



Digital Transformation Strategy

2018 – 2021



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1. Executive Summary

Introduction

More than ever before, people expect council services to be available online. The introduction of a new Digital Transformation Strategy is an opportunity for Bayside City Council (Bayside) to ensure that everyone who lives, works and plays in Bayside has access to every service through a digital channel.

The Digital Transformation Strategy promotes the design and implementation of digital services that is responsive to customers who do more and more online, through a range of different devices and sometimes in messages of under 280 characters. The introduction of digital services does not preclude other forms of service delivery such as print, telephone or face-to-face. The digital vision for the Digital Transformation Strategy is to ensure our customers are at the centre of service design and delivery.

Over time there will be an increase in the digital channel becoming the first and preferred choice for customers. In addition, the move to digital services will streamline existing processes, promote better customer experience and make all services simple and accessible for everyone. Digital channels will be a credible and preferred choice for interacting with us.

We need to prioritise change to achieve the ambition and digital vision of the Digital Transformation Strategy. The approach is structured around four Digital Strategic Goals, each with a set of recommendations that we should follow to achieve the set objectives.

The guiding light will be Digital Transformation for service design and delivery. Transformation of services will be guided by a set of six Digital Service Design Principles. These principles will ensure that all services provided by Bayside have a level of digital component, helping services to be consistently good, not consistently the same.

Structure of the Strategy

The Digital Transformation Strategy is divided into Four Strategic goals with clear objectives for each goal. These goals have been identified as priority areas that need to be focussed on to successfully deliver on the Digital Service Design principles.

Purpose

The purpose of the Digital Transformation Strategy is to inform how we will transform services to be available via our digital channels, how we will measure its success and the outcomes/benefits for customers and community over the next four years.

The strategy will further support Council's commitment to being recognised as a customer focussed organisation and ensure that customers have an influence on how services are delivered through the opportunity to co-design individual services in collaboration with Council. This will ensure the customer experience is aligned with the four customer focus commitments as outlined in the Customer Experience Policy.

The focus will now be on transforming services to be of higher quality through the transition to digital channels. It is also envisioned that deficits in the experience through traditional channels such as telephone, email, face to face and letters will be addressed through the transformation process.

This strategy *does not* aim to shift customers to use digital channels by default. It is a channel by choice viewpoint, with an emphasis on digital channels being the preferred option.

Scope

This is a four year strategy 2018 - 2021. The scope includes activities that shift customers to use more digital services as their first option when they connect and engage with Council. If they choose to engage us by telephone, email or face to face, we will ensure their experience is easy, effective and consistent. This strategy identifies the requirement to develop Bayside's people to ensure they have the right mindset and right skills.

The Digital Transformation Strategy does not sit alone in enhancing the lives of Bayside's customers, it is complimented by a number of other strategies, policies and plans being;

- The Customer Experience Policy.
- The Information and Communication Technology (ICT) Strategy.
- The Organisation Strategy.
- Bayside's Better Place Approach.
- The People Strategy.

Council's role/s

Council has a role in being a high quality service provider and setting standards for customer service that addresses the needs and expectations of the community. As a service provider, we aim to provide an experience that aligns with the commitments outlined in the Customer Experience Policy of being easy to deal with, effective, empathetic and trusted. We will continually aim to improve service delivery through measuring performance to ensure the quality of service continually satisfies and meets the needs and expectations of customers and community.

Key principles

The principles guiding this strategy are:

Always Open: Available to customers 24 hours a day, 7 days a week

Simple: Reduced complexity and improved customer experience.

Collaborative: Where appropriate data is accessible by other councils, government, business owners and customers to facilitate collaboration and improved services.

Efficient: Both front and back of house systems are linked to each other, reducing administrative burden.

Any device: Available on the device the customer chooses.

Seamless: Users experience smooth transitions between services.

Key issues and findings

A key part of the development of the strategy was through a series of workshops with staff to better understand the internal environment i.e. the culture, barriers and opportunities for digital transformation and external challenges facing Bayside. Key insights were;

- Bayside's people (staff) are dedicated to their work and are passionate about the opportunity to make a difference in people's lives. They also have good foundations to build on by better use of existing technology and platforms.
- Barriers to improving service delivery and transitioning services to online channels were identified through a lack of experience in the specialised areas of human centred design and agile delivery i.e. processes are designed around departments, not customers.
- Decision making and policies have been developed in the past where the customer has not necessarily been front of mind which has impacted service delivery due to internal processes being bureaucratic and overly complex.
- Services that were designed before digital was a consideration have been replicated on the website without following a formalised methodology. This has resulted in less customers adopting digital channels as a preference and impacted internal efficiencies.
- The Council budget process did not align with agile project delivery which is required when delivering digital initiatives. It was identified that funding would be required more sporadically than the current cycle.
- There are issues in relation to the process for creating content for the website. Having a distributed authoring approach has resulted in content not being optimised for customers to find what they are looking for. This forces customers to resort back to more traditional channels such as telephone and in person.
- Council enterprise technology platforms were identified as a barrier due to a lack of integration which impacts the customer experience when using digital channels and staff experience when administering customer interactions.

- Opportunities identified included the collection, analysis and use of customer data and insights to inform decision making and the design and implementation of streamlined digital services across all services.

Vision statement

We put our customers at the centre of service design and delivery.

Objective and strategies

The following objectives underpin the four goals of the strategy.

| Strategic Goal | Objective | Strategies |
|------------------------------|--|---|
| Customer First | We will have services that put our customers first | <ul style="list-style-type: none"> • Develop a plan to improve the capture of customer data to inform the design and delivery of services. • Develop an approach that ensures customers are a central consideration in decision making and policy development. • Develop a methodology for redesigning services that incorporates customer journey mapping, process mapping and technology to improve end to end service delivery. |
| Effective Digital Governance | We will save time and cost for customers and staff | <ul style="list-style-type: none"> • Implement a governance structure that supports informed decisions and priorities for investment in technology and resources. • Implement a funding structure that enables Council to respond quickly to changing needs of customers (Agile). • Implement the ICT Strategy to ensure back end systems are integrated to provide a streamlined end to end process for customers and staff. |
| Strong Internal Capability | We will embed a customer centric culture | <ul style="list-style-type: none"> • Develop methodologies to increase knowledge of who our customers are and what they need from us. • Recruit specialist roles that support the redesign of services • Develop a plan to increase capability for the development and ongoing management of digital services and channels including; <ul style="list-style-type: none"> - Accessibility compliance - Web content writing - Service design - Agile project delivery - Customer data analysis |
| Different Ways of Working | We will build capability for end to end service design | <ul style="list-style-type: none"> • Develop processes that foster an environment for organisational cross collaboration in service delivery. • Develop a methodology for using data to inform priority areas and readiness for digital transformation. • Develop a reporting framework that informs continuous improvement opportunities in service delivery and success of digital project implementation. • Develop and deploy an approach that ensures staff are engaged and committed to providing a great customer experience. |

2. Action Plan

Objective: We will have services that put our customer first

| Strategic objective/s | | | | | | |
|---|----------------|--|------------|---|--|--|
| Strategic indicator/s <ul style="list-style-type: none"> • Increase in customer satisfaction survey scores. • Decrease in customer complaints received in relation to service, process and decision. | | | | | | |
| Customer First | Action Item No | Action/s | Time frame | Costs | Resourcing | Deliverable |
| | 1. | Conduct a gap analysis on customer data and develop a plan to obtain required data | Year one | Existing Internal Resources | Customer Experience/ Community Engagement | Gaps in customer data identified and required data is captured/obtained. |
| | 2. | Develop and deploy measurement standards into all digital projects to measure success and return on investment (ROI) | Year two | Existing Internal Resources | Customer Experience | All projects are measured post deployment for learnings and continuous improvement. |
| | 3. | Build customer first into process mapping | Year two | Existing Internal Resources/ Specialist Digital roles | Customer Experience/ Strategy and Performance | Processes are developed with a customer first mindset. |
| | 4. | Develop and deploy a methodology to co-design digital initiatives with customers and test user experience (UX) | Year two | Specialist Digital roles | Customer Experience | Customers become a part of service design and all processes are tested before 'going live' on a digital channel. |
| | 5. | Conduct a pilot of co-design and UX methodology and tools and refine as required. | Year one | Specialist Digital roles | Customer Experience/ Information Services / Subject Matter Experts | Methodology is tested and improved if required. |

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|--|----|---|----------|--------------------------|-------------------------------------|---|
| | 6. | Develop resources and toolkits to assist staff in redesigning services on an ongoing basis. | Year two | Specialist Digital roles | Customer Experience/ Communications | Staff are supported for ongoing service design sprints. |
|--|----|---|----------|--------------------------|-------------------------------------|---|

Objective: We will save time and cost for customers and staff

| Strategic objective/s | | | | | | |
|--|----------------|--|------------|-----------------------------|---|---|
| Strategic indicator/s <ul style="list-style-type: none"> Decrease in cost per interaction. Increase in digital channel uptake. Decrease in customer complaints in relation to process and systems. | | | | | | |
| Effective Digital Governance | Action Item No | Action/s | Time frame | Costs | Resourcing | Deliverable |
| | 7. | Establish the ICT/Digital Advisory Committee (IDAC) with a broad membership from across the organisation and adopt terms of reference. | Year one | Existing Internal Resources | Customer Experience / Information Services | A governance structure is implemented to ensure that there is an authority to approve digital and technology projects and procurement. |
| | 8. | Complete a service inventory to inform digital service initiatives and priorities. | Year one | Existing Internal Resources | Customer Experience/ Strategy and Performance / Service areas | A comprehensive inventory is developed of services provided by Bayside and customer data is incorporated to inform priority projects i.e. High volume/low satisfaction. |
| | 9. | Develop a reporting and monitoring mechanisms for digital activities. | Year two | Existing Internal Resources | Customer Experience | Digital activities are constantly reviewed and improvements deployed where necessary for ultimate efficiency gain. |
| | 10. | Review procurement templates to ensure digital criteria is being addressed when purchasing technology platforms. | Year two | Existing Internal Resources | Customer Experience/ Information Services/ Procurement | All Requests for Quote/Tenders have digital business/system requirements incorporated in them to ensure Bayside are purchasing the right systems. |

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| | 11. | Conduct an assessment on existing technology platforms to assess integration capability. | Year two | Existing Internal Resources | Information Services | An understanding of current system integrations is understood and inform future ICT Strategies. |
| | 12. | Conduct a review of project groups post project implementation. | Year two | Existing internal resources | Customer Experience/ IDAC | Continuous improvement in the delivery of digital projects. |
| | 13. | Develop a Channel Management Plan that outlines how all contact channels will be managed into the future. | Year two | Existing internal resources | Customer Experience/ Information Services | A plan that clearly articulates the future investment in all contact channels and also provides actions for shifting customers to digital channels. |

Objective: We will embed a customer centric culture

| Strategic objective/s | | | | | | |
|---|----------------|--|------------|--------------------------|---|--|
| Strategic indicator/s | | | | | | |
| <ul style="list-style-type: none"> • Increase in staff engagement scores in staff engagement survey. • Decrease in customer complaints in relation to service, process, decision and staff conduct. | | | | | | |
| | Action Item No | Action/s | Time frame | Costs | Resourcing | Deliverable |
| Strong Internal Capability | 13. | Conduct a skills and capability assessment to understand gaps for deployment of digital transformation initiatives. | Year one | Specialist Digital roles | Customer Experience/ Strategy and Performance | A high understanding of development initiatives required to have the organisation skilled in digital service delivery. |
| | 14. | Identify and establish existing specialist roles required to deliver on digital projects. Recruit specialist roles. | Year one | \$250k | Executive Team/ Customer Experience | Specialist roles are recruited to deliver on the Digital Transformation Strategy and existing resources are deployed into digital projects where required. |

| | | | | | |
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| 15. | Develop a change plan for the organisation that promotes digital being everyone's responsibility. | Year one | Existing internal resources | Customer Experience/ Communications | Risks have been identified and mitigations developed to ensure successful delivery of the Digital Transformation Strategy. |
| 16. | Develop an engagement and communications plan for customers to inform digital changes. | Year two ongoing | Existing internal resources | Customer Experience/ Communications | Customers are aware of increase in services available via digital channels. |
| 17. | Establish a digital champions group | Year two | Existing internal resources | Customer Experience/ service areas | Departments are supported by representatives from their service area. |
| 18. | Develop tools and resources for staff to easily access for digital projects i.e. Intranet | Year two | Existing internal resources | Customer Experience/ Communications | The organisation is supported through the provision of online tools and resources. |
| 19. | Share findings and insights regularly with staff and celebrate success. | Year two | Existing internal resources | Customer Experience/ Communications/ Executive Team | Staff are informed of digital projects starting, completed and the impacts internally and externally. |
| 20. | Develop governance to support the leadership group in considering digital transformation in other plans and strategies. | Year two | Existing internal resources | Customer Experience/ Executive Team | Digital Transformation is a consideration in the development of organisational plans and strategies where relevant. |
| 21. | Add digital skills into position description and performance appraisals/plans | Year two - Ongoing | Existing internal resources | Customer Experience/ HR | When position descriptions are reviewed, digital skillsets are added where required. Performance plans have digital goals where appropriate. |

Objective: We will build capability for end to end service design

| Strategic objective/s | | | | | | |
|---|----------------|---|--------------------|-----------------------------|-------------------------------------|--|
| Strategic indicator/s | | | | | | |
| <ul style="list-style-type: none"> • Increase in staff engagement scores in staff engagement survey. • Decrease in customer complaints in relation to service, process, decision and staff conduct. | | | | | | |
| | Action Item No | Action/s | Time frame | Costs | Resourcing | Deliverable |
| Different Ways of Working | 22. | Review budget process for digital projects to allow for agile project delivery. | Year two | Existing internal resources | Customer Experience, IDAC. Finance | An agile approach to project delivery can be taken. |
| | 23. | Make data visible across the organisation through dashboards, reports and presentations | Year two - Ongoing | Existing internal resources | Customer Experience/ Communications | Staff are informed on digital transformation projects and organisational impacts. |
| | 24. | Design and implement an internal feedback mechanism on digital initiatives. | Year two - Ongoing | Existing internal resources | Customer Experience | Staff have an opportunity to provide feedback on how digital projects are impacting their roles. |
| | 25. | Design and implement ways for staff to share ideas in relation to enhancing digital channels and service delivery i.e. Hackathons | Year two - Ongoing | Existing internal resources | Customer Experience | Staff have the right setting/environment to be innovative and drive digital projects. |

3. Glossary

When it comes to digital there is no shortage of buzzwords that can make understanding and communicating difficult and complex.

At Bayside we want to keep everyone on the same page and make things as simple as possible for people to understand. This glossary explains some common digital and customer experience terms.

| Term | Meaning |
|----------------------------------|--|
| Agile | A project management methodology that delivers incremental improvement to customers over time. |
| BAU | Business as usual. |
| Channels | The different ways in which a person can interact with Bayside including: social media, in person, phone, mail. etc. |
| Customer | Any one that lives, works or plays in Bayside. |
| Customer centric | An organisation with a common view of the customer that unites them. |
| Customer experience (CX) | A sum of all passive and active interactions a customer has with Bayside. |
| Customer Service Journey Mapping | A visual representation and narrative of a customer's journey with Bayside from initial engagement to final response. |
| Digital | A seamless always-on experience enabled by technology. |
| Digital Governance | The decision making processes and structure that sits around digital. |
| Digital vision | A future aspirational view of where the organisation is heading or what the organisation is setting out to achieve in relation to digital (e.g. over the next 2, 5, 10 years). |
| IDAC | ICT/Digital Advisory Committee. |
| Innovation | A new way of doing things. This could be small improvements or large overhauling of processes. |
| Permission to fail | A cultural phenomenon where staff have the option to try new things even where they don't succeed. A culture that encourages learning from mistakes and giving things a go. |
| Photo journal Research | A comparable visualisation of existing digital projects (Benchmarking). |
| Prototype | A simulation of a process that can be used for testing with customers. |
| Purpose | A clear rationale for why the organisation exists, or its reason for being. This will link to Bayside's other strategies for a cohesive purpose. |
| Roadmap | A visualisation of what actions are needed to achieve the objectives within the Digital Transformation Strategy. |
| Strategy | Making choices that lead to sustainably superior performance. A good strategy should provide an organisation with a clear and coherent way to achieve goals. |
| User Experience (UX) | The experience of someone using a particular product or service. A product with good user experience means it is easy for someone to use, navigate around and complete their goal. |

4. Purpose

The purpose of the Digital Transformation Strategy is to inform how Council will transform services to be available via digital channels, how we will measure its success and the outcomes/benefits for customers and community over the next four years.

The strategy will further support Council's commitment to being recognised as a customer focussed organisation and ensure that customers have an experience aligned with the four customer focus commitments as outlined in the Customer Experience Policy;

1. **Easy to deal with**
Our services are easily accessed and simple resulting in a seamless customer experience.
2. **Empathetic**
We listen to our customers, are willing to assist and use language our customers understand.
3. **Effective**
Our staff are skilled in the delivery of customer service and manage interactions in a timely way.
4. **Trusted**
We are willing to offer a solution with the customer's best interest at heart.

There has never been a better time to embrace digital and further embed it in the DNA of Bayside. Much work has already been done, including the redesign of the website and increased focus on customer service over previous years. Beyond this, Bayside recognises it is no longer sufficient to consider digital as an add-on option. Today's customers expect it. Digital channels and services are an essential component for any modern service delivery organisation.

Digital will support Bayside's unique population

Bayside City Council serves over 100,000 residents in Melbourne's south. Bayside's population is characterised by a rapidly ageing, older population with less comfort, familiarity and trust in transacting online. However, there is still a variety of people in the council including customers that are not residents who will interact with Bayside. This variety of customers means that Bayside's digital experience must be seamless, consistent, easy and informed.

The Digital Transformation Strategy will improve the customer experience by providing services in a way and at a time that works for Bayside's customers. The flow on affects for Council will be profound. Investment of time upfront in delivering this digital strategy will lead to a reduction in customer calls and complaints, and reduced administration such as duplicating and maintaining records in more than one system. The strategy will require a commitment from the entire council, from the councillors to the front line staff to make sure decisions are made across and throughout the Council that increase the way Bayside works digitally for customers.

This strategy is designed to cover all of Bayside's customers. This includes people who;

1. **Live in Bayside** – Resident homeowners, renters and people living in care or community housing.
2. **Work in Bayside** – Any business owner or person employed or working in Bayside.
3. **Play in Bayside** – Anyone who visits Bayside for leisure including tourism, dining, using sporting facilities and the beach.

Digital can make Bayside a better place

Implementing the Digital Transformation Strategy will ensure that customers will experience simple and effective services at each step of their interaction with Bayside.

Redesigning services to be digital mean services are more open and accessible, while also providing a quicker and improved customer experience. The focus on service design signals an intention to not simply digitise existing services that are already difficult for customers to use; rather Bayside should commit to fundamentally redesigning services specifically for digital channels and in ways which work for customers. While this might take more time, it is the right approach for Bayside's customers, and will position Bayside well for the future by building the skills needed to respond to new and changing customer demands. It is also envisioned that deficits in the experience through traditional channels such as telephone, email, face to face and letters will be addressed through the transformation process.

Beyond the service improvements, the Digital Transformation Strategy also signifies a step change in the type of relationship Bayside wants to cultivate with customers. Products and services will be designed with customers' needs front and centre. A customer-centred approach is open and collaborative in its nature and builds a more trusting relationship between the provider and customer.

To implement this, there are two sets of guiding principles:

- Digital Transformation Service Design Principles: Bayside's guidelines for a successful transition to digital services.
- Bayside's Digital Strategic Goals: A commitment to change internally to deliver a better customer experience.

Through the vision of customer driven service design and the streamlining of processes to improve the end to end customer experience, the Digital Transformation Strategy sits within the Service, People and Efficiency elements of the Making Bayside a Better Place Approach.

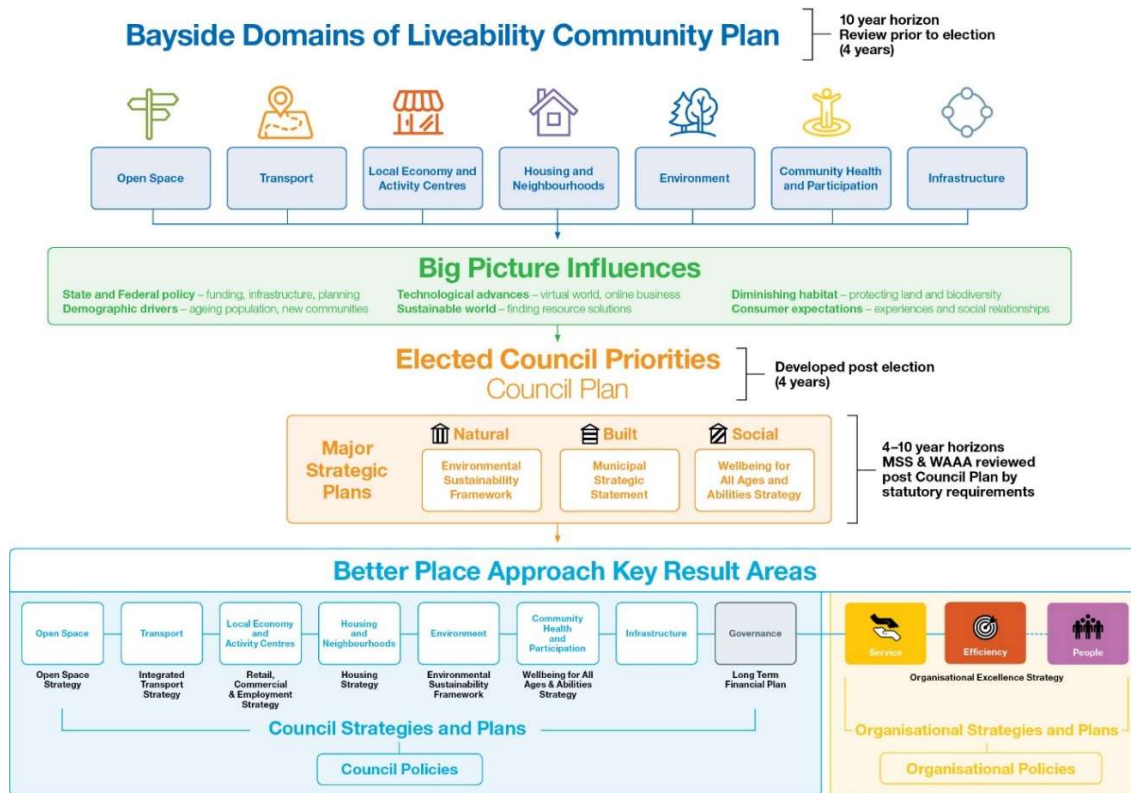


The Digital Transformation Strategy does not sit alone in enhancing the lives of Bayside's customers, it is complimented by a number of other strategies, policies and plans:

- The **Customer Experience Policy** that describes the high level of customer experience you can expect from Bayside.
- The **Bayside ICT strategy** that will provide a safe and secure environment for our customers and staff to use digital services.
- The **Organisation Strategy** which mirrors the capabilities discussed in the Digital Transformation Strategy to support innovation and digital across the organisation.
- **Bayside's better place approach** which itself encompasses the Organisation Strategy and Continuous Improvement.

5. Council's Better Place Strategic Planning Framework

The Digital Transformation Strategy has been identified in the Council Plan 2017-2021 as a key action to identify and implement improvements in Council services, efficiency and outcomes for the Bayside community.



6. Scope

This is a four year strategy 2018 - 2021. The scope includes activities that shift customers to use more digital services as their first option when they connect and engage with Council. If they choose to engage Council by telephone, email or face to face, Council will ensure their experience is easy, effective and consistent. This strategy *does not* aim to shift customers to use digital channels by default. It is a channel by choice viewpoint, with an emphasis on digital channels being the preferred option.

| | |
|--|---|
| <p>The strategy scope <u>WILL</u> focus on:</p> <p>Digital Transformation Approach</p> <p>Combines the design of digital services, using technology to provide services without restricting customer's choice of channel. The emphasis is on Bayside to design digital services that are compelling enough that customers choose it over other available channels.</p> | <p>The strategy scope <u>WILL NOT</u> focus on:</p> <p>Digital by Default Approach</p> <p>A deliberate strategy to push customers to digital channels and turn off other channels. This strategy assumes that all Bayside services would be best delivered by a digital channel. Some services will need to be provided by a range of channels, not just digital.</p> |
|--|---|

7. Key principles

The key principles that guide this strategy are:

- Always Open:** Available to customers 24 hours a day, 7 days a week
- Simple:** Reduced complexity and improved customer experience.
- Collaborative:** Where appropriate data is accessible by other councils, government, business owners and customers to facilitate collaboration and improved services.
- Efficient:** Both front and back of house systems are linked to each other, reducing administrative burden.
- Any device:** Available on the device the customer chooses.
- Seamless:** Users experience smooth transitions between services.

8. Vision statement

We put our customers at the centre of service design and delivery.

9. Goals and strategic objectives

While there are a lot of opportunities for becoming a digital organisation, making the transition will be challenging. Bayside provides a diverse range of services that can span from transactional to the complex, customers come in all shapes and sizes, and services themselves are at different points in their journey to adopt digital service design. To deliver on the digital transformation principles, Bayside will need to prioritise in some important areas. The Digital Strategic Goals provide a roadmap to enable this transition to be focused and achievable.

| Strategic Goal | Objective | Strategies |
|------------------------------|--|---|
| Customer First | We will have services that put our customers first | <ul style="list-style-type: none">• Develop a plan to improve the capture of customer data to inform the design and delivery of services.• Develop an approach that ensures customers are a central consideration in decision making and policy development.• Develop a reporting framework that informs continuous improvement opportunities in service delivery and success of digital project implementation. |
| Effective Digital Governance | We will save time and cost for customers and staff | <ul style="list-style-type: none">• Implement a governance structure that supports informed decisions and priorities for investment in technology and resources.• Implement the ICT Strategy to ensure back end systems are Integrated to provide a streamlined end to end process for customers and staff |
| Strong Internal Capability | We will embed a customer centric culture | <ul style="list-style-type: none">• Develop methodologies to increase knowledge of who our customers are and what they need from us.• Develop and deploy an approach that ensures staff are engaged and committed to providing a great customer experience.• Develop a plan to increase capability for the development and ongoing management of digital services and channels including;<ul style="list-style-type: none">- Accessibility compliance- Web content writing- Service design- Agile project delivery |
| Different Ways of Working | We will build capability for end to end service design | <ul style="list-style-type: none">• Develop a methodology that incorporates customer journey mapping, process mapping and technology to improve end to end service delivery.• Develop processes that foster an environment for organisational cross collaboration in service delivery.• Develop a methodology for using data to inform priority areas and readiness for digital transformation. |

Measures

Bayside has established the following Key Result Area (KRA) Performance Outcomes through the Organisation Strategy.

| Digital Transformation Objective | Organisation Strategy Objective | Strategic Indicators | Outcomes |
|--|--|---|---|
| We will have services that put our customers first | <ul style="list-style-type: none"> We know our customers and respond to their needs. We provide the right services at the right quality and cost. We deliver our statutory responsibilities with integrity. | <ul style="list-style-type: none"> 5% increase in customer satisfaction survey scores. 10% decrease in customer complaints received in relation to service, process and decision. | <ul style="list-style-type: none"> Customer needs inform the design and delivery of services. Service processes are tested with customers before design is finalised and deployed based on customer feedback. Service processes are continually reviewed for improvement through robust customer service reporting inclusive of root cause for complaints. Increased customer satisfaction when interacting with Bayside. Continued focus on the customer through customer service performance reporting framework. |
| We will save time and cost for customers and staff | <ul style="list-style-type: none"> We demonstrate the value we deliver to the Community. We operate efficiently and continually look for ways to improve value. | <ul style="list-style-type: none"> 10% decrease in overall cost per interaction. 10% increase in digital channel uptake. 10% decrease in customer complaints in relation to process and systems. | <ul style="list-style-type: none"> Improved efficiencies through increasing customer self-serve opportunities Reduced cost per interaction by decreasing interactions via traditional channels. Reduction in staff labour through designing service processes that result in a streamlined backend (automation). Improved efficiencies through relevant content on digital channels. Strong governance in deployment to ensure limited resources are directed towards service improvements of most benefit. Reduction in the volume, severity and cost associated with customer complaints leading to workload capacity gains for our senior leaders and service staff. |
| We will embed a customer centric culture | <ul style="list-style-type: none"> We have highly engaged people. We are a high performing organisation. We have the right skills and behaviours for success. | <ul style="list-style-type: none"> 5% increase in staff engagement scores in staff engagement survey. 10% decrease in customer complaints in relation to service, process, decision and staff conduct. | <ul style="list-style-type: none"> Greater knowledge of who the customer is and what their needs are. Customer is the central consideration in decision making, policy development and service design. Improved relationships with customers through reduction of complaints and difficult interactions. |
| We will build capability for end to end service design | <ul style="list-style-type: none"> We collaborate within and across teams. | <ul style="list-style-type: none"> 5% increase in staff engagement scores in staff engagement survey. 10% decrease in customer complaints in relation to service, process, decision and staff conduct. | <ul style="list-style-type: none"> Development of a Customer Service Journey Map methodology which looks to optimise service delivery across all contact channels Deployment of methodology in targeted areas of the organisation as identified through researching existing customer data i.e. high volume/high dissatisfaction Linking customer, process and technology within each service process through cross collaboration of all relevant stakeholders Assessing digital readiness through the development of evidence based business cases. |

10. Key issues and findings

A key part of the development of the strategy was through a series of workshops with staff to better understand the internal environment i.e. the culture, barriers and opportunities for digital transformation and external challenges facing Bayside.

The key insights are reflected in the below Strength, Weaknesses, Opportunities and Threats (SWOT) matrix.

Strengths

- *People:* Bayside's people are dedicated to their work and passionate about the opportunity their job presents to make a difference to people's lives.
- *Ideas:* There is no shortage of passion, compassion and ideas amongst front line staff that could improve services to customers.
- *Progress:* Bayside has good foundations to build on, there are many things that could be improved using existing technology and platforms.

Weaknesses

- Inadequate digital infrastructure or technology partners to support innovation, prototype and test solutions quickly.
- Limited experience of digital service design and delivery, agile and human centred design within Bayside i.e. processes are designed around departments, not customers.
- Lack of customer data to help prioritise digital projects for delivery of the strategy.
- Strategic confusion and complexity across Bayside, with many competing priorities.
- Lack of ambition, and or digital literacy by some Bayside employees.
- Council enterprise technology platforms lack integration points which impact the customer experience when using digital channels and staff experience when administering customer interactions.
- Decision making and policies developed in the past have not necessarily had customer front of mind which has impacted service delivery due to internal processes being bureaucratic and overly complex.

Opportunities

- To design and implement streamlined digital services across every service, so digital is a preferred option for customers.
- Improved budget funding processes that allow for the agile delivery of digital projects.
- Increased accessibility to essential services for customers.
- Streamlining services through the use of digital to allow for resources to be used for value add activities rather than administration.
- To collect, analyse and use customer data and insights to inform decision making.
- Build capabilities that will help Bayside respond to future challenges.
- Invest in change management to ensure a culture of customer centricity is embedded in redesigning services.

Threats

- Politicisation of any changes that might be made to service design.
- Lack of budget, resources and desire to deliver the pledges made in the strategy.
- Legislative constraints to service redesign.
- Rate capping and reduced budgets.

11. Methodology

Nous was commissioned by Bayside City Council (Bayside) to co-design and develop a digital strategy. Nous worked to bring together research, insights and recommendations into one strategic document to paint a picture of the future for Bayside. Ultimately Nous produced two documents, one that shared the insights of the process with Bayside (separate document), the other is this document which outlines the digital strategy

including suggested next steps Bayside can take to harness digital, creating new ways of relating, connecting and delivering services to customers.

The steps undertaken in the methodology were:

- Meeting with the Executive Team to define success.
- Facilitated workshop one. This focused on looking to the past to inform the future and work out what propels Bayside forward and what could hold them back.
- Synthesis to bring together the learning and insights from the workshop process and the expectations of the management team. The insights were grouped into themes for a strategy and tested with staff from across the Council.
- Interview conducted with IT team to discuss intersection of IT and digital, and to understand the relationship between the current technology infrastructure and digital needs.
- Facilitated workshop two. This focused on detail about different elements of the strategy including an exploration of the digital vision, governance and capability.
- Reviewed findings in line with digital priorities at both state government and federal government levels.
- Explored customer feedback provided from a range of sources including customer service reports, consultation for the Community Plan 2025, complaints information and social media channels.
- Tested some service pathways to gain a first-hand understanding of the current customer experience.

Ultimately all research was collated into a draft strategy which was submitted for comment.

12. Background

History

Online is increasingly the go-to method for customers to seek information about services or to lodge a query. Bayside's website serves on average 350,000 to 400,000 unique visitors a year (based on Financial Year 14 to Financial Year 16 data). Recent reports show an increase from Financial Year 15 to Financial Year 16 in enquiries across the website (+43.2%) and Facebook (+13.8%), while, conversely, FY16 saw a decrease of 20% in customer enquiries by phone (although it still remains the channel with the highest volume of enquiries).

While some work has already been undertaken to improve customer experience in Bayside, there is a lot left to do. In fact, it is never really 'all done' and requires a continuous improvement approach to stay up-to-date with customer, sector and digital trends.

Bayside currently organises services around core business functions. Unfortunately, these functions are not often the way customers want to interact with services. Customers find this disconnection of services confusing and difficult to navigate. They can become frustrated when different parts of the Council's service offering do not connect with each other, such as the need to provide a change of address to multiple service areas. Redesigning services with a digital mindset provides Bayside the opportunity to leap over some of these issues so customers can access the services they need in a way that makes sense to them as well as provide internal efficiencies for Bayside. What's more, this can be done without having to redesign the organisation.

Bayside offers a number of online forms and payments for customers; however from the customer perspective, these two elements are not always well-connected. An example is Pet Registration. Customers currently complete the form details without making a payment. Once the form is submitted, the website informs the customer their form was successfully submitted, but no information is given about what happens next on the screen. The customer then receives an unbranded email telling them they will receive an invoice which they can pay online in a few days.

Customers are bringing their experiences of booking hotels and buying tickets online when they use services like Bayside's Pet Registration Form, and they are expecting a simple, fast and easy-to-follow process. While there may be additional complexities in this instance, such as Council checks and approvals, the customer could still provide their payment details at the point of submitting the form, which could be held as pending until Bayside approves the application and processes the payment.

As a result the customer is required to have multiple interactions with Council for the one application. On the other end, staff are required to generate an invoice and also have multiple interactions for the one application.

There is an opportunity to provide clearer information about the steps in the process on both the online form and the confirmation email to ensure the customer understands what will happen next.

Previous strategy

In 2017 Bayside completed the implementation of the Customer Focus Strategy 2013-2017. The strategic goals within the Customer Focus Strategy were focussed on the four Customer Focus Commitments of being easy to deal with, empathetic, effective and trusted as outlined in Council's Customer Experience Policy.

Within the four commitments key initiatives included;

- Simplify processes to remove any unnecessary steps so that both internal and external customers are confident in processes.
- Easier access to Council services by simplifying access and delivery of services via Council's main customer interaction channels.
- Integrating technology and improving its use within customer focussed processes.
- Completion of a centralised customer service centre project.
- Development and delivery of a corporate customer service training package.
- Further developing Council's community engagement program and activities.

There are similar themes documented in the Digital Transformation Strategy i.e. Simplification of processes, easier access to Council services and integration of technology. These themes are reflective of improving the end to end experience for customer's when they interact with Council.

As the Customer Focus Strategy has been implemented over the last four years, the shift to customer's using Council's digital channels has significantly increased year on year. Accessing services online is in demand and there has been success in shifting customer's to use digital channels for specific services i.e. the hard waste booking service.

Like the Customer Focus Strategy, the Digital Strategy has a strong alignment to the Customer Experience Policy and the four Customer Focus Commitments. As a customer centric approach is adopted within Bayside when re-designing services, the overall customer experience will improve across all contact channels. This makes the Digital Transformation Strategy appropriate to supersede the Customer Focus Strategy.

To ensure that all contact channels are addressed through the implementation of the Digital Transformation Strategy, a Channel Management Plan will be developed which will outline how traditional channels such as telephone, face to face, email and letters will be managed into the future to ensure a consistent experience for customers no matter how they interact with Bayside.

Key stakeholders

Customers

Customers are a key stakeholder in the Digital Transformation Strategy as the process for redesigning services requires their input and feedback. The strategy redefines how Bayside will work with customers in relation to service outputs as new processes will allow for a more collaborative experience.

Staff

The mindset and capability of staff are fundamental in the successful delivery of the Digital Transformation Strategy. To embrace digital the focus will need to be on;

- Continuous improvement. Staff should always be looking for new ways to improve the customer experience. Officers should be identifying opportunities and management should support the implementation of the most desirable and feasible opportunities.
- Being insight driven. Trusting in data but with a critical eye. Noting that data is reflective of the past and cannot always predict the future.
- Digital services designed with and for customers. Staff should be working to realise the digital vision in the work that they do. They should critically evaluate their current work and redesign them, guided by the digital principles and the needs of customers.
- Customer centric. Bayside should be customer centric rather than customer focused.

Information Services

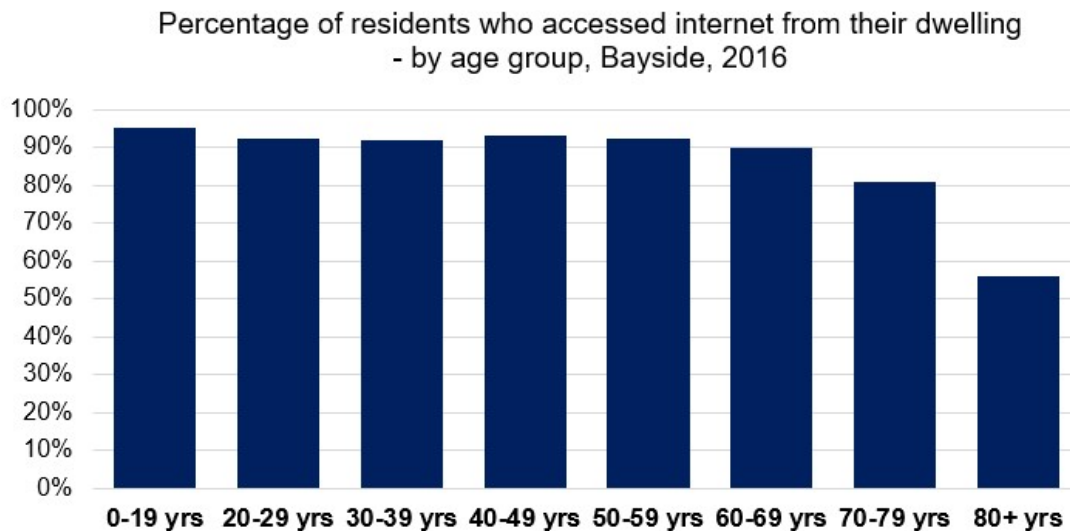
As service design addresses the end to end experience for customers (including staff on the back end), reviewing the capability of technology platforms is paramount in successfully improving service and efficiency.

Demographics

Bayside City Council serves over 100,000 residents. The population is characterised by a rapidly ageing, older population with particularly high numbers of people aged 85 and over.

The 2016 Census data questioned residents whether they accessed internet from their dwelling. The results below showed that although Bayside has a high aging population, between 50 to 60% of residents aged 80+ did have internet access in their home. Lower use was also documented in social housing or DHHS public housing.

The highest internet users in Bayside are children and teenagers (90 to 95%) along with higher use by couple families.



Although this can reflect a high level of digital literacy within the municipality, it also validates the need to continue to maintain traditional channels to make Bayside accessible to all customers.

The variety of customers also means that the digital experience must be seamless, consistent, easy and informed.

13. Key trends

There is a tried and tested path

Bayside has the significant advantage of being able to learn from others to achieve the digital vision. The private sector has led the digital revolution, with many people now accepting that the simplest way to buy something, book something or research something is to jump online. Governments, in Australia and across the world, are realising they too should be offering their customers digital services and pathways.

The Victorian Government launched the Information Technology Strategy 2016-2020 (May 2016). The strategy focuses on how to make the best use of existing and new digital technology to deliver modern services to citizens. As well as designing services in a way that works for Victorians the strategy also stresses the need to provide frontline workers with the tools they need to provide great services to customers at a time when their expectations are high and their needs are increasingly complex.

The *Information Technology Strategy 2016-2020* sets out the Victorian Government's direction in four areas where digital can support:

1. Information and data reform

Improving information and data sharing to better deal with complex areas such as family violence, child protection, homelessness and aged care.

2. New technology

Greater use of off-the-shelf IT systems that are shared across government, with new cloud-based platforms to further support productivity.

3. Digital opportunity

Better digital platforms to let Victorians to access everyday services online.

4. Better capability

Improving public service capacity for projects that are delivered on time, budget and specification, with greater partnership with experts.

It is no surprise that the digital challenges faced by state government are the same as those faced in Bayside, made even more acute by increasing financial pressures as a result of rate capping and population growth.

How governments are rethinking the way they serve the public

A closer look: City of Casey

The City of Casey's strategy 'Digital Casey' sets out the Council's bold response to digital trends and changing customer expectations through transforming their services using a customer-centric, digital by default approach. The Council has invested significantly in building internal capabilities, creating new roles such as Service Designer and User Experience Researcher. The team has adopted an Agile approach to service delivery, beginning 'small' with a focus on three key digital services: disabled parking permits, asset protection permits and new pet registrations. Solutions were set up to monitor customer interactions and feedback loops also created to ensure the Council could respond quickly to what was working and what was not and continuously improve the customer experience.

A closer look: Service NSW

Service NSW is the New South Wales Government's ambitious vision to create a single face for the entire state government. Service NSW provides a connected government where the customer can interact with multiple services and agencies that were previously very separate, such as driver's licences, Seniors Cards and e-toll account management. Data is shared across services and channels to provide a seamless experience and the choice of channel remains in the hands of the customer with Service NSW offering a web portal, call centre and face-to-face shopfront. Service NSW also integrates customer feedback points across the channels to keep up-to-date with what customers are saying to monitor their satisfaction with the services.

A closer look: Government Digital Service, UK

The UK's Government Digital Service (GDS) was established in April 2011 and is the leading example and authority on digital transformation in government. The United States, Australia and other countries have followed the UK in creating a government digital agency model. GDS approaches digital transformation with the users' needs first and foremost and applies Agile methodology to continuously review and iterate on deliverables. The GDS' Design Principles are widely accepted as the standard for government digital services, which guide and inform any piece of work the GDS undertakes. GDS' approach of 'Government as a Platform' draws on the successes of concepts like 'Software as a Service' in the technology industry. Government as a Platform will provide government services with a set of shared components, service designs, platforms, data and hosting, allowing the service to focus on understanding its customers' needs and designing better services rather than building new systems.

14. Financial analysis

An analysis of how much it costs to manage customer interactions across all of Bayside's contact channels has been conducted.

| Contact channel | Cost per interaction |
|--|----------------------|
| Telephone (Council's main number 9599 4444) | \$5.42 |
| Front Counter (Corporate Centre) | \$4.86 |
| Email (enquiries@bayside.vic.gov.au) | \$4.88 |

| | |
|----------------------------------|--------|
| Website (www.bayside.vic.gov.au) | \$0.45 |
|----------------------------------|--------|

Customers being able to self-serve on Council's website is the most cost efficient resulting in \$0.45 per interaction.

The lower cost per interaction can be attributed to existing integrations with technology platforms which results in customer enquiries and requests for service being processed in a more streamlined and simple manner.

To successfully deliver on the Digital Transformation Strategy there are resources required outside of the established workforce to complete the actions. Through Council's budgeting process, funding for specialist roles have been applied for. The estimated cost of these roles for a two year period is \$500,000. With the investment of resources it is anticipated that Council will have a total net benefit of approximately \$1.6 million dollars as there is an increase in the uptake of digital channels which drives down the cost per interaction.

The aim of having these specialist roles are to support the organisation in redesigning services through a customer centred design approach and transferring these services to digital channels. It is expected that efficiency gains will result from increasing customer self-serve opportunities.

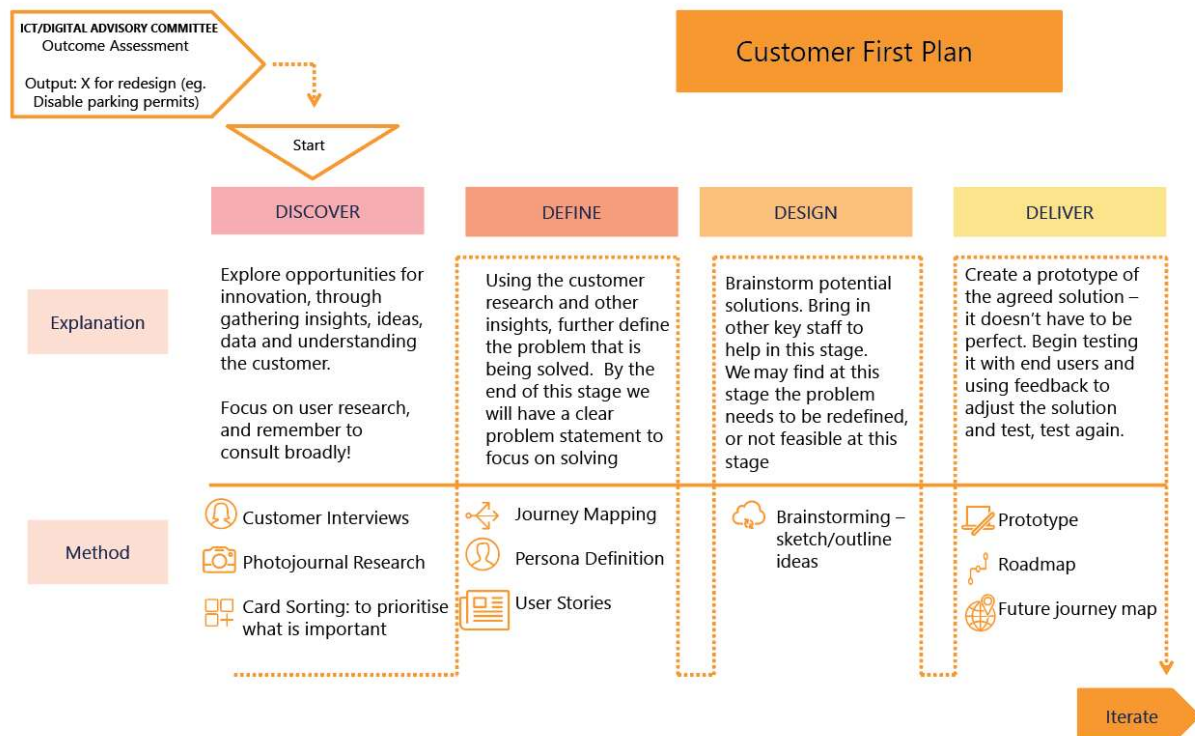
An increase in customer satisfaction and decrease in complaints is also anticipated as a return on investment (ROI). Currently it is estimated that it costs approximately between \$280 (standard) to \$325 (complex) to manage a complaint from receipt to response.

As a part of the process to transition services to digital channels, customer satisfaction and ROI will be closely monitored and reported on after the implementation of each project.

15. Implementation and reporting

Bayside is committed to implementing the Digital Transformation Strategy. Adoption and implementation will mean customers can choose a digital channel, to access the services they need, when they need them. To achieve this bold ambition, an implementation plan has been developed that describes the steps that need to be taken in the short, medium and long-term.

Approach to design and implementation



The responsibility to implement the Digital Transformation Strategy is shared across individual roles and teams in Bayside. A conscious effort to collaborate, share resources and work more flexibly is an essential component of delivering the strategy.

The areas that will be leading the Digital Transformation Strategy are:

ICT/Digital Advisory Committee

The Digital Transformation Advisory Committee will play the lead role in supporting Bayside to transition into a digital organisation. The group will be responsible for driving the four strategic goals: customer first, effective digital governance, strong internal capability, and different ways of working. In addition they will draw on the Digital Transformation Service Design Principles to inform redesign decisions.

Senior Leadership Group

Buy-in from the Senior Leadership Group will be critical in creating sustainable and long term change that works for services and for customers.

Leaders will be required to consider the Digital Transformation Strategy in relation to other strategies so Bayside is communicating to customers with one voice.

Management will need to spend time with their staff to encourage them to identify areas for possible improvement and take action to fix them. This also includes providing the time and space for staff to participate in and contribute to decision making, digital service design and testing of new digital products and services.

Customer Experience (CX) Team

For the team to be successful, they will need to work closely with service areas and the Information Services department to garner support and identify how the Digital Transformation Strategy can integrate/better support their work. Without the required buy-in from all these areas, this could hinder the success of Bayside transforming into a digital organisation.

The CX team will be responsible for driving the implementation of the strategy through fostering digital transformation methodologies such as customer service journey mapping, prototype development, testing and agile project management.

The CX team including the specialist digital staff will have the dual role of transforming services for digital channels and supporting the organisation (subject matter experts) in building capability for ongoing service improvement.

Innovation Lead

An Innovation Lead will be required to play a key role in sharing insights and innovations from the Digital Services team across the organisation, and vice versa. Given this, it is recommended there would be greater benefit including this role in the CX team or alternatively working very closely with them.

The Innovation Lead would be required to investigate the feasibility of building an innovation lab that would allow space to focus on solving specific problems outside of BAU activities. This role would connect directly with staff to take a number of their ideas through to implementation and report results across the organisation to promote innovation as being a responsibility for all staff.

Whilst having a customer centric culture is paramount in achieving the ambitions within the Digital Transformation Strategy, a culture of learning also needs to be embedded through sharing both positive and negative data and results to drive continuous improvement across services.

Project Management Office

Whilst the CX team will drive the delivery of digital projects, the Project Management Office (PMO) will provide oversight and guidance on the project. All business cases will be presented by the CX team to the ICT/Digital Advisory Committee.

The PMO will also have an opportunity to lead Agile practice to influence the uptake across core service groups and senior management allowing for a clear view of digital projects on the horizon.

Information Services (IS)

The IS team will act as an advisory on technology platforms both existing and new and liaise with the technology vendors.

IS will also develop technical specifications (inclusive of digital criteria) based on the output of exploratory work with the User Experience (UX) Designer, for the procurement of new platforms and also the enhancement of existing systems.

Once the procurement process is completed, IS will act as a lead in the implementation.

Services Areas

Service Areas (Subject Matter Experts) play an integral role in the delivery of service improvements and transferring existing services to digital channels.

Subject Matter Experts (SMEs) will provide advice on their customer segments and existing processes within service outputs.

SMEs will be required to build their digital capabilities to continue to improve services and also manage their services via digital channels.

Reporting

Key actions from the Digital Transformation Strategy will be documented in Bayside's internal performance reporting system to ensure that progress on delivery of the strategy is reported to the Executive Team on a quarterly basis.

Quarterly reporting will include data pertaining to the success of channel shift activities, customer satisfaction, digital channel performance and post iteration review of delivered projects.



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We acknowledge the Boonwurrung people of the Kulin Nation as the traditional owners of this land and we pay respect to their Elders past and present.

We acknowledge that together we share a