informed throughout the process we won't have to come in unnecessarily'
  - 'I haven't had acknowledgement that my application was received'
- A designated waiting area for non Merton-Link related customers

## How are we doing: 'a quality service'

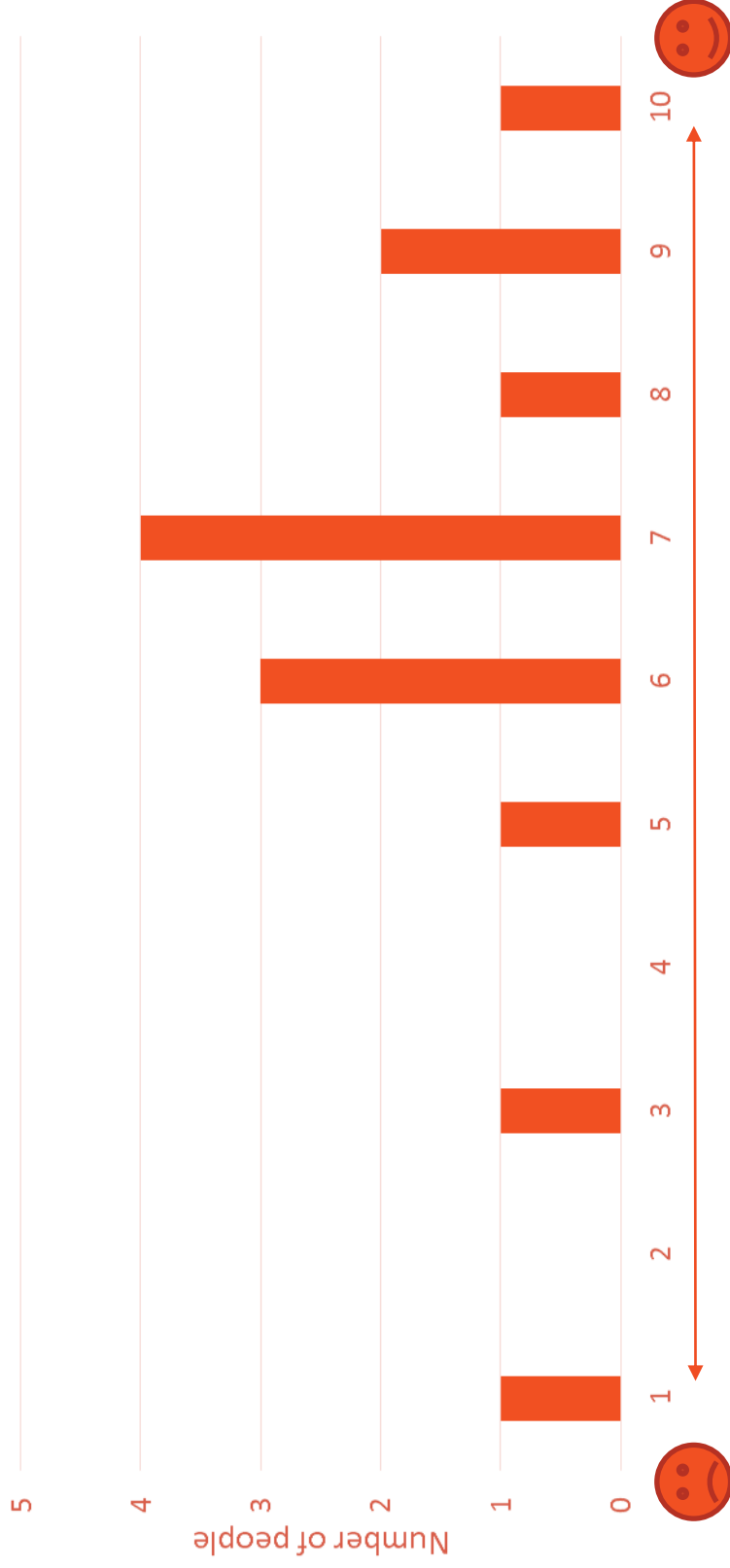
Other comments support the need for customers to 'be seen by the right person':

- 'often you are not given all the information in one visit so I have to keep coming back to get everything I need'
- 'Being seen by the right person is important. It is good if you can be seen quickly but less important.'
- 'Sometimes things are complicated and not explained properly which means I have to come back'

Ensuring people are seen by the right person first visit will mean that fewer people will need to return for more information.

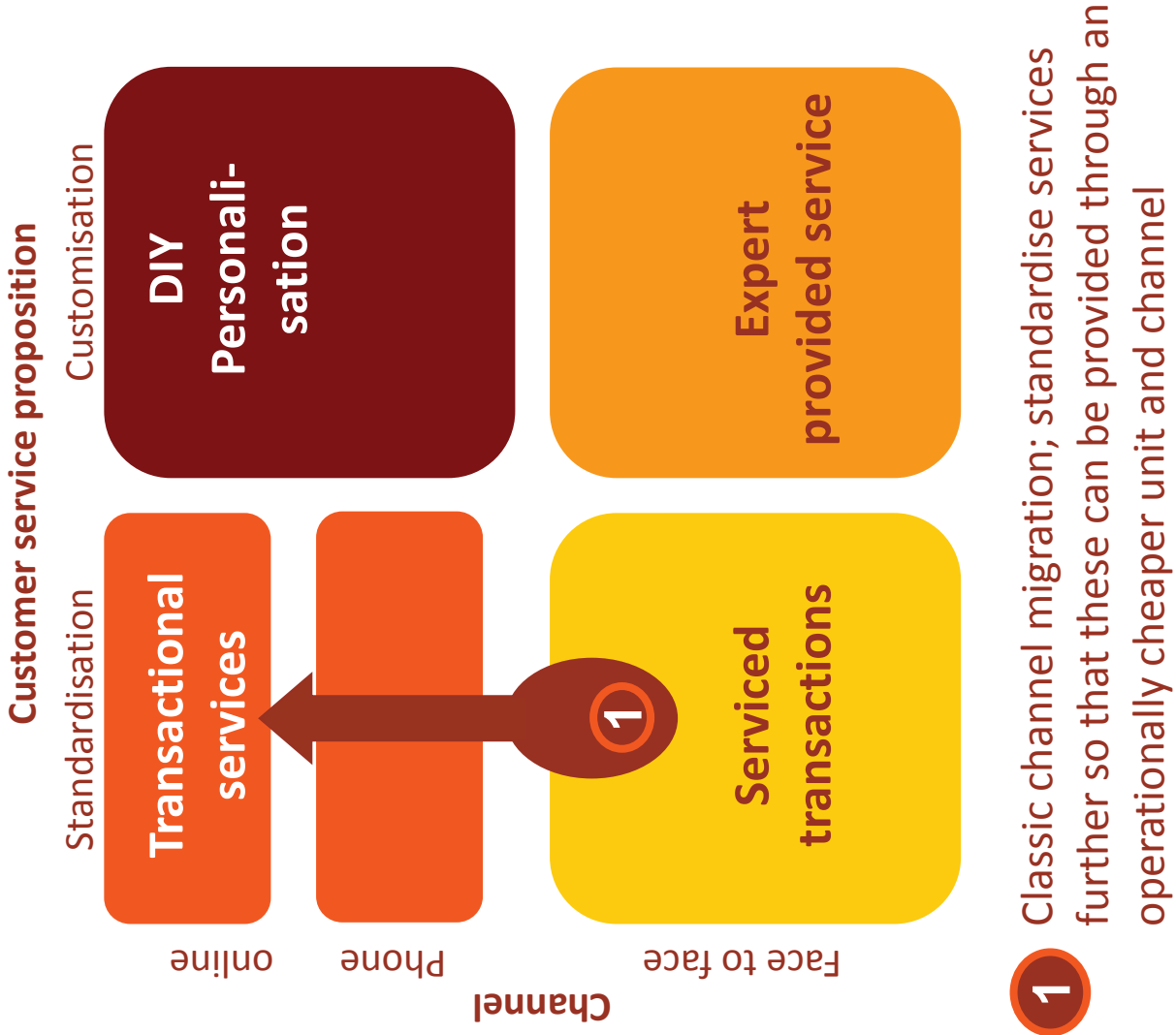
## How are we doing: 'a quality service'

Despite having suggested improvements, of the people interviewed, an overwhelming majority were satisfied with the service offered, scoring it 7 or above on a scale of 1-10.





## **ANNEX 3: THE CUSTOMER SERVICE PROPOSITION – EXAMPLES**

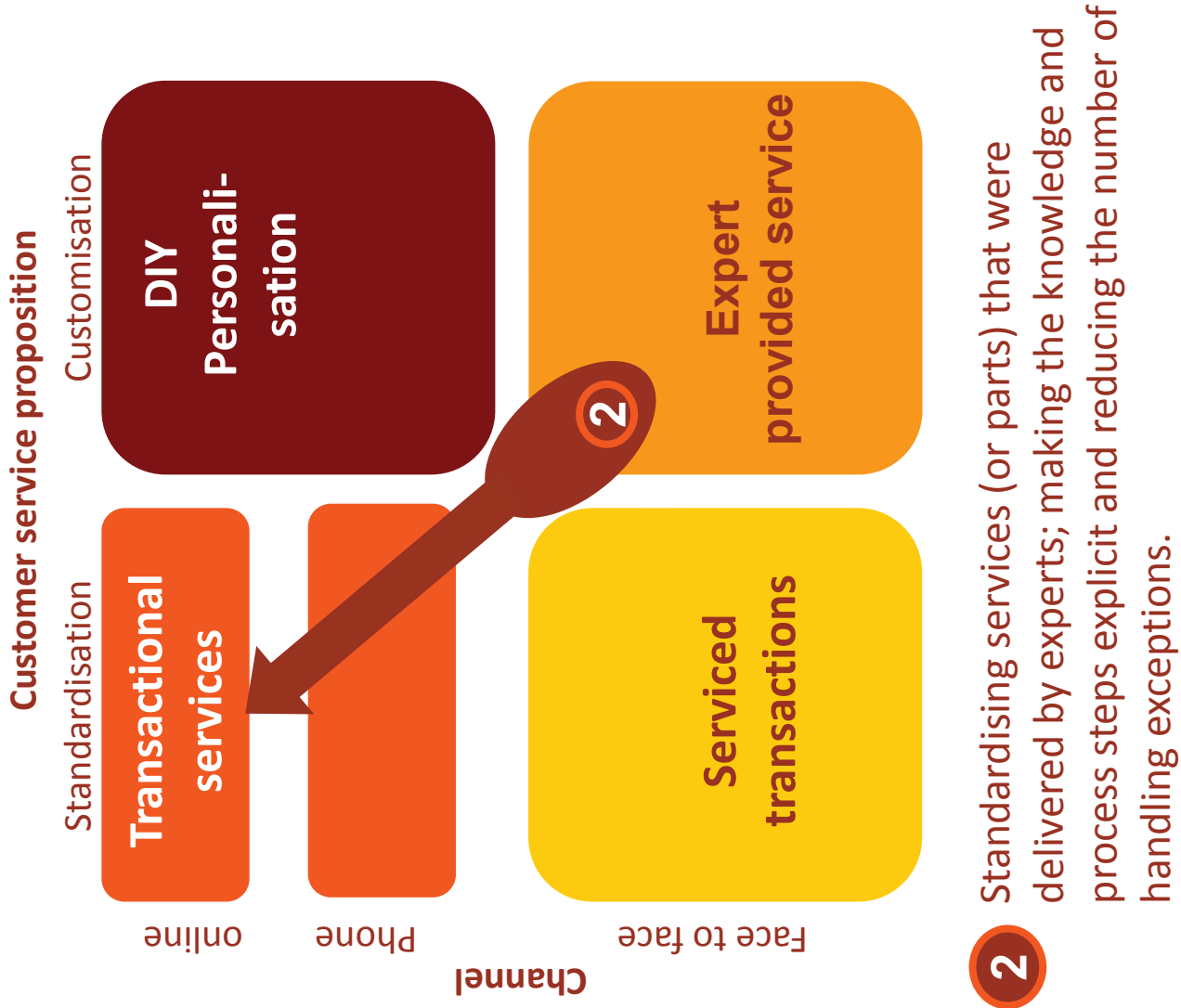


Typical Services

- Graffiti
- Localities provision
- Waste
- Simple applications
- Bookings

Selection criteria

- Can these be really fully resolved at point of contact?
- What does the customer segmentation/data say; how large and/or important is it to keep a face-to-face offer as well?

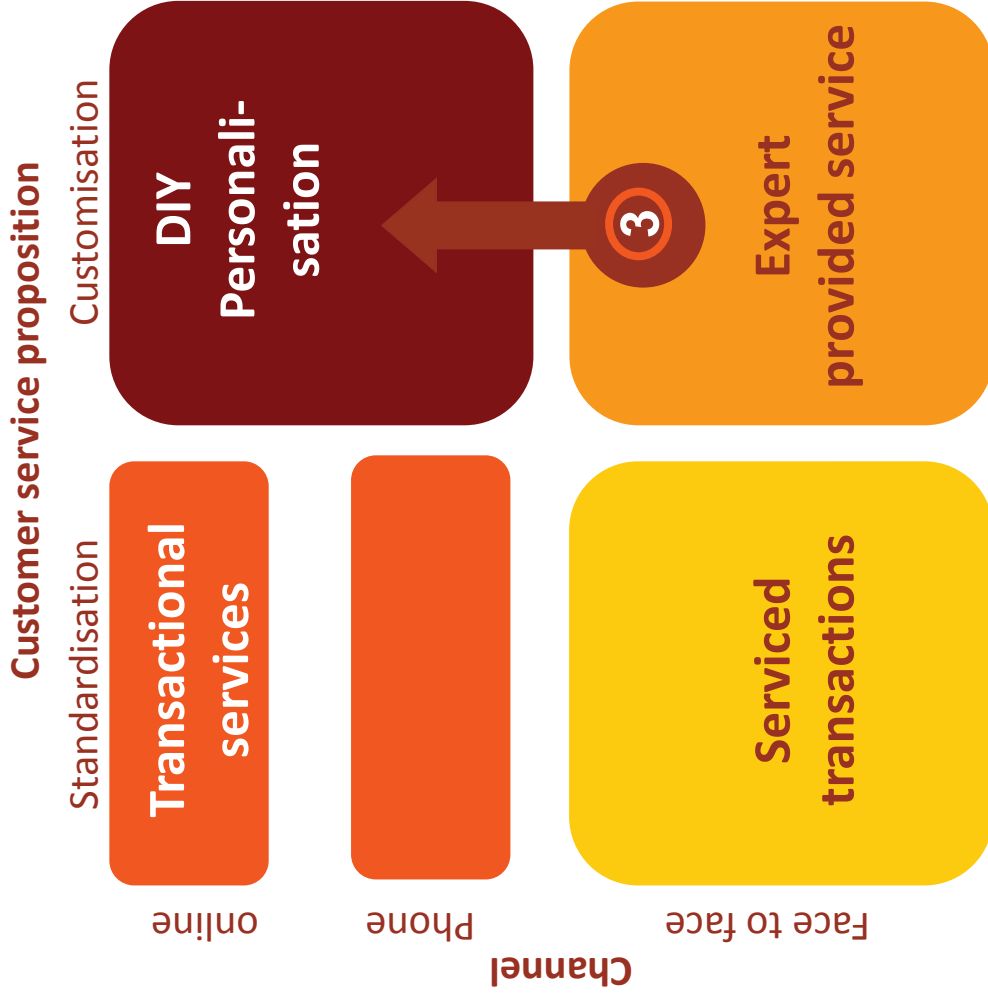


Typical Services

- Planning applications (part); parking and other permits
- Environment issues
- Housing needs

Selection criteria

- Can we easily separate (already in eyes of the customer) the service requests that are standard versus ones where an expert is needed?
- Can we resolve any authentication issues/or take conscious decision of risk versus costs?



**3** Client-led service package choice instead of council expert provision. Clients personalise package from a range of menus, the council supplier manages and verifies.

Typical Services

- Social care package design and provision
- Education services
- Antisocial behaviour or nuisance reporting
- Housing benefits

Selection criteria

- Can we develop the complex service into menu options and support its delivery?
- Can we identify who we should persuade and who to dissuade to do their own personalisation?





# ANNEX 4: LOCAL AUTHORITY BENCHMARKING

## RedQuadrant local authority benchmarking – the London baseline

RedQuadrant's 2010 London survey asked boroughs to classify where each of 62 identified service areas were managed and through which channels.

- Key findings: contact environments
- Telephone, face-to-face, email and post were the most common sources of contact.
  - The majority of telephone, email and post contact was managed in council-wide contact centres.
  - Face-to-face contact was managed predominantly in a one stop shop environment.
  - The use of face-to-face contact was less common than telephone contact, and more diverse.
- The most common services provided in a face to face environment were parking permits and council tax, followed by public realm and waste services.
  - The majority of telephone contact was for transactional services – those most easily simplified and automated.
  - Environment and parking, revenues and benefits, out of hours, and social services were the main services that utilised a managed customer environment outside of corporate contact centres.

The picture in 2010

RedQuadrant customer  
insight for Merton 122



## 2010 - levels of integration with the 'back office'

- Levels of integration between telephony and face to face contact centres varied from information and signposting, service request/booking, through to full resolution through back office systems
- Highest levels of full resolution were found in Revs & Bens, waste, public realm and parking
- Lowest levels of full resolution were found in childrens, adults and education services
- In general there was a general movement for face to face contact towards a single point of contact with deep resolution or clustered contact points based on the customer's requirements
- This was less clear cut for telephony, where future options were split between a single point of contact with deep resolution, clustered contact points based on the customer's requirements, and prioritising self-service
- Levels of integration of web services were generally much lower, with only a handful of services achieving full online case handling in a lower number of authorities (e.g. recruitment, parking, planning and building control, school admissions, business rates, licensing, leisure bookings)

## RedQuadrant survey of 50 authorities, July 2012

1. Two thirds of current service provision is through one/first stop shops
2. Key shift is to **absolute prioritisation of self-service** in f2f – from 0% to 37%
3. With deeper one-stop shops (30%) and **clustering according to customer** (11%) also being seen as important targets
4. Telephony – main target models area **self service** (43%), **‘deep’ single point resolution** (32%), and clustering according to customer need (15%)
5. Email and web – two thirds of current provision is departmental and low resolution single point; 75% of future provision is moving towards **‘deep’ single point resolution** (28%) and **total prioritisation of self-serve** (47%); largest shift away from departmental focus (40% to 4%)
6. The three most important factors identified in service improvement are: **process improvement; channel shift; and improved systems integration**

Building on our 2010 survey

RedQuadrant customer  
insight for Merton 124



## Local authority channel shift views

80% of local authority respondents agreed implementation of self service would lead to a reduction in face to face or telephone contacts. They gave following advice:

- **Communication** – good internal and external communications plan essential
- **Strategy** – 'be bold' and ensure that improvements are linked to a corporate strategy that has been clearly defined
- **Behaviour change - customer demand:** range of opinions from 'Customers will do what they want to do, unless you shut a channel down ', others, felt that there needs to be existing customer demand to get significant take-up of new methods. Others, that there is already significant demand for self-services that is not being met. Need to support traditional face to face customers to use self service functionality. Face to face customers will migrate to telephone channel – lots of views
- **Behaviour change – staff:** will have to change the way they work, and front line staff need to be engaged in process design
- **Data** – important that channel shift strategy is supported by insight data, and a need for thorough analysis of transactions and mapping of what channels would be appropriate in the future for each discrete transaction

63% local authorities have a channel shift strategy

# Local authorities' views on challenges to, and factors supporting, improvement

## Challenges

**resources/budget/staff**  
**challenges of channel shift**  
**technology integration**  
**and new technologies**  
**changes in customer demand**  
**organisational culture and silos**  
**need for process improvement**  
**national policy changes – e.g. UC**  
**and CT localisation**  
outsourcing  
digital inclusion,  
staff retention  
partnership delivery

## Supporting factors

**channel shift and**  
**development of e-services**  
**better use of ICT**  
**process improvement/good**  
**staff/organisational culture**  
**change**  
customer insight  
corporate strategy  
partnership working  
customer expectations,  
customer engagement,  
bottom up involvement  
digital inclusion



**Thanks for listening!**

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