

# A Fundamental Rethinking of Customer Service in Local Government

**e-business and best practices combine to deliver advanced customer care solutions that improve relationships with City Hall**

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*“There are three types of people in this world, those that make things happen, those that watch things happen, and those that wonder what happened.” - anonymous*

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Wouldn't you like to be able to reduce the taxes in your jurisdiction, while at the same time increasing services, and customer satisfaction? Using a combination of a customer focused strategy and leading edge technology, this goal is now achievable.

In the past, governments rarely thought of their citizens as customers. Indeed, literature on the topic of public affairs published before 1990 rarely used the term. However, since that time, there has been a dramatic shift towards this view. Books such as *Reinventing Government*, *Banishing Bureaucracy*, and *The Digital Economy* refer to citizens almost exclusively as customers.

This paper outlines the reasons for establishing a customer based citizen service strategy, looks at some best practices in use today, and discusses the tools and technologies required to become more customer focused.

## Reasons for a Customer Focused Strategy in Local Government

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A satisfied and loyal customer is a content and happy citizen, or business. Having content and happy citizens is one of the many goals of every local government. Once we focus on the citizen as a customer, we can begin to bring to local governments many of the measures that have been used by excellent customer service organizations in the private sector. Measures such as responsiveness, consistent service delivery, and excellent relationships result in loyal customers. But first, it is important to define a “customer” in the local government environment.

What is a customer? What does the term actually mean? In the retail world, it means someone who frequents your establishment, and purchases goods or services. It is a person that is directly served by the output of your organization. Governments serve a number of constituents, all of them are arguably customers, but they may not always be operating in that role. In order to effectively design a customer based strategy, it is first important to understand who your customers are, why they utilize your service, and what their expectations are about how your organization should deliver it.

Osborne and Plastrik<sup>5</sup> provide the following definitions of entities served by governmental organizations:

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*Definition of a local government customer*

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**Primary Customers** - The individual or group your work is primarily designed to assist.

**Secondary Customers** - Other individuals or groups your work is designed to benefit - but less directly than your primary customers.

**Compliers** - Those who must comply with laws and regulations: for example, taxpayers in relation to the Internal Revenue Service; developers in relation to a permitting agency; or drivers in relation to the police. They are not customers.

**Stakeholders** - Individuals or groups who have an interest in the performance of a public system or organization. For example, teachers in the public schools, or unions and business groups in relation to a workplace safety agency. Some or all stakeholders may be customers.

It is important to note that one individual or group may have several roles. For example, a property owner is a complier in relation to the property tax department, but is an overall customer of the city.

## Cost Reduction

Are complaints a good thing or a bad thing? Certainly, for a long time, customer service departments have measured their success by a reduction in the number of complaints or by a reduction in call times. Obviously, if people are spending less time on the phone with each customer, or there are fewer complaints, then complaints are costing less, at least from the call center's perspective. However, does this result in a net saving for the organization? Consider the following example.

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*A customer call – the  
“brush off”*

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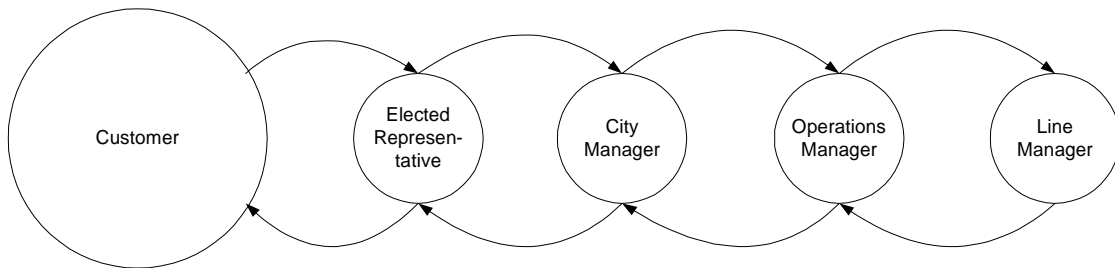
A customer calls the main number for a city, with a complaint that their brush was not picked up as expected. The call center representative reads them the policy regarding brush pickup, and refers them to the operations department, with a phone number. The call center representative has completed the task quickly and efficiently, and their call handling statistics appear excellent, but the problem persists.

The customer then calls the operations department. They are informed that the schedule changed last season, and they are very sorry, but the customer's request cannot be handled to meet the customer expectation. The person on the phone has no power to make reparations, and can only communicate the bad news to the customer. Again, they have done their job, and communicated the organizational policy to the customer, but the customer is not satisfied. In fact they are starting to get frustrated.

Not satisfied with the response that was given, the customer then calls a local elected representative to complain about the situation, who agrees that the communication of the change in the brush pickup schedule was inadequate, and promises to resolve the situation. The next day the city manager is contacted, and requested to look into the situation.

The city manager then contacts the operations manager to find out what can be done, who in turn contacts the line manager. The line manager then determines when to get a truck to the customer's location, and schedules it. The communication then follows in the reverse direction back to the elected official, who in turn contacts the customer with the information that their issue will be resolved.

**Figure 1: Traditional Communication Flow**



At each stage of this process, the employees have performed their duties perfectly. The problem is that the focus was on internal procedures and requirements, and not on the customer. The customer didn't care that the schedule had changed, or that the employee couldn't do anything about it, only that the problem wasn't being solved. The employees very likely wanted to help, but were prevented from doing so by bureaucracy.

Contrast this situation with a city that has undertaken a customer focused complaint handling strategy:

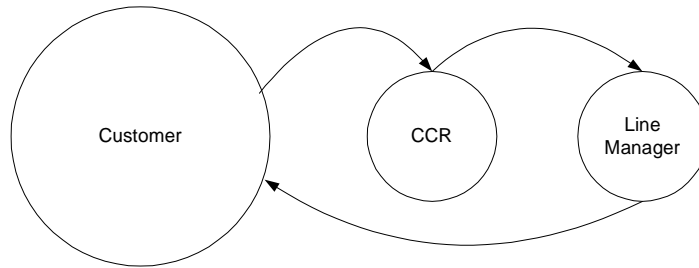
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*A better way*

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In this case, the call comes into the customer care center. The customer care representative (CCR) looks up the brush pickup schedule online, and checks to see if there are any exceptions for this customer. The CCR is empowered to resolve issues for the customer, and they determine that a pickup is necessary, so the issue is assigned directly to the line manager, and the operations manager is copied on the information. The line manager then dispatches a work crew, and the customer is notified directly of when the brush will be picked up.

**Figure 2: Communication Flow using a Customer Service methodology**



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### *Benefits*

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Although the end result is the same in both scenarios, there is a major difference to approach, which will result in a major difference in customer satisfaction, as well as cost. Using the customer focused approach, we are concerned with what matters to the customer, as opposed to internal policies, procedure, and chain of command. In the first example, the issue was handled by multiple people, and the onus was on the customer to achieve resolution. In the second example, the owner of the issue becomes the customer's advocate. This is taking a proactive, versus a reactive, approach.

One of the more interesting points that emerges from the above example is that focusing on the customer instead of internal requirements results not only in increased customer satisfaction, which may be expected, but is often significantly cheaper for the organization. This has prompted many large organizations such as IBM and Ritz-Carleton Hotels to empower their front line employees to keep customers happy.

In the case of the Ritz-Carleton Hotel chain, every employee has a discretionary spending limit of \$2000 that they can use to remediate a situation where a customer has become displeased. Within one year of introducing this reform, the chain found that its spending on customer satisfaction had fallen to half of what it had been.

## Economic Development

Consider the following hypothetical scenario:

A CEO is considering expanding her business into a new city. She can choose between two fairly identical cities, the City of Buena Vista and the City of Hillview, in different parts of the state. The weather is the same, the price of labor is similar, and the resources and tax rates are comparable. She decides to visit each city and speak with the economic development staff to see what they can do for her company.

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*Economic development  
can increase directly as  
the result of a customer  
focused strategy*

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During the flight to Hillview, she strikes up a conversation with her seat mate. The conversation proceeds to a question about what she will be doing in town. When she informs them that she will be meeting with city officials, the comment “Oh, the city government. Good luck getting anything out of them. I’m still waiting for them to change the streetlight in front of my house”. She shrugs it off to standard government cynicism. The meetings with economic development go well, and the next day she leaves for Buena Vista.

On her way from the airport to Buena Vista, she asks the cab driver how he likes living there. He beams with civic pride, as he tells her all of the wonderful things that the new administration has done. He talks about how the parks have improved, crime is down, and how things seem to be moving much more efficiently. He also tells her about a recent experience that he had when his cab was given a parking ticket in error. “It was really neat”, he says, “I called in around noon, and the person on the phone told me the name of the person who would be getting back to me. When I got home, I actually found an e-mail telling me that it had been taken care of”. This makes an impression on her as she heads into an uneventful meeting with the Buena Vista Economic Development officer.



Upon return to her office, she has a few unanswered questions. She decides to call the cities directly to get the answers. When she calls the City of Hillview, she is given the phone number of a different department. She then calls that department, and winds up in a voice mail box. She calls back and speaks with the department's receptionist, who finally finds someone who can speak to her. He answers her question to her satisfaction, and then she asks her next one. Unfortunately, he can't answer that one, but knows that someone from planning could.

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*Where would you rather live?*

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She then calls the City of Buena Vista and speaks with a CCR. She asks the representative who could answer her question, and is somewhat surprised to hear that she doesn't need to be transferred anywhere, the CCR simply looks up the question and informs her of the answer. Impressed, the CEO thanks the CCR, who says: "Oh, it's no problem, you can even look it up for yourself if you like on our Web site". Instead of asking any further questions, the customer visits the web site for more answers later in the day when it is more convenient for her.

Given that the two competing cities have relatively similar offerings, which community is the CEO going to select for her business, or to live in? Hillview, with its focus on internal procedures, or Buena Vista, with a strong customer focus. The answer is obvious. A change in philosophy, combined with the appropriate tools, can make a huge difference for local governments.

In the above example, if the CEO's company was going to employ 1000 people, that means literally millions of dollars in direct commercial tax revenue, indirect revenue from property tax of employees, employees spending, and in increased traffic to the city.

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*Liability can be reduced  
as the result of a  
customer focused  
strategy*

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## **Liability**

In a recent case in Florida, three plaintiffs successfully sued a local government for damage incurred when they suffered injuries in a traffic accident at an intersection. The three were in two different vehicles when they collided at the intersection. The reason for the suit was that the stop signs were missing from the road, and it was the City's responsibility to ensure that they were there.

The city knew about the missing stop sign from a customer complaint. However, it had failed to replace it in a timely fashion. This lack of response was a key factor in the judgment against the city.

In an similar case in Ohio in 1997 involving a collision as a result of missing stop sign, an appellate court upheld a decision against the local township and county for the same reasons. Again, a key factor was the fact that the township was aware of the missing stop sign, but had failed to respond appropriately.

These examples demonstrate that focusing on the customer may not only be good business, but in some cases may also represent a significant cost savings in legal fees.

## **Legislative**

In 1991, the British government introduced the Citizen's Charter. The Charter is a program aimed specifically at making government more efficient and improving customer satisfaction. Essentially, each public sector organization had to establish customer service standards, with input from their customers, publish them, and meet them. If they did so, they would receive a "charter mark", an indicator of customer service. The mark would be re-evaluated every three years based on continuous improvement.

The charter centers on six key principles, services that “every citizen is entitled to expect”. These six elements are standards of service, information and openness, choice and consultation, courtesy and helpfulness, having things put right, and value for money. By 1995, the following are a few of the improvements that the Citizen's Charter was being credited with:

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*Providing excellent customer service is no longer a matter of “if”, now it’s a matter of “how” and “when”.*

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- ◆ The National Health Service had reduced waiting times that had once been as long as two hours to a maximum of 30 minutes. It had also reduced waiting times for elective surgery. In March, 1990, more than 200,000 patients had been waiting for more than a year for hospital admission; by March 1995 the number was down to 32,000
- ◆ British Rail had improved service on many lines. On one line, it raised the percentage of trains arriving within 10 minutes of their scheduled time from 78% in 1991 to 88% by the end of 1994. In 1993-94, British Rail had to pay £4.7 million in compensation to passengers and £2.4 million in discounts to season ticket holders (excluding strike compensation); In 1994-95 BR got the numbers down to £3.5 million and £0.2 million
- ◆ The Passport Office had lowered the time it took to get a passport from up to 95 days to a maximum of 15 working days
- ◆ The Royal Mail raised the percentage of first class letters delivered in the U.K. by the next workday from 85.5% in 1990-91 to 92% in 1994-95. In a 1993 Citizen's Charter survey, 91% of those surveyed said postal services had improved or were at least as good as they were in the previous year
- ◆ The Driving Standards Agency took the waiting time for a “large goods” vehicle driving test down from four weeks in 1990-91 to one week in 1994-95
- ◆ The Driver and Vehicle Licensing Agency processed 90% of applications within 16 days in 1991-92. By 1994-95, it was processing 95% within 10 working days

- ◆ Customer satisfaction with local government services increased from 51% in 1991 to 61% in 1995, on a National Consumer Council survey.

These mandated customer service programs haven't been restricted to Great Britain. Similar programs have emerged in Canada, France, Belgium, Australia, and Italy. In 1993, on the recommendation of the National Performance Review, President Clinton issued an executive order similar to the Citizen's Charter proclaiming that "the standards of quality for service provided to the public shall be: Customer service equal to the best in business". By 1995, 215 federal agencies had established customer service standards<sup>5</sup>.

The British Citizen's Charter applies to all governmental agencies in Great Britain, including local governments. To date, President Clinton's order applies only to the federal government, but it is not out of the question that customer service standards may be forced upon local governments at some point in the future.

#### **e-Business Enables Customer Self Service**

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*Internet and Web technologies can be a great customer service tool.*

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With schedules busier than ever, more dual income and single working parent families, and Web availability growing to over 50% penetration in some cities, many customers are professing a strong preference to do business their own way, on their own schedules. Many private sector companies are adopting measures to accommodate this new requirement, and utilizing technology to adopt their service offerings to each and every customer, something that was technologically impossible until recently<sup>2</sup>.

Many cities are becoming more and more familiar with the concept of outsourcing. The reasons for doing so are fairly well established. Essentially, if there is a task that needs to be performed, it will be much more efficient to allow an organization that specializes in this service to perform it. This is in contrast to the city performing the service, or developing the competency to perform the service in-house. The efficiency increase will more than make up for the premium paid to the provider of the service, resulting in cost savings and a higher quality of service.

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*Customers often know what they want from their city, they just don't know how to get it. Putting the tools into their hands is better for the customer and cheaper for the city.*

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What happens when you take this concept and extend it to your customers? If it is more efficient for both you and your customers to allow your customers to serve themselves, wouldn't you do so? In a customer service scenario, customers know what their questions are or what they're looking for, and a certain percentage of customers really don't want to explain it to a CCR anyway. They know their personal details, and it is more efficient to have them enter this information directly than to have them explaining things to a CCR. Until recently, technology didn't really provide this ability. The advent of the World Wide Web has changed this. With the Web, customers can potentially access any of the information systems that you choose make available to them.

This concept isn't new. Banks introduced Automated Teller Machines (ATMs) in the mid 1980's, which essentially outsourced transaction processing directly to the customer. Once customers became aware of this new way of interacting with the bank, demand for ATMs skyrocketed. It was all that the banks could do to get them out there fast enough. The net result has been an increase in customer satisfaction, as convenience for the customer has increased dramatically and lowered costs to the banks.

What's in it for the customer? Very simply - convenience. The majority of people who have access to the Web (and that number is constantly increasing, with penetration rates currently between 25% and 75% depending on location) prefer doing business with this medium.

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*Customer self-service is not restricted to Web-enabled customers*

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In fact, for customers who don't have access to the Web themselves, government kiosks in malls have proven incredibly successful, as in the IBM-Ontario Government initiative known as *ServiceOntario* in the province of Ontario, Canada. *ServiceOntario* is a multi-ministry project led by the Ontario Ministry of Transportation and involving the Ministries of Health, Natural Resources, Consumer and Commercial Relations, and the Management Board Secretariat. *ServiceOntario's* kiosks allow customers to serve themselves for such previously time consuming tasks as license plate renewal, Health card updates, and hunting license applications in such places as malls and grocery stores. More information about *ServiceOntario* is available at <http://www.mto.gov.on.ca/english/kiosk/>.

Federal Express was one of the earlier companies to expose its information systems to the Web. They took their existing package tracking application and adapted some interfaces that would work on the Web. After some initial customer feedback, they recognized its value, and within one year it was considered one of their chief differentiating factors. Access to real time information "amazed customers and actually enhanced their belief in Federal Express' core value propositions of dependable and reliable service. Customers found getting information on-line easier than calling Federal Express, waiting on hold, and then speaking to an operator who was doing little more than repeating the contents of a database<sup>2</sup>".

Using the Web, and accessing the information resources of a city directly is inherently more efficient for customers. The Web is available 24 hours a day, and, if a customer is already on-line, the City's Website is only a few mouse clicks away. And if it is easier to give feedback, another net effect is that customers are more likely to do so.

In addition to delivering customer service and a net cost savings, providing self-service on the Web will actually encourage complaints. Is this a good thing? The knee-jerk reaction is "of course not", but when we start to view complaints as valuable customer feedback mechanisms, this perception quickly changes.

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*1 in 27 unsatisfied customers actually complain, If complaints are resolved, 96% will remain as customers. If complaints are unresolved, an unsatisfied customer will tell 9-10 people. 13% of unsatisfied customers will tell as many as 20 people. A customer whose complaint was resolved will tell 5-6 people about their positive experience*

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## Continuous Improvement

Complaints are an organization's most common interaction with customers – but, what is a complaint? According to Barlow and Moller<sup>1</sup>, a complaint is a statement of fact about expectations that have not been met. In essence, the customer is telling you how to improve your service offering. Often organizations survey their customer base to help them with their strategy and to determine customer attitudes. The problem with this approach is that it is only surveying existing customers and so misses the reasons why people stop being your customers.

Looked at this way, a complaint can be one of the biggest bargains in market research. Unfortunately, the people in charge of economic development don't often ask the customer care department what it is they should do to attract new business, and retain existing business. This is a shame, because often these are the people who know.

When customers complain, they are going out of their way to tell you what it is that you are doing wrong, or how you can improve. At least a complaining customer is still a customer. A recent report by IBM<sup>3</sup> shows that only 1 in 27 customers will actually complain when they are unsatisfied. It is very important to listen to their feedback for a number of reasons.

- ◆ When customers complains, they are telling you what you need to know or do to make them happy. They are taking time and effort out of their day to provide you with this information. They do so because they believe that it's your organization's responsibility to solve the problem, and they are giving you an opportunity to do so. The people who complain also tend to be the most loyal, and this is reflected in the fact that if a complaint is resolved promptly, customers will return 96% of the time<sup>3</sup>.

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*Bad news travels twice  
as fast as good news*

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- ◆ Customers who complain are also likely to be very vocal in any situation. If their complaints are resolved promptly and to their satisfaction, they will tell, on average, 5-6 other people about their good experience. If it isn't, however, on average they will tell 9-10 people, and some will tell as many as 20. They will go out of their way to communicate their bad experience.

Why is it important to have loyal customers? The cost of retaining an existing customer is only 5% that of acquiring a new one<sup>7</sup>. Reichheld, in his ground breaking book, *The Loyalty Effect*, demonstrates how loyalty can permeate the entire organization, making it more efficient, more effective, and more successful.

Of course, governments are different from businesses, right? You may wonder why loyalty is important; citizens have traditionally been considered only ratepayers. But government and business are more similar than it may appear on the surface. The major differences are that transactions with customers are less direct (the customer pays a fee – a tax, and receives a service – use of a park), and the consequences of bad service are less immediate.

Consider the consequences of a bad customer service experience involving a decision maker at a 1,000 employee organization. In today's competitive environment, local governments are always trying to attract new businesses. If the CEO above is an unhappy customer of the city, this will likely influence the decision to expand or where to build that "next plant". In some cases it may be the deciding factor.

Moving the company or building elsewhere could have a major impact on the city, both directly, through lost commercial tax revenue, and indirectly, from the lost revenue from the money spent elsewhere by the employees, their families, and the company itself. The costs could easily tally into the millions of dollars on an annual basis.



In the economies of the late 20<sup>th</sup> early 21<sup>st</sup> centuries, city customers will have more choices about where they wish to live and work; and they need not be the same place. Telecommuting is certainly on the rise, which means that people can work whenever and wherever they wish. Having someone employed by a company located in your city is no longer a guarantee that they will be a customer of your city.

### **e-Business Implications and Futures**

But it doesn't stop there. For any organization that has a true Web strategy, the name of the game is to drive traffic to their Web site. Why should a city be any different? Part of the answer is Web-enablement of services provided by the city.

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*A city's Web site is its "Virtual" presence. A highly visible Web site ensures a highly visible city.*

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For the vast majority of cities, their core business applications are not Web-enabled. These include applications such as tax or utility billing, parks and recreation, financials, human resources, building permits and licensing. However, in the coming years these applications will be web-enabled, in part due to customer demand, and in part based on a "build it and they will come" approach.

What is also important to recognize is that a major transformation in staffing and customer interaction will occur as the very paradigm of the city-customer relationship redefines itself. Additionally, the applications that were traditionally maintained and supported in-house lend themselves to being rented from the newly emerging Application Software Providers (ASPs). ASPs allow organizations to get "best of breed" solutions on a pay-for-what-you-use basis.

The bottom line is that anything to drive traffic to your city's Web site should be implemented for cities truly interested in transforming themselves to e-business.

## A Decision Support System

How often is customer research performed? Both political parties and governments perform polling in order to determine the will of the people. In the private sector companies conduct customer surveys to determine the will of their customers. Effectively, there is no difference between the two.

As mentioned above, focusing on your customers at all times, not only when you are interested in listening to them, helps to give you a far more accurate picture of what they want. Tracking their complaints, suggestions, and requests for service is an excellent way to accomplish this as you will be able to spot trends as they are occurring.

As more issues arise with similar features, we may be able to spot commonalities between them. These commonalities are known as the *root causes*. Root cause analysis can help to eliminate customer concerns before they arise, and allows you to develop a more efficient and coordinated response. In addition, it may help to point out areas where special funding is needed.

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*Monitoring complaints helps to spot prospective problems before they occur.*

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For example, while tracking customer complaints, you may discover that a disproportionate number of complaints about graffiti are coming from a particular street. For example, this information could be used to reallocate police, hire an “anti-graffiti squad” to help deal with the problem or involve customers in a community group to help deal with this issue.

## Efficiency

The following example is drawn from observations of real city government situations, but doesn't pertain to any particular city. Consider the man who calls City Hall with a problem and doesn't feel that he is being well treated (or at the level he expected), he will call again and again attempting to get satisfaction.

How much does efficient customer service save?

Each call costs money. What it costs a particular city is a function of its cost structure, but for illustrative purposes, let's assume that the average full time equivalent (FTE) salary, benefits and other overhead, across all personnel in the organization is \$40 per hour.

Assume the initial customer call takes 15 minutes, that's \$10.00. Assume there will be subsequent calls to different departments, including customer venting time which will take approximately 5 minutes each or \$3.33 each. If the average unsatisfied customer calls back 4 times, that amounts to \$13.32. So the total, per problem call, is \$23.32. Not much, or is it?

While there haven't been any substantial surveys on the topic, observations of reality in a number of different cities would tend to suggest that there will be three problem issues per 10,000 people per day at the average city. For a city of 100,000, that equates to 30 problem calls per day, which is equivalent to 7,800 per year, representing an annual cost of \$182,000.

If, however, calls are handled properly in the first place, supported by the appropriate information technology and application software, the cost per problem can be reduced to one incident or \$3.33. This equates to a total cost of \$13.33 per call, and assuming 260 business days, results in a savings of \$78,000 annually for a city of 100,00 people. And, this does not take into account the non-monetary benefits of having more satisfied citizens.

## Customer Focus in Local Government Today

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### Background to Market Survey

Vector Concepts Inc. conducted a telephone survey of 428 U.S. cities to better understand attitudes and adoption rates of computerized citizen service systems. The survey was conducted between June and August 1999. Responses were provided by 395 cities, ranging in size from 20,000 to 150,000 people and were located in one of the following states: New Jersey, Maryland, Virginia, North Carolina, Georgia, Florida, Alabama, Texas, Tennessee or California. If you would like additional information about the survey, please contact the authors.

The contact profile for each city was the City Manager with alternates being Assistant City Manager or Customer Care Supervisor. In 35% of the cases, City Managers referred survey personnel to one of the two alternates at the outset, but in all cases were receptive to the subject area and willing to assist.

### Highlights of the Survey

From the high response rate to the survey you can conclude that the subject of computerized citizen service is very topical at the senior executive level. It is also clear that there is no dominant standard for computerized customer service provision; there doesn't appear to be a real product leader in the marketplace and almost 2/3 of the cities surveyed either have a system, have a system that they plan to replace or would like to install their first system.

Some key points of the survey are summarized as follows:

- ◆ Over 99% of cities surveyed view the citizen as a customer;
- ◆ Over 50% of cities surveyed believe they are growing quickly;
- ◆ 85% of cities surveyed are aggressively pursuing economic development of which over 2/3 believe that quality of service delivery is key to growth plans;

- ◆ Over 50% believe that 24 x 7 citizen self-service over the Web would improve responsiveness;
- ◆ 95% of problem calls are escalated to the mayor or other politician;
- ◆ 94% of the politicians take calls at home, 30% often;
- ◆ Over 64% of cities surveyed said they are looking for better ways to track citizen calls;
- ◆ 30% of cities surveyed use some form of automation to handle citizen calls; and
- ◆ Of those cities with a system, there is no clear standard on how they organize citizen care.

### Survey Results

#### Complaints and Citizen Issues

| Question   | Percent of Respondents |
|--|------------------------|
| View taxpayer as customer  | 99                     |
| Use some form of automation to track complaints and Issues including word processor, e-mail or application                             | 32                     |
| Complaints getting more difficult to track   | 31                     |
| Calls increasing or expecting to increase  | 19                     |
| Customers get different answers depending on which department they call  | 41                     |
| Difficult to track status of an inquiry or complaint   | 35                     |
| Log calls manually   | 95                     |
| - can escalate problems to others*   | 94                     |
| - differing problem escalation rules depending on type of problem*   | 86                     |
| Politicians that want to view calls by ward  | 52                     |
| Department heads that want better information about numbers and types of calls as well as service delivery levels provided to customer | 62                     |

\* Subset of previous group

## City Growth and Urban Development

| Question   | Percent of Respondents |
|--|------------------------|
| Communities viewed as growing quickly  | 54                     |
| Actively pursuing industrial and business development  | 85                     |
| - view quality of services issues as a major issue in attracting new business*                       | 68                     |
| View City Hall's ability to provide quick consistent information is becoming a political issue       | 29                     |
| View of City Hall's ability to provide quick consistent information is becoming an operational issue | 17                     |
| Have never had liability concerns resulting from unresolved issues                                   | 10                     |
| - view this as a concern due to growth*  | 0                      |
| Have 911 emergency system in place today   | 97                     |

\* Subset of previous group

## Inquiry Profiles

| Question  | Percent of Respondents |
|---|------------------------|
| Provide live after hours customer service   | 30                     |
| - would like to start providing live after-hours customer service*                                      | 5                      |
| Politicians taking calls at home  | 94                     |
| - frequently take calls at home*  | 30                     |
| Politicians that believe their citizens would be interested logging their issues directly via a website | 57                     |
| Problem calls that get escalated to mayor or other elected official                                     | 95                     |
| - have difficulty figuring out exactly what has happened and how call was handled*                      | 25                     |
| Looking for better ways to track citizen calls  | 64                     |

\* Subset of previous group

## Profiles of Cities Using a Customer Service System

| Question   | Percent of Respondent |
|--|-----------------------|
| Have a system under one manager  | 44                    |
| Have calls handled by each department independently                        | 32                    |
| Have a central system staffed in each department                           | 24                    |
| System not integrated with financial and/or customer databases             | 51                    |
| - those planning to integrate with financial or customer databases*        | 26                    |
| Those that wish that existing system had additional features               | 33                    |
| Those willing to look at alternative solutions at this stage               | 72                    |
| Those planning to replace existing systems                                 | 52                    |
| - have begun to assess other options*                                      | 81                    |
| Those looking for a system that integrates financial or customer databases | 77                    |

\* Subset of previous group

## What is in Use Today?

*Total 122 cities have a system of one form or another, of a total of 395 cities surveyed*

| Product Name                 | Number of Respondents |
|------------------------------|-----------------------|
| Home grown                   | 35                    |
| Name unknown                 | 23                    |
| HTE                          | 17                    |
| CiviCall                     | 11                    |
| Handled by work order system | 5                     |
| Action Center                | 4                     |
| CivicTracker                 | 4                     |
| CCAR                         | 3                     |
| Teleworks                    | 2                     |
| Trackwise                    | 2                     |
| Access database              | 1                     |
| Ctrack                       | 1                     |
| Citizens Complaints          | 1                     |
| City Serve                   | 1                     |
| Correspond                   | 1                     |
| Creative Computer Solutions  | 1                     |
| Groupwise                    | 1                     |
| HMS                          | 1                     |
| IMS                          | 1                     |
| Incode                       | 1                     |
| New World                    | 1                     |
| Pentamation                  | 1                     |
| SCI                          | 1                     |
| SCT                          | 1                     |
| Suntrack                     | 1                     |
| TS2000                       | 1                     |
| <b>Total</b>                 | <b>122</b>            |



## Case Studies: Customer Service in the Real World

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### The City of West Palm Beach, Florida, USA

The City of West Palm Beach was in the middle of a major urban renewal program in 1997, when it decided to adopt a customer centric complaint management system. Before this, customers did not always know who to call at the city for the service they were looking for, and often wound up getting different, even conflicting, answers.

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*-Largest municipality in the Palm Beach County*  
*-Population of 80,000*  
*-Employ the Centralized Model*

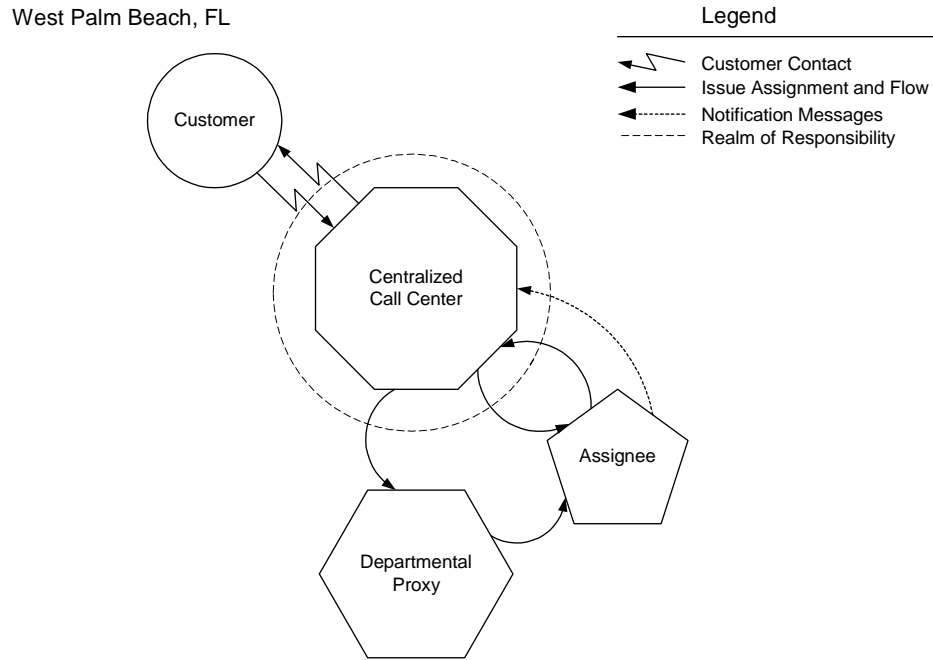
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Mayor Nancy Graham (now retired from politics) decided that the best approach would be to adopt a centralized call center model. The Mayor's Response Team (MRT) was formed to accept any issues or complaints that were brought to the city's attention, and would be responsible for ensuring that they were followed up. The team was also responsible for communicating the results of the inquiry back to the customer. In order to do this, the team was granted cross-departmental authority for issue resolution.

Initially, a team of 3 people was hired. They used a paper trail while they searched for the most appropriate software solution. When JC Chandler, head of the MRT looked at JPH International's *SuiteResponse CRM* product, based on Lotus Domino, she knew she had found what she had been seeking with the *Service* module. *Service* was installed in West Palm Beach in the spring of 1997.

Using the centralized model, *Service* was configured in such a way that only members of the MRT could enter or update issues. The issues "belong" to the team at all times, although the resolution normally requires the action of other departments. To this end, *Service* was configured to notify the action takers (*assignees*) via e-mail, and they would in turn reply back to the MRT via e-mail, where one of the representatives would enter the results, usually the e-mail message itself, into the issue history.

**Figure 3: Call Flow at West Palm Beach**



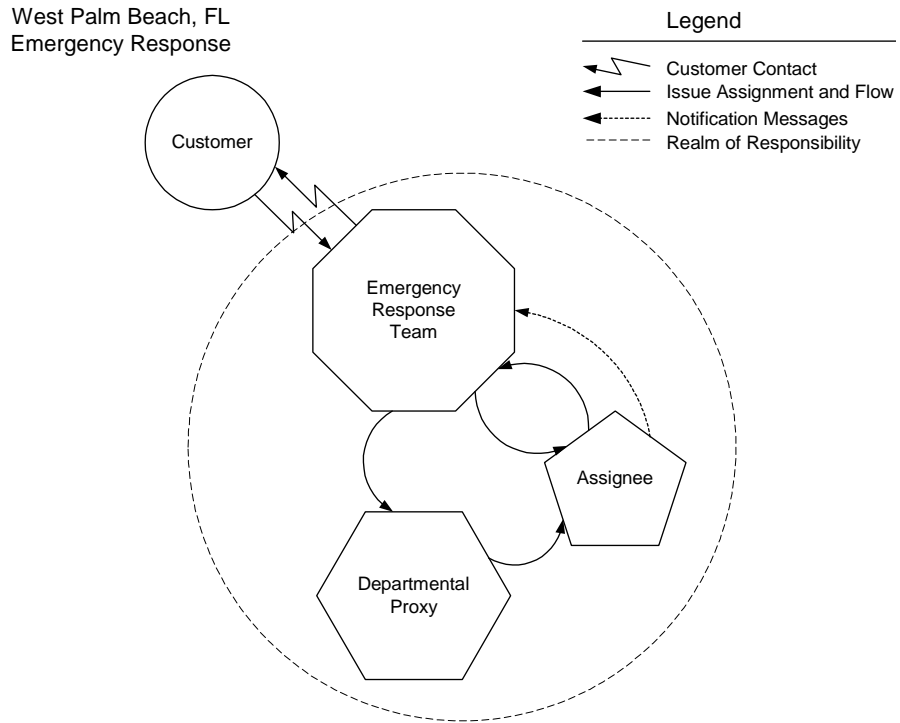
A hurricane is one of the most disruptive natural events that can happen to a city. Its' effect is widespread and it can hamper not only customers, but also the city's ability to respond. The cleanup effort can take weeks, even months to complete, but most of the cleanup requests come in within a short period of time.

Located on the East coast of Florida, West Palm Beach is in prime hurricane country. About one year after its' initial implementation of *Service* they decided to use it for their Emergency Response Team (ERT). A separate instance of *Service* was set up in a hurricane-proof building, and the ERT staff were trained on how to use it. The staff then entered in all of the standard hurricane related *issue type* information, with realistic response and resolution goals.

In this model, many of the issues are related to damage clean up such as tree trimming and road clearing. In fact, a high percentage of the issues were created by West Pam Beach staff, in many cases in advance of the customer contacting the ERT.

Aside from the technology used to enhance customer service, the very fact that the City proactively established such a system with a standard number to call, increases the comfort level of its' citizens when it comes to the City's willingness to assist them during such extreme events.

**Figure 4: Call Flow at West Palm Beach (Emergency Response)**



The model was somewhat altered from the one in use by the MRT, in that assignees in the ERT were empowered to close their own issues. Using *Service* for the ERT allows West Palm Beach to respond to customers in a consistent way, and to set their expectations appropriately. In addition, through root cause analysis, it helps to prevent duplication of effort when a number of people call regarding the same issue and with staff proactively logging issues, it is much more reassuring to citizens when they hear, “our staff have already logged that issue and it is scheduled to be completed within the week”.

## The City of Roanoke, Virginia, USA

The City Council of Roanoke, a five time winner of the All American City Award, made a decision in 1997 to become a “community of excellence”. One of the key factors needed to achieve this goal was an improvement in customer responsiveness. To that end the city began taking a good look at how it handled calls and requests for service.

---

*-In the center of  
Virginia's largest  
metropolitan region  
-Process up to 300 calls  
per day  
-Employ the  
Departmental model*

---

They hired a consultant to analyze their call patterns and determine what customer calls had in common and where they differed. A major effort was also undertaken to determine which areas of the organization were responsible for which issues. This actually prompted some changes in the organizational structure, as they found some overlap in responsibility, which was partly to blame for inconsistent service delivery to customers.

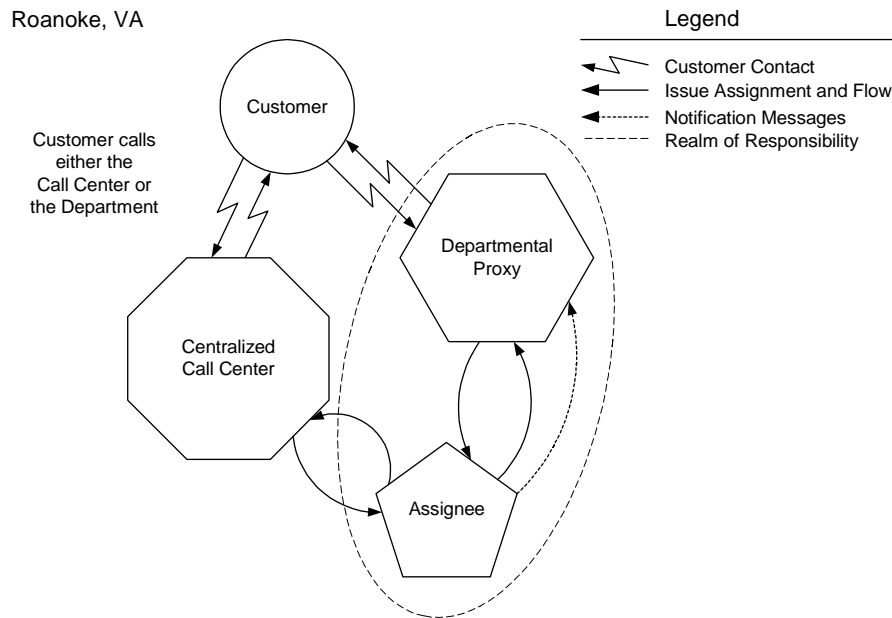
They decided not to fundamentally change the way that complaints were handled, but they set organizational targets, and standards around their customer service delivery. Calls could still come in to any department, but instead of the customer being routed around the organization, the staff member on the phone would see to it that the issue was followed up on.

The city services were quite distributed, and this added to the already complex requirements for a software system to help the city deliver this model. The system had to be secure and informative, with the ability to quickly inform a public works supervisor about upcoming events. The system's communications needed to be very strong, getting assignments out to the assignees promptly.

The city selected JPH International' *SuiteResponse CRM*, which includes *Service* and *Advisor* (the knowledge management module), to fulfill its needs. *Service* was configured to allow anyone in the city to create issues on behalf of a customer, and the *Advisor* would help the service representative decide who the issue should be assigned to. Once the issue was assigned, the assignee was the only one allowed to modify the action history.

*Service's Nag Engine* was enabled, preventing any issues from slipping through the cracks. Roanoke chose to use Departmental notification for these reminder notices. In this model, the decision as to who should be notified that an issue is overdue for action is made by the department instead of in the centralized call center. If the engineering department has defined escalating overdue notifications to occur at 4, 8, and 12 hours, the appropriate, pre-defined individuals in the department are notified when the issues become 4, 8, and 12 hours overdue respectively.

**Figure 5: Call Flow at Roanoke**



One of the more interesting observations that the city made was that the customer care staff always achieved a higher level of customer satisfaction than the individual departments. This was attributed to their use of the *Advisor* module, as well as their specialized training in customer service.

That prompted the city to move to a more centralized model, where calls come in, almost exclusively, through the customer care center, although the disposition of issues and notification of the customers still rests with the assignee responsible.

Roanoke currently services a population of approximately 100,000 customers with approximately 800 staff. The customer care center is comprised of 2 customer service representatives, and on average they deal with 250 issues per day.

### **The City of Mississauga, Ontario, Canada**

The City of Mississauga, incorporated in 1974, is a fast growing community of over 580,000 located west of Toronto and is Canada's sixth largest City. With 29 of the top 500 Canadian companies, the City is serviced by Pearson International Airport, Canada's largest airport, and seven major highways. The City is characterized by a strong, diverse, competitive business community with excellent amenities for its citizens and businesses.

- 
- Canada's sixth largest city
  - Population of 585,000
  - CCRs use "Advisor" to proactively answer questions
  - Uses the Enterprise model
- 

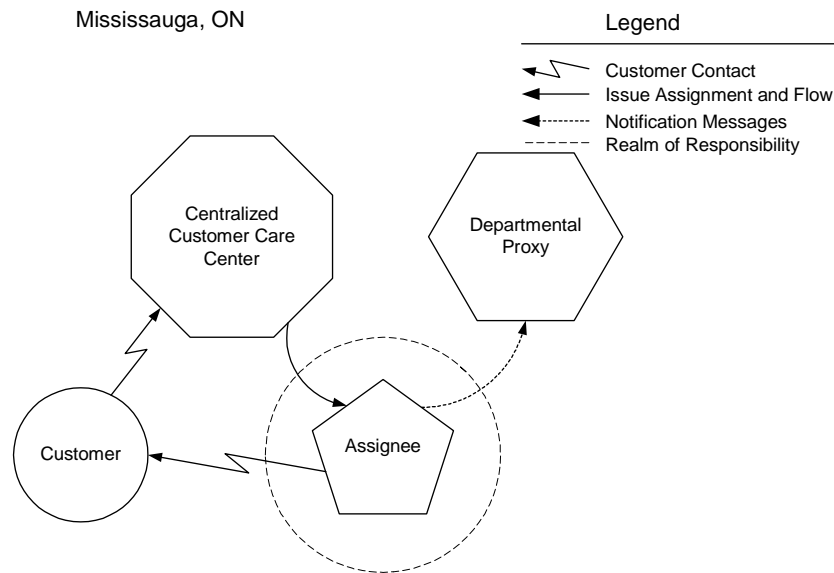
Driven by the Economic Development department, the City has a philosophy to provide information to any citizen or caller, regardless of the jurisdiction to which it applies. A flexible, user maintainable knowledge management solution, combined with an issues management system was needed to allow the City's Inquiry Officers, and city's staff in general, to provide information about the services of municipal, regional, provincial, and federal governments, as well as other agencies within the area.

Using *Advisor* and *Service* from the JPHI's *SuiteResponse CRM* suite, the City set about constructing a customer care center of 6 staff to fulfill their goal. *Service* was configured to have all calls, not just complaints or requests for service, come in through the central customer care department. If a request is the simple matter of a call transfer, *Service* presents the operator with a list of names, and the transfer is logged for future reporting. If the customer is requesting printed information, *Service* expedites that process.

If the customer has an informational question, the CCR tries to answer the citizen's question as far as possible using *Advisor*. *Advisor* contains a myriad of information about the city and its environs. It actually contains the contents of several regional Web sites, such as the police department, and the local school board that are up to date and fully searchable and are automatically updated on a daily basis.

If the customer has a request for service or the question requires follow-up (the city's target is 85% closure of initial calls), *Service* creates an issue, and *Advisor* provides assistance to help decide where the assignment goes. Once assigned, the assignee has ownership of the issue, and any interested parties, including the customer via the internet, are automatically notified of any changes to the status of the issue.

**Figure 6: Call Flow at Mississauga**



Mississauga uses departmental notification, which means that each department is responsible for the resolution of their respective issues. If the assignee does not attend to the issue within the organizational targets, the Nag Engine will notify pre-defined individuals depending on how overdue the issue is, according to the departments call resolution goals.

In Mississauga, *SuiteResponse CRM* was integrated with several of their existing information systems. Using the connectivity provided with Lotus Domino, their Oracle based property tax system is used to provide *Service* with the City's property tax customer list of over 220,000 customers. As well, the system is integrated with their existing PeopleSoft Human Resource System to help *Advisor* provide staff and expertise information.

The customer care center deals with 500 issues, on average, per day. Mississauga opened *SuiteResponse Advisor* to their corporate Intranet, so the information is available not only to the CCRs who accept issues directly, but also to any interested staff members. At the present time, they are considering providing *Advisor* to the general public over the Web in order to enable customer self-service.

### **The City of Lynchburg, Virginia, USA**

Lynchburg is nestled in the valley of the James River in the center of Virginia along southeastern slopes of the Blue Ridge Mountains. Known as the *City of Seven Hills*, the Lynchburg community of 69,000 is approximately 180 miles southwest of Washington, D.C.

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*-Population of 69,000*  
*-Provide 24 X 7 access to city hall*  
*- Employ the Enterprise model*

---

The City's Vision for the new Millennium "Lynchburg 2020" states: "Working together, we will be a progressive community shaped by new ideas and solutions, a skilled workforce, and citizen leadership-all distinguished by responsible and traditional values, involvement, education, new technology, and quality citizen services."

The City began its customer service initiative when it realized that it needed a solution to assist it in managing code enforcement issues. Court cases were being dismissed due to a lack of coordinated responses from City Hall departments. A customer service solution was needed to improve the communication between City departments and eliminate the "bureaucratic runaround".

The City views excellence in customer service as one of the critical elements in attracting new businesses. Access to customer service information on a 24 x 7 basis and complaint logging via the City's Web site (<http://www.ci.lynchburg.va.us>) was viewed as a key component to providing increased responsiveness.

Lynchburg studied the calls that they were receiving, typified them and recorded as much organizational knowledge about them as possible. They put together a customer response team of three individuals, and ensured that there was consistent participation from all departments involved.



An enterprise solution, like a chain, is only as good as its weakest link. They soon realized that a state-of-the-art information system would be needed to fulfill their vision. The city then looked far and wide for a software tool to help them and selected JPHI's *SuiteResponse CRM Service* module with Web integration.

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*The project was named  
"Citizens First".*

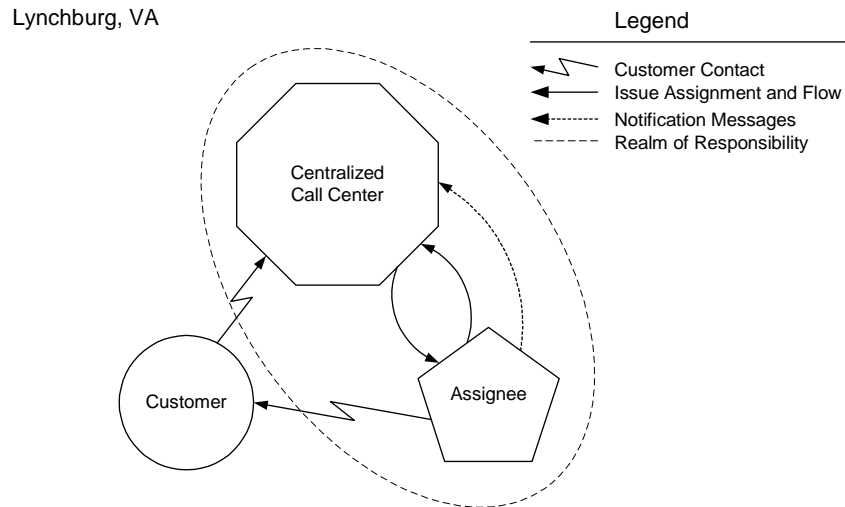
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The city then decided to publish and promote the customer service department. They launched a significant media advertising campaign around this program, that was named "Citizens First". Customers were encouraged to call the customer service organization with any complaints, questions or suggestions, and were able to expect a speedy, and coordinated response.

*Service* was configured to accept these issues, and allow the CCRs to assign them to the appropriate individuals. Once assigned, these individuals are responsible for acting upon and closing their own issues. Lynchburg configured *Service* to the organizational model, so that failures to meet service level targets results in notifications to pre-defined individuals, starting within the customer service organization. These individuals remain the same regardless of the issue type or responsible department.

At the same time, the city decided that in order to be truly customer focused, they needed to allow their customers to participate directly. A self service model appeals to a wide variety of people, so Lynchburg decided to implement *Service's* Web capabilities. Customers can go to the city's Web page, click on the Citizen's First link, and enter an issue directly. This issue follows the same path as any other, with the exception that it is first routed through a CCR for verification and assignment.

**Figure 7: Call Flow at Lynchburg, VA**



If the customer enters his e-mail address with the issue, he can be notified whenever action is taken on the issue, when, and if, it is reassigned, and when it is closed. This is a level of customer service previously unexperienced by the citizens of Lynchburg. In many cases, customers prefer to interact with the city in this manner, whether because of the 24 hour/7 days a week access, increased service levels, or simply because they find it easier access to information.

One customer who entered a new issue in the system over the Web from her office on the day the system went live, returned home to find that her issue had been resolved. The next day, she e-mailed the city stating;

*A very happy customer*

“Thank you for your very quick response to my brush pickup. Brush was removed by the time I returned home from work today. In addition I want to praise this alternative to calling your office during the day-sometimes it is difficult for some of us to get to a phone at work. This makes communication available for those times.

Thanks again!”

This was presented to City council the next day and all administrative staff and elected officials complimented each other on their new system.

In addition to providing a superior level of customer service, Lynchburg has found that allowing customers to interact with the City using the Web also helps to ease the burden on the call center, even though the volume of issues is increasing. In the future, Lynchburg intends to enable the Web capabilities of *Advisor*, which will help customers research, and hopefully answer, their own questions by themselves. As Downes and Mui point out in their book, *Unleashing the Killer App*,<sup>2</sup> “humans make very poor computer interfaces”. Given the opportunity, most people would rather look things up for themselves, as opposed to having someone look it up for them and read back the results, which is the classic call center model.

CNBC profiled The City of Lynchburg and their solution on “Technology Week in Review” and a multimedia presentation is available at <http://www.twir.com/real.html> under *SuiteResponse JPH International*.

## Best Practices – The Ideal System

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*Customers don't view the city as a group of departments, but as a single entity. They expect a consistent response.*

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Different organizations use different methodologies and models to handle customer service issues. The variability goes from a completely laissez-faire approach where each department determines how they handle their own inquiries, to a totally structured approach with cross departmental authority to ensure that all of the issues get resolved.

When a customer calls, he has an inquiry, and he doesn't really care how it gets resolved. The customer views the city as one entity, so statements like "that's not my department" and "you'll have to call the works yard" do not service the customer. The customer expects service, answers, and a reasonably consistent delivery model across the organization. This means that service delivery must truly be enterprise wide, cutting across departmental barriers.

An ideal enterprise system means that all of the stakeholders, including customers, are involved in deciding what the service delivery goals of the organization are to be. All members of the organization also need to work together to establish a knowledge base which contains all of the collective knowledge of the organization. This requires that they collect as much of the tacit knowledge, which is the collective know-how of the organization that is not organized, and make it explicit, so that it can be shared by everyone in the organization. The goal is for anyone in the organization to be able to provide informed answers or initiate action, no matter what the topic.

The ideal system includes some form of knowledge management tool. It is obviously unrealistic to expect every employee in the city to know how to deal with everything. However, if we can get the collective wisdom of the organization into some form of knowledge base, such as the *Suite-Response:CRM Advisor* module, it is not unrealistic to expect employees to be able to find out what they need to know quickly and accurately.

In the case of a simple question, *Advisor* will help the employee provide the correct answer. If the question is more complex, *Advisor* can help guide the employee through the process of determining the correct answer. And if the question requires some form of action or follow-up, *Advisor* will help determine the correct department or individual to deal with the situation.

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*How do we know what we know?*

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Since a knowledge management tool is effectively the sum of the organization's knowledge, it needs to be able to accept input, and deal with changing circumstances. In essence, it needs to be a repository for semi-static, semi-structured information. This means that the information is subject to change, but change must happen in a controlled manner. For example, the city purchasing department decides to change the way that the RFP process is handled. An approved knowledge author enters the changes, which flow through an approval cycle. Once approved, the document becomes official policy, and is what people see when they look up RFP procedures. This information remains static until either a predetermined expiry date or until the city again decides to change its procedures.

Alternatively, the information could be even more dynamic. Take for example the case of trash pick up. As trash is collected, the drivers can communicate back to dispatch any exceptions, such as missed trash pickups, that they may encounter. These exceptions can be entered into the knowledge base, so that if a customer calls about their trash pickup, anyone in the city can deliver an informed response, informing the customer that the trash was not at the curb, a vehicle was in the way, or whatever the case may have been. The knowledge will differ on a daily basis.

One of the more counter-intuitive notions about providing excellent customer service is that time spent with a customer should be encouraged, not discouraged. Classic call center organizations measure call center employees by how long they spend on the phone with a customer, with the aim to decrease that time. The logic here is understandable from an internal cost center standpoint - if you reduce the time spent with a customer, the same representative can deal with more customers, and be more efficient, thereby reducing costs.

This logic falls down when you take a customer centric approach. Instead of a cost center, your customer care center should be treated like a sales department. One of the largest factors in fostering customer loyalty is establishing a relationship with the customer. When the customer calls, they don't care that they're speaking to the customer care center instead of sales, they just know that they're speaking with the organization, and they expect a consistent level of service. Nobody would suggest that a sales representative should minimize the time spent with a customer, so why should that be true of a CCR? In a customer focused model, CCRs should be rewarded for investing extra time with a customer to satisfy his or her request, not penalized.

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*The age old saying “You only have one chance to make a first impression”, should be the mission statement of every customer care department*

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A knowledge management tool also helps to provide a consistent and accurate message and a consistent service delivery model to the customer base. A totally enterprise based approach is key to maximizing these benefits. Customers should receive the same answer regardless of whether they call the clerk's office, the works yard, the tax department, the City manager, or their elected politician.

Customers expect not just action, but prompt action. That means that the organization needs to determine objective response goals (the time by which the person responsible for resolving the issue takes the first action), and resolution goals (the time by which the person responsible for resolving the Issue completely resolves the issue). The time that it takes to resolve Issues is of significant relevance. Some organizations are more concerned with the frequency to which Issues are attended. These goals should be used not only for reporting, or in a reactive fashion, but also to make sure that issues are being attended to in a proactive fashion. In fact, in the ideal scenario, both staff and contractors could have performance bonuses tied to the achievement of these goals.

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*Once you make a promise, people expect you to meet it.*

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Products like JPH International's *SuiteResponse CRM Service* utilize a centralized "Nag Engine". By setting goals, *Service* calculates due dates and thus gives you the ability to track issues that are not being handled in a timely manner. The due date is used to inform the assignee, and/or another predetermined person, when an issue becomes overdue. To do this, *Service* sends e-mail to the responsible party using the Nag Engine. The Nag Engine is similar in concept to a "tickler" system, with one very important difference. A tickler is used to notify someone of an upcoming event, whereas the Nag Engine is used to notify people when things are happening outside of established organizational goals.

Goals are set because, in general, what gets watched gets done. Escalating overdue calls and delivering reminder notices requires an advanced workflow system with an easily configurable workflow server agent. The workflow server agent must be configured by issue types (groupings of issues with similar characteristics) such that a messaging system can deliver a reminder to the appropriate assignee and her supervisor when things aren't getting done. This approach has proven so effective in working environments that substantial staff behavior changes have been observed in as little as two weeks. The main caution is to ensure that other duties that fall outside of the realm of citizen service continue to be performed.

In other words, the Nag Engine ensures that you do what you say you are going to do, when you say you are going to do it. It lets you, and everyone related to the issue know as soon as you aren't meeting your commitments.

The simplest way to describe the behavior of the SuiteResponse CRM's Nag Engine is by example. Consider the following scenario:

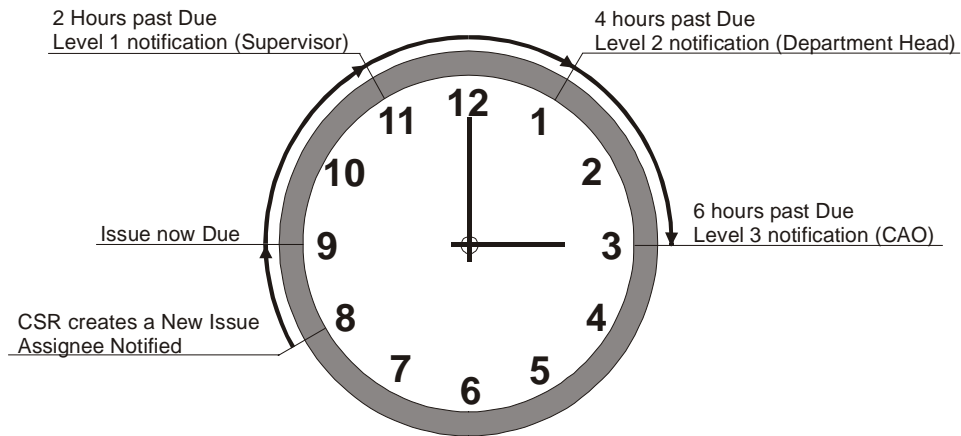
A CCR creates a parking sign issue at 8:00 AM that belongs to the Traffic department and it has a response goal of 1 hour. In the Traffic department profile, the *Level 1 Notification* is set to 2 hours. The Notification Level information contains a value indicating the number of hours before which the Nag Engine should send a notification email, and the name of the person (usually a manager or department head) who should receive the notification message. The *Level 2 Notification* is set to 4 hours, and the *Level 3 Notification* is set to 6 hours. *Service* calculates the Due Date/ Time by adding the current date and time to the Response Goal (*Service* automatically calculates and compensates for the number of working hours in a business day). Therefore the Due Date/Time is 9:00 AM on the same day.

If the Issue remains untouched (not responded to) at 9 AM, the Issue becomes overdue, but *Service* performs no action.

When the Issue is two hours (the number stored in the *Level 1 Notification* field for the traffic department) past the Due Date/Time (which is 11:00 AM), *Service's* Nag Engine sends its first notification message. The message indicates to the Assignee, and to the person identified in the Level One Notification field, that the Issue is now Overdue. The Nag Engine in *Service* sends two more e-mail notifications if no one takes action on the Issue. The next e-mail is sent to the recipient(s) identified in the *Level 2 Notification field* at 4 hours past the Due Date/Time (the number stored in the *Level 2 Time* field) which is at 1:00 PM. The highest priority message is sent at 6 hours past the Due Date/Time (the number stored in the *Level 3 Time* field) which would be at 3:00 PM. After that point, notice is sent hourly until the issue is dealt with.



**Figure 8: Issue Notification Timing**



To ensure that Issues are not forgotten, *Service* restarts counting the elapsed time each time an action is taken regarding the Issue. That means the Nag Engine starts the notification process at the beginning (restarting the notification process with Level One) each time an action is posted to the Issue.

Thus far, we have focused on what happens when a customer telephones in with an issue or complaint. However, this is simply the traditional model. If a city is to be truly customer focused, they must provide alternate means of interaction with the customer. According to recent estimates<sup>4</sup>, there are over 60 million households in the U.S. connected to the internet. There is also a strong relationship between income and/or education level, and connectivity. In Canada, 68.1% of households where the head of the household had a university degree were connected<sup>8</sup>, and it also varies regionally. The City of Berkeley recently quoted a Web penetration figure of 75%.

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*Complaints come from a variety of sources.*

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This means that the ideal system must be available on the internet. A customer should not only be able to register her inquiry on-line, but the ideal system should be able to inform her of any progress made on her inquiry. *Service* does this by automatically notifying the customer via email whenever any action is taken on the complaint, or whenever its status changes.

Of course, not every customer is connected to the internet, and some prefer older, non verbal types of communication, such as letters or faxes. To be completely customer focused, these interfaces must be seamless. That means that if someone mailed in a complaint, anyone within the city that looks at the issue should be able to view that letter on line, at the touch of a button. Indeed, every customer communication or contact, needs to be tracked, so that whoever is dealing with the customer issue will be completely informed of the history of the issue at any given time.

In the end, the ideal system must be enterprise wide, must be Web enabled and must not only have reactive reporting capabilities, but must proactively notify the appropriate people of any failures in the delivery model. It must give everyone a maximum of information to help them solve customer concerns, and must be able to accurately track any communication with the customer. The ideal system not only helps the city determine how to set service delivery expectations, but helps them ensure that they are met. Things will be done when the city says they will be done.

To this end, it is important to recognize the fact that there are many established procedures and tools (mostly from the call center world) that help an organization determine appropriate times to closure. However, in order to be truly customer focused, the organization needs to be aware not only of expected closure times, but that action is being taken on an issue that will lead to closure. In *SuiteResponse CRM*, these items are tracked separately as *Response*, and *Resolution times*, and failures to attend to the issue results in notification.

A customer focus is the mainstay of Customer Relationship Management (CRM). CRM is about the management of the relationship with the customer through every phase of the customer lifecycle, from pre-acquisition to post-departure. Essentially, using a CRM system, an employee can gain access to all relevant information about a customer, no matter where they are (at home, on the road, in the office), or when they want it.

Obviously then, any CRM system should be enterprise wide order to achieve that goal. Not only must every employee utilize it, but it must also be aware of every contact, with the customer. For example, when the mayor receives a call at home in the evening from a concerned customer, she should quickly be able to find out what promises were made to that customer. She should also be able to see information that has gone out to, or come in from, the customer, whether that information be paper based (fax, letter), electronic (e-mail, file attachments) voice or face-to-face.

## Technology Considerations

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An enterprise application, simply by virtue of being enterprise wide has several implications for any technical solution, such as scalability, distributed operations, mobile operation and reliability. Add to these the requirements for a good customer service application, such as excellent communications, multiple client platform support, excellent integration with outside applications, and document management capabilities and the technical requirements become rather complex.

### **Scalability**

Enterprises come in many different sizes. As more and more people participate in the system, the technical requirements change in order to maintain the performance targets. Any application needs to be very responsive in order to be successful, as it shouldn't frustrate users or slow them down in their tasks.

Conversely the requirements should not be so cumbersome and costly as to prevent small enterprises, or pilot projects from using the application. The solution should therefore be capable of operating on systems ranging from entry level servers, sometimes coexisting with other applications, as well as on dedicated, high performance systems.

### **Distributed Operation**

Most enterprises, particularly city governments are distributed in nature. Most consist of several locations, with many people out in the field. Customer service inquiries require prompt responses, and therefore the technology must be able to get the information out to the assignee, the issue cannot always wait for the assignee to come to it. In other words, the technology must consist not only of "pull" technology, but "push" as well.

The system must be able to exist in several different locations without the requirement for people to be constantly connected.

## **Mobile Operation**

People aren't always at their workstations, or at the office. However, that doesn't mean that they are unable to perform their tasks. Because of this, the technology must support mobile operations. Simply put, mobile operation means that a person should be able to take the issues assigned to them with them on the road, and operate on them without being constantly connected to the host server.

## **Reliability**

Any enterprise application, once in operation, is mission critical. Mission critical is no longer the purview of financial systems, but is any system put in place to help the organization accomplish its mission. The primary mission of most city governments is to serve the public, so what could possibly be more mission critical than a customer service application?

Mission critical means that the information needs to be there when it is needed, unscheduled downtime cannot be tolerated. The technology to support a customer service application needs to be totally reliable, and highly available.

## **Communications**

Communications are critical to excellent customer service. Assignees need to know what is expected of them, and when. CCRs need to know when tasks are assigned, when tasks have been completed, or if they are not being completed and customers need to know the status of their issues. It is unreasonable to expect all of the users to constantly come to the system to check the status, so some form of notification is critical.

E-mail has become the preferred method of notification for business, and is quickly becoming preferred for private usage as well. Therefore, the system must at the very least be integrated with e-mail, and ideally should contain all of the components of an e-mail system.

In addition, not all communications are voice or electronically based. Paper still forms a high percentage of communications, so the system needs to be able to incorporate paper based communication media as well, whether it be letters or faxes.

### **Multiple Client**

Across the enterprise you will find many different users, often on very different platforms or operating systems. In addition, different types of users have different types of requirements. Although most organizations have standardized around Windows 32 bit operating systems, native Windows applications may be ill-suited for some users.

Many organizations are finding that browser based applications are relatively simple and cheap to deploy, and are therefore demanding browser based applications for deployment on their corporate Intranets.

In fact, some users may not use Windows at all, but may prefer to interact with the system using a handheld device, or even a pager or fax machine. The system must be accessible from a variety of clients.

### **Excellent Integration**

Relevant information comes from a variety of sources. It may be that your customer information is contained in your property system, location details in a Geographic Information System (GIS), employee information in a human resources system or service information on your Website, etc. The system must not only embrace, and integrate seamlessly with these applications, but should also be able to work with other information sources, such as document management systems, faxes, phone switches, etc.

## **User Interface**

More than most systems, a highly efficient user interface is critical for customer service. The last thing a customer on the phone wants to hear is “I’m just waiting for my computer...”. Inefficient user interfaces also frustrate users of the system, who will devise ways to get around the system, potentially dooming it to failure. A good user interface encompasses excellent design techniques with flexible technology.

CCRs will likely have different requirements than their manager, departments heads, casual members of staff, or members of the public. Each will perform different tasks and require different information more or less frequently. For that reason, ultimately the technology should support a variety of customizable, task oriented interfaces.

## **Recommended Technology**

The only technology that answers all of the technical requirements on its own is the Lotus Domino server. Domino contains a distributed database, a communication subsystem, an internet mail server, a directory, a security system, an application development environment, document management, a Web server, and a number of other technologies to help support customer service.

Domino operates on a variety of platforms ranging from Windows NT, through Linux, Sun Solaris for both Intel and SPARC, HP/UX, AIX, OS/2, to IBM AS/400 and System/390 systems. Additionally, *SuiteResponse CRM* has been certified on most of these platforms. Domino is truly scalable.

The ability to operate on upper tier operating systems helps to ensure scalability and reliability, but through its clustering and replication technology, Domino can virtually ensure 100% availability on practically any platform.

The Domino database inherently supports replication, which is a technology that allows for excellent distributability and mobile operation. Multiple servers can be placed wherever the users are, and they can use replication technology to stay synchronized over low bandwidth communication channels. Portable computers and remote workstations also use replication to allow complete, and/or partial data sets to be available locally or on the road. Through replication, it is possible for an assignee to go on the road and work on his issues on an airplane.

Communications have always been a mainstay of Domino. It has always been the leading groupware server, and groupware is founded on communication between people. This applies at both the technical level allowing connections between different types of networks, or modems, and the application level. Domino is the industry's leading e-mail server, with over 40 million e-mail clients currently installed.

Access to Domino can be provided to a very wide variety of clients, including both Windows and Macintosh PC users, Web browsers, Personal Digital Assistants (PDAs) like the Palm Connected Organizers, to pagers, and even telephones. Users can interact with Domino based applications using whatever method makes the most sense for them.

ERP systems, or other legacy applications can be accessed with relative ease using Domino. Domino ships with connectors to all of the leading databases, as well as many leading ERP systems. Using Domino, the most difficult integration task, providing database connectivity, is provided "out of the box".

Finally, Domino's security and directory, combined with its application development tools allow for application tailoring based on *user name*, role or other parameters. The user can utilize different clients, which in turn allow the server to be aware of the user's identity. This allows the interface to be customized on a user by user basis. This sort of customization leads to a highly efficient user interface, and therefore an efficient application.



For all of these reasons, JPH International decided to build its *SuiteResponse CRM* product suite within Lotus Domino technology. This has allowed JPH International to concentrate on building best of breed customer care applications, rather than reinventing the wheel trying to provide core technologies already available elsewhere.

## Conclusion

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This paper discussed how e-business and best business practices, employed by progressive cities, can provide a roadmap to aid other local government's transition from internally focused models of policy enforcement, to external, customer focused, models. Many local government agencies are now treating each citizen as a customer and adapting the best customer focused approaches of the private sector to suit their own needs. A customer focused strategy results in a win-win scenario for both the local government and their citizens. Local governments can realize cost reductions through increased efficiency, reduced liability and improved economic development. Citizens can benefit through improved and more effective customer service that meets, or exceeds, their expectations, resulting in higher satisfaction levels with city hall.

Many cities are realizing these facts, and are adopting new procedures and systems to deal with customer inquiries. The ideal system empowers all city staff to deal with customers in a knowledgeable, consistent and responsive manner.

First generation customer service systems provided limited capabilities to solve departmental problems. Today, local governments endeavour to achieve their goal of excellence in customer service through cost effective and powerful enterprise-wide solutions. Such solutions should integrate and leverage corporate data sources, extend the accessibility and reach of City Hall to its customers via the Internet and integrate advanced capabilities such as document management. With the convergence of many new technologies, the future is now.

## About the Authors:

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### John White

Mr. White is the Chief Application Architect at JPH International Inc. for the SuiteResponse CRM product line and leads the firm's CRM Product Team. Mr. White holds a Bachelor of Engineering from Ryerson Polytechnic and a Master of Science in Engineering from the University of Guelph. Mr. White has over ten years of data processing experience, five of which have been dedicated to the area of Customer Relationship Management (CRM) and supporting technology. He regularly speaks at industry conferences on the subject area and is JPHI's member of the *Lotus Development Corporation's Domino.Doc* external steering committee. Mr. White has contributed articles and has been quoted numerous times in many industry trade publications on the subject of CRM and document management and is presently researching the requirements of using CRM concepts to enhance e-business opportunities.

### J.Paul Haynes

Mr. Haynes is the President and a Board Member of JPH International Inc. and is responsible for overall strategy and direction of the firm, comprised of 67 staff. Mr. Haynes holds Bachelor and Master of Science in Engineering from the University of Guelph and is a Professional Engineer. Mr. Haynes has over 15 years of data processing experience ranging from low level programming of control systems to design and development of complex business applications such as billing, customer service, expert systems and data warehousing. Mr. Haynes came up with the original idea for JPH International's Customer Relationship Management system in late 1993 and remains an active contributor to the product's future direction. Mr. Haynes regularly presents at industry conferences, is quoted in trade publications and appears in television interviews. Mr. Haynes' vision of the future and long term strategy plan involves a large emphasis on browser

based technology which includes thin clients, network computers and Java based systems.

## Glossary

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|                                 |  |
|---------------------------------|--|
| Advisor                         | a section of an Issue Type that contains information intended to assist (advise) CSRs in handling calls  |
| Application Software Provider   | a service that allows clients to access application software from a central location on the Internet   |
| ASP                             | Application Software Provider<br>see Application Software Provider   |
| Assignee                        | the person responsible for responding to Issues  |
| CCR                             | Customer Care Representative<br>see Customer Service Representative  |
| Contact                         | a person making a suggestion, comment, complaint, concern or reporting a problem   |
| CSR                             | see Customer Service Representative  |
| Centralized Model               | a configuration method of <i>Service</i> in which a central group of CCRs are responsible for the resolution of all issues within the organization |
| Customer                        | see Contact  |
| Customer Service Representative | a person responsible for taking calls from customers and assisting them in resolving problems or concerns  |
| Department                      | a way in which issues are grouped within <i>Service</i><br><br>Departments typically correlate with the departments within your organization.      |
| Departmental model              | a configuration method within <i>Service</i> in which each department is responsible for the resolution of their respective issues                 |
| Domino                          | the software that <i>Service</i> communicates with on your network server  |
| Due Date                        | the date and time before which an issue must be acted upon<br><br>The <i>Due Date</i> is the date and time that the Issue is created plus the      |

|                  |   |
|------------------|---|
|                  | number of hours indicated in the <i>Response Goal</i> field.  |
| Escalation       | the act of redirecting an issue based on its status becoming incrementally overdue                                |
| Goals            | are similar to budgets in that they allow you to track the performance of Assignees                               |
| Hours to Respond | the number of hours that elapse between the creation of an Issue and the first time the Assignee views the Issue  |
| Issue Goals      | see Goals   |
| Issue Metrics    | see Metrics   |
| Issue Types      | the way that <i>Service</i> efficiently groups Issues with like characteristics                                   |
| Issues           | concerns, suggestions, requests, etc. that are raised by your customers that have been logged in <i>Service</i>   |
| Lotus Notes      | the software platform written by Lotus on which <i>Service</i> operates   |
| Metrics          | statistical reports or views that allow you to evaluate if a given Issue was dealt within the budgeted time frame |
| Nag Engine       | the portion of <i>Service</i> that tracks Issues and sends email notices to individuals when they become overdue  |
| Overdue          | an indicator that identifies Issues that have passed their Resolution Goal date and time                          |
| Resolution Goal  | see Goals   |
| Response Goal    | see Goals   |
| Root Cause       | a way of grouping Issues with similar characteristics   |
| Service          | a component of <b>JPH International's <i>SuiteResponse CRM</i></b> product  |
| Status           | see Issue Status  |
| SuiteResponse    | a suite of customer-centric productivity software written by JPH International Inc.                               |
| Type             | see Issue Type  |

User Name

the name of a user as it exists in  
*Service's Name And Address Book*

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