



Vuthela

ILEMBE LED SUPPORT
PROGRAMME

VILP018A:

**STRATEGIC PLAN FOR THE FOR ILEMBE
REGIONAL CUSTOMER CARE CENTRE**

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1. INTRODUCTION

This strategy document outlines the contextual background, rationale and fundamental elements essential to establishment and operation of the Regional Customer Care Centre in iLembe District Municipality.

The contents of the strategy are influenced by the work performed in the feasibility study on the Regional Customer Care Centre initiative. The feasibility study consisted of the following:

- Customer care situational analysis
- Customer care benchmarking exercise
- Customer service charter and policy formulation
- Operational and structural modelling
- Consultative engagements with customer care, information technology and corporate service sectors of iLembe District
- Insights and advice obtained from the Project Steering Committee engagements between September 2019 and June 2020.

2. BUSINESS RATIONALE

The Regional Customer Care Centre initiative aims to overcome existing operational gaps in the customer care services, improve relationships with customers and maximise current and potential synergies between municipalities in iLembe District. The outcome of this effort is expected to elevate the service standards across all operations, thus making the region more competitive in the local government sector.

3. SCOPE OF THIS STRATEGY

All municipalities within iLembe District Municipality are participants in the Regional Customer Care initiative, and they are:

- iLembe District Municipality (IDM)
- KwaDukuza Local Municipality (KDM)
- Mandeni Local Municipality (MLM)
- Ndwedwe Local Municipality (NLM)
- Maphumulo Local Municipality (MALM)

4. ENVIRONMENTAL ANALYSIS

4.1. EXTERNAL ENVIRONMENTAL ANALYSIS – PESTEL

DIMENSION	ANALYSIS
POLITICAL PERSPECTIVE	Improved and accountable local government services are central to every political party's agenda aspiring to municipal leadership. Achieving success in this brings about progress and peace, whereas failure to deliver on the manifesto promise leads to social anarchy. This puts customer service at the centre of local government success.
ECONOMIC PERSPECTIVE	A strong relationship exists between a well-run and an economically progressive municipality. In order for a municipality to attract and retain business activities and investments, it should present itself as credible in its provision of basic services and infrastructure. Improving overall quality of service influences opportunities for economic vibrancy.
SOCIAL PERSPECTIVE	Successful rendition of services by municipalities is the only hope of most poor communities and a means to bridge the social divide between the haves and have nots. Provision of basic services bridges the social gap and contributes to social transformation and equity. Customer service indicators are a reflection of a municipality's achievement of the role it plays in social transformation.
TECHNOLOGICAL PERSPECTIVE	Technology has introduced several means for customer connectivity with institutions providing their various needs. The technology universe presents web-based applications, mobile apps and advanced digital devices (mostly smartphones) providing instant communication and transacting ability. These have become common place in customer relationship management, including in government service provision.
ENVIRONMENTAL PERSPECTIVE	Environmental responsibility has become an indicator of institutional integrity and sustainability. This reflects in the manner organisations such as municipalities manage their natural resources, water and waste control processes, etc. A municipality that is accountable in its custodianship of natural and other resources increases its levels of integrity and competitiveness.
LEGAL PERSPECTIVE	The Municipal Systems Act, amongst other Acts, presents customer service and engagement as a legal requirement rather than an optional choice. This means, municipal organizations that fail to deliver service commitments to their constituencies effectively break the law. This explains the urgency and the level of focus given to customer service in the context of the broader municipal operations.

4.2. INTERNAL ENVIRONMENTAL ANALYSIS – SWOT

STRENGTHS	WEAKNESSES
<p>a) Municipalities in iLembe District already have some customer care structure or operational arrangement in place.</p> <p>b) Municipalities in the Region are open and have started collaborating on the journey to improving customer care practices.</p> <p>c) The region has some exposure to CRM technologies and has implemented these in limited and isolated forms.</p> <p>d) The technical expertise is available to oversee and participate in the installation and operationalization of the CRM solution in the region.</p>	<p>a) Current customer care arrangements are at a low maturity level. This means, customer care processes in place are not widely enforced and practiced.</p> <p>b) Customer care skills and technology are unavailable to advance municipalities to their next level customer service.</p> <p>c) Municipal budgets in the Region are confined to provision of basic services. Financial resources to fund major enhancements in the form of facilities, buildings and technology are minimal or unavailable.</p>
OPPORTUNITIES	THREATS
<p>a) Levels of customer expectation for improved customer care experience is fertile ground for customer care solution to be rolled-out.</p> <p>b) The work already performed to advance customer contact and over experiences; as well as availability of CRM tools of different sophistication and pricing levels provides a range of choices for municipalities.</p>	<p>a) Covid-19 and other pandemics have potential of dampening appetite for investing in new initiatives.</p> <p>b) Poorly performing economy, exacerbated by Covid-19 effects, threatens availability of funding to undertake new project initiatives.</p>

5. CUSTOMER CARE SITUATIONAL ANALYSIS

The detailed analysis of the Regional Customer Care operations revealed several gaps that exist in this sphere of operation throughout the District. Indicators of these gaps are:

- uncoordinated and diverse points of entry for customers logging queries or placing service requests;
- manual capturing and tracking of customer queries (lack of automation);
- untraceable customer queries or service requests – due to a lack of information management system;
- high frequency of delayed call pick-ups and/or unanswered phone calls;
- inconsistent service follow-up and feedback to customers;
- lack of service standards to guide units in the customer service value chain;

- weak integration of workflow management between front and back-end operations;
- absence of performance controls and minimal trend analysis;
- customer walk-in centres overdue for a facelift.

As a result of the above-stated occurrences, municipalities are perpetually faced with lagging issues involving unfulfilled commitments, missing customer data, inaccurate communication, poor quality of workmanship on the ground, unresolved complaints, etc. While there are pockets of good practice, existence of unfavourable experiences underwhelms customers and tends to overshadow other good work carried out by municipalities.

6. PURPOSE OF THE CUSTOMER CARE CENTRE

6.1. STRATEGIC GOAL

The purpose of the Regional Customer Care Centre is to achieve optimal levels of maturity in Customer Relationship Management (CRM) practices by implementing and operating people, process and technology solutions designed to improve the total customer service value chain.

6.2. DESCRIPTION OF THE CRM MATURITY MODEL

The CRM Maturity Model is used to assess the organization’s CRM practices and further guides goal-setting for future improvements. The term “maturity” refers to the degree of formality and optimization of processes. The stages of CRM maturity are:

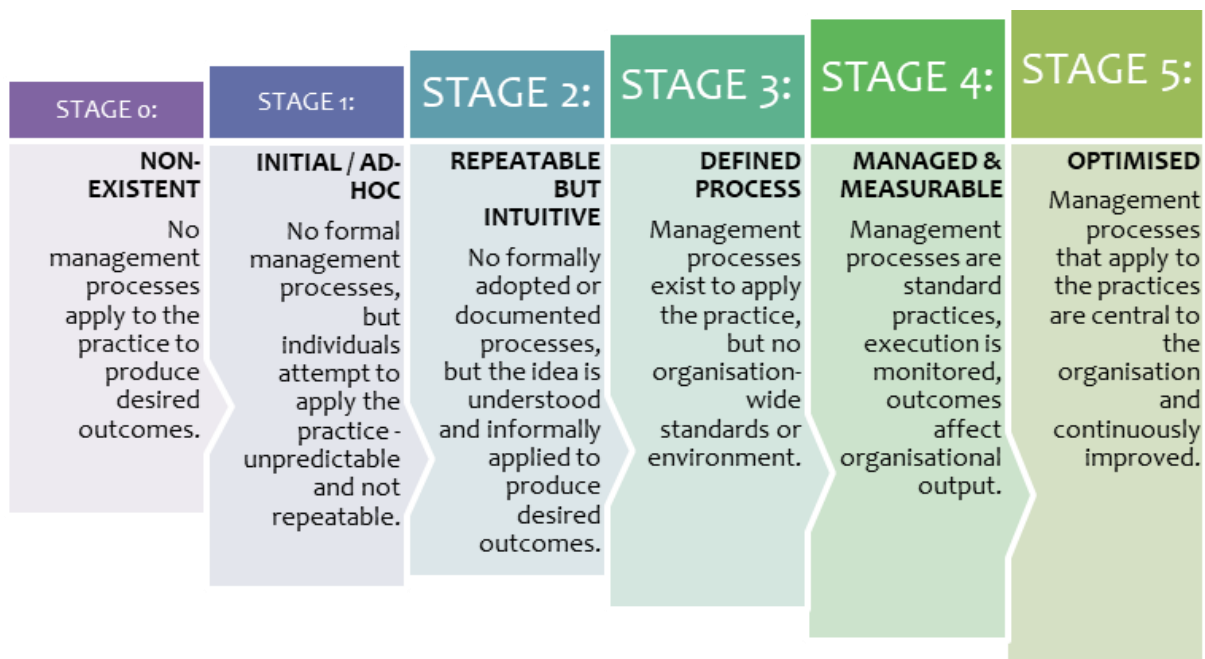


Figure 1: Gartner’s CRM Maturity Model for Enterprise (Gartner Group, 2001)

Presently, most municipal operations are between levels 1 and 3. These levels are however short of achieving customer satisfaction goals. This mostly manifests in occurrences that lead to customer disillusionment, ‘damage control’ or crisis management scenarios linked to the background stated above.

The goal for iLembe District Municipalities is to realise Stage 4 of maturity upon the implementation of the Regional Customer Care Centre.

6.3. STRATEGIC OBJECTIVES

In order to achieve its purpose, the Regional Customer Care will focus on the following objectives:

FOCUS AREA	OBJECTIVE
Customer Care Standards:	To introduce and deliver the best sector standards for customer care in order to achieve positive customer experiences across all municipal services.
Operational Efficiencies:	To create and implement coherent process flows that improve the speed and quality of output and feedback within and across iLembe municipalities.
Technological Efficiencies:	To set up a technology platform that integrates all municipalities in the District, introduce solutions that support overall information management and enable two-way communication between customers and municipalities.
Human Capital Capabilities:	To set up structural arrangements that are optimal in the delivery of the range of municipal customer services, improve customer care skills for the front and back-end personnel, and drive a customer-oriented service culture.
Revenue Collection:	To use the Regional Customer Care improvement initiative as a catalyst for improved revenue collection by maximizing the use of data and communication tools.

7. BENEFITS OF THE REGIONAL CUSTOMER CARE SOLUTION

7.1. BENEFITS TO CUSTOMERS

Improvement of overall customer experience is the principal purpose of the Regional Customer Care initiative. The implementation of this project represents a significant turnaround of iLembe District's customer care practices. It serves as an opportunity to introduce customers to a markedly improved service experience in the introduction of the following changes, amongst other improvements:

7.1.1. Single point of entry:

Customers can be presented with specific and less confusing contact information that works at each first attempt, all the time.

7.1.2. Broader range of customer contact tools:

Customers will have structured and up to date digital and non-digital means of access in order to carry out their business with municipalities.

7.1.3. Consistent standard of service:

Institutionalization of district-wide customer service charter, policy, service level agreements and process workflows should create predictable and consistent levels of service.

7.1.4. Timely information / communication:

Timely communication, as well as speedy resolution of issues will be central Key Performance Indicators (KPIs) for the Regional Customer Care Centre. These are essential ingredients for achievement of favourable customer experiences.

7.2. BENEFITS TO MUNICIPALITIES

Customers are central to the mandate of local government as this is expressed in the Municipal Systems Act No 32 of 2000, as well as *Batho Pele*; amongst other guiding frameworks. A Regional Customer Care Centre should therefore benefit iLembe District municipalities in the following ways:

7.2.1. Standardized service:

The first benefit to be derived from the regional customer care arrangement is the standardization of service across municipalities. This presents a renewed focus and elevation of the total customer engagement experience.

7.2.2. Monitoring and evaluation:

A culture of continuous improvement will be best served by rigorous monitoring and evaluation practices, to the point where the region can achieve full CRM maturity. This is critical nowadays in view of the more informed and exposed customers.

7.2.3. Technological synergies:

A collective implementation path will help municipalities avoid duplications and achieve potential savings in their acquisition and set up of CRM infrastructure and systems.

7.2.4. Human resource synergies:

In a Regional Customer Care structure, all units will work together in a systematic functional network that will serve municipalities in their individual and collective capacities. This is typically an environment of healthy competition and cooperation, encouraging cross-functional and inter-municipal learnings.

8. CUSTOMER PROFILING

A municipal customer can be defined as a business, institutional and domestic entity who benefits from one or more services rendered by municipal departments.

A municipality is expected to serve all classes of customers equally, whether they are indigent, business, institutional or domestic.

The overarching profile of the municipal customer, irrespective of category, constitutes the following characteristics:

8.1. Increased Service Level Awareness:

Customers expect to be served promptly, politely and with correct information. They get impatient if they are not assisted within a timeframe that they consider reasonable. Such expectation of service efficiency is influenced by technology that is mostly able to deliver instant results with no waiting time involved.

Also, customers tend to compare their experiences of municipal services with all experiences from other government and business services. If they are done a disservice, they are quick to identify this and voice their complaints.

Citizens also understand and will demand service delivery as their fundamental right. This puts municipalities in a position where they should upscale their delivery or face service protests and other forms of pressure to deliver.

8.2. Improved Digital Literacy:

The view held by contributors to this study is that penetration and usage of digital tools in communities has increased significantly across all social groups. This is seen in increased usage of mobile phones in general; involving messaging applications such as SMS and WhatsApp. These are used for leisure and formal purposes such as banking (e.g. e-Wallet), online shopping (e.g. electricity / data and airtime purchases), etc.

During the period of the Covid-19 lockdown, the use of digital devices has been seen increasing in performing personal service, educational and other government service transactions. Social distancing scenarios have forced speedy improvements in the use of technology to fulfil a wide range of needs, including customer service needs.

8.3. Information and Communication Expectations:

Customers need accurate and timely information that inspires confidence. Erratic and unreliable information compromises the integrity of a municipality and its internal controls. Improving the quality of data and information communicated to customers is therefore a worthwhile effort in the process of rebuilding customer confidence.

9. STRATEGY ENABLERS

9.1. CUSTOMER CARE STRUCTURE, SKILLS AND CULTURE

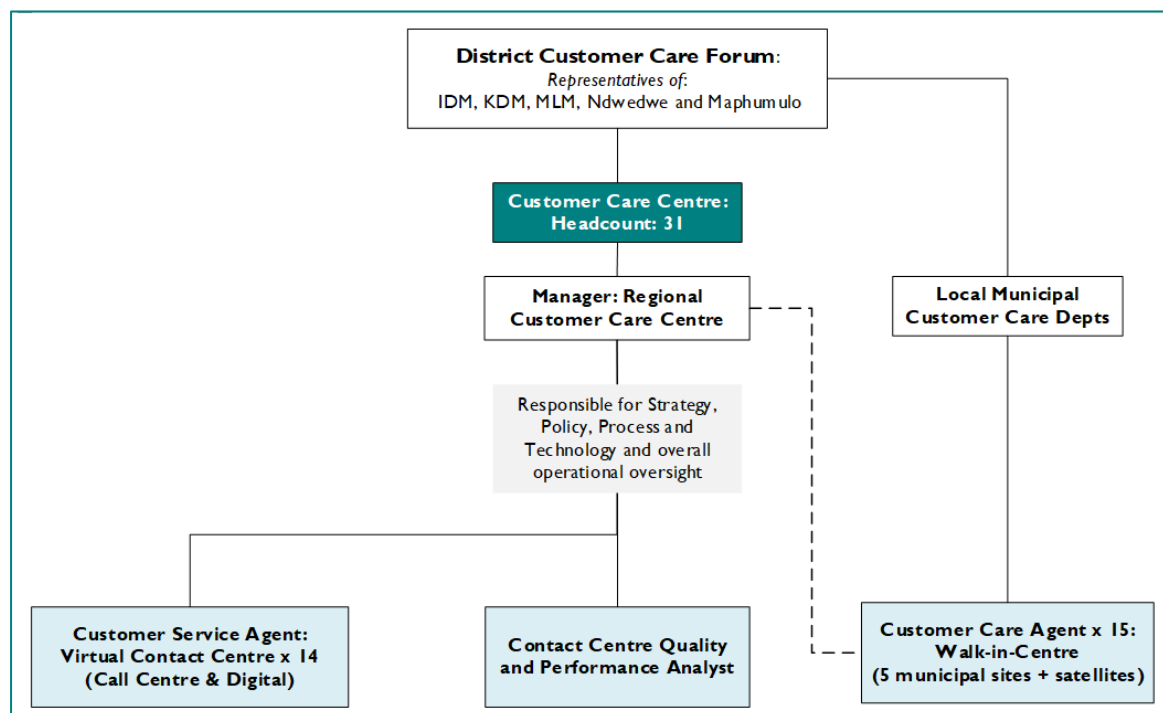


Figure 2: Regional Customer Care Organisational Structure

The underlying design principles of the Regional Customer Care structure are the following:

9.1.1. Improvement of overall supervision

Introduction of the District Customer Care Forum and the role of Manager: Customer Care Centre represent formalization of the customer care practices towards improved levels of service accountability.

9.1.2. Consistency of service at customer touch points:

This should be achievable in the proper equipping of the face-to-face, as well as virtual customer contact points. This comes along with suitable processes and technologies to enable personnel to access and advise customers using accurate information. This aspect of operation also seeks to improve overall speed of response, feedback and defensibility of municipal information on the range of services being offered.

9.1.3. Quality and performance management controls

The design of the regional customer care structure is also aimed at uplifting quality controls and achievement of continuous operational improvements. A note that was made from the benchmarking study is a requirement to build a culture of measurement, feedback and continuous improvement towards achieving a systemic change in this area of municipal service.

9.2. CUSTOMER CARE PROCESSES

9.2.1. Customer Service Charter and Policies:

In the course of the Feasibility Study, a District Customer Service Charter and Policies were developed for adoption. While these may work independently at the level of each municipality, they are mostly meant to introduce a consistent standard of service across the District.

Key elements of these documents have to do with improving turnaround times for:

- customer queries,
- service and information requests,
- resolution of customer complaints, and
- giving timely and proactive feedback to customers.

9.2.2. Service Level Agreements

While the Customer Service Charter and Policy communicate service commitments to customers, such commitments need to be worked backwards by internal functions to produce workable Service Level Agreements (SLAs) amongst themselves. This should assist in ensuring that various links of the internal service value chain are coherent and in keeping with service commitments made to customers.

It is also key that the SLA terms are embedded in the monitoring and evaluation framework as a yardstick for performance measurement..

These service level agreements should also inform process mapping and workflow management baselines towards a coherent operational system.

9.2.3. Process Mapping

Process workflows that take account of renewed understanding of customer requirements, as well as collaboration between municipalities are central to this undertaking. The purpose is not only making it possible to collaborate on a regionalized arrangement, but to improve the overall customer experience. Therefore, customer care process workflows need to detail how:

- points of customer entry can be streamlined, speed of response improved, and professionalism embedded in the system.
- front and back-end functions can speed up their interfaces in the interest of resolving issues on time and providing timely feedback to customers.
- Inter-municipal arrangements will work and their personnel productively engaged at all times.

Overall, the principle underlining process mapping is achievement of process reliability, agility, as well as timely and accurate information.

The drawing of process maps should be robust enough to inform the choice of suitable CRM technology solution. Critical to note is that a technology solution should support predefined customer care processes, rather than the opposite.

9.3. CUSTOMER CARE TECHNOLOGIES:

A simplified articulation of what the technology solution relevant to this project should be able to accomplish was reached. Some basic technology insights were also drawn from the benchmarking visit as summarized above.

Attributes of CRM solutions differ remarkably, depending on the end-users for which they have been designed.

Key capabilities prioritized for the project are the following:

TELEPHONIC SYSTEM REQUIREMENTS	CRM SYSTEM REQUIREMENTS
<ul style="list-style-type: none"> • clear lines for voice calls • seamless routing of calls • recording of calls • statistical call analysis • hands-free or headphone device compatibility • support for single and multiple site contact centre model. 	<ul style="list-style-type: none"> • automated query logging and reference numbering system; • efficient query/call referral system within and across municipalities • automated escalation of queries based on SLA parameters • support for centralised and decentralised / virtual contact centre operational model • workflow dashboard views to track status of queries, turnaround times • interface with SMS, email, webforms, WhatsApp and other applications • tracing of query logging history per client, per day, per site, per customer care agent, etc • compatibility with basic and older devices • useable in customer walk-in centres • provide a Business Intelligence (BI) reporting tool to enable analysis of information.

10. IMPLEMENTATION RISKS

Implementation of the Regional Customer Care Centre can be defined as a major organizational change initiative; impacting on *people* (structure set-up, new skills, change of customer attitudes), *processes* (communication and workflow management) and *technology* (new contact centre and CRM technology).

These are risks identified, which match the extensive level of this implementation. This proposes a proactive approach to mitigating these risks in the interest of successful customer care solution roll-out.

RISK NAME	RISK DESCRIPTION	MITIGATION ACTIONS
Change Risk:	The transformation of deep-seated organizational culture patterns, behaviours and attitudes towards customers can be difficult to achieve. A change-resistant culture can risk the entire project and its anticipated outcomes.	A more robust change and communication programme is to be launched alongside the implementation of the project.
Project Leadership & Ownership Risk	The weight and scale of implementation requires that this programme is not treated as an IT project. If leaders do not position the project as a total organizational initiative, it is unlikely to be supported by the broader base of employees.	A project sponsorship structure will be essential to the launch and positioning of the project towards proper positioning of the initiative as a systemic rather than an IT undertaking.
Covid-19 Risk:	The uncertainty brought about by the Covid-19 pandemic has impact on funding and budgeting decisions, leading decision-makers to restrain or take a conservative approach to new projects. This risk is greater should the pandemic persist for longer than expected.	Not all customer care improvements require significant funding. With proper focus and available resources, significant ground can still be covered, notwithstanding the impact of the pandemic.
Funding Risk:	Availability of budgets, as well as capacity to raise funding to cater for the baseline requirements of the regional customer care solution may be a challenge for municipalities and the District as a whole. This risk is more pronounced if the effects of Covid-19 persist into the future.	Limited funding should not justify maintenance of the status quo. If necessary, the programme may need to follow a phased approach in line with limited funding available, including scaling down on the choice of the CRM system chosen to support the operation.

11. REGIONAL CUSTOMER CARE IMPLEMENTATION PROGRAMME

The following are recommended actions that can be best featured in municipal plans for the new financial year beginning 1 July 2020. Successful implementation of these actions will enable the launch of the Regional Customer Care Centre within a period of 9 months from the time of this report, as envisaged by participating stakeholders:

ITEM	ACTIVITY	TIMELINE
Customer Service Charter and Policies	The customer service charter and policies should be institutionalized by iLembe Municipalities in order to enable a customer-oriented culture development.	1 Jul– 31 Dec 2020
Customer Care Training	Roll-out the training on customer care as outlined in section 8.2 of this report.	1 Jul– 31 Dec 2020
Customer Care Process Mapping	Map out communication and workflows that improve convenience for the customer, increase speed of service and enhance integration between departments and municipalities.	1 Oct– 31 Dec 2020
Revamp of Customer Walk-In Centres	Perform condition assessments of customer service halls, assess facelift costs and integrate into municipal budgets for implementation.	1 Jul 2020 – 31 Mar 2022
Frontline Staff Uniforms	Introduce uniforms and name tags for all client-facing personnel as a consistent standard for the District.	1 Jul– 31 Dec 2020
INSTITUTIONALISE THE REGIONAL CUSTOMER CARE CENTRE		
Adopt organizational structure, job descriptions and job grading	Source assistance from SALGA and other municipalities, e.g. eThekweni Municipality in the completion of the structure, job profiles and job grades.	1 Jul– 31 Dec 2020
Allocate Customer Care Personnel	Select and appoint staff to serve in the virtual and customer walk-in centres in accordance with the new regional model.	1 Jan – 30 Mar 2021
Secure and revamp Regional Customer Care facility	Informed by the technology, workflow arrangements and structure; secure a suitable facility to house the Regional Customer Care Centre – internal or external to existing municipal buildings.	1 Jul 2020– 31 Mar 2021
Acquire call centre and CRM solution	Prepare terms of reference to secure competitive bids for the supply of telephony and CRM solutions.	1 Jul– 31 Dec 2020

ITEM	ACTIVITY	TIMELINE
Upgrade ICT infrastructure and devices	Perform analysis of backbone infrastructure and hardware available to municipalities in order to successfully host and operate the Regional Customer Care Centre in the virtual and face-to-face platforms.	1 Jul– 31 Dec 2020
Go-Live: Launch systems and operations	Introduce regional customer care operations in accordance with deployment schedule and roll-out customer engagement / change programme	1 Apr 2021 – 31 Dec 2021