Operations Management in the Public Service

2014
PROBLEM STATEMENT

Despite existing enabling legislative environment for continuous service delivery improvement, departments still struggle with the continuous improvement and delivery of quality services to all, for example:

- The non-existence of service delivery models putting forward on how departments will address their mandates
- The inability in most cases to map services provided to ensure effective and efficient delivery
- The lack of standard operating procedures in departments.
- The lack of unit costing done in departments.
- Outdated Service Charters outlining the standard of services citizens can expect
- Poor measurement & management of productivity
- Weak institutionalisation of SDIPs
RESPONSE

BEHAVIOURAL CHANGE INTERVENTIONS: BATHO PELE

EIGHT BATHO PELE PRINCIPLES TO KICKSTART THE TRANSFORMATION OF SERVICE DELIVERY

The Public Service will put the following “People First” principles into practice without delay.
And we will step up implementation to arrive at acceptable service levels and quality as soon as possible.

1. CONSULTATION
   You can tell us what you want from us.
   You will be asked for your views on existing public services and may also tell us what new
   basic services you would like. All levels of society will be consulted and your feelings will be
   conveyed to Ministers, MECs and legislators.
   THE PRINCIPLE: You should be consulted about
   the level and quality of the public services you receive and whenever
   possible, should be given a choice about the services
   that are offered.

2. SERVICE STANDARDS
   Insist that our promises are kept.
   All national and provincial government departments will be required to publish service
   standards for existing and new services. Standards may not be lowered. They will be
   monitored at least once a year and be raised progressively.
   THE PRINCIPLE: You should be told what level and quality of
   public services you receive so that you are
   aware of what to expect.

3. ACCESS
   One and all should get their fair share.
   Departments will have to set targets for extending
   access to public services and public services. They
   should implement special programmes for
   improved service delivery to physically, socially
   and culturally disadvantaged persons.
   THE PRINCIPLE: You and all citizens should have
   equal access to the services to which you
   are entitled.

4. COURTESY
   Don’t accept insensitive treatment.
   All departments must set standards for the
   treatment of the public and incorporate these
   into their Codes of Conduct, values and training
   programmes. Staff performance will be regularly
   monitored, and inefficient will not be tolerated.
   THE PRINCIPLE: You should be treated with courtesy and
   consideration.

5. INFORMATION
   You’re entitled to full particulars.
   You will get full, accurate and up-to-date facts
   about services you are entitled to. Information
   should be provided at service points and in
   local media and languages. Contact numbers
   and names should appear in all departmental
   communications.
   THE PRINCIPLE: You should be given full, accurate
   information about the
   public services you are
   entitled to receive.

6. OPENNESS AND TRANSPARENCY
   Administration must be an open book.
   You have the right to know. Departmental
   staff numbers, particulars of senior officials,
   expenditure and performance against
   standards will not be secret. Reports to
   citizens will be widely published and
   submitted to legislatures.
   THE PRINCIPLE: You should be told how national
   and provincial departments
   are run, how much they
   cost, and who is in
   charge.

7. REDRESS
   Your complaint must spark positive action.
   Mechanisms for recording any public dissatisfaction
   will be established and all staff will be trained to
   handle your complaints fast and efficiently. You will
   receive regular feedback on the outcomes.
   THE PRINCIPLE: If the promised standard of service
   is not delivered, you should be offered an
   apology, a full explanation and a speedy and
   effective remedy. Where complaints are
   made, you should receive a
   sympathetic, positive response.

8. VALUE FOR MONEY
   Your money should be employed wisely.
   You pay income, VAT and other taxes to finance
   the administration of the country. You have the
   right to insist that your money should be used
   prudently. Departments owe you proof that
   efficient savings and improved service delivery
   are on the agenda.
   THE PRINCIPLE: Public services should be provided
   economically and efficiently
   in order to give you the best possible value for money.
TOTAL BENEFIT

- Enable departments to deliver **quality** services to the public/internal stakeholders consistent with demand (quantity, speed) in a simplified, flexible, **effective** (utilitarian value), **efficient** (costing) and **seamless** manner.
Operations Management Value Chain

- National Development Plan
- MTSF
- Strategic Plan
- Annual Performance Plan

- Service Delivery Model
- Business Process Management
- Standard Operating Procedures
- Service Standards
- Service Charter
- Service Delivery Improvement Plan
- Unit Costing
- Productivity Management

Leading the Public Service to Higher Productivity
Service Delivery Model
Definition Of A Service Delivery Model

• A service delivery model (SDM) is a description of how a department will deliver on the services and products that were identified during the strategic planning process.

• A service delivery model should be done annually to assist and support management in determining the most suitable operating model to meet mandated and overall service delivery expectations.
How the SDM Works

What should we be doing?

What are we actually doing?

How could we perform better?

(5) Service Delivery Model (Short, medium, long term)

(1) Our Mandate

(2) Service & Programmes

(3) Analysis of delivery modes

(4) Risks and constraints

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### Example of the abbreviated SDM

<table>
<thead>
<tr>
<th>GENERAL MANDATE</th>
<th>SPECIFIC MANDATE</th>
<th>FUNCTIONS /ROLES AND RESPONSIBILITIES</th>
<th>SERVICES</th>
<th>SERVICE RECIPIENTS</th>
<th>CURRENT MODE OF DELIVERY</th>
<th>ANALYSIS</th>
<th>AGREED SDM</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Document capturing mandate)</td>
<td>(Relevant section, subsections capturing mandate)</td>
<td>(List the functions you perform, emanating from the specific mandate listed in B.)</td>
<td>(List the services you provide, emanating from the functions/roles and responsibilities listed in C)</td>
<td>(List the recipients of your services – are they internal or external?)</td>
<td>(Specify how the service is currently rendered: centralised through Head Office; decentralised through regional offices; outsourced, etc)</td>
<td>(List the advantage/disadvantages, risks/assumptions of the current mode of delivery; and specify the degree to which ICT is currently used and how it can be improved)</td>
<td></td>
</tr>
</tbody>
</table>
Presentation on Business Process Management
Definition of BPM

• BPM is the broad collection of activities within a department concerned with the identifying, classifying, documenting, measuring, analysing, improving, integrating and maintaining processes with the ultimate goal of serving the client better through achieving the various departmental strategic goals.
Phases of Business Process Management

**Preparation and activation phase**
- Obtain and secure buy in
- Change management
- Lay BPM Foundation
- Stakeholder analysis
- Project Management

**Current As Is**
- Analyse Business Strategy
- Define Business Architecture
- Identify and appoint process owners
- Document/map the process
- Establish process performance measures
- Measure process performance
- Analyse process performance
- Determine process vision

**Determine Improvement Approach**
- Radical
- Business Process Redesign
- Business Process Re-engineering
  - Incremental
  - TQM
  - Kaizen
  - 6 Sigma
  - Lean
  - Suggestion System
  - Work measurement and productivity

**Proposed to be**
- Redesign the process
- Build the to be process

**Implement**
- Transform the process
- Manage the process

**Maintain and measure**
- Monitor process performance
- Identify improvement opportunities
- Maintain business architecture

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What is a Business Process?

- A business process is a set of linked, repetitive business activities, that together – and only together – transform inputs into outputs that are of value to the service beneficiary.
Levels of BPM

• Level 1 – **descriptive** – simply describes the process flow.
• Level 2 – **analytical** – describes the flow precisely, including normal and exception flows.
• Level 3- **common executable** - describes the process with the necessary attributes to automate the process
Process Scope

- A process has a **name**
- A process has a **purpose**
- A process has a **start** and **end**
- A process has a **boundary**
Standard Operating Procedures (SOPs)
Definition of SOP

• A SOP is a specific procedure or set of procedures established to be followed in carrying out a given operation or in a given situation to enhance quality through following a standardized work procedure.

• SOPs are part of a continuous improvement strategy which should be continuously reviewed and revised as services become more efficient.
Why the SOPS Framework and Methodology and Toolkit

• It is intended to assist Departments in developing, implementing and maintaining SOPs.
• Every Department needs to prepare a comprehensive set of SOPs to provide structure to important administrative functions.
• The toolkit on SOPs will serve as an important guide to assist Departments to improve communication.
Phases of Developing SOPs

**Standard operating procedures**

- Development of guidance document
- Timing and frequency
- Develop SOP format
- Obtain and secure buy in
- Institutionalize SOP format
- Identify processes to be SOP’ed
- Identify processes
- Prioritise processes
- Develop repository
- Develop governance arrangements
- Determine objective of SOP
- Appoint SOP writer/group
- Name the SOP
- Determine Scope of SOP
- Chart the procedure
- Write the SOP in format
- Produce the SOP
- Internal review
- External review
- Pilot
- Indicate responsibility
- Authorise the SOP
- Distribute and file SOP

**Implementation considerations**
- Induction & Train on SOP
- Accessible
- Enable
- Delegations in place
- Empower
- Assign project champion
- Run advocacy program
- Encourage
- Supply feedback on progress
- Monitor SOP
- Enforcement

**Preparation phase**
- Review of SOPs
- Timelines for revision
- Impact assessment
- Change in business processes

**Leading the Public Service to Higher Productivity**
Step by Step Development Process

**Step One: Determine the Objective of the SOP**

- Objectives should be clearly defined

**Step Two: Appoint a SOP Writer/Group**

- Development should be overseen by a manager
- should be written by individuals knowledgeable with the activity and the organisation’s internal structure
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Step by Step Process Development

Step Three: Produce the SOP
- Name the SOP
- Determine scope of SOP
- Chart the procedure
- Review Periodicity
- Authorisation of SOP

Step Four: Distribute and File SOP
- To be distributed to relevant stakeholders
- Create and maintain a master list of SOPs
- Proper filing and archival of SOPs
# SOP for SCM: Payment of invoices

<table>
<thead>
<tr>
<th>Title of SOP</th>
<th>Supply Chain Management (SCM): Processing of Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOP Number:</td>
<td>03/2013</td>
</tr>
<tr>
<td>Purpose</td>
<td>To provide a minimum standard for processing of payments in SCM</td>
</tr>
<tr>
<td>Scope</td>
<td>Processing of payments</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Supply Chain Clerk, Responsibility/Programme Manager, Financial Clerk, CFO</td>
</tr>
</tbody>
</table>

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### Procedure: SCM: Payment of invoices

| 1. Supply Chain Management | 1.1 Receive the invoice  
1.2 Invoice routed to responsibility/programme manager for certification and approval  
1.3 Register invoice for tracking purposes  
1.4 Invoice certified correct and approved  
1.5 Compile sundry payment documentation  
1.6 Capture invoice on Logis (or relevant system)  
1.7 Pre-authorise payments  
1.8 Route to Assistant Director, Deputy Director or Director (based on Financial delegations) |
# Procedure: SCM: Payment of invoices

<table>
<thead>
<tr>
<th>2. Responsibility</th>
<th>2.1 Check, verify and approve invoice.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>2.2 If invoice not correct, engage service provider / supplier</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Finance</td>
<td>3.1 Payment unit checks compliance</td>
</tr>
<tr>
<td></td>
<td>• If authorised proceed with payment</td>
</tr>
<tr>
<td></td>
<td>• If not authorised, refer back to SCM</td>
</tr>
<tr>
<td></td>
<td>3.2 Final payment process</td>
</tr>
</tbody>
</table>
## Procedure: SCM: Payment of invoices

<table>
<thead>
<tr>
<th><strong>Review and Revision</strong></th>
<th>This SOP will be reviewed on an annual basis in............of every year.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contingencies</strong></td>
<td>If this SOP cannot be followed, please notify..................</td>
</tr>
<tr>
<td><strong>References</strong></td>
<td>Financial Delegations, Public Finance Management Act and Regulations</td>
</tr>
</tbody>
</table>

Leading the Public Service to Higher Productivity
Services Standards
Definition of service standards

• Service standards are the rules of engagement for providing services
• Service standards include targets such as waiting times and hours of operation
• Beneficiaries are entitled to know what they should expect from the department, how services will be delivered, what they cost and what can be done if services are not acceptable
Definition of service standards

• Service standards provide the behavioural attributes that leads to consistent service delivery, therefore they refer to response times as well (turn-around-time)
• Service standards enables measurement because it allows others to judge public service performance in delivery.
Development of service standards

- Prep Phase
- Set Standard
- Empower Staff
- Manage Standard
- Communicate and Reward

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Step by Step Process for Setting Service Standards

1. Identify Service Beneficiaries
2. Document all services
3. Identify partnerships

Leading the Public Service to Higher Productivity
Step by Step Process in Setting Service Standards

1. Assess current service delivery standards
2. Consult stakeholders
3. Set Standards

Leading the Public Service to Higher Productivity
Step 2.1: Identify service beneficiaries

• This step goes hand in hand with Step 2.2. Some beneficiaries may be in the Department, for example Human Resources or Corporate services..

• The key process in this step is consultation. Service beneficiaries are not the only, but are the most important stakeholders. Other stakeholders to consult are staff, partners and Labour.
Step 2.2 Document all services

• A service is provided every time a customer deals with a public service department or component.

• A service is rendered at every level at a public school or hospital as well as every situation where a public servant responds to customer queries, albeit, face-to-face, by telephone or in writing.
Step 2.2 Document all services

- The key to identifying services is to identify every interaction with the service recipient.
- However, as outlined in Step 1, services are not only external.
- Some services are internal and some services are with other Departments.
Step 2.3: Identify Partnerships

• Some services are delivered in partnership with Agencies and the private sector, for example the (NATIS).
• The National Qualifications Framework is also a complex partnership between SETAs, SAQA, DHE and public/private providers of education and training.
• All partnerships, possible and existing, need to be reviewed at a strategic and operational level.
Step 2.4: Assess current service delivery standards

- This step can obviously only be done effectively if the Department have existing documented service standards.
- If such are in place, this step constitutes a critical review phase which is best done in small, focused workshops with the relevant staff members.
- The Batho Pele principles are the overarching measure when reviewing service standards.
Step 2.4: Assess current service delivery standards cont...

The following checklist may be useful in guiding a workshop during such review:

- Staff courtesy, appearance and communication skills
- Appearance of staff
- Public security
- Response times
- Ease of access
Step 2.4: Assess current service delivery standards cont…

The following checklist may be useful in guiding a workshop during such review:

- Information sharing with beneficiaries; e.g. brochures, signage, website, contact centre
- Complaints management system
- Services delivery accountability in terms of cost effectiveness (value for money)
- Documentation of measurable service standards
Step 2.5: Consult Stakeholders

• E.g. by means of suggestion boxes, complaints analyses, surveys, focus groups, client panels and site visits.
• Consultation must include the consideration of parallel processes, for example Queue management systems and Access to services.
Step 2.6: Set Standards

- At the end of this Guide is a template for the purpose of documenting service standards.
- The standards document must be drafted in simple, clear language understandable by any service beneficiary and end user.
- Service standards **must** be drafted in the S.M.A.R.T.E.R. way.
## Service area | Key service | SERVICE STANDARDS
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Demand Management</strong></td>
<td>Develop a procurement plan for all planned (strategic plan) goods, works and or services which exceeds R500 000.</td>
<td><strong>Quantity</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>All programme manager requests that exceeds R500 000</td>
</tr>
</tbody>
</table>
Services Charters
Definition of a Service Delivery Charter

- A service charter is a public document that sets out the **standards of service** that service beneficiaries can expect from a government department, as well as **complaints mechanisms**.
- Service charter is intended to ensure that departments:
  - Focus on service beneficiaries
  - Manage the expectations of service beneficiaries
  - Measure and assess performance of departments
  - Initiate Service Delivery Improvement
Key Elements of the Service Delivery Charter

- The Charter should contain the following elements for it to be considered as a good charter:
  - **Service standards** - commitments on the level and quality of service to which beneficiaries are entitled
  - **Information** - clarity about who is eligible, when and where the service is available, any pre-requisites
  - **Redress** - How to complain and what redress to expect in case the service deliverer falls short of the standards it promised
Benefits of the Service Delivery Charter

• The Charter has an immediate three-fold benefit in that it will:
  ▫ Reinforce the department's or the component's commitment to service delivery improvement for all end-users;
  ▫ Help the department or component rise to the challenge of treating citizens as customers and meeting their demands equitably and fairly; and
  ▫ Immeasurably enhance communications with customers.
Phases to consider in developing service charters

Prep Phase
- Obtain buy in
- Develop departmental guideline
- Appoint a champion

Design Phase
- Who are we
- Where can we be found
- List the department’s services and products
- Our Service Standards
- How we deal with queries and complaints
- Your rights and obligations
Phases to consider in developing service charters

Consulting Phase

- Get buy in and commitment

Publishing Phase

- Once completed and approved, should be published and distributed widely

Review Phase

- Review the Charter to ensure that it is still relevant and still addresses the services that a government department is providing
Conclusion

- It is clear that the links in the value chain is **interdependent**. The one cannot lead to service delivery improvement without the other.
- END -

Department of Public Service and Administration