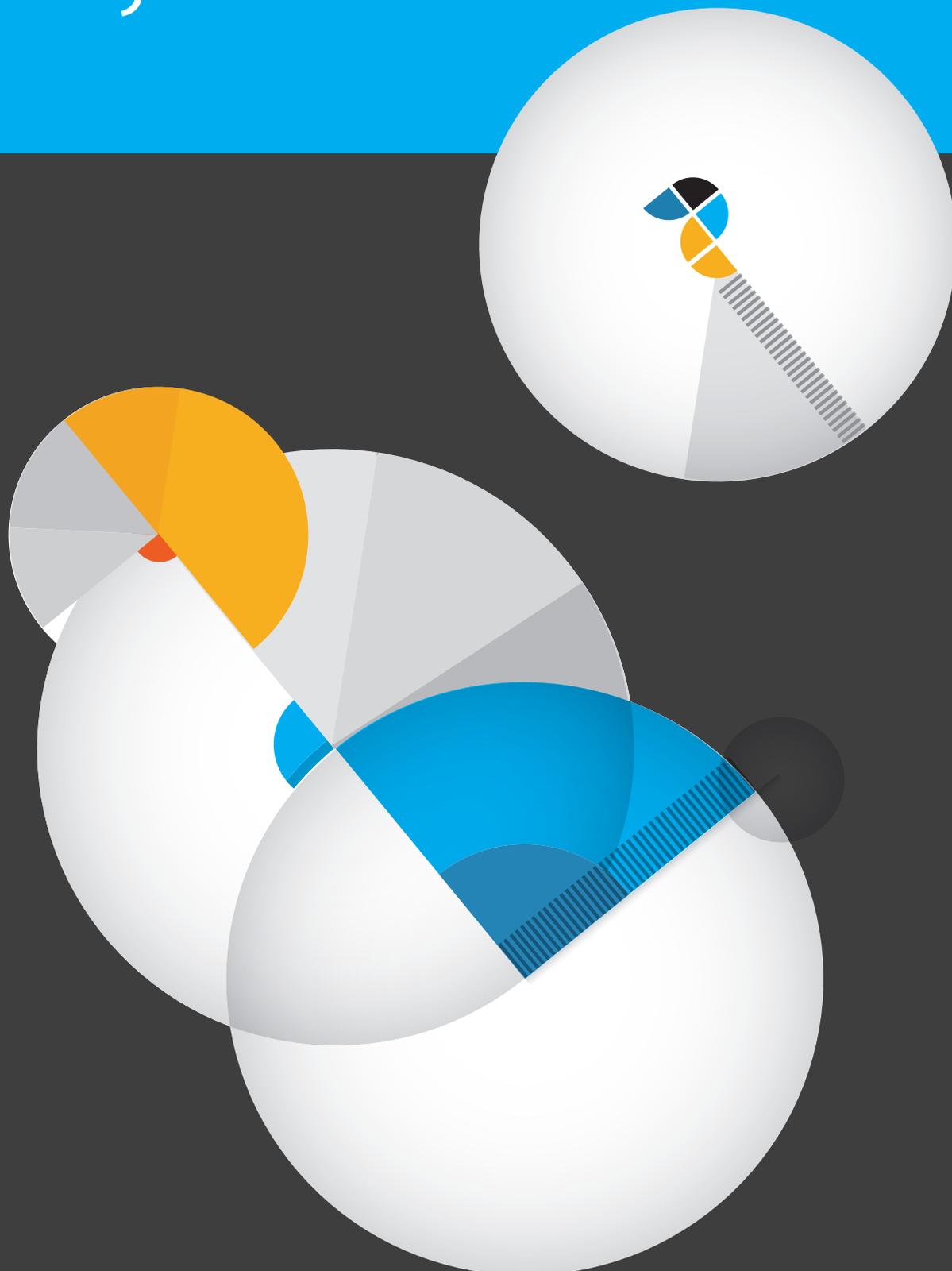


**cbo**  
Projects

eGovernment:  
The CBO Insight



# Summary

When planned and implemented effectively, the strategic deployment of eGovernment is one of the most potent means of improving public services and operational efficiency currently available to governments. If initiated and implemented poorly, however, it can create a chaotic customer experience with little, if any, revenue savings despite significant capital costs. eGovernment is a great opportunity but not one without risks.

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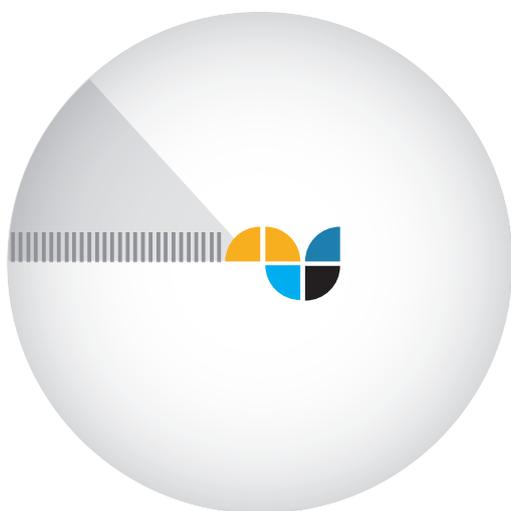
## In this paper we:

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- explore the potential of eGovernment
- identify how eGovernment delivers tangible benefits
- outline an approach to establishing a successful eGovernment programme.

This paper has been developed using the extensive experience of the CBO Projects team in digitising services for the public, private and third sectors. It builds on our ongoing investment in fact-finding visits to international leaders in eGovernment, such as Estonia, Denmark and Finland.

We would be keen to talk to you further about this important agenda, and are always available for a chat over a coffee at [coffee@cboprojects.com](mailto:coffee@cboprojects.com).



## The Potential Of eGovernment

Governments are today faced with the challenge of balancing competing demands; the requirement to maintain or improve the standard of public service delivery needs to be delivered against a challenging economic backdrop. How can governments adapt, evolve or revolutionise traditional service models to better serve the public? And how can governments deliver these changes while also creating internal efficiencies and supporting broader economic growth?

Solving these complex challenges and meeting these requirements requires an innovative approach to service delivery. The automation of public sector engagement with citizens, creating a 'channel shift' from face-to-face and telephone based interaction to internet-driven transactions, can be a key part of this and has the potential to save governments significant revenue.

At the heart of this are radically diminished transaction costs: a UK public sector body requires over £8 to field a typical citizen enquiry face-to-face, but as little as 15p to manage the same query online. <sup>1</sup>

The savings that can be derived from digitising Government extend beyond this. Consistent use of eforms and on-line payments increases the quality of interaction, for example making it possible to collect 100% of income before services are provided thus removing debt management overheads. Automated cross-referencing of data and monitoring of online behavior allow for real time identification and prevention of fraudulent behaviour. Web analytics makes it possible to 'cross-sell' services 'on the fly' (e.g. promoting social security applications when someone applies for a housing license), while the collation and analysis of 'big data' sets generated by online transactions can be used to predict and manage future spikes in service demand.

One of the great attractions of eGovernment is that these benefits to the public sector align with public demand. Public access to the internet is growing all of the time,

### The CBO Perspective:

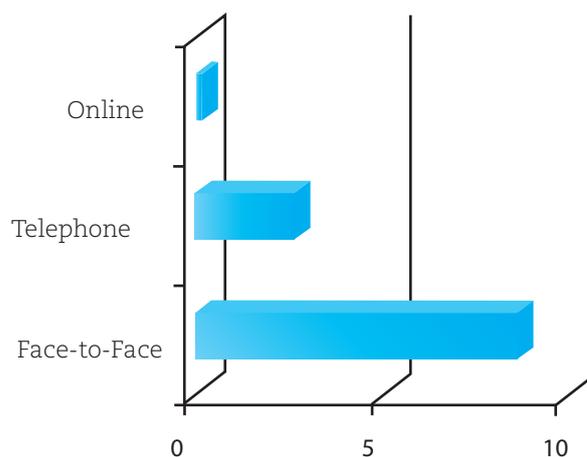
While there are a core of complex public services that do not lend themselves well to online transitions, the key is to remember that the majority of people can self-manage the majority of transactions online, most of the time.

and people are actively choosing it as their preferred means of communication. 83% of UK residents are online,<sup>2</sup> while 94% use digital media (ranging from twitter to email) for activities they would previously have undertaken by phone.<sup>3</sup> Importantly, people are using the internet to transact, not just receive information. 84% of the UK public shop online, and 72% pay

their bills via the internet.<sup>4</sup> By adopting eGovernment, governments are delivering benefits to the public sector while providing services in the manner expected by their citizens.

Finally, the barriers to eGovernment are falling away. With the widespread adoption of tablets and smartphones, the internet is becoming a low-cost, 'always there', resource. Already a third of UK web-users access the internet from tablets, <sup>5</sup> while Americans now spend more time on the internet via tablets or mobiles than through traditional computers. <sup>6</sup> In parallel, 'digital exclusion' is decreasing all the time. 51% UK citizens aged 65+ use the internet, along with 74% of people in social classes C2, D and E. <sup>7</sup>

## Unit Cost Per Transaction (£)



1 SOCITM data, 2012

2 National Audit Office, 2013

3 Ofcom, 2013

4 National Audit Office, 2013

5 Ofcom, 2013

6 CNN, 2014

7 National Audit Office, 2013

## eGovernment Is A Proposition That Has Come Of Age



### How Can You Ensure eGovernment Delivers Tangible Benefits?

While the potential benefits of eGovernment are significant, they can be elusive. Every government's fear is that they bear the cost of new technology, without either realising significant savings, or creating an efficient and improved customer experience.

From the experience of the CBO Projects team, we have identified five key criteria for the successful adoption of eGovernment. In the following section, we explain how these can all be incorporated into a successful eGovernment programme

#### 1) develop a coordinated strategy and plan

Uncoordinated creation and setting up of online transactions is likely to deliver far fewer benefits than the coordinated definition and delivery of a cross-cutting eGovernment programme.

This is because:

- the key to squeezing the maximum returns from the capital investment is careful selection of services to digitise based on cost / benefit analysis and the inclusion of enabling technologies for multiple services
- uncoordinated investment often results in solutions that duplicate each other's processes or functionality, generating unnecessary capital expenditure and ongoing revenue costs for maintenance
- independent eGovernment initiatives rarely deliver optimal levels of savings: two projects which might save 1.5 FTE each are likely to realise 2 FTE in savings if run independently, but 3 if linked to each other
- citizens that have the unsatisfying experience of using different online tools for related transactions

are disincentivised in the use of the internet for government transactions, driving them back to telephone and face-to-face interactions.

#### The CBO Perspective:

While working for a local authority in the UK, one of CBO Projects' key staff implemented a 'best in breed' Adult Social Care online portal. 18 months later, the Council transferred this portal's content to a corporate system at his recommendation.

The original work had taken place in the absence of a corporate eGovernment agenda, and was the best way to progress at the time. Once a coordinated programme of eGovernment was in place, it was clear that joining the services would make it easier for the public to find the information they wanted, and would save over £10,000 a year.

#### 2) target your activities

However coordinated your eGovernment programme aims to be, there will always be a cost to moving any service online. Technology can be reused and efficiency plans consolidated, but there will always be business change and implementation activity that is unique to the service in question.

One key to a successful eGovernment programme is to acknowledge this, and to focus on the digitisation of those transactions, which can, in the large majority of incidents, be entirely managed online. Underpinning this must be a clear commitment, prior to the initiation of any specific initiative, to the creation of an agreed Business Case for the change, and an associated Benefits Plan that specifies how savings will be delivered.

### The CBO Perspective:

While working with one of the UK's largest retailers, one of CBO Projects' directors prioritised services for digitisation using the concept of 'motorway journeys'. The retailer only automated those transactions that would both be used by the majority of customers as part of their normal shopping behaviour, and could be fully automated (with no unavoidably human-controlled steps in the process).

**This targeting of activities** helped create a compelling business case that would provide a good return on investment in an agreed timeframe.

### 3) think beyond the technology

When developing an eGovernment programme, it is essential to remember that new technology is only a tool or a platform, and that it will not benefit the government or the citizen if not implemented and supported correctly. Common aspects of a successful eGovernment programme that are often overlooked are:

- policy preceding implementation: alignment of key policies with the eGovernment agenda is often vital to have the democratic mandate to 'turn off' or disincentivise (for example through differential charging) non-digital contact channels.
- anticipating channel shift in organisational development: making people redundant is a painful and expensive exercise, but head-count reduction is essential if an eGovernment programme is going to save money. It is better and cheaper to predict the staffing impact of the automation of transactions and, in advance, implement policies such as targeted recruitment-freezes and re-skilling campaigns to mitigate the impact on the workforce.
- effective communication and engagement campaigns: while it may be an obvious point, a surprising number of programmes do not take into account the need to tell the public that online transactions are available, and subsequently to remind the public of the benefits of switching channels.

### The CBO Perspective:

From our combined work with the UK public sector, we can see a clear trend in policy decisions enabling levels of channel shift that would have been extremely difficult to achieve through public awareness campaigns on their own. Councils have been extremely successful in moving all housing benefits applications online, simply by setting policy that closed all other channels. Specially trained staff support people to apply online at libraries, where needed. Central government is now following this lead: it is thought that it will not be possible to apply for Universal Benefit if you do not have an email address.

Understandably, some governments do not want to make online the only channel. HMRC has struck a more balanced approach to incentivising online tax returns; while you can still file a return by paper, you have 3 months longer to do it online.

These are all examples of thinking **beyond the technology** to ensure that the introduction of online transactions actually converts into high levels of take up.

### 4) create, don't re-create

One of the easiest ways to fail to achieve benefits is simply to 'recreate' traditional paper-based processes online. While this may make it easier to process a transaction, it neither fails to address inefficiencies that have crept into the process over-time, nor does it allow for the government to benefit from the new functionality available to it as a result of its technological investment.

A real, but extreme, example of this that we have seen is the introduction of an online form being linked to a 'historic' process where staff rotas were driven by car between two public offices. While the roster was now automatic, and both offices had an internet access, it was proposed that a member of staff would still print off the rotas and driving them the 5 miles between offices, simply because the people had not stopped to consider the new opportunities that technology afforded them.

**The CBO Perspective:**

As part of CBO Project's investment in the eGovernment agenda, we are visiting countries that are leading the way internationally. The first of these visits was to Estonia, where we met with a range of government bodies, and the technology suppliers who support them.

A key message from our visit to Estonia was that their success was, in part, driven by a commitment to build every digitised process 'from scratch'. This allowed them to completely **rethink the way in which services are delivered**: moving to 'digital only' models which wouldn't have been possible if they had simply evolved or refreshed existing processes. This is **creating compelling results**: such as 95% of medical prescriptions being created and delivered online.

**5) scale your investment to your population**

As with much technology, there are different markets for eGovernment platforms available at completely different prices. Those platforms initially designed for large national governments can cost many times those that have primarily been developed to support local or regional authorities.

The differential in pricing is not arbitrary, as the different types of government undertake different types of work, with different security considerations, etc. We would argue, however, that states such as Guernsey and Jersey should carefully scale their

investment to the size of their population, so that they do not have to pay for technology and platforms that are associated with cost models designed for multi-million person populations.

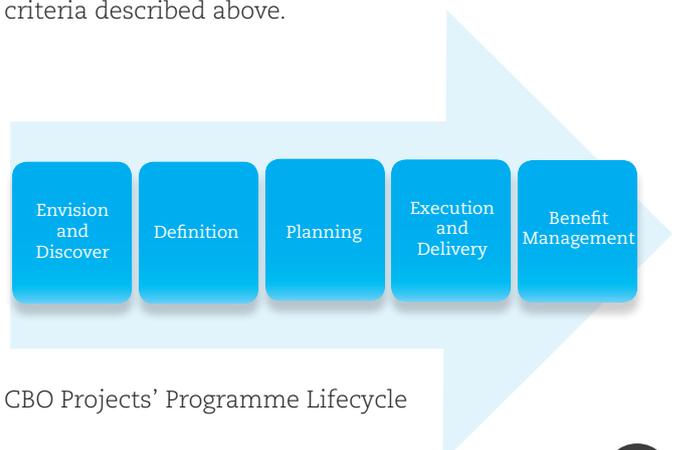
**The CBO Perspective:**

We can see an international trend away from the procurement of monolithic, high cost solutions to deliver eGovernment. The Government Digital Service (GDS) in the UK recently announced that its approach would no longer be based on 'big IT', and is actively promoting the use of some open source software. Estonia thrived by using a local ICT supplier community that ensured the required flexibility that met the evolving demands of their eGovernment and Digital Society programme.

**Setting up a Successful eGovernment Programme**  
As we have discussed above, the development of a coherent and **well coordinated eGovernment programme** is a fundamental building block to delivering the benefits of channel shift.

CBO Projects is one of the Channel Islands' leading organisations for the development and delivery of well-run Project Portfolios, Programmes and individual Projects that realise the benefits originally specified. We have combined our expertise in this area, the insights we have gained through previous channel shift work, and our learning from countries that have successfully developed and deployed eGovernment initiatives, to develop an approach for setting up a Successful eGovernment Programme for government.

At the core of this approach is CBO Projects' proven programme management lifecycle, shown in the diagram below. In the table that follows, we explore what specific activities need to be focused on in each stage of this lifecycle to make an eGovernment programme successful. This links directly back to the 5 success criteria described above.



## Key Considerations For eGovernment And Programme Stages

Programme Stage	Key Considerations for eGovernment
Envision and Discover	<ul style="list-style-type: none"> <li>• This phase covers much of the groundwork needed to create a credible plan during the planning phase</li> <li>• At the most basic level, different people will have very different understanding of what is meant by CBO Projects' Programme Lifecycle 'eGovernment'. This paper has focused on 'channel shift', but some key stakeholders may have in mind the creation of a Digital Economy.</li> <li>• Parallel to this, it will be necessary to 'bring on side' individuals and directorates who have in vested heavily in their own, service-specific, digitisation of transactions.</li> <li>• To address all of this, we would recommend running a series of workshops, designed to 'flush out' such issues in a non-combative way. This should help people then work together towards the definition of a single programme of work.</li> <li>• As a means of breaking down potential conflict in such workshops, we are strong advocates of people considering and viewing the ways in which digital services could work from the perspective of the citizen. This helps remove organisational barriers and enables people to find a middle ground.</li> <li>• Coming out of the Envision and Discover Phase needs to be a clearly articulated vision, which can be used as a reference point for all decision making later on.</li> </ul>
Definition	<ul style="list-style-type: none"> <li>• At the core of the definition phase must be the targeting of opportunities, and the careful articulation of scope (if the Envision and Discover phase defined the 'why', this articulates the 'what').</li> <li>• It is at this stage that a coherent, coordinated portfolio of work will be defined to deliver against the eGovernment strategy. It is essential, at this point, that each opportunity has a clear business case underpinning it, which articulates convincingly that the digitisation of a service will both save money and be feasible to deliver.</li> <li>• It is also essential to ensure that the programme as a whole generates sufficient returns to cover all investments in enabling technologies and programme delivery costs.</li> <li>• When creating business cases, it is important to think beyond the technology, as it is here that key policy, staffing and communication pre-requisites required to deliver savings should be defined.</li> </ul>

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## Key Considerations For eGovernment And Programme Stages

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Programme Stage	Key Considerations for eGovernment
Planning	<ul style="list-style-type: none"> <li>• Once the project and programme business cases have been accepted, it is important to clearly define the means of delivery (the how), the human resources to be used (the who) and the plan for implementation (the when).</li> <li>• This is another key point where thinking beyond the technology is key, not in terms of cost but in terms of legislation, policies and procedures. Many of the pieces of work required to enable a piece of technology to deliver benefits will be cross-cutting, impacting on multiple initiatives. A single policy change could enable 5 to 10 new online transactions.</li> </ul>
Execution and Delivery	<ul style="list-style-type: none"> <li>• At this stage, CBO's proven project and programme management capabilities would support the successful delivery of the programme while employing CBO's principle of doing the basics well.</li> <li>• During the delivery of the projects, a strong and ongoing focus on business change management will be required, as this will help the government retain the principle of creating, not re-creating. There is an inevitable drive to status when implementing major change, of which recreating poor but 'comfy' processes is part, and this needs to be challenged on an ongoing basis.</li> <li>• It will also be important, in the procurement elements of this work, to ensure that the investment is scaled to the population. This may require consideration of suppliers who have primarily worked outside of national government, the potential for Channel Islands collaboration, and also the development of Channel Island-based talent to deliver and support solutions.</li> </ul>
Benefit Management	<ul style="list-style-type: none"> <li>• Benefit Management is not a one-off process, but something that needs to be carefully tracked and honestly reported throughout the lifetime of the programme.</li> <li>• The key to the success of Benefit Management is to maintain intense focus on it and to establish explicit senior management ownership of benefits prior to starting each project.</li> <li>• Continual revalidation of benefits throughout delivery is the only way to ensure the maximum values are realised.</li> </ul>

## eGovernment: Why Involve CBO Projects?

CBO Projects is a successful Channel Island's-based management consultancy, with a proven track record of maximising the benefits delivered by technology for our private and public sector clients. Without the overheads associated with UK-based staff, we are supporting our Channel Islands clients at unparalleled value for money.

We only recruit experienced people with a track record of success. Through this approach, we have brought together three highly qualified individuals, with complementary knowledge of the eGovernment agenda:

- Philip Smith, who has led a number of technology based programmes for large organisations which delivered significant operational improvements and service delivery innovation.
- Ed Gowan, who has extensive experience of implementing channel shift in UK local government organisations, including for particularly complex services, such as adult social care

- Alastair Bisson, who has led channel shift programmes in the private and public sector, including for FTSE100 companies

We are building on this experience by investing in an exploratory programme to capture and understand international best practice in eGovernment. This has started with a highly successful visit to Estonia (please see our blog posts on this at <http://cboprojects.com/blog/>), which we are now complementing with planned visits to Denmark and Finland.

As we hope you will agree, we have converted this expertise and learning into a straight-forward approach to implementing eGovernment, that builds from CBO Projects' core commitment to 'getting the basics right'.

We hope to have the opportunity to develop this further with the Channel Islands' governments, and would be delighted to discuss this further with you. We are always available at [coffee@cboprojects.com](mailto:coffee@cboprojects.com).

- Philip Smith, who has led a number of technology based programmes for large organisations, which delivered significant operational improvements and service delivery innovation.



**Philip Smith**



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**Ed Gowan**



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