



FOSS Conference

Wednesday 6th May 2009

The Truth behind Front Office Business Cases

This workshop will explore what it takes to create realistic and sustainable front office business cases. It will explore the most critical areas to focus on, the pitfalls to avoid and how to bring all the stakeholders with you along the way.

HCL

Agenda



- What does a robust business case look like
- 7 Critical factors in developing one
- 5 Critical areas to focus on
 - The balancing act
 - Strong link between outcomes and enablers
 - Focus on cashable benefits
 - Data, data, data
 - Don't confine yourself: Be creative
- Q&A

What does a robust business case look like?



- Outcome focused
- Explains the: Why, What, How and When
- Data driven with clearly defined assumptions
- Highlights a believable payback
- Is achievable
- Unlocks the funding

7 Critical Success factors for achieving a robust business case



1. Clear outcomes aligned to: Corporate objectives, CS strategy and Member directives
2. Early establishment of the scope and process for benefit realisation
3. Defined and communicated governance process
4. Early definition of the approach for data collection and validation
5. Building a shared understanding of the impacts across the organisation
6. Addressing the potential for increased volume as services and awareness improve
7. Review for double-counting across CS and Directorate Business Cases

Critical Areas: (1) The balancing act



Cost Reduction

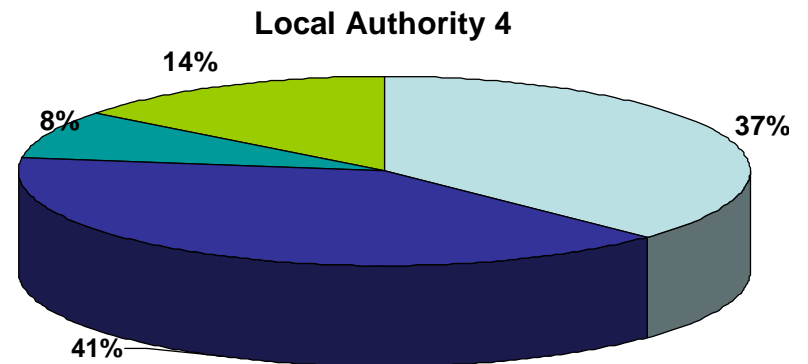
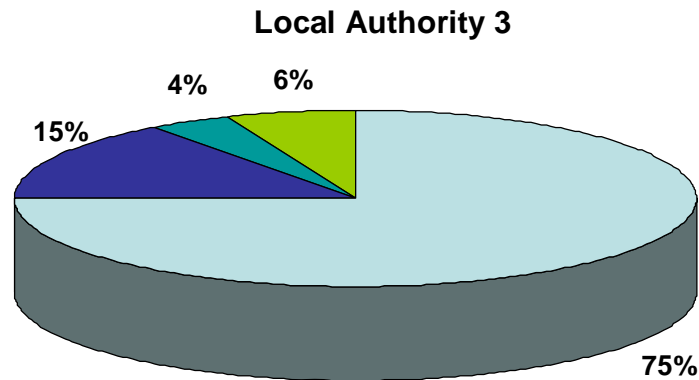
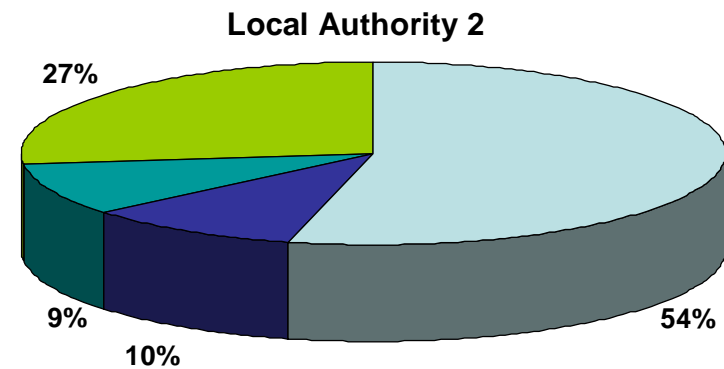
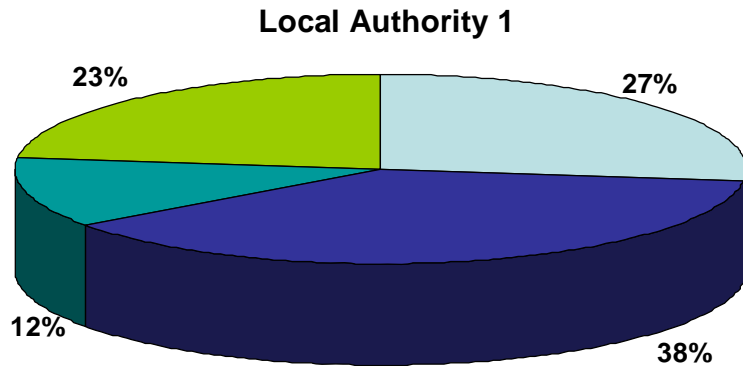
**Service
Improvement**

Critical Areas:

(2) Strong link between outcomes and enablers

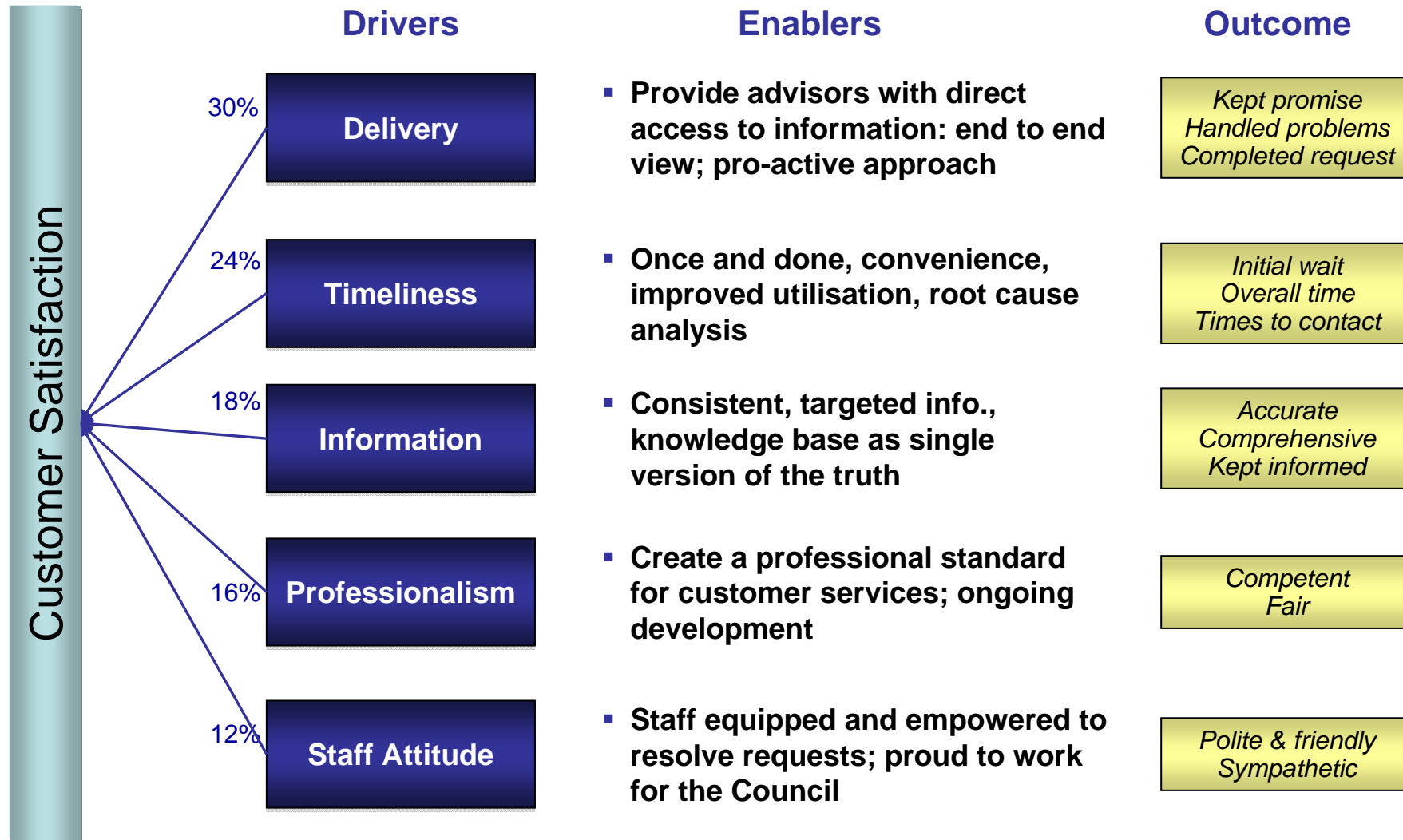


Critical Areas: (2) Strong link between outcomes and enablers



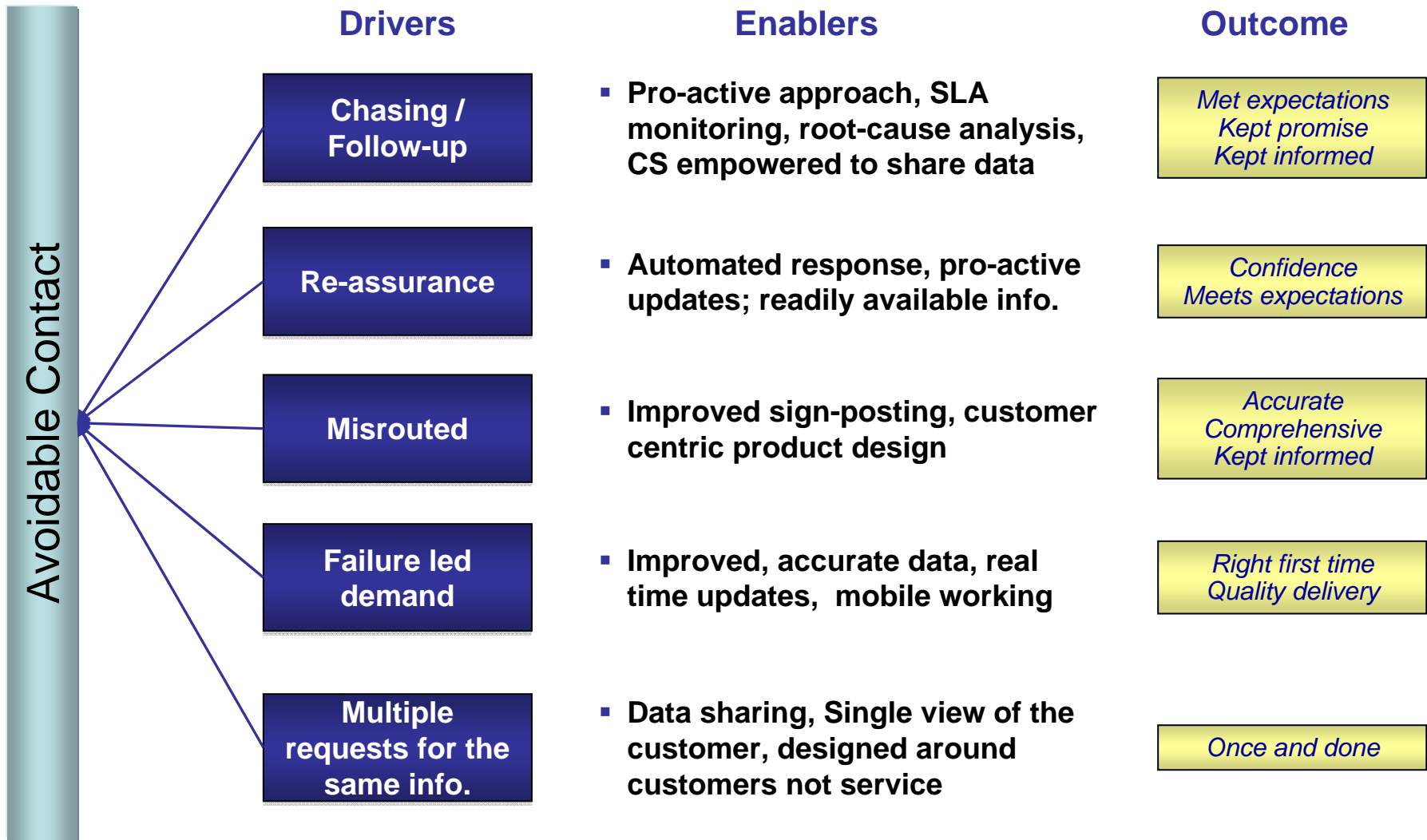
Critical Areas:

(2) Strong link between outcomes and enablers



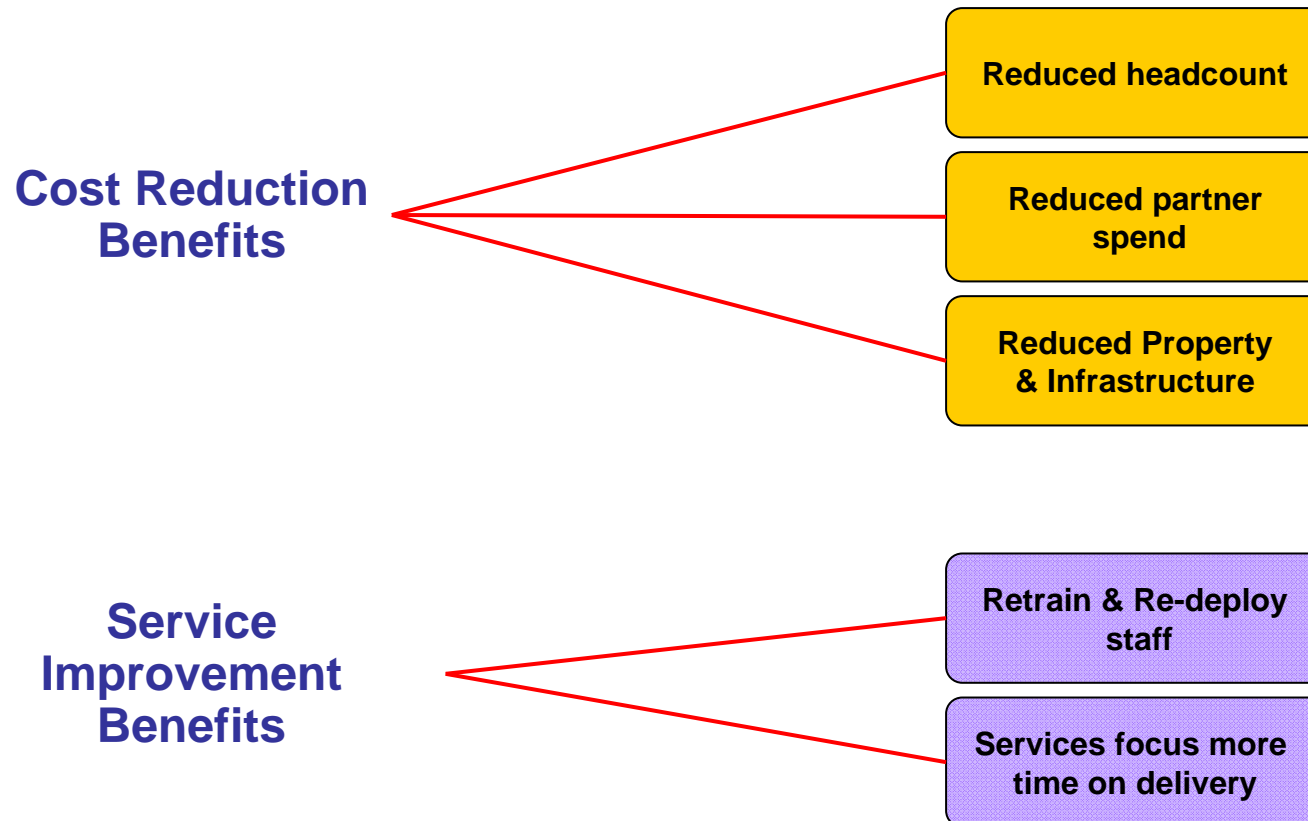
Critical Areas:

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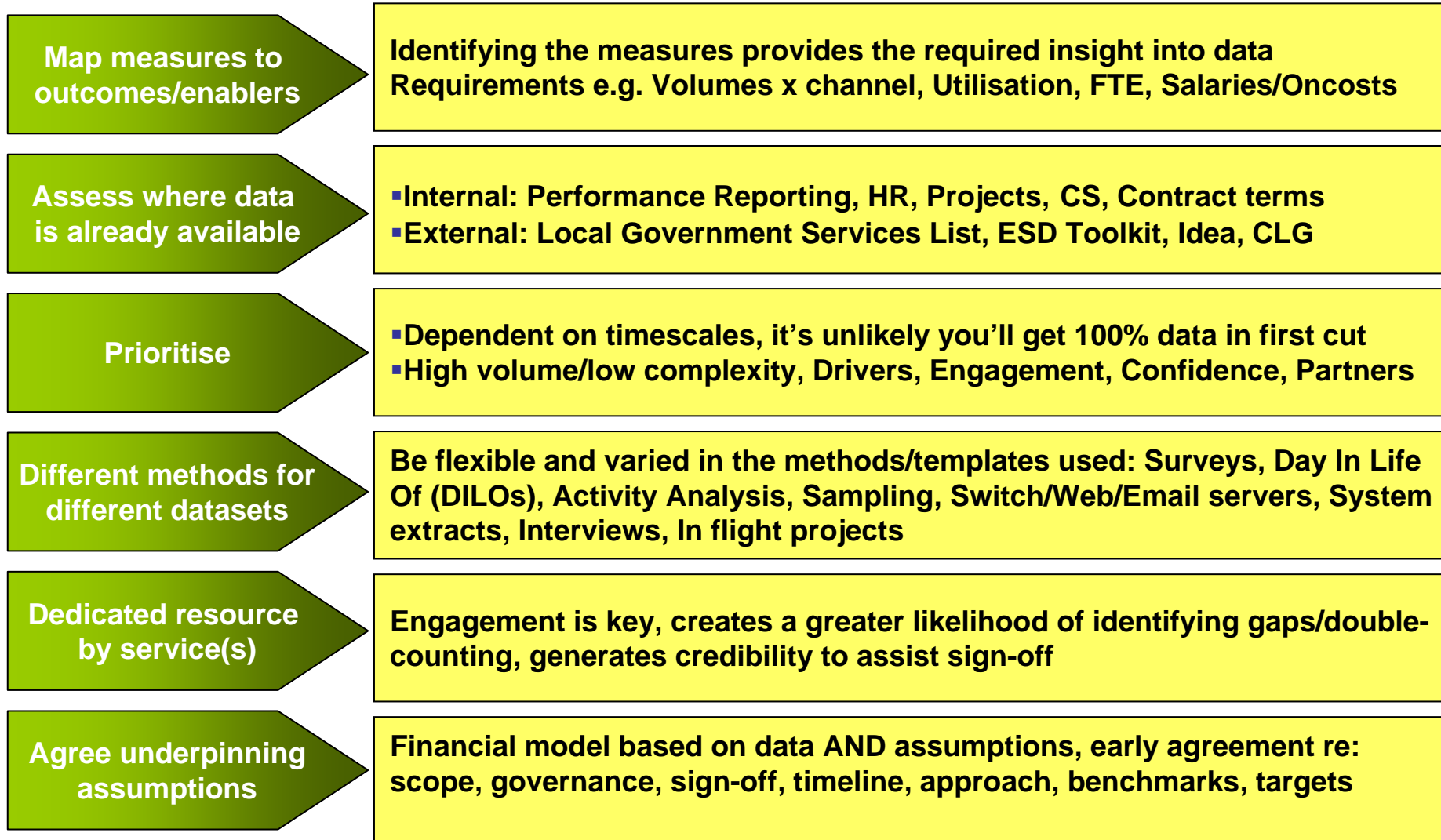
Critical Areas:

3) Focus on cashable benefits

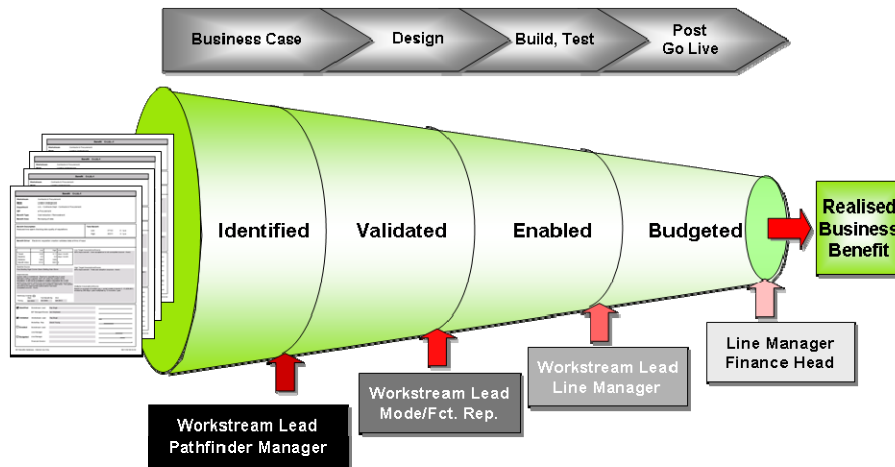
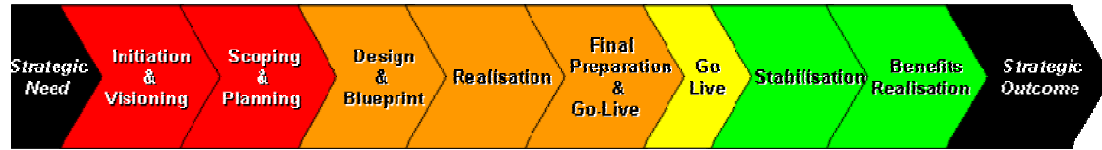


Critical Areas:

(4) Data, data, data



Critical Areas: (4) Data, data, data



- Benefits are only realised bottom-up
- Benefits must be signed-up and owned by The Council
- Benefits Realisation process is an integral part of the project at every stage

Front Office Benefits Inventory

Benefit	Description	Benefit Type	Benefit Metric	Base Benefit	Mid Benefit	Stretch Benefit	Type of Benefit	Assumptions																
Channel Switch	Moving customer contracts from high cost channels to low cost channels	Channel Switch	Channel Usage	43,200,000	43,750,000	44,300,000	Cost/line	Reduction in Price (Cost/line)	Reduction in Price (Cost/line)	Cost per Fax in Cost/line	Cost per Phone in Cost/line													
Volume Reduction	Large through 1st time resolution of issues, reducing the number of contacts	Productivity	Number of contacts	875,900	81,907,500	81,907,500	Cost/line	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts	Volume reduction % of contacts
Service Delivery Efficiency	Increase in service time before first call and first time resolution of issues	Productivity	Number of service contacts	1,526,286	42,307,500	42,307,500	Cost/line	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	% of contacts resolved on first call	
Customer Service Efficiency	Consolidation of customer services into a customer service function	FTE	Number of FTEs	11,000,000	42,015,000	43,015,000	Cost/line	Number of FTEs savings and customer service savings	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	% of line spent on customer service	
Performance Management	Introduction of a performance management system to enable managers to track individual patterns for services with the required resources. This will ensure better resource allocation and will reduce a volume of resources	FTE	Number of FTEs	400,000	1,000,000	1,000,000	Cost/line	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	
Performance Management	Introduction of a performance management system to identify the demand patterns and service levels for services required. This will provide better demand patterns for planning and budgeting purposes (allows reallocation of resources from low demand services to high demand services)	Resource Management	Band weights	43,000,000	66,800,000	67,200,000	Cost/line	Value of Customer Facing services	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling
Performance Management	Integrated pricing system will ensure the need to track individual services to monitor, and report on service resources and ensure on-line resource including the FTE required	FTE	Number of FTEs	427,000	550,000	602,000	Cost/line	Number of FTEs	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling
Virtual Call Centres & Flexible Working	Introduction of flexible working and virtual call centres will reduce the floor space required. In addition FTE resources will also be compared for a saving in floor space	Property	Sq Ft, Office Space	870,700	470,700	470,700	Cost/line	Number of FTEs	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling
Employee Travel time	With the creation of a virtual call centre it is possible for employees to work in the comfort of their homes. This will reduce the need for travel to work. This will also reduce the need for travel to work. This will also reduce the need for travel to work.	Cost Assistance	Number of Virtual Call Centre staff	107,200	108,700	110,100	Cost/line	Number of Virtual Call Centre staff	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling
Document Management solution	Introduction of a document management solution will reduce the need for paper, reduce the storage costs of paper as well as reduce environmental benefits	Cost Assistance	% reduction in Paper	0	0	0	Cost/line	Estimated Spend on Paper	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling	% of resources through workload scheduling

- Identifying information about the benefit (where, what type, etc.)
- Benefit description
- Calculations
- Dependencies
- Sign-off

- Unique Code identifies benefits card
- Benefit values: base & stretch
- Assumptions on targets
- Multiplier assumptions



Critical Areas: (5) Don't confine yourself: be creative



- Customer Insight
- Automated Payments
- Performance Management
- Introducing /targeting chargeable services
- Debt Recovery
- Flexible Working

Questions

