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Date	Wednesday, 26th May 2021

Board of Trustees

Digital Transformation – 365 Upgrade Project

Report from the Chief Operating Officer and the Chief Technology Officer

FOR DECISION

Trustees are asked to note the Finance Committee recommendation of the funding request for the 365 Upgrade Project. The Trustees are asked to approve the transfer of £89,700 from the General Reserve to the Designated Digital Transformation Fund.

1. Summary

This report requests funding for an upgrade of the Institute's Microsoft Dynamics CRM to the latest, cloud-based version: Dynamics 365. This would be delivered as part of the Institute's digital transformation programme (the Infinity Programme), which is highlighted in the first foundation of the Corporate Strategy *Member services*: "Responsive and tailored member services are critical to our success. Digital transformation has begun. The continuous development of our membership database platform will enable us to personalise and automate our communications and processes so that members get the information and services that they want, when they want it, no matter where they are based."

The report sets the request against a background of continued delivery of improved ways of working, and explains the timing in the context of the work already done on the previous CRM and website projects.

This proposal was considered at the Finance Committee meeting on 5 May 2021. The Committee agreed to recommend the Trustees approve the project and funding.

2. Background

The Covid-19 pandemic has demonstrated the importance of moving to cloud solutions for business continuity, where systems can be accessed seamlessly despite a change of working environment. This year many businesses, like the Institute, shifted to remote working practically overnight. Thanks to business continuity planning and preparation, staff and volunteers smoothly adapted to this way of working, but the long term strategy needs to provide robust cybersecurity and empower users to work flexibly across the country. This is being delivered through a separate digital transformation project, Project Fusion.

For the past ten years, staff have used a remote desktop to access the Institute's domain securely. Project Fusion will bring in a brand-new way of working, with staff accessing everything they need locally. By the end of the year, the Institute will be 98% cloud-based and use Microsoft 365 hosted in Azure, Microsoft's cloud platform. Moving to Microsoft 365 will reduce the Institute's servers from 28

to eight, with a roadmap to reduce further. All core and principal systems are already cloud-based. This means that there will be no reliance on any infrastructure at Botolph Lane, but rather use the latest cloud-based productivity and collaboration software such as Teams, SharePoint, Outlook, OneDrive, Office, and the Enterprise mobility and security package. In addition, Microsoft 365 and Azure provide a service level agreement, which Microsoft financially backs.

Project Fusion will deliver additional security benefits including two-factor authentication (2FA) and geofencing (a virtual perimeter around a specific location, only permitting users from Europe to access the network). The new way of working will be flexible and scalable, supporting the Institute's business growth without costly changes to IT infrastructure, and allow for easier maintenance.

Project Fusion is being delivered by the IT Team using existing, BAU resources. There is no funding request being made to support Project Fusion. However it is relevant to the proposal to upgrade the CRM because there will be consistency between the version of the CRM and of the other applications staff will be using. By combining Microsoft 365 and Dynamics 365 it becomes a much more powerful resource.

3. 365 Upgrade Project

3.1 Proposal

It is proposed to upgrade the Institute's Microsoft Dynamics CRM version from on premises 2016 to cloud-based 365. Key objectives are:

- **Future-proofing:** upgrading will open up additional Dynamics 365 functions not available in 2016, as well as provide the ability to add new Dynamics modules around marketing, portals, insights and artificial intelligence
- **Consistency:** moving to a cloud-based system fits with other work being done by the IT Team to move all staff to a new way of working using OneDrive and SharePoint
- **Cybersecurity:** changing from privately hosted to the Microsoft cloud means Microsoft make sure it will be as secure as possible, backed up and upgraded twice a year.

3.2 Rationale

The Microsoft Dynamics CRM platform remains the right choice for the Institute. Upgrading to the latest version of Dynamics, 365, is the natural move for a unified solution that aligns with the Institute's digital transformation programme and the membership growth plan. As the CRM holds the Institute's data, its most valuable resource, it is a priority for support.

Benefits of upgrading include:

- A new "Unified Interface" which is easier to use and is the same whether the user has a PC, mobile or tablet
- Improved integration with Word, Excel and Outlook (as well as Teams and the PowerPlatform)
- Additional inbuilt functionality as standard and additional modules such as Marketing, Surveys, Insights, AI etc
- Improved features and functionality enabling staff to do more for members via the rich data provided
- New marketing tools available in Dynamics 365 which have the potential to support staff to create high impact campaigns using real-time marketing data

- Flexible licensing, which is scalable to business needs, meaning the Institute will never pay for more than it needs
- Auto-update to new features twice a year
- Hosting and automatic back up provided by Microsoft

3.3 Timing

Upgrading at the right time is as important as upgrading. In the past, the Institute has been behind the curve when it comes to IT systems and infrastructure, and upgrades have been carried out late or to fit in with a supplier's schedule. With digital transformation now running as a "golden thread" through the Corporate Strategy, support from Trustees and strong internal leadership, this is changing.

An overview of key dates is below:

- Nov 2015: Microsoft launches Dynamics 2016, the latest version of its CRM
- 2016: RTPI chooses Microsoft Dynamics as the best system for the Institute's new CRM, and tenders for supplier
- 2017-2019: development of RTPI's CRM in the tried and tested Dynamics 2016, going live Feb 2019
- 2019-2020: integration of the CRM with the new website, going live Mar 2020
- 2019-current: ongoing use of CRM by staff, development of reports and dashboards, improvements and additional small projects (e.g. DT5 GDPR module)

These show that until now there has not been an opportunity to upgrade to Dynamics 365. However they also show that Dynamics 2016 is already more than five years old: it is still supported by Microsoft, but will soon start to become outdated and so the Institute risks falling behind on system functionality. Dynamics 365, by contrast, is by now well-established and widely used. Now is the time to upgrade before carrying out further development on the CRM.

It is therefore proposed to pause work on the two digital transformation projects that have been granted funding but require CRM/website integration (DT4 Guest log in and DT6 GDPR website integration). It would be a waste of resources to carry out that development in the 2016 version of the CRM, only to have to unpick and develop again in the 365 version. Work on these projects can resume after the upgrade, which will take three months, so it is still possible to start this year.

3.4 Suppliers and their methodology

The main supplier would be the existing CRM supplier, SmartImpact. SmartImpact would be responsible for all CRM development and customisation, data migration, creation of test scripts (based on the Institute's own user manuals, already shared), initial system testing and UAT, and "training the trainer" (training for CRM Manager and key users who can then train other colleagues). As part of the scoping of this potential project, the project team assessed whether SmartImpact was still the right choice of supplier. Weaknesses (highlighted in the Lessons Learned report from the CRM build) were addressed in the planning for the upgrade. Discussions were held with Membership to make sure colleagues were confident in and comfortable with the plans. While other CRM suppliers are available, they would not take on this as an upgrade project: for them, it would be a rebuild as the RTPI's CRM would need to be re-created using their own modules, before it could be upgraded to 365. This would be considerably more expensive, take much longer and add significant complexity and risk.

SmartImpact would also work with Mentor, our website supplier, on the connections and integration between the CRM and the website, including setting up a new test website environment so that the user journey (member profile, event bookings etc) can be fully tested. Accordingly while most of the resource request is for the CRM supplier, there is a proportion required for the website supplier too.

SmartImpact have noted that some of their clients see upgrading systems as an opportunity to add in new functionality at the same time: they strongly advise against this approach. Instead, they plan to 'lift and shift' all the functions of the existing 2016 CRM, and implement them in the new 365 version. This makes testing and sign off much more straightforward. New functionality can be added later.

3.5 Costs

Following careful negotiations, the CRM supplier has agreed to a fixed price approach, which will help keep firm control over the cost. This is a different project from a CRM or website build, where there is an increased likelihood of change requests and the potential for additional costs. However, in line with the existing digital transformation projects, a contingency percentage appropriate to the level of risk has been included in the funding request. This will provide resource should the Institute require additional project time (e.g. due to staff sickness during the UAT period). Should this not be required, it will be returned to reserves. So far, the contingency has not been required for any of the digital transformation projects.

Should the request for funding be approved, the financial monitoring will be done in the same way as the existing digital transformation projects, for consistency and to maintain a record of the total spent on digital transformation. Financial reports will be made to the Infinity Programme Board and the Finance Committee.

Finally, it is worth noting that, as a registered charity, the Institute is eligible for Microsoft's charity discount on products and licences. The discount does not apply to the costs quoted here, as this is for work done by third party suppliers, but it will apply once the upgraded CRM is live.

	Item	Cost	Contingency		VAT@20%	Total	Notes
1	CRM upgrade from Dynamics 2016 to 365	60,000	15%	9,000	13,800	82,800	
2	Website integration to the CRM 365 version	5,000	15%	750	1,150	6,900	
3	Internal project management	0	0	0	0	0	Covered by existing DT Fund
4	Internal support from key staff (CTO, CRM Manager, Membership Team)	0	0	0	0	0	Covered by existing BAU budget
	TOTAL FUNDING REQUEST					**89,700**	

4. Resource implications

The committee is asked to consider a funding request from a reserves designated fund as follows:

Activity	Maximum Cost Estimate	Contingency	VAT@20%	Total Cost
365 Upgrade	65,000	9,750	14,950	89,700
TOTAL FUNDING REQUEST				**89,700**

5. Communications implications

External communications will be required with the CRM and website suppliers, and the project team will also ensure that they communicate with each other as required to deliver the CRM/website integration. Internal communications with be required with colleagues to ensure that 1) those who are directly involved in the project (e.g. to carry out testing) know what to do when and 2) the wider staff team know what is happening when, and how it will affect them.

6. Legal implications

There are no legal implications.

7. Jurisdiction and devolution implications

There are no devolution implications.

8. Equality and diversity implications

There are no equality and diversity implications.

9. Health and safety implications

There are no health and safety implications.

10. Data protection/privacy implications

The upgrade would ensure the CRM is running on the most up-to-date, Microsoft-supported system, thus helping to maintain best practice in data protection.