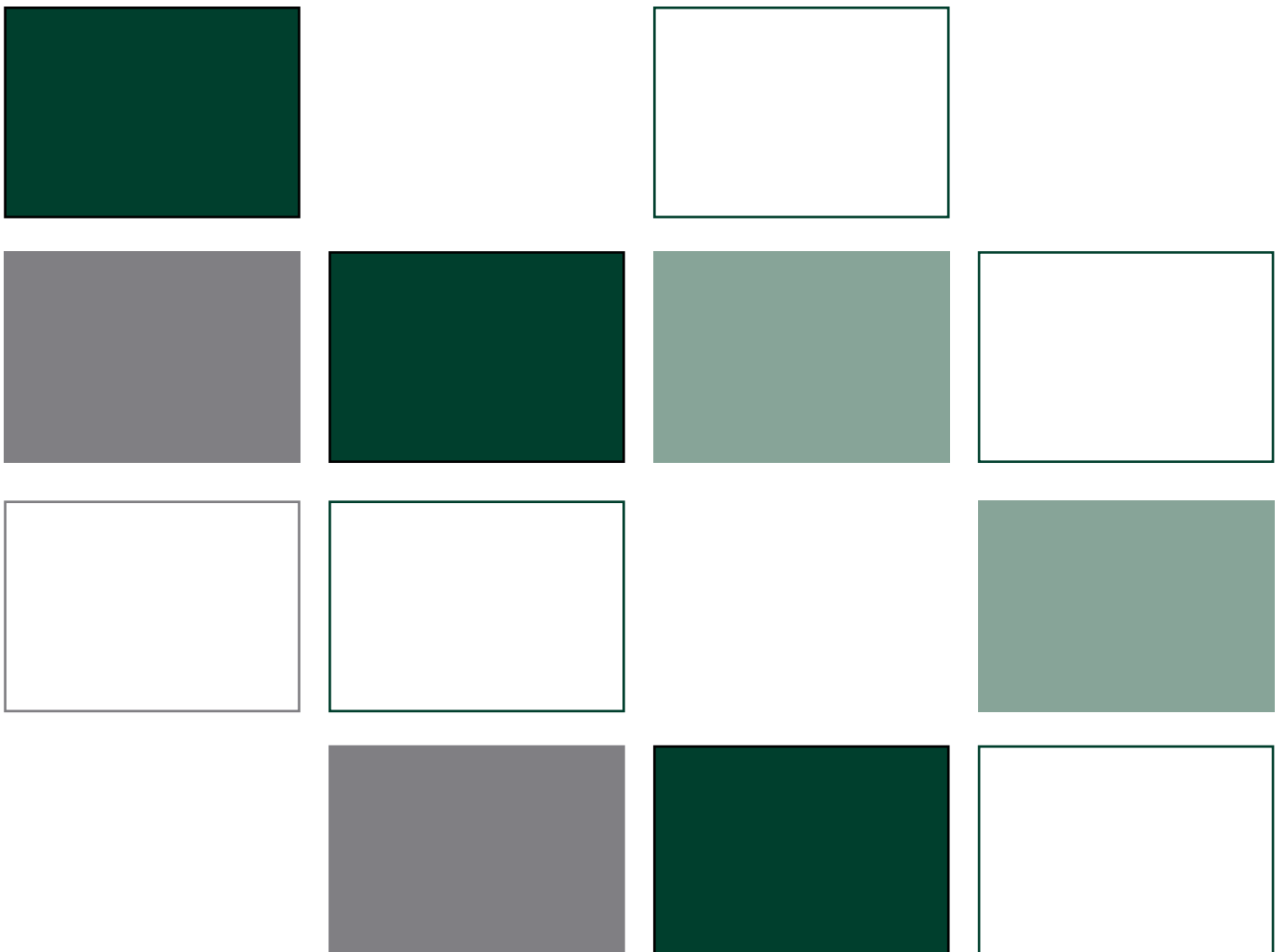


customer insight: through a Total Place lens



foreword



Over the last few years, we have seen an increasing number of local authorities using formal customer insight approaches to better understand their customers and to redesign services. This work to make services more targeted, more accessible and more efficient remains highly relevant today.

Meanwhile, the Local Government Customer Insight Forum has championed the role of customer insight in local government, highlighting and sharing good practice and helping local authorities to build links with other public service bodies. We have been particularly pleased to be involved on behalf of the sector in the Efficiency and Transformation Fund programme, which is now supporting a wide range of customer insight and social media projects at local level.

In the light of the current financial pressures, however, we are even more conscious of the need for local authorities and their partners to use customer insight to make informed decisions about what services to deliver, what to commission or decommission, which organisation or organisations are best placed to deliver these services, and what channels are most appropriate for different groups of customers.

The Total Place pilots provide a model for how different public services can work together in an area to deliver services that are more customer-centric and more efficient. We have therefore taken the opportunity to reflect on how the pilots have used customer insight, both generally and in support of their themed work in areas such as worklessness, drug and alcohol abuse and anti-social behaviour. We hope this paper will help to share their learning more widely and we would particularly like to thank all those authorities that have contributed case study materials.

The strong message that emerges is that if we want to deliver joined-up local public services that are both efficient and effective, we are going to have to collaborate more widely with our partners. Insight into our shared customers is an important starting point. However, research suggests that insight is still largely used in particular service silos. The challenge will be to develop customer insight as a corporate information tool that will help us make the right strategic decisions both within our authorities and across our local partnerships.

I am confident that local authorities, with the right support and encouragement at both regional and national level, can step up to this challenge. My colleagues and I on the Local Government Customer Insight Forum look forward to working with you on it.

A handwritten signature in blue ink that reads "Peter Sloman". Below the signature is a horizontal line.

Peter Sloman
Chief Executive, Oxford City Council
Chair, Local Government Customer Insight Forum

introduction

Starting with the customer is increasingly recognised as the most productive way of designing or re-designing services. Basing developments on a real insight into customer needs, aspirations and behaviours should produce better services, as well as providing a solid platform for cross-organisational collaboration.

This document, produced by IDeA in collaboration with CLG, sets out to:

- help understand the role of customer insight in a Total Place context;
- update various previous papers¹ on how customer insight can help local authorities to understand their customers better and design more effective and efficient services.

Most local authorities are using customer insight tools and techniques to varying degrees to reshape services and improve the customer's experience. Though this is typically being done on a service-by-service basis, there are an increasing number of cases where partners are jointly using their customer insight to join-up services.

Local authorities have yet to embed customer insight as a strategic management tool in their organisations - that is, to put customer insight at the heart of decisions on what services are delivered to which customers by whom.

A Total Place approach seeks to consolidate partners' understanding of their shared customers to enable a more coherent and cost effective approach based on customer need.

The experience of the Total Place pilots highlights the need for a more radical approach than traditional 'silos'. It has demonstrated how focusing on customer need when redesigning services provides scope for efficiency savings as well as service improvement. Starting with the customer has led many of the Total Place pilots to re-think service delivery and to suggest new solutions that benefit local people and save money.

The learning from the Total Place pilots illustrates the challenges that need to be overcome in sharing customer insight, such as the different language and terminology used across the public sector.

The paper reflects on the importance of customer insight, its current application, and the need to embed insight as a strategic management tool.

¹ LGA and IDeA report 'Insight: Understanding your citizens, customers and communities' published December 2008.

1 what is customer insight?

'Customer insight' is useful information that enables an organisation to better understand its customers. In recent years, there has been growing interest amongst local authorities in developing and applying customer insight.

A commonly-used definition of customer insight in government guidance is:

"A deep 'truth' about the customer, based on their behaviour, experiences, beliefs, needs or desires, that is relevant to the task or issue and 'rings bells' with target people"
(Government Communication Network Engage programme).

In practical terms, insight entails:

- the use of data and information about customers to better understand their needs, wants, expectations, behaviours and experiences; and
- the active application of this understanding and the engagement of customers in the design and delivery of services that better meet their needs.

Customer insight is not new and councils already routinely use some of these tools and techniques - for example through consultation exercises and surveys. Sources of insight can be qualitative and quantitative and include:

- customer surveys and consultation exercises, for example focus groups;
- customer feedback (ie complaints, compliments and comments);
- mystery shopping exercises;
- customer journey mapping;
- service access and channel data (including footfall, call volumes, numbers of service users);
- socio-demographic data and indices of deprivation;
- the experience and intelligence of front-line staff and elected members.

However, customer insight is still primarily being used as a series of data sets to help inform how a service is designed and accessed. It is still a top-down approach and the customer is not always directly engaged in decisions about which services are delivered and how best to deliver them.

To become truly customer-focused, an organisation needs to embed customer insight across all aspects of its operation. Whilst customer insight does need to be recognised and used as a corporate information management tool, to inform decision-making and to plan and co-ordinate resources, it should not replace customer engagement and involvement in the redesign of front-line access and delivery.

Moreover, in a Total Place world, where partners are looking to collaborate around shared customers, insight has a key role to play in helping to identify efficiency savings and deliver more joined-up services. By sharing and analysing these data sources collaboratively, partners can redesign and deliver services that meet those needs and thus deliver improved outcomes together.

The following four components are important for successful customer insight. They can help to embed a customer-focused approach and ensure that customer insight is used to greatest effect:

1. Demonstrating the value of the approach

For example, Birmingham City Council's Customer Knowledge Programme is promoting the use of customer insight across the organisation and has the support of senior managers to demonstrate commitment to this work. Leadership from the top is essential to show the value of this approach.

Birmingham's Customer Knowledge

Programme (CKP) centres on a single record for each individual customer which unites data on various databases held in different departments. Data sharing agreements have been established with departmental data owners. Each individual customer is allocated an anonymised 'person persistent code'. This allows service data from multiple sources within the council about individuals and households to be analysed and linked with Birmingham's customised segmentation (based on Mosaic), providing potentially powerful analyses of complex data about customers from multiple sources.

2. People and skills

For example, Worcestershire County Council has had a central Research and Intelligence Unit for many years which is also used and funded by the district councils and partners including the NHS. It has been recognised as good practice by the Audit Commission in their publication *Is there something I should know?* Meanwhile, Birmingham City Council's Customer Knowledge team is in the process of training around twenty data analysts across the council.

3. Processes

For example, South Tyneside Council incorporates customer insight from complaints data, geo-demographic data and opinion data into the development of service strategies and plans.

4. Data and systems

For example, Bradford MDC is developing a data observatory to store and share information about customers between organisations in Bradford.

2 why is customer insight important?

Only by better understanding and engaging with customers can public service organisations hope to become both more efficient and more effective. Customer insight provides the basis for a strategic approach that enables local authorities to re-design services in ways that improve customer satisfaction while saving money. By making the customer the focus and involving them, it can help determine what services should be delivered to which customers, what might be curtailed or what rationed.

Customer insight can be used to influence which part of the public sector is best placed to get the best outcome and therefore who should deliver services to a particular customer group. The Total Place pilots have looked at the current service arrangements and highlighted the multiple interventions that can lead to confusion for the customer and duplication for the different agencies as highlighted in the Lewisham Total Place pilot referred to later in this paper. In short, customer insight can provide the rationale and evidence to drive transformational initiatives that deliver optimal customer satisfaction.

Customer insight enables this strategic approach by providing:

- a basis for understanding and anticipating customer needs and drivers of satisfaction;
- engagement with real customers and feedback on their current experience, and the gaps and duplication across services;
- objective data to inform decision-making and shape service re-design;
- an external perspective that prompts and facilitates dialogue between public service partners, customers and the third sector;
- a stimulus for collaboration, innovation and co-design with partners, customers and the third sector; and
- feedback for monitoring and reporting progress.

The activity of collecting customer insight itself, though important to developing a rounded view of the customer, does not necessarily demonstrate to customers that public services are really listening and responding to their needs. It is even more important to involve customers, staff and elected members in instigating real transformational changes. This engagement also encourages buy-in from these stakeholders, which is essential when recommending changes to the current service arrangements and shows that good ideas are not only the prerogative of professionals.

The benefits from using customer insight

Insight into customers' needs and behaviours, and the causes of demand, can make a major contribution to the ability of authorities and their partners to deliver the dual goals of improved customer satisfaction and financial efficiencies. It can also help transcend silos and organisational and professional boundaries by focusing on a particular customer group, their needs and their current experience of services. For example the Worcestershire Total Place pilot identified 24 agencies dealing with NEETs which is both confusing for the customer and creates unnecessary duplication. Customer Insight can help deliver both process efficiencies (doing things better) and allocative efficiencies (doing different things).

Customer insight can help public sector organisations to:

Identify the root causes of problems

Customer insight can help to identify the 'real' issues driving demand for public services. For example, Melton Borough Council's Family Intervention Project analysed interactions with high-need families from a range of agencies. The agencies then worked together with these families to identify their aims and to address the root causes of their problems, leading to vastly improved outcomes for the families at lower cost to the agencies involved.

Prioritise needs and target resources

Customer insight can provide the evidence base for focusing resources on certain geographical areas or customer groups, that is certain families or wards, thereby helping to ensure the resources invested deliver maximum impact and value for money.

Integrating insight into service delivery

Tameside MBC is using housing and council tax benefit data held by the borough to improve the administration of free school meals. Previously, processing and confirming a pupil's entitlement to free school meals typically took 10 working days and cost the council an average of £7 per application (plus the costs of providing the form through face-to-face customer service that averaged £9.07 per visit in 2007/08).

By checking the application directly against housing and council tax benefit data, the council's online service can now confirm entitlement in a matter of hours. If the application is received by 11 am and is approved, the child will receive a free school meal that day. In the first six months of operation the system processed over 2,500 renewals and new applications and over 98 per cent of all applications were validated instantly on-line.

Not only has the speed and accuracy of processing been improved but each self-service application via the Internet now costs 6p to process end-to-end. A face-to-face application now costs £9.13 and a telephone application costs £1.34.

Identify and meet the drivers of customer satisfaction

Customer insight can help to identify 'value drivers', or the factors that make a difference to customers. For example, Croydon Council has used customer segmentation, overlaying Mosaic data on the Place Survey to identify drivers of satisfaction. This led them to identify a number of priorities, but particularly a significant group of local citizens who had concerns about the facilities available and safety in local parks and public spaces. As a result of this use of customer

insight the council is now making an additional investment of £2 million over five years to improve facilities and tackle safety issues in their parks. Local engagement, including social media, is being used to allow residents to choose where investments are made and in which facilities.

Engaging our stakeholders – Devon County Council

We wanted to stimulate a major and transparent transformation of our commissioning of services supporting parents and carers of children with special needs. We spend £30 million per year on these services, and we took our full budget book out, showed the parents and carers and asked for their views.

The energy we released and the evidence base that emerged was remarkable. The message was that families and carers are unbelievably resilient. They don't need us to get involved in many of the things we may think are priorities. They want more self-directed support and a lot more empowerment.

So we started to delegate funding to community level: to families and through children's centres. This takes some courage – parents may not want the services on offer. And the evidence we have got back from improved engagement or devolving power to communities or to young people has improved outcomes and improved efficiencies. Communities are great supporters of efficiency! They are very aware of spend and hate to see waste!

You need to engage with your community to harness their sense of public value, and quite possibly reappraise what you mean by "efficiency".

Brian Grady, Head of Commissioning and Procurement, Children and Young People's Services, Devon County Council

Design and market services

Insight into customers' behaviours and preferences can reveal areas of related and complementary demand between public services and agencies and is essential in designing service access (the 'when and where' of service delivery). Insight has also been used to design campaigns to promote new services or channels, based on an understanding of customers' existing behaviours and preferences.

Smoking cessation

One of Enfield LSP's National Indicator targets was smoking cessation. They used data from the London Health Observatory to identify ethnic groups with particularly high smoking rates, and consequently focused efforts on the Turkish-speaking communities (55 per cent of Turkish speaking males and 45 per cent of Turkish speaking females smoked). They recruited a Turkish-speaking smoking counsellor and later invested him with his own budget.

To ensure that the LSP reported an accurate number of quitters, Enfield collected ethnic data from customers. The project officially achieved its target of 400 quitters three months ahead of schedule in December 2008, spent less than £200,000 of its original £272,000 budget, and as a result will receive a Reward Grant of £926,000.

Source: London Borough of Enfield. Full case study to be featured in Capital Ambition's forthcoming *What's your problem?* publication.

Drive and focus their collaborative efforts

Customer insight can give partnerships significant stimulus and impetus. Introducing the external perspective of service users can encourage partners to look beyond their own organisations' horizons and to see services from the 'outside-in'. Customer insight provides an external, objective basis for discussion - independent of the interests of the participating organisations. Customer insight also offers a means to focus on shared outcomes, and monitor progress towards delivering those outcomes over time.

Identify and remove duplication and waste

By providing evidence for understanding customer experience and satisfaction with current services, customer insight can help public service organisations to identify areas of overlap, gaps and waste and help partners to collectively configure services in ways that make sense to service recipients. It can also encourage customers to use self-service channels, by making it more convenient for them, thereby freeing up resources on the frontline to deal with those customers who really need assistance.

what are the drivers for using customer insight?

These include:

- customer service and customer expectations;
- efficiency savings and increasing financial pressures on the public purse;
- policy drivers including the Operational Efficiency Programme and Smarter Government white paper;
- performance drivers including CAA, PSAs and National Indicators (NIs).

Customer service drivers

Access to council services has typically been designed on a service-by-service basis, and is often determined by government departmental policy and dictated process (for example housing benefits applications).

Attempts under the e-government programme to improve access across a range of channels such as websites or automated telephone services still required the customer to make a service request. Where used, customer insight simply sought to improve take up or to make current processes electronic, for example enabling the online payment of council tax or parking fines and then marketing this option to particular customers. So customer insight was not used to fundamentally understand customers and their channel preferences and then redesign services around these needs and preferences.

More recently, there are various examples of local authorities and their partners using customer insight data to join up access to related and appropriate services, for example identifying both the best location and the range of services to be delivered through partnership working, as in the example of the Gateway programme in Kent where a wide range of county, borough/district and other public and voluntary services can all be accessed under one roof.

Customer insight has now been used across government to transform the end-to-end process for reporting births and deaths. The Tell Us Once service developed by DWP and several local authorities, mapped a customer's journey against existing processes and redesigned a bespoke TUO service that is both better for the customer and more efficient for the organisations to deliver.

Efficiency drivers

Over SR 04 period, local government delivered in excess of £4 billion of efficiency savings, mainly through improvements to business processes, including procurement and asset management, and through redesigning access to services across a range of electronic channels including websites and contact centres.

Some local authorities used customer insight tools and techniques to help drive these changes. However customer insight was not systematically applied across all services or by all local authorities.

The SR 07 period continued this focus on efficiency savings. Though local authorities have continued to redesign services, for instance using lean techniques to make the processes for delivering services more efficient and offering improved access across electronic channels, this has typically been on a service-by-service basis.

The public sector recognises that this mode of operation is no longer applicable nor is it cost effective. Current financial pressures demand an increased focus on value for money. Meanwhile both customers and service providers recognise that there is a better way to predict, anticipate and meet the public's needs professionally and cost effectively.

To meet the challenge of truly customer-centred services that are more efficient, there now needs to be a systematic application of customer insight as a corporate information management tool. This is essential for the successful redesign of public services so that they meet the needs of the right customer at the right time and for the right cost.

Policy drivers

Recent national policy, as expressed in the Operational Efficiency Programme and the Smarter Government white paper, recognises the need to put the customer at the heart of service redesign. Both of these documents promote the need for public services to collaborate and use customers as their drivers for transforming public services.

Total Place challenges the local public services to act as one, around their shared customers and communities. Customer insight will enable these partners to step back from their current ways of working and their organisations' approaches, in order to reassess and redesign how collaboration could improve the outcomes for the citizens and communities they serve.

A similar message is reflected in Communities in control: real people, real power white paper in July 2008², as a result of which local authorities have an extended duty to 'involve' local citizens in shaping local services. This duty is typically met through consultation and focus groups, and there are examples of where local authorities have used this duty to overhaul and redesign a service.

Performance drivers

The revised inspection regime for local authorities, the Comprehensive Area Assessment, recognises the role that customer insight has to play in joining up local public services for the citizen and community.

It seeks to assess the arrangements for community engagement to see if these provide an accurate understanding of the diverse needs and interests of all sections of the community. It also asks how citizens are encouraged and supported to contribute their views to priority-setting, decision-making, service development and evaluation.

CAA probes whether the local partners have a good knowledge of the diversity profile of their communities, including disabled people, minority ethnic groups, older and younger people etc. And importantly, CAA also asks how engagement activities have resulted in the needs of citizens being known more fully and whether these have been acted on.

The cross-government Public Service Agreements (PSAs) and the local authority NI set also aim to deliver better customer outcomes. Delivering these outcomes will depend on and drive greater use of customer insight.

Participatory Budgeting in Newcastle

In Newcastle more than 4,000 youngsters were involved in spending £110,000 of the local Neighbourhood Renewal Fund from 2006 to 2008 in an award-winning participatory budgeting pilot, branded locally as Udecide. Children and young people set priorities for spending the money and put forward project ideas. Among the successful proposals was an outdoor play area for babies at a local children's centre, new samba drums for a special school and a play area at a homeless families project.

James, a pupil from Farne Primary School, said: "Adults pick different, boring stuff, but Udecide gives children a go at spending the money".

Teacher Rose Wilcox added:

"The children made all the decisions for themselves. They've really discussed the merits of the ideas and whether they met the criteria."

The city council was so impressed by their enthusiasm, commitment and ability to make good decisions that they have embedded this method of engagement within their structures for delivering services for children and young people. So much so that when children's services wanted to know which projects bidding for their £2.25m Children's Fund would make a difference to the lives of young people, they asked young people themselves to vote.

For example PSA 17 is aimed at supporting older people to live independent and healthier lives for longer and requires the local public service family to join up around these customers. Customer insight will make an essential contribution to understanding and anticipating this group's needs, assisting collaborative working across agencies and helping change behaviours to improve outcomes.

² Following on from Communities and Local Government (2006) Strong and Prosperous Communities: The Local Government White Paper. London: Communities and Local Government.

current practice

Local authorities are applying customer insight tools and techniques for various purposes. Some of these practices deliver customer insight to support decision-making at the service level, some at the authority level, and some across partnerships.

Customer insight is currently being used for a variety of purposes, including:

- informing the development of strategies and policies;
- providing evidence for management decision-making;
- stimulating and shaping improvement programmes; and

- monitoring and communicating results and outcomes.

In a recent online survey on the IDeA Community of Practice for customer insight³, local authority officers were asked how customer insight was currently being applied in their organisations (they were asked to tick all areas that were relevant). The results demonstrate the variable use of customer insight tools and techniques. However the respondents did highlight a much greater use at the individual service design and delivery stage.

Which of the following statements best describes the role of customer insight in your authority? (you may choose more than one)

Answer options	Unitary	County Council	District Council	London Borough	Metropolitan	Response per cent
Customer insight is a major tool used to help design policy and key priorities for the authority	9	15	17	6	3	24.9%
Customer insight is used to help determine what services are delivered	16	9	17	8	3	26.4%
Customer insight is used with partners to help redesign service provision about specific groups	21	13	16	7	7	31.8%
Customer insight is used to encourage behaviour change in order to improve outcomes for customers	17	16	22	11	4	34.8%
Customer insight is used to encourage behaviour change in order to make savings (eg encourage customers to use the internet more)	19	16	22	9	3	34.3%
Customer insight is used to help make decisions about the way individual services are designed	23	21	21	14	11	44.8%
Customer insight is used to obtain feedback on individual services	35	18	31	15	10	54.2%
Customer insight is not currently used much in my authority	14	10	18	7	11	29.9%

³ Online survey sent to local authority officers on the IDeA Community of Practice (CoP) for customer insight, between 20th and 29th January 2010. The invitation was sent to 892 staff at 247 local authorities. 206 responses were received from the online survey by the closing date – a response rate of 23 per cent.

Current practices for creating and applying customer insight include:

Collecting data

Local authorities and their partners are collecting data through primary research including place surveys, residents' surveys, staff surveys and citizens' panels.

Local authorities and their partners are using both quantitative and qualitative data to generate customer insight. However, insight is typically used on a service-by-service basis, and limited to addressing how a particular service can be improved or take-up levels increased. Sources of qualitative information include focus groups, customer journey-mapping, ethnographic studies, and service-level complaints and comments. Quantitative sources of information include socio-demographic, economic, geo-spatial, service volume and financial data.

Buying data sets and analysis tools

Experian's Mosaic or CACI's Acorn socio-demographic data sets are widely purchased and used by local authorities and other public sector organisations. The majority of customer insight work currently underway comprises analysis of socio-demographic data. This is typically used to help identify where the 'target' customer group is most likely to live in order to supply them with information about a service they are likely to need.

One example is free school meals. Although the public sector already knows which families with school-aged children receive benefits and are therefore eligible for free school meals and uniforms, these families are still required to apply. Past attempts to increase take-up through marketing exercises has used demographic data to target likely families rather than directly identifying people through benefits data.

The London Borough of Lewisham developed a new approach to the customer, the "total citizen", and looked at how local people interacted with a multitude of services. Lewisham applied this approach to their Total Place work stream theme on offender management and identified that these customers could receive 11 different assessments from a number of agencies for a single need. Many of these assessments duplicate effort. Lewisham estimate a saving of 30 per cent (£100,000) can be made by rationalising the number of assessments.

By tracing the journey of the offender after release they highlighted a number of issues:

- on release, offenders are given funds to last them two weeks, yet it takes between four and six weeks for benefits claims to be processed;
- ethnographic evidence suggests offenders are in contact with up to four key contacts in different agencies;
- probation interventions are not risk-based, so those with low risks of re-offending or harm are still given the same amount of oversight initially, and thus cost as much, as high risk offenders.

Analysing data

Data analysis can take place at a partnership, authority and service level. However, in most cases customer insight initiatives focus on specific services, geographic areas and customer groups, and tend to use existing quantitative data rather than gathering new qualitative data. For example, Coventry council has used customer insight to help increase the numbers of council tax payments made by direct debit.

Data analysis often entails comparing and combining data from different sources. For example, Bolton Council has used social services records to identify properties which have had adaptations and aids fitted, and then compared these with households claiming disablement relief from council tax to identify customers who are not claiming council tax benefits. The council tax team then contacts these customers to explain what else they might be entitled to.

Reducing crime – London Borough of Enfield

Enfield LSP's Safe As Houses project shares information and resources to reduce the burglary rate in target areas. Partners include the London Borough of Enfield, the police, the fire service, a range of voluntary groups (eg Age Concern) and Enfield Homes (the ALMO in the borough).

The partners work together to:

- review data in the annual strategic assessment of crime and disorder in the area;
 - profiling different crime types
 - identifying and mapping crime hotspots and discussing problem solving approaches on a fortnightly basis
- interview prolific offenders to understand how they select burglary targets;
- use existing residents' surveys to understand the lifestyles of people living in burglary hotspots.

The model is based on the police's national intelligence model, but also includes data from other sources including the council's environmental services, social housing providers and information from the fire service.

Safe As Houses has helped to reduce burglary in the target areas by 53 per cent whilst elsewhere, the burglary rate rose four per cent (comparing April to October 2009 with the same months in 2008). Based on Home Office figures about the costs associated with burglary, the project would have saved £220,000 in social and economic terms.

Moreover joint procurement of hardware such as locks, bolts and gates by the partners has helped them to increase their discount rate from 4 per cent to 19 per cent.

Source: London Borough of Enfield. Full case study to be featured in Capital Ambition's forthcoming *What's your problem?* publication.

Developing capacity

There are examples of local authorities establishing teams of dedicated data analysts. For example, the multi-agency Community Safety Partnership (CSP) funds dedicated analysts in the Research & Intelligence Unit at Worcestershire County Council to highlight and research issues.

These analysts work closely with the range of agencies that form the CSP (including West Mercia Constabulary, NHS Worcestershire, the local authorities' Youth Offending Services, West Mercia Probation Trust, and a number of registered social landlords). The analysts produce area profiles for local teams, and provide an annual overview of the crime and disorder situation in the local area which highlights future challenges.

Each month the analysts also profile a particular issue, such as anti-social behaviour or violent crime, to inform a problem-solving meeting of the partnership. Analysis has recently focused on wounding incidences, with the analysts helping to identify seasonal trends and pinpoint alcohol misuse and domestic abuse as two key causes. As a result, Trading Standards are reviewing licensing policies in the affected areas and the methods of town centre taxi marshalling. Programmes addressing domestic violence have also been introduced. The direct impact of these particular initiatives can be difficult to assess, but across Worcestershire recorded crime has fallen by more than one quarter in the last few years and violent crime decreased by 12 per cent.

Embedding customer insight into corporate processes

There are examples of local authorities embedding customer insight into their project management methodologies and service redesign practices. Warwickshire County Council is currently developing a customer insight toolkit which will be embedded in the council's project management methodology to ensure that customer insight techniques are considered at the beginning of every new project.

Kent uses a range of customer tools and techniques with partners to meet the challenges of being a Total Place pilot. For them Total Place provided an opportunity to refocus on the customer and they described their approach as one which:

‘At the heart of (this) proposition is the citizen both as a consumer and shaper of future public services. They are our first and last consideration.’

This approach has been evidenced since 2005 when the pilot for the Gateway programme began in Ashford. Geo-demographic data and information on customers’ needs were collated to decide where to locate future Gateways and which services to locate within each one. There are now seven physical Gateway locations, and two mobile Gateways serving urban and rural hard-to-reach areas. As well as giving access to county and borough/district council services the Gateways also provide access to more than 40 partner agency services including those offered by the NHS, police, fire and rescue and the voluntary sector. By looking at the profiles of customers in a specific area they are able to build up a picture of the services that local people need to access, and their channel preferences. When consulting users, the Gateway collects postcode information in order to target future service delivery and future communications to customers.

Pooling data & resources

There are also examples of partnerships funding central teams to combine and analyse data. For example, Birmingham’s Crime & Disorder Reduction Partnership analysts pull together a range of data from Acorn and Mosaic, police records, the fire and rescue service and the Place Survey. This consolidated data has been used in areas such as the Glebe Farm Estate.

Meanwhile, Bradford MDC is developing a data observatory to store and share information about customers between organisations in Bradford. This project will lay the foundation for a multi-agency approach to gathering and using customer data by reducing the current difficulties in sharing information across organisations.

Anti-social behaviour on the Glebe Farm Estate

Insight has recently been used to tackle anti-social behaviour in the Glebe Farm Estate - a particularly deprived locality of Birmingham. Located within the Hodge Hill ward, Glebe Farm Estate is a priority neighbourhood for the Safer Birmingham Partnership and has been suffering from concentrated, high and persistent episodes of anti-social behaviour by local young people. The area was lacking in facilities and community engagement and satisfaction was low.

The main issues with crime revolved around offenders and their unacceptable behaviour, causing what the local papers reported as a ‘reign of terror’ on the local community residents and businesses.

The response to these issues was to:

- increase police resources in the area;
- issue a section 30 Anti-Social Behaviour Act 2003 (Dispersal Order) covering the hotspot anti-social areas;
- implement a ‘prevent and deter’ outreach youth project including family contact with potential offenders and targeting of known gang members;
- provide additional drug diversionary activities and recruit a drug strategy manager;
- grant seven anti-social behaviour orders and identify Acceptable Behaviour Contracts tied in with notices to move parents of problem youths; and
- invest in a community centre.

From the analysis conducted by West Midlands Police, the ASB exclusion zone has recorded far greater reductions than Birmingham as a whole and suggests that the successful application for seven orders negated a seasonal increase in anti-social behaviour and that the behaviour was not displaced to surrounding areas. This could only have been achieved with the complementary diversionary activities and engagement with local residents.

challenges to mainstreaming customer insight

Although local authorities have been collecting and analysing customer information for years, and many have been developing their insight skills and capabilities, the disciplines of customer insight remain nascent across much of the sector.

“To tackle successfully the problems of the future, radical new solutions are required, which redesign or reshape public services, involve and liberate the potential of frontline staff and users to be at the heart of that process... all public services need to be innovators, capable of reconstructing their offer so that it truly reflects user and citizen requirements”

Sir Michael Bichard Chapter 5: Local incentives and empowerment, Operational Efficiency Programme May 2009

Some examples of the key challenges facing councils and their partners seeking to deliver and use insight techniques are:

Selling the benefits to the organisation

Customer insight is a relatively new discipline for local authorities and their partners, and to overcome the obstacles outlined below the benefits need to be communicated to senior managers and elected members to encourage their buy-in and support – otherwise customer insight will continue to be seen as a ‘nice to have’.

Leadership

Key to the successful embedding of customer insight as a strategic management tool is leadership. It is vital that senior figures, both political and managerial, regularly state how customer insight is important and how by using it the organisation will be more effective and efficient. One leading authority is Chorley Borough Council where both the chief executive and the leader regularly advocate the use of customer insight both internally and across the sector, citing their own work on Circle of Need to help redesign how services are delivered for their local community.

Being clear about the objectives and scope of customer insight work

Typically, organisations begin their customer insight work by focusing on issues or questions relating to specific services, geographical areas or customer groups. Such initiatives may focus on creating efficiencies for the authority and/or the customer. The objectives and scope of customer insight initiatives need to be understood by both practitioners and stakeholders to ensure that the intended benefits are successfully delivered.

Understanding what data and information exists and how it can be applied

Councils have always gathered a lot of information about their communities through consultation and analysis of feedback about services, as well as through the daily activities of members and frontline staff. But often that information remains untapped or fragmented across different parts of the councils. This data now needs to be systematically captured and interrogated so it is fully utilised as a corporate information management tool. Furthermore, local authorities need to draw on the insights of public service partners and the third sector when delivering services to shared customers and or communities.

Developing the capacity and skills to undertake customer insight work

Since customer insight is something of a new discipline, particularly in smaller authorities, there is often a lack of know-how and skills to manage customer insight projects. Often, customer insight work becomes an additional task for officers in an existing related role, such as customer services and research. The skills for customer insight are also often distributed across teams in different parts of the organisation and in different organisations. Therefore staff need the skills and the tools to tap into this knowledge base.

Developing an information 'culture'

To deliver its potential contribution to transformation, customer insight needs to be recognised as central to strategy and policy formation, and management decision-making at a service, organisation and partnership level.

However, major progress needs to be made to embed insight into management processes whereby customer insight becomes "business as usual" and part of the culture. To help this happen, customer insight activities need to be sustained, successes promoted, skills and roles developed and resources invested on an ongoing basis.

Working effectively with partners and the third sector to develop insight jointly

Sorting through all the new language and definitions to establish a common terminology across partners is challenging, and differences between data standards, formats, models and information systems further complicate joint insight work.

Sharing customer data

Different organisations hold data about the same customers, but are cautious about sharing information with partners for fear of contravening data protection laws. In addition to a lack of understanding about what information can and cannot be shared, data is also stored on different systems and in different formats.

Turning insight into action and being able to demonstrate the tangible benefits from investment in customer insight

Authorities highlight the challenge of "turning principles into practical action." Part of the challenge is articulating the business case for customer insight projects, and realising the intended benefits once complete. A related challenge for practitioners can be gaining sponsorship from senior managers and engaging services in using insight.

support in place to help local authorities and partners use customer insight as an effective management tool

Throughout this report, customer insight tools and techniques can be seen as being applied to varying degrees by local authorities. Given the challenges outlined, we need a co-ordinated approach to providing support so as to ensure that authorities seize this opportunity to put customers at the heart of service redesign by embedding customer insight as a strategic management tool.

Existing support for the sector includes:

- guidance and case studies – IDeA and LGA websites;
- peer support via online Communities of Practice (CoPs);
- Local Government Customer Insight Forum (LG CIF);
- Customer-led transformation programme;
- Total Place work – ‘customers’ at the heart of the approach.

The IDeA website provides access to guidance, tools and techniques, links to case studies and access to an online customer insight community of practice (CoP) with over 1300 public service officer members.

The CoP enables peer-to-peer support via the forum as well as providing access to documents, tools and information about particular projects being worked on at the moment.

The Local Government Delivery Council set up a dedicated Local Government Customer Insight Forum (LG CIF) to enable practitioners at a local level to get together, share their own experiences and learning, and flag up challenges in applying customer insight in their locale. The LG CIF is chaired by a local authority chief executive, Peter Sloman at Oxford City Council and members include CLG, LGA, Cabinet Office and senior practitioners from councils. The LG CIF works close with the cross government Customer Insight Forum (CIF), which is supported by the Cabinet Office, to encourage greater collaboration across the public sector.

The Efficiency and Transformation Programme is funding local government’s work to help authorities better understand and engage with their customers to deliver more effective and efficient services.

The overall objectives of this programme are to ensure a sea-change in how local authorities exploit customer insight and social media (CI/SM), thereby giving councils and their wider public service partners a much fuller picture of citizens’ needs, preferences and aspirations and providing the platform for a radical, citizen-centred transformation of locally-delivered public services, as well as offering the potential for identifying significant efficiency savings.

A range of local activity is already underway, supported by the fund. This activity is primarily focused on ‘grass-roots’ projects where councils and their partners are jointly using CI/SM in order to address key LAA priorities and customer groups. This work is both valuable and results-orientated, as it provides a practical demonstration of the potential of customer insight and social media to meet local priorities as well as making a difference to customer outcomes in these areas.

All of the existing support in place will help those local authorities who recognise the value of customer insight and who are prepared to invest in the resources needed to implement these tools and techniques. The key challenge going forward will be to ensure a sector-wide approach to customer insight to maximise the benefits for all customers of local public services.

7 next steps

Most local authorities are using customer insight to varying degrees though primarily to address specific service issues, and few are using it as a business management tool to reshape service provision across the local public sector.

As noted in the previous section, there is support available for councils and their local public sector partners, which they can call upon to help them utilise customer insight tools and techniques more effectively.

As a result of the Total Place pilots' experiences and in the light of the Smarter Government white paper, local authorities now need to seize this opportunity and use customer insight as a place-shaping tool.

Therefore it is recommended that as well as highlighting and promoting the existing support and learning, we should:

- seek to draw on the sector via the LG CIF and Total Place pilots to develop a sector wide approach to embed customer insight and make it part of 'business as usual' in all local authorities and their partners.

For more information, please visit the customer insight Community of Practice
www.communities.idea.gov.uk/welcome.do

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INVESTOR IN PEOPLE

©IDeA – March 2009

ISBN 978 0 7488 9082 8

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L10-241

Produced by Liberata Design and Print Studio



Local Government Association

The Local Government Association is the national voice for more than 400 local authorities in England and Wales. The LGA group comprises the LGA and five partner organisations which work together to support, promote and improve local government.

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