

Segmentation Project – Proof of Concept Trials

Contract Reference Number: ABN/C/1250: UI_DWP_ 100991
ePS ITT Reference: itt_19724

Terms of Reference – (ToR)

Introduction

The DWP Labour Market and International Affairs Directorate, is seeking consultancy services to support development work on new approaches to claimant segmentation.

Currently the DWP Labour Market regime is based around a simple segmentation built within the system, based on key benefits and duration of claims. DWP has previously explored the use of claimant segmentation, mainly testing the use of segmentation for identifying claimants' risk of becoming Long Term Unemployed. However these analytical models have had limited operational applications.

We now plan to test a new approach to segmentation which moves away from "risk" based approach of previous models. This new approach to segmentation will have a greater focus on matching claimants to the most effective interventions to support the claimant into employment.

We intend to undertake a "proof of concept" study to test the feasibility of this new approach. In order to do this we will firstly test the application of this approach to support advisor decision making around a specific binary decision point; whether to assign Jobseeker's Allowance claimants to weekly or fortnightly signing.

The segmentation project will be split into two phases; development and mail trialling. The development phase will run between January and the end of February, in three JCP offices (Cardiff, Poole and Bradford). The main test of the segmentation tool will be a Randomised Control Trial which will run from April to September 2014.

Aims

- The consultant will assist DWP with developing a customer segmentation tool (through peer review, advice and practical hands on engagement), drawing on their expert experience in developing and delivering such approaches.
- Developing a tool which is easily usable by Jobcentre Plus advisors in a busy and complex operational environment necessitating minimal and simple content.



- Will support operational implementation of the segmentation tool.
- To provide advice on the strategic direction for segmentation in DWP, and advise on ensuring this trial and its outputs have maximum possible positive impact here.
- To provide advice and support around remaining trial design issues.

Objectives

- To support the development of a valid segmentation tool that will support and inform adviser decision-making, is operational and has end user buy-in.
- For this trial to generate evidence which contributes significantly to the available evidence base around developing and implementing segmentation approaches.
- For DWP to receive strategic advice which clearly elucidates way forward re developing approach to segmentation. The consultant should have strong knowledge of how this is used in other organisations and be in a position to share this with DWP.
- For DWP to receive a lasting legacy, in the form of a training module, which clearly sets out the stages, approaches, and execution relating to building a working segmentation model.

Requirements

- The consultant should be able to demonstrate strong knowledge and experience of how customer segmentation is used in other organisations to best effect. They should also be able to apply this to the DWP context.
- The consultant must have practical experience of developing, deploying and testing segmentation approaches in a complex operational environment.
- The consultant must have strong knowledge and experience of trialling, working with the data which results from trialling, and thinking strategically about how to progress projects in the long-term on the basis of these.
- The consultant will report to **Information redacted – FOIA – Section 40 –Personal Data** – deputy director responsible for the DWP What Works Unit.
- The consultant should be available to work in London or Sheffield with some travel within the UK necessary, JCP site visits.

Timetable

The work will be time-bound and limited to up to 6 weeks duration with completion date fixed for 28 February.

Once a contract has been agreed DWP will support the successful contractor by facilitating access to relevant staff and data in order to gather information to inform this work.