



Hamilton

CITY OF HAMILTON

CITY MANAGER'S OFFICE

and

CORPORATE SERVICES DEPARTMENT

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: December 4, 2013	
SUBJECT/REPORT NO: Service Delivery Review - Call Handling Review Implementation (CM13017/FCS13098) (City Wide)	
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SIGNATURE:	

RECOMMENDATION

(a) That a single point of contact be established for service and information calls coming into the City and supporting technology, which includes a Customer Relationship Management System and Knowledge Management System, be acquired to simplify access to City services, and:

(i) That calls from the call handling areas identified in Appendix A to Report CM13017/FCS13098 be consolidated to the Customer Contact Centre (CCC) to simplify and improve service to citizens;

- (ii) That as implementation occurs, other calls be identified for consolidation;
- (b) That the \$2.918 million cost of the implementation be repaid from the projected annual savings of \$1 million annually following a two (2) year implementation period and initially be funded from the following Reserves:
 - (i) From account #112243 – Enterprise Fund Reserve \$1.5 million
 - (ii) From account #112300 – Investment Stabilization Reserve \$1.418 million;
- (c) That any staffing adjustments be made in accordance with collective bargaining agreements and reported to Council as per the Complement Control Policy;
- (d) That progress on implementation be reported to Council as implementation occurs, including tracking of departmental savings;
- (e) That staff continue to pursue additional opportunities to improve citizen-centred design of services and migration of services to lower cost service channels.

EXECUTIVE SUMMARY

The Call Handling Review was directed by Council as an action under “Valued and Sustainable Services”, one of three strategic priorities in the City’s 2012-2015 Strategic Plan that was approved in 2012. The Review has been completed and staff are recommending that the City move forward to further consolidate calls to the Customer Contact Centre to simplify telephone access to City services and information via 905-546-CITY (2489). Critical to the success of this service improvement is the purchase of technology systems to support an annual call volume of 1 million calls. The implementation costs will be repaid through savings within five years.

Each year, the City receives approximately 1,000,000 calls to the various call handling areas within the City. If a citizen has a question or specific service request there is no simple place for them to start with 15 call centres and over 175 published phone numbers. The objectives of the Call Handling Review were to:

- look at how to improve service to citizens and businesses;
- use a citizen centred approach to simplify how citizens access our services and make it easier for them to do business with us; and
- create efficiencies that support staff to better manage routine calls and allow them to focus on more complex work and provide more one-on-one time with citizens who need it.

The work involved a detailed review and assessment of 103 call types, representing 80% of the calls included in the review, to determine if the calls could be moved to the

CCC. Based on this work, calls from 22 areas are being recommended for consolidation as provided in Appendix A to report CM13017/FCS13098. Calls to the Provincial Offences Office and the two internal call queues are not recommended for consolidation at this time. As implementation occurs, and on an ongoing basis, other calls will be examined for potential for consolidation to ensure a citizen-centred approach is maintained.

Implementation would begin following Council approval of this report and is expected to occur in phases over two years, beginning in January 2014. A phased approach is recommended to ensure successful transition of calls to the CCC with no degradation of service during the transition. The first phase of implementation is purchasing the necessary technology, which includes a Knowledge Management System (KM) and Customer Relationship Management System (CRM).

The call volume managed by the CCC will increase from 500,000 to 1,000,000 once implementation is completed. In order to implement the recommendations of this Report, the City must invest in three areas to be successful:

- New technology to support the consolidation of calls to the CCC;
- Process review and redesign in the business areas; and
- Project management to oversee the transition during implementation.

It is being recommended that the \$2.918 million in implementation costs be funded from reserves and repaid from savings. The implementation costs will be repaid within five years, based on a minimum savings of \$1 million per year after implementation is complete. The initial investment will ensure that the appropriate technology is in place and the transition is appropriately managed and sustainable when implementation is complete.

A centralized call environment is a more efficient way of handling calls and therefore implementation will result in staffing adjustments within the CCC and departments. The review identified the percentage of time spent on telephone work and estimated staffing impacts on this basis. These estimates will be reviewed and finalized during detailed design as calls are transitioned. Any changes will be made in accordance with collective bargaining agreements and reported to Council in accordance with the Complement Control Policy.

Moving forward with implementation will position the City well for future customer service improvements. Staff are recommending that additional opportunities to improve citizen centred design of services and migration of services to lower cost service channels be pursued. The technology being acquired through implementation will allow for performance reporting that can be used to improve service delivery. It can also be expanded to be used to support web and mobile online services.

Given the extended implementation period and details that will be finalized during detailed design of the transition of each call area, staff are recommending that reports be provided to Council as implementation occurs. The reports will outline progress and the final design details including financial aspects.

Overall the implementation of the recommendations in this report will result in a win-win-win-win for citizens, Councillors, departments and staff. The benefits are as follows:

- **For citizens and businesses** - Improved customer service including: longer service hours at the Customer Contact Centre (7:30 am to 8:00 pm); a single number (905-546-CITY), simpler for resident, calls resolved on first call, speed of answer, skilled agents and quality customer service;
- **For Councillors and Departments** - Less time on routine calls and more time for complex work;
- **For Employees** – Better tools to do their job with the acquisition of technology that is integrated with existing systems;
- **Improving Services** – Reporting on customer service information for performance monitoring and improvement. This will give the ability to tune into constituent needs and identify opportunities to improve services;
- **Future expansion** - Technology and processes that are implemented for calls can be used for web and mobile services, evolving our service channels;
- **For the taxpayer** – A single investment in technology, quality, consistency, skills and training at the CCC means better value for money for taxpayers.

Alternatives for Consideration – See Page 16

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial:

The costs of implementing the project including technology, any contracted support services, staffing and repayment of the reserves will have no impact on the tax levy. The implementation costs of \$2.918 million will be funded through existing reserves and repaid using savings resulting from efficiencies in call handling. The initial investment will be repaid within five years.

Staff are proposing that the capital cost for this project be funded from the following Reserves:

- #112345 – Enterprise Fund Reserve \$1.5 million;
- #112300 – Investment Stabilization Reserve \$1.418 million.

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The borrowing will be repaid according to the Current Borrowing from Reserve Policy (i.e. principal and interest) over a three year period, commencing once implementation is complete.

Based on the analysis of our current call handling environment and the proposal to create a leading class CCC, the consultant has estimated potential gross savings with the consolidation of calls to be in the order of \$2.1 million annually. Staff have reviewed this information and has taken a detailed look at the assumptions and are proposing a more conservative target for the savings to forecast the payback period. However, if additional savings are achieved, the payback period can be shortened. The target of \$1 million in annual net savings is in keeping with the consultant recommendations and will be realized within the operating budgets of the various departments. Following implementation, the minimum projected annual savings by Department is provided in Table 1:

TABLE 1 – MINIMUM PROJECTED ANNUAL SAVINGS BY DEPARTMENT

Department	Amount of savings to be realized
Community and Emergency Services	\$ 189,500*
Corporate Services	\$ 42,500
Planning and Economic Development	\$ 194,500
Public Works	\$ 573,500
Grand Total	\$ 1,000,000

**net savings in Ontario Works reflect the City's portion only (Provincial subsidy not included)*

Savings will be realized once implementation is completed, which is projected to be at the end of 2015. Repayment could occur sooner if additional efficiencies can be realized. Savings will be tracked and reported as implementation occurs. The five year financing strategy is provided in Table 2. The costs of implementing the project including technology, any contracted support services, staffing and repayment of the reserves will have no impact on the tax levy.

TABLE 2 – FIVE (5) YEAR FINANCING STRATEGY SUMMARY

Description	2014	2015	2016	2017	2018
Initial cost borrowed (from two Reserves)	\$2.918 M	-	-	-	-
Repayment of principal and interest (from operating budgets)	-	-	\$1 M	\$1 M	\$1 M
Outstanding principal	\$2.918 M	\$2.918 M	\$1.918 M	\$918 K	\$0

Staffing:

Consolidating external calls (as outlined in Appendix A to report CM13017/FCS13098) to the CCC will result in simplified and improved customer service to our citizens, achieving one of the objectives of the Call Handling Review.

In order to move to a leading state ('Best in Class'), the CCC must first move through a transition and build slowly the capacity, skill and expertise to perform at a leading state. Eventually once the leading state is achieved (during stabilization, about 12 months post-implementation) the CCC will adopt an optimized staffing model.

To create an effective and managed call environment, additional CCC staff are required to manage relationships with the Departments, ensuring the Knowledge Management System is up-to-date and the CCC is aware of changes to service delivery and/or customer communications by Departments (e.g. mail outs). Additionally, Service Level Agreements must be established and maintained between the CCC and Departments. For this to occur, the following staff are required:

- 3 FTE client relationship managers/knowledge management (CRM/KM) experts in the CCC. These staff will also be responsible for quality monitoring and coaching (new positions);
- 3 FTEs distributed amongst Departments to act as liaisons for the CCC CRM/KM staff;

In addition to the foregoing, the CCC will see an overall increase in staff to manage the new volume of calls once implementation is fully complete. The CCC staffing model will include:

- 1 team lead (new position);
- 3 additional call taking staff.

These positions will be established during implementation and will be offset by reductions in staffing in call handling areas, resulting in no net increase in FTEs. Costs for the required CCC staff are included in the financial estimates included in report CM13017/FCS13098.

Another of the objectives of the review was to create efficiencies and reduce/eliminate duplication. The transition of calls to a centralized call environment will result in a reduction in the level of staffing in the organization. There will be transfers across department and divisional lines and this is how some of the savings will be achieved. Any staffing adjustments will be done in accordance with the collective bargaining agreements and reported to Council as per the Complement Control Policy. Specific details relating to FTE transfers/changes within each of the call handling areas will be determined during the detailed design stage.

A Human Resource/Labour Relations Strategy will be completed which will reflect the Human Resource Planning Guidelines (see Appendix B to report CM13017/FCS13098) developed for this project. Staff will consult with the appropriate Unions in development of the strategy. The guidelines identify that efforts will be made to minimize job loss; changes to staffing will be guided by relevant Collective Agreements; HR and the Departments will work together to ensure a fair and transparent realignment process is followed; staff will be kept informed and supported throughout; and use of attrition will be assessed once implementation details have been developed.

Legal: Information records will be managed in accordance with the Municipal Freedom of Information and Privacy Protection Act (MFIPPA) with appropriate regard for the protection of confidential information.

HISTORICAL BACKGROUND

In January 2001 at the time of amalgamation, a Customer Contact Centre (CCC) was established to respond to incoming calls and general emails. The CCC currently handles approximately 500,000 calls per year, providing an excellent foundation to move forward with an enhancement of that function. This foundation is an advantage over other municipalities that have undergone consolidation of calls without previous experience in a centralized call environment.

The CCC services, staff resources and hours of operation have changed over the past twelve years largely in response to changes made at the discretion of the operating departments. A number of function-specific call centres have been created outside of the CCC to respond to department-specific service requests. These changes occurred without an overall plan to identify the best service delivery method from a citizen viewpoint; or the internal processes to facilitate decision-making from a corporate perspective. This approach has resulted in a duplication of services, inefficiencies in service delivery, lower service levels and difficulties in ease of access for citizens.

On June 15, 2011 Council approved, through Report CM11009/FCS11056, that staff proceed with a Service Delivery Review (SDR) which identified activities that support an objective of delivering sustainable services. Service delivery work must either generate revenue or reduce costs with the same or increased service to citizens. The Call Handling Review aligns to Strategic Priority #2 of the Strategic Plan which Council has endorsed – this is what we mean by sustainable services – creating a single window for access to service. A single access point for calls will also help us get ready to provide, in future, lower cost service delivery through self-service on the web.

The project was assigned to the Service Delivery Strategy Team and work was initiated in April 2013. A cross-departmental team of representatives from each of the call

handling areas, the Call Handling Project Team (CHPT), was formed to participate in the Review. A consultant (AtFocus) was hired to facilitate and guide the work in the Review.

The Review was broken down into four main stages: setting the foundation (kick-off), collection and validation of data, analysis and development of recommendations, and the preparation of an implementation plan. The CHPT has worked through these stages and this report represents the results of that body of effort.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

Corporate Strategic Plan: This report fulfils the *Strategic Action (iii) Implement the call handling review recommendations* to contribute within Objective 2.1 *“Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation”* of Strategic Priority area #2 - Valued & Sustainable Services. The recommendations establish a policy for the City moving forward to a single point of contact for calls coming into the City (with a reduction or elimination of published numbers) which will produce efficiencies across the Corporation.

Budgeted Complement Control Policy: Implementation of the recommendations will be done in accordance with the City’s Complement Control Policy and brought forward for Council approval as specific transfers have been determined through detailed design.

Borrowing from Reserves Policy: The expenditures required to fund the recommendations in this report will be drawn from, and repaid fully to, the identified Reserves as required by the Reserve Policies.

Privacy Act: The proper protocols for call handling will be in place in order to comply with the requirements for confidentiality under both the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), and Personal Health Information Protection Act (PHIPA).

RELEVANT CONSULTATION

The Service Delivery Strategy Team (SDST), reporting to Senior Management Team (SMT), had responsibility for delivering the project. The SDST team provided oversight and guidance throughout the process, actively engaging and supporting the members of the project team.

A Call Handling Project Team (CHPT) was established with cross departmental representation from each of the call handling areas. Throughout each phase of the review, the CHPT have consulted with their Departmental Management Teams as well.

A Technology Team was created with members from the Information Technology Division and Procurement Section to develop the requirements and specifications to be used in the acquisition of new technology.

Staff from the Human Resources division has been working on the development of the HR Plan.

Recognizing the linkages between the two initiatives, the terms of reference for the web sub-committee of Council were expanded to include a broader mandate. The Web Redevelopment and Service Channel Sub-Committee has been consulted and kept informed of the progress throughout this project.

ANALYSIS / RATIONALE FOR RECOMMENDATION

Service Delivery Review

The Service Delivery Review initiatives are to be transformational in nature; they will move our organization to:

- Focus on the resident – Customer Service / Citizen Centred service design (versus departmental);
- Provide service, using technology as an enabler (instead of designing our service around technology);
- Simplify departmental processes (which are now overly complex);
- Develop a consistent approach for common work;
- A model of continuous improvement.

The recommendations of Report CM13017/FCS13098 will allow us to start down this path for successful changes in our service to citizens.

Call Handling Project

The objectives of the Call Handling Review are to:

- a) Improve service to citizens;
- b) Use a citizen-centred approach to simplify how citizens access our services and make it easier for them to do business with us;
- c) Create efficiencies that support staff to better manage routine calls and allow them to focus on more complex work and provide more one-on-one time with the citizens who need it.

To determine opportunities for further consolidation of calls and develop recommendations to achieve the objectives, the Call Handling Project Team worked with each of the call handling sections/divisions to:

- a) Assess 103 different types of calls received across 25 call handling areas. These calls were evaluated against 32 assessment criteria to determine if the service could be maintained or improved if transitioned to the Customer Contact Centre. Calls were examined based on the corresponding process map and profile data collected for that call handling area. The assessment criteria fell into four main groupings – (i) Ease of Providing Service, (ii) Service Impact, (iii) Operational Impact, and (iv) Ease of Transition. The full assessment criteria can be found in Appendix C to report CM13017/FCS13098.
- b) Review the 'off-phone' work to create a more accurate picture of the activities associated with each call. The work performed by staff while waiting for a call or when not handling phone coverage is referred to as Off Call Work (OCW). The typical OCW reflects standard administrative activities such as data entry/re-entry, filing hardcopies, etc. Further, handling contacts from other service channels is also part of OCW (e.g. through the counter, mail, email and online channels). Typically, counter and mail channels are more expensive while effective self-service is cheaper. It was identified that further study in the area of counter services would be required.
- c) Consider where service channels could be integrated (e.g. web). The review identified the requirement for new technology, specifically Customer Relationship Management and Knowledge Management Systems, to support consolidation of calls. This single investment in technology will enable the City to collect data through consolidation of call handling that can be used to inform service improvements in other channels (such as web, email, mobile, social media, etc.) and will allow access to self-service in future (for such things as service requests).
- d) Review the technology requirements and include them in the recommended implementation plan. To ensure a successful consolidation of calls to the CCC, a new Knowledge Management and Customer Relationship Management system is required.

The Knowledge Management (KM) System allows agents answering calls easy access to information required to answer the call, including:

- Describing how to answer the request;
- FAQs – Frequently Asked Questions;
- Key word searches for information;
- Relevant municipal information.

The Customer Relationship Management (CRM) helps manage all facets of the customer relationship. Combined with an integrated knowledge management (KM) system, a CRM will support:

- Customer service and support problem management, trouble ticketing and case management;
 - Advanced desktop search;
 - Real-time analytics/decision support;
 - Real-time feedback and surveys;
 - A single view of the customer experience and history (customer data integration);
 - Consistent treatment of the customer across channels and media;
 - Real-time decision support (analytics) to understand customer intentions, and customize services and interactions accordingly;
 - Strong business process management (BPM) capabilities for the customer service function (workflows);
 - Reporting for performance monitoring and improvements to service delivery;
 - Future self-service, including,
 - creation of issue/service requests in the order system (via web form);
 - Web access for status updates/service changes/cancellation of service;
 - Auto notifications on completion of request and customer surveys ;
 - Support for online request management, including mobile customers.
- e) Review the recommendations and develop an implementation plan. Using the data and information collected, the CHPT developed a phased implementation plan to support the recommendations. The phasing considered if there was any seasonality (peaks/valleys) in the service areas, the volumes of the group of calls transitioning, training needs for the CCC staff to take on additional back-end systems, and any other factors or constraints associated with the calls/call areas. The proposed schedule is provided in Appendix D to report CM13017/FCS13098.

Guiding Principles

Four guiding principles were developed and approved by SMT in order to measure the overall ability of the process and recommendations to satisfy the objectives of the review; these were:

1. Customer Service - Maintains or improves service to citizens/businesses who are calling the City and does not adversely impact other service channels.

2. Citizen Centred Design - Uses a citizen-centred approach to simplify how citizens access our services and make it easier for them to do business with the City.
3. Financial - Results in net efficiencies or is overall cost neutral (after recovering the implementation costs) within 5 years of implementation. Efficiencies, productivity improvements and savings will be identified and documented for reporting to Council.
4. Reinvestment – Efficiencies / savings are first applied to implementation as identified in Principle 3 and net savings reinvested into the organization to support corporate priorities.

Staff believes that the recommendations of this report comply with these principles and accomplish the objectives of the Call Handling Project.

AtFocus, the project consultant has expertise in call centre development and design was retained to undertake the data analysis and develop recommendations, in conjunction with the CHPT. An Executive Summary of their work is provided in Appendix E to report CM13017/FCS13098. There were 18 recommendations, which have formed the basis of this Report. The recommendations were grouped into three categories:

Building A Foundation: Requirements to establish a strong foundation before moving/ consolidating calls to the CCC. This group of recommendations will be addressed in detailed design and specifics confirmed as implementation occurs.

1. Develop a Funding Strategy – A high level strategy has been determined (Tables 1 and 2) to fund the project and track the savings; specific funding details and reporting will be finalized through the detailed design in each call handling area.
2. Design an HR/Labour Relations Strategy – at each phase of implementation, staffing requirements will be validated; changes in staffing will be planned and managed in accordance with the HR Guidelines (refer to Appendix B to report CM13017/FCS13098).
3. Design a Change Management Plan – as an important first step to implementation, the Change Management Plan will assist staff in understanding the positive change and align with the overall corporate vision of improved customer service for the citizens of Hamilton.
4. Assess Additional Calls for Consolidation – approximately 80 percent of calls were reviewed in the call handling areas for this project. The remaining 20 percent will be assessed to determine whether they can be consolidated to the CCC as well.
5. Develop Future State Process Maps – mapping of new business processes must be done to confirm the agreed service protocols between the CCC and business areas and build the knowledge base for the calls (the knowledge base will

include scripting, decision making questions, transfer triggers, service levels and data documents).

6. Prepare Action Plans for Criteria Assessed as Possible Risk – during the assessment, some call type areas were identified as having risks that need to be addressed so they can be successfully transitioned to the CCC. This will be done during implementation by developing action plans to address and mitigate department-specific issues.
7. Acquire Technology – to fully consolidate calls as recommended, there is a need for new technology. The new technology and integration to existing systems is critical to achieving the benefits of consolidation. A new best in class Customer Relationship Management System combined with an integrated Knowledge Management System will support positive outcomes for the project. The financial implications for these technologies have been included in the funding requirements for this project.
8. Build Knowledge Base – using the future state maps, scripts, departmental knowledge and templates, the knowledge base will be built by the departmental subject matter experts with the Client Relationship/Knowledge Management employees from the CCC.

Move to Leading: *Transition requirements to move to a leading state.* This group of recommendations will be considered in implementation.

9. Provide Transitional Staffing for the CCC – the final staffing levels for the CCC are only achievable once full implementation occurs and the organization has stabilized. During transition, higher levels of staff will be required to meet service levels, respond to new calls/types and technology.
10. Expand the CCC Operations – to maintain existing service levels in the call areas the CCC should be open from 7:30 am to 8:00 pm; provide after-hours emergency service for all calls; and offer service in English, French and access to interpretation in other languages.
11. Adopt Best in Class CCC Standards – to progress to best in class CCC standards will take time and therefore transitional targets should be set and measured in areas such as Available Time, First Call Resolution, Service Level (i.e. % of calls answered in x seconds), Quality Monitoring, Quality Scores, Abandon Rate, Supervisor/CSR Ratio, Average Speed of Answer, and Cost per Call Minute in order to track and report on improvement through implementation.
12. Business Process Re-engineer Off Call Work – call handling staff in departments spend a significant portion of their time managing other service channels (e.g. counter, mail) or other administrative tasks. These off-call responsibilities need to be reviewed to determine which activities could move to the CCC or whether they should be re-engineered to be more efficient and effective while remaining in the department.
13. Invest in CCC Staffing Requirements – in order to manage relationships with the departments, ensure the KMS is up-to-date, and Service Level Agreements

created/maintained, additional staff are required in the CCC. The financial implications for these staff have been included in the funding requirement for the project.

14. Establish An Internal Customer Queue Within the CCC – to allow for shared benefit of an efficient/modern CCC, a separate internal queue can be located within the CCC to manage internal calls. Staff have not considered this recommendation for implementation at this time in the project, but may revisit the suggestion once the consolidation of external calls is complete and the organization stabilized.
15. Adopt an End State Optimal Staffing Model – the end state CCC (defined as post-implementation, stabilized, highly efficient, and best in class) should allow for transitional call handling staff to be reduced to 29.5 FTEs.

Enhancing Operations: *Future enhancements to service delivery.* This group of additional recommendations may be considered at the latter stage of or post-implementation.

16. Enhance web and self-service options and migrate calls to the web and self-serve – once calls have been consolidated and tracked, reporting can be done to gather the data/analytics required to inform what improvements can be made in other service channels.
17. Develop a Customer communication/migration strategy to shift callers to off-peak phone times, web and self-service – Staff believe that this is a worthwhile exercise to be considered once the website redevelopment and consolidation of calls have been completed.
18. Conduct a full counter review with an objective to consolidation and align with the new services offered by the CCC and enhanced web/self-serve (e.g. mobile applications) – There will be a review of some counters (mainly in the Planning and Economic Development (PED) areas) during the call handling implementation where the staff currently have responsibility for both channels. A preliminary examination was conducted in PED, with both observations and suggestions having been received. The consultant indicated economies of scale through consolidating counter services or cross training staff may be available to assist with coverage on counter. A detailed review will ensure that migration of calls do not adversely impact counter customer services and consideration has been made in the project budget to address this work. Staff believe that a full counter review is a worthwhile exercise to be considered once the website redevelopment and consolidation of calls have been completed.

The internal calls and those that were assessed as high risk were not recommended for consolidation at this time. As a result, calls relating to the Provincial Offences Office (905-540-5592) and two internal queues, the IT Help Desk and Facilities Help Desk will not be transitioned to the CCC as part of this project.

In order to implement the recommendations of this report, the City must invest in three areas to be successful – new technology to support the consolidation of calls to the CCC, process review and redesign in the business areas, and project management to oversee the transition during implementation. The right technology and enabling supports must be in place so that the CCC can manage the approximately one million calls post-implementation; specifically, a Customer Relationship Management System and Knowledge Management System are required. Further, it was identified through the review that call handling staff spend a significant portion of their time managing other service channels (such as counter and mail) or other administrative tasks. These off-call responsibilities need to be reviewed to determine which activities could move to the CCC or whether they should be re-engineered to be more efficient and effective while remaining in the department. As this project will have some significant demands, a dedicated Project Implementation Team is necessary for the 2 year implementation timeline and will require a cross-section of representation from key areas as the calls are being consolidated.

An internal staff review has been done and there is a high level of confidence that service levels can be maintained, and in many cases, improved as a result of the consolidation. Contingencies have been incorporated into the financial analysis to account for uncertainties that will be addressed in detailed design work.

Detailed Design and Next Steps

There are 7 implementation phases (as identified in Appendix D to report CM13017/FCS13098). Phase 1 of implementation will be establishing overall project requirements that are needed for all phases and acquisition of the technology while Phases 2 through 7 will consolidate the calls.

Phase 1 Activities include:

- Establish Project Management Implementation Team – putting in place temporary staffing (including Departmental liaisons);
- Developing the overall project plan – will include a series of strategies for HR, LR, and Financial tracking; specific plans for Change Management, Risk Mitigation, and Communications;
- Technology Acquisition – Developing, issuing and awarding a RFP for the KM and CRM. Installation will continue into Phase 2;
- CCC Transition Plan - Requirements to ready and support the CCC to handle the increased call volumes. This includes physical space requirements.

Phase 2 – 7:

Implementation requires a detailed design process with each call area before calls are transitioned to the CCC. The detailed design components are repeated for Phases 2 through 7 and include:

- Conduct Call Splits/Allocate FTEs;
- Create a Specific Action Plan to Address Possible Risks including Off Call Work and process redesign;
- Develop Knowledge Management Build;
- Create Service Level Agreement (SLA);
- Human Resources Plan to address staffing impacts;
- Conduct Change Management Events with staff;
- Public Communication Plan if any service changes are required;
- Integrate CRM/KM with any back-end systems.

By undertaking the above-noted processes we will fully identify and address any concerns to ensure successful implementation with no negative service impacts.

ALTERNATIVES FOR CONSIDERATION

Move the City to 311

In this alternative scenario, the City would implement a fully consolidated model of all calls to a central contact centre. The challenges in transitioning to this model primarily relate to the fact that it would be difficult to maintain service levels if all calls moved at once. The critical supporting infrastructure of technology, training, and staff would need to be put into place up front to enable this to happen. There are also some minor cost implications regarding the City's boundary delineation that would have to occur with Bell Canada. Further, call handling is intricately linked to the performance of the City's website and it is critical for it to be functioning well – it is in progress of being redeveloped.

This approach is not recommended at this time; however, may be considered once this consolidation is completed.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.3 Enhance customer service satisfaction.

Strategic Actions

- (iii) Implement the call handling review recommendations.

APPENDICES / SCHEDULES

- Appendix "A" – List of call handling areas recommended for consolidation
- Appendix "B" – Human Resource Guidelines
- Appendix "C" – Assessment Criteria
- Appendix "D" – Proposed Implementation Schedule
- Appendix "E" – Consultant Executive Summary Report

CALL AREAS TO BE CONSOLIDATED

A detailed review and assessment of 103 call types, representing 80% of the calls was undertaken to determine if the calls could be moved to the CCC. Based on this evaluation, calls from the following 22 areas are being recommended for consolidation:

Accessible Transportation Services

Animal Services

Building Construction

Business Licensing

Building Services

Facilities

Forestry

Immunization Program **pending review of new system

Lottery Licensing

Ontario Works Program

Ontario Works Special Supports

Ontario Works Intake

Parking

Parks

Property Standards

Recreation Booking

Recreation Reception

Roads

Taxation

Transit

Waste

Water

Appendix B to Report CM13017/FCS13098

HUMAN RESOURCE PLANNING GUIDELINES

- Efforts will be made to minimize job loss
- Guided by relevant Collective Agreements and the City of Hamilton's Policies and Procedures all applicable areas of Human Resources shall be responsible for the organizational transition and the Departments/Division shall be responsible for placement/ hiring or candidate selection decisions.
- Human Resources and the Department/Divisions will work together to ensure a fair and transparent realignment process is followed.
- All levels of staff will receive applicable information through appropriate and timely communication, where ever possible from their direct supervisor.
- Existing call handling positions which become vacant may be temporarily backfilled; these appointments will be made in accordance with the relevant Collective Agreements and the City of Hamilton's Policies and Procedures. This does not necessarily constitute a job guarantee
- Posted positions will require applicants to formally apply and testing and interviews will continue to be part of the process.
- Appreciating that it is a competitive process, qualified internal candidates shall be given first consideration for all vacancies.
- Where designated in the City of Hamilton's Police Background Checks Policy, a satisfactory Vulnerable Sector Search will be required, prior to the start date, for every individual who is successful through the competition process.
- The City of Hamilton, an equal opportunity employer, values the diversity of our workforce and the knowledge of our people.
- Accommodation will be provided in accordance with the Ontario Human Rights Code for all employment activities including the recruitment process.
- Skill development requirements for employees will be assessed during the implementation process.
- Alignment of the right skills for the right job
- Job descriptions and skills will be assessed during implementation and changes will be guided by established processes and best practices
- Use of attrition will be assessed once implementation details have been developed.

Appendix C to Report CM13017/FCS13098

Assessment Criteria - Call should be considered to transition to the CCC if ...			
Ease of Providing Service	Service Impact	Operational Impact	Ease of Transition
The call is a generic/routine service. Is a call that comes through often, mostly can be serviced through the same answer e.g. frequently asked questions	Moving the call makes it easier for citizens to access service. <ul style="list-style-type: none"> ▪ Customer is able to get through, calls are answered in a timely manner, access is increased and there is an ability to provide the same or improved level of service 	There is a low degree of possible inaccuracy that can occur (if inaccuracy occurs it may pose a financial, health and safety or other significant risk to the caller or the City)	It is easy to access, retrieve and the required information can be easily read or sent to the caller, and does not require significant experience to correctly interpret the information or apply it to this unique situation
It is already being done by the Corporate Contact Centre.	It improves first call resolution. <ul style="list-style-type: none"> ▪ Citizens either get issue/concern resolved on first contact or are transfer to the right person and assists in eliminating misdirects 	It will not impact revenue negatively.	Is a specialized/unique service but can be “learned” with appropriate training and documentation.
The call is about a status check or inquiry, e.g. hours of operation, location address, status of a file/application, schedules of events.	It has peaks and valleys. High volume and low volumes either daily, weekly, monthly or seasonally	It does not require a specialized investigation to resolve issue while on call.	There is a low degree of training required to complete service (e.g. less than 2 weeks)
It is a payment that it is easy to receive and complete.	There is frequent demand for service (high volume) even if no peaks and valleys occur.	Moving results in savings/efficiencies or increased revenue which can be measured against a previously established benchmark.	It is not a specialized/unique service and does not require specialized training and/or frequent retraining.
The call does not provide the opportunity to engage in a broader dialogue about additional services and offer more detailed information that requires significant experience / expertise to manage	Moving the call results in moving the city towards a “one window in”. Citizens have one number to access services	It contributes to improved tracking or establishes tracking and monitoring where currently it is not being tracked.	Does not require specialized technology and/or access to a specific software.
	There is no one clear number to call for the information now, calls of a similar nature are received and responded to by multiple operating units answering	It does not require maintenance of a pre-existing relationship and knowledge of historical interactions to ensure	Workflow is so complicated it cannot be documented

Assessment Criteria - Call should be considered to transition to the CCC if ...			
Ease of Providing Service	Service Impact	Operational Impact	Ease of Transition
	different phone numbers	continued efficiency and effectiveness.	
		There is no necessity for Departmental non-call takers to have access to call data in real time.	It is not of a highly regulatory nature that can lead to high risks if not applied correctly.
		It does not require major process re-engineering for Department if call is moved.	Does not require an immediate judgment to be made on the call to complete service (judgment in this case means that it is a decision that cannot be documented, trained or learned, but is made at the moment in time based on current day/time circumstances specific to the Department).
		It is not of a confidential nature.	Legislation does not require that the service must be provided in English and French
		Does not require additional resources to complete the call. Does not require a Departmental supervisor/manager approval, overriding of authority etc.)	It does not require physical co-location with other Departmental staff to complete service on the call.
		It does not require a professional designation to respond e.g. Nurse, Lawyer.	

Appendix D to Report CM13017/FCS13098

PROPOSED IMPLEMENTATION SCHEDULE

Call volume managed by the CCC (pre-implementation)

500,000

December 2013

Phase	Area To Consolidate	Volume of Calls Transitioned to the CCC	Timeline
Phase 1	Knowledge Management Build Plan Acquisition of technology (Knowledge Management and Customer Relationship Management Systems)	n/a	December – March 30, 2014
Phase 2	Facilities Water Tax <i>Installation of new technology</i>	45,865	April 1 – June 30, 2014
Phase 3	Roads	6,781	July 1 – September 30, 2014
Phase 4	Forestry Parks Waste Building Construction Building Services	51,474	October 1 – December 31, 2014
Phase 5	Immunization Program (**pending review of new system) Ontario Works General Inquiries OW Intake OW Special Supports	121,046	January 1 – April 30, 2015
Phase 6	Animal Services Parking Business Licensing Lottery Licensing Property Standards	83,679	May 1 – August 30, 2015
Phase 7	Recreation Facilities Recreation Registration Transit – ATS Transit	199,041	October 1 – December 31, 2015

Call volume managed by the CCC (post-implementation)

1,000,000

December 2015

*commitment · quality
flexibility · discipline
rigour · integrity*

atfocus

**City of Hamilton
Call Handling Review
Executive Summary**

October 21, 2013

atfocus

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PROJECT OVERVIEW

The City of Hamilton (the City) required assistance in reviewing and re-validating data gathered in the initial Efficiency and Rationalization of Call Handling Review project undertaken in 2009 to 2010. This review, referred to as the Call Handling Project (CHP), was focused on updating and validating information gathered as part of the 2009 review with a particular focus on the “Off Call Work” (OCW) undertaken by staff. OCW are those tasks and assignments that are completed by staff either while waiting for a call or when staff are off their phone rotation and handling other assigned work, including handling other customer service channels such as counter, mail, email or online requests. It is not work related to calls. Work related to calls is considered “On Call Work” and is calculated in the Average Handle Time (AHT) even if it is done after the call e.g. faxing a letter to a customer requested during the phone call.

The objectives of the CHP were to:

- Update data from initial 2009/10 review to reflect changes that have occurred
- Conduct an analysis on overall data
- Determine opportunities for further consolidation and develop recommendations that will:
 - Improve service to citizens
 - Create efficiencies and reduce/eliminate duplication
 - Simplify service to citizens to make it easy to do business with the City
 - Better manage peaks in call volume
 - Achieve savings for reinvestment or budget reduction
- Develop a detailed implementation plan including timelines and technology requirements

PROJECT DETAILS

Call Assessment

A call assessment was completed on each of the calls to determine the level of risk in moving the call to the Customer Contact Centre (CCC). There were 32 assessment criteria in total which fell into 4 main groupings. The groupings were:

- Ease of Providing Service
- Service Impact
- Operational Impact
- Ease of Transition

The assessment was then completed by either indicating a “true or false” against the individualized criteria, with a “false” representing a possible risk or complexity with moving the call to the CCC. The assessment determined the level of opportunity to consolidate the call to the CCC based on possible risks. 103 calls were assessed in total by 2 independent processes (AtFocus and the City Project Team). In addition, Departmental Subject Matter Experts reviewed the Project Team assessment results and provided their differences in assessment. Overall, the 3 assessments were very similar. 28 call types that were identified by the Project Team, AtFocus and/or the SMEs as being of either high or medium overall risk. 75 call types were identified as being a low overall risk by all 3 groups.

As demonstrated in the table below, in only 5 cases AtFocus and the Project Team differed on the overall level of risk associated with a call. For the remaining 95% of the calls AtFocus and the Project Team were in agreement on overall risk level. Between the Project Team, AtFocus and the area SMEs, there were 7 calls in which the groups differed in the overall level of risk for the remaining 93% of calls reviewed all 3 groups were in agreement with the overall risk level associated with the calls. The following table provides the total percentage where the 3 groups agreed on overall risk.

Table 1

	Project Team	AtFocus	Department
In Agreement	95%		
In Agreement	93%		

ANALYSIS

Transitioning of Calls

Our analysis included examining data provided in the Data Profilers e.g. call volumes, AHT, percentage of time on phones. Potential savings were calculated using this data, assuming all calls were consolidated to the CCC. The data in the following table was provided and validated by each area.

Table 2

CoH Area	Total Calls Offered	Total Calls Answered	Average Handle Time (seconds) (includes time to complete call after hanging up)	Avg. Percentage of Time Reported on Phone Daily
Animal Services	29,071	27,659	72	18.00%
Accessible Transit Services	10,316	10,316	1,800	17.50%
Building Construction	11,641	11,641	116	12.00%
Building Services	32,004	29,131	60	14.00%
Business Licensing	7,548	7,548	120	20.00%
Facilities	5,388	5,125	270	20.00%
Forestry*	3,445	3,445	300	15.40%
Information Technology	31,531	24,164	580	94.00%

CoH Area	Total Calls Offered	Total Calls Answered	Average Handle Time (seconds) (includes time to complete call after hanging up)	Avg. Percentage of Time Reported on Phone Daily
IRIS	15,553	15,152	360	75.00%
Lottery Licensing	294	294	180	5.00%
Ontario Works Intake	38,587	34,761	406	49.00%
Ontario Works Program TCC	56,736	46,917	150	23.00%
Ontario Works Special Supports	26,757	24,216	150	15.00%
Parking Enforcement	41,196	37,325	108	35.00%
Parks*	1,526	1,526	300	15.40%
POA	35,800	30,012	229	20.00%
Property Standards	11,772	10,853	225	30.00%
Recreation - Facility Booking	7,882	6,783	330	40.00%
Recreation - GI & Registration	4,393	4,393	123	63.00%
Roads*	6,781	6,781	300	15.40%
Taxation	10,436	10,099	420	46.00%
Transit	192,151	177,549	56	95.00%
Water Distribution	33,936	30,641	296	50.00%
Waste*	5,731	5,731	300	46.00%

*Total call volume and AHT has been adjusted for Forestry, Parks, Roads, Waste to include only those calls transferred from the CCC. The original AHT of 600 seconds has been reduced to 300 seconds assuming calls that go directly to the areas have a much higher AHT, while those calls transferred from the CCC have a lower AHT.

RECOMMENDATIONS

Recommendations are based on the desired outcomes of achieving the highest/maximum efficiency improvements, cost savings, reduction in staff and quality service enhancements. More specifically, recommendations are to achieve the overall project objectives as defined by the City.

- Determine opportunities for further consolidation and develop recommendations that will:
 - Improve service to citizens
 - Create efficiencies and reduce/eliminate duplication

- Simplify service to citizens/easy to do business with
- Better manage peaks in call volume
- Achieve savings for reinvestment or budget reduction

Achievement of these outcomes and objectives is dependant on achieving best in class, as described below, a larger queue size (a high volume of calls e.g. 1 million) and will most likely take 18+ months to achieve from project start up. Investments in required technology e.g. CRM, Knowledge Management (KM), CTI and training must occur otherwise customer service will be degraded.

What is Best in Class? Best in Class means:

- Shifting the organization to a “new philosophy”. A changed philosophy where Departments work together to provide the best service possible from a customers point of view, not from what is best for the organization and individual staff
- Utilizing leading CRM and KM technology
- Utilizing technology to achieve a “Call Managed Environment” e.g. ACD, Workforce Management, Quality Monitoring, CTI
- Utilizing performance metrics and processes to achieve a “Call Managed Environment” e.g. sign on agreements, adherence to schedules, quality scorecards
- Utilizing a flexible staffing model of the right mix of FT/PT staff to manage peaks and valleys so that best CPCM can be achieved and staff are not underutilized
 - CSRs do not “wait” for calls to come in resulting in increased efficiency, a reduced CPCM and savings
- Focusing staff on the service to be performed – taking calls. Other functions (training, email, meetings, mail outs) are scheduled in low call periods so as not to force a situation of “dual activities” and allow customers to wait for service
- Providing ongoing formalized and “spot” training
- Migrating customers to low peak periods and self serve

In the following section, we provide our 18 recommendations. These recommendations are grouped into the following three categories:

- Building a Foundation (recommendations 1-8)
- Move to Leading (recommendations 9-15)
- Enhancing Operations (recommendations 16-18)

Our overall recommendation is to consolidate all external calls assessed as low and medium risk by AtFocus to the CCC. It is not recommended that the calls assessed as high risk be consolidated to the CCC as it would require significant investment to do so. Additionally, it is not recommended that calls that deal with internal customers be consolidated to the CCC as it could create degradation in service to external customers if internal customers enter the queue prior to an external customer, or through a temporary spike in demand due to an event that drives increased internal calls.

Benefits

Overall benefits of consolidating include:

- Improves/simplifies service – makes it easy for customers to do business with the City
- Establishes “one window in” – no wrong phone
- Eliminates misdirects and duplication of gathering information

- Reduces transfers to areas by CCC
- Improves access (extended hours and emergency service for all areas)
- Improves quality and ensures consistency
- Work is streamlined and call handling becomes highly efficient
- Positions for effective/efficient self serve expansion
- Results in re-investment dollars and/or savings

Re-investment/Savings

Consolidating results in significant re-investment/savings. To calculate the amount of this re-investment/savings the following calculations were completed.

- A total of 992,532 calls are currently answered
- A total of 504,441 calls are currently answered (not including the CCC and those areas not recommended for consolidation)
- By creating a leading class CCC with the required technology and systems, the number of staff required to handle the same volume of work is estimated to be 29.5 FTEs (this is only achieved at the end state of implementation. This represents a potential savings of \$1.7 million annually)

This savings is based on efficiencies driven through queue consolidation. Different call types across the areas reviewed have different call patterns that result in demand peaks and valleys for that service. Calls may be higher at certain times of the day, week, month or seasonal change. These peaks and valleys are more difficult to efficiently manage when there are many separate queues or telephone numbers within the City. When calls are consolidated into a single queue the peaks and valleys can be evened out to provide a more constant and even stream of calls to staff. This helps ensure that staff are not waiting for a call for any significant time. Currently, across the City staff split their time answering/waiting for calls and doing OCW. There is a significant off call work being performed. This inherently results in reduced customer service. When staff are not at their desk waiting for a call, they miss calls or the time a customer spends waiting for the call to be answered by an available staff increases.

An estimated additional savings of \$845,000 may also be realized through the

- Reduction of managers and supervisors associated with current call handling staff
- Reduction in the average handle time of calls moving to the CCC
- Reduction or elimination of misdirected calls
- Transferring of OCW to the CCC to be handled during periods of capacity

Combining these savings, and netting out additional costs as per Recommendation 13 as detailed in the section that follows, the total possible savings is \$2.1M annually.

Critical Success Factors

Before moving to implement the recommendations it is important that the City accepts 3 critical success factors. These are:

- Investment: Ensuring the right technology and enabling supports are in place
- Transitional Costs: Supporting the CCC during the transition/implementation
- Change Management: Ensuring Change Management at all levels of the organization

These three critical success factors are discussed in more detail on the following page.



Investment: The possible benefits of moving forward are significant. However we underline the necessity of following all recommendations relating to required supports, technology, staffing levels (in particular in the transition period) and training. Benefits cannot be realized unless new enabling technology is acquired and deployed. Enhanced CRM and KM are definite must haves in moving forward. If these technologies/enabling supports are not acquired, any additional calls moved to the CCC may result in a decrease of current service levels and will not result in achieving positive outcomes. In addition, the staffing levels for the CCC are based on the assumption that all of our recommendations relating to enabling technology (e.g. CRM/KM. CTT), enabling supports (e.g. training, CRM CCC staff) and a phased in implementation occurs.



Transitional Costs: It may appear that the current CCC has excess capacity and could take more calls from various areas without an increase in staff. This is not possible unless there is a perfect fit of incoming calls during the current “wait periods”. However, this will most likely not occur without a strong migration plan that is successful. Callers will not only call at specific available times. As the CCC is equipped with new technology and enabling supports it can begin to take on additional call volume. However, the final staffing levels for the CCC are only achievable once full implementation occurs and the organization has stabilized. During the transition higher levels of staff will be required in the CCC to continue to meet services levels, respond to new call types/responsibilities, to be trained in each new area/calls and the new technology. It is anticipated that up to 3 additional transitional FTEs are required, to assist in the transition of new areas into the CCC (e.g. to take calls and back fill for staff being trained). Over time, a reduction of these additional staff (assuming no additional increase in call volume or AHT) can be made. Once full implementation is stabilized, the right sized CCC can be implemented.



Change Management: In order to move to a consolidated service delivery model where calls are handled in the CCC, there must be an acceptance of the chosen model by senior management and staff across the organization. During the transition of service from Departments into the CCC, strong co-operation is required between the CCC and the Department. There are often various points of view during a project of this significance in organizations. Many believe “it can’t be done” or “we are more unique than others” so cannot consolidate. This is a normal part of the change process. However, once the decision has been made to move forward, lingering doubts and different points of view must be put aside in order to be successful, efficient and to continue to provide high quality customer service not only during the transition, but also for the long term. Ongoing service delivery is not only the responsibility of the CCC, but a collaboration and partnership between the CCC and Departments.

Build A Foundation: Recommendations

The following 8 recommendations are required to establish a strong foundation prior to consolidating calls to the CCC.

Recommendation 1: Develop A Funding Strategy. It is important to separate funding decisions from service delivery decisions. A service delivery decision should be made for reasons of increased customer service, quality, consistency and accessibility. The right service delivery model decision should not be hampered due to funding questions or concerns. Once the model has been chosen a question of funding and savings targets should be explored. Moving to consolidation will result in increased operational costs in the CCC due to increased call volumes, AHT and also to manage the relationship and knowledge management data requirements. There are possible savings once full implementation occurs and the CCC is stabilized. A funding strategy should be developed at the start of implementation. This will determine how to fund the project and to track achieved savings. There are a number of possible models to meet project and staffing requirements including the following 3 options.

1. Invest all new funding for additional staff required in the CCC and the cost of implementation
2. Calculate what Departmental costs will be in the new CCC and allocate these costs to each Department (leave savings in the Departments)
3. Transfer the current budget used for call handling to the CCC (move savings to CCC)

Option 3, transfer the savings to the CCC is recommended. This will allow for the increase in CCC staffing costs in the transition and end state, the appropriate accounting of savings and re-investment amounts. To determine what budget allocation should be transferred to the CCC from each area the City must calculate the FTE costs that deal with calls (exclude time off phones not dealing with the call) and transfer these costs to the CCC. More specifically:

- Actual Departmental FTE costs (call handling staff, supervisors and managers) should be calculated
- Current IT & Telephony support costs should be calculated
- Current expenditures on training should be calculated
- Costs associated with Managers, Supervisors and Administrative staff should be calculated

Once full achievement of savings occurs (estimated at about 12 months after full implementation – however this is dependant on the HR/LR strategy defined in Recommendation 12) a portion of savings could be earmarked for re-investment into:

- Business process re-engineering efforts for Departments dealing with OCW with a targeted outcome to be more efficient
- A counter and mail review with a view to consolidate and improve migration of customers from higher cost channels to self serve or the CCC (phone channel)

Recommendation 2: Design A HR/Labour Relations Strategy. If savings are to be achieved, staff reductions must occur. This project should be viewed as a significant step forward in improved customer service. Rapid job losses will result in a negative point of view of the project and demoralize the organization. It is recommended that a longer term HR/Labour Relations strategy be developed that downsizes by taking advantage of natural attrition.

Recommendation 3: Design A Change Management Plan. Moving from an existing long term service delivery model to a new one is most likely one of the most significant changes an organization will embark on. Many change challenges will be met, most significantly the resistance to give up work, staff and associated budget. Most current service providers will regard themselves as being unique from the rest of the organization and will resist the notion that someone else could deliver service on their behalf. A Change Management Plan should be developed as a first step in implementation that focuses on assisting staff to understand the positive change and align with the overall vision of improved customer service.

Recommendations 4: Assess Additional Calls For Consolidation. As a part of this review, 80+% of the total volume of calls were reviewed for most of the areas examined. A review of the remaining 20% of calls in each area is required to determine if these should also be consolidated into the CCC. This is specifically important in the area of Business Services. During this review, only those calls currently handled by the CCC were assessed. However, there are a number of other call types that should be assessed early on in implementation. Process maps on these additional calls should be completed. The assessment criteria should also be applied and a decision made as to which calls could be consolidated to the CCC. Once this work is completed for all areas, if significant changes are made to the overall volume or AHT of calls being consolidating to the CCC, a revised staffing model will be required.

Recommendation 5: Develop Future State Process Maps. Future state maps are used to confirm service protocol between the CCC and the Department and also to build the knowledge base. The knowledge base is comprised of call scripting, decision making questions, transferring triggers, service levels and data documents (either in a document or on a web site). The maps contain new information that is layered onto the current state map. The new information includes:

- The hand off point, between the CCC and the respective area. All calls are to be classified as either Full (calls that the CCC will handle from the beginning to the end), Partial (calls that the CCC will transfer to a "specialist" at some point in the process) or Take and Transfer (calls that the CCC will transfer at the outset). We anticipate that the majority of calls should be consolidated as "Full", meaning the CCC will deal with the call from start to end of the process map. As a starting point, all calls assessed as low and the majority of calls assessed as medium that do not have a high risk that requires a specific action plan, should be considered as "Full". A small percentage of calls, for example those that require immediate Departmental approval or those that require immediate specialized investigation maybe considered as Partial if re-engineering of the call does not address these issues. Additionally, a small percentage of calls may be considered Take and Transfer. These will be calls that can not be handled by the CCC but customers call the CCC seeking assistance
- Transfer protocols and required service levels should be documented e.g. how/who will the call be transferred to during and after hours, what can the customer be told regarding the timeline for the completion of the service request
- Expanded call handling questions and decision points
- Identification of current knowledge documents and/or web sites e.g. policy manual name
- All process improvements/redesigns that can be implemented prior to consolidation
- Service request closure process by the Departments

Once future state maps are completed, a recalculation of FTEs remaining should be completed based on the call splits.

Note: 2B maps are maps that represent how the call will be operationalized/handled by the CCC within the new technology environment (the map shows how it is 2B). This new map illustrates new technologies and new processes. 2B maps are usually completed only by the CCC and not in conjunction with the Departments. This is because the CCC will be responsible for delivering this service on behalf of the Department based on the future state map of what is required.

Recommendation 6: Prepare Action Plans For Criteria Assessed As Possible Risk. During the assessment process some areas were identified as needing additional work during implementation to address and mitigate department specific issues representing a possible risk associated with the call. In the majority of cases a standard Action Plan has been suggested. However for 9 specific criteria (referred to as “high impact criteria”) it is recommended that specific action plans be developed for areas that were assessed as possible risk in these criteria.

Recommendation 7: Acquire Technology. In order to fully consolidate calls as recommended, there is a requirement for new technology. Specifically a new Customer/Client Relationship Management system (CRM) and Knowledge Management System (KMS) are required. There will also be a requirement to integrate to some existing systems (e.g. Hansen). Some existing systems will remain as stand alone systems and additional licenses maybe be required (e.g. Class, SDMT, Trapeze) and others will be replaced by the new CRM. More specifically:

- A new best in class CRM is required: Hansen, the system currently utilized by the CCC for CRM purposes, has not been implemented anywhere in Canada in a fully consolidated model and does not appear to be able to meet the anticipated business requirements for the fully consolidated CCC. The CRM system will facilitate the overall customer experience, as it will contain the scripting, workflow and Request management function (initiation, access, reporting on Request and types of requests). The CRM System required to achieve best in class helps manage all facets of the customer relationship. Combined with an integrated knowledge management system, a CRM will support:
 - Customer service and support (CSS) problem management, trouble ticketing and case management
 - Advanced desktop search
 - Real-time analytics/decision support
 - Real-time feedback and surveys
 - A single view of the customer experience and history (customer data integration)
 - Consistent treatment of the customer across channels and media
 - Support for online request management, including mobile customers
 - Real-time decision support (analytics) to understand customer intentions, and customize services and interactions accordingly
 - Strong business process management (BPM) capabilities for the customer service function (workflows)
- A new KMS is required (that either is part of the new CRM or is fully integrated into the new CRM). The CCC currently uses Kirc for KM. However, the capacity of this system will be surpassed with the addition of new areas of call taking. The KM component will facilitate the search for articles, policies and procedures and status of Requests and information related to requests. Robust KM systems are learning systems. They allow for the system to learn from prior searches of its database and links and highlight the most relevant information based to

answer searches. Whether it be for internal, or external web based information, KM systems can allow for access to:

- FAQs – Frequently Asked Questions
- Key word searches for information
- Access to Status on existing Service Request (for external citizen online enquiries)
- Relevant municipal information
- Self-service, including:
 - Creation of issue/service requests in the order system (via web form)
 - Web access for status updates/service changes/cancellation of service
 - Auto notifications on completion of request and customer surveys

Once a full set of CRM and KMS business requirements is completed a final determination can be made on integration, stand alone and replacement requirements.

Recommendation 8: Build Knowledge Base. The starting point for the knowledge management build are the future state process maps (see Recommendation 5). From these maps, call handling scripts can be developed, data elements can be highlighted and possible templates designed. Required knowledge that is not currently available should be documented and Departments should begin to develop this knowledge. In addition, 2B maps should be prepared at this time illustrating the new call flow once moved to the CCC.

Move to Leading: Recommendations

To move to a leading state the CCC must first move through a transition and build slowly the capacity, skill and expertise to perform at a leading state. Eventually once the leading state is achieved (during stabilization, about 12 months post implementation) the CCC should adopt an optimal staffing model. The OCW undertaken by Departmental staff should then be assessed and further investigated to identify opportunities to migrate this work to the CCC to complete in low peak periods e.g. after hours. Work remaining in the Departments should be re-engineered, where possible, to be more efficient and effective. The 7 recommendations that follow (recommendations 9 - 15) assist in creating a leading service delivery environment at the City.

Recommendation 9: Provide Transitional Staffing for the CCC. In the end state, once stabilized, the CCC requires minimal increases to CSRs. In addition, new positions are required to support the ongoing relationships with Departments and keep the knowledge base current. The CCC currently has about a 25% wait time. This means that CSRs may be waiting for calls 25% of their time. However, although this may appear that the current CCC has excess capacity and could take more calls from various areas without an increase in staff, this is not likely. Capacity exists, however filling this capacity is dependant on fitting new incoming calls into the current “wait periods”. This will not occur without significantly increasing calls (e.g. to about 1 million) and also requires a strong successful migration plan which convinces callers to call at specific available times. Only as the CCC is equipped with new technology and enabling supports can it begin to take on additional call volume. However, the final staffing levels for the CCC are only achievable once full implementation occurs and the organization has stabilized. During transition/implementation higher levels of staff will be required in the CCC to continue to meet services levels, respond to new call types/responsibilities, to be trained in new calls and the new technology. It is anticipated that up to 3 additional transitional FTEs are required, to migrate current knowledge into the new KMS and assist in the transition of each new area into the CCC (e.g. to take calls and back fill for staff

being trained). Over time, a reduction of these additional staff (assuming no additional increase in call volume or AHT) can be made. Once full implementation is stabilized, the right sized CCC can be implemented.

Recommendation 10: Expand CCC Operations. In order to not result in any degradation of service the CCC should:

- Be open for all calls from 7:30am-8:00pm. Once fully implemented, an assessment should be made if the CCC should be open 24x7 for full service. This will be dependant on the success of migrating customers to after hours and the calculated CPCM during overnight hours
- Provide after hours emergency service for all calls
- Offer service in various languages including English and French
- Continuously meet a service level of 80/20
- Have an average speed of answer of 12 seconds

Recommendation 11: Adopt Best in Class CCC Standards. The following table shows the best in class target that should be achieved by the CCC. This will take time. As such, transitional targets are also provided.

Table 3

Measure	Transitional Target	Final Target
Available Time	20%	13% (can only be achieved with higher volumes and call arrival pattern migration)
First Call Resolution – Includes transfer to the right person	85%	98%
Service Level (% of calls answered in 'x' seconds)	80%/20 seconds*	90%/10 seconds
Quality Monitoring (calls/CSR/month)	5-6 calls per staff per month.	8-10 calls per staff per month
Quality Scores	70% of all calls monitored are at the expected level of service.	75% of all calls monitored are at the expected level of service. In addition, 20% of all calls monitored are exceeding expectations and only 5% of all calls monitored require minimal improvement to service.
Abandon Rate	6-8%	<3%
Supervisor/CSR Ratio	1:15*	1:26
Average Speed of Answer	12 seconds	6 seconds
Cost per Call Minute	\$0.90 (net of all other costs – includes only CSRs)	\$0.60 (net of all other costs – includes only CSRs)

* Recommendation is for the CCC to remain at the transitional target

Recommendation 12: Business Process Re-engineer Off Call Work. On average, across all areas reviewed, call handling staff spend 65% of their time OCW, including handling other channels such as

counter, email and mail. More specifically, OCW also includes other general administrative activities such as processing forms, data entry, filing and supporting management staff. Some of these activities could migrate to the CCC and be performed low call volume times. The CCC currently handles similar types of activities and has the capacity to add additional OCW. Departmental OCW should be reviewed to determine which activities could move to the CCC or be re-engineered to be more efficient and effective while remaining in the Department. When considering re-engineering, some of the factors that should be considered include:

- Are the appropriate levels of staff completing this work
- Are there possible consolidation efforts for these tasks/activities
- Are automated solutions available
- Are these task required

Recommendation 13: Invest In CCC Staffing Requirements. Additional CCC staff are required that will be responsible for managing relationships with the Departments, ensuring the KMS is up to date and the CCC is aware of changes to service delivery and/or customer communications by Departments (e.g. mail outs). Additionally, Service Level Agreements must be established and maintained between the CCC and Departments. For this to occur, the following staff are required:

- 3 FTE client relationship managers/knowledge management experts in the CCC. These staff will also be responsible for quality monitoring and coaching (new positions)
- 3 FTEs distributed amongst Departments to act as liaisons for the CCC CRM/KM staff

In addition the CCC requires additional staff to manage the new volume of calls. The CCC staffing model should include:

- 1 Manager (position currently exists)
- 2 Supervisors (positions currently exist)
- 1 Team Lead (new position)
- 1 FTE for workforce management (position currently exists)

Recommendation 14: Establish An Internal Customer Queue Within The CCC. Implementing a separate queue within the CCC to handle internal calls would allow for the areas within the City to benefit from an efficient/modern CCC while not creating degradation in service to external customers. Areas to consider are IT, HR, Facilities. Other internal areas that provide support to City staff should be included.

Recommendation 15: Adopt An End State Optimal Staffing Model. The end state CCC is defined as post implementation, stabilized, highly efficient and best in class. The move to the best in class end state is anticipated take 18 to 24 months once full implementation has been completed. Once the end state CCC is reached, transitional staff can be reduced to 29.5 FTEs.

Enhancing Operations: Recommendations

In addition to previously described recommendations, we also recommend the City move towards enhanced/efficient service delivery in other areas. As this work was not in Project Scope, we have listed the recommendation for consideration, but not expanded on them. These recommendations include:

Recommendation 16: Enhance web and self service options and migrate calls to the web and self serve

Recommendation 17: Develop a Customer communication/migration strategy to shift callers to off-peak phone times, web and self service

Recommendation 18: Conduct a full counter review with an objective to consolidation and align with the new services offered by the CCC and enhanced web/self serve (e.g. mobile applications)

IMPLEMENTATION PLAN

The following implementation plan was facilitated by AtFocus and developed by the Project Team. It provides pre-implementation activities and a phased implementation of the areas included in the review. Phased implementation will allow the consolidation of calls from each area to the CCC seamlessly through a process of transitioning and stabilizing in each phase before the next phase. This cycle of transition and stabilization will be undertaken in 7 phases spanning approximately 27 months. This timeline also includes the completion of key pre-implementation activities critical to success. The section that follows details the pre-implementation activities and implementation phases 1-7.

Pre-Implementation Activities: September to November 30, 2013

The following 9 Strategies and Plans are required to build a foundation from which to move forward and consolidate.

Human Resource Strategy: The Human Resource Strategy provides framework of how staff reductions and re-deployment will occur. In addition, the strategy will describe how new positions within the CCC will be filled. The strategy will provide options for realizing staff efficiencies including through attrition, moving to part time status and the redeployment of staff to other positions within the City. How “partial FTEs” will be handled will also be included in this strategy. Partial FTEs are defined as staff who perform call handling, cover other service deliver channels such as Counter and also do other OCW.

Labour Relations Strategy: The Labour Relations Strategy provides the overall plan for how labour issues will be managed and resolved related to consolidating to the CCC including a clear position on any required restrictions of staff due to existing union contracts.

The strategy will need to identify a mechanism to resolve potential known and unknown issues through an escalation process which involves the union and management. If union issues cannot be resolved and calls cannot be consolidated, other service delivery options should be explored. Options may include the use of specialized pods within the CCC.

Project Resource Plan: The Project Resource Plan identifies the resources required to manage the implementation forming the Implementation Team. A dedicated Implementation Team will be required for the 28 month implementation timeline. However the resources on this team do not necessarily have to be full time for the entire implementation. The team will require specific skills sets and will require a cross section of representation from key areas being consolidated. The implementation team will have the responsibility of managing the implementation and reporting to the Service Delivery Strategy Team (SDST). The SDST will provide support and direction as required in their role as Project Sponsor.

Financial Strategy: The Financial Strategy should provide a strategy to deal with the possible business case if required, financial impacts and financial savings associated with the consolidation. This strategy should also secure required project funds and CCC transitional staffing resourcing.

Change Management Plan: The Change Management Plan provides specific change events that will assist staff that are affected by the consolidation. Change events should be designed to help staff with feelings of anxiousness as a result of consolidation. Resistance is natural; however, the change management plan should address the resistance and proactively manage and minimize it. Establishing Change Champions should be explored.

Risk Mitigation Plan: The Risk Management Plan identifies the potential risks of moving forward with implementation and provides an approach to eliminate or reduce the risk. The Risk Mitigation Plan will also include the specific action plans required for each of the calls that were assessed as “false” in some critical areas.

Space Requirement Plan: The Space Requirement Plan assesses future physical requirements for the CCC. The following is a standard group of requirements related to space/facility set up that should be considered: secure communications area, ergonomic training and assessment, furniture (provision with power and cabling), desktop (computers and telephones), headsets, printers, training room, relaxation room and backup power.

Internal Communication Plan: The Internal Communications Plan provides how/when and what information will be shared within the City. Communicating decisions immediately is one of the critical components to successful implementation. Carefully designed messages need to be communicated to all groups impacted by decisions. Withholding communication will increase concern and anxiety. Processes for ongoing questions/concerns should be developed. Establishing communication ambassadors should be considered.

Public Communication Plan: The Public Communications Plan identifies the key messages and use of various channels effectively to inform the public of the service changes. In most cases, a soft launch is used to introduce the change which provides no visible change to the public as the number they use to dial remains in place (it is simply redirected to the CCC behind the scenes). This allows the CCC to stabilize a phase prior to an increase of calls generated from the public communication. A migration strategy should be part of the communication strategy with an objective to migrating customers to low peak periods and various self serve channels as they become available.

There are 7 implementation phases. Phase 1 of implementation will see the development of key additional Plans to assist in the transition of calls while Phases 2 through 7 will consolidate the calls.

Implementation Phase 1: January 2 to March 31, 2014

- **Prepare A KMS Build Plan:** The Knowledge Management Build Plan provides how current knowledge will be developed and transferred from the each area to the CCC. Each of the phases of implementation will undertake this process of building the required knowledge to effectively handle calls. The process will vary by area, depending on how current knowledge is managed and documented. If the required knowledge and information is well documented in a format that is easily loaded into a KMS, the knowledge management build will require less work. In comparison, if knowledge is not well documented and relies on what staff has learned on the job or is “in their heads”, the knowledge management build will require more time and effort. The plan will need to consider the varying levels of knowledge documented and maturity across the organization

- **Prepare A CCC Transition Plan:** The CCC Transition Plan will identify CCC requirements including transitioning current CCC knowledge into a new CRM/KM system. As each area is consolidated the CCC will need to plan training on handling of calls (process, policy, etc.) and associated stand alone systems required to handle the calls
- **Prepare a Corporate Standards Protocol Plan:** The Corporate Standards Protocol Plan will set consistent level of service for the CCC and Departments e.g. voice mail protocol, “warm” transfer protocol, “live answer” protocol. The City will need consistent standards across all Departments to ensure effective/consistent service when calls are handled by other areas. The plan will address how customer service standards will be developed and deployed throughout the City

Implementation Phases 2-7: April 2014 – December 31, 2015

For each of the 6 remaining implementation phases (2-7) the following 5 core activities will be required to consolidate calls to the CCC.

Conduct Call Splits/ Allocate FTEs

Conducting calls splits requires a review of each of the calls as documented in the process map which depicts the required tasks to effectively service the call along with the systems currently used to handle calls. The call split will show if all of the call is handled by the CCC or what portion of the call is handled by the CCC and what portion is handled by the area. This will identify the hand off point, if required, along with contact information in the area to hand off to, only if one is required. The percentage of time spent handling calls will determine the allocation of FTEs. During this review calls received via the telephone number need to be reviewed to determine if 100% of calls can be handled by the CCC. If not, a process to handle calls that remain with the area, i.e. where there is less than 100% of calls being transferred to the CCC must be established.

Create an Action Plan to Address Specific Risk for High Impact Criteria

In the majority of cases where there is a possible risk a standard Action Plan can be applied. However for 9 specific “high impact criteria” a specific action plan should be developed.

Develop Knowledge Management Build

For all calls consolidating to the CCC knowledge will have to be built. The transfer of knowledge from the Department will be required in a documented form that can be loaded into the CRM/KM system. This transfer may vary depending on how the information to handle calls is currently documented and managed. If knowledge has been formally documented through policy and procedure manuals and/or training programs including e-learning than the task may be easier if the information is full, accurate and current. However, in many cases required knowledge may not be formally documented, in these cases more work will be required to identify the required information and load it into the KM/CRM system.

Create Service Level Agreement (SLA):

An SLA agreement will be required between the CCC and the Department/Area. SLA would include information such as:

- Service level, hours of service, AHT and volume
- Reporting requirements
- Transfer of call protocol
- Knowledge update protocol

Conduct Change Management Events:

Change Management Events are critical for the successful implementation by helping provide the appropriate organizational support for the change. Senior Management support will also be required to successfully make the change. Strong concern and a high level of resistance are often displayed in consolidating services to a centralized Call/Contact Centre. Organizations report that change management is required throughout implementation as well as pre and post implementation. The table that follows provides which calls will move to the CCC during each phase.

Table 4

Approximate Call volume managed by the CCC (pre-implementation) 500,000
December 2013

Phase	Area To Consolidate	Volume of Calls	Timeline
Phase 2	<ul style="list-style-type: none"> ▪ Facilities ▪ Water ▪ Tax <i>Installation of new CRM/KMS</i>	45,865	April 1 – June 30, 2014
Phase 3	<ul style="list-style-type: none"> ▪ Roads 	6,781	July 1 – September 30, 2014
Phase 4	<ul style="list-style-type: none"> ▪ Forestry ▪ Parks ▪ Waste ▪ Building Construction ▪ Building Services 	51,474	October 1 – December 31, 2014
Phase 5	<ul style="list-style-type: none"> ▪ IRIS/Panorama ▪ OW Program ▪ OW Intake ▪ OW Special Supports 	121,046	January 1 – April 30, 2015
Phase 6	<ul style="list-style-type: none"> ▪ Animal Services ▪ Parking ▪ Business Licensing ▪ Lottery Licensing ▪ Property Standards 	83,679	May 1 – August 30, 2015
Phase 7	<ul style="list-style-type: none"> ▪ ATS ▪ Recreation Facilities ▪ Recreation Registration ▪ Transit 	199,041	October 1 – December 31, 2015

Approximate Call volume managed by the CCC (post-implementation) 1,000,000
December 2015

COSTS

While investment will be required to consolidate and establish a best in class CCC, savings realized through efficiencies of consolidation will provide the opportunity to invest in the appropriate

systems and achieve a positive ROI. The following table provides the estimated cost/range for the systems required in the CCC. It is suggested that negotiations with CRM/KM vendors include enterprise licenses. Estimated costs for CRM/KM include vendor support and implementation. Depending on the level of internal IT support and expertise, these vendor costs maybe reduced.

Table 5

Systems	Installation Estimated Costs	Licensing Estimated Costs	Hardware Estimated Costs	Annual Maintenance Estimated Costs
CRM and KM (premises based)	\$1 – 1.2M*	\$112K (CRM & KM)	\$35K includes 5 year server maintenance	Included in Licensing
Call Centre Server, ACD and WFM**	\$69K (includes changes and redesign)	\$12K (WFM & QM)	NA	Included
CTI**	\$20K	NA	NA	NA
Additional Licensing Costs**	NA	\$55,000 (Citrix, Amanda & CLASS)	NA	\$22K
Integration Costs**	\$100K (Hansen & GIS)	NA	NA	NA
Additional “expansion costs” e.g. new server, additional storage, telephony upgrade**	\$80K Upgrade for text-to-speech	\$13,145 (UCCX Premises Licenses)	Included	\$12K (Nuance text-to-speech)
Total Costs	\$1,269,000- \$1,469,000	\$192,145	\$35,000	\$34,000

*Estimated cost assumes a CRM/KM system that meets a best in class business requirements for handling City wide calls. Actual cost will be dependant on requirements and vendor negotiations.

**City of Hamilton IT staff involved in cost estimates

In addition to the cost for required systems to support the CCC, additional estimated project related costs are detailed in the following table.

Table 6

Item	Description	Estimated Costs
KM Build (includes future state maps)	External costs to develop scripts	\$100,000-150,000 (external costs)
Final calculations on calls to be consolidated and FTE calculations	Area workshops to determine other calls and possible work to move to CCC. Recalculation of FTEs required	TBD - Internal cost \$25,000 (external costs)
Develop detailed CRM/KMS business requirements including reporting requirements	To determine best possible CRM and/or KMS business requirement must be documented	TBD - Internal cost \$30,000 (external costs)
Training (CCC only)	Initial "I am a member of the CCC Team"	\$15,000 (external costs)
New Call Knowledge Requirements Training	Specialized training for all new calls	TBD – internal cost
Site Retrofit for additional staff	TBD - May require up to 5 new work stations @ \$5,000/station	\$25,000
Internal Project Staff requirements	2 FTE project staff required. Area/Department SMEs required for approximately 20 hrs. Project Team staff required approximately 6 days over 12 months	\$180,000 project staff internal costs (1 senior @ \$100,000, 1 junior @ \$80,000)
Internal IT staff (backfill and standby costs)	System implementation/integration costs as estimated by City of Hamilton IT staff (not validated by AtFocus)	\$530,000