



Transactional Services in the UK: Effective or Just Efficient?

15th February
Telecom Tower,
60 Cleveland Street
London W1

Agenda

14:00	Welcome and intro by chair – Will Davies
14:10	Graham Walker
14:25	Norman Mellor
14:40	Rob McVicker
14:50	Bruce Davis
15:00	Q&A and discussion opened to the floor
15:50	Chair's summary and close of session



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Seminar Summary – Transactional Services

This ippr Digital Manifesto seminar looked at the advantages and disadvantages of shifting government online, the digital inclusion challenges involved, and whether there are more profound political implications of the quest to reduce face-to-face interactions with government. Speakers included:

Will Davies, ippr (Chair)

Bruce Davis, market researcher specialising in use of online banking

Norman Mellor, Director, e-Citizen National Project

Graham Walker, Gov3

Graham Walker gave an overview of current Government thinking and action in this area. In the provision of transactional services, Government is looking to replicate the success of the private sector, increase choice and quality of service, improve cost efficiency and divert money back to front line services.

Investments are split between three main areas:

- The use of ICT to collect better management information about government services;
- Modernising the back office; and
- Investing in online services and marketing them.

Graham Walker identified the savings for each to be roughly a third. The level of investment across each differs from department to department but generally, it is not considered high risk to invest in these areas as it is merely following best practice of the private sector. But the lack of service culture in the design of government services means that this investment is not enough to drive take up.

There are also particular problems government has to address. Unlike the private sector, government can't pick and choose its customers. Even where a service channel emerges as dominant and more efficient, they must keep open other channels for the sake of inclusion. The public is generally more concerned with sharing information with government than with the private sector – they are increasingly willing to part with private information to gain reward cards from high street stores but are very risk adverse when it comes to data sharing within government.

Government also has to tackle problems of perception, in particular with regard to ICT failures. Such failures are also experienced by the private sector but are usually less high profile.

Graham also criticised the lack of market research and analysis that government departments had undertaken in developing transactional services. Take up amongst the UK population is still very low – less than 10% of adults in the UK have used an online transactional service.

In conclusion, Graham made several recommendations:



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- There should be an obsessive focus on customer need which should translate into a genuine willingness to change service delivery;
- Government should do more to align financial incentives for departments around a customer focussed approach. When Sir Andrew Turnbull steps down from his post in the future, the head of the civil service should be split into two distinct roles – one focussing on the constitutional side, the other on business and service aspects;
- The Government should do more to break up vertically organised service delivery;
- There should be increased competition to incentivise government departments to get engaged with delivery;
- There should be an integrated approach to digital inclusion. The Government has put forward lots of initiatives but it remains that 40% of the UK population don't use the Internet regularly. It isn't entirely clear who owns this agenda in Government.

Norman Mellor from Norwich City Council gave an over view of the e-citizen project, funded by the ODPM, Norwich had recently introduced. His presentation is available at <http://www.ippr.org/research/files/team34/project214/bruce%20davis.ppt>.

Rob McVicker detailed the progress made by Liverpool Direct to introduce online services in a deprived area with high service costs. His presentation is available at <http://www.ippr.org/research/files/team34/project214/Rob%20McVicker.ppt>.

Finally, **Bruce Davies**, an ethnographer who had recently undertaken research on behalf of the financial industry to investigate consumers' relationships with their banks, detailed what lessons could be learnt by those trying to market online services to citizens. His presentation is available at <http://www.ippr.org/research/files/team34/project214/bruce%20davis.ppt>.

Summary of discussion

Consumer Focus

One of the main points to emerge from the seminar was that local and national governments had done little research into understanding the wants and needs of the consumer. Where it had been done, it was rarely on the scale of the ethnographic research undertaken by banks and detailed by Bruce Davies. There was comment that a gap exists in the conceptual model of how everything fits together. Policy makers in particular had not picked up on an academic or complex view of a customer. A further criticism was that there remained an excessive focus on the technology rather than needs analysis.

Take up and Marketing

Research undertaken as part of Norwich City Council's e-citizen project found that there was a clear group of individuals who had the access, ability and desire to transact online however they lacked awareness about available services. Norman Mellor recommended that targeted marketing should focus on reaching these 'easy wins' and driving take up in the most willing socio-economic groups.



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Bruce Davies highlighted the importance of understanding the 'place' that the customer was in when attempt to market services to them. In particular, this meant excepting that there rarely exists a one-to-one conversation between marketer and consumer – the consumer is often thinking about or doing something else. Banks had learnt the importance of blending into people's life and work in a way that Government had yet to. However, it was pointed out that there are complications to government service delivery as there may be areas where government is trying to influence behaviour rather than just provide a transactional service, for example, in job centres it may be preferable in some instances to offer face-to-face communications in attempts to encourage employment.

The importance of language was also raised. Call centres can react to flexibilities in language, and respond to slang and so on. Online transactions are rarely able to do this and thus may have a more formal or less familiar feel to some.

Customer feedback

It was queried how the feedback loop is integrated into online services to affect the future design of services? In Liverpool, feedback was sought from neighbourhood groups and services had changed as the capacity had changed. Liverpool council had sought to supply support to the services agencies wanted to provide in order to keep those services in the city.

There is also difficulty in assessing 'failed' online transactions and the reasons that they had been deserted. Although 65% of students may have applied for university education online, leading to a 90% customer satisfaction rating, the customer satisfaction rating amongst those who felt they could not complete an online transaction is unknown.

Efficiency of Services

The panel participants were asked to identify whether any efficiencies had come from transactional services, whether overall spend on services had decreased and whether service levels had increased.

In Liverpool, services had increased and savings were transferred from the back office to the front line. Liverpool had managed to hold its council tax at a very low rate and had also closed three major buildings, freeing up property, as a result of a move towards flexible working facilitated by new technologies.

A proposal that savings from transactional services should be ring fenced to fund attempts to include hard to reach groups was suggested. Additionally the potential conflict between efficiency, access channels and consumer focus was raised. Customers may not always want to use the most efficient, cheapest means to transact with government.

Finally an example where government was written out of the equation altogether was suggested, with an analogy to dog mess in the park. It may be possible at some point to introduce local services such as a text alert to the person providing the cleaning service using the infrastructure already supplied by Orange, O2 etc, rather than demanding significant additional investment from local government at all.



Biographies

Bruce Davis

Bruce is a freelance researcher and consultant working with companies and public organisations on issues of branding, technology and innovation. Before becoming independent, he worked for nine years as a brand strategist and market researcher with various companies including The Value Engineers, Happy Dog and Imagination.

Bruce is one of the pioneers of ethnographic approaches and insights in the commercial and public sphere of research, building on a practice based on using cultural and social perspectives to develop commercial branding and innovation projects. His specialist areas include understanding the social life of money, the adoption and domestication of technology and shopping. He now heads up a community of freelance ethnographers, creatives, and consultants called Freemarket, working with leading companies in UK and Europe including egg plc, Marks and Spencer, Unilever, William Grant & Sons, lastminute.com, Virgin and HBOS.

He is a regular writer and speaker on the subject of branding, innovation and social trends.

Will Davies

Will Davies is a Senior Research Fellow on the Digital Society programme at the Institute for Public Policy Research. Previously, he worked on The Work Foundation's iSociety project, where his research focused on the relationship between communities and new media. He is the author of two iSociety reports *You Don't Know Me, But...: Social Capital & Social Software* looking at new uses of the internet in supporting social networks, and *Proxicomunication: ICT and the Local Public Realm* exploring uses of ICT in sustaining local communities, and which is published on 29th July.

Rob McVicker

Rob is Commercial Director and Company Secretary of Liverpool Direct Ltd (LDL). He has worked for BT for over 20 years in Sales, Marketing and Customer Services roles and for the past 7 years has been leading Business Management teams in the Finance Sector and latterly with Liverpool City Council. Rob joined the LDL project over 5 years ago and was initially involved in the contract negotiations setting up the Joint Venture. Since then he has played a key role in the successful deployment of new technology and business process programmes which have greatly contributed to the success being enjoyed in improving Customer Service in Liverpool.

Norman Mellor

Norman took up the post of Head of Communications and Research for Norwich City Council in the summer of 2003 having previously worked in marketing, communications and fundraising in both the private and voluntary sector. Shortly after Norman's appointment, Norwich City Council was appointed lead authority on the e-citizen National Project, of which Norman is director.

Graham Walker

Graham is a Managing Partner in gov3. An international consultancy business offering advice and support to governments on growing a knowledge economy and IT



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enabled government transformation. Gov3 are part of a consortium, led by the Oxford Internet Institute, that was recently commissioned by the European Commission to undertake a three year study on the remaining legal, regulatory, and organisational barriers to e-government. Graham recently co-authored "Digital Inclusion: increasing home adoption of computers" a White Paper for government policy makers, published in partnership with Intel. He travels extensively working with overseas governments and has visited Canada, Finland, Rumania, and South Africa in the last few months.

Graham is a former senior civil servant with extensive inside government strategy experience. Before leaving the civil service in July 2004, he was Director of Strategy in the Office of the e-Envoy spending his last seven months on loan to the joint Cabinet Office and HM Treasury Efficiency Review Team where he worked with departments to identify efficiencies in transactional services as part of the Spending Review 2004. While in OeE he made a significant contribution to the Government's digital inclusion, e-government, e-commerce, and broadband strategies.

Graham has a Masters in Social Policy and Planning from the London School of Economics and a First Class Honours Degree in Policy Studies from the University of North London. He is married with two young sons and he lives in South London.



Attendee List

Perri 6	Senior Research Fellow, Health Services Management Centre, University of Birmingham
David Abrahams	Partner, LLM Communications
John Alker	Senior Account Executive, Political Intelligence
Paul Alter	Head of Strategic Relations, BT Government
Andrew Andreson	Workability Manager, Leonard Cheshire
Mike Astill	Information Services Officer, North Kesteven District Council
Jill Bailey	eGovernment Officer, Corporation of London
Joseph Bailey	The Dyslexia Society
Dr Jeremy Beale	Head, eBusiness Group, CBI
John Blundell	Director, Service Transformation and Local Government, eGovernment Unit
Valerie Borne	Strategic Funding and Programmes, Community and Neighbourhood Strategy, London Borough of Ealing
Sureyya Cansoy	Programme Manager, Intellect
Cass Chideock	eGovernment Unit
Ian Clifford	Project Development Manager, UK Online
Tim Coleman	Alliances Manager, Inland Revenue
Al Collier	Head of Client Side Function, Suffolk County Council
Keith Cooper	The Local Channel
Ian Cuddy	Chief Editor, eGovernment Monitor Weekly
Will Davies	Senior Research Fellow, ippr
Bruce Davis	Freelance Market Researcher
Michael Duggen	Head of Internet Policy, DTI
Louise Ferguson	Digital Habitats
Martin Ferguson	Programme Manager, e-Government - research and strategic support unit, Improvement & Development Agency
Tony Fleming	Head of Regeneration IM and E-Govt, Lewisham Council
Gerry Gavigan	Agents Programme, Inland Revenue
Luke Gibbs	LLM Communications
Matt Goddard	Steria
Nick Hancock	Business Development Manager, Oracle
Dr Martin Herbert	Principal Consultant, Hedra
James Hoyle	Fishburn Hedges
Alexandra Jones	The Work Foundation
Nick Jones	Assistant Director, Transformation Team, eGovernment Unit
Mark Kobayashi-Hillary	Global Research Director, Commonwealth Business Council Technologies
Mark Leaver	Economist, New Economy Measurement Branch, ONS
Claire Levens	GBC Public Affairs
Mervyn Levin	Head, Broadband Content Innovation, DTI
Angi Lewis	Head of Public Policy, BT Wholesale
Geraldine Lilley	Assistant Director, Transactional Services, eGovernment Unit
Clare MacNamara	Head of Whitehall Relations, BT
Bruce Macpherson	Account Director, Weber Shandwick
Catherine Maxwell	Director of Projects and Marketing, Citizens Online
Kieran McGuirk	Director of Government Marketing, Fujitsu
Stephen McKenzie	ICU Global
Ewen McKinnon	Assistant Director Strategic Performance Analysis and Planning,

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	eGovernment Unit
Rob McVicker	BT
Norman Mellor	Director, e-Citizen National Project
Simon Milner	Project Director, Deputy-Director General's Office, BBC
Christopher Munday	Business Case & Benefits Management Lead, CJIT
Dr Ute Navidi	Director, London Play
Valerie Peay	Pan Government Programmes, BT Government Marketing
Nick Penston	Public Sector Business Development Manager, Cisco Systems
William Perrin	Head of IT Strategy, eGovernment Unit
Mary Pitteway	Market Strategy Manager, Local Government, Steria
Mrs S. Porter	Assistant Client Officer, North Kesteven District Council
Tom Raggett	Director of Consulting, IT World
Matthew Rees	Business Analyst, Lambeth Education, London Borough of Lambeth
Susan Relihan	Business Development Senior Manager, ICE, KPMG LLP
Sheenagh Reynolds	Directgov Home and Community Franchise Content Manager Local e-gov team, ODPM
Peter Sargeant	Communications Unit, Children, Young People, Families and Schools, DfES
Joanne Sawicki	Consultant, Joanne Sawicki Media
Rohit Singh	The Prime Minister's Strategy Unit, Cabinet Office
Harjinder Singh-Heer	Director, Heernet Ventures Limited
Prim Smith	Programme Manager, Camden Council
Pip Spence	Assistant Director, Broadband Stakeholder Group Programme, DTI
Jeremy Stalley	OGC Efficiency Team, HM Treasury
Robert Taylor	Government Division, Cable & Wireless
John Thornton	Director of eGovernment, Improvement & Development Agency
Elke Ulmer	ICU Global
Mark Upton	Team Leader, Local Government Performance Unit, ODPM
Philip Virgo	Secretary General, EURIM
Graham Walker	Managing Partner, Gov3
John Wheatley	Senior Social Policy Officer (Social Exclusion, Work and Welfare), Citizens Advice
Charles Willis	Strategic Relationship Manager, BT
Dan Wilson	Community Manager, eBay.co.uk
Kay Withers	Research Fellow, ippr
Barney Wyld	Fishburn Hedges
Chris Yapp	Head of Public Sector Innovation, Microsoft