

Structures and Processes for Implementing and Operating e-Governance

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Module Objectives

This course explains:

- 1) Basic concepts of organizational transformation and why it is imperative for e-governance.
- 2) Good practice approaches, tools and techniques widely used for transformation such Balanced Scorecard, Program Management, Benefits Management, and Business Process Reengineering.
- 3) The role of ICT as an enabler for structural and process changes in government and public services organizations.

Outline

1	Introduction	government transformation
2	Change Management	steps in government transformation
3	Strategic Management	Balanced Scorecard system
4	Performance Management	management by objectives
5	Business Process Reengineering	transformation towards value creation
6	Strategy Implementation	strategies through programmes
7	Structural Change	structural changes and ICT support
8	Summary	summary of concepts

Introduction

Government Reform

Reform according to the Webster's international dictionary means to induce or cause a change for the better.

Government Reform therefore implies a change of a government organization for the better.

<p>Why reform government?</p>	<p>Response to pressure from citizens and other stakeholders towards, among other things, improved service quality and higher internal efficiency while being transparent and accountable.</p> <p>Good Governance</p>
<p>What is the degree of reform expected?</p>	<p>Radical change or transformation is usually expected, similar to the case of the private sector.</p>
<p>What do we change in government organization?</p>	<p>Capabilities and attitudes</p>

Good Governance

Good governance consists of a public service that is efficient, a judicial system that is reliable, and an administration that is accountable to the public [World Bank].

Elements of good governance according to the World Bank:

- 1) **Public sector management** emphasizing the need for effective financial and human resource management
- 2) **Accountability in public service**, including effective accounting, auditing and decentralization
- 3) **Predictable legal framework** with rules known in advance and an independent judiciary
- 4) **Availability of information and transparency** to enhance policy analysis, promote public debate and reduce risks of corruption

New Public Management (NPM)

New Public Management is a broad term used to describe the wave of public sector reforms throughout the world since the 1980s.

New Public Management:

- 1) Seeks to enhance the efficiency and effectiveness of the public sector and the control that government has over it
- 2) Introduces a management culture that emphasizes the centrality of the citizen who are seen as clients and shareholders (instead of petitioner)

NPM Elements

Major elements of NPM comprise structural, organizational and managerial changes, such as:

- 1) Cutting cost and increasing labor discipline
- 2) Business management practices to increase flexibility in decision making
- 3) Explicit standards and performance measures with challenging targets
- 4) Competition in the public sector through contracts and tendering
- 5) Decentralization to make units more manageable and to increase competition among them
- 6) Orientation shift from inputs to outputs to stress results rather than procedure, e.g. Output Oriented Budgeting System

ICT and Government Reforms

ICT can assist in achieving government/public sector reforms or desired transformation.

Observations about ICT applications in the government/public sector:

- 1) Cost reduction and operational efficiency were the major drivers for ICT applications in the government/public sector
- 2) ICT applications, if simply added to existing government structures and processes, have yielded very modest outcomes
- 3) Reform activities must precede effective ICT deployment in government
- 4) Reform outcomes are largely ICT based solutions

e-Governance and Reforms

Reforms towards e-Governance involves ICT based outcomes and subsequent ICT support for internal operations as well as government interactions with its stakeholders.

Therefore we note that:

- 1) Reform is intrinsically part of any well conceived e-governance agenda
- 2) e-Governance by definition differs from traditional ICT application to government - automation or computerization
- 3) e-Governance is a tool for achieving the desired governance transformation

Tutorial Discussion

- 1) Can you identify one capability you would like to acquire in your organization?
- 2) Can you identify one attitude you would like to change?
- 3) Can you identify one element of NPM implemented in your organization during the last year?
- 4) Can you identify some outcomes of the last ICT applications implemented in your agency?
- 5) Did reform activities precede the deployment of the ICT application?

Change Management

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Change Management

Change management aims to implement different structures, systems and skills in an operating organization.

Change management:

- 1) Is necessary to ensure the effectiveness of the desired changes
- 2) Ensures that no undesired side effects of the changes are introduced into the organization
- 3) Provides strategies to manage the resistance to change

Change is the only constant in our life.

Resistance to Change

The rate of change in public organizations is generally slow due to resistance from different stakeholders.

Reasons for resisting change are generally fears:

- 1) of failing in a changed environment due to uncertainty about it
- 2) of more control on performance
- 3) of being controlled by technology

Why Change Efforts Fail

Allowing too much complacency	“if it ain’t broke, don’t fix it” attitude
No guiding coalition	individuals alone never have the power to carry out large changes
No vision	transformation dissolves into confusing, incompatible, time-consuming projects
Undercommunicating the vision	decisions are not in line with the vision
Permitting obstacles to block the new vision	such as structures or compensation systems
Failing to create short-term wins	people give up and join the resistance
Declaring victory too soon	resistors spot the chance to have change agents send home
Neglecting to anchor changes firmly into the culture	changes won’t stick until they become “the way we do things here”

Consequences

- 1) New strategies are not implemented well
- 2) Reengineering takes too long and costs too much
- 3) Downsizing or rightsizing does not get costs under control
- 4) Quality programmes do not deliver expected results

Tutorial Discussion

Recall the last big project implemented by your agency.

- 1) Can you identify problems raised by resilience to change?
- 2) What were the consequences of these problems?
- 3) How were the problems solved?

The 8-Steps Change Process

1	Establishing a sense of urgency	defrosts the hardened status quo	unfreeze
2	Creating the guiding coalition		
3	Developing a vision and strategy		
4	Communicating the change vision		
5	Empowering employees for action	introduces new practices	move
6	Creating short-term wins		
7	Consolidating gains, produce more change		
8	Anchoring new approaches in the culture	grounds the changes into organizational culture to make them stick	freeze

1 - Establishing Sense of Urgency

Sources of complacency:

- 1) Absense of major or visible crisis
- 2) Too many visible resources
- 3) Low overall performance standards
- 4) Focusing employees on narrow functional goals
- 5) Wrong performance indexes
- 6) Lack of sufficient feedback from external sources
- 7) Culture of low-candor, low confrontation
- 8) Too much happy talk from senior management.

Pushing up Urgency Levels

Transformation often starts when a new person is placed in a key role who does not have to defend his past actions.

- 1) Allowing errors to blow up instead of last-minute fixes
- 2) Eliminating obvious examples of excess
- 3) Setting targets so high that they cannot be reached through business-as-usual
- 4) Sending more (negative) information regarding clients and performance to more employees
- 5) Insisting that managers and employees talk to unsatisfied clients and unhappy suppliers regularly
- 6) Using external consultants to force more relevant data and honest discussion into management meetings
- 7) Bombarding people with information regarding future opportunities

Tutorial Discussion

- 1) Can you identify sources of complacency in your organization?
- 2) Can you mention some policies implemented by your organization for pushing up urgency levels?

2 - Creating the Guiding Coalition

If there is not enough trust within the guiding coalition or between the coalition and the employees, change efforts are doomed to fail.

Characteristics of guiding coalitions:

Position power	With enough key players on board and those who are left out cannot block progress
Expertise	Various points of view – discipline, experience, nationality etc. – relevant to the task in hand are adequately represented leading to informed and intelligent decisions
Credibility	With enough people with good reputations so that its pronouncements will be taken seriously by the employees
Leadership	Leadership and management working in tandem: leadership drives change, management controls process

Creating the Coalition - How ?

Guiding coalitions that make things happen:

Finding the right people	<ul style="list-style-type: none">• strong position power, broad expertise, high credibility• leadership and management skills• change group must share diagnosis of organizational problems, otherwise they'll not agree on the cure
Creating trust	<ul style="list-style-type: none">• lots of talk and joint activities with the employees, such as off-site events• trust must be raised to have people looking beyond their small world and creating a common goal
Developing a common goal	<ul style="list-style-type: none">• sensible to the head• appealing to the heart

3 - Developing Vision and Strategy

Vision refers to a picture of the future with some implicit or explicit commentary on why people should strive to create that future.

Characteristics of a good vision:

Imaginable	Conveys a picture of what the future will look like
Desirable	Appeals to the long term interests of employees, clients, and other stakeholders
Feasible	Comprises realistic, attainable goals
Focused	Clear enough to provide guidance in decision making
Flexible	General enough to allow individual initiative and alternative responses in light of changing conditions
Communicable	Can be successfully explained within 5 minutes

Vision, Strategies, Plans, Budgets

Leaders	responsible for doing the right things - effectiveness
Leadership creates	Vision - sensible and appealing picture of the future
	Strategies - logic on how the vision can be achieved
	Programs and projects - for implementing the strategy
Managers	responsible for doing things right - efficiency
Management creates	Plans - steps and timetables to implement the strategies
	budgets - plans converted into financial projections

Creating an Effective Vision

1) First draft	Vision process often starts with an initial statement of a single individual, reflecting his dreams and real needs
2) Role of the guiding coalition	The first draft is modeled over time by the guiding coalition or even a larger group of people
3) Importance of teamwork	The group process of developing the vision only functions with good teamwork
4) Role of the head and heart	Both analytical thinking and some dreaming are essential throughout the activity
5) Messiness of the process	Vision creation is usually a process of two steps forward and one step back, moving from left to right
6) Time frame	Vision is never created in a single meeting
7) End product	The process results in a direction for the future that is desirable, feasible, flexible, conveyable in 5 minutes max.

4 - Communicating the Vision

Simplicity	All jargon and technobabble must be eliminated
Metaphor and analogy	A verbal picture is worth a thousand words
Multiple forums	Same message should come from many different locations – large group meetings, memos, posters - and stand a better chance of being heard and remembered
Repetition	Ideas sink in deeply only after they have been heard many times
Leadership by example	Behaviour from important people that is inconsistent with the vision overwhelms other forms of communication
Explanation of seeming inconsistencies	Unaddressed inconsistencies undermine the credibility of all communication
Give-and-take	Two-way communication is always more powerful than one-way communication, if people do not accept the vision, the next two steps in the process will fail

5 - Empowering Employees

Barriers to empowerment (4S):

Structures	Client-focused visions often fail because of client-unfocussed organizational structures
Skills	<ol style="list-style-type: none">1) People are expected to change habits build up over years or decades with a few days of training2) People are given a course before they start their new jobs, but are not provided with mentoring while on the job
Systems	<ol style="list-style-type: none">1) Promotion and compensation systems must be geared towards objectives and create useful change2) Hire and fire systems must be in line with the new vision
Supervisors	If one behavioural aspect of a supervisor is changed, great pressure is put to switch this aspect back to the way it was

Empowering People

Communicating a sensible vision to employees	If employees have a shared sense of purpose, it will be easier to initiate actions to achieve that purpose
Making structures compatible with the vision	Unaligned structures block needed action
Providing the training employees need	Without the right skills and attitude, people feel disempowered and anxious
Aligning information and promotion systems to vision	Otherwise they block needed action
Confronting supervisors who undercut needed change	Nothing disempowers people the way a bad boss can

6 - Creating Short-Term Wins

Short-term wins must be planned, organized accordingly, and implemented.

Characteristics of short-term wins:

Visibility	<ol style="list-style-type: none">1) Large number of people can see by themselves that the result is real2) Visible results build the credibility needed to sustain efforts over longer periods of time
Un-ambiguity	<ol style="list-style-type: none">1) There is little argument over the win2) Wins are clearly related to the change effort

Role of Short-Term Wins

Providing evidence that sacrifices are worth it	Wins greatly help justify the short-term costs involved
Rewarding change agents	After much hard work, positive feedback builds morale and motivation
Helping fine-tune vision and strategies	Short-term wins give the guiding coalition concrete data on the viability of their ideas
Undermining critics	Clear improvements in performance make it difficult for people to block needed change
Keeping bosses on board	Providing those higher in the hierarchy with evidence that the transformation is on track
Building momentum	Turns neutrals into supporters, reluctant supporters into active helpers

Tutorial Discussion

Recall the last project implemented by your agency.

- 1) Can you identify measures that could be taken for obtaining short-term-wins?

7 - Consolidating Gains

Do not declare victory after the first performance improvement.

- 1) The celebration of short-term wins can be lethal if the urgency is lost afterwards
- 2) Until changed practices attain a new equilibrium and have been driven into the culture, they can be very fragile
- 3) Because all functions of an organisation are inter-dependent, change now needs to be comprehensively carried through

8 - Anchoring New Approaches 1

Culture refers to norms, behavior and shared values among a group of people (*the way we do things out here*).

New approaches must be anchored to the culture.

Culture is powerful and difficult to grab and change because:

- 1) Expresses itself through actions of almost everyone in the organization
- 2) Happens without conscious intent and is difficult to challenge or discuss

Culture changes only after:

- 1) Peoples actions were successfully altered
- 2) New behaviour produces some group benefit for a period of time
- 3) People see the connection between the new actions and the performance improvement

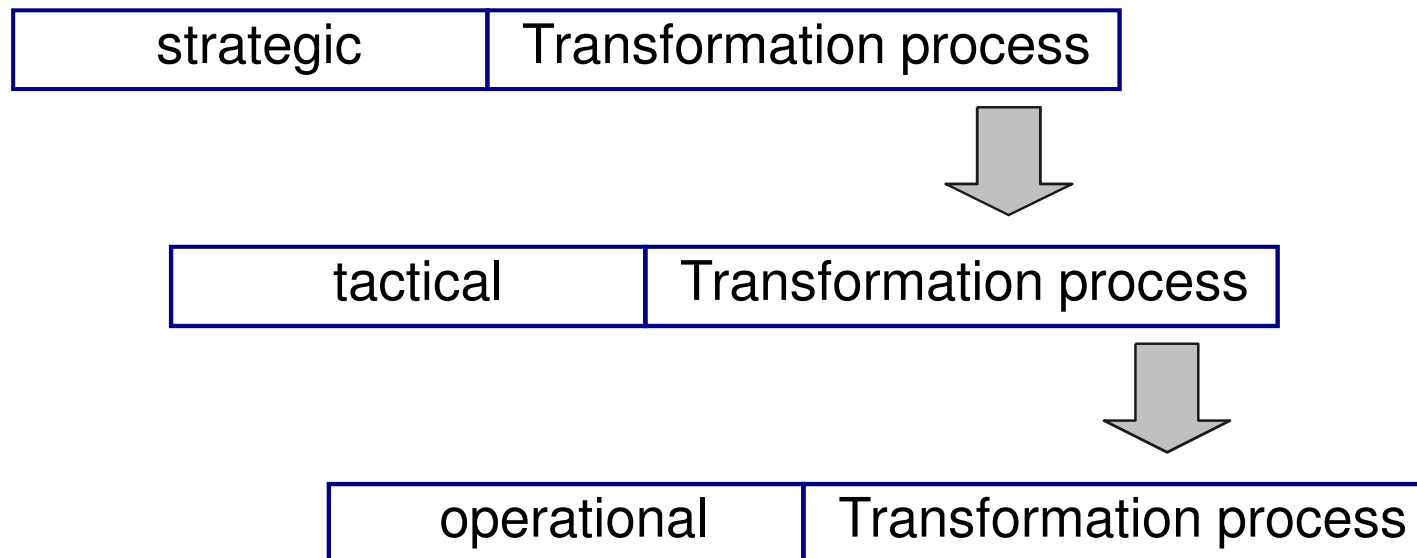
8 - Anchoring New Approaches 2

Anchoring new approaches in the culture comes last, not first, because:

Depends on results	New approaches only sink into the culture after it is absolutely clear that they work and are superior to old methods
Requires a lot of communication	Without verbal instructions and support, people are often reluctant to admit the validity of new practices
Changes promotion processes	If promotion processes are not changed to be compatible with the new practices, the old culture will reassert itself
May involve staff replacement	Sometimes the only way to change culture is to change key people

Managing Cultural Change

A top down approach:



Strategic and Operations Management

Strategic and Operations Management

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Strategic Planning

Strategic planning involves determining the required actions to achieve a desired vision considering the present state of an organization.

A strategic plan:

- 1) Is a road map to lead an organization from its present state to its desired medium or long term future state
- 2) Specifies the mission, vision, goals, strategies and objectives

Strategic Planning Process

Steps include:

- 1) Analyzing the present environment – SWOT
- 2) Providing a vision statement
- 3) Refining vision into goals
- 4) Determining strategies using the outcomes of SWOT analysis and specified goals
- 5) Formulating concrete and measurable objectives from strategies
- 6) Communicating and reviewing the strategic plan



Balanced Scorecard

Balanced Scorecard is a method and a tool which includes:

- 1) A strategy map where strategic objectives are placed over four perspectives in order to clarify the strategy and the cause and effect relationships that exists among them
- 2) Strategic objectives which are smaller parts of the strategy interlinked by cause and effect relationships in the strategy map
- 3) Measures directly reflecting strategy
- 4) Strategic initiatives that constitute the actual change as described by strategic objectives

The scorecard drives implementation of strategy using perspectives.

The Balanced Scorecard

Balance should be found between 4 perspectives to fulfil the mission of any public organization:

Client perspective	<ul style="list-style-type: none">• Who are our clients?• How do we create value for our clients?
Process perspective	<ul style="list-style-type: none">• At which processes must we excel to satisfy clients while meeting budgetary constraints?
Learning, innovation, growth perspective	<ul style="list-style-type: none">• How do we enable ourselves to grow and change, meeting ongoing demands?
Financial perspective	<ul style="list-style-type: none">• How did we add value for our clients while controlling costs?

The Four Perspectives

If:

- we have the right staff (innovation and growth perspective)
- doing the right things (process perspective)

then

- our clients will be delighted (client perspective)
- and we fulfilled our mission within our financial constraints (financial perspective).

Developing a Balanced Scorecard



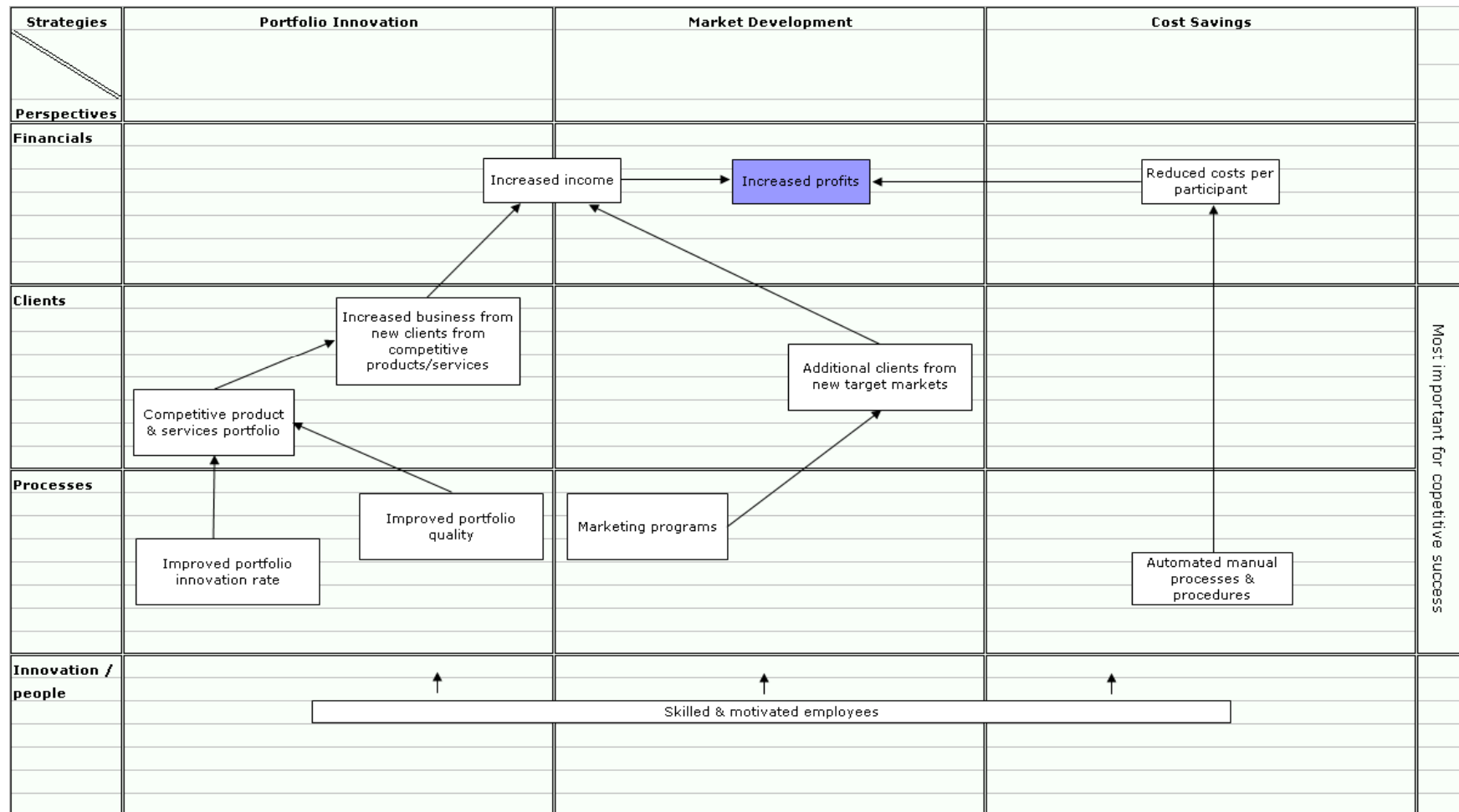
Developing a Balanced Scorecard

- 1) define the mission (image) and vision (objective)
- 2) develop the strategic coordination system (strategy map)
- 3) develop activities to implement the strategies
- 4) bundle activities into projects
- 5) carry out projects
- 6) develop reporting scorecard
- 7) organize learning process

Strategy Map

Strategies	Portfolio Innovation	Market Development	Cost Savings	
<div style="text-align: right; padding-right: 5px;">/</div> Perspectives				
Financials				
Clients				Most important for competitive success
Processes				
Innovation / people				

Objectives



Programs and Projects

Goals		Measure	Target	Timeframe								
Financials												
increased income	L	income	55,000,000	Dec. 2008								
increased profits	L	profits	7,000,000	Dec. 2008								
reduced costs per participant	L	% of income	80%	Dec. 2008								
Clients												
increased business from new clients from competitive products/services	L	ratio of new business	30%	Dec. 2008								
additional clients from new target markets	L	number of clients	15	Dec. 2008								
competitive integrated products & services portfolio	L											
Processes												
marketing programs	E	number of progr.	2	Dec. 2008	←	<table border="1"> <tr><td>Project 1</td></tr> <tr><td>Responsible:</td></tr> <tr><td>Duration:</td></tr> <tr><td>Resources:</td></tr> <tr><td>Expected benefits:</td></tr> <tr><td>Goal:</td></tr> </table>	Project 1	Responsible:	Duration:	Resources:	Expected benefits:	Goal:
Project 1												
Responsible:												
Duration:												
Resources:												
Expected benefits:												
Goal:												
improved portfolio innovation rate	E	% new programs	20%	Dec. 2008								
improved portfolio quality	L	feedback from clients	>= 3.0	Dec. 2008								
automated manual processes & procedures	E	done	done	Dec.2007								
Innovation / people												
skilled & motivated employees	E	training programs	2 annually	Dec. 2009	←	<table border="1"> <tr><td>Project 1</td></tr> <tr><td>Responsible:</td></tr> <tr><td>Duration:</td></tr> <tr><td>Resources:</td></tr> <tr><td>Expected benefits:</td></tr> <tr><td>Goal:</td></tr> </table>	Project 1	Responsible:	Duration:	Resources:	Expected benefits:	Goal:
Project 1												
Responsible:												
Duration:												
Resources:												
Expected benefits:												
Goal:												
E = early performance indicators (performance drivers)												
L = late performance indicators (results)												

Tutorial Discussion

- 1) Can you identify one strategy defined in your organization?
- 2) Can you identify objectives for the strategy?
- 3) Can you classify the objectives into perspectives?
- 4) Can you define measures, targets and timetable for these objectives?

Performance Management

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Performance Management

People do not do what you expect but what you inspect.

- 1) **Performance measurement** is the process of assessing progress toward achieving desired results
- 2) **Performance improvement** is any effort targeted at closing the gap between between actual results and desired results
- 3) **Performance management** is about setting desired results, planning activities, carrying out actions towards results, measuring progress, and managing improvement

Most performance management systems are based on **Management by Objectives (MBO)**.

Management by Objectives (MBO)

MBO is a well-established performance management system for implementing the measures and targets of strategic as well as operational objectives defined through the Balanced Scorecard.

- 1) Participative approach to integrate the objectives of an organization with those of all individuals within the organization
- 2) System in which objectives cascade down through the organization. The result is a hierarchy of objectives that links objectives at one level to those at the next level
- 3) For the individual, MBO provides specific personal performance objectives
- 4) Objectives guide managers in operating their area of responsibility and individuals in their work

Objectives

1) Two kinds of objectives:

- a) Strategic
- b) Operational

2) SMART objectives:

- a) Specific
- b) Measureable
- c) Achieveable
- d) Result oriented
- e) Timebound

MBO Individual Goal Sheet

Header	Name:		Job Title:	
	Manager Name:		Date:	
Objective	Description:			
	Type (strategic/operational):		Measure:	
	Target:		Quality criteria:	
	Means of verification:		Start:	End:
Skills	Skills Development:			
Career	Career Development:			

Tutorial Discussion

- 1) What is your management style?
- 2) Is your work managed by objectives?
- 3) Do you have personnel that could be managed by objectives?

Business Process Reengineering

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Motivation

Business Process Reengineering is a management approach aiming at improvements by increasing efficiency and effectiveness of processes:

- 1) Within public organizations
- 2) Across public organizations
- 3) From public organizations to businesses
- 4) From public organizations to citizens

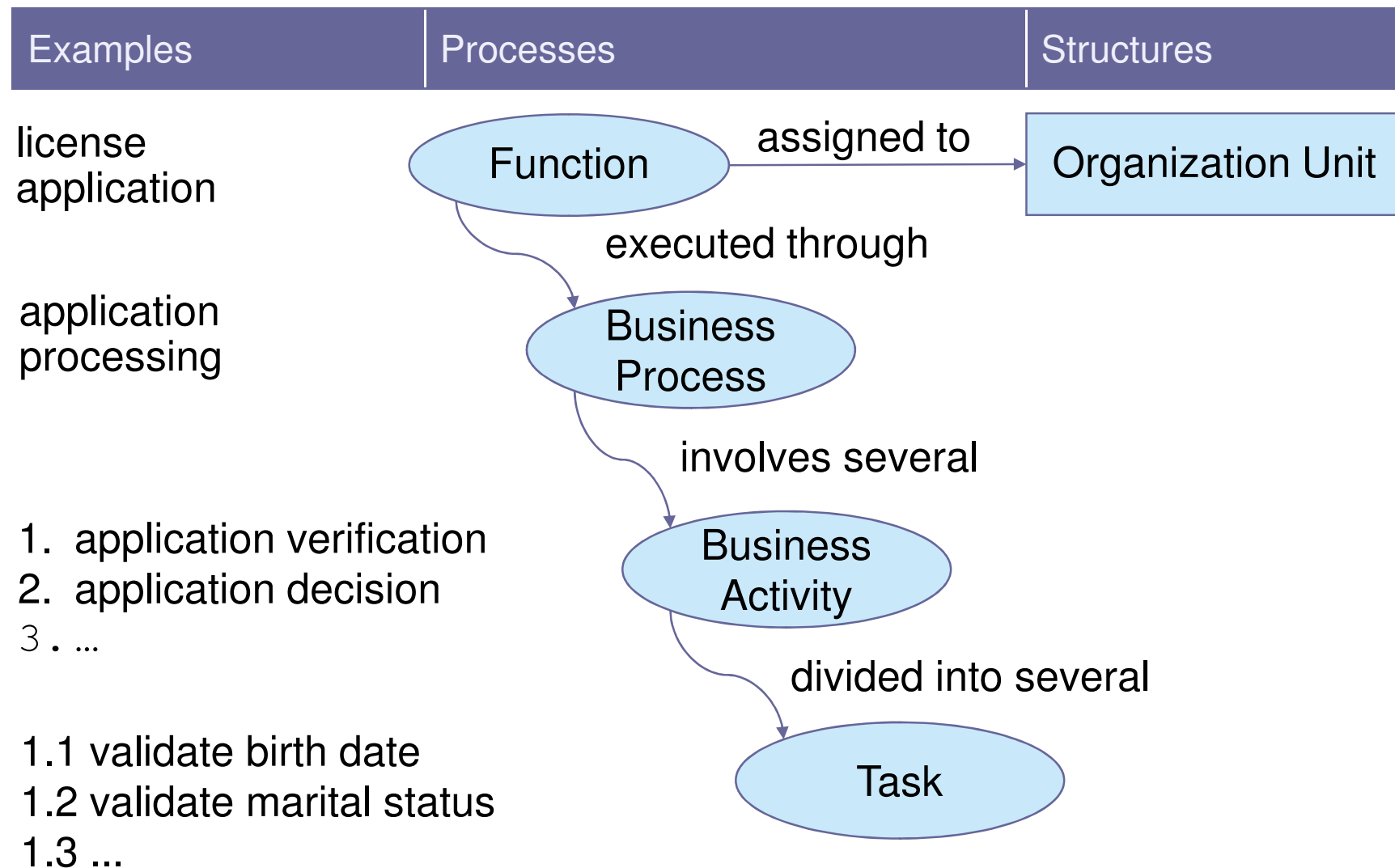
BPR is applied when designing G2C, G2B and G2G e-services.

Business Process

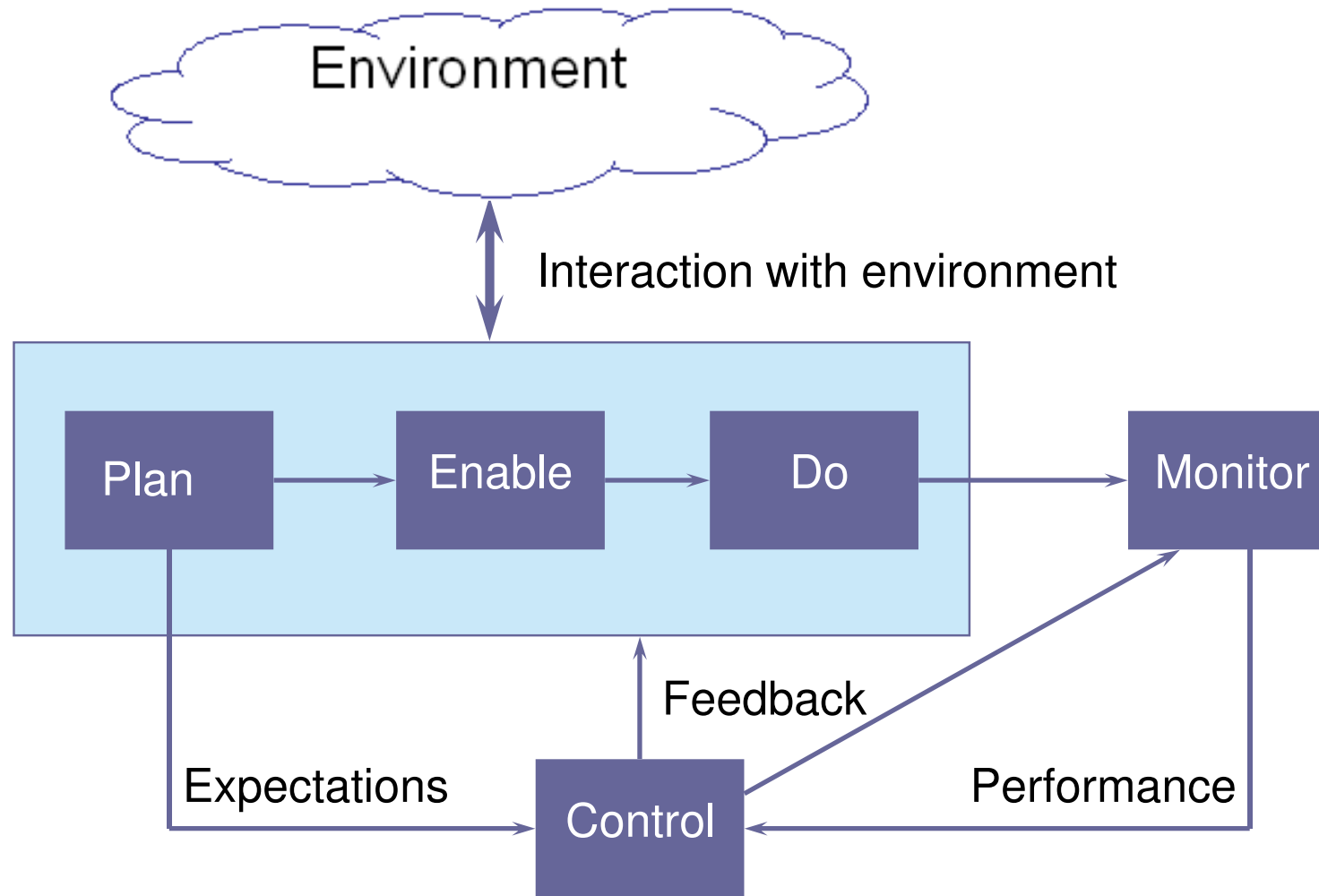
A business process is a sequence of related tasks which make up a business activity.

- o Public agencies should be organized to optimally carry out its functions (structure follows function)
- o **Functions** are managerial control units with responsibility for and authority over a series of related activities
- o **Functions** are executed through **business processes**
- o **Activities** involve one or more entities and are performed to directly or indirectly fulfill one of the objectives of the organization

Relating Concepts

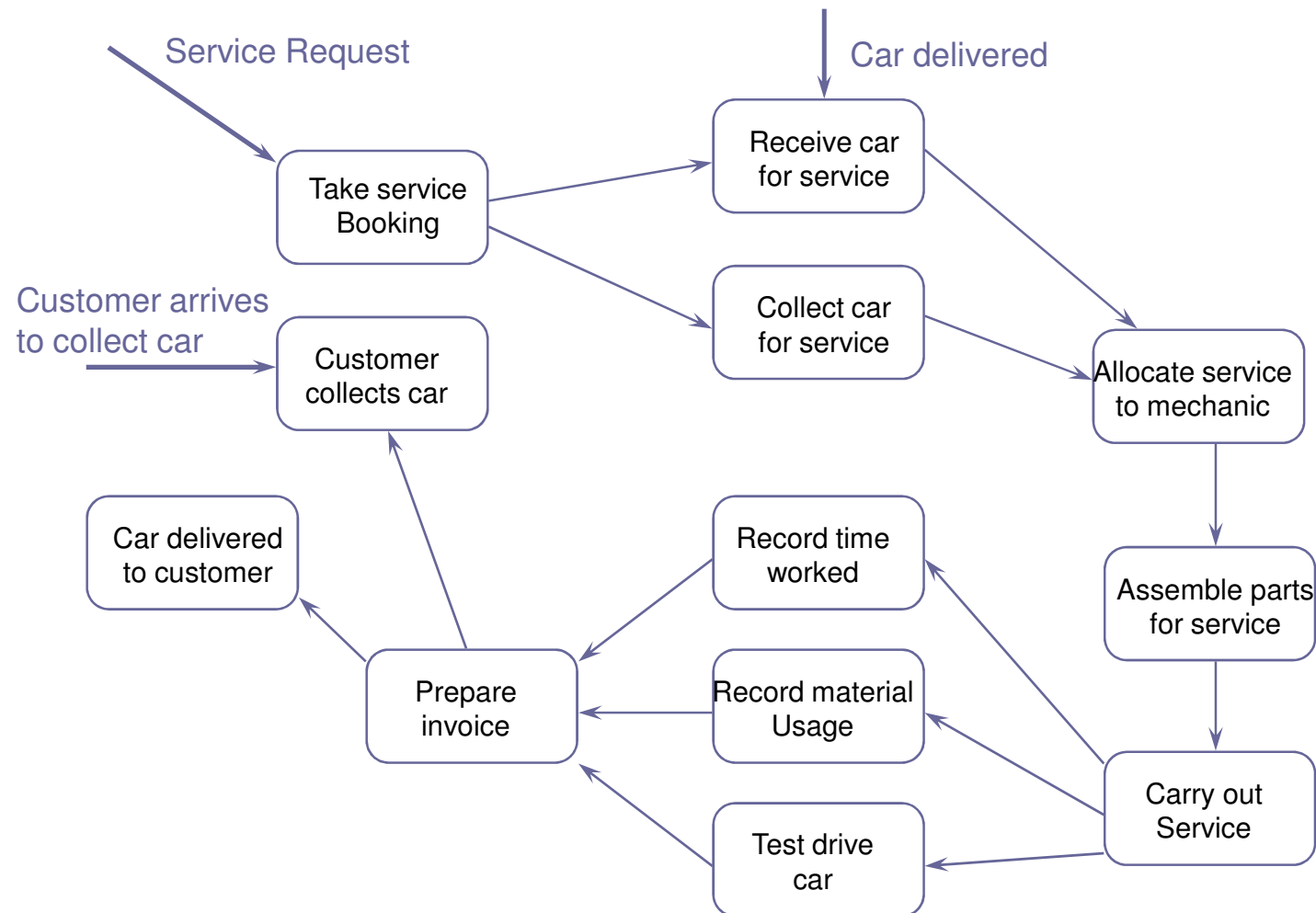


Types of Business Activities



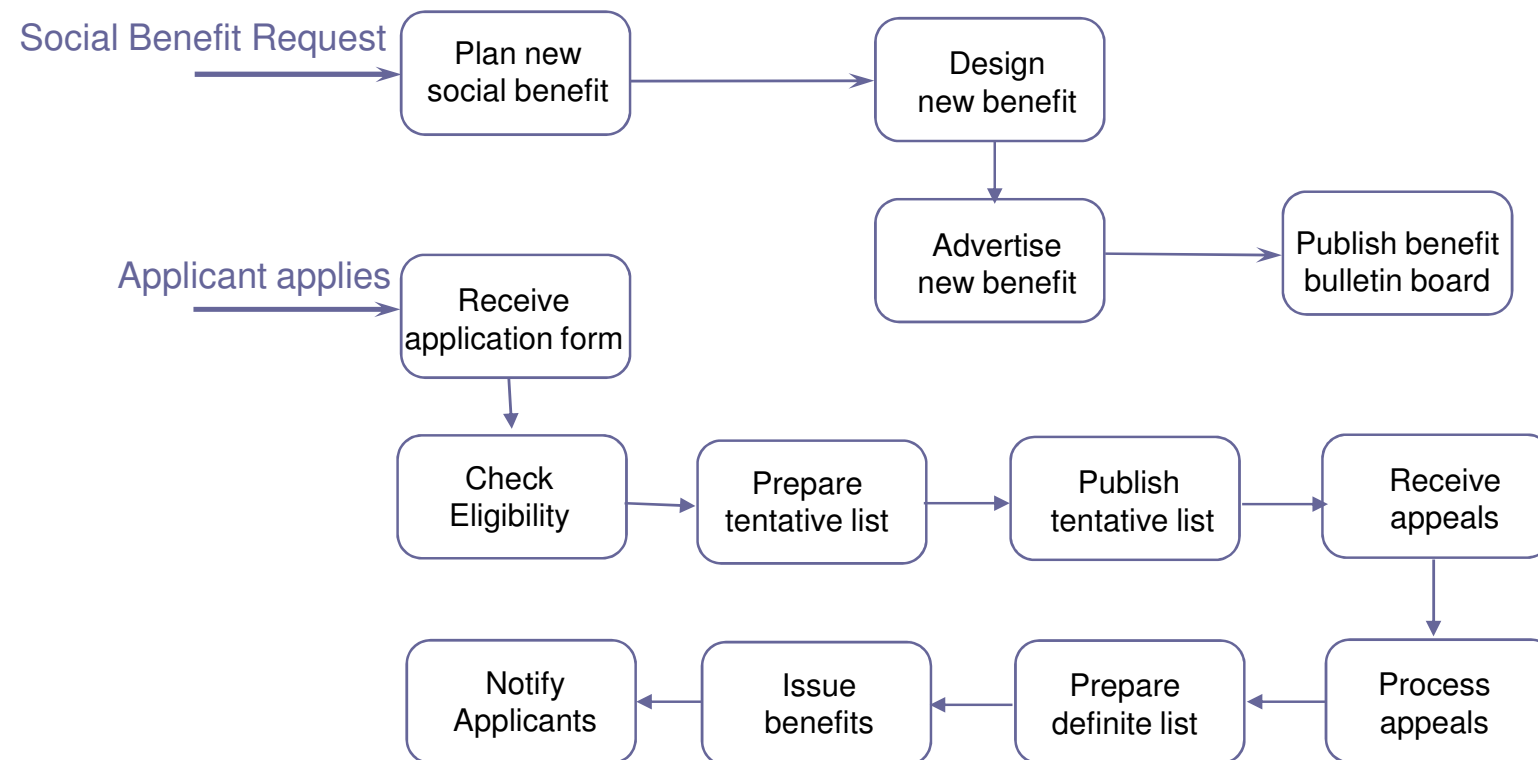
Modelling Business Activities

Activities can be described and designed by using business activity models.



Modelling Business Activity

Activities can be described and designed by using business activity models.



Business Process Reengineering

Business Process Reengineering (BPR) involves the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance such as cost, quality, service and speed. [Hammer and Champy]

A reengineered organization is process oriented, where:

- 1) Processes are identified and named,
- 2) Everyone is aware of the processes they are involved in,
- 3) Process measurement, i.e. monitoring and control, is performed

Public Administration and BPR

- 1) Investments in the computerization or automation of business processes by governments in the past have yielded limited benefits
- 2) The quality of internal and external services provided by a government agency largely depends on the quality of its business processes
- 3) Governments have difficulties meeting the expectations of stakeholders
- 4) e-Government is about rethinking government processes and incorporating beneficiaries within the design and execution of these business processes

Applying BPR

Can BPR be applied to government?

- 1) BPR is traditionally undertaken in the private sector
- 2) Government and the public sector are (usually) characterized by stability and risk aversion
- 3) BPR calls for drastic changes rather than incremental changes in organizations → e-Government comprises drastic changes
- 4) Classical BPR considers cross-functional processes and radical redesign of such processes → e-Government not only explicitly considers cross-functional processes but embeds businesses and citizens into processes

BPR is therefore a must when developing and implementing e-Government !

Recent Trends in Public Sector

BPR is widely used in the public sector.

Re-inventing democracy	Treating citizens as stakeholders and clients and including them in the governance process
Information Technology	Providing dramatically better ways of simplifying government and involving citizens through ICT
Alternative mechanisms for government (services delivery)	Increasing the use of quasi-autonomous non-governmental organizations (quangos)
Outcomes and performance	Defining and measuring desired outcomes and holding governments accountable for them
Partnerships	Creating intergovernmental, public-private and labour-management partnerships

Public Sector BPR - Process Steps

- 1) Set up a steering committee and a project team
- 2) Analyze and document current processes including information flows
- 3) Consult stakeholders/beneficiaries to detect problems/opportunities
- 4) Identify change opportunities and present them to the steering committee - get agreement on where and how to proceed
- 5) Define new business processes, analyze and document the required organizational changes and impacts
- 6) Obtain approval from the steering regarding proposed changes
- 7) Implement
- 8) Monitor outcomes and anticipated benefits
- 9) Adjust and fine tune as required

Critical Success Factors

Critical success factors when implementing e-Government programs with comprehensive BPR components include:

- 1) Well informed investment decisions
- 2) Effective engagement with stakeholders
- 3) Knowledge of the supplier marketplace
- 4) Knowledge of the delivery chain
- 5) Effective risk management
- 6) Knowledge about operations
- 7) Active management of intended outcomes and benefits
- 8) LEADERSHIP!

BPR - Methodology

- 1) Envision new processes
- 2) Initiate change
- 3) Process diagnosis
- 4) Process redesign
- 5) Reconstruction
- 6) Process monitoring

1 - Envision New Processes

- 1) Ensure management support
- 2) Identify reengineering opportunities
- 3) Identify enabling technologies
- 4) Align with organizational strategy

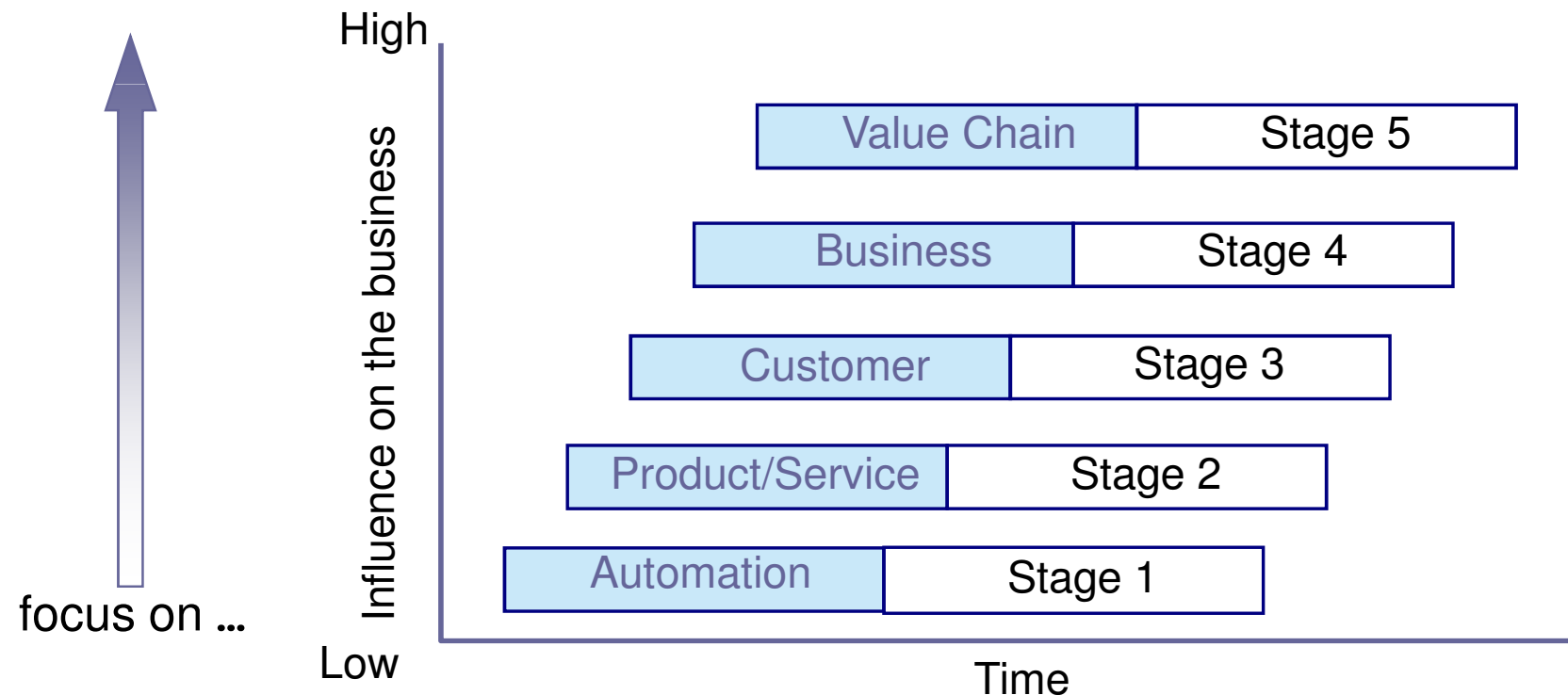
2 - Initiate Change

- 1) Set up the reengineering team
- 2) Outline performance goals

3 - Process Diagnosis

An assessment must be done about how IT is aligned to creating value for the business.

A maturity model for assessing IT organization includes five stages.



Transforming IT Organization

Each growth stage represents a transformation of the IT organization:

Changes in people	Skills and competencies
Processes	Ways of workings
Steering	The goals and results to be realized
Attitude	The values and beliefs and the way in which IT behaves towards the business and IT users
Interactions	Degree of interactions between IT and the business and stakeholders

Growth is done step by step.

Not every IT organization needs to be at the highest level.

4 - Process Redesign

- 1) Develop alternative process scenarios
- 2) Develop new process design
- 3) Design human resource architecture
- 4) Select IT platform
- 5) Develop overall blueprint and gather feedback

Process Redesign - Project Scope

Projects attempting large-scale change have a much lower probability of success than those attempting less ambitious change.

Delivery of smaller components will therefore be:

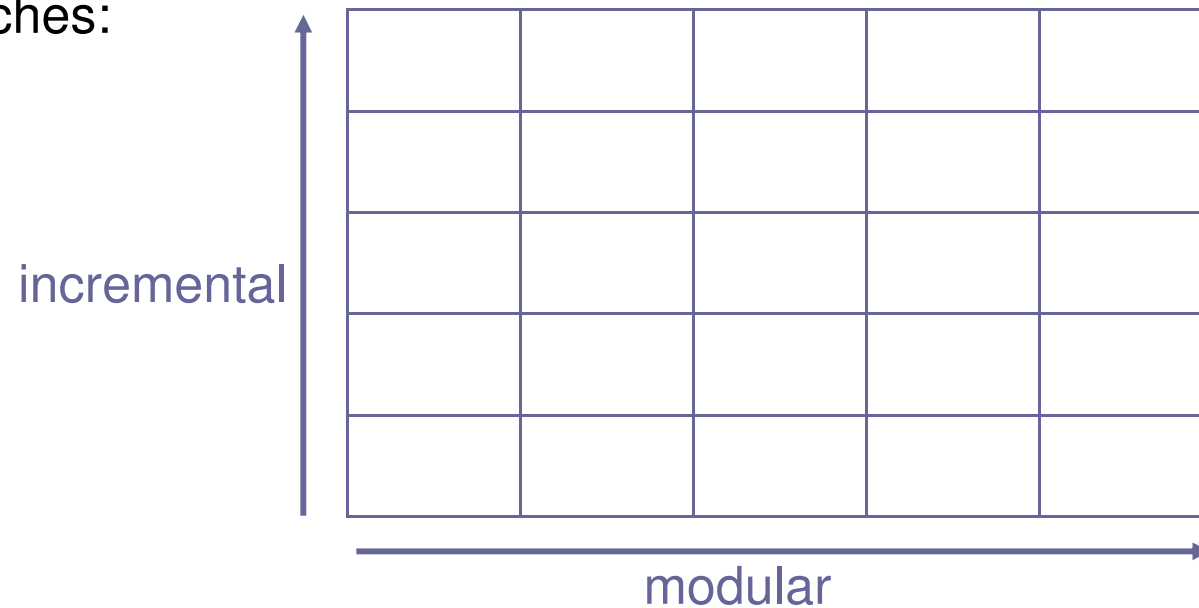
- 1) easier to manage
- 2) easier to implement
- 3) easier to accommodate internal and external changes – political and financial environment, requirements, technological change, ...

Process Redesign – IT Support

Two dimensions to IT-enabled business change projects:

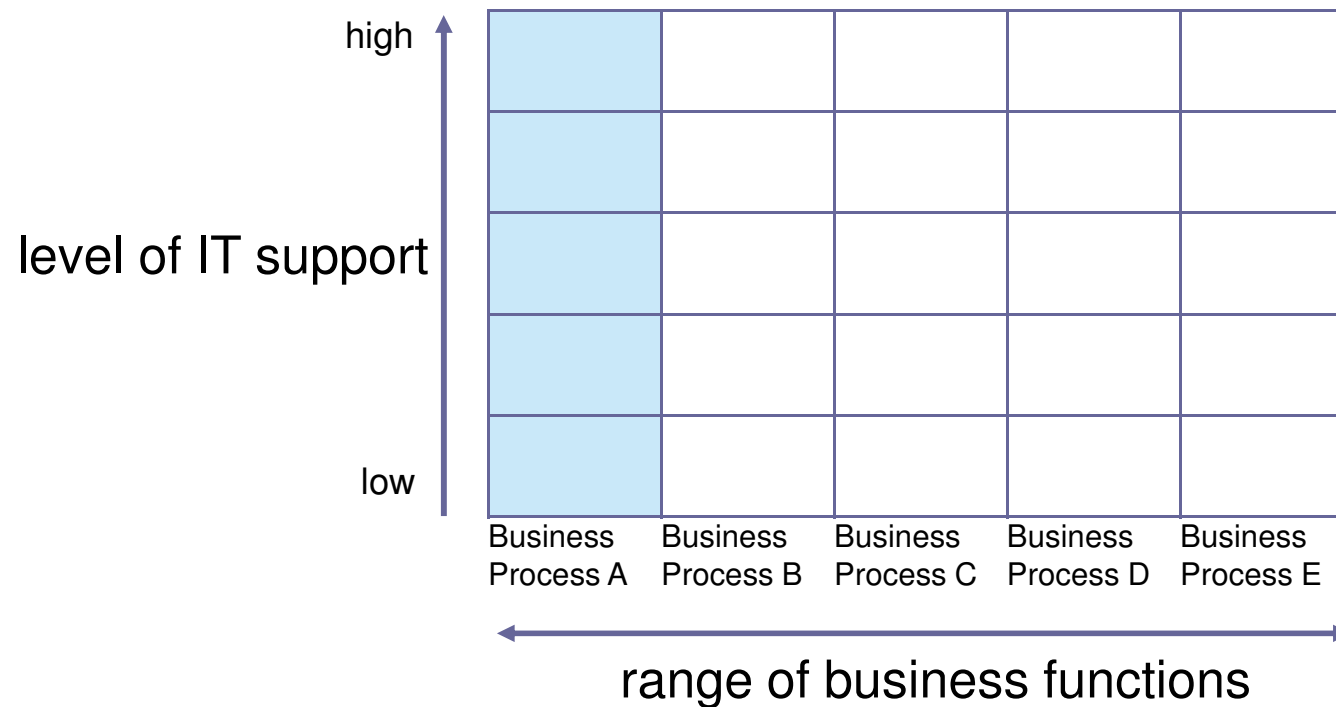
- 1) Range of business functions that they seek to support
- 2) Level of support that they offer to those business functions

Two delivery approaches:



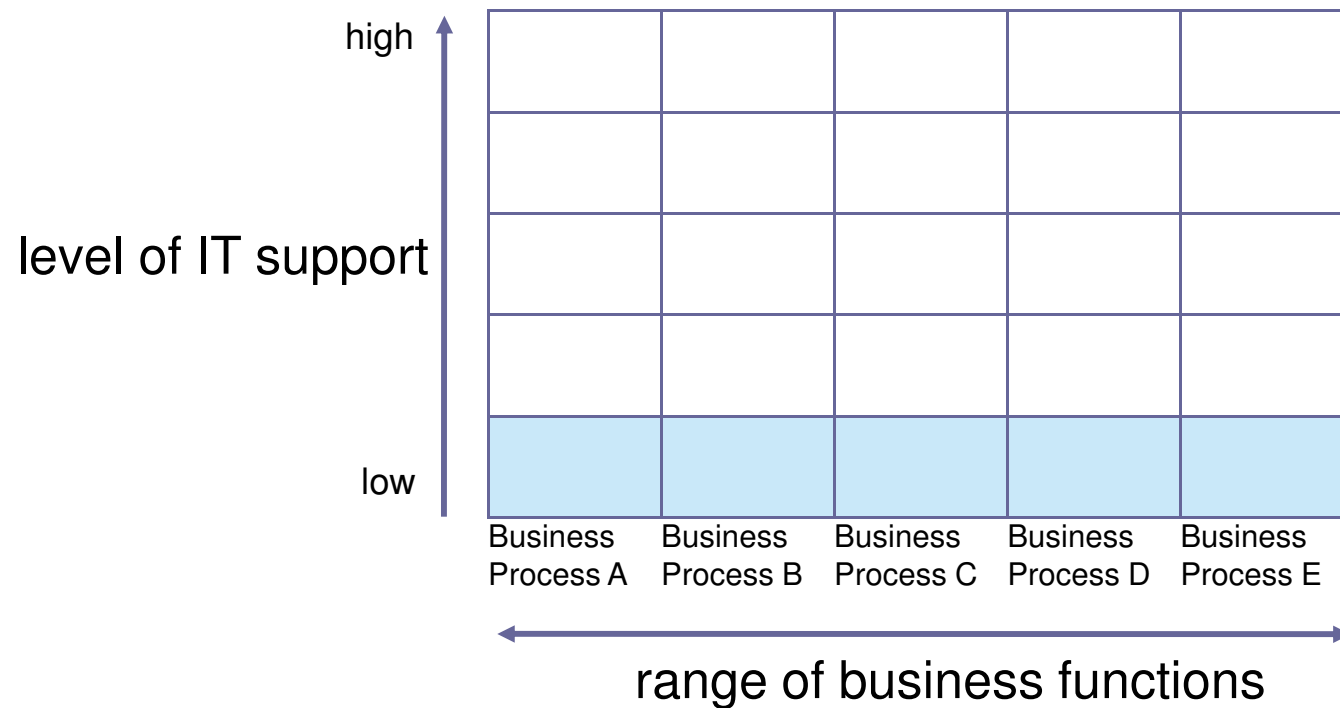
Modular Approach

- 1) IT support in modules supporting limited set of business requirements
- 2) Delivers an independent part of a overall program whose application offer value to the organisation, even if the other parts are not complete



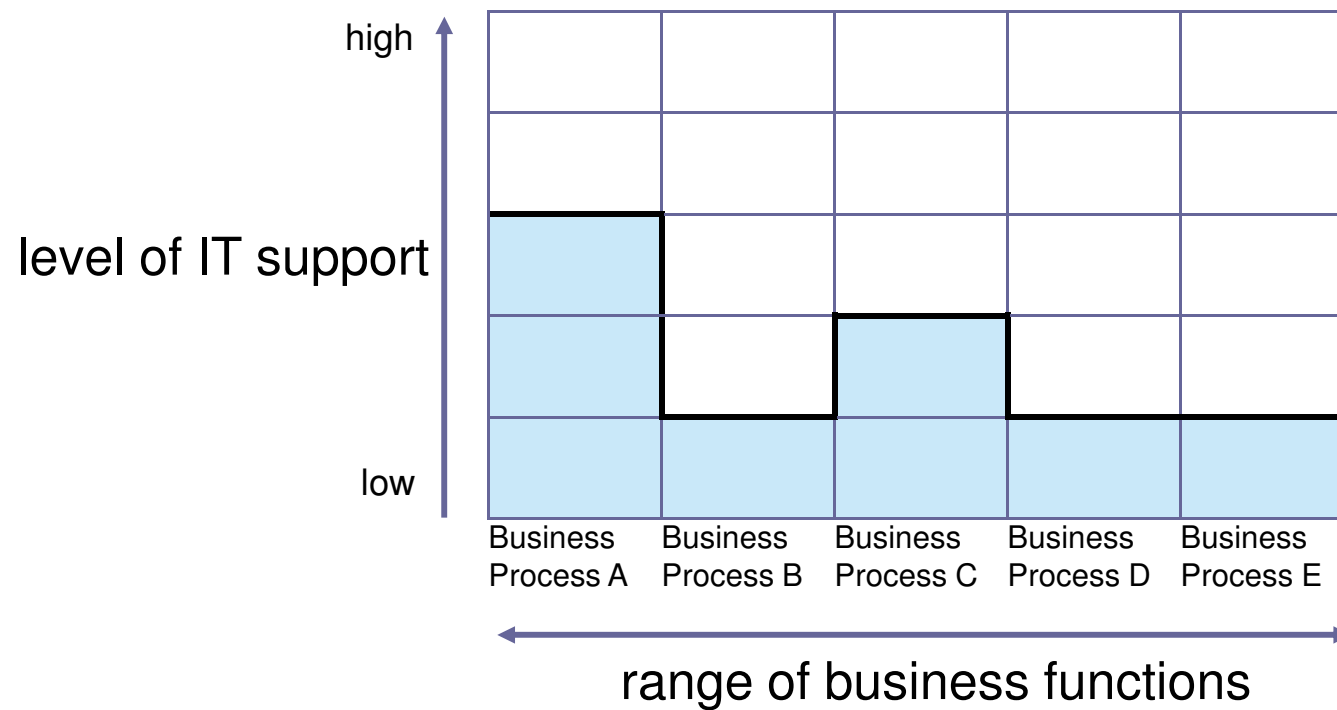
Incremental Approach

- 1) Delivers increasing levels of support in a series of smaller projects
- 2) Is valuable where requirements are likely to change due to environmental factors - legislative /policy change or improvements on IT



Combining Approaches

In most programmes both approaches are combined:



Tutorial Discussion

Can you provide examples of implementations following any of these approaches?

BPR - Methodology

- 1) Envision new processes
- 2) Initiating change
- 3) Process diagnosis
- 4) Process redesign
- 5) Reconstruction
- 6) Process monitoring

5 - Reconstruction

A checklist before cut-over to new capabilities includes asking:

- 1) Is the organisation ready?
- 2) Is the staff ready?
- 3) Are businesses and/or citizens ready?
- 4) Is contract management in place?
- 5) Is service management in place?
- 6) Is benefits management in place?
- 7) Is performance management in place?
- 8) Are changes ahead been thought through

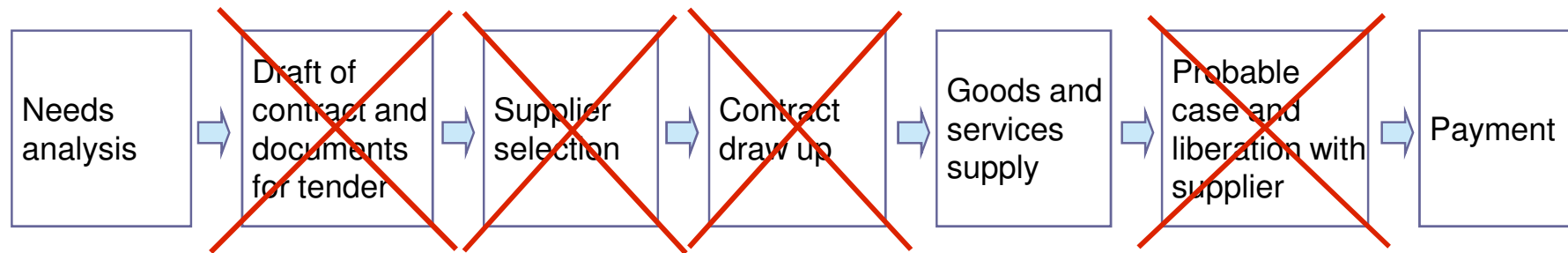
6 - Process Monitoring

A checklist of key issues after transitioning to e-Government services includes asking:

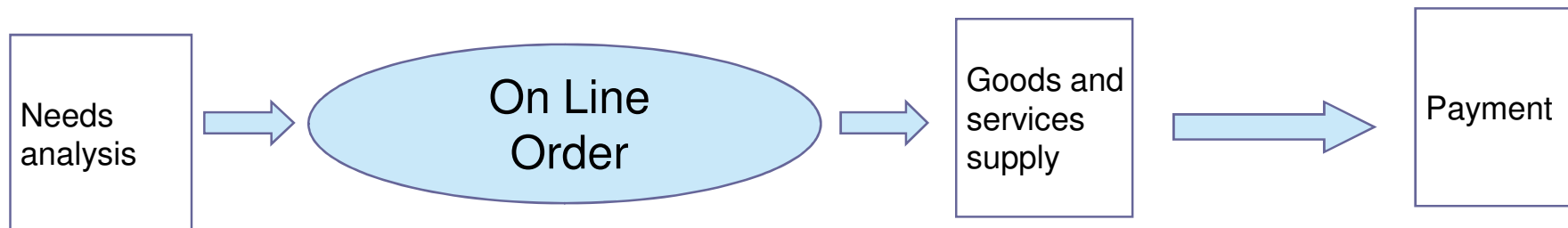
- 1) Was the business case justification realistic?
- 2) Have changes throughout the project compromise our original intentions?
- 3) Have we done a post-implementation review?
- 4) Do we have enough qualified personnel to manage operations including fulfilment contract with third parties?
- 5) Are we actively seeking to improve performance?
- 6) Are we measuring performance?
- 7) Are we setting maturity targets?

Example – Reengineered Process

Traditional Process of Goods and Services Procurement:



New Process of Goods and Services Procurement:



[Courtesy – UNPAN , Transforming Government]

Implementing Strategies through Programs

Outline

1	Introduction	government transformation
2	Change Management	steps in government transformation
3	Strategic Management	Balanced Scorecard system
4	Performance Management	management by objectives
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Developing a Balanced Scorecard



Program Management – Context



Program Management – Definition

Program management is the coordinated organization, direction and implementation of a portfolio of projects and activities.

Programs and projects implement strategy.

When programs are focused on changing the way an organisation works, the program is generally led by:

- 1) a vision of a desired outcome and
- 2) the benefits that outcome will bring

Successful Programs

Successful e-Government programs present the following attributes:

- 1) Are aligned with strategies
- 2) Have clear and consistent vision of the transformed organisation
- 3) Are focused on benefits and the internal and external threads to their achievement
- 4) Coordinate a number of projects and their interdependencies in pursuit of outcomes and benefits
- 5) Include a technical feasibility of the required outputs
- 6) Involves leadership, influence, management and direction of the transition, including handling cultural change

Program Management

- 1) Organization and leadership
- 2) Benefits management
- 3) Stakeholder management and communications
- 4) Issue and risk management
- 5) Planning and control
- 6) Business case management
- 7) Quality management

Programs

Programs produce outcomes and benefits.

Outcomes are the effects of change and form the vision for the program.

Achieving the desired outcomes requires active management of the change process, including transforming behaviour, attitudes, ways of working, etc.

Projects

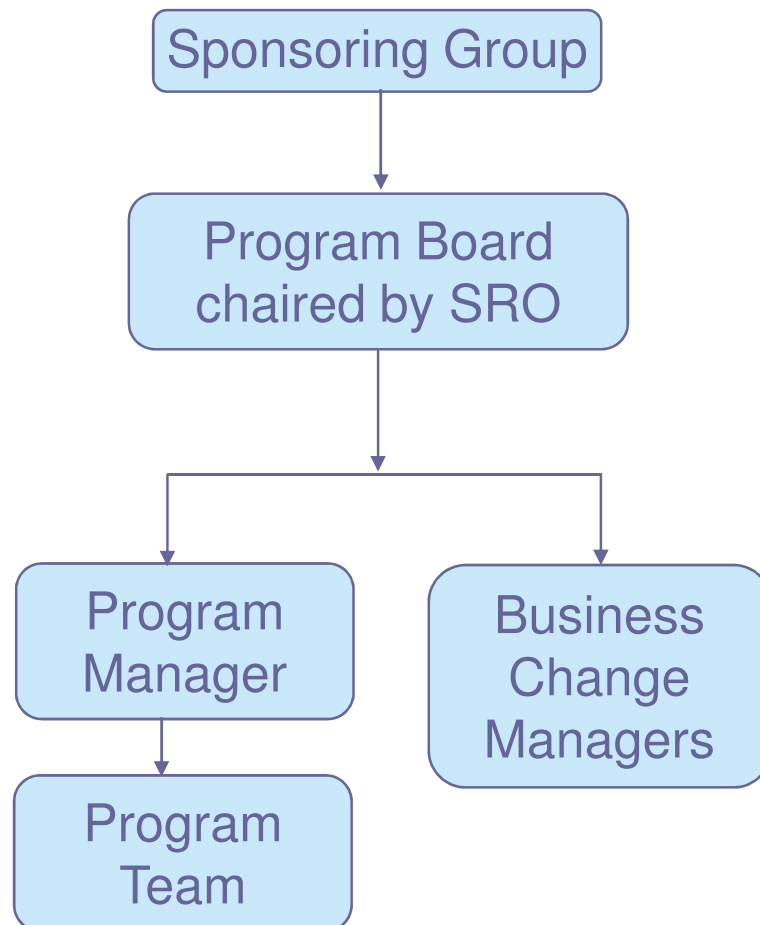
Projects produce outputs.

Outputs are specific deliverables from projects that are delivered within time, cost and quality constraints.

- 1) Programs and projects are complimentary approaches. During a program lifecycle, projects are initiated, executed, and closed
- 2) Program management does not replace the need for competent project management.

Program Organization 1

Roles and responsibilities:



Program Organization 2

Sponsoring Group

- makes investment decision
- decides who holds the budget and pays for what and when

Senior Responsible Owner (SRO)

- is responsible for the success of the program

Program Board Members

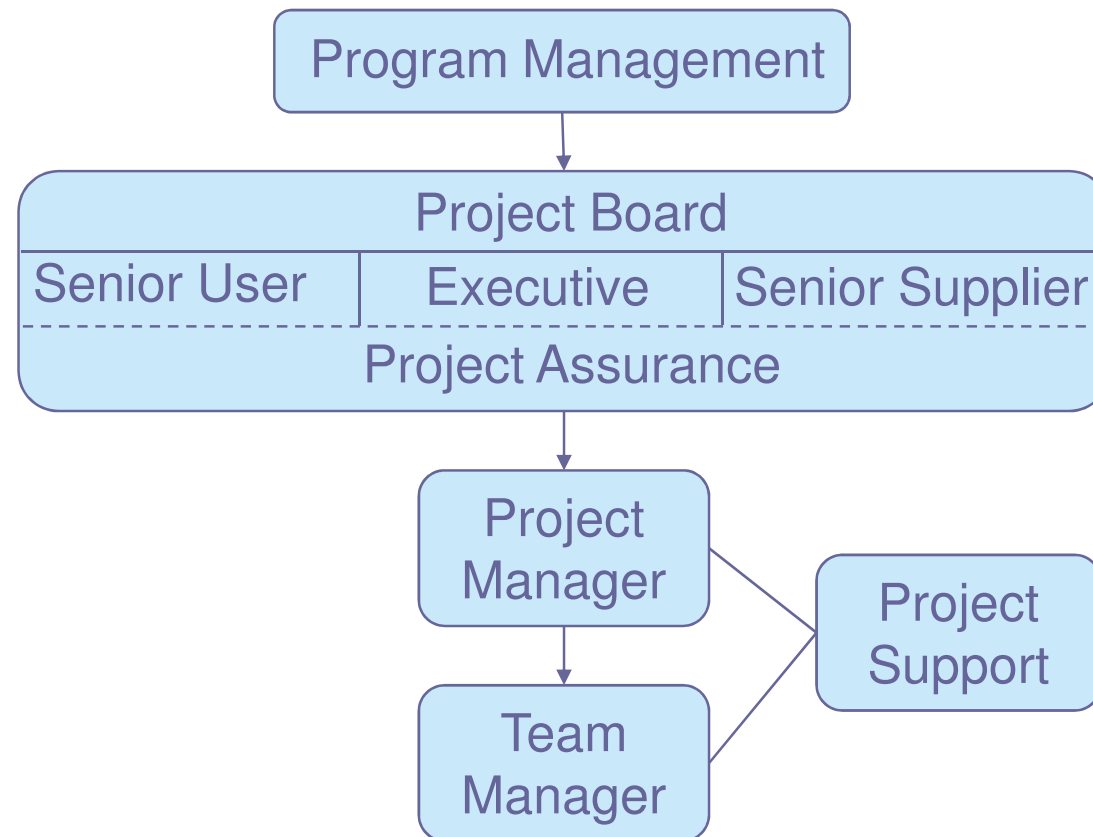
- represent stakeholders
- support SRO in decision-making

Business Change Managers

- responsible for transition and embedding of change caused by programs

Project Organization

Roles:



Project Process Groups

- 1) Initiation
- 2) Planning
- 3) Executing
- 4) Monitoring & controlling
- 5) Closing

Project Management Areas

According to the Project Management Institute, Project Management comprises the following knowledge areas:

- 1) Integration management
- 2) Scope management
- 3) Time management
- 4) Cost management
- 5) Quality management
- 6) Human resource management
- 7) Communications management
- 8) Risk management
- 9) Procurement management

Program Management Office

Responsibilities of the Program / Project Management Office:

- 1) Orchestrating the e-Government program
- 2) Assessing project management maturity of government agencies
- 3) Maintaining program/project management methodologies
- 4) Managing contracts
- 5) Establishing project management tools
- 6) Standardizing e-Government technologies
- 7) Training and coaching on program/project management
- 8) Developing business cases
- 9) Organizing projects and reporting lines
- 10) Planning and controlling including external reviews
- 11) Managing risks, quality, and configuration
- 12) Controlling changes

Developing the Business Case

The business case provides a description and a justification of the project.
Two stages for developing the business case:

Investigation	<p>a) Scope investigation</p> <ul style="list-style-type: none">• Outline business objectives, benefits, time scales• Establish required resources, dependencies and risks• Determine fit to strategy, business environment, etc <p>b) Investigation report</p> <ul style="list-style-type: none">• Assess business needs and the viable opportunities
Feasibility	<p>Options investigation</p> <ul style="list-style-type: none">• Determine stakeholders viewpoints• Analyze current business and IT solutions• Analyze requirements, business and technical options• Recommend an option (if possible)• Plan and cost business solution

Business Case – Outline 1

Document control	<ul style="list-style-type: none">• Versioning and recipients
Background and need for change	<ul style="list-style-type: none">• Problems related to the current environment, e.g. costs, clients, organisation, processing, etc.• Initiatives that were undertaken so far
Business objectives and requirements	<ul style="list-style-type: none">• Summary of business objectives and main changes needed (requirements catalogue)
Options descriptions	<ul style="list-style-type: none">• Reference to a formal investigation report (appendix)• List of options to achieve objectives with business, technical and procurement descriptions• Do nothing option

Business Case – Outline (more)

Investment appraisal	<ul style="list-style-type: none">• Costs and benefits of the options identified• Comparison to the do-nothing/do-minimum option• Cash flow statements on spreadsheets
Risk assessment	<ul style="list-style-type: none">• Assessment of internal/external risks for each option
Conclusion	<ul style="list-style-type: none">• Summary of pros and cons of each option• Ranking of options• Identification of recommended solution
Implementation of recommended solution	<ul style="list-style-type: none">• Timetable identifying major business milestones• Project outline

Risk Management

Risk can be defined as uncertainty of outcome.

Some amount of risk is inevitable if a program should achieve its outcomes.

Considerations when assessing program/project risks:

- 1) Ratio of business benefit to costs when designing responses to risk
- 2) Client-side experience and skills in business modelling, project management etc.
- 3) Capacity of the client organisation to embrace change
- 4) Degree of technical complexity
- 5) Externally imposed time delays, e.g. waiting for data from agencies
- 6) Capacity of suppliers, project management and technical skills

Benefits Management

Benefits are used to direct the program and its subordinated projects.

Benefits management provides alignment and clear links between the program and the strategic objectives and vision it is serving.

Benefits management ensures that:

- 1) Benefits are comprehensively identified and measurable
- 2) Government/Agencies are committed to benefits identified and their realization. This encourages ownership and responsibility for adding value through the realization process

Project Assessment

The project can be assessed through:

project profile models	1) Comprise a set of high-level criteria against which the SRO or project manager can assess the characteristics and degree of difficulty of a project for establishing: a) control structure b) risk profile and risk strategy c) design approach
project management competency profiles	1) Is a guide for assessing project management competencies and capacities in government agencies 2) Includes roadmap for actions to close the gap between existing and required management competencies

Structural Change

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Traditional Government Structure

Features of the traditional structure of government:

- 1) Is similar to multidivisional organization
- 2) Has hierarchical management structure – pyramidal
 - information flows up the chain and is processed at each level
 - commands are transmitted down the hierarchy

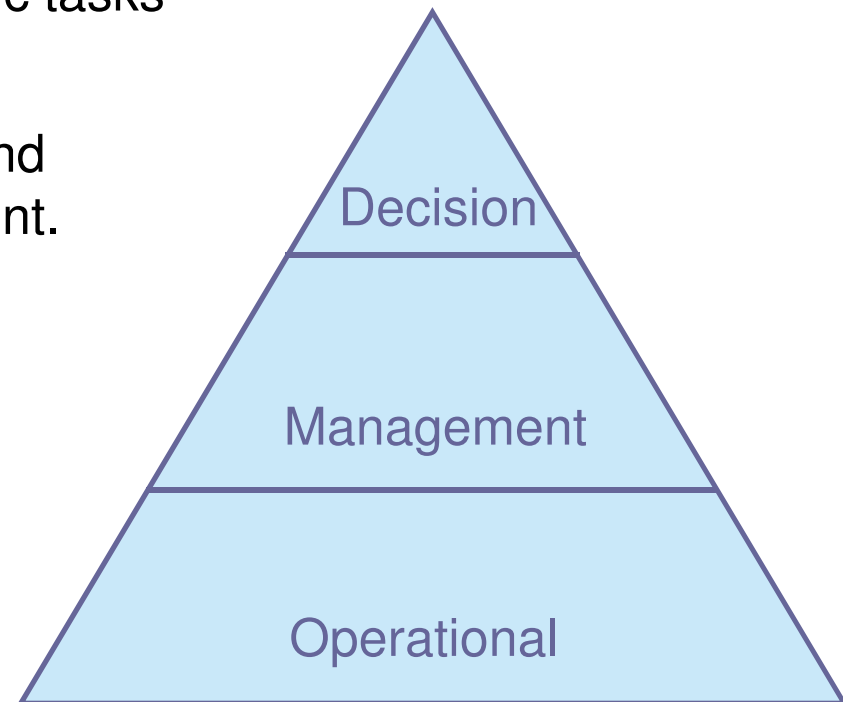
In large government organizations, hierarchies may be nested.

Pyramid Structure

The pyramid consists of three tiers:

- 1) Strategic management for decision making
- 2) Tactical management for basic management functions
- 3) Operation staff to carry out the basic tasks

Each tier has its own level of control and different level of information requirement.



Issues in Traditional Structure

Traditional structure exhibits high dependence on the middle management :

- 1) Processing internal vertical information flow
- 2) Controlling and coordinating business activities of the government

Consequences include:

- 1) Middle management is large and many times overstaffed
- 2) System is rigid due to centralization of decision making
- 3) System lacks flexibility and slow in response to changes in environment
- 4) Organization is increasingly non-competitive

ICT and Government Structure

ICT impacts in a number of ways on organizational structures:

- 1) Information availability
- 2) Control and coordination
- 3) Decentralization
- 4) Knowledge bases availability

Impact - Information Availability

Implication of ICT in the area of information availability:

- 1) Information is easy to capture
- 2) Information can be accessed anywhere, anytime, by anyone authorized
- 3) People within the same business area or business process can share information through databases and networks

Impact - Control and Coordination

Implication of ICT in the area of control and coordination:

- 1) Control and coordination of business activities can be carried out at the lower tiers of the hierarchy, as there is access to required information
- 2) Information can be processed horizontally - no need to hand information up and down the tiers to transfer information between divisions

Impact - Decentralization

Implication of ICT in the area of decentralization:

- 1) Decision making can be decentralized - done by persons with authorized access to information with knowledge of the relevant criteria
- 2) Decentralized decision making is facilitated by networked computers and a decision-support systems

Impact – Knowledge Base

Implication of ICT in the area of knowledge bases:

- 1) Availability of knowledge bases enables decentralized decision making
- 2) Knowledge bases will strengthen the capacity of lower tiers in decision making, since they become more knowledgeable

Modern Structure – ICT based

The consequence of these impacts on the structure of government organization includes:

- 1) Decision making is decentralized, made at the location close to where the business activity is taking place
- 2) Structures evolve from hierarchical to flat networked
- 3) All the elements of the society are connected, share information and communicate with one another

Structural Change Propositions

Popular proposition of structural change include:

- 1) ICT has the potential to reform public administration and their relations with their environment
- 2) ICT can change organization structures and is a powerful tool

Lessons Learned

- 1) Involve stakeholders – citizens, business, government
- 2) Develop a shared vision
- 3) Use seasoned project and change management professionals
- 4) Appoint cross-functional project teams
- 5) Deliver in stages
- 6) Develop Private-Public-Partnerships
- 7) Establish adequate legal framework

Summary

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Summary

- 1) e-Government or e-governance is aimed to transform government interaction with its stakeholders and enhance its internal efficiency
- 2) Organizational transformation cannot be achieved solely by ICT
- 3) Our view of ICT is completely utilitarian, a tool, nevertheless powerful, but not sufficient
- 4) Organization change approaches like BPR is major agent for transformation
- 5) ICT will definitely enable BPR
- 6) Therefore, it is very plausible to propose that BPR is one of the most critical aspect of e-governance – a necessary condition
- 7) Change management must be carried out along with BPR process

Sources and Further Information

- 1) Change Management
 - Leading Change, John P. Kotter, ISBN 0-87584-747-1
- 2) Strategic Management
 - The Balanced Scorecard Institute (balancedscorecard.org)
 - Balanced scorecard step-by-step for government and not-for-profit agencies, Paul R. Niven, ISBN 0-471-42328-9
- 3) Performance Management
 - The Practice of Management, Peter Drucker, ISBN 0-060-87897-5
- 4) Portfolio, Program, Project Management
 - Project Management Institute (pmi.org)
 - Office of Government Commerce (ogc.gov.uk)
 - APM Group (apmgroup.co.uk)
- 5) e-Government Coordination/Program Management Office
 - Infocomm Development Authority of Singapore (ida.gov.sg)
 - Government of Hong Kong, (info.gov.hk/digital21)