

# INNOVATION INSIGHTS

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## Social Development Innovations

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Insight series

The Centre for Public Service Innovation (CPSI) will once again in November 2007 celebrate the innovators that unlock public service delivery in South Africa.

This year it will be the 5th round of Innovation awards sponsored by the CPSI. In this edition we celebrate 2 of the previous innovation award winners by sharing their innovative experiences and lessons in their projects.

Needless to say, the objectives of this publication is to enhance the spirit of innovation for the delivery of public service in South Africa. The two winners won CPSI awards in the categories of Innovative Partnerships in Service Delivery (runner up 2005) and Public Sector Innovator of the year (winner 2005) respectively.

To maximize insight of innovation from these case studies their presentations in this edition is slightly different. The main objective we want to achieve is to share approaches to different innovations in our country.

A lot of determination drives innovations of complex nature as we get to learn from the two case studies in this edition.

This Insight is produced by the Centre for Public Service Innovation (CPSI) and was made possible by access to the database of CPSI Innovation award winners.

This Insight is part of a series aimed at improving service delivery through innovation. See the back page of this publication for more information about the series. The publication is targeted at practitioners and policy-makers, and shares lessons and experiences of award-winning service delivery projects.

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## Case Study 1: Corporate Social Investment vs. Corporate Social Action

### Introduction

This project is an example of a Private-Public Partnership.

### Background

Corporate Social Investment (CSI) really started in South Africa immediately after the townships erupted in 1976. The approach to CSI has essentially stayed the same for nearly 30 years - a company evaluates requests for financial support and then provides grant funding (Matlock, General Manager of General Motors South Africa).

The CSI funding which was paid out had little or no impact on socio-economic development in South Africa. Billions of Rands were spent by South African companies but the funding had little discernible impact on the main socio-economic issues facing South Africa.

It was easier for companies to hand out cheques than really to involve themselves with South Africa's critical developmental issues.

The Innovative Approach that won the CPSI Innovation Award

The Delta Foundation has been experimenting with a totally new and highly innovative approach to CSI over the past ten years. It calls this approach Corporate Social Action (CSA).

The moneys spent by General Motors prior to disinvestment, and by the Delta Motor Company prior to 2004, were reviewed. The amount of real impact that this funding had on society was also assessed.

These showed that the impact achieved was minimal compared to the amount of money spent.

This resulted in the decision to find an approach that had more impact. The Delta Foundation, now the General Motors South Africa (GM SA) Foundation, was established.

The phases in the innovative process are:

1. The first phase in the CSA process is to move from

a grant maker to a project management agency .

2. Each of the projects which the Foundation undertakes focuses on poverty alleviation through education and housing. Each is structured as a pilot project to test out a totally new and 'out of the box' way of addressing a crucial social problem.
3. Project partners are actively sought to form project management teams. Public sector involvement is essential.
4. Once a project has progressed from being a highly risky idea to being successful on the ground, the next phase is to document all the lessons learnt and the approaches followed. The Foundation calls this documentation a model , although a more accurate description would be a set of implementation guidelines . This information is then distributed, free of charge, to any other development agency expressing an interest in copying the model or any of its components. As other similar projects start up in other parts of the country the approach moves from the local to the national level.
5. CSA sets an even higher goal than replication by other agencies. As the State is the largest development agency, the Foundation feeds all its learning experiences into the country's various policy-making mechanisms. There are, of course, many frustrations, particularly when persuading people to let go of outdated approaches even if they don't actually work.

### Models of Corporate Social Action

In this Case Study we will look at two models of Corporate Social Action:

1. Housing Corporate Social Action.
2. Ready for Business Corporate Social Action.

### Housing Corporate Social Action

The Foundation's various very different and low-income housing models are being fed into the national housing process and are receiving a positive response. The

Foundation's Sakhasonke Village low-income housing project, in particular, is clearly having a massive impact.

### Ready for Business Corporate Social Action

1. In the field of education, the Foundation's Ready for Business model illustrates the impact of CSA. Ready for Business started life some eight years ago as a skills-development project for disadvantaged learners. Over 800 teenagers have graduated from the project to date and some 25 other agencies have been trained to replicate the model.
2. After Ready for Business won the Amcham Star of Africa and Star of Stars awards in 2003, the Foundation was invited to serve on a national team to develop the new national school curriculum for Business Studies. The team felt that the Foundation's model provided a framework, for the new curriculum, which mirrors the Ready for Business model.

### Lessons learnt

The lessons learnt, according to Matlock, General Manager of GMSA, are:

1. The public sector has learnt that non-governmental organisations (NGOs) can work with the authorities in partnerships, and without any hidden agendas, in order to develop processes which improve the State's efficiency to deliver.
2. The private sector has learnt that making grants does not have much impact on CSI and that there are other approaches that have greater impact.
3. The Foundation has learnt that new models for CSI need to be consistent with policies.
4. The Foundation has learnt that new models need to contain clear implementation guides.
5. That true partnerships are difficult to form as agencies are reluctant to share the factors which set them apart from their 'competitors'.
6. That there is a large 'window of opportunity' to influence national, provincial and local policy-

making processes but the high level of politicisation makes careful strategic planning essential.

7. The Foundation has learnt that the 'net fishing' approach (advertisements in publications, letters to local authorities, circulars to school principals, newspaper invitations to site visits, and so on) wastes time, effort and money.

The innovative nature of the Foundation's CSA model is rare. The Foundation's total annual budget is below R5 million and the total staff complement is only two people, the General Manager and a secretary. Specialist expertise is commissioned by the Foundation on a contractual basis.

### Areas where innovation was introduced

The Foundation introduced innovation in:

1. **Processes.** Authorities were assisted to convert often fairly abstract policies into practical developmental processes.
2. **Systems.** A new decentralised district office system for the Eastern Cape Province and a new housing policy and metropolitan structure for the Nelson Mandela Bay Municipality were introduced.
3. **Image.** The CSA approach, and its various models, have received international, national, provincial and local acclaim and have won many prestigious awards. The Foundation's CSA approach is also gaining respect from the private sector. The innovative nature of the CSA approach has therefore definitely enhanced the image of the Organisation.
4. **Skills.** The pilot projects and resulting models are innovative 'out of the box' approaches to development. All involved (participants in pilot projects and senior officials) have undergone skills training on a sustainable basis.
5. **Financial strategies.** The CSA approach has shown that an organisation with a relatively small budget can have far more impact nationally than an organisation which is merely a 'big giver.'
6. **Language.** The language barrier (particularly at

primary school level and in the more rural areas) is a key factor. The series of school governing body training videos, produced recently by the Foundation, have been translated into four of the official languages.

7. **Information management.** The process being followed by The Delta Foundation is proving to be highly effective. It undertakes the project management of innovative pilot projects in the fields of education and housing.

These pilot projects are being tested in the Eastern Cape, usually in the Nelson Mandela Metropolitan area, and the Foundation writes up all the lessons learnt in practical implementation guidelines.

This information is then shared with interested organisations across the country in order to encourage them to replicate the new approaches to development. The information is also used to influence authorities when formulating policies and implementation procedures. Beneficiaries

Generally people from families earning below R3500 per month and living in townships rather than in suburbs are the beneficiaries of this Project.

### Challenges

The challenges that have been identified are:

1. That there is a critical short supply of innovative thinkers in South Africa. The Foundation has, however, been successful in finding and developing the necessary innovative skills.
2. That South Africa's history makes CSA an ongoing need. As society changes new innovations will be needed and the Foundation can be expected to continue pursuing innovation in socio-economic development. Hopefully, far more companies will move from making grants to using the CSA approach.

Replication in other organisations or departments 'Line fishing' is a far more successful strategy for replication

than 'net fishing'. Potential key individuals are identified and are then approached in person by means of a letter or invitation to a one-on-one discussion or to an individual site visit.

### HOUSE PLANS

The density of the housing produced falls well within comfortable limits. Sakhasonke Village has 337 housing units in total at a density of 76 units per hectare which is a considerable increase on the Missionvale project of 34 units/ha. The average erf size is 6m x 12m (72m<sup>2</sup>) and house fronts are constructed 1.5m to 2 m from the front of each site with 3m walkways between rows of sites. Careful consideration was given to making positive space of these walkways by giving them the correct scale. This leads to a comforting sense of enclosure without buildings seeming too close together, and allows for adequate penetration of sunlight. These paved walkways open up at refreshing intervals into greened public squares, each shaded by a central tree surrounded by public seating, thereby creating pleasant communal areas for residents to gather. The house type used at Sakhasonke was developed by looking for the optimal way of creating maximum possible floor space relative to cost. This was achieved by using building materials in their most standard, un-customized form to minimize waste, as well as by grouping units as duplexes or triplexes to benefit from the cost saving of shared party walls and shared services.

The externally plastered and painted concrete block units consist of a 23m<sup>2</sup> ground floor containing a kitchen plus sink, a bathroom, plus shower base and toilet and a living area. This is topped by an open plan plywood timber 23m<sup>2</sup> first floor accessed via timber staircase, which is used as the sleeping area and can be partitioned in two bedrooms. The internal finish is bagged and painted concrete block work and each unit has an insulated ceiling. Full services are supplied to each erf, namely water, sewerage and electricity. Each unit has an electrical distribution board and a prepaid meter box with three plug sockets and a central room light.

### Conclusion

This Case Study shows that the determination to recreate results in innovation.

### Introduction

The Social Development Department in the Eastern Cape has 2200 personnel and 131 offices in the Province.

Cheriyana, PM., the Information Officer of the Department of Social Development describes the beneficiaries of this innovation as the poor, the vulnerable and the needy. They represent 64% of the population of 6,400,000 in the Eastern Cape.

This innovation seems to be a direct response to Minister Zola Skweyiya about the chaos in the Eastern Cape Province Department:

"We want to make it absolutely clear that this year (2003,) in particular, the Government will not tolerate any situation where the fundamental constitutional and human rights of vulnerable people, especially older persons, people with disabilities and children, are violated through poor service delivery by companies contracted by the Government to pay pensions. One wonders whether these companies are only interested in maximising their profits rather than in providing better quality services to the needy as required in their contractual obligations. This entire situation must be re-evaluated," said the Minister.

### Description of the innovation

Approximately two years ago the Department recognised management and monitoring challenges. These led to the birth of the Social Development Information Management System (SDIMS).

The challenges identified were:

1. Inefficient processes.
2. The inability to monitor and evaluate.
3. Litigation.
4. Lost application forms.
5. Poor administration.
6. Inaccessibility of key information.

The Department began the process by developing Key Performance Indicators (KPIs), about 72 in total. These Indicators spanned various functions performed by the Department of Social Development.

Examples of these KPIs are:

1. Staff utilisation.
2. Application intake rate.
3. Application turnaround time.
4. Application backlog estimates.
5. Social worker to population ratio.
6. Foster care re-unification rate.

A series of input tools was then designed. These would ensure that all information required to generate these KPIs is captured.

The Department then set about planning and implementing the infrastructure required, a lengthy and costly exercise

### The approach followed in developing the system

The system allowed for maximum input from the potential users and experts:

1. A series of workshops involving nominated user groups (experts from all parts of the Province) was held. The manual input tools and KPIs were reviewed to ensure completeness.
2. User specifications were compiled and presented at a workshop. The user group leaders then approved and finalised the specifications.
3. Non-functional prototypes were then developed. On completion of these, further workshops were held to gain input on colours, information flow and screen design.
4. Functional prototypes were then extensively tested internally and with the relevant user groups. The system was signed-off, after testing, by the user group leaders. The training and rollout of the system began.
5. The basic system comprises a series of back-end systems. These were the Social Security Pension (Socpen), Personnel and Salaries (Persal), Home Affairs and the Government Employees' Pension Fund (GEPF). In the future these will be expanded to include other essential systems. The systems are used mainly for verifying data. The data is downloaded on a daily or a monthly basis,

## Case study 2: Social Development Information Management System

depending on how frequently the data is required.

### SDIMS, an innovative information management system

This customised system is the first in the country, according to the Eastern Cape Government. It is a web-based system which allows for accessibility across the entire Province and there are no licensing problems. It interfaces with other systems like SOCPEN, Persal, GEPF and Home Affairs and allows for comparisons between data to eliminate fraud.

The system allows for the monitoring and evaluating of staff performance and requirements, previously impossible to measure accurately because of the number of offices and vastness of the Province.

The system increases productivity and reduces turnaround times for queries and applications, both critical to service delivery.

The Department now operates through a single point of entry for all its services. Management information is available at the touch of a button.

### Some experiences on the Project

Prior to the innovation, Cheriyan noted that:

1. The manual way of doing business delayed service delivery and reduced accountability and efficiency.
2. 1.8 million social security files were not traceable. The applications of beneficiaries were not tracked. Response time was enormous and this led to litigation and frustration. There was very little auditable documentation. The NGOs were not paid on time. The suppliers were not paid within 30 days.
3. The Department was not performing its mandate in terms of service delivery. The beneficiaries were frustrated and they were always challenging the department. There were continuous disclaimers from the Auditor General.

Cheriyan noted that it was necessary to innovate because

the continuous problems made it necessary to use the technology available.

### How the SDMIS technology works

The system, according to Cheriyan, is a modular system which consists of the following modules:

1. A Social Security Grant Processing Module. This Module processes and tracks application forms from inception until approval and payment.
2. A Registry Module. This Module tracks all documents and social security files. It is being implemented throughout the country. It also tracks human resource (HR) files. Other departments have also started using this Module in HR. Financial and NGO documents are also tracked by this registry. The main feature of this Module is its simple and uncomplicated technology.
3. A Procure-to-Pay Module. This is a procurement work-flow module that handles all procurement. Many departments want to use this Module but the National Treasury's Integrate Financial management System project has halted the rollout of this Module to other departments.
4. A NGO Payment Module. This pays the NGOs.
5. A Community-based Service Module. This Module handles all the business processes of social services. There are sub modules in this Module, such as a Child Protection Register, a Foster Care Register, and so on.

### Lessons learnt

Cheriyan notes that the change was not smooth: It was very difficult and needed lot of planning and change management strategies. The innovation was in its processes and systems .

However, he notes, A Social Security application can be processed within one hour. It used to take 90 days or more.

### Replicability of the SDIMS

The SDIMS is replicable in other provinces, with a few minor or cosmetic changes as other provinces provide the identical services as the Eastern Cape Department of Social Development. These include the name and logo of the province.

A number of SDIMS modules can also be replicated in other departments, with a few minor adjustments, in the

Eastern Cape Province. There are no other known authorities or organisations that have a system like SDIMS. The Eastern Cape Province is a pioneer in this field.

### Conclusion

Information management innovation results in efficiency and effectiveness in today's information society.

## FACTS AND CONCEPT DEFINITIONS

### Eastern Cape Province statistics

District Municipality	Code/District Municipality	Area(km <sup>2</sup> )	Total Population	Population Density (person/km <sup>2</sup> )
DC44	Alfred Nzo	7,887.13	550,399	142
DC12	Amatole	23,583.24	1,664,256	587
DC10	Cacadu	60,276.76	1,393,997	625
DC13	Chris Hani	36,705.66	810,304	246
DC15	ORTambo	15,985.90	1,676,485	731
DC14	Ukhahlamba	25,667.59	341,338	58
TOTAL		170,106.28	6,436,779	2,390

Source: <http://gis.ecprov.gov.za/>

## LEARN FROM THE BOX!

### What is Corporate Social Responsibility?

Corporate Social Responsibility (CSR) is a concept that organizations, especially (but not only) corporations, have an obligation to consider the interests of customers, employees, shareholders, communities, and ecological considerations in all aspects of their operations. This obligation is seen to extend beyond their statutory obligation to comply with legislation.

CSR is closely linked with the principles of Sustainable Development, which argues that enterprises should make decisions based not only on financial factors such as profits or dividends, but also based on the immediate and long-term social and environmental consequences of their activities.

Source: [http://en.wikipedia.org/wiki/Corporate\\_social\\_responsibility](http://en.wikipedia.org/wiki/Corporate_social_responsibility)

### What is Management Information System?

Management Information Systems (MIS) is a general name for the academic discipline covering the application of people, technologies, and procedures - collectively called information systems - to solve business problems. MIS are distinct from regular information systems in that they are used to analyze other information systems applied in operational activities in the organisation.[1] Academically, the term is commonly used to refer to the group of information management methods tied to the automation or support of human decision making, e.g. Decision Support Systems, Expert systems, and Executive information systems.[1]

Source: [http://en.wikipedia.org/wiki/Management\\_information\\_systems](http://en.wikipedia.org/wiki/Management_information_systems)

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## ABOUT THE INNOVATION INSIGHT SERIES

Effective responses to the many developmental challenges facing South Africa - combating poverty, dealing with disease, providing reliable services, and so on - require a significant level of experimentation and innovation. Old approaches are not always appropriate for addressing new challenges, a new institutional environment, or other changes.

In the last decade there has been no scarcity of experimentation and innovation. In many cases, individual projects have provided the evidence to spur on the re-thinking of service delivery arrangements and to improve policy and practice. In some cases, South African initiatives have contributed to shaping global thinking on particular issues - for example, the Working for Water project.

Innovation is vital if we are to meet our development challenges. There is growing acceptance, too, of the importance of other measures when dealing with development challenges.

These include a stronger emphasis on:

- Acknowledging and rewarding innovation or simply good practice;
- Introducing systems that encourage learning and knowledge sharing; and
- Ensuring that policies and strategies are informed by practical experiences on the ground, i.e. the concept of evidence-based policy making.

The Centre for Public Service Innovation (CPSI) was established with a specific mandate to unlock innovation in public service delivery. An important task in this regard is to identify innovations in service delivery that have proven to be successful and sustainable, and to assess how these innovations can be replicated elsewhere or mainstreamed. In this way, the innovation can be taken from one part of the country to another, or can be institutionalized in the area where it was started. Better still, it becomes the dominant way, nationally and internationally.

However, the experiences and findings of service delivery and innovation specialists have shown that replication and mainstreaming are far more difficult to achieve in practice.

The CPSI continues with this series of short Service Delivery Innovation Briefs. Each brief focuses on a different area of service delivery. The brief combines an exploration of key challenges and looks at the lessons that can be learned from award-winning cases where a different or innovative route was chosen. Where possible, the brief identifies crucial policy questions that may require attention and debate.

The case studies are drawn from the CPSI Innovations Award database managed by CPSI.

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