CITY OF Burlington

SUBJECT: Update on customer centric digital architecture and customer relationship management (CRM)

TO: Corporate Services, Strategy, Risk & Accountability Cttee.

FROM: Burlington Digital Service

Report Number: BDS-02-24

Wards Affected: All

Date to Committee: April 8, 2024

Date to Council: April 16, 2024

Recommendation:

Receive and file burlington digital service report BDS-02-24 providing an update on Customer Centric Digital Architecture and CRM; and

Approve the single source procurement of the Microsoft Dynamics 365 Minimum Viable Product as a pilot for our CRM software replacement for up to a total of $200,000 with Microsoft as the software provider and MNP as the implementation partner, as further outlined in this report; and

Authorize the Manager of Procurement Services to execute any required contract(s), with the content satisfactory to the Executive Director of Legal Services and Corporation Counsel and issue any required Purchase Order(s).

PURPOSE:

Vision to Focus Alignment:

- Providing the best services and experiences

Background and Discussion:

This report provides a progress update on the Customer Centric Digital Architecture and CRM as committed to in the BDS-04-23 and BDS-12-23 staff reports.

Customer Centric Digital Architecture Implementation

On April 18 2023 Council endorsed the Customer Centric Digital Architecture Blueprint proposed by staff. The blueprint outlines the objectives of the Customer Centric Digital Architecture, emphasizing the development of foundational, common, and reusable platforms; while maintaining agility, flexibility, and innovation. This approach is designed to enable City to effectively address the increasing demands and expectations of customers in the contemporary digital era, as well as adapt to various disruptive factors that necessitate change.

The picture below illustrates the scope (highlighted by red rectangular lines) of the common platforms we will establish and the priority.
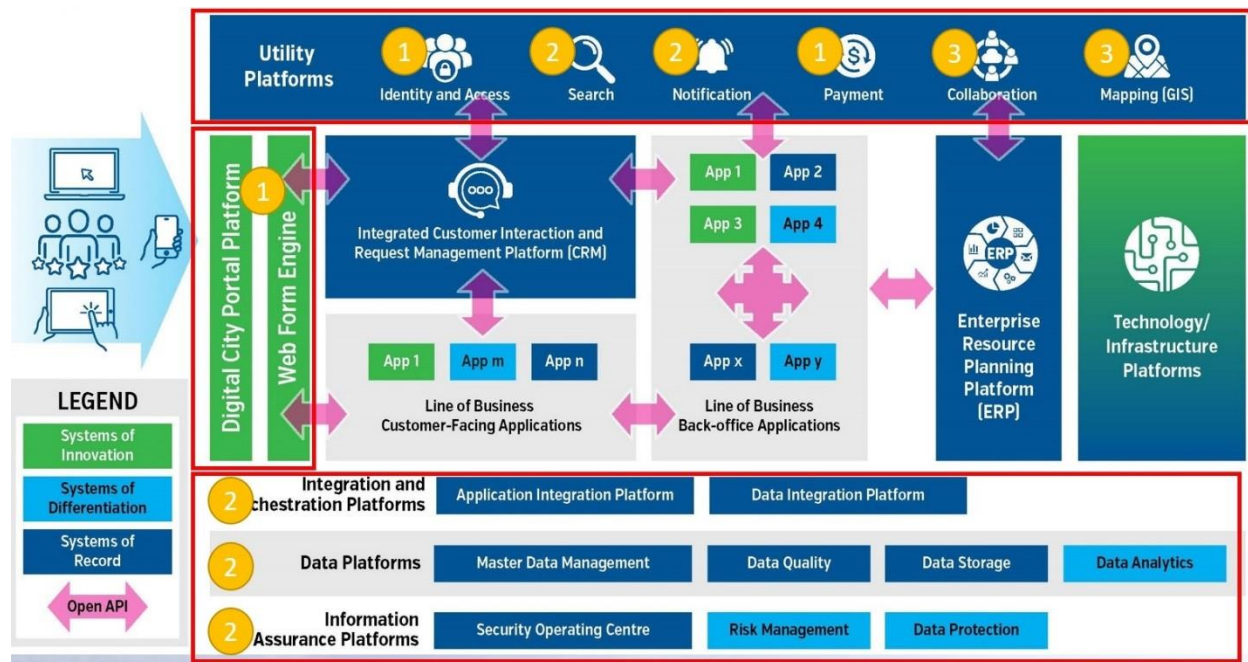
Capital funding $850K was approved by Council for inclusion in the 2024 budget to implement the following key digital platforms from the architecture above:

- Customer Identity and Access Management (CIAM) platform
- Consolidated city portal and web form platform

CRM Re-Platforming

Council also endorsed, as recommended by staff through report BDS-04-23 and BDS-12-23, adopting and migrating to a new Customer Relationship Management system

(CRM) software platform. As a result, service rollouts onto the current CRM have been paused with Animal Services being the final business area onboarded in June of 2023.

In preparation of the new CRM platform, in Fall of 2023 staff completed a user experience discovery exercise which involved all functions within the city that use and/or support CRM:
- Office of the City Clerk
- Animal Services
- Transportation Services
- Transit
- Roads, Parks and Forestry
- Customer Experience and Service Burlington
- Corporate Communications and Engagement
- Digital Services

The discovery included one-on-one interviews, group workshops and online surveys.

The report from the discovery initiative addresses customer experience improvement opportunities, an operational assessment, notes and highlights from interviews and surveys. The assessment provides improvement opportunities for Resource, Process, and Communication where 'Resource' relates to the City's human and material assets; 'Process' denotes the organized steps taken to accomplish specific goals, and 'Communication' involves sharing information within the City and with external entities.

The last update report, BDS-12-23, indicated that 2024 scope for CRM re-platforming would be to identify a platform which potentially meets the needs identified in the Customer Discovery report; experiment, and then validate through a Minimal Viable Product (MVP) approach similar to a 'pilot'. The outcome from the MVP will provide input into the budget and resource planning for 2025 when the full implementation of the new CRM platform is expected.

Strategy/process/risk

Customer Centric Digital Architecture Implementation

A consulting firm was hired in March 2024 to assist City staff with conducting a service discovery before the implementation of the Customer Identity and Access Management (CIAM) platform and service. The discovery is expected to be complete by the end of April 2024.

Objectives and outcomes of the discovery project are:

Project Objectives	Expected Outcomes
To develop a clear and shared understanding of the City of Burlington's (COB) CIAM vision, business needs and expectations for all key stakeholders and partners.	A shared understanding of business requirements which form the foundation for the target environment and solution.
To understand and document the current processes and technical platforms that comprise the existing COB digital service environment	A documented current state of the COB digital service environment, inclusive of people, processes and technologies.
To determine the target business and technical requirements for CoB's CIAM platform and services. Based on these requirements, define the required business processes specifically in the functional areas of registration, validation/verification, authentication, authorization, lifecycle management and administration.	Defined processes and procedures necessary to support the stated requirements and ongoing operation of the future state CIAM platform and services.
To develop a target state architecture, design and set of technical requirements that will support the business and technical needs and expectations of the City of Burlington's stakeholder community.	A target state technology framework, architecture and requirements that are effective, flexible, scalable and standards-based, and supports the business needs of the CoB stakeholder community.
To ensure all stakeholder expectations are understood and managed.	All stakeholders view the project as a success.

As for city portal and web form consolidation, planning is in progress and staff are preliminarily recommending using Microsoft Power Platform as the strategic technology tool as the future technology standard for City's portal and web form platform.

Further updates on both initiatives will be provided in the broader Digital Business Strategy update planned for the May cycle of Council.

CRM Re-Platforming

The focus for 2024 is to leverage funding available from the previous CRM implementation project to conduct a Minimal Viable Product (MVP) that only leverages out-of-box functionality of an industry-leading CRM tool. The current existing City CRM

tool has been customized to the extent that small business changes or software version upgrades become difficult to accomplish. Another key issue for the current CRM tool is that it covers more functions than what City requires in the context of CRM, as the term "CRM" has such a large scope, and it means different things to different people. The scope of this MVP will be based on the outcome from the user discovery exercise mentioned above, and will be focusing on By-Law department with the following areas:

- Business licenses
- Pool permits (done in collaboration with another department)
- Sign permits
- By Law Inquiries

Staff are recommending partnering with Microsoft on this MVP and using Microsoft's Dynamics 365 as the technology platform. Microsoft has identified and selected its preferred certified partner, MNP Digital, to assist with the implementation. The total cost of this MVP will be no more than $200K including software licensing of $50K and professional services of $150K, which is within the immediately available funding set aside for the existing CRM effort.

Software licenses acquired through the MVP are for one year only and can be removed ("true-down") should the outcome from the MVP determine that Dynamics 365 is not the appropriate technology platform. In addition, if that is the case, Dynamics 365 will be excluded from consideration for any future procurement.

The MVP target is a production-ready system that can continue to be used by By-Law department beyond the MVP period if Dynamics 365 proves to meet our needs and we determine to move forward with the platform. If the MVP is successful, any expansion and rollout to other City departments will be conducted through an open procurement process.

Options Considered

There are multiple vendors in the market available for both web portal and CRM functions. When selecting technology tools, instead of "best of breed" approach, the City's strategy is to seek a balance of common technology platforms and how well the tool will fit into the existing technology ecosystem, the strength of the solution in the market, the user experience, the software licensing cost, contract management effort, and staff training and support needs.

Gartner is the world-leading independent IT research and advisory company. Each year it publishes a series of reports called "Magic Quadrants" which rank technology vendors in each solution category in terms of their market share, functionality, cost, and adoption risks. The latest Gartner Magic Quadrant in CRM Engagement Centre category, related to our efforts, establishes four vendors in the leader's quadrant:

Among the four vendors, Microsoft is the only vendor City has an existing strategic partnership with including an Enterprise Licensing Agreement valid until 2027. City has been partnering with Microsoft to modernize the way we deliver services to our customers, with the most recent notable example of the AI-powered digital assistance called "CoBy". As a result of the strategic partnership, Microsoft contributed CAD $70K in the last year to City projects enabling Data Analytics, Advanced Cybersecurity Measures, Artificial Intelligence and Cloud. For this MVP, Microsoft is committed to contribute another $15K to fund a portion of the implementation cost.

One key advantage of selecting Microsoft technology is ease of integration among existing City technology solutions. Microsoft Dynamics 365 is part of Power Platform, and Power Platform is part of the overall Microsoft MS365 and Cloud ecosystem. Integration with other City critical services such as email, Teams, SharePoint, OneDrive are native and minimal effort.

Additionally, City staff have been undertaking training to learn how to implement and support advanced Microsoft technology, especially Power Platform. Utilizing Microsoft for this MVP will allow City staff to apply existing knowledge and minimize effort to learn another technology platform. This approach will also reduce support and vendor management efforts.

With respect to migration to a new platform, the City's existing CRM platform provided by a third party is a highly customized on-premise solution built upon Dynamics which differs from Dynamics 365 which is Cloud based. Despite the differences, migrating from Dynamics on-premise to Dynamics 365 is less effort than migrating to a completely different tool, and ensures minimal waste of effort from previous projects.

Software licenses acquired through the MVP are for one year only and can be removed ("true-down") should the outcome from the MVP determine that Dynamics 365 is not the right technology platform. In addition, if that is the case, Dynamics 365 will be excluded from consideration for City's future CRM in planning for 2025 and required procurement.

Financial Matters:

Total Financial Impact

Customer-centric Digital Architecture Implementation

$850K

CRM Re-Platforming

$200K

Source of Funding

Customer Centric Digital Architecture Implementation

Capital funding approval for 2024.

CRM Re-Platforming

Funding from previous CRM implementation project.

Climate Implications:

Not applicable.

Engagement Matters:

Several City departments have been engaged and will continue to be engaged closely in defining the scope of the Customer Identity and Access Management service and the CRM re-platforming effort.

Other external partners, such as City of Brampton, as well as private sector partners such as Gartner and Info-tech, have been consulted.

Conclusion:

Staff is seeking approval from Council on:

Engage Microsoft and its preferred certified partner MNP Digital to design and implement a CRM minimal viable product (MVP) for By-Law department. If MVP is successful and funding is granted for 2025, follow open procurement to select the implementation vendor to complete the rollout of the new CRM.

Respectfully submitted,

Chad MacDonald
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Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.