2011

Pre-Conference to the 6th European Ministerial eGovernment Conference
Innovation for eParticipation

The role and opportunities for businesses in the transforming eGovernment value chain

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INNOVATIVE ECONOMY
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Agenda

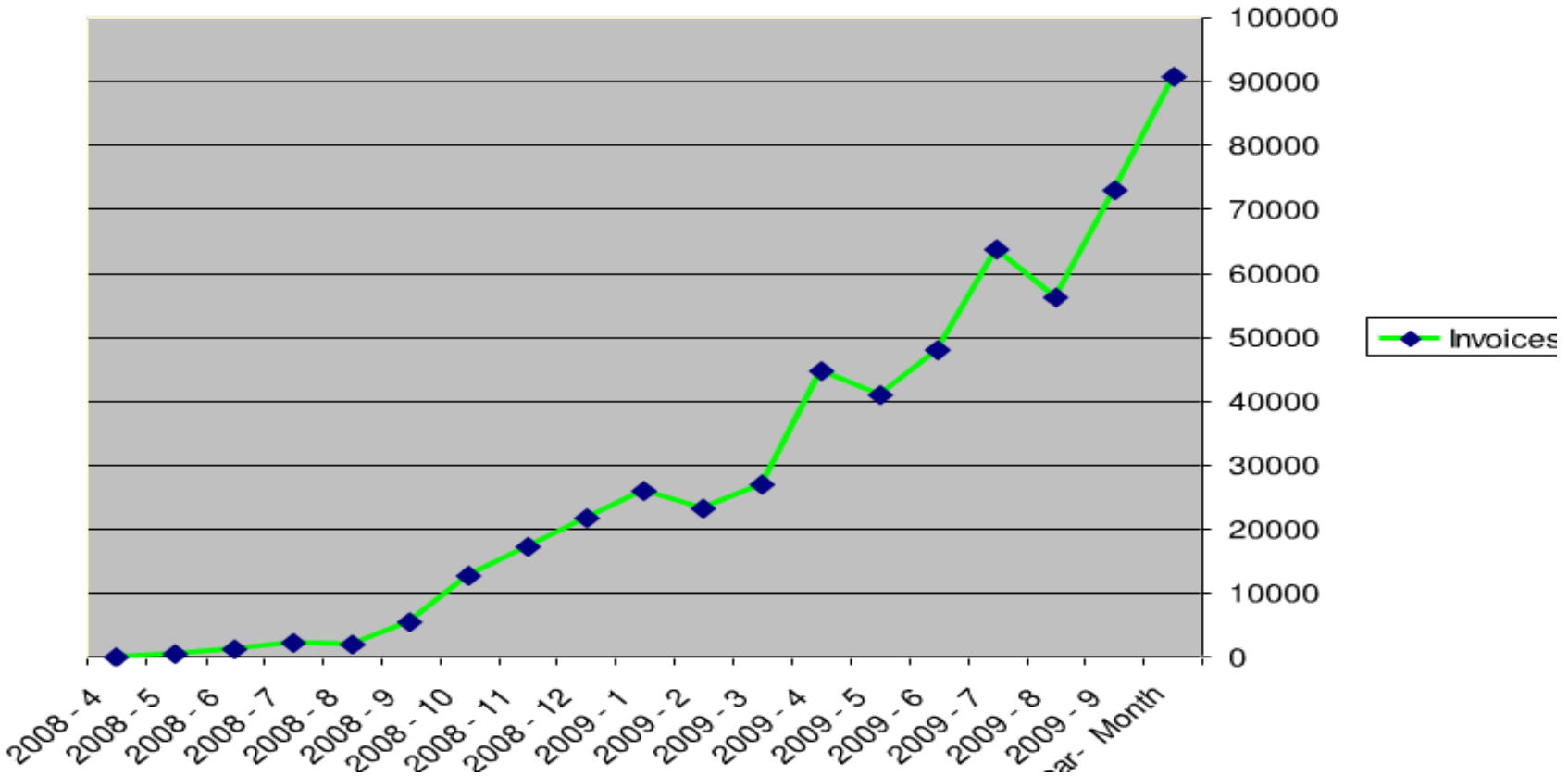
- Business benefits of online services
- Examples: Denmark, UK
- Business benefits of open and collaborative government
- Examples: UK, USA
- New business models
- Do the new models work?

E-Procurement benefits for Europe

- Government revenues are 45% of GDP
- Public authorities purchase 15-20% of GDP (€1,500 - 2,000 bn) p.a.
- eProcurement and eInvoicing could save at least 5% of GDP, and reduce in transaction costs by at least 10%
- But, less than 5% is processed electronically
- ….ergo, potential savings of tens of billions of Euros annually are not yet being made
- In particular, SMEs could benefit from easier access to public procurement markets and increasing their ICT capabilities and thereby competitiveness

E-Procurement & eInvoicing benefits for Denmark

- E-procurement: annual savings €95 million (launched January 2002)
- E-invoicing: annual savings €120 million (launched January 2005)



UK business portal

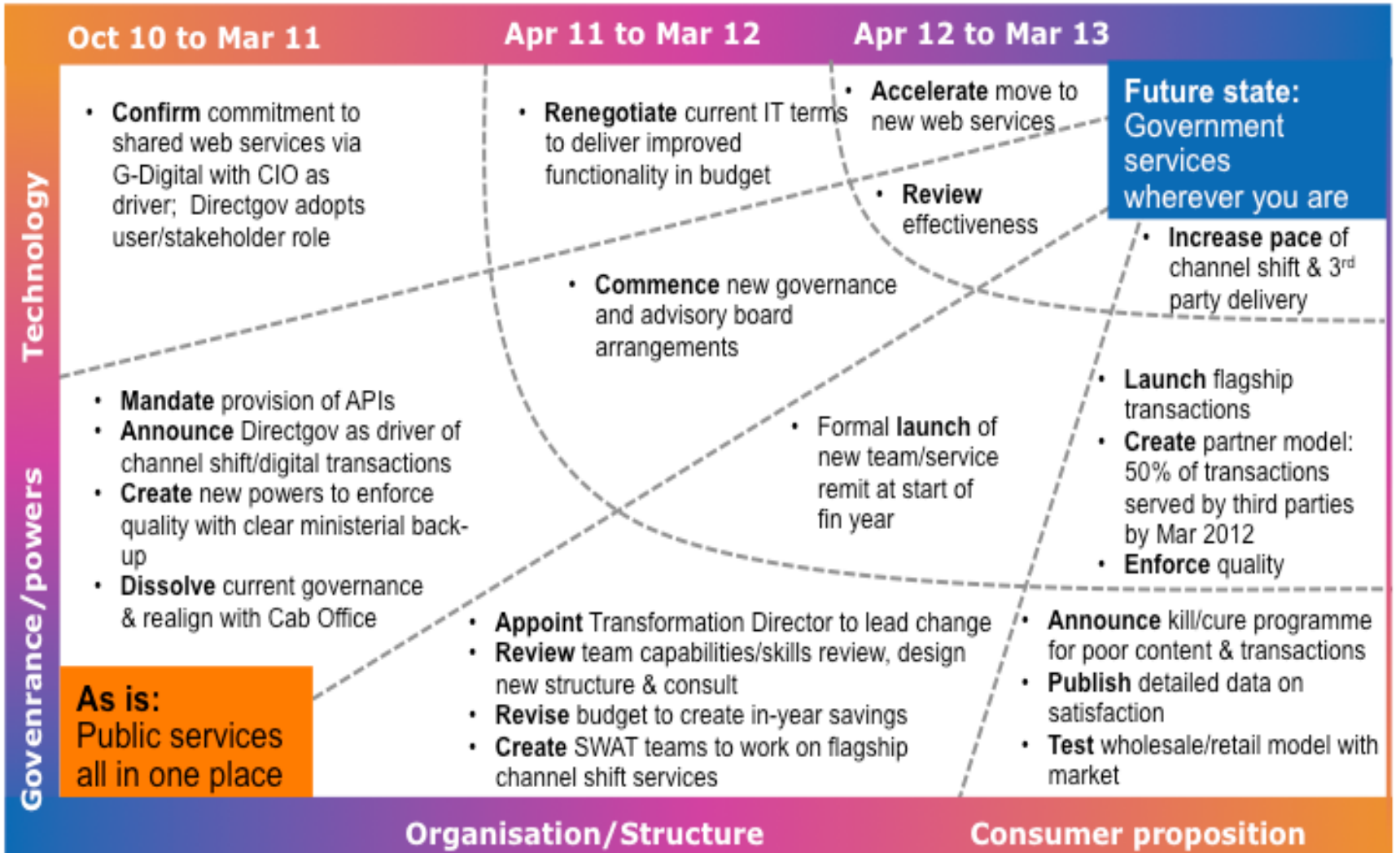
- Launched in 2003 to provide comprehensive tool for interaction with government and deal with employee
- January 2011 survey shows 89% likely to reuse site, 79% to recommend to others
- Currently under review to increase interaction, online training, single intelligent tax form, tax 'dashboard', etc.
- "Substantial increases" in business efficiency

Open and collaborative government

- **Open for business – outward looking**
- **Open for collaboration (PPPs, PCPs)**
  - always more relevant talent and knowledge outside any organisation (including government) than inside. The challenge is to understand this, find the talent or knowledge and use it wisely – crowdsourcing
  - whole range of actors: public sector, private sector, civil sector, interest groups, communities, households, individauls, ‘hackers’ & ‘geeks’, you and me
- **Open data, services, resources, infrastructures, etc., for sharing and innovation**

UK integrated strategy

Transformation milestones



UK world's second (and best?) open public data resource -- launched January 2010

HM Government

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Opening up government

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UK Government ICT has a really bad name. much of this is unjustified. BUT there are challenges (1)

- **Projects too big and costly**
  - Presumption against lifetime costs > £100m; spending controls; create competitive market place also for SMEs (at least 25%)
- **Too little attention at top on big projects**
  - Senior Responsible Owners stay in post until appropriate break; hold ministers and owners to regular account; performance measurement
- **Procurement takes far too long**
  - Greatly streamline procurement specifying outcomes rather than inputs
- **Systems rarely interoperable & infrastructure insufficiently integrated**
  - Common ICT infrastructure; G-cloud; open standards starting with interoperability and security

UK Government ICT has a really bad name. much of this is unjustified. BUT there are challenges (2)

- **Systems rarely re-used or adapted for re-use**
  - Prioritise sharing; level playing field for open-source; cross agency apps store; comprehensive asset register
- **Go digital only** – shift to digital-only (self) service wherever possible
- **Create a distribution network beyond government**
  - Using Application Programming Interfaces (APIs) to allow third parties to present content and transactions on behalf of the government; shift from *'public services all in one place'* (closed & unfocused) to *'government services wherever you are'* (open & distributed)
- **Be agile – radically reduce the size of the central organisation**
  - Establish digital SWAT team; establish a government 'Skunkworks' to develop low-cost, fast and agile ICT solutions, and provide a new channel to involve SMEs and entrepreneurs

UK Government ICT has a really bad name. much of this is unjustified. BUT there are challenges (3)

- **DOES IT WORK ??**
  - NOT SO FAR
- **Too much risk collaborating with new players – especially SMEs**
- **Negotiation and contractual processes are very time consuming and difficult**
- **Starting to default and go back to the tried-and-tested large suppliers who come back with price dumping offers**
- **PERHAPS NEED INSTEAD?**
  - **Hub and spoke model – single point of contact for SME constellations**

USA: open government and open data leaders

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Community Edition

for the
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District of Columbia
Office of the Chief Technology Officer

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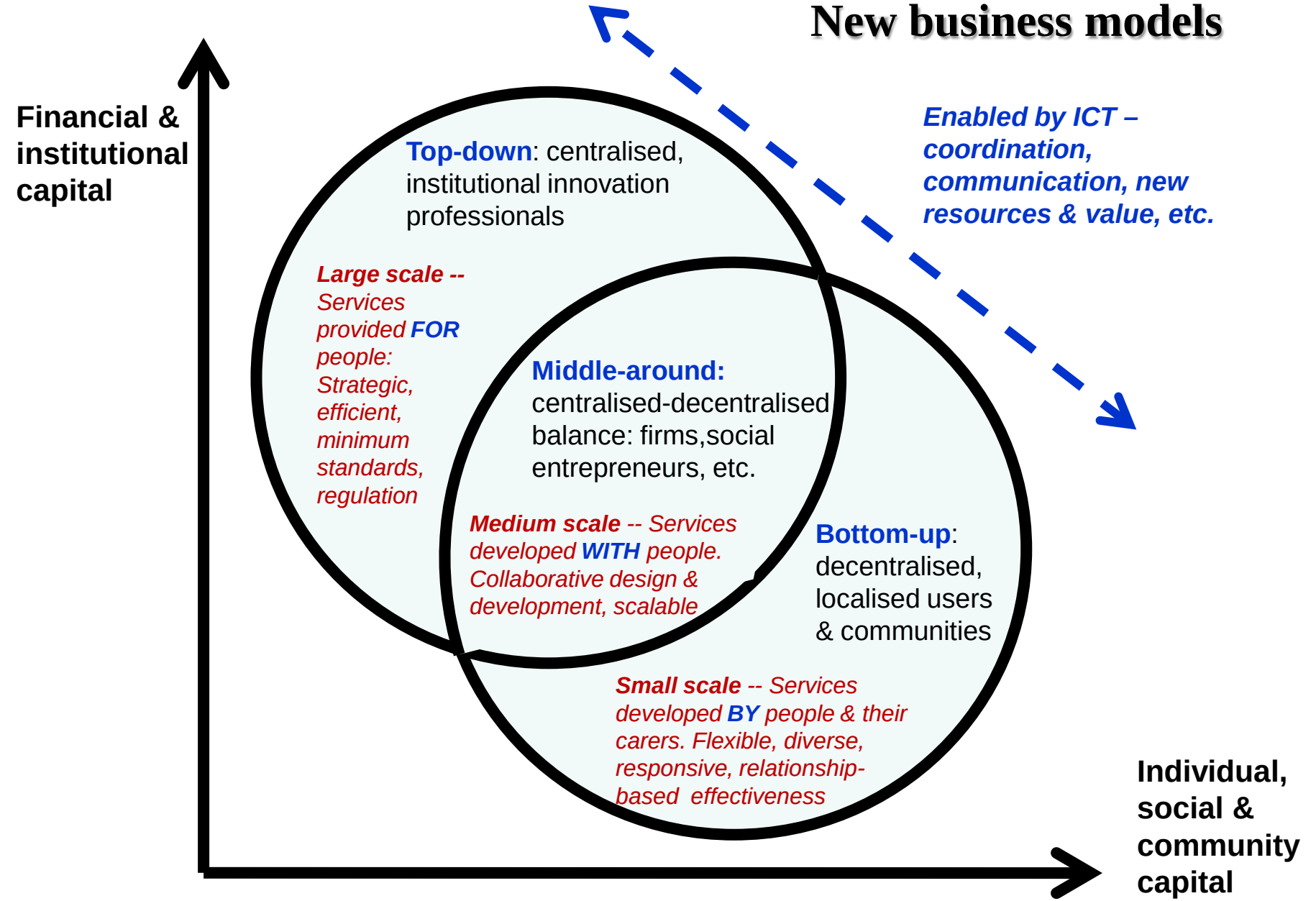
What: *The first edition of Apps for Democracy yielded 47 web, iPhone and Facebook apps in 30 days - a $2,300,000 value to the city at a cost of $50,000 (all apps created are here). Our mission with "Community Edition" is two fold: to engage the populace of Washington, DC to ask for their input into the problems and ideas they have that can be addressed with technology and then to build the best community platform for submitting 311 service requests to the city. Submit your ideas and problems here!*

Armed with insights from all corners of DC, we'll hold an innovation contest with ***$34,000 in potential***


New business models
Financial & institutional capital
Enabled by ICT – coordination, communication, new resources & value, etc.
Top-down: centralised, institutional innovation professionals
Large scale -- Services provided FOR people: Strategic, efficient, minimum standards, regulation
Middle-around: centralised-decentralised balance: firms,social entrepreneurs, etc.
Medium scale -- Services developed WITH people. Collaborative design & development, scalable
Bottom-up: decentralised, localised users & communities
Small scale -- Services developed BY people & their carers. Flexible, diverse, responsive, relationship-based effectiveness
Individual, social & community capital

New bottom-up business models DO work, but not yet sure HOW ??

- Mainly a bottom-up ad-hoc process which exploits existing resources
- Contextual implementation of ICT – start from the needs of users / intermediaries rather than government
- Leadership, ownership & accountability at the grassroots
- New (power) relationships between actors and citizens
- Builds widespread skills and competencies
- Involves much less finance, has much shorter development cycles
- More experimental and may ‘fail’ as often as large scale top-down government initiatives, but being cheap and small can be quickly corrected, and then scaled up if successful *(Clay Shirky: “publish then filter, rather than filter then publish”)*
- Lesson 1: just do it, get it wrong, then learn, do it better and scale up.
- Lesson 2: ”Failure” is good – but must ”fail” small and early

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Thank you

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