Customer Service Charters: a tool to address Customer Relations Management (CRM)

ODA prepared these three articles following close involvement with the Buffalo City Municipality in surveying customer satisfaction with municipal services, developing a Service Charter with the various departments and facilitating training for front-line staff.

‘Internal Batho Pele’ and ‘political CRM’ are described as two often-neglected elements that are key to success.

ODA on Customer Care: 3 Articles for the Local Government Bulletin

Article 1: Internal CRM

Article 2: Customer Service Charters

Article 3: The three types of CRM

“CRM means a mindset and an approach across the organisation that leads to positive customer/citizen experiences (Batho Pele), delivered consistently across the board.”
Tackling Silositis – the division disease

When we say “Customer Care”, what do we mean?

by Anja Benseler, ODA

This article suggests that the war on “silositis” is all about connecting the pillars in our municipalities with customer focused pipelines.

Abel Jack works in the electricity department. He gets a call from the customer care centre to go and deal with an electricity problem. The operator at the call centre tells him that she had to deal with a very irate person, complaining about an electricity outage at her house and threatening to sue the municipality for damages suffered as a result of this. He dispatches staff to attend to the problem, just to find out, once on site, that the electricity supply to the house was cut off by the finance department, as a result of arrear payments. His staff now find themselves bearing the brunt of the home owner’s rage and find themselves leaving the scene quite upset with the lack of communication between departments in the municipality. Time is wasted, resources are wasted and internal relationships suffer.

What went wrong in the story above? The finance department should have informed the central municipal call centre and the electricity department that the specific household’s electricity was cut off due to payments being in arrears so that the problem could have been channeled appropriately.

This is a real situation from Buffalo City in 2006 (names were changed), but is a familiar story in most municipalities in South Africa. Buffalo City has agreed to us telling the story because it highlights important issues emerging from the Customer Care campaign that they are rolling out in the municipality.

Usually when examining failure of local government to deliver services, lack of funds and lack of capacity, failure to spend allocated budgets and lagging repairs and maintenance are found to be the culprits for poor municipal performance and accumulating backlogs. However, a recent programme on Customer Relations Management (CRM) at Buffalo City revealed that problems are mostly due to the lack of
internal communication, co-ordination and co-operation; i.e. the lack of internal customer care.

Officials argue that firstly, they are not getting adequate “customer” service from their colleagues in other departments and secondly, supporting systems and processes to aid communication and co-operation are not in place to facilitate internal co-ordination. One can call this institutional disease “silositis”. A complex organisation needs to have functionally separate departments but all too often these divisions become silos which do not communicate with one another. Due to this, officials are not able to perform their jobs adequately which leads to the inability to deliver services and ultimately impacts negatively on the customer interface with the rate-payer or external customer.

Countless such anecdotes surfaced at Buffalo City Municipality during the CRM training. These stories are common throughout South Africa. However, Buffalo City is one of the first municipalities in South Africa to develop a comprehensive customer care strategy, based on a Customer Relations Survey and the consequent development of a Customer Care Charter. The municipality provides an important case study for the exploration of issues around customer relations management in local government.

This is the first of a series of articles on customer relations management in local government. Subsequent articles will be dealing with the development of a customer care strategy and Charter and a model for customer care in local government.

Existing legislation and policy focuses mainly on the relationship between the municipality and the citizen or rate payer. The promotion of customer relations management in local government is entrenched in the White Paper on Local Government (1998) where specific reference is made that “Municipalities need to be responsive to the needs of both citizens and business as consumers and end-users of municipal services. Improved customer management and service provision are critical to building an environment conducive to economic and social development.”1

The White Paper refers specifically to the Batho Pele principles as guidelines for building a positive, inclusive and effective customer service:

- **Consultation:** Citizens should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided.

- **Service standards:** Citizens should know what standard of service to expect.

- **Access:** All citizens should have equal access to the services to which they are entitled.

- **Courtesy:** Citizens should be treated with courtesy and consideration.

- **Information:** citizens should be given full and accurate information about the public services they are entitled to receive.

- **Openness and transparency:** Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.

- **Redress:** If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made citizens should receive a sympathetic, positive response.

- **Value-for-money:** Public services should be provided economically and efficiently in order to give citizens the best possible value-for-money.²

In order to fulfill the above, the White Paper elaborates on the need for municipalities to develop appropriate mechanisms through which to interact with communities³.

The Municipal Systems Act (MSA) (No. 32 of 2000) also refers in several instances to the promotion of community participation and the need for municipalities to implement mechanisms and communication channels in order to deal with queries and complaints and allow communities to provide their inputs into the operations and performance of the municipality (see sections 5, 6, chapter 4 and section 51).

Section 6 of the Act, for example, sets out the administrative duties of municipalities as having to:

- “be responsive to the needs of the local community”
- “establish clear relationships, and facilitate co-operation and communication between it and the local community;”
- “give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive;” and
- “inform the local community how the municipality is managed, of the costs involved and the persons in charge.”⁴

The above defines the interface that is supposed to exist between the municipality and its clients. Legislation by its nature, however, makes very limited reference to how departments are supposed to interact internally. Section 51 of the MSA states that the administration must be organized in such a manner to:

- “facilitate a culture of public service and accountability amongst staff”
- “establish clear relationships, and facilitate co-operation, co-ordination and communication between…its political structures, political office bearers and administration and the local community”
- “maximize efficiency of communication and decision-making within the administration”.⁵

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⁴ Republic of South Africa (2000) Municipal Systems Act, No. 32 of 2000. Section 6(2)(a), (d), (e) & (f)
One angle on the “war on silositis” is that it doesn’t take money to fix. Just the will and a subtle change in mindset. The Customer Care workshops in Buffalo City have involved approximately 280 city officials and the findings revealed the need for the formalization of an internal customer relationship. Each department has participated in developing an internal Customer Charter which will be put into effect in the coming months. The Charter dictates that officials and councilors should start regarding each other as internal customers of the services that their specific department or unit provides: “In one capacity I am a provider of a service or an input to someone else in the system, in another I am the recipient or customer at the receiving end of the product or services being passed down the service delivery line”. In the final analysis it is the citizen who receives the sum total of the internal efforts undertaken on a daily basis in the municipality.

In conclusion, it seems that although capacity, skills and resource constraints remain problems in the municipal environment, lack of internal streamlining seems to provide a major stumbling block in providing adequate service delivery. As a result, blockages need to be removed, processes need to be streamlined and systems need to be put in place to avoid bottlenecks and misinformation. In addition, most importantly, officials should regard their colleagues as customers as well. Once this is done, many municipalities will find themselves in a better position to deal with the external customer.

The next step in improving customer care, may it be internal or external, is the formalization of a Charter, strategy and policy in order to internalise customer relations management into the every day functioning of a municipality. This will be dealt with in the next article.
Article 2: Customer Service Charters


Managing expectations – but committing to improved service

Citizens Charters as a way to improve customer care in municipalities

By Zenobia Africa (ODA)

This is the second of a series of three articles on customer relations management in local government. The previous article dealt with internal customer care and the subsequent article will be dealing with a model for customer care in local government.

“What do we mean when we say “people first?”

“If charters, declarations and value statements do not have the power to kick you in the shin they are generally not worth the paper they are written on!”

The staff of the Buffalo City Municipality were the key element in drawing up a Customer Service Charter that clearly sets out the standards of service that they will provide.

The writing of the Buffalo City Service Charter was an iterative process which involved a cross-section of officials in the municipality. During the sessions, the measurability of the current quality promises and pledges was hotly debated. Officials agreed that in the case of some services, like water and sanitation, there are national standards with which they have to comply. But there were disagreements in other areas, such as social services, where there are no national standards and where some claimed that no pledges or quality promises could be made due to lack of resources.

“In social services”, said one frustrated official, “We are operating beyond breaking point. We are at a point where we are under threat of disintegrating. We have an uncomfortable situation in Buffalo City. There are huge expectations. But there is also a huge ignorance of our capacity and of the financial implications of the expectations. We have to please our politicians. The politicians have to deal with the expectations of their community. And so all of us end up disappointing each other. The standards we can undertake to provide are not politically acceptable.”
The discussions took new directions from a comment like this: Could you commit to continuous improvement? Offer a remedy to people if they are not treated courteously? Allow a complaint medium where people get a response and an apology and explanation?

While not legally binding, a customer service charter places a moral obligation on the municipality to render the services it claims to do. The charter effectively outlines a social contract between the municipality and the community it serves.

The charter is written as a series of quality promises or pledges related to services rendered by the institution. Quality promises must be in agreement with the needs and expectations of the customer, but must also be of a kind which the organisation is capable of keeping. A prerequisite of quality promises is that they be realistic, achievable and measurable. Quality promises must be expressed with sufficient clarity that the customer can decide whether they have been kept. They must stand in a realistic relationship to the resources of the municipality where there are many competing demands and limited funds.

The following is an abridged version of the Buffalo City Customer Service Charter and aims to illustrate the style in which a charter would be written.

**Buffalo City Municipality Customer Care Service Charter**

*On the basis of this Service Charter, the customer/citizen has the right to expect, and if necessary, to demand that the services meet the standard set in the Charter and the quality requirements imposed. The Service Charter is a commitment which is ethically and morally binding on the municipality.*

The premise of the Buffalo City Customer Care Service Charter finds its roots in the national Batho Pele approach.

**Our general pledge**

- Buffalo City Municipality commits itself to set clear standards of service that users can expect, monitor and review performance, publish the results and receive independent validation wherever possible
- Buffalo City Municipality aspires to provide quality services to households and individuals
- The municipality undertakes to continually improve the quality of its service offering
- The municipality pledges to communicate with the community in a truthful, open and transparent manner
- The IDP process will be used as the main consultation mechanism with communities
• Where necessary other appropriate public participation and consultation mechanisms will be used

• The municipality shall monitor quality and gather feedback from our customers through the annual Buffalo City Customer Satisfaction survey

• The findings of the Customer Satisfaction survey will be published and publicised annually

• The municipality will strive to ensure that its management systems are sufficiently well-structured to deal with customer complaints and queries

• The procedure for clients to make complaints and the standards they can expect of the complaints handling process are set out below. We guarantee to respond in acknowledgement of all complaints within 14 days. We guarantee that answers, results or a progress report will be provided within 60 working days from the date of receipt of the complaint.

The next section of the charter is devoted to each service cluster which makes specific pledges relevant to its functions, e.g. For trading services which include water, sanitation and electricity, a pledge may be the following:

• Trading services will be provided at the most affordable rate to communities and stakeholders and will be reviewed annually to ensure that service levels are kept affordable

The previous article in this series emphasized the importance of having an internal customer focus in order to improve external service delivery. In this spirit the charter includes specific pledges related to how services between departments will be rendered. For example, a pledge in the internal charter related to IT may be the following:

• We will maintain a 2 working day turnaround time to resolve all IT-related queries

The last section deals with citizen/customer responsibilities. While Service Charters reflect the quality promises made by the municipality it also highlights the responsibility of the customer/citizen. This is particularly important for a municipality which needs to maintain both service levels as well as payment levels from its customers.

Customer / citizen responsibilities
Customer/citizens are expected to:

• Treat officials with courtesy

• Abide by any legal requirements and other obligations that they must meet in order to be eligible for services sought
Various contact details of the municipality are provided at the end of the charter for citizens to use for queries or complaints.

The Service Charter in Buffalo City is now being test driven. Its effectiveness will be probed regularly in an annual customer satisfaction survey. It is work in progress. But there is one clear lesson for those promising politicians: The charter cannot be imposed from outside. It has to be developed by the people who will make it work.

The next, and last article in this series, will reflect on a model for customer care in local government.

**Article 3: The three types of CRM**


When everything is political – a customer care model for local government

by Martin Nicol (ODA)

A mayor was called to a community meeting.

People had been promised houses, but where were they? The mayor had no houses handy. She had not made the promise. But the people were angry. One man got up and threatened to drive out those who had been allocated houses in a neighbouring development. Conflict was in the air.

The mayor listened. She had no magic solution to this problem. But she listened and showed the people that she understood. She did not solve the problem, but she did defuse the crisis.

This example shows a special type of customer relations management that you do not get in the private sector. But it is crucial in public sector institutions – where the “shareholders” and the “customers” are the same people. If you are dissatisfied with your local municipality, there is no alternative supplier of municipal services to switch to. So
when people get angry there is a potential for conflict and the destruction of public property.

Political customer relations management needs to be seen as part of the package of approaches that a municipality needs to master when planning a customer care strategy.

In the preceding articles, we have given two pieces of good advice if you want to talk about customer care with a straight face in an environment that is troubled and where things often do not work as they should.

First: get your own house in order so the “back office” is able to work effectively on issues identified in the “front office” when it deals directly with customers. This “Internal Batho Pele” is a secret many municipalities still have to discover.

Second: get the people in the back and front office together to write up a “service charter”. This sets out undertakings on the standards of service they will deliver. You must publicise these and monitor their achievement and build in space to recognize improvements. A Service Charter gives council staff a clearer sense of their purpose and it begins to make them accountable for the quality of the service they provide.

Now we have the third piece of advice about three different types of customer relations management (CRM).
CRM is not only smiles at the front desk and a responsive back office – although it is that. CRM also depends on getting your balancing act right. To manage customer relations, you have to feed three CRM “beasts” at the same time.

**Corporate CRM** is the overall culture of respect for the customer that transcends all activities of the municipality. Corporate CRM activities are led by the switchboard – or the corporate call centre – and by the ‘walk-in’ centres in municipal offices. Traffic and housing offices, libraries and clinics can also play a role here when they provide general services that do not require technical expertise in areas such as: financial interactions, applications, information requests, service comments, and bookings for halls and sports facilities. Queries and complaints are directed to service departments when a field response is required.

**Political CRM** activities ease relationship between the customers and their political representatives. These include the consultations around the IDP and the municipal budget and how communities interact with their ward councillors. The success of political CRM is shaped by how political representatives work with the officials in the municipality. Political CRM activities require the administration to support the politicians with the information they need to communicate to their wards. It means fielding the queries that arise out of mobilizing campaigns undertaken by the council.

**Function specific CRM** activities vary greatly. They include call centres for emergency services, transport information, electricity and water as well as traffic fines, vehicle registration and building plans. All of these deal with citizens and their needs directly. Because function specific CRM is so varied, it is important that different services should comply with uniform guidelines in operating call taking facilities or in monitoring their dealings with citizens. Good co-ordination – and *internal Batho Pele* – is the name of the game.

**Taking the pulse of the delivery system**

The CRM system can be used to take the pulse of city service delivery. It helps to plan where resources are most needed for improvements. This is why you follow a ‘model’ of CRM, so you can get the powerful spin-off benefits from the intelligence system that can fit along side it.

In all cases, the main information needs are to record who the customers are that have issues, what the issues are and whether the complaints are closed. These information flows help to set service standards, including formal Service Charters, and in monitoring performance. Let’s be honest – we also want them to act as an “early warning system”!

**Political CRM** has two information requirements.

- Firstly, analysing the queries and complaints received by the municipality by area to identify gaps in service delivery and the relative intensity of citizens’ concerns about the different issues.
Secondly, monitoring the feedback from citizens by area to the campaign initiatives of the council. This second set of issues is transformational in nature and it is less easy to measure. Both types of information are, however, important for political CRM.

**Corporate CRM** needs to pull together an overall picture of service delivery and the response profile to different queries and complaints. A particular need is to be informed of follow-up actions by the back office so that reliable statistics can be prepared on unresolved queries – and so that citizens can be kept informed of the progress of their query.

**Function specific CRM** needs to keep abreast of CRM information in other departments as well as monitoring their own performance.

The philosophy of CRM is clear, but making it real is very difficult in councils that are riven by turf disputes and where silo attitudes have become embedded over time. A council may appear to agree on the definition of CRM and its link to Batho Pele, but it requires determined leadership, to make things happen.

This series of three articles makes the argument that we change culture and behaviour by opening up space for people to do things differently. In Buffalo City (not the location of any of the above examples this time!) this process started with discussions around the results of a customer satisfaction survey and a challenge to each department to develop its own customer service charter.

“CRM is more than IT or buildings, it is an attitude.”

“CRM is part of everyone’s business.”

In theory there are 5 pillars to CRM:

- People,
- Processes,
- Information,
- Infrastructure and
- Technology.
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