Response to Cabinet Office on “Transformational Government – enabled by technology”

by Cable & Wireless

Introduction

Cable & Wireless fully supports the Transformational Government strategy and welcomes the opportunity to submit our ideas.

We believe that there is a massive opportunity for combining increased services through an integrated "virtual channel" supporting all interaction between citizen/business and all government offices (both central and local)

The Major themes from our initial submission are picked up in the paper:

- The necessity to intersect changing customer expectations;
- Shared services require robust, secured, open infrastructure;
- Customer service centres need a cohesive strategy with secured investment to evolve into pan agency multimedia contact centres.

We are confident at C&W, that our strategy to support the Public Sector over the last decade provides a strong infrastructure foundation to implement a robust transformation programme for the 'front office' of Government. This document provides further information around our thinking with an express focus on delivery.

Consequently the main focus of our submission is around the creation of a virtualised "front line" that is able to deal with the interaction between all parts of the Public Sector and its clients.

Our consulting group is enthusiastic about the opportunity to transform public sector contact centres. This will be covered briefly, but is a subject we would like to pursue in more detail with the Cabinet Office. Teaming of local government with central and other public sector bodies would provide real transformation of services. We will give some ideas on how to enable progress to this goal.

Cable &Wireless' experience is in the creation and provision of common infrastructure services for the public sector. We draw some conclusions from our involvement as to how their use could be accelerated.

Implementation is a key issue. Technology & IT are just components of the services that are generally provided by people. This fact has been recognised by successive government reports and was an early theme of the Senior IT Forum. We hope that our experience can add to the knowledge base in the shared service toolkit to help analyse and minimise the risks of changing to a shared service culture.

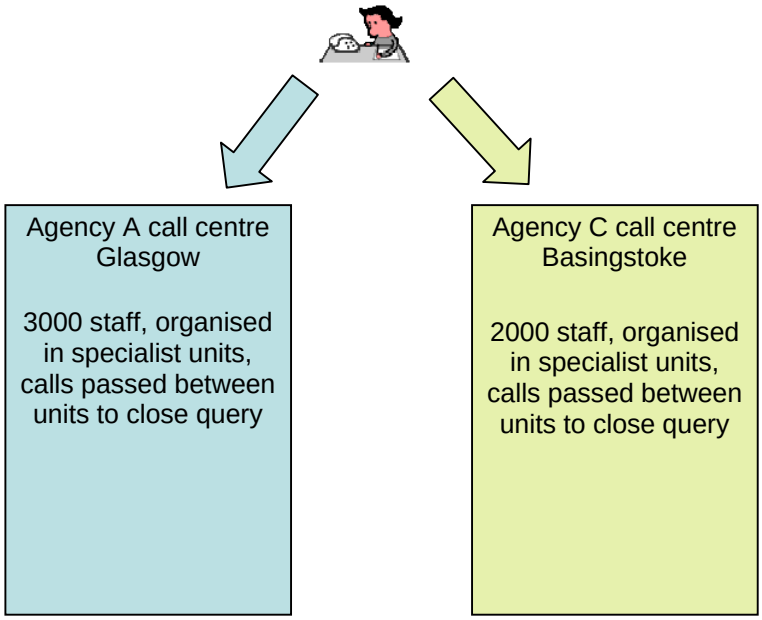
Customer Service Centres

Public sector contact centres offer a huge opportunity for transformation. Our consultants reckon that most public sector contact centres are 2-3 years behind the leading commercial operations. This means that customer expectations have shifted and public sector has to raise its game. The newer technologies can give better and cheaper customer service, because they allow different departments and agencies to act as a single integrated service.

Today, a single event, for example a new baby, redundancy, self-employment, or a change of address, each requires multiple communications with different agencies. Whilst some steps have been taken, the public sector is still organised around its functions, not the citizen.

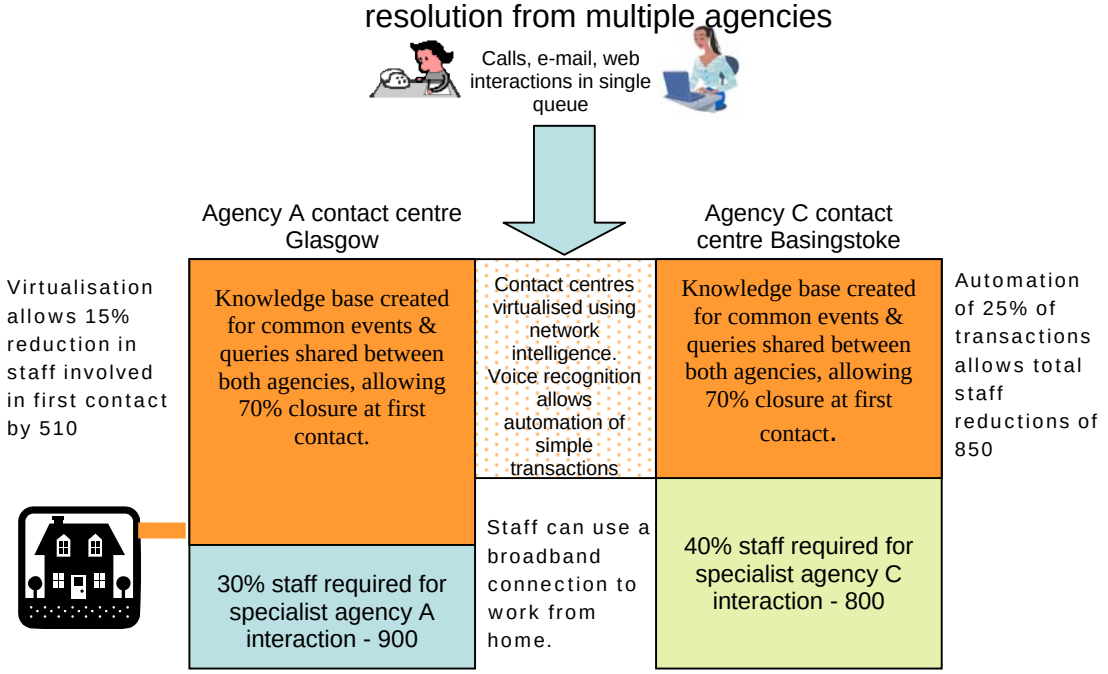
Cooperation between agencies to improve this does not require wholesale organisational change. Process change and providing a single interface to the citizen is not complex, as outlined below:

Fig 1 Today: Single event: multiple calls to different agencies



The strategy commits to analysing the requirements of different customer groups.
Once the analysis of the needs of this particular customer group has occurred, a single knowledge base can be created to handle the majority of calls relating to events across two or more agencies. Voice recognition is now a reliable way for callers to navigate services. Some transactions can be completely automated. Perhaps 25% can be completely automated; we suggest 70% of the rest could be closed at first contact using the pooled knowledge base. There will be changes for the staff. The majority would be retrained to handle the most common queries across the agencies. Customers will have most queries closed with one call to one person.

Fig 2 Tomorrow: single event: single call, e-mail or web interaction, provides resolution from multiple agencies



Creation of virtual common service centre, using knowledge base and network based intelligence, improves customer service with 27% staff reduction

Only a fraction of specialist staff will be required to handle the more complex situations, Fig 1 and 2 illustrate the point. An agent handled call costs around £2.50; an automated call employing voice recognition costs £0.25. Virtualisation is the networking of multiple centres so that callers enter a single queue. It yields a 15% saving in agent costs: over £250k for every million calls.

In addition the model allows for automated outbound messaging to form part of the communication between government and the citizen. For example SMS or email is a proven effective communication medium for hospital appointments, tax return cut off dates etc.

The increase in broadband penetration means that much of the population, whether at work or at home is using e-mail and web browsing to research and access services. The IP contact centre allows the automation of all of the tasks associated with handling texts from mobiles, e-mail, web chat, web collaboration as well as voice calls. One of our financial clients sells >80% of its car leasing policies through car dealer intermediaries using the web channels rather than voice.

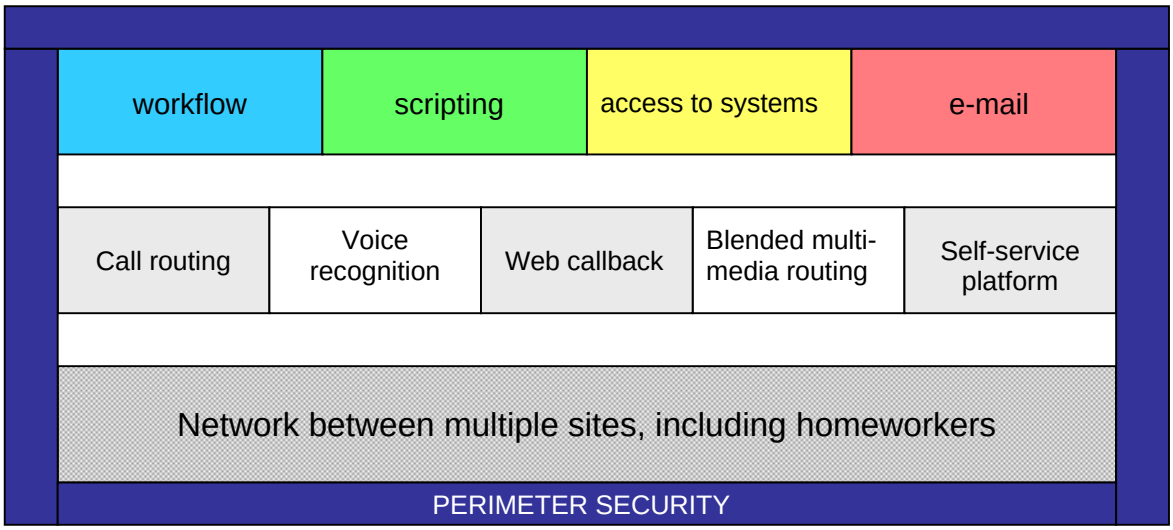
Broadband allows public sector staff of a customer service centre to work from home securely. In the service centre context, staff could work part-time, or flexibly, according to demand, with exactly the same facilities as in the office. Public sector could set a new agenda with innovative HR policies, by building on this facility. For example, working flexible hours from home is an attractive option not only for working parents, but for older staff who wish to work beyond today's retirement age. It is also a method of easing the long term sick back into the work pool.

Collaboration between local & central government.

The strategy raises the scope of "*…rationalisation through sharing, particularly if central, local and other public sector bodies can team up*." This prospect is real. Nevertheless, Cable & Wireless experienced the barriers to collaboration between local and central government, when trying to connect them with an extranet, starting in 1998. There is now a solution, as security technology has advanced, with Government Connect, as proposed by OGC and

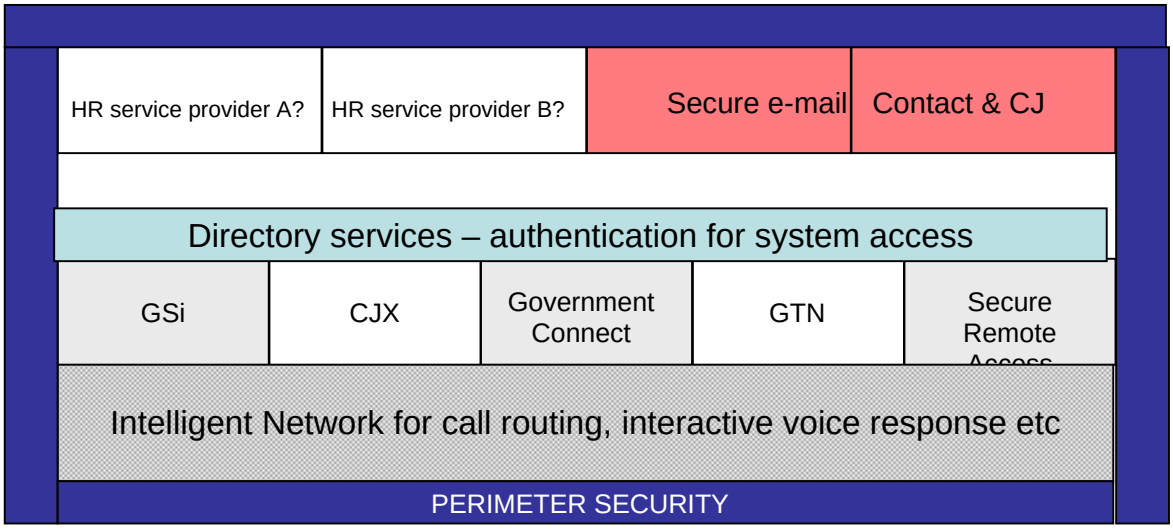
ODPM. Government Connect still requires agreement for the security policy; for the code of connection to allow local authorities to link up and ultimately to connect with central government.
Contact centre personnel, whether they are in the back office or front office, will need access to a variety of systems. To have local authority personnel accessing central government departmental systems, and say, police accessing sensitive data in local authorities is a very difficult issue. The current debate about implementing Bichard's recommendations demonstrates this vividly. Web services can make the task much simpler in theory, but verification of identity and authorisation to access different systems is a major issue. We would like to offer one solution.
GSi contains a new directory service. This directory is much more than a telephone book: it's a complete identity management system that facilitates collaborative solutions such as messaging boards and desktop video conferencing, as well providing the capability to authenticate users, confirm roles and privileges and verify presence on the network. The basic service is built and tested. We would like to find an application to pilot this approach with a service that needs inter agency collaboration.
The new non-emergency number will require extra resources from local authorities to meet public demand for the services, at a time of cutting back. The new demand could be met by existing resources by contact centre modernisation.
Below we give some illustrative infrastructure elements to support shared customer service centres. The important point is that much of the "intelligence" is embedded securely in the network. There is no need for replication at each service centre location.

Shared Service Centre Infrastructure



The public sector, particularly central Government, has already laid the foundations of shared infrastructure with Cable & Wireless.

Existing C&W network embedded secure infrastructure for public sector



Shared Services

As shown in the diagram above, we believe the proposed HR shared services can be delivered over existing GSi connections. The infrastructure, and the contractual framework, exists.
The stack of applications (eg SAP, Oracle, Siebel) can be operated by service providers with existing operations and experience, leaving opportunities for in-house or external consultants to support change management, customisation and other post-implementation activities.

Shared networks

A theme we covered in our previous submission was that different service providers each used a dedicated communication network when they could share a common infrastructure. There is no justification of this once networks migrate to IP.
Yet we continue to see examples. Organisations want to keep control of their own network, and see no reason to rationalise, even when much of a network is coterminous.
A large county council has a managed IP network, carrying voice over IP as well as data, over both the LAN & WAN. The police force of the county will not even consider using this network, or even elements of it, insisting on running a competition for a network under its sole control. The justification is "security", but with no discussion as to what business continuity arrangements or extra measures would suffice to produce a solution other than complete duplication.
The reason for this is the difference between security accreditation policies: there is no single accreditation policy for local authorities. One is needed to give confidence of co-working.
Conclusions:

- The Infrastructure Board demands compelling financial justification for not using shared infrastructures during gateway reviews.
- Give clear security guidelines, particularly for local authority accreditation, so that CFOs can challenge decisions.

Common infrastructure services comparison - GSI & CJX

The Government Secure Intranet is well known. The Criminal Justice Extranet is a secure network allowing similar communication facilities for the criminal justice community.
C&W has provided the GSi service since May 1997 and the CJX from October 1999.
The take-up of the GSi service was glacially slow for the next three years. This was despite firm direction from the Cabinet Secretary to major departments and agencies to connect.
By contrast, the CJX saw immediate rapid growth amongst police forces throughout UK and criminal justice agencies. CJX connections were funded centrally for the first year to encourage connection; GSi connections were paid by individual departments.
Different security policies were also applied. GSi connection required that the customer be strictly accredited, which led to delays whilst departments closed any loopholes before going live. Connection to the CJX took a more pragmatic approach, since police sites and personnel were by their nature security protected and cleared. The security standards required for connection to GSi meant that the GSX, a variant designed to allow connection of local authorities and approved 3rd parties, did not achieve more than a handful of connections. It was a commercial disaster.
CJX has become a common infrastructure for the criminal justice community. This is because it is the gateway to dozens of services for that community, although originally there was just one, the police national computer. These services are provided for the whole community, but the costs of provision are simply picked up by the provider; no charges are levied.
By contrast, GSi remained essentially a mail relay network for the majority of its first phase. There was less need to share information or applications between departments. Eventually, the Knowledge Network and the Government Gateway provided some "must have" shared services for central departments.
In November 2005, the GSi handled 20 million Internet e-mails, blocked a million viruses from the internet and prevented nearly 3 million spam mails entering the network in a month.
Conclusions:

- Shared infrastructure services are effective;
- Exhortation is insufficient to encourage use;
- Central funding accelerates service take-up; pay as you go is a barrier;
- Security concerns have to strike a realistic balance between convenience of the service and the costs of security breach;
- A code of connection for local authorities is required;
- Service value has to be demonstrated with clear user benefits.

Shared service e-mail - CJIT secure mail & NHS Contact

C&W has provided hosted secure e-mail services for those of the criminal justice community who are outside the secure zone of the public sector since September 2003, and a similar and a much larger scale secure e-mail service for the NHS since September 2005. Creation of a central web mail service is in the vanguard of an industry trend. Research now shows that web mail costs less than 10% of enterprise provided client server architectures. Many businesses are moving to web mail, particularly for mobile workers.
Neither of these shared services is experiencing the take-up forecast when they were designed, advertised and negotiated.
We suggest the following reasons:

- Whilst the authorities commissioning the systems are concerned about security risks, the target customers are content to use existing insecure systems.
- Migration to even a "free" (centrally funded) shared service is unattractive when the cost of the existing e-mail is sunk and buried in other ICT costs.
- There is a fear of losing local autonomy to outside providers.

Conclusions:

- New applications, of evident user value, must be part of the service, above the existing vanilla service, when specifying the secure shared service.
- Make the financial case to CFOs rather than IT managers, backed by financial sanctions to reinforce the case.

Supplier management and contracts

Cable & Wireless has invested much time and resource to create open and frank relationships with public sector customers. We welcome the use of a standard assessment framework. There have been occasions when a specious complaint is treated as seriously as a major performance lapse, simply because there is no consistent measurement framework.

Contract conditions and project structures remain issues for us. We believe that many contracts end up too complex for the nature of the service, even when starting from a standard framework contract.

Moving to a shared service and shared infrastructure culture will require a shift in deal and contract structuring. Infrastructure is deemed to be part of the responsibility of the individual service provider, especially for outsourced services.

Conclusions

Customer service centres offer great opportunity for efficiency gains and customer service improvements through virtualisation, automation and adoption of other new technologies.

Access to both central and local government systems and data will require a rapid conclusion to the strategy recommendation for updating the application of government's protective marking scheme.

We would welcome a trial of the GSi directory to facilitate access authorisation between different communities.

We support the recommendations that the Treasury, NAO & Cabinet Office should set guidelines for governance and funding for service sharing. We believe essential to impose strict financial hurdles into the Gateway process. For example, when evaluating an HR function, if it costs more than the benchmark price of £X per person per year, or Yp per transaction, then it should move to a shared service operating at that price structure.

A challenge for existing suppliers would be to provide benchmark prices. Suppliers could offer services that they currently provide to a wider customer base, so that their existing customers benefit from the economies of scale.

Common Infrastructure works. Our experience is that common infrastructure projects do not take off unless there are appropriate incentives for departments, such as central funding or better services as described above. The alternative approach is to veto funding approval unless available common infrastructure is used.

Driving the common infrastructure culture will need restructuring of deal and procurement structures.

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