Implementing a Customer Relationship Management (CRM) Solution in Public Sector: Success Factors and Lessons Learned

Peter Andru
Manager, Knowledge Transfer

Kristie Pratt
Manager, Data Standards

Alexei Botchkarev
Senior Information Management Advisor
Adjunct Professor, Ryerson University

September 7, 2011

Abstract

Achieving excellence in Customer Relationship Management (CRM) is a cornerstone objective in the transformative efforts of the Ministry of Health and Long-Term Care and its Health System Information Management and Investment (HSIMI) division. The implementation of the HSIMI division CRM solution is expected to enable increased control and accountability for the division's services, and improved external and internal customer satisfaction. Find out what lessons the project team learned and success factors that facilitated the implementation.

Contents

- Learning objectives
- Introducing HSIMI
- HSIMI business needs
- CRM project purpose
- CRM benefits
- Overarching CRM project framework
- Customer Service Strategy
- CRM Solutions Evaluation
- Current project: status, issues
- CRM performance measures
- Next steps – anticipated challenges
- Success factors
- Lessons learned
- Conclusions

Learning Objectives

- Be able to create a framework of initiatives/projects leading to a successful implementation of the CRM solution in public sector.

- Learn how to focus on critical success factors that could facilitate implementation of CRM.

- Be able to formulate CRM benefits and business impact to the organization.

- Be prepared to mitigate risks and avoid mistakes. HSIMI MOHLTC CRM lessons learned.

Who We Are?
The Health System Information Management & Investment Division

HSIMI Division's role is to bring together the ability to effectively gather, analyze and synthesize data and research from the health care system with the expertise of making evidence-based investment recommendations for decision makers.

Mandate

Provide health information, funding policies and investment funding options which enables evidence based decision making to ensure a sustainable health care system for Ontario.

- **Vision**
  Better information, better decisions ... better health.

  Presentation is intended to provide a business perspective on the CRM initiative.

HSIMI CRM Project Purpose

HSIMI CRM solution is intended to enhance the Division's customer service by:

- Providing a single authoritative view of the customer and centralized contact information management.
- Providing centralized tracking of interactions with stakeholders/customers.
- Improving communications with targeted groups of customers.
- Ensuring the customer interactions workflow complies with the Division's customer service standards.
- Providing staff and senior management with reports to effectively track all stakeholder/customer interactions and evaluate performance of the customer service.

Desired Outcomes

- HSIMI CRM solution is being developed to facilitate the realization of the Divisional Customer Service Strategy outcomes.
- HSIMI's Customer Service Strategy is leveraging the 4 Cs of customer service - Connection, Capability, Cooperation, and Commitment. Successful implementation of the HSIMI Customer Service Strategy will contribute towards the goal of improved:

  - Commitment: A strong culture, with customer service objectives based on HSIMI values
  - Connection: Stronger customer relationships
  - Cooperation: Stronger cross-functional staff relationships, and
  - Capability: Improvement in pre-transaction, transaction, and post-transaction components of service.

What is CRM? Key Business Functions

- Track stakeholder/customer information including name of organization and staff, address, telephone, fax, web address

- Track interactions with stakeholders/customers

- Provide staff and senior management with reports to effectively track all stakeholder/customer interactions and evaluate performance of the customer service

HSIMI CRM Value Proposition (when Fully Implemented*)

- Improve accountability of the HSIMI management and staff by introducing cross-divisional visibility of interactions with health system stakeholders.

- Act on the 2008 Ontario Public Service "Service Directive" mandatory requirement to monitor and measure the quality of service provided.

- Enhance effectiveness and efficiency of the HSIMI customer-facing operations by breaking silo gaps between branches and units.

- Increase HSIMI staff productivity.

- Improve customer satisfaction through more accurate and informed business relations.

- Create conditions for spreading the CRM values across the Ministry.

_____

* "Fully Implemented" means:
  - Customization of the software to meet a complete set of the HSIMI business requirements (TBD).
  - Rollout to all stakeholders across HSIMI Division.

HSIMI CRM Benefits (when Fully Implemented)

HSIMI CRM is intended to enhance Division-level customer service by:

- Providing a single, authoritative, central record of the customer.
  - *E.g. We can target communication based on client profile, usage and business needs. Opportunity to offer new solutions by cross-offering products that have benefited other users in their area.*
  - *E.g. Real-time access to accurate contact information, having all hospitals demographic information (address, key contacts) in one place, shared across the division, eliminating duplication.*

- Providing centralized tracking and management of customer interactions and complaints.
  - *E.g. by reporting and tracking customer interactions, we can identify users of Exchange services by organization and casual type problems are appropriately resolved .*
  - *E.g. monitoring the history of interactions with customers for data submissions to identify customers that have continuously had difficulties and provide them with additional support.*

- Providing senior management and staff with reports to effectively track all customer interactions and evaluate customer service performance.
  - *E.g. preset reports will be sent out regularly to the responsible staff for follow-ups ensuring accountability and enabling timely decisions by management.*
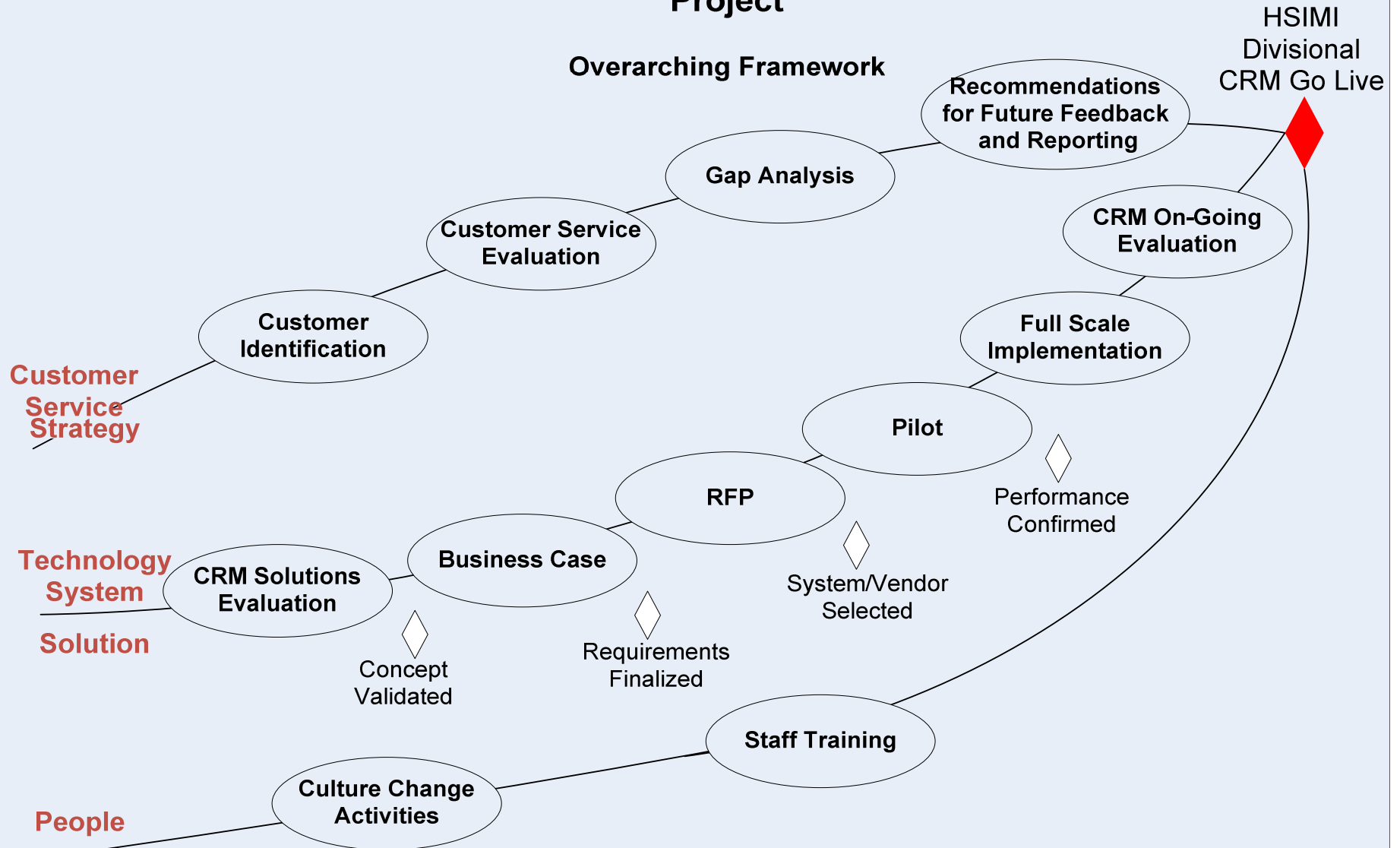
HSIMI CRM Benefits (when Fully Implemented)

- Improving communications with targeted groups of customers.
  - *E.g. by sharing interactions with customers across HSIMI, we can coordinate communication to ensure the client is not overwhelmed with messages from HSIMI.*

- Enhance ability to report and monitor customer support activity.
  - *E.g. improve prioritization of development resources to client groups where opportunities for growth and utilization are greatest.*

- Ensuring the customer interactions comply with the Division's customer service standards.
  - *E.g. when a request is received, the system would send out an auto-generated acknowledgement email which would contain the ticket details (ticket #, description) and advise that we will get back to them within 24hrs to confirm if we can meet their timeline. The system would then automatically send a follow up within 24 hours to notify the requestor of the timeline.*

- Increase efficiencies in maintaining customer information.
  - *E.g. multiple Excel spreadsheets which are used in all HSIMI branches will be replaced with the CRM's Master Contacts Data Base saving time on updates of the same customer contact information and avoiding duplications.*

HSIMI CRM Project Concept - Integrated Approach

- A single CRM solution should be implemented across all divisional branches.

- CRM improvement requires integrated approach that should include efforts in three domains:

  - Strategy and Processes

  - Technology System Solution

  - People

- Diagram on the next slide shows three streams of project activities

Customer Relationship Management (CRM) Project

Overarching Framework

HSIMI Divisional CRM Go Live

Recommendations for Future Feedback and Reporting

Gap Analysis

CRM On-Going Evaluation

Customer Service Evaluation

Customer Identification

Customer Service Strategy

Full Scale Implementation

Pilot

Performance Confirmed

RFP

System/Vendor Selected

Business Case

Technology System Solution

CRM Solutions Evaluation

Requirements Finalized

Concept Validated

Staff Training

People

Culture Change Activities

CRM Environmental Scan in the Ministry and OPS

#	System Owner	CRM Type	Status
1	e-government Branch, Office of the Corporate Chief Strategist, Ministry of Government Services	Enterprise Stakeholder Relations Database (ESRD)	In production since 2005
2	Service Standards and Accountability Branch, Employment and Training Division Ministry of Training, Colleges and Universities	Enterprise Stakeholder Relations Database (ESRD)	In production since 2007
3	.NET Centre of Excellence, I& IT Cluster Ministry of Economics & Transportation	Microsoft Dynamics CRM	Development
4	Ministry of Economic Development and Trade	SalesForce	In production since 2001
5	CancerCare Ontario	Siebel (Oracle)	Development, Go Live September 2009
6	Drug Program Services, Ontario Public Drug Programs Division, MOHLTC	Pivotal CRM	In production since 1997
7	Employee Assistance Services, Health Canada	Maximizer	In production since 2005
8	Continuing Care Project, Health System Information Management and Investment Division, MOHLTC	Footprints	In production since 2007

High-Level Business/Functional Requirements for the Divisional CRM Solution

- Divisional CRM Needs/Requirements Matrix has been developed, which includes over 100 individual requirements grouped in the following sections:

  1.0 Contact Management Requirements
  2.0 Customer Service & Support Requirements
  3.0 Communications/Marketing Requirements
  4.0 Event Management Requirements
  5.0 Integration Requirements
  6.0 Reporting and Analytics Requirements
  7.0 Business Process Automation / Workflow Requirements
  8.0 General Requirements
  9.0 Technical and Security Requirements

- All individual requirements were rated by the project team members to reflect priorities of each Branch

Evaluation Methodology

The following indicators were evaluated, rated and compared

Aligned with the OPS standard process of the RFP assessment.

1. Vendor and Product CRM Technology Leadership

2. Meeting Business Needs / Functional Requirements

3. Customizability / Capability to Integrate with Other Systems

4. Time to Implement

5. Cost

HSIMI CRM-SE Findings and Recommendations

- The wide scope of the HSIMI accountabilities, combined with the diversity of the customer base and the variety of the business services delivered by Branches will lead to a complex set of the Divisional CRM business requirements.

- A significant portion of the Divisional CRM Requirements can be satisfied by a standard functionality (out-of-the-box features) of the commercial Off-the-Shelve CRM

- A general purpose (or multi-purpose) CRM with standard functionality (contact management, communications/marketing, etc.) is required. There's no need in "specialized" solutions, e.g. "Call Centre CRM"
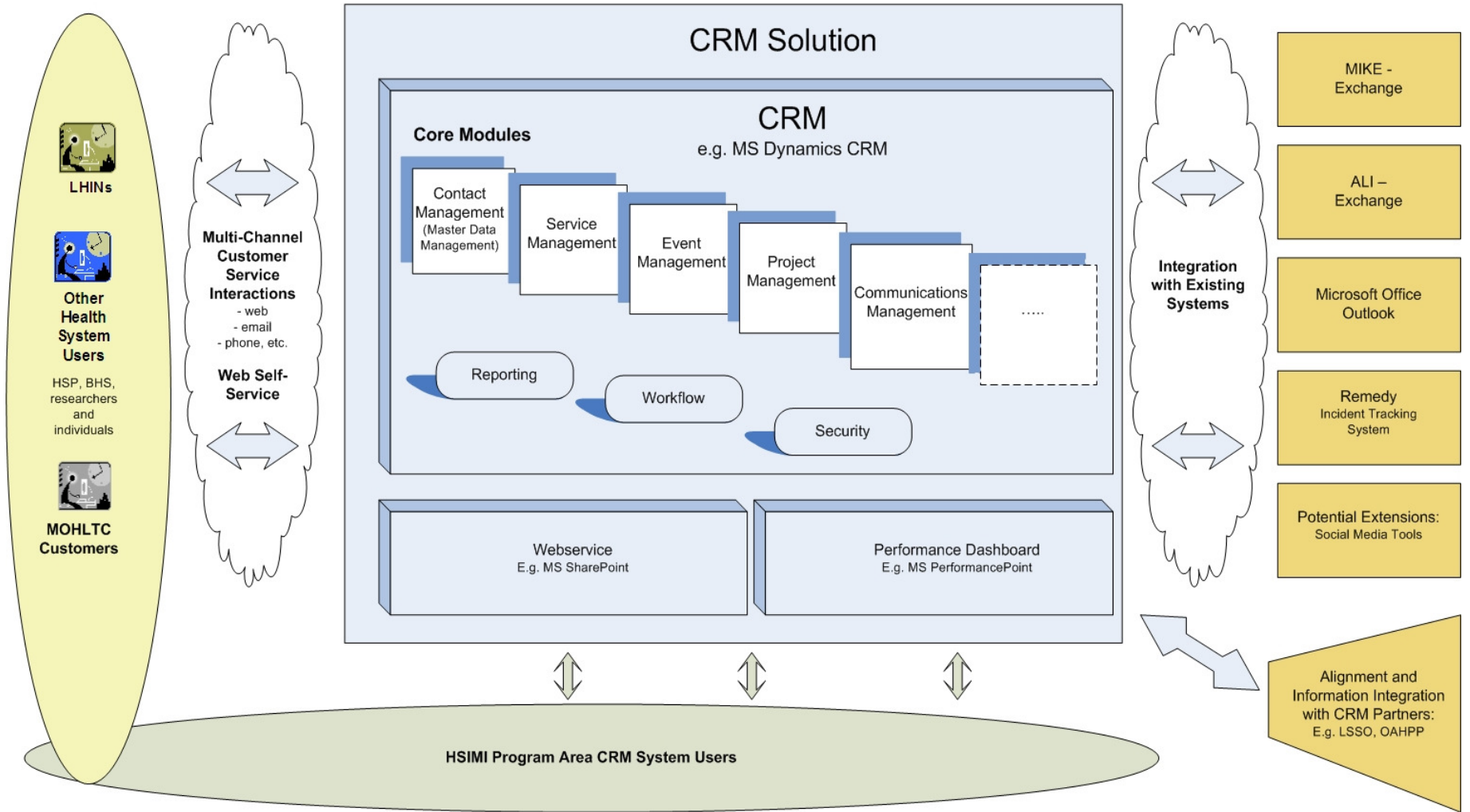
Findings and Recommendations (continued 2)

- Ease of customization is a major requirement. Initial assessment shows that none of the current CRM products (even most sophisticated) will be able to satisfy all of the envisioned Divisional requirements without customization

- Seamless integration with MS Outlook is required to ensure fast user adoption.

Findings and Recommendations (continued)

- Meeting some requirements is achievable through the CRM configuration (e.g. changing titles of the CRM database fields or adding new fields by the authorized business users)

- Meeting some requirements is achievable only through the CRM customization (requires programming/coding by the IT staff)

- Some HSIMI business needs are specific and are not available in all CRM products, e.g.

    - Event Management
    - Performance Measurement
    - Customer Surveys

- Meeting these requirements is most likely possible only through the integration of the CRM product and other applications (e.g. SharePoint, PerformancePoints, etc.)

What's CRM – more tech View

Potential View of the CRM Solution Architectural Framework

LHINs

Other Health System Users
HSP, BHS, researchers and individuals

MOHLTC Customers

Multi-Channel Customer Service Interactions
- web
- email
- phone, etc.

Web Self-Service

CRM Solution

CRM
e.g. MS Dynamics CRM

Core Modules

Contact Management (Master Data Management)

Service Management

Event Management

Project Management

Communications Management

.....

Reporting

Workflow

Security

Webservice
E.g. MS SharePoint

Performance Dashboard
E.g. MS PerformancePoint

Integration with Existing Systems

MIKE - Exchange

ALI – Exchange

Microsoft Office Outlook

Remedy
Incident Tracking System

Potential Extensions:
Social Media Tools

Alignment and Information Integration with CRM Partners:
E.g. LSSO, OAHPP

HSIMI Program Area CRM System Users

HSIMI CRM Possible Solution Options

- Leverage GO OPS Standard 20.1 and use Microsoft Dynamics CRM for a Proof of Concept project in the HSC SHEBA environment.

- Leverage SDE common hosting service (.NET COE) to acquire Microsoft Dynamics and Subscribe to the SDE service for the POC.

- Deliver a customized CRM system in alignment with typical project reviews and approvals.

- Leverage Microsoft Dynamics CRM systems developed by stakeholders (LHINs Shared Services, Ontario Agency for Health Protection and Promotion).

Post CRM-SE Recommendation

- The approach was chosen to leverage GO-ITS 20.1 Platform Software Standard and use the .NET Centre of Excellence services based on the Microsoft Dynamics CRM.

- Use of Microsoft Dynamics CRM through the .NET COE is recommended for the following reasons:

    - Project timelines have a greater likelihood of being met

    - Procurement challenges are minimized

    - .NET COE has experience with Microsoft Dynamics CRM implementations in the OPS

    - .NET COE has a relationship with Microsoft Dynamics and accessing subject matter expertise may be easier

    - Potential customization and integration issues can be identified earlier

CRM Pilot Project: Concept and Limitations
(Where We Are Now)

- Current project started in April 2010; redefined in April 2011.

- The concept of the current project is to mitigate implementation risks and minimize initial investments by:

  - **Limiting scope**
    - User groups targeted for the CRM implementation have been reduced to select areas of the participating branches – up to 75 people (with extensive customer interactions).
    - CRM implementation will be limited to the out-of the-box (OOB) product functionality, administration setup, and configuration.

  - **Reducing timeline**
    - Pilot use of the CRM by business users will continue for three months.
    - Final report is to be submitted for approval by the end of September 2011.

  - **Reducing budget** – over $100,000.
    - (approximately 4 times less than the initial project plan)

CRM Pilot Project Value Proposition

• The HSIMI CRM Pilot is intended to provide information and knowledge that will aid in decision-making regarding the longer term direction of a CRM solution for the HSIMI Division.

• The pilot will accomplish this, in partnership with HSC, by delivering and evaluating core CRM functions in real-life activities of three HSIMI branches, while mitigating risks through scaled-down implementation and minimal initial investment.

CRM Pilot Expected Benefits

- Test feasibility/ suitability of CRM solution through limited, low-cost pilot.

- Test the fitness and usability of the available technology solution across three pilot branches.

- Test customer support monitoring and reporting features.

- Test pilot Key Performance Indicators (KPIs) that can be used to monitor and report on customer service workload and quality.

- Understand and determine CRM training and support needs.

- Deliver evaluation to address end user satisfaction and solution suitability.

- Provide foundation for longer-term decision-making for CRM within HSIMI.

Performance Measures

A set of multi-criteria performance measures will be used to evaluate the feasibility of the Pilot CRM.

Groups of Measures	Indicators	Measures	Methods / Techniques Used
Business / Organizational	Software Usability. Software Fitness.	User evaluation of solution effectiveness. User satisfaction with the solution.	End-user survey analysis. Software usage statistics analysis.
	Completeness of the customer database.	50% customer coverage and 90% accuracy of Master Contact Database (numbers are expected levels).	Database records analysis.
	Coverage of business processes.	% of processes that have been validated and agreed-upon by internal and external stakeholders.	Project documentation analysis.
	Completeness of meeting business needs.	% of pilot requirements met.	Project documentation analysis.

Performance Measures (continued)

Groups of Measures	Indicators	Measures	Methods / Techniques Used
Financial	Total cost of ownership.	Solution hosting costs. Software license costs.	Financial reports analysis.
Technical	Solution scalability.	Number of users working on the solution without deterioration of performance.	Test results.
	Solution availability.	Percent of time solution is available to users. (Target 99%) Solution downtime. (<1%)	Hosting organization reports analysis.

Note: Indicators/Measures in the table are provided as examples. More measures are being developed and will be tracked during the CRM pilot use.

Key Factors in Pilot Delays

- Several generic email boxes exist today to direct customer inquiries to the right people: support@ontario.ca; etc. Business areas want email messages from customers to be sent directly to the CRM tool in queues (of emails), to begin the customer service process.

- The technical solution has not managed to deliver this process reliably. Sometimes the CRM queues get stuck importing emails with attachments; sometimes the email import fails with no pattern for this behaviour. (No root cause of the problem is yet known.)

- Installation of the CRM plug-ins on the end-user computers requires more effort than it was anticipated.

- Fixing these issues resulted in several weeks of delays.

Next Steps – Anticipated Challenges

- Ensure funding for the next project phase. Will involve customization.

- Ensure the use of information with enhanced levels of sensitivity.

- Set up standards for collaboration and sharing information between the units.

- Build a Master customer contact database, and most importantly, set up an on-going processes of keeping information up to date – a project by itself.

Success Factors

- Clearly define expectations of stakeholders, accountabilities, common goals, and common deliverables;

- Be able to create a framework of initiatives/projects leading to a successful implementation of the CRM solution.

- Ensure executive support.

- Ensure unit management buy-in.

- Be able to formulate CRM benefits and business impact to the organization.

- Set realistic timelines.

Lessons Learned

- Customer Service strategy - set the big picture

- Do phased solution implementation

- Business process analysis very valuable

- Settle Information sharing/ confidentiality conflicts

- Tech pilot - very small, limited to a crucial service or are to prove the value and iron out wrinkles

- Consider use of external hosting to avoid high investment costs

- Assess results for ministry-wide system, and support

- Plan for more time than you have! Plan contingencies!

Expertise cannot be replaced by Enthusiasm

Lessons Learned

- Implementation project must have resources with expert knowledge, skills and practical experience in both business processes analysis and software customization/programming (specific to the product – Microsoft Dynamics CRM and OPS/Ministry IT environment).

CRM is Not Free, Neither Cheap

Lessons Learned

- Almost any CRM costs approximately $1,000 per user per year. For a Division like ours ~$0.5M

- Initial configuration/consultants ~ $0.5M

- Commitment and understanding of the CRM value is needed.

Perception is not a Reality

Lessons Learned

- **Out-of-the-box**
- **Stand alone**
- **No integration**
- **No customization**

- No application intended to function in the OPS IT environment can be "stand alone" – security, firewalls…

- CRM must be working with a regular e-mail system (MS Outlook, Exchange server)…Changes to a firewall may take weeks of coordination and approvals.

- Install CRM plug-in on the end-user computers – …affects IE (8), MS Office 2003—2007, etc.

Parts are smaller than the whole……..

Lessons Learned

- By nature, CRM is a "large" (enterprise) solution
  - Implementation must cross the boundaries of units, functions, etc.
  - Benefits may not be seen or realized when only some components are implemented or when limited functions are activated (e.g. out-of-the-box).
  - "Quick wins" may not exist.

Working with IT

Lessons Learned

- Presentation provided a review of the project from a business perspective.

- Productive coordination with IT cluster is crucial for the project success.

- Challenges:

  - Current project management and IT standard practices may not be very helpful. Development of a detailed requirements upfront for an off-the-shelf product may be an overkill.

  - .NET CoE has a mandate in the infrastructure only. Applications expertise is not accumulated.

Conclusions

- CRM implementation is a significant initiative
  - having a great potential for organizational improvements and, consequently, for the public interest
  - requiring investment of substantial budgetary funds
  - requiring coordinated efforts across all participating business units/groups which have to be ready to cooperate and compromise on individual requirements in order to achieve a maximum overall business impact
  - mandating productive collaboration between business and IT
  - requiring a framework of projects addressing multi-facet CRM aspects: strategy/processes, technology, people.

- Finally… these conclusions are not final… Our CRM implementation journey continues.

References

- Almotairi, M. "CRM Success Factors Taxonomy". *European and Mediterranean Conference on Information Systems, 2008.*
- Andru, P., Botchkarev, A. (2010). "A Method of Rapid Evaluation of a Multipurpose Customer Relationship Management System". *Sprouts: Working Papers on Information Systems*, 10(24).

  http://sprouts.aisnet.org/10-24
- *Shwu-Ing Wua and Jr-Ming Hungb "A performance evaluation model of CRM on non-profit organisations" Total Quality Management,* Vol. 19, No. 4, April 2008, 321–342.
- Paul Hagen "Beyond CRM: Manage Customer Experiences" Forrester Report, April 2011.
- Customer Relationship Management (CRM) technology and organizational change: Evidence for the bureaucratic and e-Government paradigms. Government Information Quarterly, 28, No. 3, July 2011.
- Customer Relationship Management Application Adoption Trends. Forrester Research, Forrsights Software Survey, Q4 2010, Analyst contact: *William Band,* June 22, 2011.
- Hsin Hsin Chang and Po Wen Ku "Implementation of relationship quality for CRM performance: Acquisition of BPR and organisational learning" *Total Quality Management,* Vol. 20, No. 3, March 2009, 327–348.

Q & A

**Implementing a Customer Relationship
Management (CRM) Solution in Public Sector:
Success Factors and Lessons Learned**

*The views, opinions and conclusions expressed in this document
are those of the authors alone, and do not necessarily represent the views
of the Ontario Ministry of Health and Long-Term Care or any of its
individual departments.*

**All authors are with the Ministry of Health and Long-Term Care,
Health System Information Management and Investment Division**

Peter Andru
Manager, Knowledge Transfer
Knowledge Management Branch
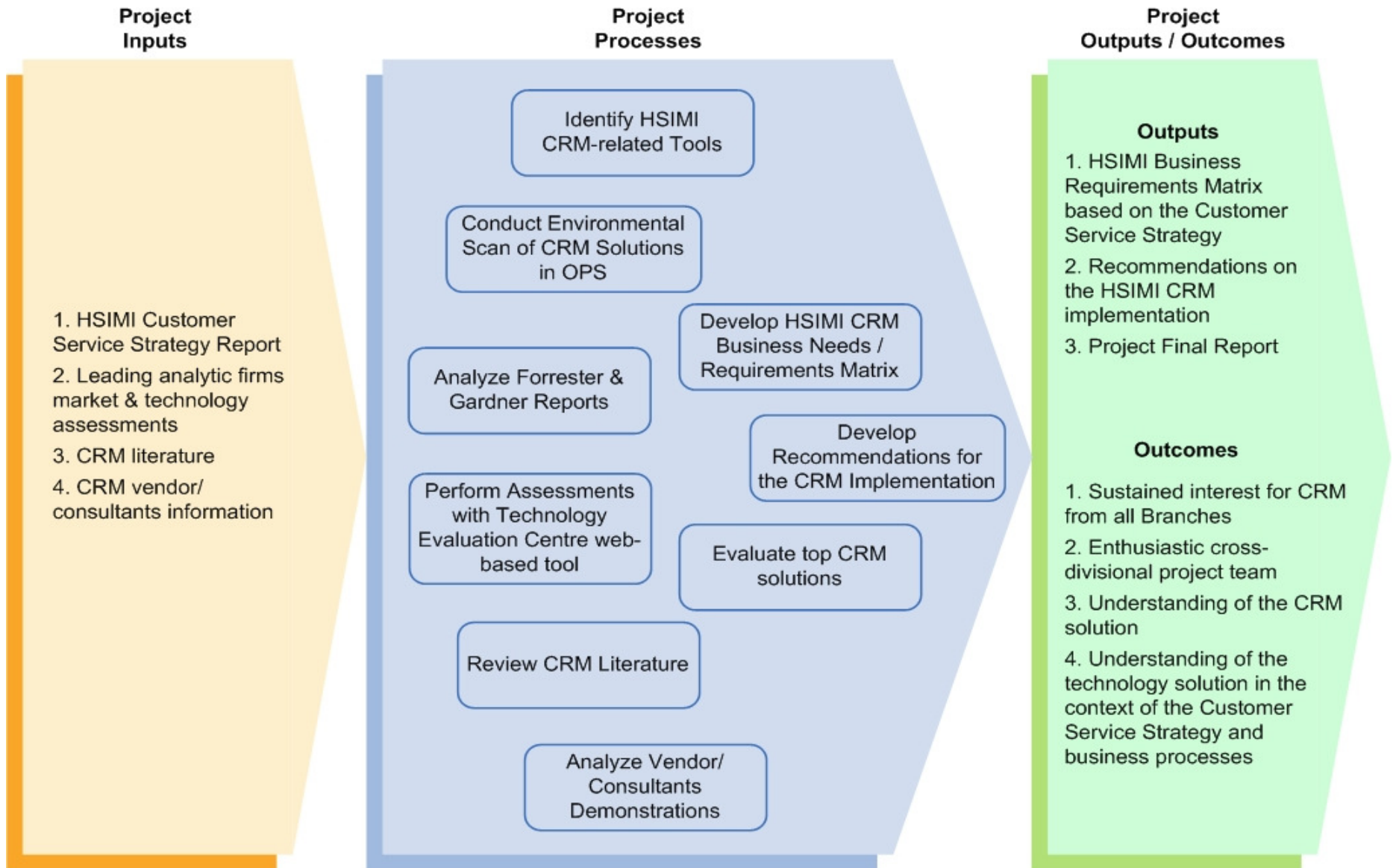peter.andru@ontario.ca

Kristie Pratt
Manager, Data Standards
Health Data Branch
kristie.pratt@ontario.ca

Alexei Botchkarev
Senior Information Management Advisor
Knowledge Management Branch
Adjunct Professor, Ryerson University
alexei.botchkarev@ontario.ca

APPENDIX

HSIMI CRM Solutions Evaluation
Project Logic Model

Project Inputs

1. HSIMI Customer Service Strategy Report

2. Leading analytic firms market & technology assessments

3. CRM literature

4. CRM vendor/ consultants information

Project Processes

Identify HSIMI CRM-related Tools

Conduct Environmental Scan of CRM Solutions in OPS

Develop HSIMI CRM Business Needs / Requirements Matrix

Analyze Forrester & Gardner Reports

Develop Recommendations for the CRM Implementation

Perform Assessments with Technology Evaluation Centre web-based tool

Evaluate top CRM solutions

Review CRM Literature

Analyze Vendor/ Consultants Demonstrations

Project Outputs / Outcomes

Outputs

1. HSIMI Business Requirements Matrix based on the Customer Service Strategy

2. Recommendations on the HSIMI CRM implementation

3. Project Final Report

Outcomes

1. Sustained interest for CRM from all Branches

2. Enthusiastic cross-divisional project team

3. Understanding of the CRM solution

4. Understanding of the technology solution in the context of the Customer Service Strategy and business processes

Divisional CRM Needs/Requirements Matrix

Deliverable: Requirements Matrix
(demo excerpt below, spreadsheet embedded Microsoft Excel Worksheet)

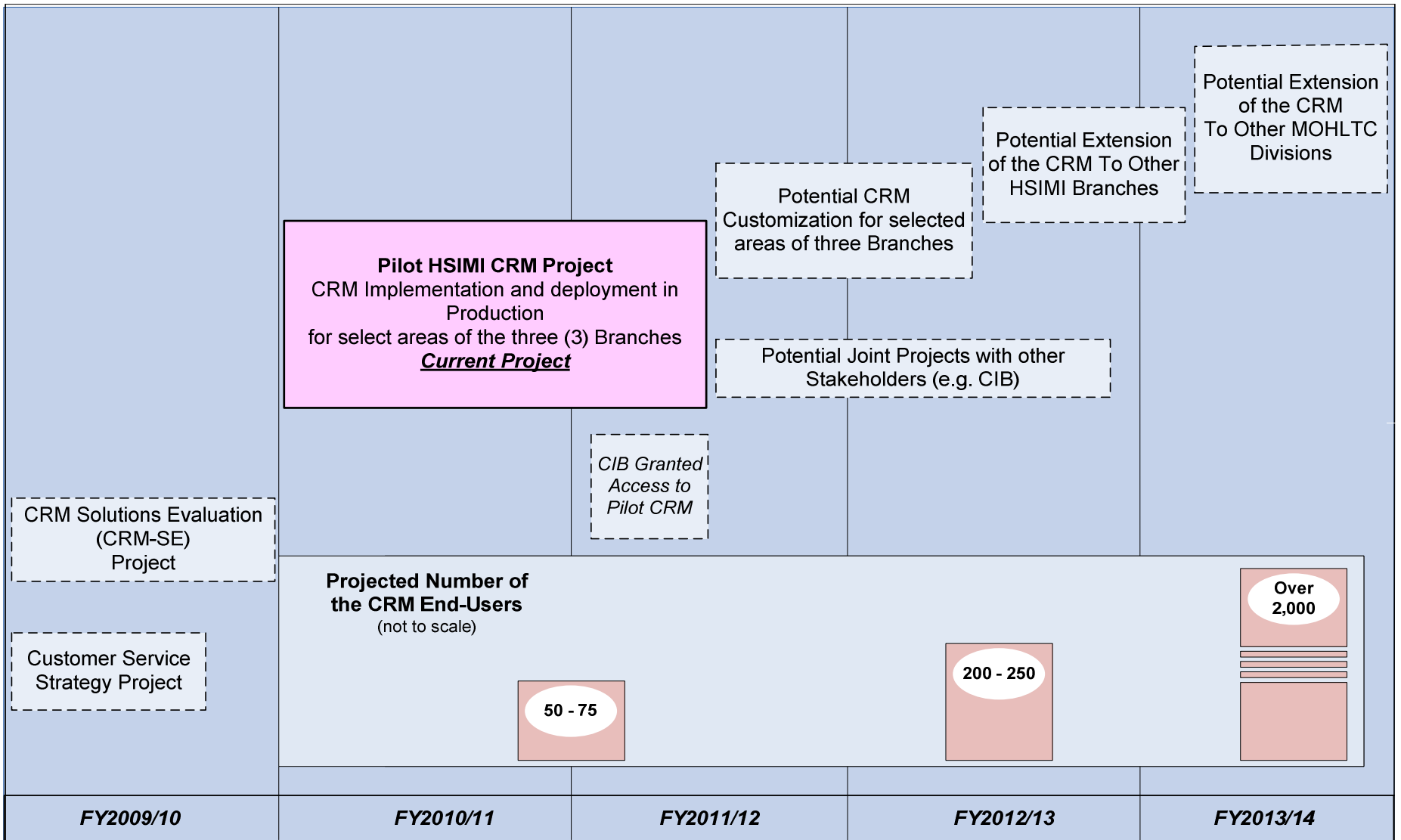| Priorities:	
- Must Have	5
- Important	4
- Nice to Have	3
- Nice to Have in the Future	2
- Irrelevant	1

Item #	Business Needs/Requirements	Description/ Comments	ADMO	IM Strategy and Policy	Health Data	Health Analytics	Knowledge Management	Investment Planning and Management	Health Capital Investment	Health Innovation and Investment Strategy	Overall HSIMI
1.0	**Contact Management Requirements**										
1.1	Ability to import customer contact records from the Global Address List in the MS Outlook		5	4	4	4	5	5	5	2	5.0
1.2	Ability to automatically synchronize customer contact records with the Global Address List in the MS Outlook		5	4	4	4	5	5	5	2	5.0
1.3	Ability to import customer contact records from standard databases	e.g. LHIN/Hospitals contact databases or e-mail systems	5	4	4	4	5	5	5	2	5.0
1.4	Account history and tracking		5	4	5	5	5	5	5	1	5.0
1.5	Mail merge for letters and faxes		3	4	4	3	3	3	5	2	4.0
1.6	Support for manual entry of customers		3	4	4	4	5	4	5	1	5.0
1.7	Support for automated entry of customers from events and webinars			4	4	4	5	3	4	1	4.0
1.8	Support for automated entry of customers from direct mail marketing responses			4	4	3	2	1	1	1	2.0
1.9	Support for automated entry of customers from e-mail marketing responses			4	4	3	5	1	1	1	3.5

HSIMI CRM Projects Timeline

Potential Extension
of the CRM
To Other MOHLTC
Divisions

Potential Extension
of the CRM To Other
HSIMI Branches

Potential CRM
Customization for selected
areas of three Branches

Pilot HSIMI CRM Project
CRM Implementation and deployment in
Production
for select areas of the three (3) Branches
Current Project

Potential Joint Projects with other
Stakeholders (e.g. CIB)

CIB Granted
Access to
Pilot CRM

CRM Solutions Evaluation
(CRM-SE)
Project

**Projected Number of
the CRM End-Users**
(not to scale)

Over
2,000

Customer Service
Strategy Project

200 - 250

50 - 75

| FY2009/10 | FY2010/11 | FY2011/12 | FY2012/13 | FY2013/14 |

CRM Performance Measurement Framework

Projects

HSIMI Customer Service initiative
A series of interrelated projects

HSIMI Prior Projects:
- Customer Service Strategy.
- CRM Solutions Evaluation.

CRM Pilot Project

Future CRM Projects

Performance Measures (samples)
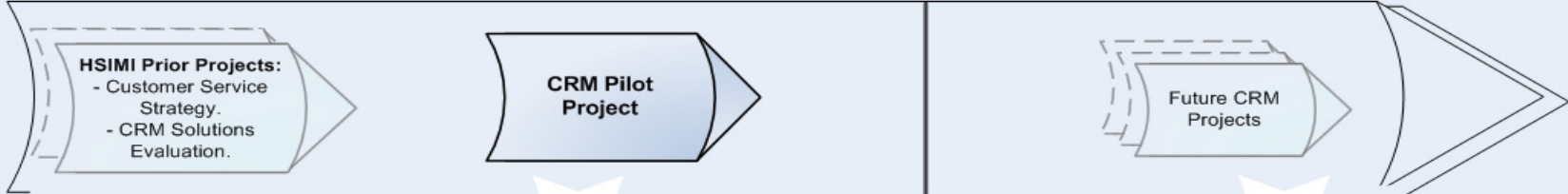
Goals
- Pilot solution implemented for select areas of three branches.
- Pilot solution assessed.
- Recommendations for future CRM projects developed.

Measures
- Budget variance.
- Schedule variance.
- Scope variance.

Goals
- Solution implemented across HSIMI.
- Authoritative record of customer.
- Centralized tracking of interactions with customers.

Measures
- Improved customer service efficiency.
- Improved customer satisfaction.

Goals
- Out-of-the-box CRM functionality meets 70% of the requirements and covers a bulk of the business processes.

Measures
- User level of effectiveness and satisfaction.
- Percent of customer-related reports available.
- Branch-specific measures

Goals
- Solution is "Fully Implemented" – customized and integrated.
- All business and technical requirements are met.
- Successful uptake of CRM within all branches

Measures
- Savings and efficiencies of customer service processes.
- Customer satisfaction.

Products (Solutions)

Pilot CRM (Out-of-the-Box)

Fully Implemented CRM