City of Milwaukee
Budget and Management
Intra-Office Memo

To: **Finance and Personnel Committee Members**
Mark Nicolini, Budget and Management Director

From: Erick Shambarger

Date: October 22, 2009

Subject: Unified Call Center

At the October 6th Finance and Personnel Committee 2010 Budget hearing for the Department of Administration, a number of questions were asked about the Unified Call Center proposal.

The attached presentation includes answers to most of these questions, including costs and benefits, costs of similar systems in other cities, additional information about the scope and timeline of the project, Call Center Director duties, and approaches for dealing with any risk associated with this initiative. The list of position changes and budget implications associated with this proposal is included on slide 16.

Additionally, Alderman Bauman requested us to gather the opinions of other elected officials. A full response from Barbara Johnson, Council President of the City of Minneapolis, is attached.

Capital Costs:

The $950,000 included in the 2010 requested budget is a credible figure to launch a unified call center CRM for the Phase I departments with the functionality described in the presentation. This figure is based on responses from the 15 responses to the City's Request for Information and experience in other cities. This figure assumes service flow "mapping" will be coordinated by the Call Center Director position. If funding for the Call Center Director position is removed, additional capital funding would be necessary to hire a consultant to do this work.

Capital costs for CRM applications can vary significantly based on the vendor selected, amount of set-up work completed by vendors or city staff, number of system users, and functionality. The city will make a strong push to select a system that is highly configurable to limit the vendor costs associated with custom programming.

While exact costs cannot be determined until after an RFP process, the Unified Call Center team is committed to providing regular reports to the Common Council and opportunities for policy stops, particularly if it becomes apparent that phase I cannot be completed within budget.

Over the next three to five years, the project capital costs could approach $3.5 million, if the Council decides to proceed with additional departments or functionality. In other cities, costs have been this high or higher, particularly when the Oracle/Sieble product is selected. Other cities have also seen higher costs when they integrate the system into the phone network, use the system as a 911 back-up, or address police non-emergency issues. Integration with the

phone network or 311-type functionality provides location and caller information much like the 911 system does at MPD. This feature can reduce call times but is not necessary for a functioning CRM system and therefore is not included in this budget. This project will take advantage of the marketing effort by continuing to use 286-city. The 311 number can be implemented at a later date if deemed useful and preferred.

The City of Minneapolis's IT costs were over $5 million, but Minneapolis followed a "big bang" approach, in which they attempted to gain a citywide system in one stroke with 911 back-up capabilities. While the system is now fully functional, Minneapolis ultimately paid for two vendors after the initial vendor contract was cancelled. The system is now fully functioning using the Lagan CRM system, which had licensing costs of $728,000. By using a phased approach to implementation, Milwaukee will increase its chances for success on the first implementation.

Additionally, the Department of Administration will ensure that the vendor contract has clear implementation benchmarks and deliverables, and opportunities to stop payments if these benchmarks are not delivered on time. DOA will use an experienced 311 consultant to assist with scoping the system through the RFP process.

Challenges in Other Cities
Based on extensive discussions from other cities, the presentation includes a list of best practices for implementation. The city is committed to following these best practices. When these best practices are not followed, implementation problems occur.

The biggest challenge in implementing a unified call center cited by other cities is not technology. It is the challenge associated with institutional change and the resistance that can come from city departments or individuals within a department toward migrating to the new system. Overcoming this challenge requires:
1. Clear executive support and project manager
2. Tight timeline to ensure a focused implementation effort and accountability
3. A change management strategy to ensure departmental use of the new system
4. A willingness by department heads to change their internal processes when necessary to adapt to the new system

The Mayor's Office and Department of Administration is leading an implementation team to ensure the success of the system. The Commissioner of Public Works and Commissioner of Neighborhood Services are also committed to moving this project forward.

Conclusion
The Unified Call Center proposal is a unique opportunity in the 2010 Budget to improve customer service and response to elected officials while ultimately saving tax dollars. The Administration values the Committee's thoughtful questions and concerns. We will work to address any remaining questions so that we can move this important initiative forward in 2010.

EDS:dmr
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Common/budget/10budget/F&P Follow-ups/UCC Follow-up questions