OECD E-Government Project

COMPLEMENTARY WORK
STEERING GROUP MEETING

Proposals for complementary work on Transformation of government services: the impact of multi-channel service delivery to realise productivity and customer service benefits

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Background

Demand to transform government service delivery and operations is being driven by increasing government requirements for greater:

- Cross agency collaboration in service delivery, program development and policy.
- Integration with private and non-profit providers.
- Customer focus.
- Productivity savings and increased value from assets; and
- Security and trust.

Transformation is a business process not an information and communication technology (ICT) process. However, the application of ICT to existing business operations and service delivery enables and assists governments and agencies to transform services to meet these business challenges. Governments, globally, are reviewing their activities across a number of areas including Authentication, Security, Information and Knowledge Management, Sourcing, and Channel Management.

Channel Management

Channel Management is a key element of that transformation process. Agencies are simultaneously focused on both improving service levels to customers and reducing costs through better management of all service delivery channels. The transformation agenda involves more than the simple automation and transfer of existing services to new channels. It necessitates the redesign of processes and existing services, service amalgamation, and utilisation of new public and private service channels. The three stages of channel management are:

- Agency-based transaction services across multiple channels.
- Collaborative models, mostly ad hoc, across some agencies, jurisdictions and private providers; and
- A Service Delivery Network that provides a whole of government service delivery framework for agencies that embraces multiple service channels and providers.

Most agencies are at Stage One -- Agency based integration. A few lead agencies -- such as Centrelink in Australia – are moving to embrace ad hoc collaborative models across agencies and jurisdictions. This shift in business focus is highlighting a range of issues that governments need to
address. Similar issues are also emerging in the other areas of e-government activity such as Authentication, Security, Information/Knowledge Management and Sourcing. Key issues include:

- Access and distribution measurement and economics.
- Principles to inform future development; and
- Whole of Enterprise structural adjustment and business service alignment.

**Access and Distribution Measurement and Economics**

The economics associated with the access and distribution of a given product or service are not well understood within government. An understanding of service delivery economics and a framework for decision making is fundamental to optimising channel management, distribution and investment strategies, and is required in order to maximise the benefits to both customers and government. This task increases in complexity as more agencies move through to a service Delivery Network.

**Principles to inform future development**

Government needs to develop principles that can facilitate the development of multi-channel, multi-agency service delivery. Such principles could include:

- Service Quality; Trust, Integrity and Security.
- Access, Equity and Choice.
- Integration, Collaboration and Partnering; and
- Value Creation; and Adaptability and Innovation.

**Structural Adjustment and Business/Service Alignment**

Customer focused service delivery -- that encompasses, among other things, single service windows and clustered services that cross boundaries and channels -- requires significant business re-alignment and re-engineering. These processes need to apply to both the provision of services as well as the back office functions that support those services, which may be located across many agencies.

This presents significant challenges for agencies that cannot be addressed within a single business unit. This re-engineering and re-alignment must be driven from the top, set the strategic business direction and involve all the key business operation areas to identify the optimal change management path for the organisation. These include business, budget, finance, HR, ICT, strategy and governance units.

To advance the agenda agencies are likely to need new operational frameworks and tools including:

- Investment models that can be applied consistently across whole of government and applied in a budget context.
- Finance models for shared infrastructure that crosses agencies and public, private providers.
- Information Management Principles to guide sharing and distribution of data.
• Authentication and security models to protect data.
• Whole of Government Governance Models for shared services infrastructure and administration.
• Metrics that support shared services models and delivery environments; and
• Heightened networking, collaborative and technical skills that facilitate the development and uptake of these approaches across the public and private sectors.

Questions for Discussion

• Are members interested in this approach to public service delivery? If so, do you agree with the key challenges presented?
• What types of concrete outputs would assist you in meeting these challenges (e.g. a set of agreed-upon multi-channel service delivery principles; finance models for shared infrastructure etc.)
• How can the Secretariat turn these ideas into a concrete proposal that can be completed by the end of 2004?
• Can you provide examples of concrete practices, models and/or examples of multi-channel service delivery in your country?