

True Mobile and Flexible Working Public Sector 2.0

Why now is the time for wireless.
The e-transformational agenda in public
sector provision
What can be learned (not copied) from
other sectors?

Critical Uncertainties

- ◆ Does wireless allow more services to be delivered locally?
- ◆ Does wireless allow more connexion between localities internationally?
- ◆ Does wireless allow for new services to be delivered?
- ◆ Does wireless expand access to services?
- ◆ What are the implications for skills levels within local authorities?
- ◆ What is the best model for service delivery and development
 - Public/Private?
 - Investment timing and sequencing?
- ◆ What are the risk factors which could derail these projects?
- ◆ Does wireless allow public and private services to be bundled more easily and if so what are the benefits of this?

**Software
(Microsoft)**

**Hardware
(Intel)**

Telecommunications
→ ? → Telcos?

- **Real time**
- **Location based**
- **Distributed 'ownership'**
- **Service innovation**

Transformational Government

- ◆ Govt is the biggest buyer of IT services in the economy
 - £14bn pa in UK
 - 50,000 employees
- ◆ 10% of this will be dedicated to Transformational government (ICT innovation in government services)

What and How?

- ◆ Citizen Centric
 - Patients, pupils and businesses will have better services as a result of e transformation
- ◆ Shared services agenda
 - Infrastructure will be reengineered
 - Front office/back office
 - Resources freed up for front line staff
- ◆ Choice
 - Will come from new channels and more fundamentally through new opportunities for service competition

Private Sector Comparison

- ◆ Financial Services is the second biggest buyer of IT in UK
 - HBOS spends £1bn pa on “programmes”
 - Under the control of 13 staff
 - What models have they adopted and what lessons can be learned?

Value Creation and the operating model

- ◆ Most banks organise along product lines
 - Eg cards, loans, mortgages
- ◆ And across broad “segments”
 - Eg retail, corporate, business
- ◆ Even Across Channels
 - eg Branches, Call centres, On line

But processes cut across all of these,

- ◆ and there is a need to manage service delivery consistently and efficiently
- ◆ The elements are
 - Technology:
 - eg **IVRs, on line,**
 - HRM:
 - eg **branch, call centre behaviour**
 - Process/Delivery :
 - eg **work design**

Branches

◆ The typical Strategy

- Reroute calls to a call centre
 - ◆ **Don't tell the customer this**
- Put transactions outside or around the edges of the branch
- Flow customers towards sales oriented staff
- Reduce cashiers by 65% and replace them with sales
 - ◆ **The same people!**

◆ The typical result

- Sales decline: customers and staff found it hard to change behaviours

How reducing service levels can increase costs

◆ IVRs

- Customers do more low value transactions
- Automation allows this
- They resist IVRs
 - **IVRs raise the demand for Customer Service Staff**

◆ PC Banking

- PC customers 200% more profitable
- Not because of the channel, but because of pre existing preferences
- Only 15% of customers use 1 channel
- 35% use 4 channels at least: retention means consistency

How to do it right

- ◆ Understand the links between technology, people and processes within each channel
- ◆ Understand how customers behave across channels
 - Do this segment by segment
- ◆ It is behaviours which will drive both costs and revenues
- ◆ Training costs should be very high
- ◆ During any change, maintain service levels

Optimising

- ◆ The measures are inputs per unit of output
 - Labour hours
 - Technology
 - Length of time customer in process
 - Total length of time to complete the process
- ◆ Variation in performance was a strong indicator of financial performance of the bank
- ◆ Because it links strongly to customer satisfaction scores
- ◆ And behind this is employee satisfaction

How it looks on the inside: A Type II Bank

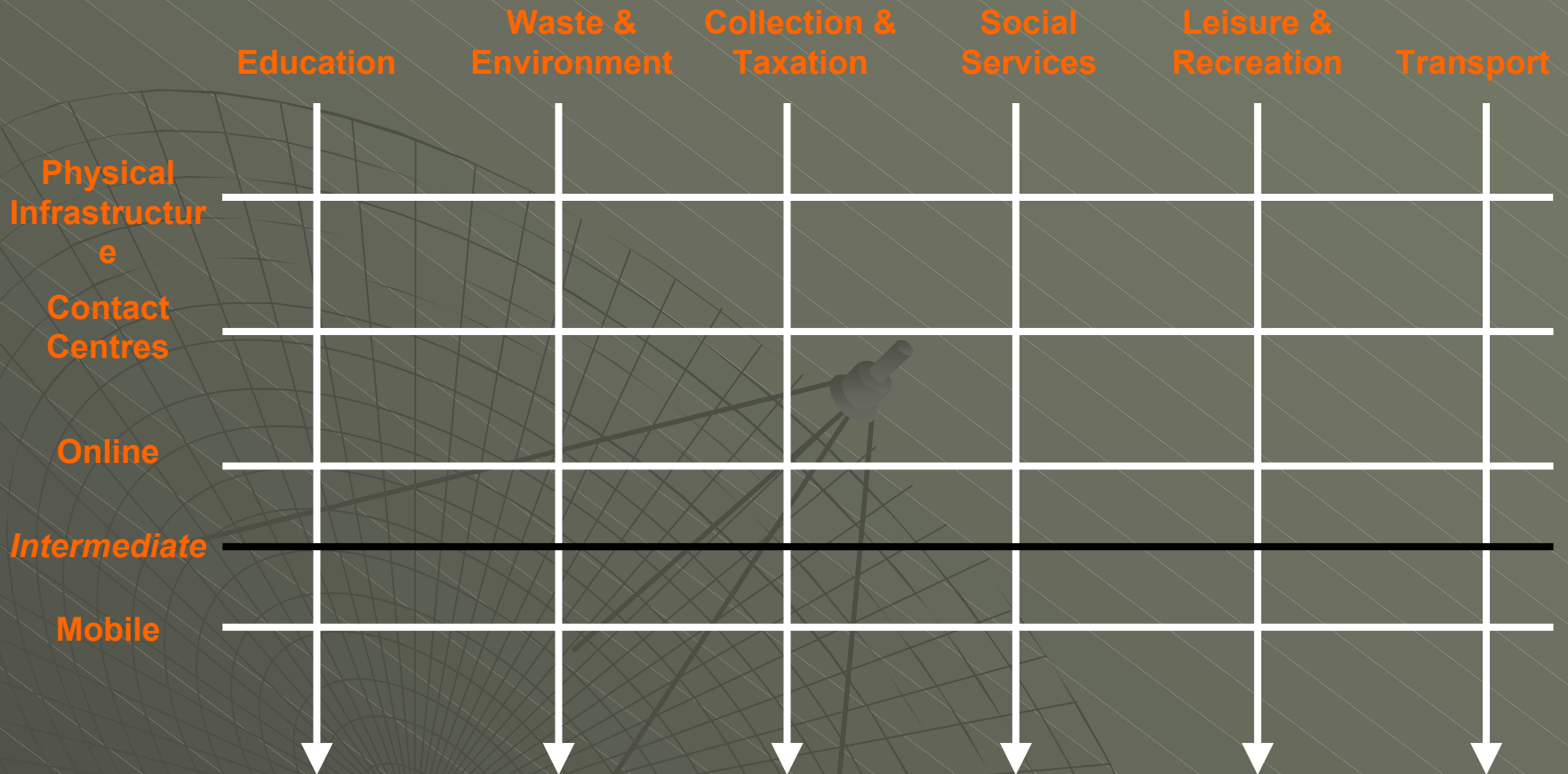
Current Account Personal Lending Credit Cards Mortgages

Branches

Call centres

Online

Intermediaries



Hypotheses

- Each 'service' requires a number of channels to be delivered
- The Quality of the Experience could be significantly improved if we think systematically about how to change these channels
- The correct use of mobile/wireless technology may significantly enhance service quality perception in a number of ways.