

Future Gazing Future Shaping

A series of research reports exploring innovation, transformation and the future of housing delivery

Report 3: **Learning from others**

November 2016



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Introduction

Assessing innovation and transformation

In September 2016, Altair and 3C launched a sector-wide research project which asked sector leaders to provide their views on what the future looks like and identify how their organisations were currently working to bridge the gap. In particular, we sought to identify and determine:

- The key drivers for transformation in the sector
- What the typical housing organisation will look like in 2025
- How organisations are tackling those drivers by transforming their businesses
- Best practice approaches being adopted by providers
- Innovative thinking that could be applied from outside of the sector

The main aims were to provide a snapshot of the sector at present, and also to give a valuable source of information to help inform organisations thinking about how they can effectively transform their services for the future.

This work has been developed using a number of activities:

- A sector wide survey – which attracted over 70 responses from organisations across the sector (including England, Scotland and Wales)
- Follow up interviews with Executives from over 20 organisations
- Desk top research to identify best practice, innovations and transformation activities.

Rather than provide the answers on exactly how housing providers should be transforming, each of these reports are intended to stimulate discussion and debate on the possibilities for the future.

Based on the outputs of this review we have developed a series of three reports. This is the last in the series and highlights what can be learnt from the transformation and innovation activities currently being implemented by others.

Background

Transformation activities and a baseline for innovation

Through our research we have found that sector leaders predict that the environment for housing will be very different by 2025. All organisations will need to be fully digitalised, supported by an agile workforce able to respond to changing demands and pressures. To get to this vision without risking being left behind, housing providers will need to embark on a journey of change to ensure they are able to operate in a very different way.

We have identified that nearly 94% of organisations are currently implementing or are planning to implement a transformation programme. The key drivers appear to be delivering efficiencies, responding to customer demands and delivering a new corporate strategy. Meanwhile, reviewing processes, organisation culture, customer service standards and developing digitalised approaches seem to be the most common change initiatives covered in these programmes.

Nevertheless, while digitalisation is viewed as a major facet of how housing services will be delivered in the future, a significant minority have not included digital in their change programmes (34%). Moreover, 34% consider their organisations to only be 'digital beginners', 27% do not currently have a digital strategy in place and 36% do not have a target in relation to the proportion of transactions they are hoping to shift online.

In this report we focus on identifying particularly innovative ideas that organisations can consider to help transform the way they operate. As detailed in our previous report, in general the sector is slightly behind the curve, compared to others, in terms of digitalisation and modern service delivery.

There are therefore a number of areas of 'innovation' which all across the sector should look to adopt as the baseline. These include:

- Fully digitalised service offer, providing customers with the opportunity to self-serve at a time, location and through a channel which suits their needs
- Greater use of big data to plan, shape and deliver services to customers (e.g. to predict what equipment is needed on repairs vans, to plan resources in contact centres to meet call demand etc.)
- A flexible workforce, supported by technology that enables individuals to access and update live customer data from any location
- Implementation of a robust Customer Relationship Management tool that enables organisations to provide a seamless service to customers

Some in the sector are already exhibiting best practice in these areas. But there are still a large number of organisations where these types of initiatives would act as a robust baseline for innovation.

Against that context, this report focuses on identifying what can be learnt from others, both in and out of the sector, to support innovation and transformation activities, with a particular focus on technology and modern ways of working.

Case study – Domino's Pizza – Becoming a technology company

Domino's share price has increased by more than 500% in less than 3 years and now has a market capitalisation in excess of \$5 billion.

This success is in large part due to the willingness of the company to adopt a robust approach to digitalisation. Domino's doesn't talk about technology as solely an enabler or a means to an end, it considers itself a technology business.

More than half of all orders are now placed online through any device and allows you to track your pizza being made and delivered, including via the Domino's Robotic Unit; an autonomous pizza delivery robot that is being introduced.

The company facilitates and encourages customers to contribute and/or crowdsource the creation of new pizza recipes and has over 1 million Facebook likes.

This success has been astonishing, particularly for a company with a small product base. But it has in large measure been thanks to Domino's adopting some quite simple innovations afforded by current technology.

What are housing providers doing to stay ahead of the curve?

Technology based innovation

The opportunities provided by technology are well documented, and they are not just limited to channel shift and providing services online. Digitalisation can relate to all areas of an organisation and there are a number of interesting innovations currently being trialled, tested and implemented by the sector.

Some examples include:

Wearable technology:

- Wearable technology has been available for a number of years now and it is common for individuals to use smartphones, watches or other specific devices to monitor fitness activities etc. Similar technology that has been available through telecare services has been used by care and support providers for a number of years to help vulnerable individuals to easily notify a contact centre of an emergency.
- However, as technology advances, the opportunities are increasing. For example some organisations are trialling GPS wearable technology to help keep track of individuals with dementia. Others are using wearable technology for preventative uses, such as monitoring the heat of rooms and heart rates of vulnerable individuals to help spot if any issues are likely to develop. Similar technology can also be used to keep track of whether individuals have taken their medication (by opening pill boxes).
- A2Dominion has also recently opened a new supported housing scheme for those living with dementia. The scheme trials a range of innovative technology, including the use of smart watch technology, which controls the elevator to ensure the resident is returned to the right floor, by beeping to indicate proximity to their front door.
- Although quite tactical innovations, the main benefits include helping organisations to monitor individuals remotely (enabling efficiencies) as well as helping to promote a greater feeling of independence amongst customers.

Virtual Reality:

- Virtual reality, technology that enables you to be in a completely immersive computer-generated environment, is usually associated only with the gaming industry.
- Indeed, some estate agents and private developer are beginning to experiment with VR to test how it can be used in the lettings process to enable activities such as virtual viewings for homes. This can be beneficial for remote viewings, enabling more efficient work practices and supporting individuals with access issues to see more properties quickly.
- In June 2016 Places for People also announced they were planning a pilot scheme of smart homes as a way of proactively managing tenancies. One example they are looking into is how moisture sensors could support them to predict and prevent mould issues. These may even be able to provide evidence of occupancy variation.
- In the future, it is likely that such technology could be accessible on mobile devices, meaning there is potential that residents could carry out virtual viewings from the comfort of their own home.

Drones:

- Amazon's high profile 'Unmanned Aerial Vehicle' (UAV) or 'drone' tests captured the public imagination and have raised awareness of this increasingly widespread technology. Drones may be remote controlled, or self-piloting. They are often equipped with cameras to allow images and videos to be captured, and may include other sensors (e.g. for temperature, moisture or sound).
- In 2015 Network Rail set up a 'Drone Framework', awarding contracts for four companies to provide Remotely Operated Aerial Vehicle (ROAV) services. Network Rail will use the map data provided by the

drones to improve track maintenance and boost field worker efficiency while reducing the amount of working at height required on Network Rail's assets.

- The same technology can and is now being used in the housing sector - with the main application being to support asset management teams when surveying properties. Further details are provided in the case study below.

Case Study – Walsall Housing Group – Use of drones

In August 2015 Walsall Housing Group (WHG) received permission from the Civil Aviation Authority (CAA) to use drones to carry out property inspections. The group are expecting savings of around £20,000 a year from being able to inspect roofs without erecting scaffolding. In addition there are clear health and safety benefits from drone rather than human inspections at height. Within the housing sector, drones could therefore be more widely used to reduce the cost of housing repairs and to undertake survey work. As well as for property inspections, drones may have uses in development site surveys and mapping, and energy efficiency thermal surveys.

Advances in technology are providing opportunities which stretch beyond just channel shift and online services. The opportunities are only really limited by creativity.

Variety in operating models

As detailed in the Future Gazing section, by 2025 we're likely to see a wide variety of organisation types in the sector. There won't be a one size fits all approach, and organisations will need to develop operating models which are very specific to their own individual context.

We are already beginning to see this take place, with quite different operating models and approaches to service delivery being implemented. For example:

- Bromford has adopted an operating model which is based on generic officer roles (called Neighbourhood Coaches) to provide a single point of contact, reduce handovers and to enable the creation of a highly personal relationships with customers.
- Conversely AmicusHorizon has moved away from patch based officers and instead has centralised teams of highly skilled specialists, supported by a skilled contact centre that acts a triage service and aims to resolve customer queries at first point of contact. There are also generic offices in the model, which are entirely mobile and work is allocated to the officer who is available to take the next query. All of this has been made possible through a very comprehensive and powerful Customer Relationship Management (CRM) tool that is highly visible and enables teams to record and view interactions with customers with ease. The focus of this type of model is to make best use of available resources and ensure that staff are fully utilised / flexible to meet demand.

These are two quite different models and each has its own set of strengths and challenges. Going forward many organisations will be needing to review their existing operating models to ensure that they work effectively.

Digitalisation of services provides a significant opportunity to achieve efficiencies. There will be a question as to how organisations take advantage of these efficiency gains – for example should they be reinvested in service delivery or used to build more homes?

Case Study – GE – Example of transforming operation model

GE is over 124 years old with a market capitalisation in excess of US\$270Bn and nearly US\$500Bn (which by design is 50% lower than it was 5 years' ago).

GE has and continues to totally transform the way that it operates. Throughout its history, GE has been an owner, user and trader of both industrial and financial assets.

At the core of its recent transformation is the recognition of that the key to Return on Assets (RoA) is the intelligent use of data through all stages of asset life. In particular, predictive maintenance is the key and to do this, it has built an immensely powerful analytical platform called Predix. Through the system, GE connects assets to the cloud and each other and uses apps to optimise their use and anticipate incidents and breakdowns.

GE is often recognised as being a best practice case study in effectively using digitalisation to transform the way that it operates and renew the business.

Using customer insight to improve relationships with customers and drive efficiencies

Organisations have begun to use real-time customer feedback in order to improve their services, by making use of customer relationship management (CRM) systems as a social media listening tool. For example:

- Orbit have done this by adopting a platform developed by customer engagement specialists, Rant & Rave. Rather than using traditional surveys, real-time feedback allows staff to respond to concerns raised by customers quicker and more efficiently. Customers share a comment and score their experience via text message, email, or via a voice recording after receiving a service. The scores and comments are then analysed in real-time and presented back to staff using specially designed Fast Feedback dashboards.
- Family Mosaic is also developing an approach to resident involvement that ensures customer insight is at the heart of their business decision-making: using big data, social media, complaints, behaviour research and scrutiny, feedback and consultation to inform their service and business improvement.

Data is a powerful tool and making better use of it in the future to help plan and shape services will be essential to all organisations.

Case study – Disney – Customer experience

In recent years Disney has embarked on a strategic direction which has seen the organisation wholeheartedly embrace digitalisation to help ‘put the magic’ back into the customer experience.

There are many ways Disney has achieved this. The most visible is through a personalised ‘MagicBrand’ for every guest at its theme parks and hotels. Using ‘MagicBrand’ Disney is able to provide a personalised customer experience to individual. This includes easing individuals through (virtual) queues for rides, automating transactions and freeing up staff (i.e. cast members) time to focus on ‘magic moments’ such as spontaneous birthday celebrations for children (with birthdays and locations identified using data held in MagicBrand).

Disney’s approach to technology can be summarised as transforming the customer experience, driving operational efficiency, personalising connectivity and cross-channel interaction.

What can organisations learn from other sectors to help transform?

The President of the Institution of Engineering and Technology, Professor Jeremy Watson, recently acknowledged that there is a need to ensure that “innovations are used where they are needed, not just in the sector in which they were created”. He also highlighted some outstanding examples of “horizontal innovation”, for instance how Formula One technology is now benefiting neonatal care.

As supported in our interviews, the housing sector is often perceived to be behind the curve in terms of innovation. Other sectors such as retail, banking, social media and even local government are often cited as being quicker to adopt new working practices and make better use of technology.

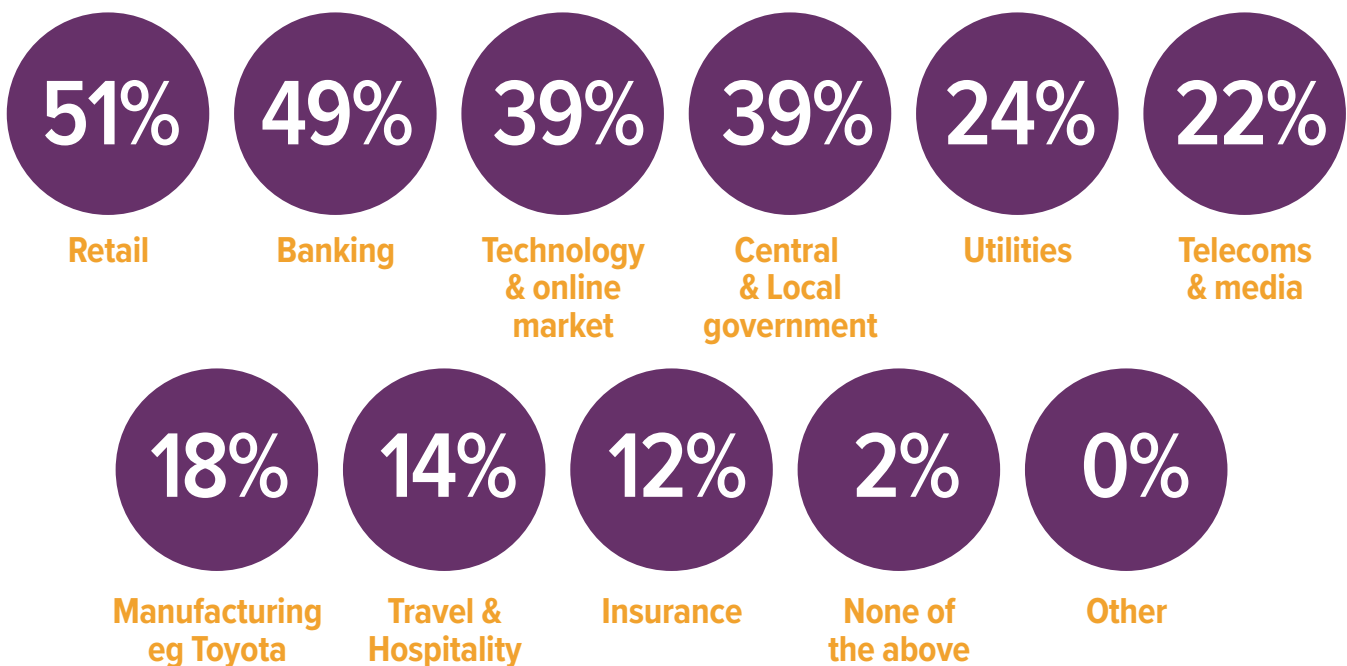
Learning and applying ideas from others is therefore a crucial mechanism in order to improve services. As one interviewee put it is “95% of what we do is done in other sectors, but we persist in thinking we are special and can only find answers within the housing sector”.

Some in the sector have already seized the opportunity to directly team up with private companies to collaborate and develop their approaches to service delivery. For example, Halton Housing Trust has collaborated with O2 through their Open Digital partnership to give customers online access to a range of services, such as paying rent, arranging a repair or managing a move.

In this section, we have therefore focused on what others are doing in their sectors and how this could be transferred to housing.

Looking for inspiration

And as part of the survey we asked which sectors housing providers look to for innovative ideas that can inspire and shape transformation activities. The results are shown below.



We found that the key sectors housing organisations were learning from are retail and banking; with around half of respondents saying they have learnt from these types of organisations the most. Many also look to technology and online market places, as well as central and local government.

With this in mind we have looked into what other interesting trends in innovation are currently taking place that may be used to help shape the housing provider of 2025. Some themes are provided below.

Future of contact centres

The increase in digitalisation of services over the last decade has seen the role of contact centres evolve quickly. In some cases, (e.g. Amazon, UK Government) the focus and investment in customers accessing services through digital channels has seen traditional contact centres almost completely disappear. In these organisations, there has been an increasing focus on using technology to retain customer information and preferences. This means when customers return, organisations are able to remember previously input details; from payment information to 'favourite' shopping items.

In other instances (e.g. First Direct, Sky, Virgin, O2 etc.) organisations have retained contact centres but the model is very different to what it was even five years ago. While traditional contact centre staff would only receive calls from customers, contact centres in organisations such as O2 are now responsible for managing and responding to customers across a range of channels i.e. receiving calls and web chat.

Contact centres have also invested in automated response systems, known as 'chat bots' that recognise key terms (either over the phone or via chat) and are able to provide a response to customers, usually via a 'virtual agent' which provides a human 'face' to the automated response.

Nevertheless, contact centres have often been subject to increasing criticism due to the way their customers are treated. The culture of contact centres is therefore a key issue for organisations such as First Direct who have recognised that the consistency of experience provided by contact centres is essential to customer satisfaction. To help achieve this, initiatives such as those listed below have been implemented:

- First Direct has applied a very selective recruitment process which actually only sees around 1% of applicants being appointed. The process is less focused on technical expertise and more focused on ensuring that staff are appointed with the softer skills required and buy in to the culture First Direct want to develop.
- Organisations across a number of sectors have invested in the working environment of contact centres. This includes a move away from the typical open plan, fixed desks office design, to more relaxed office environments (including soft seating, private rooms, desks etc.) where staff using wireless headset are able to choose to work from.
- Some organisations such as the AA are moving towards 'virtual contact centres'. Under this approach contact centre staff work from home rather than an office. Homes are fitted with the required technology and individuals are able to work in the comfort of their own home. This is also enabled by the cloud which untethers managers from their usual workplace, so they have the freedom to manage their team from a remote location without having to read through huge performance reports. The benefits of this approach include reduced office costs and increased employee morale. It also provides the opportunity for a more flexible approach to employment, with more individuals working the busy periods of the day (e.g. morning and evening), whilst taking the quieter periods of time off. Likewise, if there is an unexpected surge in calls, individuals can easily be requested to work to cover the busy period.
- A general move by many to 'upskilling' contact centre staff, with a shift away from transactional service delivery to a focus on resolving customer queries at the first point of contact.

The vision of a fully digitalised and automated organisation may significantly reduce or even remove the need for contact centres in the future. In the meantime though it is clear that the trend is for contact centres to become more dynamic, customer focused, skilled service areas that are able to respond to customers' questions and needs first time across a mix of channels.

'Internet of Things' and business analytics

The 'Internet of Things' (IoT) is a concept which has rapidly gained traction in recent years. The idea is that most new technology that we buy has some link to the internet and increasingly software and sensors are controlling more of what once was done by humans, often more efficiently, conveniently, and cheaply. This includes many relatively mundane home items such as fridges and toasters. These products access huge amounts of data and are able to transmit them back to a single source for analysis and in some instances, they also interact with their environment, by for example enabling users to control items in their home remotely via their smart-phone.

In 2014 PwC identified that the IoT movement was underway, and established that a number of sectors including utilities, energy and mining were already investing heavily in sensors. Examples of current uses include:

- Devices are now available that can learn how customers use their heating and set up a heating schedule accordingly by learning patterns in behaviour, by for example learning you have an empty house every other Friday, to ensure the heating comes on at the right temperature and duration. They can also connect to your Wi-Fi to enable it to consider online weather forecasts, with also sensors that allow it to detect if anyone is home.
- Tailoring advertising in public places to individuals close to the advertising board (using data provided by smartphone devices)
- Smart motorways use data on traffic volumes to alter road speeds to keep traffic moving. More broadly, Bristol is Open is currently developing the first "programmable city" by combining the Internet of Things with its high-speed networks in order to use data such as information on traffic and pollution, to change how the city works.
- Amazon are introducing wireless buttons that order replacement household essentials at the push of a button. You can place the button near to where you store the items and when it is running low, activating the button will order replacements with Amazon Prime. The service can also be automatically built into products, for example printers that order new cartridges when low on ink, or water filters that order replacements when their usable life come to an end.

The potential application for housing is huge.

Many of the respondents to the survey highlighted this to be one of the main themes for 2025. The main benefit will be in linking home components such as boilers so that they can transmit data to make the organisation aware of usage and, by using analytics, they will be able to predict when repairs will be needed.

As well as transmitting data to enable analysis, they may also be able to support customers to report repairs more accurately and cheaply via automated processes on their smart phones. Sensors and technology may even be intuitive enough to transmit data to contractors, so allowing them to order the component parts needed for the repair without any manual interference.

Data transmitted from ‘smart’ homes could also be useful for organisation in areas such as monitoring to ensure that heating is being turned on by vulnerable resident during cold periods, or supporting organisations to deliver sustainable and ‘green’ housing initiatives.

Gamification of services

The gamification of services is a recent initiative employed in a number of sectors aiming to increase customer engagement and participation. The basic concept is to engage customers in a ‘game’ which either provides the organisation with valuable data or promotes brand loyalty or retention.

This is likely to become an increasingly useful device for organisations that target services at specific customer segments (e.g. millennials). The impact of cultural trends on individual behaviours such as the recent ‘Pokemon Go’ game are clear to see. Organisations in various sectors (e.g. bars, coffee shops, retail etc.) quickly realised the opportunity to monetise ‘Pokemon Go’ by increasing footfall, through the sponsorship of rewards locations outside of their shops.

Other examples include organisations that have provided staff with wearable technology and provided rewards for staff who cover a certain number of steps within a set period of time. Others include providing rewards to customers who get involved in marketing campaigns on social media which help to promote specific brands or products.

Case study - Nike+: Gamification

The Nike+ platform which allows people to track, share and compare exercise statistics with other users via a smartphone, is an example of the use of ‘gamification’ to promote customer engagement, brand loyalty and positive behaviours.

‘Gamification’ refers to providing services to customers in the form of games, which leverage the psychology of motivation to make users motivated to perform tasks which they may not otherwise have been interested in. Gamification often uses the ‘PBL’ (Points, Badges, Leaderboards) framework; as with Nike+. Other examples include Samsung Nation, M&S’s Sparks card and Crowdrise.

The Nike+ platform, launched in 2006, fosters a supportive and competitive community of like-minded individuals, key features of the platform include the ability to track health and fitness activity through Nike + accessories; such as shoes and watches, leaderboards comparing performance, key statistics and coaching, and personal best tracking. The app has seen Nike’s market share grow by 14%, with over 13 million service users.

In the housing sector, gamification has the potential to turn routine tenancy activity such as paying rent, reporting repairs, etc. into more engaging, rewarding tasks. A PBL model could offer reward points for positive tenancy behaviours, such as prompt rent payment, setting up direct debits, reporting vandalism / fly tipping, and engaging with customer surveys. Points could be converted to real world rewards (such as vouchers) or service extras (such as access to better service standards). Points could also be collected through engagement with broader housing support services such as employability, or ASB management could also be included.

Badges could be used to drive particular time limited behaviours, for example getting customers to test their boilers in late summer, so that boiler repairs could be scheduled prior to winter heating being turned on, or responding to a consultation. This gamification could result in creating tenants who are more invested in interactions with their landlord and encourage positive behaviours.

The 'Gig' economy

The gig economy is also a relatively new development, which in summary is an approach which enables individuals and organisation to take advantage of temporary and short term positions. The main benefit is identified as being that individuals are able to develop a portfolio of work interests, whilst organisations are able to only incur costs for staff as and when they are needed.

The approach has proved to be attractive for a wide variety of individuals. For example, it is valued by individuals at the end of their careers who want to develop greater freedom and flexibility. However, it is also particularly popular amongst 'Generation Y' (i.e. those born in 1990s) who are less attracted to the traditional career structure and 9 to 5 working practices.

Case study - Uber: The Gig Economy

Since its launch in 2010 Uber has had a radical impact on the taxi industry. As of August 2016 the service was available in 66 countries and 507 cities worldwide. In London the disruptive impact was evidenced by extensive Black Cab protests against Uber, which brought traffic to a standstill in February 2016.

Uber is an example of innovative digitalised service delivery. Their app allows users to request and pay for their taxi as well as track their taxi's location in real time. Features that allow fare-splitting and the rating of both customer and drivers contribute to a responsive service for customers.

Foremost, the key innovation of Uber is that it functions as a 'middle man', rather than an employer. Uber screens taxi drivers, who provide and maintain their own cars and connects them to customers through the Uber app. Drivers receive an Uber smartphone and Uber takes a percentage cut of the fare. As all drivers are independent contractors, Uber reduces costs and drivers are able to work flexibly to suit their lives.

The approach isn't however without its challenges. For example, organisations like Uber have relied on their drivers being classified as self-employed. A recent ruling however has stated that the drivers should in fact be classified as employees, leading to a number of implications for Uber around their responsibilities for those individuals. This ruling has only recently been announced and it will be interesting to see how Uber and other organisations which have adopted a similar approach react.

The gig economy won't be for everyone but it does highlight a change in the way individuals will potentially want to be employed in the future. For example, one recent survey in the United States suggested that by 2020 nearly 40% of the workforce would be employed through a gig economy approach.

For housing organisations, the 'gig economy' may provide an opportunity to develop a flexible, locally based staff resource at a lower cost than traditional employment routes. Where roles are low skill, and can be supported by easily available digital tools (such as an app which can be downloaded to a smart phone), local agents could take these on. Examples of flexible services that could be provided include basic handyman services, communal cleaning, property inspections, and visits to vulnerable tenants.

The housing provider of 2025 will need to be aware of these developments to ensure that it is able to operate in a way that enables it to attract and retain appropriately talented staff.

New approaches to organisation design

Organisations in the housing sector (particularly for frontline delivery) have typically stuck to one of two traditional types of organisation design – either specialist or generic staff. Although there has been a move to flatter and more empowering structures, these two basic starting points have remained the most popular.

As detailed in the Future Gazing section, it is likely that the approach taken to organisation design across all sectors will be very different in 2025 (driven by customer demand and cultural changes in employment preferences).

As well as options around business partner and matrix structures, a new organisation design type being developed in other sectors is called 'Holacracy'. The approach is focused on distributing authority and accountability to all staff within the organisation. It focuses on removing management structures and team silos. Individuals work autonomously within teams which work autonomously within the wider organisation. Individuals are able to evolve their roles to meet the changing demands of the business. The main strength of the approach is cited as being the ability for organisations to continually evolve and adapt to the environment.

Although Holacracy is a fairly radical example of increasing employee autonomy and accountability. Other organisations are taking slightly different approaches to achieving a similar aim. For example, Netflix has removed detailed policies and procedure statements and Virgin provides individuals with the opportunity to take up unlimited annual leave each year.

Case Study - Zappos : Holacracy

Holacracy is characterised by a move away from bureaucratic structures as well as a rejection of commonly-seen alternatives such as “flat management” arrangements. The approach been adopted by over 300 organisations, the most prominent of which is Zappos, an online shoe retailer.

Holacracy claims to put more authority and accountability in the hands of individuals and teams rather than managers. Individuals’ roles are defined around the work they do rather than dictated by a job description, and decisions are made locally by self-organising teams. There are no ‘people managers’ within the structure.

Zappos transitioned to Holacracy in 2014 with the aim of becoming a ‘teal’ organisation. Of its 1,600 employees, 17% chose to take up a severance package before the implementation. It is still too early for outcomes to have been released, but Zappos claim the new system will increase productivity and innovation. They also hope to build a more flexible organisation that will be adaptable to market change.

These changes are all designed to respond to the changing demands of employees, as well as enable organisations to become more agile and able to respond to an evolving external environment.

The introduction of Holacracy would be a radical change for housing providers, with upfront costs likely to be high. But it could provide flexible, self-managing structures. These could respond to customer issues and be adaptable to changing local issues.

Summary

There is much to learn from those organisations in the sector who are actively taking steps to stay ahead of the curve by investing, innovating and transforming beyond usual service improvement opportunities.

Given the current trajectory towards 2025, at the very least it appears that organisations should already be considering and implementing strategies that include key areas such as: digitalisation, customer service offerings and harnessing customer insight. In particular, the value of a robust and effective CRM systems in future customer contact arrangements cannot be underestimated.

Looking out of the sector we have only provided a short summary of some of the interesting innovations that are currently taking place elsewhere. Learning and applying ideas from others is a crucial mechanism in order to improve services, but the intention here isn’t to provide readymade answers for organisations in the housing sector to adopt now. Instead this is intended to stimulate some discussion and debate on how areas such as the gamification of services, evolution of the contact centre or adoption of more empowered and decentralised staffing structures could be used in the sector to continually evolve and improve the way services are delivered.

Conclusion

Future gazing, Future shaping

This piece of work was launched to understand how the sector is currently evolving to address the current challenges in the environment. What is clear is that by 2025 the sector will look and feel very different to what it does now.

Our research within the sector has shown that, driven by factors such as the need to deliver efficiencies, meet changing customer demands and implement new corporate strategies – transformation is an activity which is live to most organisations within the sector. There are also a number of exciting and innovative ideas being implemented in the sector which will have a significant impact in the coming years.

There is still however more to be done. As detailed in the survey, a large proportion of the sector still sees itself as digital beginners or conservatives. There is still much to do, even in areas that other sectors now see as the basics (e.g. a comprehensive online offer and digitalised services). As customer demand continues to evolve, it is important that the sector evolves too so that it doesn't get left behind. This is particularly important against the potential future detailed in our first report of new entrants with alternative business models entering and disrupting established organisations in the sector.

Innovation and transformation are exciting, but they can also be daunting. The truly innovative organisations often make mistakes along the way as new ideas don't work in practice. Being at the leading edge of innovation isn't right for every organisation. But all should be taking ownership of what type of organisation they want to be, what operating model they want to implement and how they want to deliver services to customers. 2025 isn't that far off, and the pace of change to get there will be fast.

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