



KING COUNTY
Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

June 30, 2015

Motion 14385

Proposed No. 2014-0444.2

Sponsors Lambert

1 A MOTION to approve a shared cost model and financing
2 plan for the constituent relationship management expansion
3 project, in accordance with King County Ordinance 17695,
4 Section 63, as amended by Ordinance 17781, Section 7,
5 Proviso P3.

6 WHEREAS, Ordinance 17695, Section 63, as amended by Ordinance 17781,
7 Section 7, Proviso P3, approved a project to expand the use of the constituent relationship
8 management application, pending a modified financial plan for the funding of the project,
9 and

10 WHEREAS, the finance plan shall provide for the deployment of the constituent
11 relationship management application to be paid for by the users of the system, and that
12 plan is to be certified by the highest ranking officer of each department or agency that
13 will use the system, and

14 WHEREAS, the King County Strategic Plan identifies a goal for excellent
15 customer service, that includes establishing a culture of customer service that is
16 responsive to community needs, and

17 WHEREAS, the Strategic Plan further identifies government challenges to
18 providing excellent customer service, including difficulty coordinating across diverse
19 service areas and rapidly changing customer expectations, and

20 WHEREAS, the strategic plan therefore establishes objectives for King County,
21 which include fostering an ethic of working together for One King County, and adopting
22 new technologies and processes that allow county agencies to work more effectively and
23 efficiently, and

24 WHEREAS, in support of the objectives of providing exception customer service
25 to King County residents, the department of information technology implemented a
26 preliminary project in 2013 to create an enterprise constituent relationship management
27 application to enhance communications and coordination of services;

28 NOW, THEREFORE, BE IT MOVED by the Council of King County:

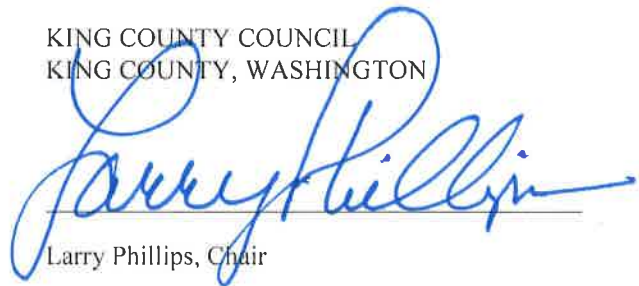
29 The Constituent Relationship Management (CRM) Financing Plan, which is

30 Attachment A to this motion, and the Benefit Achievement Plan, which is Attachment B
31 to this motion, are each hereby approved.
32

Motion 14385 was introduced on 1/20/2015 and passed by the Metropolitan King County Council on 6/29/2015, by the following vote:


Yes: 8 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. Dembowski and Mr. Upthegrove
No: 0
Excused: 1 - Mr. McDermott

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Constituent Relationship Management Amended Response to Financing Plan, dated June 18, 2015, B. Benefit Achievement Plan

14385

ATTACHMENT A



King County

Constituent Relationship Management

Response to Financing Plan

Date: August 12, 2014
Amended: June 18, 2015

1. INTRODUCTION

As part of the 2014 budget, the King County Council appropriated funding for the Constituent Relationship Management (CRM) Expansion Project. That funding included the following proviso:

Of the appropriation for project 1121493, CRM expansion, no funds shall be expended or encumbered until the executive transmits a financing plan and a motion approving the plan and the motion is passed by the council. The executive must file the plan and motion required by the proviso in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff and the lead staff for the law, justice, health and human services committee, or its successor. The plan shall provide for the deployment of the customer relations (sic) management system to be paid for by the users of the new system and shall include certification by the highest ranking officer of each department that their agency will use the system.

This report fulfills both the letter and the spirit of this proviso as follows:

- Defines a model for expending project resources that both leverages the capital resources already approved and appropriated by the King County Council, and specifies how customer departments will also contribute resources for their appropriate investment in the solution.
- Further defines the ongoing cost model for the CRM platform service, in a manner that ensures the costs are paid by customer organizations using the platform, without any KCIT revenue associated with a shared or "enterprise" funding model that involves contributions from departments not using the platform.
- Identifies the initial scope of customer departments, divisions, and agencies that will participate in the 2014 project, with those user departments certifying their use of the constituent relationship management system.

The King County Executive, the County Chief Information Officer, and the Department of Information Technology (KCIT) look forward to approval of this proposal so that we may continue to improve service to the residents of King County.

2. PROJECT EXPENDITURE MODEL (AMENDED JUNE 18, 2015)

The CRM Expansion Project was approved and funded in order to develop custom interfaces, workflows, web portals, and reporting required to create tailored constituent management solutions for King County departments. However, because CRM is also a shared platform, the results are extensible to other departments, and shared data management benefits other customers. As a result, a matrix of department-specific costs and project costs is justified.

As part of the development of the initial CRM platform (performed in 2012-13), the Department of Information Technology (KCIT) defined specific use cases, a.k.a. “patterns”, common to specific types of constituent interactions. These patterns were designed in a manner that aligns to common business requirements and service scenarios. In addition, that initial project defined a data architecture that includes data that is shared for all constituent interactions, data that is common to most interactions but is not shared, and the ability to create or integrate with data that is unique to an agency or operation.

When developing a solution as part of the CRM Expansion Project, agencies will be required to pay a percentage of the project costs. That percentage will be based on how closely their request and requirements align to the functions and patterns that are known to be common to other agencies, and thus the solution will either reuse existing application functionality or will contribute functions that can be obviously shared with and will benefit other agencies.

To directly and explicitly meet the policy direction of the King County Council, and also achieve the service objectives of King County, the CRM Expansion Project will adopt the following financing plan and cost allocation model related to all CRM Expansion Project development work:

Cost Allocation Tier	% Paid by Project	% Paid by Agency	Functional Solution Criteria	CRM Strategic Alignment Criteria
Tier #1a: Extremely Common Functionality	90% (reflecting estimated project costs associated with deploying shared platform)	10% (reflecting estimated costs of customizing functionality)	Functionality aligns to “constituent correspondence tracking” use case; Leverages existing features, tools and plugins; Customization limited to UI options and agency specific routing	Uses core CRM tenant; Leverages common data model; Supports enterprise constituent management reporting and metrics tracking
Tier #1b: Enterprise Solution	90% (reflecting estimated project costs associated with deploying shared platform)	10% (reflecting estimated costs of customizing functionality)	Solution will be immediately deployed to multiple departments and agencies for an “enterprise” business issue/challenge (example: public disclosure request management)	Uses core CRM tenant; Leverages common data model; Supports shared reporting and metrics, though that reporting may relate to the specific function this solution addresses
Tier #2: Common Functionality with Custom Requirements	75% (reflecting estimated project costs associated with deploying shared platform)	25% (reflecting estimated costs of customizing functionality)	Custom functionality needed for agency-specific requirement (example: integration with a business system); Moderate customization of UI, data, and/or workflows	Uses core CRM tenant; Leverages common data model; May restrict access and reporting to limit ability report on service levels and track metrics
Tier #3: Unique Functionality within the Shared Platform	Actual project costs associated with deploying shared platform	Actual costs to develop unique functionality	Functionality unique to one agency/operation; Significant degree of functional customization; Functions unique to that agency will be paid by the agency	Uses core CRM tenant; Leverages common data model; May restrict access and reporting to limit ability report on service levels and track metrics
Tier #4: Unique Solution	0%	100%	Solution fully customized; Little to no alignment of functional requirements to any other solution.	Environment and data is either logically or physically independent from the enterprise CRM instance; Very little to no mutual benefit of data

This financing plan creates a model whereby the "central rates" funded project pays for solutions that will be broadly utilized by any and all agencies throughout all of King County, and directly supports the strategic goal of improved constituent services, while all participating agencies also pay for their unique functional needs, and for the reasonable costs of leveraging the enterprise CRM solution.

3. KCIT CRM SERVICE COST MODEL

King County's CRM platform is a cloud service, and as such ongoing operational costs are aligned to a per-user licensing model. This is different than KCIT's traditional application service model, which has typically defined ongoing operational and maintenance costs as a total cost of operation for the specific application, to be charged to customer departments.

For the CRM service, KCIT will employ a hybrid cost model that aligns actual costs to a per-user cost model, while providing an option for customers to enhance their use of CRM on an ad hoc basis.


In this way, the department has their ongoing costs pre-determined based on their custom needs, with total flexibility to pay for only the service they need to support their users and operations.

For 2015, the CRM service price model will be as follows:

Item	Description	Allocation Model	Service Cost
Base CRM Platform	Provisioning of CRM platform and agency instance, including: <ul style="list-style-type: none"> • Service center/tier 1 support • Workstation/tier 2 support • Application/tier 3 support • Technical vendor support • User account administration • Internet platform access • Outlook and email communication integration • Office product/tool integration • Management and testing of vendor-initiated upgrades, releases 	Per user cost	\$520 per user per year
Vendor Licensing	Vendor pricing for PaaS cloud product	Per user cost	\$500 per user per year
Department CRM Instance Support	Support of departmental requests to augment application functionality on an ad hoc basis, which may include: <ul style="list-style-type: none"> • New data integration with KC business systems • New interface/web portal development • New development of activity/ management reports • Quarterly testing and releases of requested enhancements 	Business Solution Service ad hoc development cost model	\$130 per hour

4. 2014 CUSTOMER CERTIFICATION

The customers below have agreed to begin adopting the enterprise CRM application, and desire to engage immediately in the project to develop, configure, and deploy CRM to meet their constituent relationship management objectives.



Daryl Hunt
Manager, King County Institutional Network (I-NET)
Department of Information Technology

8/14/14

Date



Tre' Maxie
Chief Deputy Assessor
Department of Assessments

8/14/14

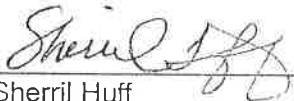
Date



Caroline Whalen
Director and County Administrative Officer
Department of Executive Services

8-15-14

Date



Sherril Huff
Director
Department of Elections

8/13/14

Date

Attachment 1

Anticipated Cost Sharing of CRM Deployment to Date

	Public Records Request	External Relations	Assessors (Ph 1)	Assessors (Ph 2)	Assessors (Ph 3) (under development)	Elections	I-Net (under development)
Project Cost	\$ 99,470	\$ 69,200	\$ 45,596	\$ 16,544	\$ 47,570	\$ 85,837	\$ 86,005
Finance Tier	1b	3	1a	2	1a	1a	3
Agency Contribution ¹	\$ 9,947	\$ 25,366	\$ 4,560	\$ 4,136	\$ 4,757	\$ 8,584	\$ 27,000
How solution aligns to enterprise benefits	This is an Enterprise solution used by all Executive departments, with over 70 users within 30 days of go-live	Solution leverages the enterprise data model; Required custom development to create a classification of users related to "partners" and provide reporting based on partner definitions	Solution very closely aligned to the "Constituent Correspondence Tracking" use case, involving phone and email constituent contact and populating the enterprise data model	An addition to the "Constituent Correspondence Tracking" for a 'quick entry' form that may be reused by all other agencies	Development of an online web form, still utilizing the "Constituent Correspondence Tracking" use case and contributing to enterprise data	Solution very closely aligned to the "Constituent Correspondence Tracking" use case, involving phone and email constituent contact and populating the enterprise data model	Contributes data to the enterprise data model; Custom development required to manage I-NET customers and align their inquiries to their service and support contracts

¹ Amount for Assessors (phase 3) and I-Net are estimated based on planned project cost

IT Project Benefits Achievement Plan (Version 2)

Section 1. What are the purposes of the Benefit Achievement Plan (BAP)?

1. To achieve a clear understanding and focus on the benefits of a project prior to its beginning
2. To update projected benefits of the project as it moves through stages of project approval, implementation, and post-project closure
3. To establish accountability for identifying and achieving benefits
4. To ensure that benefits are achieved

To complete this document fully, please read all of the colored sections and fill in the white cells. For assistance in completing this form, please contact your PSB analyst.

King County Department/Agency Name	King County Information Technology Department
Project Title	Enterprise Customer Relations Management (CRM) Expansion
EBS Project Number	748977825

Section 2. Business Owner Accountability

Business Owners are responsible for achieving project benefits and ensuring this Benefit Achievement Plan (BAP) is regularly updated and completed when benefits are achieved. Business Owners are required to be at the deputy department director or higher.

Business Owner Name and Title: Natasha Jones, Customer Service Director, and Bill Kehoe, Chief Information Officer

Section 3. Who is involved in developing the Benefit Achievement Plan?

The development of the BAP should include significant involvement from the business operations or management staff related to this project and the services it will support. Consider involving staff who will be using the technology to help identify the benefits of the project. KCIT business analysts or technology project staff may assist in benefit identification and documentation. List the staff who contribute to the benefit achievement plan below:

Name	Title / Agency	Project Role
Natasha Jones	Customer Service Director, King County Executive	Project Sponsor
Bill Kehoe	Chief Information Officer, KCIT	Project Sponsor
Dale Hartman	SDM, Elections	Pending customer
Steve Larsen	Chief Administrator, DAJD	Pending customer
John Bodoia	Chief Financial Officer, DNRP	Customer
Phillip Sit	Communications/Outreach Coordinator, DOA	Pending customer

Section 4. When should the Benefit Achievement Plan be started, updated and completed?

The BAP is intended to be an iterative, evolving document that will be updated as the project evolves, as information is refined or scope changes, and when benefits are finally achieved. Department and agencies

(the business owners of project benefits) are required to update this document at the following times or actions:

1. To support initial project request during “gate two” phase of conceptual review.
2. For the annual Benefits report that PSB compiles.
3. To support funding release requests. If there are no changes, simply indicate “review only” in the revision table.
4. When a material scope change is identified and reported.
5. Up to one year after project completion and then annually until it is determined by the business owners that anticipated benefits have been achieved or no further benefits are expected.

Once the project is complete and benefits are achieved and reported, no additional reporting is required.

Please update the document online. Do not delete your previous text. Update the text as necessary and date those updates. Make sure that you upload the updated version to Innotas. The intent is for this single document to show the history of benefits over the course of the project. List any changes in the table in section 5. (If there are no changes, type none)

Section 5. How long will it take to complete the benefit achievement plan?

Completion of the BAP depends on the project’s complexity. In general, it should take a few hours to complete this BAP form once there is a shared understanding of the project and what value it will bring to the County. More complex and costly projects may require more extensive analysis. To improve this process in the future, please record the time spent on this in the table below at each stage of revision:

Revision History Table

Stage	Date	Revised By	Description	How long did it take?
<i>Please use conceptual review, budget process, funding release, annual report, project implementation, or project completion.</i>	<i>Date this document was updated</i>	<i>Who did the document updates?</i>	<i>A brief summary of what changed in the document. If this is an initial draft, please indicate new. If nothing has changed, indicate “review only”.</i>	<i>How long did it take to complete or revise the form at this stage?</i>
2014 Budget Process	8/12/13	Natasha Jones	New, initial draft	4 hours
2014 Supplemental	12/11/13	KCIT/Customer Service CRM Development team	Updated to provide more detail based on 2013 post-budget decisions.	2 hours
Review of 2014 proviso	1/27/15	Jennifer Giambattista	Updated external service benefits section	30 minutes
Review of 2014 annual report	6/16/15	Council and Exec staff	Updated external service benefits to add a sentence from Exec staff	1 hour

Section 6. Description of Project Benefits

Identify the category(ies) of benefits your project will provide and include narrative descriptions of estimated benefits. The benefits of IT investments generally fit into the following four categories:

- 1) External service benefits: Improving the quality or quantity of services provided to the public
- 2) Internal service benefits: Improving internal operations, including the quality or quantity of internal services
- 3) Maintaining service levels by replacing or upgrading older technology, reducing risk of system failures, or providing regulatory compliance
- 4) Reduced cost to produce services (internal or external)

Each category is described below. Most projects will have benefits in one or two categories. If the project does not have benefits in a category, there is no need to provide information for that category.

What is the primary benefit of your project? After reviewing the benefit categories below, please identify the primary type of benefit for the project. For most projects, the primary type benefit will be Category #2 improving internal operations or Category #3 replacing or upgrading older technology.

Primary project benefit? (Check only one)

- Category #1: External service benefits: Improving the quality or quantity of services provided to the public
- Category #2: Internal service benefits: Improving internal operations, including the quality or quantity of internal services
- Category #3: Maintaining service levels by replacing or upgrading older technology, reducing risk of system failures, or providing regulatory compliance
- Category #4: Reduced cost or cost avoidance to produce services

Category #1: External service benefits: Improving the quality or quantity of services provided to the public. This category is intended for projects that directly benefit the public. This includes improved quality of service, such as faster response times and better access to services for the public.

The above examples are summaries. Please respond to each question listed below rather than provide a summary.

1. *Describe why you expect the proposed IT investment to produce the benefit(s).*

Expanding CRM to other Executive departments and Separately Elected offices will reduce turn-around time on customer responses, improve King County's ability to provide a seamless, coordinated customer experience when customer inquiries involve multiple departments, and reduce staff time tracking responses to inquires and providing consistent responses to resident or customer requests.

This will improve the customer and employee experience overall and possibly free up employee time for more value-added work. Benefits will also likely vary due to the flexibility of the system, which will be used differently by some departments, based on business needs. But in most cases, benefits will relate to tracking customer inquiries for follow up or closure.

2. *How will you measure the benefit(s)? (How will you know if the benefit has been achieved?)*

By a reduction in repeat calls for information, a reduction in staff time spent on duplicative responses, a reduction in resident calls to multiple departments, a reduction in complaints related to delayed or inconsistent information from county departments.

We will use data from the CRM system to better track complaints, responses, and time to closure of new requests or incidents.

Most departments have no current baseline set due to a lack of a robust tracking tool for customer contacts. If no current baseline data for customer contacts exist, each new CRM implementation group will work to gather such data during the first month of deployment to help set baselines and goals for improvement in subsequent months. With each rollout of a CRM application tracking customer inquiries, the project will establish a baseline, target, and expected benefit achievement dates for at minimum, response time and time to closure of new request.

3. *What is the current baseline for this measure?*

There is no current baseline because departments are currently siloed and using disparate systems for customer tracking. We can use the bi-annual resident survey for some measure of baseline on resident perceptions of county customer service in a general sense. In the last survey, residents ranked our service level between 2-3 on a five point scale. Post-CRM implementation, we expect to see this increase.

Most departments have no current baseline set due to a lack of a robust tracking tool for customer contacts. If no current baseline data for customer contacts exist, each new CRM implementation group will work to gather such data during the first month of deployment to help set baselines and goals for improvement in subsequent months. Additionally, with each rollout of a CRM application tracking customer inquiries, the project will establish a baseline, target, and expected benefit achievement dates for at minimum, response time and time to closure of new request.

If baseline data does not exist, the project may establish the initial implementation period as the baseline and target improvements from that baseline.

4. *What is the target for this measure? (How much improvement will this project achieve?)*

This will vary by department and will need to be quantified by increased efficiencies in work groups using CRM. Each department will take a baseline of response time, complaints, etc. before implementation of CRM.

We are working on setting countywide standards or baselines for customer response times.

We expect to see the bi-annual resident survey customer satisfaction results increase.

Most departments have no current baseline set due to a lack of a robust tracking tool for customer contacts. If no current baseline data for customer contacts exist, each new CRM implementation group will work to gather such data during the first month of deployment to help set baselines and goals for improvement in subsequent months. With each rollout of a CRM application tracking customer inquiries, the project will establish a baseline, target, and expected benefit achievement dates for at minimum, response time and time to closure of new request.

5. *When is the benefit likely to be achieved?*

Benefits such as improved customer experience are likely to be achieved within three to six months of CRM implementation, assuming that business processes are aligned with the system, rather than current, possibly inefficient processes being simply dropped into CRM for implementation in a new tool.

Most departments have no current baseline set due to a lack of a robust tracking tool for customer contacts. If no current baseline data for customer contacts exist, each new CRM implementation group will work to gather

such data during the first month of deployment to help set baselines and goals for improvement in subsequent months. With each rollout of a CRM application tracking customer inquiries, the project will establish a baseline, target, and expected benefit achievement dates for at minimum, response time and time to closure of new request.

Category #2: Internal service benefits: Improving internal operations, including the quality or quantity of internal services. Be sure to explain the value of such improvements to your operations.

The above examples are summaries. Please respond to each question listed below rather than provide a summary.

1. ***Describe why you expect the proposed IT investment to produce the benefit(s).*** *Wider deployment of Microsoft Dynamics CRM will improve customer service by creating a central hub to serve as a clearinghouse for constituent requests – making sure we get back to people in a timely manner, get them the correct information from the first contact, and create more efficient workflow so we handle requests effectively.*
2. ***How will you measure the benefit(s)? (How will you know if the benefit has been achieved?)*** *We should measure the benefits on the turn-around time for responding, a lower number of people handling each inquiry, and comparison of before and after implementation staff time to handle the average inquiry.*
3. ***What is the current baseline for this measure?***
In most cases, there is currently is no baseline and one will need to be set prior to implementation.
4. ***What is the target for this measure? (How much improvement will this project achieve?)***
It is expected to save several hours per week per staff member currently assigned to respond and track customer issues. This total will vary by department or division implementing CRM.
5. ***When is the benefit likely to be achieved?***
This is likely to be achieved within six month of implementation and training.

Category #3: Projects that maintain service at current levels by either replacing or upgrading older technology, reducing the risk of system failures, or providing regulatory compliance. If the project will result in improvements to external or internal services or cost savings, please note those benefits in the appropriate categories.

1. *Describe why you are proposing to upgrade or replace existing technology. Please include age of existing technology and the average life cycle replacement for this type of technology.*
2. *If the primary reason for the project is risk reduction project, please estimate the probability of the risk or describe how likely it is to occur.*

Category #4: Reduced cost to produce service (external or internal) or cost avoidance

This category is for those projects that will reduce the costs to deliver a county service (external or internal). The information provided here should be consistent with the information in the cost-benefit analysis (CBA) form. Please describe how the cost savings will be used by your organization. This category also includes cost avoidance. Cost avoidance is those costs that the County would need to pay, has the capacity and intent to pay, but will be avoided due to the project.

***Example: Reduced cost to produce service.** If this project to install accounts payable software is approved, we will automate three tasks that are currently done manually by agency and central purchasing employees. Based on experience of other users of the software, this will reduce processing time from the current average of ten days to less than one. This will allow us to take advantage of prompt payment discounts for over \$15,000,000 of annual purchases. These discounts average 2%, yielding annual savings of about \$300,000. This will result in savings in department expenditures for those items qualifying for prompt payment discounts.*

***Example: Cost Avoidance.** Moving to this new vendor that uses a SaaS product, we will avoid the need to upgrade the system to the newest version which goes end-of-life at the end of next year. We were required to make this upgrade due to regulatory reasons, so this represents a cost avoidance of \$100,000.*

The above examples are summaries. Please respond to each question listed below rather than provide a summary.

1. Describe why you expect the proposed IT investment to reduce costs?
2. How will you measure the cost reduction or cost avoidance? (How will you know if the benefit has been achieved)
3. What is the current baseline?
4. What is the target for this measure? (How much savings will this project achieve)
5. When is the cost reduction likely to be achieved?

Section 7. Benefit Achievement Summary

Benefit Achievement Summary

***To be completed when benefits have been achieved or no further benefits are expected.** For each of the benefits you identified above, explain whether benefits were achieved at target levels. Please include both quantitative measures and qualitative descriptions of benefits, including any monetary benefits. Use the measures identified above. If not achieved, explain why.*

***Example:** This project, to repair an emergency radio tower, was successfully completed in April 2014. The anticipated benefit was to maintain current service levels at 99.999% up time for an additional five years. This project is currently functioning at 99.999% up-time and will report annually for the next five years on up-time levels.*

If one of these towers failed physically, the cost to the county would be enormous, generally in the

neighborhood of \$500K - \$1 Million per tower depending on the construction techniques and size. User agencies on the emergency radio system will benefit by having infrastructure systems in place that will be assured of not experiencing catastrophic failures due to lack of maintenance.

Example: This project to automate accounts payable software was implemented and did improve the processing time average. The average time was reduced from 10 days to 2 days, not quite reaching the 1 day target. Additionally, only 20 percent of purchases received a prompt payment discount resulting in less cost swings than anticipated. We did not meet the target because there were fewer purchases that qualified for prompt payment than originally estimated.

Example:

Metric Description	Metrics	Baseline	Target	Actual
<i>Reduce cost to deliver service. This project reduced processing time from the current average of ten days to less than one allowing us to take advantage of prompt payment discounts.</i>	<i>Processing Time annual savings, and percentage of purchases receiving prompt payment discounts</i>	<ul style="list-style-type: none"> • 10 days processing time • 10 percent of purchases are receiving discount • Savings of \$100,000 	<ul style="list-style-type: none"> • 1 day processing time • 30 percent of purchases are receiving prompt payment discounts • \$400,000 savings 	<ul style="list-style-type: none"> 2 day processing time 20 percent of purchases are receiving prompt payment discounts \$200,000 savings