



ENHANCING CONSTITUENT PERCEPTIONS WITH CRM FOR PUBLIC SECTOR

ADVANCING BEYOND EFFICIENCY AND
SERVICE IMPROVEMENTS

By using software solutions to enhance customer relationship management processes, governments can improve performance toward the levels constituents are accustomed to receiving from the private sector.



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EXECUTIVE SUMMARY

MEETING RISING EXPECTATIONS – AND SHAPING PERCEPTION

The world is changing for organizations that serve the public. Demands for accountability are greater than ever, media scrutiny is growing, citizens are increasingly disengaged from the political process, and time-pressed constituents expect responsive services. Government is becoming more global, and work processes are rising in complexity as various branches of government recognize the need to collaborate. The role of public sector organizations is being transformed from provider to manager as governments outsource services and establish partnerships with businesses.

To address these issues – not least being rising expectations for value delivery – efficiency and service improvements are fundamental. By using software solutions to enhance

customer relationship management (CRM) processes, governments can improve performance toward the levels constituents are accustomed to receiving from the private sector.

But to truly succeed, governments must go beyond improving basic cost saving and service effectiveness to shape constituent perceptions about programs designed to serve them. Innovative CRM processes – akin to marketing and sales processes in the private sector – can build on an understanding of needs that is based on hard data. By enabling such CRM processes with software solutions, governments can build communication campaigns that help shape the public's perceptions and advance the value delivered.

“In addition to the benefits it provides citizen-facing functions, CRM has a positive impact on improving operations and management decisions. By adopting a CRM strategy, government agencies can achieve a host of benefits when it comes to streamlining business processes and analytical capabilities.”

Datamonitor, *CRM and the Move to Constituent-Centric Government*, Reference Code DMTC2179, March 21, 2008.

SHIFTING REALITIES FOR PUBLIC SECTOR ORGANIZATIONS

THE INFLUENCE OF THE PRIVATE SECTOR

Constituents expect better service, and they want to interact in the way they choose.



High performance in the private sector is a key factor driving change in the public domain. The private sector has made great strides in measurably improving customer satisfaction across a vast range of products and services – and thus continues to set the bar for public sector performance. Competitive pressure is emerging in areas such as education and mail delivery services, causing governments to become more aware of the fact that they are no longer monopoly providers. Constituents have new power to withdraw funding for programs that don't deliver. They can leverage Web 2.0 tools, participating in social networks that can help induce public organizations to change. If dissatisfaction persists, these constituents can complain to the media or vote with their feet.

Toward a Complete View of Constituent Interactions

These shifting realities are placing heightened demands on public sector organizations, which need to gain

greater insights into the concerns and expectations of constituents. To this end, public sector organizations must more proactively communicate with citizens to explain new programs and secure feedback. Governments must gain a 360-degree view of constituent interactions across touch points in various agencies, enhancing efficiency and service orientation. In short, they must undertake many of the same types of steps that any private sector organization would take to enhance customer satisfaction and improve market share.

Unique Challenges and Measures for Success

But, to be fair, public sector organizations face entirely different constraints; they cannot choose to serve only a specific demographic segment, for example, and are accountable not to shareholders but to the public at large. Public sector organizations must allocate scarce resources among essential services, evaluating trade-offs that can affect

public safety and economic stability. The measures for success encompass economic, social, and political value that cannot be captured in the private sector's bottom-line-oriented ROI calculations.

These organizations typically face substantial resistance to change from constituencies and even from within; and they encounter security concerns that dwarf those of most private enterprises. Nonetheless, private sector experiences inevitably shape constituents' expectations for public sector performance.

EFFICIENCY AND SERVICE IMPROVEMENTS ARE FUNDAMENTAL

REALIGNING OPERATIONS AROUND THE CITIZEN

Citizens are becoming more conscious of the value received for the taxes they pay and demanding more services from governments – and costs are rising all the while. Thus, efficiency is paramount: governments must learn to do more with less. And they must secure the goodwill of the public. They must ensure that citizens understand how new initiatives are saving money while effectively allocating resources.

Constituents also expect better service, and they want to interact in the way they choose. They may not want to be restricted to business hours to question a parking ticket, for example: today's public may eschew the telephone and service window and interact only through a Web interface. And in a follow-up to their requests, constituents expect favorable experiences interacting with agents, high degrees of accuracy, and on-time fulfillment.

Constituent Relationship Management – A New Approach

So how is it possible to deliver service excellence in such an environment? Some public sector organizations are adopting “e-government” initiatives, realigning operational activities around the citizen to enhance service levels. A key component of these programs is often a CRM solution – or, more aptly for the public sector, a **constituent** relationship management application.

A key component of best-in-class CRM solutions encompasses case management, which is highly important for service effectiveness in the public sector.

A CRM solution can provide the mechanisms to help capture a complete view of each constituent. A CRM-based workflow automation can streamline service fulfillment processes, enabling people to apply for certain licenses online, for example, and triggering the workflow to execute identity verification and payment collection. A CRM solution can contain knowledge bases that better equip agents to answer inquiries about complex matters like taxes – and enable self-service so that constituents can find answers on their own.

Addressing Large and Complex Caseloads

A key component of best-in-class CRM solutions encompasses case management, which is highly important for service effectiveness in the public

sector. Functionality supporting case management is particularly applicable to organizations with increasingly complex caseloads – including tax management and fraud investigations.

CRM software can support case management activities that encompass establishing a file when an issue is raised, identifying the resources necessary to resolve it, managing the case's transactions, and closing the case when it's resolved. The software can also provide visibility to those servicing the case while ensuring that security is maintained. Finally, tools for predictive data analysis can be used to identify opportunities for improvement and generate reports for officials to review.

CRM solutions can provide an infrastructure that ensures that all cases are handled appropriately, helping ensure accuracy and compliance with statutory requirements. Indeed, with the ability to attend more closely to individual cases, the bureaucracy can gain a more human face – and support buy-in from the public.

SHAPING PERCEPTIONS, MANAGING OPPORTUNITIES

THE PUBLIC SECTOR'S ANALOGUE TO MARKETING AND SALES

In the private sector, companies initiate marketing campaigns to shape the perceptions of their prospects and pursue sales activities such as identifying and qualifying leads. CRM solutions support these activities, streamlining processes and supporting profitable growth.

In the public sector, core activities require efficient use of resources and continually enhancing services. But today, efficiency and effectiveness are only the baseline; agencies must in addition pursue activities analogous to commercial sales and marketing. They must foster a shared vision of potential benefits to society and ensure that the right constituents are informed and can respond. They must shape perceptions and manage opportunities, communicating to the public necessary elements of programs – such as new public health initiatives or campaigns to attract foreign

investment. This is key to ensuring that the public understands the initiatives and supports the continuation of the programs designed to benefit society.

As in the private domain, a CRM solution can improve the ability to engage an audience. It provides mechanisms for running campaigns to promote the value of programs and services, monitor responses, suggest refinements using analytical tools, and manage budgets. It can support forecasting demand for new services and following up on specific opportunities.

The Importance of Analytics

Analytics are key to meeting these objectives. Public sector organizations can discover opportunities that might otherwise not be apparent. For example, one public health agency examining

emergency room records at a local hospital discovered a connection between elderly patients with hip and ankle fractures and a style of bedroom slipper with poor traction. The agency then mounted a campaign to encourage its elderly constituents to wear slippers with rubber treads, succeeding in dramatically reducing the incidence of broken bones among that population.

Using analytic tools in conjunction with CRM, public agencies can better respond to such opportunities. Agencies can more clearly understand the links between campaigns and outcomes achieved and refine the approach for the future.

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ENABLING END-TO-END PROCESSES IN THE PUBLIC SECTOR

INTEGRATING CRM APPLICATIONS



Successful public sector processes depend on data typically stored in CRM software, including case histories and information about campaign results. Of course, the execution of these processes depends on more than CRM-based data alone. Information about staff resources available to address inquiries and budgets is essential to ensure the streamlined fulfillment of requests. Thus, integration of CRM applications with other public sector enterprise software is the best approach.

But more than data needs to be integrated. To be successful, constituent relationship management should be viewed in the context of end-to-end processes, optimizing the way service is interwoven into activities across agencies. For example, when designing a new environmental initiative, appropriate training across state and local levels must be integrated into the mix. If human capital considerations are an afterthought, the end-to-end process will stumble no matter how well specific new programs are designed.

“In today’s commercially oriented world, it has become a trend among public agencies to treat constituents as customers who expect top levels of service.”

Datamonitor, *CRM and the Move to Constituent-Centric Government*,
Reference Code DMTC2179,
March 21, 2008.

SAP FOR PUBLIC SECTOR

A PLATFORM FACILITATING BEST PRACTICES

As part of the SAP for Public Sector solution portfolio, the SAP® Customer Relationship Management (SAP CRM) application provides best-in-class functionality for public sector organizations striving to deliver operational excellence. With support for constituent-facing services across multiple interaction channels, SAP CRM improves processes, transparency, and communication with constituents.

As in the private domain, a CRM solution can improve the ability to engage an audience.

SAP CRM is integrated with the full array of SAP for Public Sector solutions supporting best practices in tax and revenue management, government procurement, and more. Thus, the SAP for Public Sector solution portfolio allows organizations to enable complete end-to-end constituent-facing service and opportunity management processes.

CRM software from SAP has helped public sector organizations in more than 50 countries meet these needs. To learn more, call an SAP representative today or visit us on the Web at www.sap.com/industries/publicsector.

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