

# The four key challenges in the housing sector

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How effective unified communications delivers  
a competitive advantage

## INTRODUCTION

“While the provision of affordable housing remains the core offering, many providers are undergoing radical organisational transformation, resulting from increased portfolio diversity which may include market rented properties, part buy, sales and new build.”

**The social housing sector is undergoing significant changes as it faces a number of new challenges. External factors, including regulatory and welfare reform, plus demand for new housing outstripping supply, are having a profound effect on traditional operating practices.**

The current shortage of housing is forcing providers to consider their roles and responsibilities carefully. While the provision of affordable housing remains the core offering, many providers are undergoing radical organisational transformation, resulting from increased portfolio diversity which may include market rented properties, part buy, sales and new build.

Welfare reform and universal credit are exerting increasing influence over the way that housing providers perform. In addition, the Public Services Social Values Act 2012 is exerting pressure on the sector to play an active role in the creation of sustainable and more socially inclusive communities.

Tenants are becoming more discerning customers, demanding increasingly sophisticated and personalised communication channels to engage with their provider, but also to track and manage repair histories, rental balances and interactions with their landlord. Tenant engagement and empowerment remains a high priority, as the sector strives to embrace digital inclusion.

A further factor is the changing nature of the modern workforce. The current employment market is populated with digital-savvy, socially-conscious “generation Y” resources, and housing providers need to work hard to attract and retain them. This evolving workforce has clear expectations of a work-life balance and the sector must adjust to meet the emergence of flexible working arrangements and an increasingly mobile workforce.

As a result, the principal challenge for today’s housing sector is to utilise technology that delivers business transformation while meeting stringent regulatory requirements, including the Homes & Communities Agency’s (HCA) Value for Money (VfM) standard.

Finding effective ways of using advanced communication technologies will be key to the success of housing providers, providing the foundation for responsive and seamless communications within the organisation, as well as externally with tenants, service providers and other parties. This white paper provides an overview of the key challenges currently faced by the housing sector and the benefits that can be derived from a successful unified communications implementation.

## THE FOUR KEY CHALLENGES FACING THE HOUSING SECTOR

“The potent mix of diminishing rental income and reduced central government grants is forcing housing providers to review their traditional service offering and think commercially, while continuing to act socially.”

**Much has been written about the 21st century “agile housing provider” and it is clear that those that adapt and change their working practices and processes to meet evolving market forces will be the best equipped to thrive in a challenging environment.**

Business agility in any environment requires a deep knowledge, clear understanding and foresight of the specific issues, so that effective strategies can be deployed to alleviate their impact. We have used research from a number of independent sources as well as feedback from our housing clients, to identify the four key challenges faced by organisations within the UK housing sector.

### 1. HOUSING SUPPLY

Since the economic crisis, rising house prices and demand outstripping supply have exerted huge pressure on the provision of affordable housing. Some sources estimate that 500,000 new houses need to be built every year for the next 25 years, and if demand continues, this figure could increase to as many as two million new homes required per year by 2026.<sup>1</sup>

Housing development has traditionally been grant-led and while some of the shortfall will be funded via central government, there is still a considerable gap in finance availability with little new build social housing “coming out of the ground”.

The welfare reform agenda has also presented further challenges to social housing providers, with figures identifying that pilot schemes testing the new direct payment of housing benefits show an 8 per cent drop in rent collections on average.<sup>2</sup> Other figures show that in areas where universal credit has been paid direct, there is up to 90 per cent arrears on this element.<sup>3</sup>

So this potent mix of diminishing rental income and reduced central government grants is forcing housing providers to review their traditional service offering and think commercially, while continuing to act socially.

## THE FOUR KEY CHALLENGES FACING THE HOUSING SECTOR CONTINUED

“Housing providers face considerable legacy system issues with a proliferation of mutually exclusive systems in play, used by different teams and departments across the organisation, meaning there is little or no collaboration or integration. This brings significant challenges for staff, making it harder for them to collaborate with co-workers and restricting their ability to efficiently handle tenant enquiries.”

### 2. TECHNOLOGY INFRASTRUCTURE

For many years, housing providers have operated using familiar and unchanging business processes. Software and business process applications have either been developed in-house by teams of IT experts, third-party applications have been bought and adapted to the specific needs of the provider, or bespoke packages have been bought in and evolved with the growing organisation. With a backdrop of market consolidation in the housing sector, many providers have joined forces, with numerous disparate systems and applications being used in “silos” within the organisation.

The net result is that many housing providers face considerable legacy system issues with a proliferation of mutually exclusive systems in play, used by different teams and departments across the organisation, meaning there is little or no collaboration or integration. This brings significant challenges for staff, making it harder for them to collaborate with co-workers and restricting their ability to efficiently handle tenant enquiries.

Greater investment in IT infrastructure and communication tools is required to ensure seamless working across asset management, CRM, repairs and workforce management systems. This investment is vital, if housing providers are to achieve their core business goals of better tenant communication, improved levels of tenant satisfaction and cost efficiencies. Housing providers will need to provide evidence of achieving value for money from their IT strategies as defined by the HCA’s VfM standard, with evidence showing that the HCA is taking a more robust approach to regulation.

This is something that housing providers seem to have accepted as they are currently spending around 40 per cent of their IT budgets on “business as usual” and around 42 per cent on capital or operational costs of new IT projects.<sup>4</sup>

### 3. CHANGING WORKING PRACTICES AND MOBILITY

Without a doubt, one of the greatest revolutions in today’s workplace is the increasing trend of flexible working practices. Irrespective of the sector, the way in which staff work and their location has changed immeasurably in the past ten years. Recent government data<sup>5</sup> suggests that there were over 4.2 million home workers in the UK in 2014, equating to 13.9% of the total working population, with 73.4% of the 4.2 million occupied in higher skilled roles. The days when all employees worked under a single roof are numbered with multiple sites, home and remote working all becoming more prevalent, as organisations strive to recruit and retain the best skilled workers. Thanks to the consumerisation of IT and the “always on” nature of modern life, a vast number of people have developed a new set of skills relating to mobile technology.

Alongside these new developments, employees expect the same ease of access to systems and applications and a collaborative working environment, in just the same manner as they’d get within a traditional office-based role. However, it is clear that most traditional communication techniques are largely inadequate in providing this.

## THE FOUR KEY CHALLENGES FACING THE HOUSING SECTOR CONTINUED

“Going beyond the provision of properties for people to live in and taking an active role in the development of a sustainable community, the implementation of digital inclusion is considered critical to building successful neighbourhoods.”

Finally, many housing providers are witnessing an increasing uptake among employees in Bring Your Own Device (BYOD), that when combined with an increasingly mobile and geographically dispersed workforce, presents its own challenges. However, the adoption of BYOD can deliver significant organisational benefits, empowering staff with mobility tools that accelerate service delivery, a reduction in operational costs and the opportunity for employees to work from the location of their choice without impacting productivity.

### 4. DIGITAL INCLUSION AND OMNICHANNEL SERVICE DELIVERY

The advent of digital inclusion signals a major shakeup of the sector. It is partly being driven by the Public Services Social Value Act 2012, as for the first time, all public bodies in England and Wales, including Housing Associations, are required to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area.

Going beyond the provision of properties for people to live in and taking an active role in the development of a sustainable community, the implementation of digital inclusion is considered critical to building successful neighbourhoods.

A further driver is the widespread use of smartphones and how this has affected tenant demands. Smartphones offer instant access to multiple channels such as email, social media, video and web chat, allowing tenants to contact their housing providers regardless of location and time. This could be to report an urgent issue via the call centre, log a fault online or give feedback via social media.

In responding to this, housing providers are beginning to appreciate that delivering services via a wider range of channels allows them the opportunity to deliver enhanced tenant services. In turn, this is leading to the realisation that implementing an omnichannel communications strategy can reduce call centre costs, as a result of shifting a percentage of calls to other channels, such as email, self-service or web chat.

However, some sources believe that simply using multiple channels does not go far enough and that a true omnichannel approach must be achieved.<sup>6</sup> This requires the integration of all channels into a single system to deliver a consistent experience, meaning that a tenant never has to repeat themselves to the landlord, no matter which communication method they choose to use. This also means that call centre agents have full visibility of a tenant's profile and their interactions with their landlord. For example, agents can see that a tenant sent an email about an issue a week ago and can update them on progression towards resolution.

Of course, the challenge associated with omnichannel for social landlords is achieving a single coherent set of management information, enabling the continual evaluation of service provision via a single interface. Many housing providers struggle with numerous silos of information and reports that prevent them from gaining visibility of the customer experience. Yet it is possible to achieve this with a single, accurate set of MI reports which are easier and quicker to build, deliver greater simplicity and lower the total cost of ownership.

## EVALUATING THE IMPACT OF THE FOUR KEY CHALLENGES

### 1. HOUSING SUPPLY

As the shortfall in affordable housing continues to exert more pressure on housing providers, there is a recognition of the risks to future revenue streams dependant on the public purse. This challenges housing providers to become more business-like, with the view that a more commercial focus will help to protect and grow social investment. Thinking commercially and acting socially is the order of the day.

While social housing provision remains the core business, there has been a marked increase in the provision of homes that fill the gap between social housing and home ownership. For example, in the form of market rented properties, part-buy schemes, straightforward sales and new build.

However, with greater service portfolio diversity comes the necessity to focus on business transformation, creating more streamlined, efficient and cost-effective operating processes and procedures across the organisation. More importantly, achieving seamless integration of core operational systems allows greater collaboration across departments and teams, providing a 360-degree view of service users, enhancing productivity and flexibility to meet future demands.

By nature, these commercial activities require greater investment in IT infrastructure and communication tools that work seamlessly across asset management, CRM, repairs and workforce management systems.

Challenge	Solution
Reduced rental income and increasing arrears.	Develop enhanced and inclusive tenant communication strategy.
Diversification of housing portfolio without increasing costs.	Deploy an inclusive communications platform to engage with households to understand their needs.
Achieve business process integration.	Deploy IT infrastructure and communication tools that work seamlessly with existing systems.

**EVALUATING THE  
IMPACT OF THE FOUR  
KEY CHALLENGES  
CONTINUED**

**2. TECHNOLOGY INFRASTRUCTURE**

As commercialisation of activities unfolds, it is even more important for systems and applications to communicate with each other in order to provide a single, accurate view of key data, such as the status of critical SLAs, tenant activities, and unresolved matters.

However, as housing providers have been fairly slow in adopting new technologies to unify the underlying IT infrastructure and with the steady increase in commercial activity, many key systems remain locked in silos rendering the most critical information required for day-to-day decision-making impossible to reach and out of synch.

However, it is clear that there is a strong appetite for closer collaboration between teams and key to future success is joining up all departments to offer a single view of finance, legal and facilities data via a single, easy to use interface. This is especially vital in the contact centre environment, where enhanced call handling and greater collaboration between call handlers can lead to a vastly improved tenant experience.

With the HCA's VfM standard high on the agenda, housing providers must make sound decisions about future IT investments which enable them to deliver high quality outcomes for tenants and users alike, resulting in an overall lower total cost of ownership to the organisation.

Challenge	Solution
Better tenant communication and satisfaction.	<p>Introduce the infrastructure to support on-demand access to information and omnichannel communications.</p> <p>Implement contact centre solution to improve collaboration and call handling.</p>
Achieve integrated department collaboration while simplifying network maintenance and management.	Converge data, voice and video onto a single-platform solution to achieve a 360-degree view of the tenant.
Achieve business transformation without capital outlay.	Consume communications services on a utility pricing model or proven lowest Total Cost of Ownership (TCO).
Deliver a scalable communications platform to manage future growth aspirations.	Implement Unified Communications (UC) strategy delivering cost-effective, scalable services.

**EVALUATING THE  
IMPACT OF THE FOUR  
KEY CHALLENGES  
CONTINUED**

**3. CHANGING WORKING PRACTICES AND MOBILE TEAMS**

Major advances in mobile working have been made in the housing sector, and this trend is set to continue. This has far-reaching implications, forcing housing providers to consider how they can best mobilise their entire workforce.

With workers using a myriad of devices across a wide variety of platforms, there is an opportunity to extend the full productive power of the network beyond the organisation’s firewall, empowering remote workers with the means and tools to communicate in the manner they are most comfortable.

Promoting seamless communication and the exchange of rich information across physical boundaries is vital to the future success of housing providers. Get this right and organisations will be able to leverage the benefits that improved collaboration and customer contact deliver by empowering an increasingly mobile workforce to provide a consistently superior experience - one that actively engages tenants and reinforces value.

However, most housing providers continue to operate with their people, processes and property intrinsically coupled together, restricting staff to perform their jobs effectively only when they are tethered to their office or a specific location. The solution is to “de-couple” people, processes and property, by implementing a cohesive communications and IT environment, where customer services tools and business processes are applications that can be accessed from anywhere.

Challenge	Solution
Reduce the number of separate devices e.g. mobile phone, desk phone, desk PC, laptop, tablet, while streamlining and enhancing communications.	Adopt an application-based, single device approach supporting voice, video, presence, instant messaging, etc. This should be capable of supporting a BYOD strategy, if desired.
Deliver a scalable and flexible communications platform for all employees, irrespective of location, time and working mode.	Implement Unified Communications (UC) strategy delivering cost-effective, scalable services.
Reduce overall operational costs.	Conduct detailed benchmarking of existing costs and engage with proven alternative suppliers.  Evaluate business practices to find more efficient strategies based on Total Cost of Ownership (TCO) or Whole Life Costs.



**EVALUATING THE  
IMPACT OF THE FOUR  
KEY CHALLENGES  
CONTINUED**

**4. DIGITAL INCLUSION AND OMNICHANNEL SERVICE DELIVERY**

Digital inclusion aims to give tenants simple and fast access to service provision using the channel of choice, whether that be website, live chat, call centres and video. The delivery of this vision is becoming increasingly important as generation Y drives demand for a seamless omnichannel experience, making social inclusion a key part of the housing sector’s strategy.

There is a strong desire amongst housing providers to implement digital inclusion strategies as they have a duty of care towards their tenants. However, they need to consider how any digital inclusion programme fits within their wider commercial activities.

Digital inclusion must be part of a wider business strategy where core operational systems are fully integrated with online services, in order to achieve faster access to information and issue resolution. Staff also need enhanced access, which in addition to having significant implications for the communications infrastructure, means greater accountability as the status of issues and access to ‘live’ reports and information will be available to the tenant.

However, the key to the success of any digital inclusion programme lies with a clear appreciation of how tenants want to engage and this means that housing providers must develop a thorough understanding of their needs and requirements for digital access.

Challenge	Solution
Embrace digital inclusion without compromising productivity and client service.	Implement an integrated omnichannel communication solution in line with existing working practices.
Understand household needs and get closer to tenants.	Deploy advanced communication technology to engage and encourage feedback.
Ensure a consistent tenant experience regardless of channel of communication.	Implement a contact centre solution that integrates all forms of communication channels offering a 360-degree view of the tenant.
Ensure responsiveness regardless of employee location.	Implement an integrated BYOD solution in line with existing working practices.

## UNIFIED COMMUNICATIONS - A STRATEGY FOR COMPETITIVE ADVANTAGE

"The benefits of seamless communication and collaboration are game-changing. Not only are users unconstrained and free to communicate and collaborate easily inside and outside the organisation, but IT resources can shift their focus from mundane phone system management to more strategic initiatives."

### MORE EFFECTIVE COMMUNICATIONS

The goal of Unified Communications (UC) is to break down the barriers between different methods of communication, so that individuals can communicate easily and seamlessly with each other, no matter which device or medium they choose or where the individual is located. Through a single, intuitive client, end-users take control of all their communication methods (voice, video, Instant Messaging), regardless of location, providing employees with the versatility to work smarter, where they want, when they want and on whatever device they choose. Ultimately, an effective UC solution helps an organisation to drive collaboration and productivity.

The benefits of seamless communication and collaboration are game-changing. Not only are users unconstrained and free to communicate and collaborate easily inside and outside the organisation, but IT resources can shift their focus from mundane phone system management to more strategic initiatives.

In the housing sector, effective communications are vital to tenant satisfaction and employee productivity. Whether it is handling tenant enquiries, collaborating to resolve issues or aiding digital inclusion, the utilisation of powerful, yet simple to use and manage communication solutions are a necessity. Here are a few examples of why housing providers communicate better with UC.

### SINGLE-PLATFORM INTEGRATION

Organisations using UC solutions such as IP telephony, audio and web collaboration and voicemail to email benefit from having services converged on a single platform. This allows for one-stop management and visibility across the entire communications infrastructure.

### IMPROVED ISSUE RESOLUTION AND ACCOUNTABILITY

UC integrates all communication channels into a seamless experience and in doing so empowers tenants to communicate with their landlord in the way they want or, more importantly, by the means they have available. Utilising a true omnichannel communication solution ensures a consistent experience, irrespective of the channel used. By integrating UC with back office systems, contact history is clearly visible, leading to faster access to information and the speedier resolution of issues. This is critical in the contact centre, where tenant communication can be routed to the most appropriate agent, leading to greater trust between tenant and housing provider, as accountability is clear.

## UNIFIED COMMUNICATIONS - A STRATEGY FOR COMPETITIVE ADVANTAGE CONTINUED

“UC eliminates multiple service provider contracts and consolidates the entire communications infrastructure into one bill. In addition, as housing providers introduce new offerings, such as the provision of services to fill the gap between social housing and home ownership, the communications platform must be easily scalable.”

### COMMUNICATE FROM ANYWHERE

UC isn't just limited to the office. Mobile integration and virtual office capabilities extend the power of the UC platform to remote employees beyond the organisation's firewall. For housing providers, the ability to effectively handle tenant enquiries while collaborating with colleagues leads to higher productivity. Presence functionality ensures employee availability is clear and transparent for all staff, while additional collaborative tools transform internal processes leading to increased productivity, optimised processes and the elimination of silos. Put simply, if the housing sector is serious about creating a 21st century contact centre, then the deployment of UC is vital.

### CONTACT CENTRE ENHANCEMENTS

Contact centre software can be easily customised and integrated into the overall communications platform, giving employees a unified and 360 degree view of relevant tenant information required, presented on one screen. This is particularly beneficial for expanding organisations and those that deliver tenant services across multiple locations.

### REDUCED IT STAFF COSTS

By using a UC platform, organisations can focus their IT staff on strategic, mission-critical tasks, instead of monitoring and managing complex and disparate communications systems.

### CONSOLIDATION AND SCALABILITY

Where organisations have come together rapidly, or where multiple legacy systems are in use, the number of service providers required to manage a piecemeal communications system creates an IT and administrative nightmare. UC eliminates multiple service provider contracts and consolidates the entire communications infrastructure into one bill. In addition, as housing providers introduce new offerings, such as the provision of services to fill the gap between social housing and home ownership, the communications platform must be easily scalable. UC empowers organisations to scale their operations seamlessly and efficiently without overburdening the IT department or incurring ad-hoc or unplanned costs.

### SIMPLIFYING COMMUNICATIONS FOR USERS

UC transforms the user experience by improving productivity and enabling more efficient workplace collaboration. At-a-glance availability and click-to-call functionality are embedded within an easy-to-use, common interface, so users can connect whenever work demands it. Communication can switch from an instant message to a phone call or video conference on the fly with drag-and-drop ease, saving time and allowing users to focus on core tasks. The results include faster decision-making, extended opportunities for collaboration and more effective communications.

## UNIFIED COMMUNICATIONS – THE CRITICAL IMPERATIVE FOR COMPETITIVE ADVANTAGE

### REFERENCES

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<sup>6</sup> “Omni-channel communications in housing” – Housing Technology

Pressure to achieve business transformation, evolving tenant demands, regulatory influences, increasing staff mobility and the need to reduce costs are all contributing to the ongoing evolution of the housing sector.

Responding to these challenges requires innovative thinking, a comprehensive review of business practices, and a willingness to investment in best-of-breed communication technologies. Housing providers need to consider their organisational aims, objectives and values carefully, working in partnership to establish the most critical outcomes required.

Future priorities are to improve the use of advanced technology, standardise business processes and ways of working and cost reduction. To attract and retain highly skilled staff, housing providers must pay close attention to ensuring their IT investments support flexible working practices and teams. With many housing providers venturing into commercial activities, the emphasis must be on deploying a communications infrastructure that supports effective and consistent service delivery across multiple channels.

Implemented efficiently and properly, UC delivers significant ROI and must be viewed as a game-changer by those seeking to increase business agility, decrease operating costs and improve customer service. Ultimately, UC provides the housing sector with a robust communications framework enabling providers to enhance tenant engagement, accomplish digital inclusion, achieve business transformation, improve mobility and achieve a significantly lower total cost of ownership.

The developments in resident partnership are a step in the right direction both in terms of openness and empowerment, and by utilising UC, the housing sector should see this as a time of opportunity to engage with their residents as never before.

## ABOUT INCOM BUSINESS SYSTEMS



Incom Business Systems designs award-winning business communications solutions that enable people to collaborate and work more effectively, while reducing operational costs and capital expenditure. Our expertise in voice and data convergence and contact centre technologies enables us to address the evolving requirements of SMEs, enterprises, Not for Profit and government organisations. Since 1989, Incom has been the trusted partner for thousands of satisfied clients across the UK including Audi, The Range superstores, Stafford and Rural Homes, The Salvation Army and Horizon Nuclear Power.

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