

SAP Customer Success Story Public Sector – Local Government



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Bill Murphy, Strategic Director of Customer and Corporate Services,
London Borough of Southwark

AT A GLANCE

Summary

The London Borough of Southwark implemented the mySAP™ Customer Relationship Management (mySAP CRM) solution and the SAP® Business Information Warehouse (SAP BW) component (part of the SAP NetWeaver® Business Intelligence component) and with the resulting transparency of data, achieved tremendous efficiencies, customer understanding, and service improvement

Web Site

www.southwark.gov.uk

Key Challenges

- Disparate customer data sets, spread over approximately 150 different systems
- Inaccurate and inconsistent customer-related data
- Inconsistent levels of customer service
- Manual, redundant, and costly entry of customer data

Project Objectives

- Provide single, reliable, robust, consistent customer data set, offering a holistic view of customer-related data
- Improve customer service
- Improve consistency and accuracy of service
- Reduce manual and paper-intensive processes
- Become more educated about customer interaction habits and preferences
- Provide faster, more accurate handling of customer interactions

Solutions and Services

- mySAP CRM
- SAP NetWeaver Portal component
- SAP BW

Why SAP Solutions

Logical extension to existing system

Implementation Highlight

Rolled out portal, CRM, and BW solutions in 7 months

Key Benefits

- Single customer overview
- Improved service offerings
- Consolidation of 100 front-facing services to 1 call center and 8 customer access points
- Improved design of services and better targeting of resources
- Proactive promotion of Borough services to assist in achieving social objectives

Implementation Partner

Pearson Government Solutions

Existing Environment

SAP R/3® software (functionality now found in the mySAP ERP solution)

Database

Oracle

Hardware

Hewlett-Packard

Operating System

Linux

LONDON BOROUGH OF SOUTHWARK

mySAP™ CRM Powers New, More Efficient Delivery of Services and Reporting Capabilities

The fascination of the London Borough of Southwark lies in its diversity. Ensnconced along the Thames River, it encompasses an extraordinary variety of lifestyles and locales. The Tate Modern art gallery is here, as are the offices of the London Financial Times. There's upscale development along the riverside; leafy, green, affluent residential neighborhoods in the south; council housing in the middle; a substantial immigrant population throughout; and pockets of high unemployment – all packed into an area about seven miles long by three miles wide, with a population of a quarter of a million.

Administering a borough like this, meeting its infrastructure requirements, and serving its citizens' needs is a vastly complex and demanding task. The list of Borough responsibilities is daunting. It must provide schools and teachers, care facilities and day centers for the elderly, most of the road network, the pavement, street cleaning, waste collection, recycling, and building control and planning, including architectural services – to mention just a few. It also has a housing stock of 50,000 units, which makes it a major provider of local authority rental accommodation.

In all, Southwark delivers some 1,000 listed service items within 120 categories. To pay for all this, the Borough oversees a £400 million (€584 million) annual budget, along with capital investments ranging around £1.2 billion (€1.75 billion). Clearly, operating the London Borough of Southwark is a significant undertaking.

Consolidating Disparate Legacy Systems

To add to the complexity, this London Borough has traditionally been quite decentralized, with six departments that have historically had substantial autonomy and independence. That applied to their IT systems as well. That situation needed to change, so in the period 1998–99, the Borough took the decision to invest in enterprise-wide IT solutions. Southwark was, in fact, the first local authority in the United Kingdom to invest in SAP® software, with the implementation of financial, human resources, and payroll components of SAP R/3® software (functionality now found in the mySAP™ ERP solution), and then move all its employees onto a single payroll system.

With the enterprise resource planning (ERP) components up and running, the Borough went on to the next phase of their consolidation upgrade. Southwark went out to the marketplace to select a technology partner who could supply and implement the needed applications. Ultimately, they chose Pearson Government Solutions, which had proposed an all-SAP solution including the implementation of the SAP NetWeaver® Portal component, the mySAP™ Customer Relationship Management (mySAP™ CRM) solution, and the SAP Business Information Warehouse (SAP BW) component (part of the SAP NetWeaver Business Intelligence component). “What we wanted to do was ensure that our investment would provide a payback in terms of our customer service,” says Bill Murphy, strategic director of customer and corporate services for the London Borough of Southwark.

Wanted: A Unified Customer Data Set

“Services had grown up in their own way over a period of time and weren’t providing consistent levels of service or information to customers across the system,” recalls Murphy. “Our investment in SAP had primarily been inward-looking up till then. We’ve

been building on that investment, but basically the big issue for us was the need to provide a much more unified single interface from the perspective of the customer. Customer data sets were probably spread over about 150 different systems. So CRM was absolutely vital for us in terms of providing a single customer data set that would be reliable, robust, and consistent across the Borough.”

Work on the contract was initiated at the end of November 2004, and, after user-acceptance testing, the system went live in May 2005, seven months later. Three legacy systems required for coordination with other UK government agencies were integrated into the CRM system.

With the advent of mySAP CRM, the goal of a single customer file into which all data associated with that customer is assembled has been achieved. As a result, the Borough’s business processes have changed. The back office no longer has to enter

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in customer details, and considerable efficiencies have been achieved. “It’s only when you bring the services into the front office that you actually get the metrics that you need in order to make the decisions about the most effective way of running the back office,” says Murphy.

Promoting Innovation

The new SAP solution is promoting innovation in service offerings as well. “It’s helping us to think about how we can design services better for our customers,” says Murphy. “Now that we have this single overview of the customer across all the services they’re interfacing with, we can start to reconsider what we’re offering. That’s been one of the biggest benefits – simply knowing what our customers want from us.”

But that is just the bare beginning of the results and benefits Southwark has obtained with this system. Consolidation is another, and it has been extraordinarily effective: some 100 disparate front-facing services have been replaced by a customer call center and eight main customer-access points, three of which are one-stop shops. Slowly, all Southwark's services are being integrated into a single interface with the Borough.

SAP BW – “Brilliant” and “Easy to Use”

“What we've implemented alongside the CRM solution is the SAP BW product, which I have to say is brilliant,” says Murphy. “We've all come to love it very rapidly. It provides the reporting from the CRM system and our telephone system.”

The combination of mySAP CRM and SAP BW brings a whole new level of understanding to the operation of the authority at every level. “The quality of data we're getting is just fantastic in terms of understanding volume data about what customers want from us,” says Murphy. “We've never had the data collated in one place before. In terms of planning for the future, we're now much better able to target our resources at the volume of services required than we ever were before.”

The combined CRM and data warehousing functionality is having an impact across the entire user base. Says Murphy, “Our users now see the reporting of SAP BW integrated with mySAP CRM and they see how easy it is to use, and that really eases the acceptance of CRM into the organization.”

Proactively Promoting Services

The newly expanded SAP solution is enabling the Borough of Southwark to innovate in ways that would previously have been unimaginable. Because the CRM system collates data in new ways, the Borough can now, for example, begin to promote its services more proactively. “When you phone us up to say, ‘I've just moved into Southwark,’ by asking you a few questions we'll determine an understanding of your needs and then send you a tailored package of information,” says Murphy. “We'll use that first point of contact to offer – and simplify the process of delivering – a variety of other services. The whole system just gives us terrific ability to innovate by having that customer information at hand.”

This kind of capability helps Southwark to realize its social objectives. For example, the lower-income population has a tendency to underutilize certain existing facilities – libraries, leisure, sports, and the like. “Providing young people in particular with alternative places to go is really important in terms of our other social objectives, like reducing crime and so forth,” says Murphy. “So for us promoting healthy living and encouraging learning – those sorts of things are quite important in our city environment. The easier we can make that for people the better for the community.”

Murphy continues, “The next big step for us is seeing how many current legacy systems we can collapse into the CRM system. You can't take things away from people till you're absolutely sure you can let them do what they previously did. And beyond that we'll be continuing the rollout of business warehouse functionality, creating more dashboards and other data displays.”

Next Step: Master Data Management

Looking to the future, Southwark needs to expand the entire system into the property management area. “We are currently keeping our property data outside the CRM system,” Murphy says, “but that hasn't worked for us, so we've realized we have to

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build it within the CRM system. Our managers want much more geographically based data, and we've concluded that is predicated on having a much better way of storing data. To that end, we're looking at another SAP product called the SAP NetWeaver Master Data Management component.”

In the meantime, Southwark's SAP solution rollout continues apace, with full implementation and the beginning of return on investment projected for 2007. Ultimately there will be some 200 users in the call centers and one-stop shops, and an additional 450 users in the back office. Moreover, the portal, where dashboard and metrics are available, will be rolling out to 4,500 people – essentially the entire organization.

Projected Savings: A Million Pounds Annually

Also projected for the period 2007–08 is an authentication and security system that will allow customers to go online and see what has actually happened to their service request. Similar to a package-delivery-service tracking system, this function should ultimately reduce substantially the number of calls into the call center. Self-service is the ultimate objective.

“We have a financial model that says we expect to be saving a million pounds a year by 2007–08 by collapsing back-office systems into the CRM system and eliminating multiple customer data entries with the accompanying savings in time,” Murphy says. “Particularly valuable are the reporting tools, because by being able to automate importing metrics, we save an army of people who were previously doing it.”

The final word: “My advice to anyone who's doing this is don't do it without the reporting tool,” says Murphy. “Because it's the reporting tool that shows people the benefits. Data just sitting around in a CRM isn't terribly useful. It's only useful when it's interfaced with a good reporting tool and put in a format that service managers can utilize and understand fairly easily. And that's why I'm such an advocate of SAP BW, because that's easy to use. And it's led to the acceptance of our CRM system across the organization.”