# Citizen Service Transformation:

## A manifesto for change in the delivery of public services

CSTransform

# Contents

**Status of this White Paper**

This document is Version 1.0 of the White Paper, published in February 2010. We will keep its contents under review, posting updated versions of the White Paper at www.cstransform.com to reflect the ongoing development of this agenda and comments on this version by users and practitioners.

If you would like to comment on this document - or to find out more how CS Transform could help you deliver citizen-centric government - please email us at impact@cstransform.com.

# 1: Introduction

## Citizen Service Transformation *sit'izən sûr'vis transformā'tion,* n

A process of change to the delivery of public services which results in radically *more* for radically *less*:
- more customer satisfaction
- more policy impact
- more citizen empowerment

...for less time, less cost and less risk.

**Context**

All around the world, governments face huge pressure to do more with less. To raise educational standards to meet the needs of a global knowledge economy. To help our economies adjust to financial upheaval. To lift the world out of poverty when more than a billion people still live on less than a dollar a day. To facilitate the transition to a sustainable, inclusive, low-carbon society.

Responding effectively to these challenges means governments need to be capable of delivering change which is transformational, not incremental.

During the 1990s and the first part of this decade, many thought that new technology would provide the key to deliver these transformations. But at a time when virtually every government in is now an "e-government" - with websites, e-services and e-government strategies proliferating around the world, even in the least developed countries - it is now clear that Information and Communication Technology is no magic bullet. Duplicated IT expenditure, wasted resources, no critical mass of users for online services, and limited impact on core public policy objectives - this has been the reality of many countries' experience of e-Government.

An increasing number of governments are now starting to get to grips with the much broader and more complex set of cultural and organisational changes which are needed if ICT is to deliver significant benefits in the public sector. Countries such as the UK, Canada and Australia have all recently published strategies which shift decisively away from "e-government" towards a much more radical focus on transforming the whole relationship between the public sector and users of public services.

We call this process: citizen service transformation.

**About this paper**

CS Transform is a consulting business which is committed to helping governments deliver citizen service transformation. As part of that commitment, we are publishing a series of White Papers dedicated to understanding citizen service transformation and how governments can make it a reality.

This first White Paper sets out an overview, looking at:
- how citizen service transformation differs from traditional e-government approaches
- the Citizen Service Transformation Value Chain - a practical tool developed by CS Transform to help governments understand and deliver the changes needed for successful service transformation
- the support and resources that CS Transform can make available to help you succeed.

We have called the White Paper "a manifesto for change in the delivery of public services". This is because we believe passionately in citizen service transformation - and we also believe that there are some universally applicable rules for delivering it, which we have sought to describe in this manifesto.

This does **not** mean a one-size-fits-all approach. Every government is different - the historical, cultural, political, economic, social and demographic context within which it operates is different, as is the legacy of business processes and technology implementation from which it starts. So a cookie-cutter approach to citizen service transformation is doomed to failure. But we believe that there is a set of principles and processes that are universally applicable, although they will result in very different delivery plans in each government. The purpose of this White Paper is to promote and evangelise these "self-evident truths" of citizen service transformation

**About CS Transform**

CS Transform brings together a team of experts who have worked at the leading edge of this agenda across the world over the last ten years: building the vision for citizen service transformation; developing strategies and roadmaps for citizen service transformation; and - most importantly - delivering citizen service transformation in practice . We have also - both as e-Government leaders and as consultants - made many mistakes and learned many painful lessons. This manifesto seeks to bring that learning together. One thing we know is that it will not be 100% right! We therefore welcome feedback on the paper, so we can work to improve it over time. Please email us your comments to impact@cstransform.com.

# 2: Citizen Service Transformation: moving beyond e-Government

**Defining Citizen Service Transformation**
Citizen Service Transformation programmes differ from traditional e-Government programmes in four major ways:
- They take a whole-of-government view of the relationship between the public sector and the citizen or business user
- They include initiatives to e-enable the frontline of public services: that is, staff involved in direct personal delivery of services such as education and healthcare - rather than just looking at transactional services which can be e-enabled on an end-to-end basis
- They take a whole-of-government view of the most efficient way of managing the cost base of government
- They focus on the "citizen" not the "customer".  That is, they seek to engage with citizens as owners of and participants in the creation of public services, not as passive recipients of services.

Each of these defining aspects of citizen service transformation is explored in more detail below.

**Transforming services around the citizen and business user**
Most governments are structured around a set of vertically-integrated silos or stovepipes - agencies, departments, ministries.  By and large, it is these silos which the governments of developed countries have spend billions of dollars on "e-enabling" since the 1990s.  Yet the needs of citizens, businesses and others engaging with government typically cut across the organisational structures and hierarchies of government - so this is an IT investment strategy which is fundamentally not a citizen-focused one, and which has inevitably resulted in low levels of take-up for e-services.  Governments in developed countries are now grappling with the legacy of thousands of fragmented, silo-focused websites (270,000+ in the US public sector, over 9,000 gov.de sites in Germany, and over 3,000 gov.uk sites in the UK).  An increasing number are now seeking to make a fundamental strategic shift, towards a holistic, citizen-centred approach, driven at the whole-of-government level.

This shift includes, in leading countries, a move to a one-stop citizen-centric service delivered over multiple channels.

**e-Enabling the frontline**
Traditional e-Government focused on e-enabling transactional services and providing online content.  Yet the great majority of public sector staff and expenditure is not involved in such services, but rather is on the "front line": teachers, healthcare workers, police, court officials, emergency response teams and so on.  Leading governments are increasingly beginning now to understand how the work of such front line staff can be transformed through the use of real-time knowledge management and mobile workflow applications.

**Cross-government efficiency**
The silo-based approach to IT investment typical of much e-government has not only resulted in "un-citizen-centric" services (as discussed above), but also in duplication and inefficiency. Governments have "reinvented the wheel" in IT terms - over and over again - with different agencies each:
- maintaining their own databases, even for universal data sets such as citizen identity, addresses and so on
- building bespoke applications for e-service functions which are common to all or many agencies (such as payments in and out, eligibility, notification, and authentication), as well as for common business processes such as HR and Financial Management
- and doing so in ways which not only duplicate expenditure, but which also will not inter-operate with other agencies - making it more difficult and expensive to move towards inter-agency collaboration in future.

A key focus of citizen service transformation is therefore to move towards an integrated IT and back-office service architecture across all parts of government - reaping efficiency gains while at the same time enabling better, more citizen-focused service delivery.  With the move towards Cloud Computing, this service-oriented, building-block approach to government IT opens up even greater scope to achieve large-scale  efficiency savings while simultaneously improving organisational agility.

**Empowering the citizen**
Citizens' experience of new technology is shaped by the best of the global private sector and - increasingly - through an ability to co-create content and services as individuals or in peer-to-peer networks.  They will increasingly demand this level of interactivity and ownership in their relationship with public services.  Citizen service transformation programmes embrace this.  Where traditional e-Government programmes focused on the user as "the customer", citizen service transformation looks to enhance the relationship between government and the citizen on a much richer, more reciprocal, and more empowering basis.

**Making it happen: the Citizen Service Transformation Value Chain**
Delivering this degree of change is not straight-forward for government. Indeed, government faces unique challenges in delivering transformational change, notably:
- the unparalleled breadth and depth of its service offering
- the fact that it provides a universal service, engaging with the whole population rather than picking and choosing its customers
- structures, governance, funding & culture which are all organised around specific business functions, not around meeting citizen needs in a holistic way.

CS Transform has therefore developed the framework in Figure 1 below to help governments overcome these challenges: the Citizen Service Transformation Value Chain[2].

There are three key elements to the Citizen Service Transformation value chain, each of which is explored in more detail in the following sections of the White Paper:

- Section3 looks at the guiding principles for citizen service transformation: that is, the core values which our analysis suggests are emerging as the driving principles of successful citizen-centric reform around the world.
- Section 4 identifies the core processes of government service delivery, each of which needs to be re-focused in a citizen-centric manner: business management, customer management, channel management, and service-oriented technology management.
- Finally, Section 5 concludes by proposing a checklist of the critical success factors that every government needs to manage if it is to develop and deliver an effective programme for citizen service transformation.
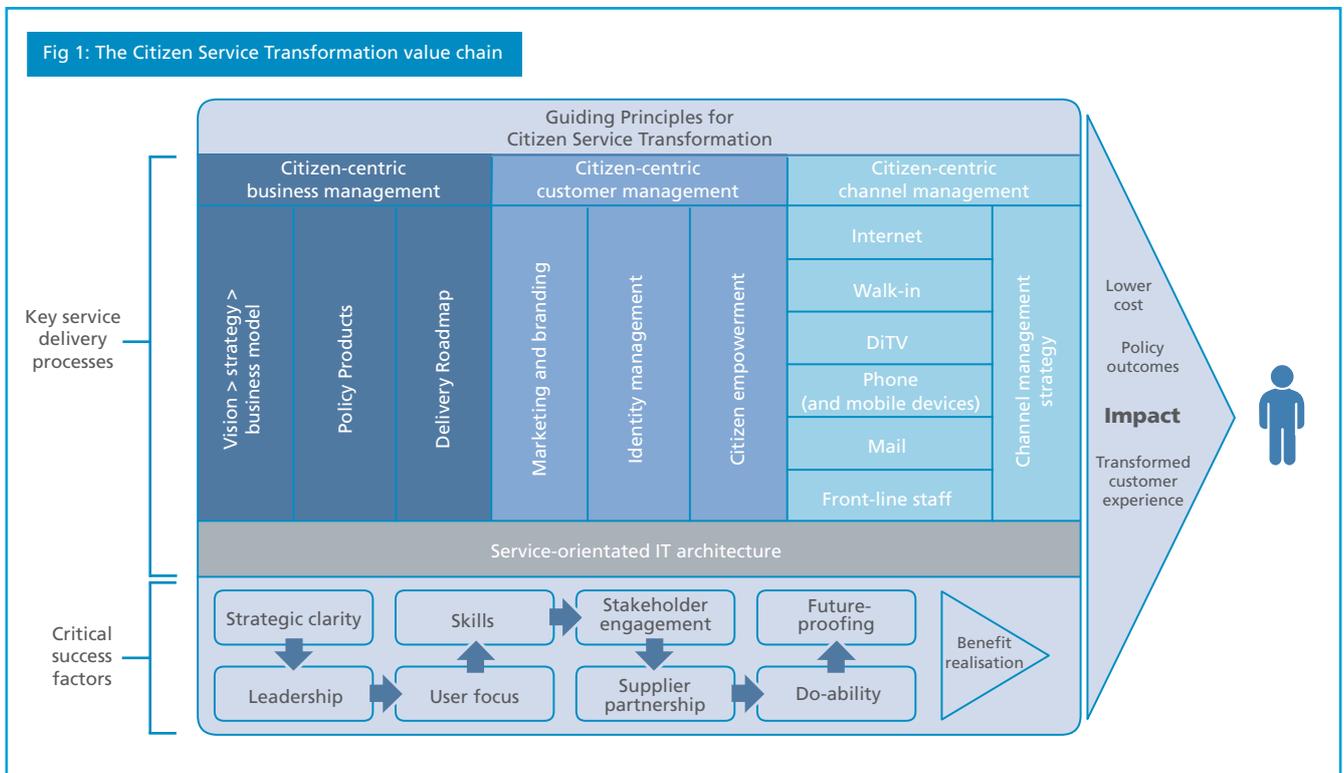


Fig 1: The Citizen Service Transformation value chain

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# 3: Guiding principles for citizen service transformation

In section 2 , we argued that, although a one-size-fits all approach to citizen service transformation will not work, nevertheless there are some guiding principles which are universal.

These guiding principles are set out in Figure 2 below. They are based on our experience working with governments of all kinds, all around the world, and th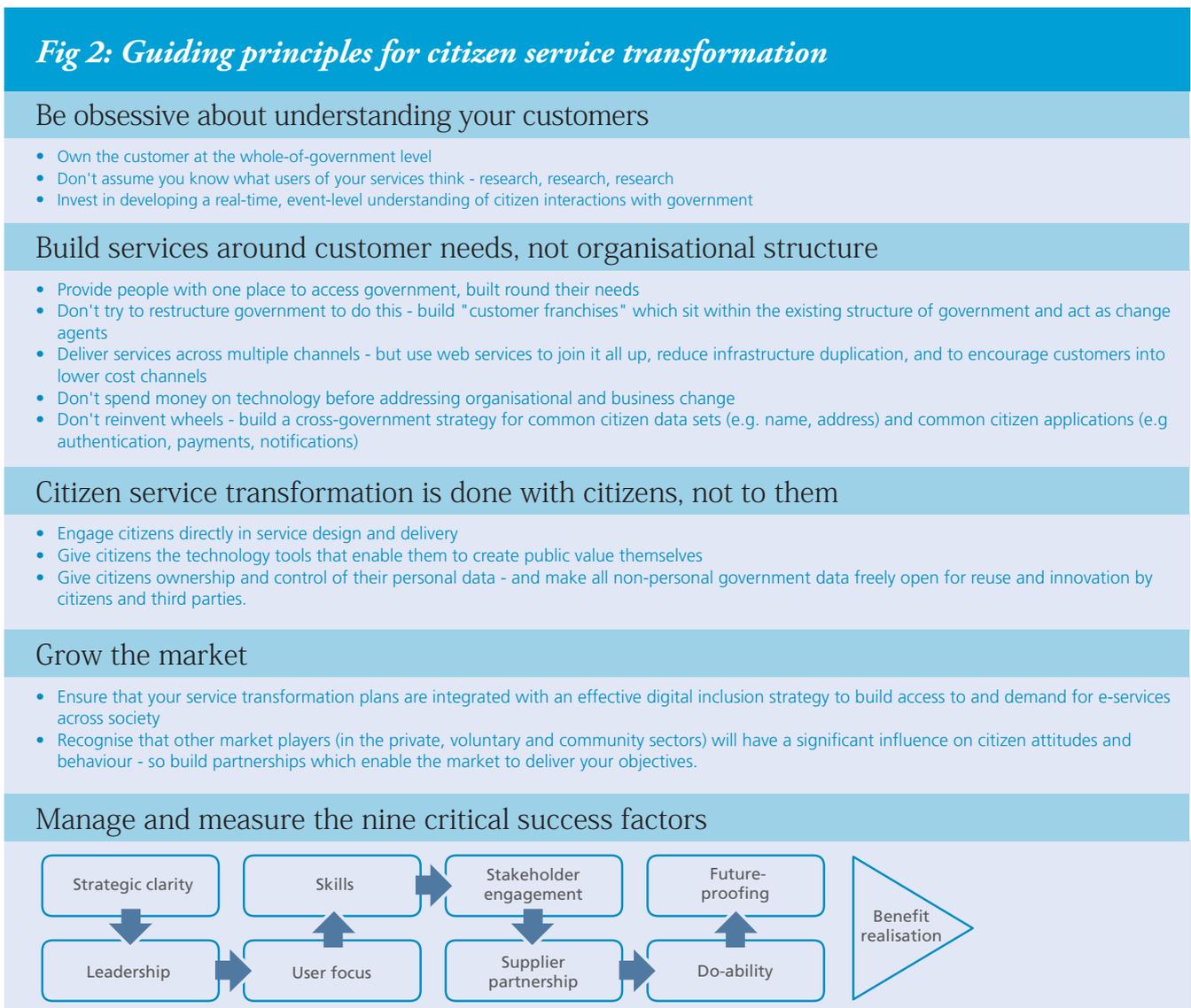ey form the heart of our manifesto for change in public services.  In all our work, with all our clients, we seek to be guided by these principles.

## Fig 2: Guiding principles for citizen service transformation

### Be obsessive about understanding your customers

- Own the customer at the whole-of-government level
- Don't assume you know what users of your services think - research, research, research
- Invest in developing a real-time, event-level understanding of citizen interactions with government

### Build services around customer needs, not organisational structure

- Provide people with one place to access government, built round their needs
- Don't try to restructure government to do this - build "customer franchises" which sit within the existing structure of government and act as change agents
- Deliver services across multiple channels - but use web services to join it all up, reduce infrastructure duplication, and to encourage customers into lower cost channels
- Don't spend money on technology before addressing organisational and business change
- Don't reinvent wheels - build a cross-government strategy for common citizen data sets (e.g. name, address) and common citizen applications (e.g authentication, payments, notifications)

### Citizen service transformation is done with citizens, not to them

- Engage citizens directly in service design and delivery
- Give citizens the technology tools that enable them to create public value themselves
- Give citizens ownership and control of their personal data - and make all non-personal government data freely open for reuse and innovation by citizens and third parties.

### Grow the market

- Ensure that your service transformation plans are integrated with an effective digital inclusion strategy to build access to and demand for e-services across society
- Recognise that other market players (in the private, voluntary and community sectors) will have a significant influence on citizen attitudes and behaviour - so build partnerships which enable the market to deliver your objectives.

### Manage and measure the nine critical success factors

# 4: Re-focusing the core service delivery processes around the needs of citizens

Delivering the principles set out in the previous section is not a trivial matter. It involves re-inventing every stage of the service delivery process. In this section, we look in turn at what this means for each of the four core processes identified in the Citizen Service Transformation Value Chain.

**Citizen-centric business management**
For largely historical reasons, governments are generally organised around individually accountable vertical silos with clear demarcations between central, regional, and local government. Yet citizens' needs cut across these demarcations. In moving to a citizen-centric approach, it is vital to redress this fragmented approach to business management, and to put in place business management processes which operate at the whole-of-government level.

The Citizen Service Transformation Value Chain identifies three key aspects of business management which need to be tackled in this way:
• Vision > strategy > business model
• Policy Products
• Delivery Roadmap.

**Vision > strategy > business model**
The first step is to set out a cross-government **vision** of service delivery focused around citizens. An increasing number of governments in the developed and developing world have now set out such a view, making a clear strategic and political commitment to citizen-centric public services. But while a vision of the future can be a powerful tool for change, it is crucial to underpin that vision with two things.

First, a clearly-defined **strategy** for achieving the vision. There is no one-size-fits all strategy which governments can use, since strategy needs to be tailored to the unique circumstances of each government's situation. However, all governments face the same strategic trade-offs: needing to ensure clear line-of-sight between all aspects of programme activity and the end outcomes which the government is seeking to achieve, and to balances quick wins with the key steps needed to drive longer term transformation.

Figure 3 illustrates CS Transform's recommended framework for managing these trade-offs. In the early days of citizen service transformation programme, we recommend that the major strategic focus should be on **safe delivery** - that is, prioritising high benefit actions which help to accelerate belief and confidence across the government and the wider stakeholder community that ICT-enabled change is possible and beneficial - but which can be delivered with very low levels of risk. As the programme develops, and an increasing number of services become available, the strategic focus can move towards **building take-up**: that is, building demand for online services and creating a critical mass of users. Once that critical mass starts to appear, the strategic focus can start to shift towards **transformation**: in other words, to start driving out some of the more significant transformational benefits that high levels of service take-up enables, for example in terms of reducing the cost of government service delivery.

As the diagram makes clear, these strategic foci are not mutually exclusive, but overlap. Crucially, in the Safe Delivery phase there will also be some vital steps needed in order to pave the way for longer term transformation, particularly in respect of establishing the business case for transformation,

and embedding the strategy in effective governance processes. But the diagram shows how the strategic weight between each consideration should, in our experience, shift over time.



Fig 3: strategic trade-off model for citizen service transformation
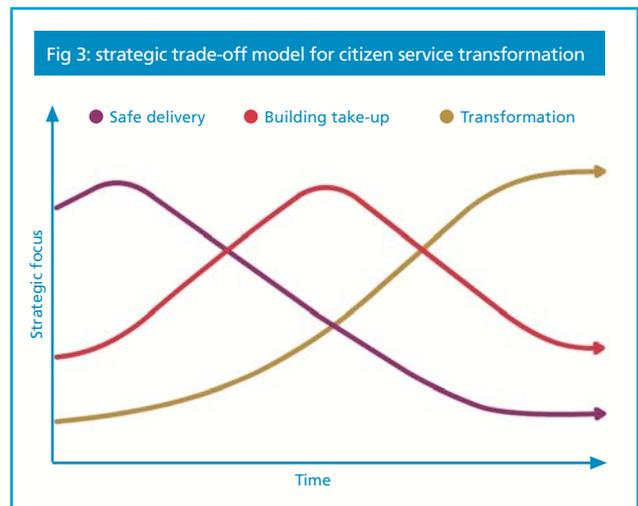
Second, the vision and strategy need to be embedded within a new and effective **business model** which enables the machinery of government to deliver citizen-centricity in practice. It is failure to address this requirement for a new business model which, arguably, has been the greatest weakness of most traditional e-government programmes. For the most part, the transition to e-government has involved overlaying technology onto the existing business model of government: a business model based around unconnected silos - in which policy-making, budgets, accountability, decision-making and service delivery are all embedded within a vertically-integrated delivery chain based around specific government functions. The experience of governments around the world over the last two decades is that this simply does not work.

So what is the new business model which is required to deliver citizen service transformation? Many attempts have been made by governments to introduce greater cross-government coordination, but largely these have been "bolted on" to the underlying business model, and hence experience only limited success. Globally, there are only two approaches which are currently looking to build a genuinely new business model for transformation.

First, the Federal government in Canada is seeking to reorganise the structure of government itself in order to better serve the needs of citizens. In particular, it is looking to break the end-to-end service responsibilities of traditional silo-based agencies, by in effect creating a wholesale/retail split within

government. In this approach, the "retail" function of government - that is, the responsibility for direct contact with citizens - is being centralised within a single organisation: Service Canada. Under this model, Service Canada is becoming responsible for the service delivery function across all channels - face-to-face, contact centre, web - with relevant staff and budgets being transferred from other agencies. This is in many ways desirable but the obvious difficulty is that making structural changes to government is extremely hard. The sheer scale of the government business means that any changes need to be implemented carefully, over a long period of time, and take account of the inherent risks in organisational restructuring.

The second approach is to look for mechanisms to join-up services from all parts of government in a way that makes sense to citizens, without attempting to restructure those parts of government. Conceptually, this leads to a model where the existing structure of government continues to act as a supplier of services, but intermediated by a "virtual" business infrastructure based around customer needs. A top-level view of such a virtual, market-based approach to citizen service transformation is set out at Figure 4 below. This model, which has been developed by CS Transform, is based initially on our experience as senior civil servants in the UK, creating the operating model for Directgov, the flagship multi-channel service which sits at the heart of the UK's citizen service transformation programme. Since then, the model has been enhanced through our experience in helping a wide range of governments implement citizen service transformation.

Key features of this business model are:
- The model puts into place a number of agile cross-government virtual "franchise businesses" based around customer segments. These franchises are responsible for gaining full understanding of their

customers' needs so that they can deliver quickly and adapt to changing requirements over time in order to deliver more customer centric services - which in turn, is proven to drive higher service take-up and greater customer satisfaction.
- Franchises provide a risk-averse operational structure that enables functionally-organised government agencies at national, regional and local to work together in a customer-focused "Delivery Community". They do this by :
  - Enabling government to create a "virtual" delivery structure focused on customer needs
  - Operating inside the existing structure government (because they are owned and resourced by one of the existing "silos" which has a close link to the relevant customer segment)
  - Dividing the task into manageable chunks
  - Removing a single point of failure
  - Working to a new and precisely-defined operating model so as to ensure consistency
  - Working across government (and beyond) to manage the key risks to citizen-centric service delivery
  - Acting as change agents inside government departments / agencies.
- The model enables a "mixed economy" of service provision: first, by providing a clear market framework within which private and voluntary sector service providers can repackage public sector content and services; and second by disseminating Web 2.0 approaches across government to make this simpler and cheaper at a technical level.
- The whole model is capable of being delivered using Cloud Computing.



Fig 4: CS Transform's Franchise Marketplace 2.0 solution
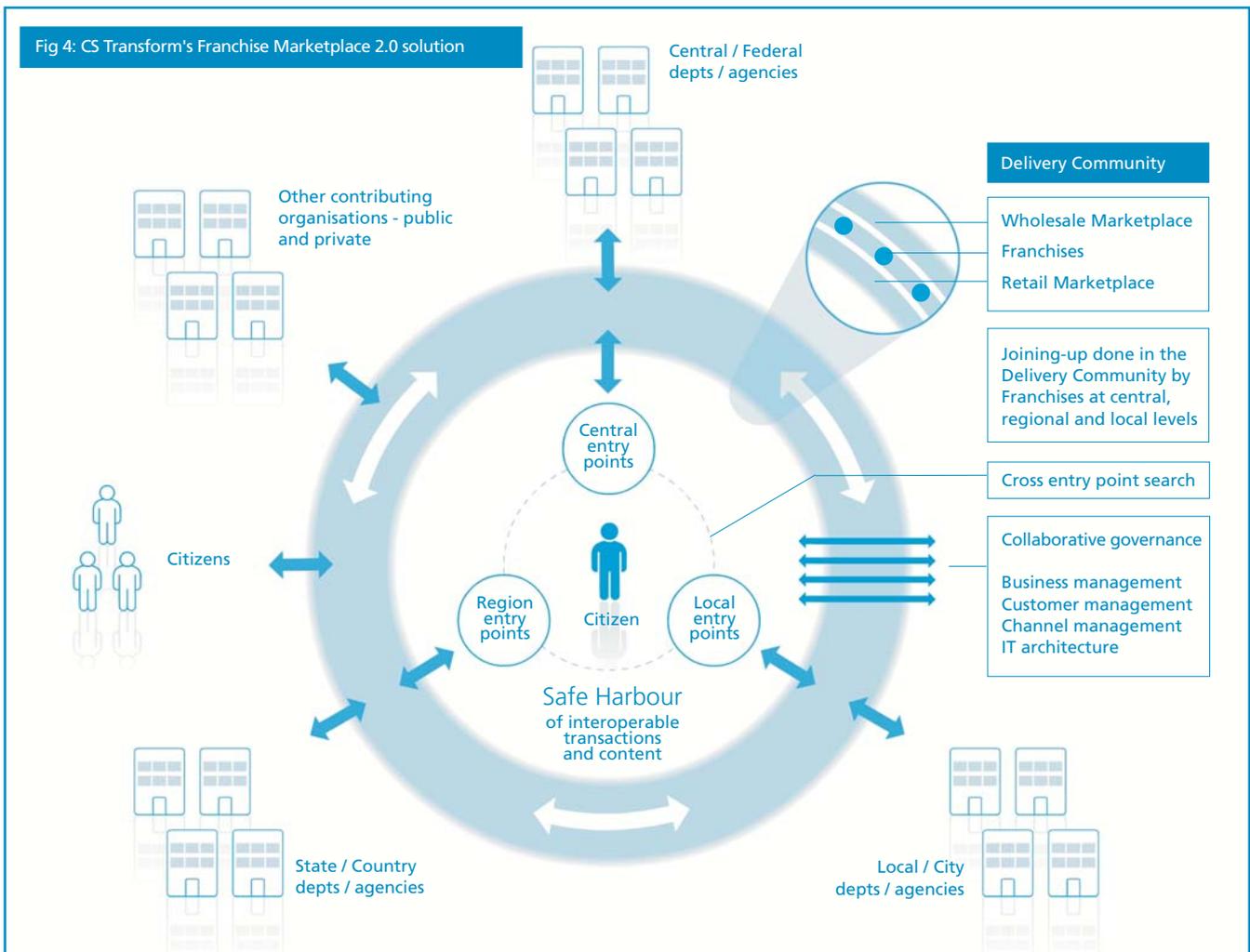
At CS Transform, we believe that this Franchise Marketplace model represents an important break-through in the shift from a traditional e-government approach towards citizen service transformation. Certainly, the model as a whole or key elements of it has been adopted successfully in governments as diverse as the UK, Hong Kong, Croatia, Abu Dhabi and South Australia. Most recently, the Queensland government committed itself in September 2009 to implement the Franchise model, following a review of international business models (including the Service Canada model) which concluded that the Franchise model represented the lowest risk/highest impact business model for service transformation .

It is clearly possible that alternate models may develop in future. But however the citizen service transformation agenda develops, every government will need to find some sort of new business model along these lines, rather than continue simply to overlay technology onto an old silo-based business model built for an un-networked world.

*Policy Products*
We define a "Policy Product" as: any document which has been formally adopted on a government-wide basis in order to help achieve the goals of citizen service transformation. These documents vary in nature (from statutory documents with legal force, through mandated policies, to informal guidance and best practice) and in length (some may be very lengthy documents; others just a few paragraphs of text). Policy Products are important drivers of change within government: first because the process of producing them, if managed effectively, can help ensure strategic clarity and stakeholder buy-in; and second because they then become vital communication and management tools.

Over recent years, several governments have published a wide range of Policy Products as part of their work on Interoperability Frameworks and Enterprise Architectures, and other governments are therefore able to draw on these as reference models when developing their own Policy Products. However, we believe that the set of Policy Products required to ensure that a holistic, government -wide vision for citizen service transformation can be delivered is **much broader** than is currently being addressed in most Interoperability Frameworks and Enterprise Architectures. Leading governments are starting to redress this gap, but very largely not within the framework of their work on interoperability.

This might not matter, except for the fact that global organisations such as the World Bank and the UN are currently investing heavily to ensure that developing countries establish e-Government Interoperability Frameworks. While the intention behind this is right - to ensure that e-Government investments in developing countries take place within a broader, citizen-centric context - there is a real risk that these donor organisations are encouraging developing countries to adopt inadequate policy frameworks just at the time when these are being left behind in leading countries as they move from a traditional e-Government agenda towards citizen service transformation.

We have therefore prioritised this as an area for detailed work, and are publishing alongside this manifesto a companion white paper called "Beyond interoperability: a new policy framework for e-Government", which sets out international lessons learned on the full range of Policy Products needed to deliver transformation.
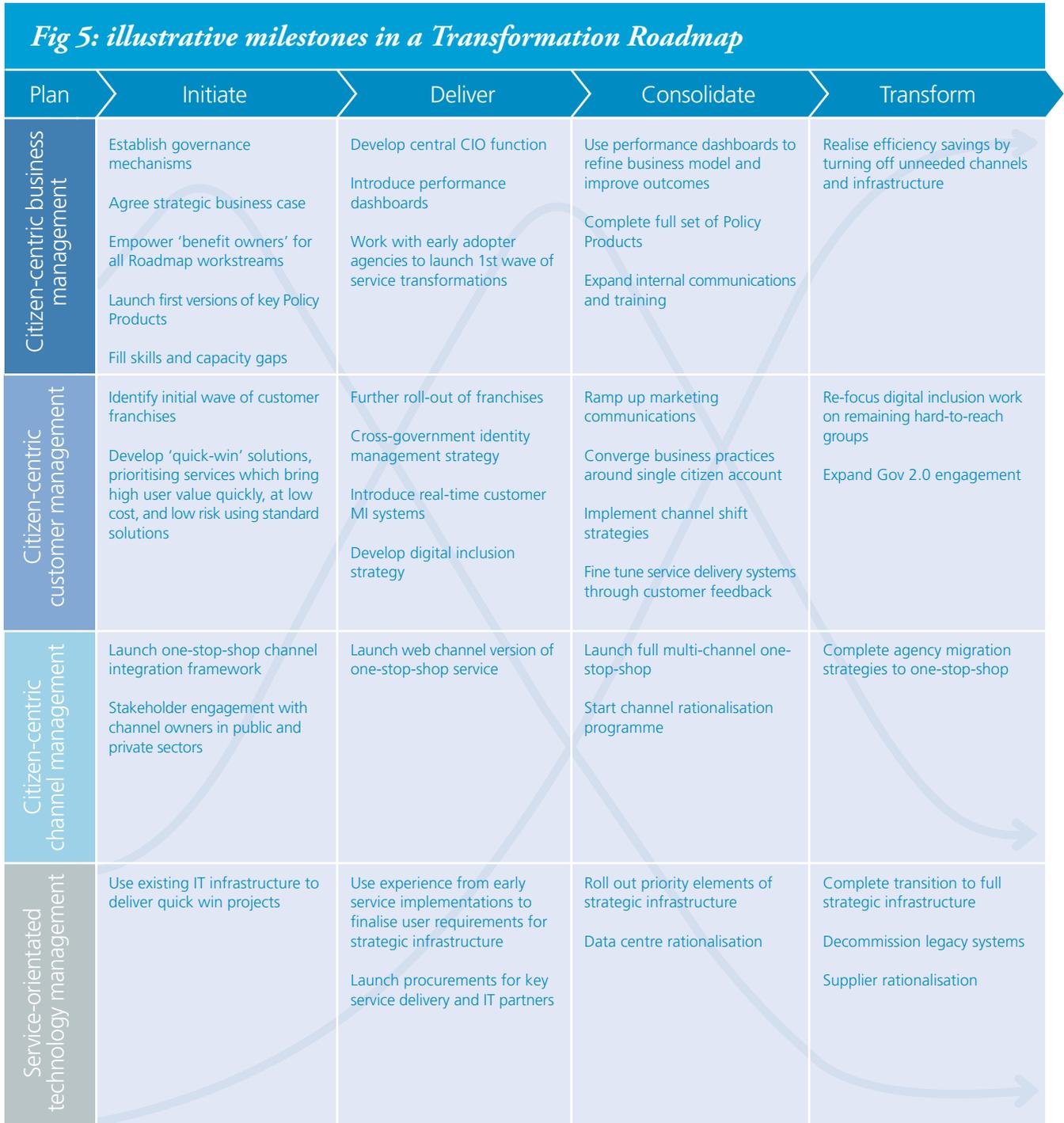
*Transformation Roadmap*
Finally, it is essential that the vision, strategy, business model and policies for citizen service transformation are translated into an effective Delivery Roadmap. Since everything can clearly not be done at once, it is vital to map out which elements of the citizen transformation programme need to be started immediately, which can be done later, and in what order.

Guided by the strategic trade-off framework described above at Figure 3, our experience has been that a phased approach is the most successful. Typically, an effective Delivery Roadmap will cover five main phases.
1. **Plan**: the preparation and planning needed to develop a tailored Delivery Roadmap for the government, to ensure that the business case for transformation is fully articulated, and that all key stakeholders are on-board. Key outputs from this phase should include:
   • **Transformation vision**: a high level document setting out the agreed future model for transformation of our client organisation and its re-engineered business processes
   • **Strategic business case**: the key costs and benefits associated with the transformation programme
   • **Enterprise Architecture**: a blueprint for the business, IT and data systems and standards needed to enable the transformation vision
   • **Delivery roadmap**: a multi-year transformation plan, covering, among other things:
     - A change management plan (including communication and training plans)
     - Central capability building and governance processes
     - A sourcing strategy
     - A migration strategy for expanding, retiring or abandoning legacy systems in order to align them with the new Enterprise Architecture
     - A risk management strategy
     - A high level benefit realisation plan, setting out the actions needed to ensure full downstream delivery of the intended benefits from the transformation programme.
2. **Initiate**: in this first phase of delivery, the focus is on building the maximum of momentum behind the Roadmap for the minimum of delivery risk. This means focusing in particular on three things:
   • some early quick wins to demonstrate progress and early benefits, for a minimum of delivery risk and using little or no technology expenditure
   • embedding the Roadmap in governance structures and processes which will be needed to inform all future investments, notably the frameworks of enterprise architecture, customer service standards and issue/risk management that will be required
   • selecting effective delivery partners.
3. **Deliver**: in this phase, some of the more significant investments start coming on stream - for example, the first version of the major "one-stop" citizen-facing delivery platforms, and the first wave of transformation projects from "champion" or "early adopter" agencies within the government
4. **Consolidate**: in this phase, the focus shifts towards driving take-up of the initial services, expanding the initial one-stop service over more channels, learning from user feedback, and using that feedback to specify changes to the business and technology architectures being developed as longer term, strategic solutions
5. **Transform**: finally, we look to build out the broader range of e-transformation projects, drive forward the migration of all major citizen-facing services towards the new one-stop channels, and complete the transition to the full strategic IT platform needed to guarantee future agility as business and customer priorities change.

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For illustrative purposes only, a high level view of one potential Roadmap is shown at Figure 5 below. In practice, this will vary significantly according to the nature of the government in question. In future CS Transform White Papers, we will look at segmenting governments in much more detail, and at how clusters of governments with similar requirements should approach strategy and roadmap development in a more tailored way.

## Fig 5: illustrative milestones in a Transformation Roadmap

| Plan | Initiate | Deliver | Consolidate | Transform |
|---|---|---|---|---|
| **Citizen-centric business management** | Establish governance mechanisms<br><br>Agree strategic business case<br><br>Empower 'benefit owners' for all Roadmap workstreams<br><br>Launch first versions of key Policy Products<br><br>Fill skills and capacity gaps | Develop central CIO function<br><br>Introduce performance dashboards<br><br>Work with early adopter agencies to launch 1st wave of service transformations | Use performance dashboards to refine business model and improve outcomes<br><br>Complete full set of Policy Products<br><br>Expand internal communications and training | Realise efficiency savings by turning off unneeded channels and infrastructure |
| **Citizen-centric customer management** | Identify initial wave of customer franchises<br><br>Develop 'quick-win' solutions, prioritising services which bring high user value quickly, at low cost, and low risk using standard solutions | Further roll-out of franchises<br><br>Cross-government identity management strategy<br><br>Introduce real-time customer MI systems<br><br>Develop digital inclusion strategy | Ramp up marketing communications<br><br>Converge business practices around single citizen account<br><br>Implement channel shift strategies<br><br>Fine tune service delivery systems through customer feedback | Re-focus digital inclusion work on remaining hard-to-reach groups<br><br>Expand Gov 2.0 engagement |
| **Citizen-centric channel management** | Launch one-stop-shop channel integration framework<br><br>Stakeholder engagement with channel owners in public and private sectors | Launch web channel version of one-stop-shop service | Launch full multi-channel one-stop-shop<br><br>Start channel rationalisation programme | Complete agency migration strategies to one-stop-shop |
| **Service-orientated technology management** | Use existing IT infrastructure to deliver quick win projects | Use experience from early service implementations to finalise user requirements for strategic infrastructure<br><br>Launch procurements for key service delivery and IT partners | Roll out priority elements of strategic infrastructure<br><br>Data centre rationalisation | Complete transition to full strategic infrastructure<br><br>Decommission legacy systems<br><br>Supplier rationalisation |

**Citizen-centric customer management**
Citizen-centric customer management involves taking a holistic, market-driven approach to every step of the service design and delivery process. Three areas in particular are of vital importance: marketing, identity management, and citizen empowerment.

*Marketing and branding*
Marketing is critical to effective citizen service transformation, yet is something at which government traditionally does not excel. Often, marketing is fundamentally misunderstood within government - as being equivalent to advertising or perhaps, more broadly, as being equivalent to communication.

Properly understood, however, marketing is the process of:
- Understanding the target market for government services in all its breadth and complexity
- Learning what is needed in order to meet citizen needs
- Developing an offer for citizens and businesses that they will engage with
- Establishing a clear set of brand values for that offer - a set of underpinning statements that adequately describe what the product or service will deliver
- Delivering that offer though appropriate channels, in a way which fully delivers on the brand values
- Generating awareness about the offer
- Creating desire/demand for the offer
- Reminding people
- Changing the offer in the light of experience

This is the process that a brand-led consumer product company such as Proctor and Gamble or Virgin would go through when developing a new product.  However, it is not typically how governments manage their own service development, and governments generally lack the skills to do it. Moreover, the challenge faced by governments is significantly more complex than any private sector company, given the greater range and complexity of services and governments need to provide a universal service rather than pick and choose its customers.Yet if governments are to succeed in the ambition of shifting service delivery decisively away from traditional channels to lower-cost digital channels, then these marketing challenges have to be met.

And given the fact that a) citizen needs cut across organisational boundaries in government and b) the skills for delivering an effective brand-led marketing

approach to service transformation will inevitably be in short supply, it is important that these challenges are addressed at a government-wide level. Our White Paper on "A new Policy Framework for e-Government" sets out some of the major Policy Products which need to be developed in order to assist government agencies in making this shift to a marketing-based approach [4].
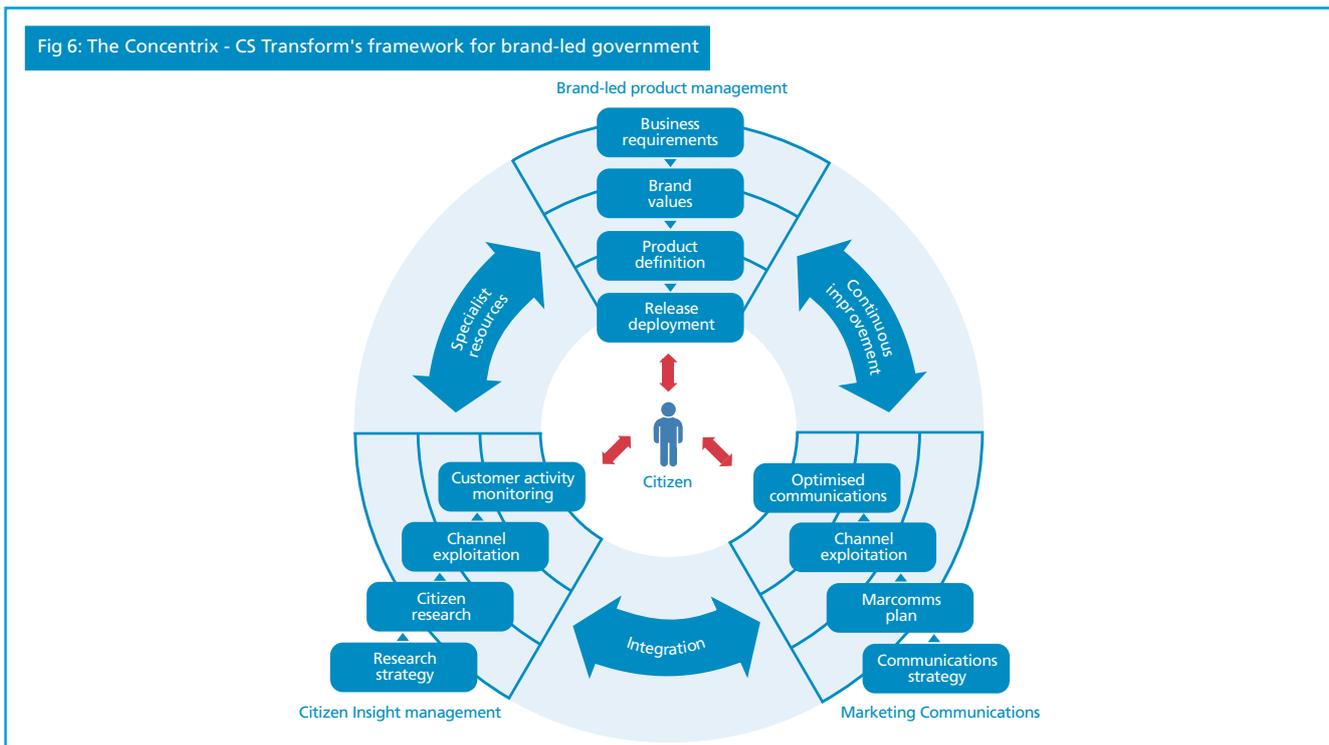
Key steps to be managed in the marketing process are summarised in Figure 6.

**Citizen insight** must inform all aspects of the process, and involves a comprehensive programme of qualitative and quantitative research to understand and segment the customer base for government services.

The learnings from this need to be fed into a **brand-led product management** process - not as a one-off input of initial research, but through a continuous process of iterative design and customer testing. A key output from this will be a set of brand values for the service, which then need to drive all aspects of service delivery, and **marketing communications** for the service.

This is an interative process of continuous improvement, not a linear one. Continuous citizen insight research is needed to ensure that both the service delivery experience and the marcoms activity remain aligned with the brand values, through successive phases of release deployment. As the service is implemented, across a range of channels, best practice management information systems can be deployed to ensure that the government now has real-time, event-level management information about the experience of all customers - which in turn provides a powerful feedback loop into further innovation in the service design.

All of this will require the government to bring in specialist resources, because typically they will face significant gaps in terms of the people and skills needed to manage brand-led product development and marketing cycles of this nature



Fig 6: The Concentrix - CS Transform's framework for brand-led government

***Citizen-centric identity management***
Identity management is a key enabler, yet something with which most governments struggle. At the heart of that struggle is often a failure to put the citizen at the centre of government's thinking about identity.

Identity is a complex, and by definition deeply personal, concept. As Figure 7 opposite illustrates, a single citizen in fact has multiple, overlapping "identities". Each identity may be associated with different rights and permissions, even different addresses. These identities overlap, but in some cases the citizen may want to keep them separate in order to protect his or her privacy. At other times, the citizen may want them to be joined up, and be frustrated at constantly having to furnish government with the same information over and over again.

Governments have often struggled to manage this complexity. Typically, identity is defined separately in relation to each silo-based government service. Even countries which have traditionally had the simplicity of a single citizen identifier (such as Finland, where there has been a single population register since 1634), have tended to build up separate and inconsistent business processes for identity verification. And although the advent of e-Government held out the promise of significant simplification of identity management - bringing service improvement gains for the citizen and efficiency savings for the government - in practice there remain significant barriers.

Many of the tools which governments have put in place to guarantee security in the online world (passwords, PINs, digital signatures etc), have in practice acted as barriers to take-up of online services. And attempts to join up databases to enable cross-government efficiencies and service improvements have often been met with mistrust and suspicion by citizens.
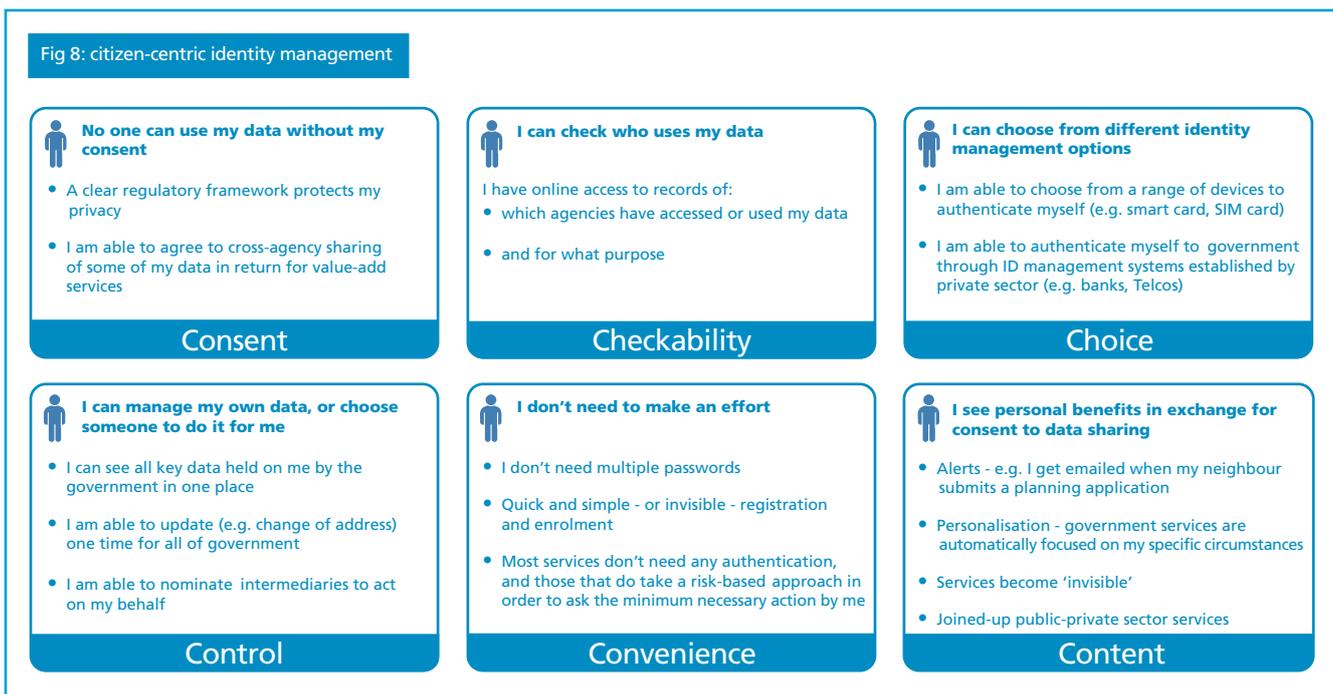
Increasingly, however, a set of best practices is emerging around the world which we believe represents a way forward for citizen service transformation, which is broadly applicable across a very wide range of governments. Key aspects of this are:
- First, a **business architecture** for identity management which is based on federation between a wide range of trusted organisations (the government, banks, employers etc), and a clear model for cross-trust between these organisations.
- Second, a **technology architecture** to support this which does not rely on monolithic and potentially vulnerable large databases, but which uses Internet-based gateway services to act as a broker between the different databases and IT systems of participants in the federated trust model.



Fig 7: aspects of citizen identity
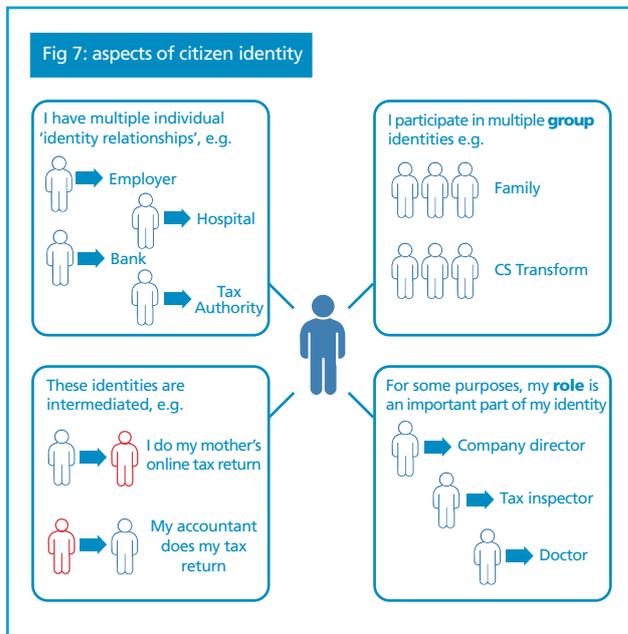
- Third - and perhaps most importantly - a **citizen service model for identity management** which places citizens themselves directly in control of their own data, able to manage their own relationship with government and with clearly visible controls to reassure them that this is the case. This citizen-centric approach to identity management is summarised in Figure 8 below. No one government has implemented all features of this approach, but all are being successfully deployed around the world, and together they represent CS Transform's view of the approach to identity management which will best help deliver citizen service transformation.



Fig 8: citizen-centric identity management

**No one can use my data without my consent**
- A clear regulatory framework protects my privacy
- I am able to agree to cross-agency sharing of some of my data in return for value-add services

**Consent**

**I can check who uses my data**
I have online access to records of:
- which agencies have accessed or used my data
- and for what purpose

**Checkability**

**I can choose from different identity management options**
- I am able to choose from a range of devices to authenticate myself (e.g. smart card, SIM card)
- I am able to authenticate myself to government through ID management systems established by private sector (e.g. banks, Telcos)

**Choice**

**I can manage my own data, or choose someone to do it for me**
- I can see all key data held on me by the government in one place
- I am able to update (e.g. change of address) one time for all of government
- I am able to nominate intermediaries to act on my behalf

**Control**

**I don't need to make an effort**
- I don't need multiple passwords
- Quick and simple - or invisible - registration and enrolment
- Most services don't need any authentication, and those that do take a risk-based approach in order to ask the minimum necessary action by me

**Convenience**

**I see personal benefits in exchange for consent to data sharing**
- Alerts - e.g. I get emailed when my neighbour submits a planning application
- Personalisation - government services are automatically focused on my specific circumstances
- Services become 'invisible'
- Joined-up public-private sector services

**Content**

***Citizen empowerment***

In Section 2, we argued that a defining feature of citizen service transformation programmes  is that they  focus on the "citizen" not the "customer" - that is, they seek to engage with citizens as owners of and participants in the creation of public services, not as passive recipients of services.  What does this mean in practice?
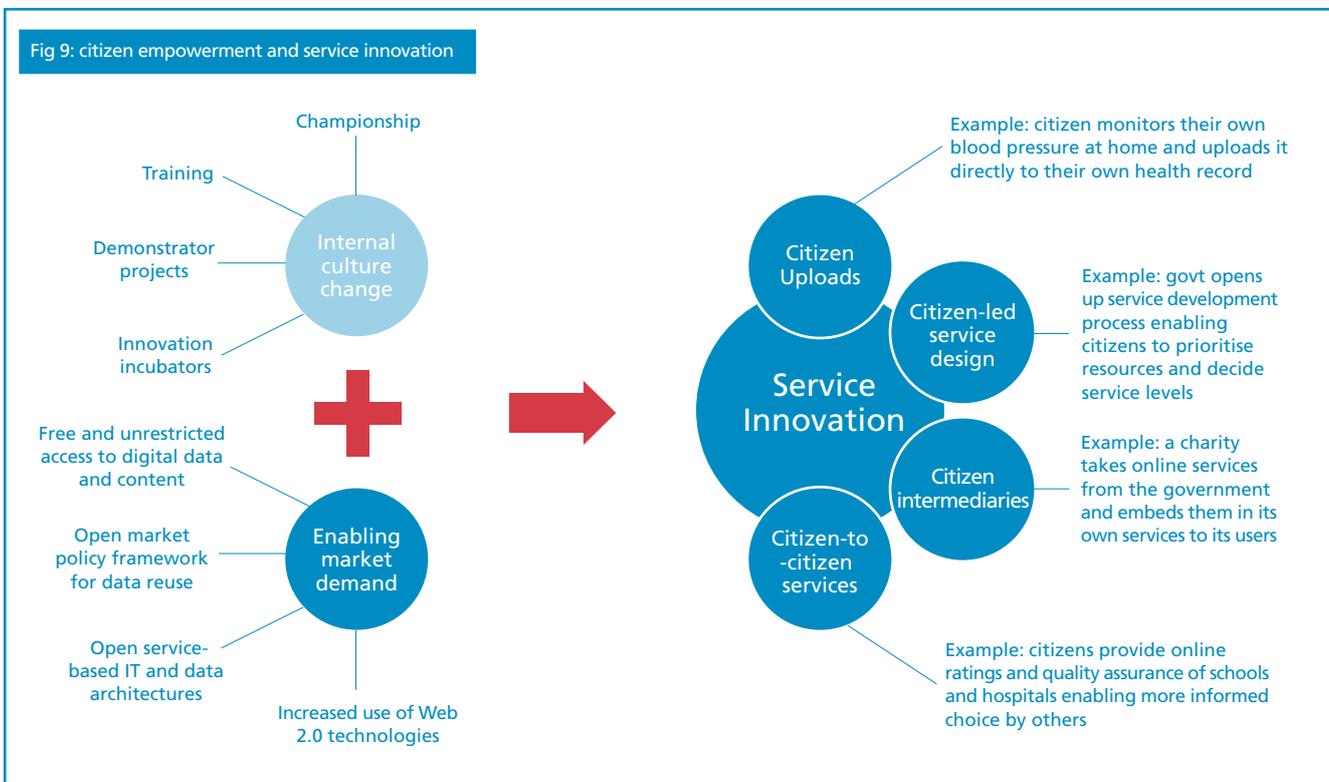
Citizen empowerment involves a set of changes which are much more fundamental than the online consultations and "e-participation" initiatives which characterised the first wave of e-Government programmes.   And it is also more fundamental than the application of Web 2.0 technologies to government - although these technologies do have a role to play.

The key shift is to think of service delivery not as something which is done by government to citizens, but as something in which the citizen is an active co-creator of services - or even where public services are delivered directly citizen to citizen, with no government involvement.  Innovators in government who are making that shift are starting to develop a wide range of new ways to create public value and enhance services, as illustrated at Figure 9.

Figure 9 also highlights two important enablers of this innovation, which we believe are important to address as part of a citizen service transformation programme:

- **Action on the supply side within government**,  to help create a culture of open innovation within the public sector.  Such a culture change - which reflects an increasing trend in the private sector to see external ideas and collaborations as being the key to successful innovation[5] - is particularly challenging in the public sector given the strong tradition of internal control over decision-making and policy development.  So pro-active change management is essential.

- **Action to enable demand-side pull** by citizens and third party organisations outside government.  Particularly important here is the principle that all non-personal data held by government should be open, public easily reusable and available at marginal cost - which for digital information means free. By opening up government data, content and services for reuse and repurposing by others, government can enable a level of service innovation and market reach that it could not hope to achieve on its own. Most governments also find that simply making data and content available in theory is not sufficient: in practice they also need to facilitate market-based public service delivery by:
  - building a business model of rules and processes which enable a level-playing field for new market entrants (as in the "Franchise Market" model described in section 4.1 above)
  - establishing a service-based technology architecture based around open standards and Web 2.0 technologies which makes it easier in practical terms for third parties to re-purpose and repackage government content.



Fig 9: citizen empowerment and service innovation

Championship
Training
Demonstrator projects
Internal culture change
Innovation incubators

Free and unrestricted access to digital data and content
Open market policy framework for data reuse
Enabling market demand
Open service-based IT and data architectures
Increased use of Web 2.0 technologies

Service Innovation
Citizen Uploads
Citizen-led service design
Citizen intermediaries
Citizen-to-citizen services

Example: citizen monitors their own blood pressure at home and uploads it directly to their own health record

Example: govt opens up service development process enabling citizens to prioritise resources and decide service levels

Example: a charity takes online services from the government and embeds them in its own services to its users

Example: citizens provide online ratings and quality assurance of schools and hospitals enabling more informed choice by others

5     See for example "Open Innovation: The new imperative for creating and profiting from technology", (H.W. Chesbrough, Harvard Business School Press, 2003)

**Citizen-centric channel management**

Government services can be delivered through a wide range of different channels. It can be helpful to think of that range as varying across two key dimensions:

- **Channel mix:** that is, the physical type of channel being used. Traditionally, channels for government service delivery have included the face-to-face channel (through high-street and other locations), traditional mail and the traditional telephone. More recently, interactive voice recognition (IVR) and the Internet have become important channels. A key distinction is the extent to which the channel is based around self-service by the citizen, or requires some form of intermediation - either in person (e.g. the citizen visiting a government office or an official visiting the citizens in the community or remotely (e.g. by telephone or email).

- **Channel ownership:** it is important to understand, too, the variety of "channel ownership" options which are available. Traditionally, channels for government services have been branded as belonging to a specific government agency. Increasingly, governments looking to develop a citizen-centric approach have also started to badge these on a government-wide basis: either covering a single channel (such as a national government portal), or multiple channels (such as Service Canada, which spans walk-in offices, contact centres, and the web).

However, a citizen-centric approach also involves delivering services where citizens want to receive them - and this may often mean that it is important to deliver services through private or voluntary sector intermediaries. This is particularly important as services become digitised, potentially reducing the marginal costs of delivery to near zero and hence making it easier for third party organisations to bundle public sector services with their own service offerings. This can be challenging for governments, however, since for the first time it means that they are "competing" for customers with other organisations. Establishing clear ground rules for how this sort of mixed economy of service provision should work, on a basis that will encourage private and voluntary sector organisations to become actively

involved, is therefore an important task for government in creating the policy framework for citizen service transformation.

Often however, there is little pro-active management of this channel mix by governments, resulting in increased costs and decreased user satisfaction.

Typical pitfalls include:
- Managing new, digital channels as "bolt-ons", with business and technical architectures which are entirely separate from traditional face-to-face or paper-based channels
- No common view of citizen service across multiple channels
- Operational practices, unit costs and service standards for many channels which fall well below standards set for those channels in the private sector
- A reliance on government-owned channels, with insufficient understanding of how to partner with private and voluntary sector organisations who have existing trusted channels to government customers
- Unproductive and costly competition among service delivery channels

Citizen service transformation programmes seek to avoid these pitfalls, by building a channel management approach centred around the needs and behaviour of the citizen. The key components of such an approach is illustrated in Figure 10 and then discussed in more detail below.
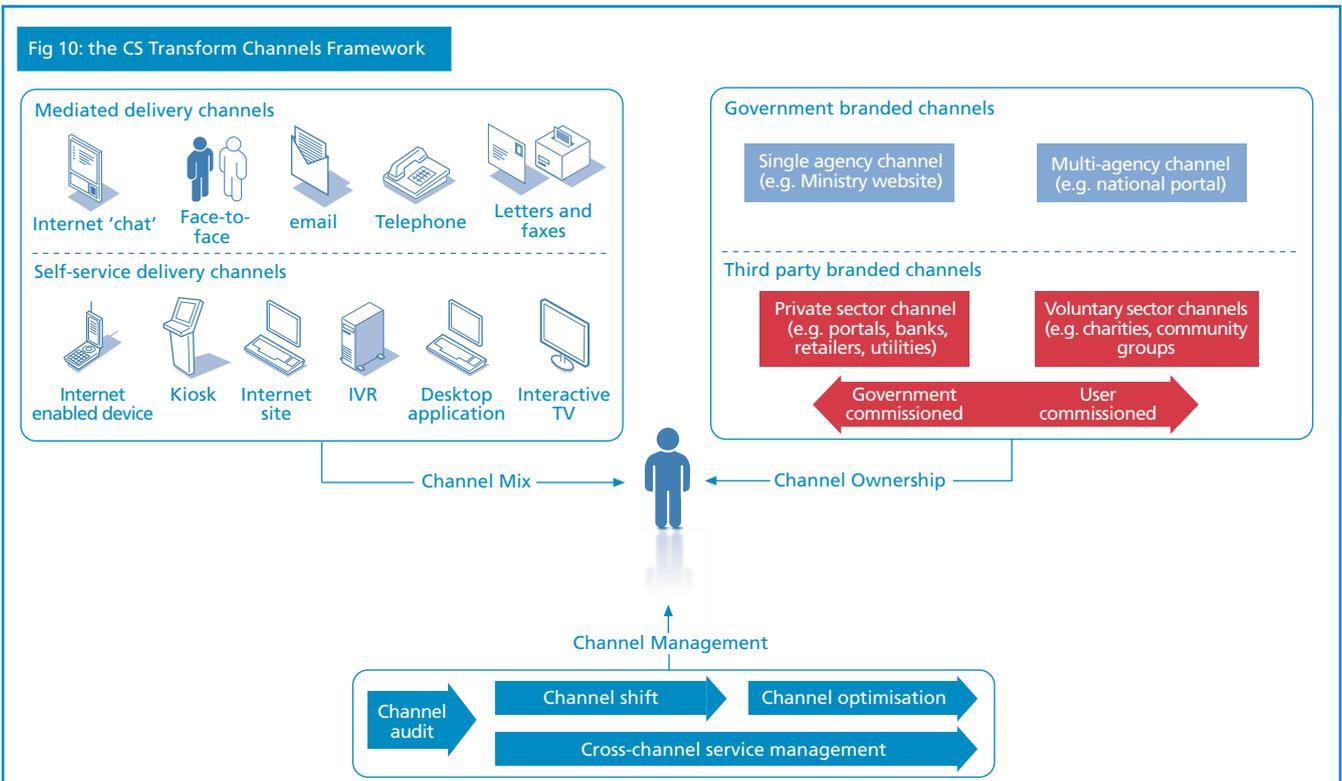


Fig 10: the CS Transform Channels Framework

**Channel audit**

A vital first step in developing a citizen-centric channel management strategy is to carry out a high-level audit of existing delivery channels across government, and to put a cost to each transaction delivered through these channels based on standard industry assumptions  This will highlight duplication across government (for example, having multiple high-street locations in the same town serving different government departments or agencies), and the savings that can be achieved by joining government services together and using the most efficient delivery channel in each case.

A common finding in channel audits is that much customer contact between governments and citizens is unnecessary, hidden and uncosted.  For example, many governments have literally thousands of public service telephone contact numbers.  Much of the contact that results between citizen or business users and the government is therefore:
• unnecessary - because the user is struggling to find the right place to get the service they need, resulting in multiple contacts before their need is finally resolved
• hidden and uncosted - because only some of these customer contacts are caught by existing management information systems.  The rest are just lost within the broader operational structure and budget of government.

A clear map of customer interactions by channel, and the true costs of these, therefore provides essential data in building the business case for citizen service transformation.

**Channel shift strategy**

Once a clear channel audit has captured the current channel mix and cost base, it is important to map out a plan for the future desired channel mix.  Successful private-sector businesses are more effective at this than government.  They understand that each channel opens up different ways to create value for customers, so they differentiate services across channels.  They also  take a hard-nosed approach to channel management, with customers being incentivised to use the channels that are most efficient from a business point of view.  And they realise that channel shift is a complicated process, which needs planning over a multi-year period.

Citizen service transformation programmes adopt a similar approach, setting out clear strategies for channel shift[7]. Typically though they recognise two distinct differences between the public and private sector:
• First, government has an obligation to provide services on a universal basis, so is not able to pick and choose which customers it will engage with through different channels. "Directed choice" towards cheaper channels is therefore the strategy selected for most citizen-facing services (although a number of governments are increasingly looking to make Internet-only services the norm for businesses).
• Second, in terms of the online channel, government is in a unique position compared with any other online service provider.  Whereas an online bank or retailer is limited by the size of the online population in the market, a government can take action significantly to increase that online population. "Digital inclusion" policies, aimed at increasing the proportion of citizens who have access to and confidence in using online channels, are therefore an important part of government channel strategies which would not normally be seen in their private-sector counterparts.

**Channel optimisation**

As well as seeking to shift future service delivery to an optimal channel mix, citizen service transformation programmes seek to optimise the performance of each individual channel.  In the UK for example, a government-wide review of customer contact found that contact centre performance lagged significantly behind private sector benchmarks, and that on average operational savings of 25% could be achieved in public centre contact centres over a 3 year period by adopting best practices.

**Cross-channel service management**

However, it is vital not to think about channel optimisation solely on a channel-by-channel basis. This is why the framework at figure 10 also highlights the importance of taking a cross-channel approach to service delivery.

There are two imperatives for doing this:
• First, to improve service to citizens. Citizens do want simply want services to be available through a choice of channels. Rather they want services to be delivered in an integrated way across channels.  Citizen service transformation programmes therefore focus on achieving an integrated view of customer interactions across all channels.
• Second, to reduce costs. A shared service approach to channel management can deliver significant efficiency savings. By building channel support services around a common, web-based infrastructure, governments can both reduce costs while also facilitating joined-up services.

**Service-oriented technology management**

The transformations to business, customer and channel management described above require a new approach to technology. Citizen service transformation demands a single view of the citizen, delivered inside an integrated business and channels architecture.

In terms of IT, all of this requires governments to learn from private-sector best practice.  Industry is moving towards a model of company-wide, service-orientated enterprise architecture, where common building blocks using open standards can be re-used to enable flexible and adaptive use of technology to react quickly to changing customer needs and demands. Increasingly, companies are gaining even greater efficiency benefits by managing these building blocks as a service, provided not within their own IT architecture but from within "the Cloud" - the dynamically-scalable set of computing resources now being offered as a service over the Internet.

Governments are increasingly taking this 'building block' approach to technology development.  Key building blocks such as ICT infrastructure, common data sets, and identity verification need to be co-ordinated effectively. While much can be learned from the private sector, simply importing industry practices will not solve this coordination problem within government.

Governments are taking different approaches to the co-ordination function: some build central infrastructure for use by all departments and agencies; others identify lead departments to build and implement common solutions; others have a more decentralised approach, allowing departments to develop their own solutions according to a common architecture and standard set. However, finding an effective approach which works within a specific government approach is vital, since without this sort of technology flexibility, then citizen service transformation becomes impossible - or possible only at great expense and with significant wasteful and duplicated IT expenditure.

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7   See for example the Australian government's channel management strategy at www.finance.gov.au/publications/delivering-australian-government-services-access-and-distribution-strategy/channel-management.html, and the UK government's channel strategy at http://www.cabinetoffice.gov.uk/media/261368/channel_strategy_modules.pdf

# 5: A checklist of Critical Success Factors for citizen service transformation

Programmes and projects which seek to deliver citizen service transformation face a significant range of risks to successful delivery.  Typically, the risks are not to do with the technology involved - which is largely now mature and proven.   Rather, the risks lie primarily in the business and cultural changes which are needed within government to deliver the business management, customer management and channel management transformations described above.

For example, a major study of e-government expenditure across 25 EU countries recently concluded that - to be successful - expenditure on organisational change needed significantly to outweigh the costs of ICT implementation (see Figure 11).



Fig 11: costs of e-Government in Europe[8]

ICT 45%

Organisational change 55%

R&D 20%

Mgmt 30%

Re-organisation 50%
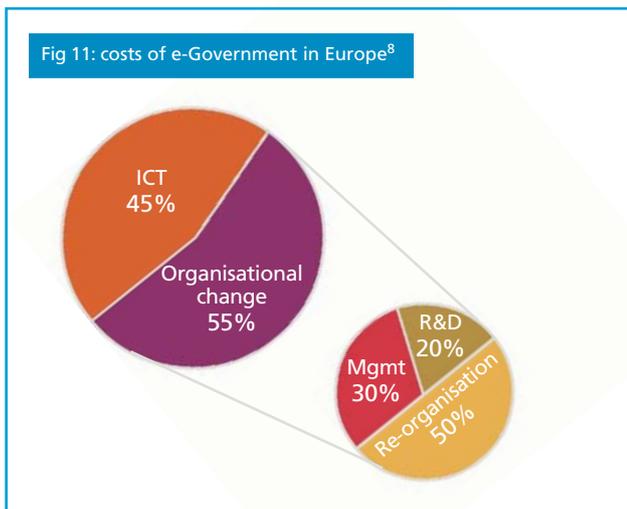
There is now an increasing body of research - much of it carried out by the CS Transform team - which seeks to understand why some IT-enabled transformation programmes in government succeed while others fail. CS Transform has drawn together the learnings from this research into a set of Critical Success Factors[9]  for citizen service transformation.

These Critical Success Factors are set out at Figure 12 on the next page - along with a high-level self-assessment checklist which government leaders can use to check whether they are on track to deliver successful citizen service transformation.

Successful transformation programmes manage and measure these Critical Success Factors throughout the life of the programme.  Already, Microsoft Corporation – one of the world's largest suppliers of e-Government solutions, through its "Citizen Service Platform"  – has adopted our Critical Success Factors as global best practice in its e-Government engagements with clients and in its training programmes with partners[10].

CS Transform has developed a web-based **Transform 360°**  healthcheck service, enabling governments to get a detailed view of their programme's status against each of these Critical Success Factors, and the extent to which different stakeholder groups have differing views as to the programme's strengths and weaknesses.  For further details, please email impact@cstransform.com

8    Source: European Commission, Economics of eGovernment Project, http://82.187.13.175/egep/asp/E_Home.asp
9    Source: CS Transform analysis, drawing on research published by the UK government ("Successful IT: Modernizing Government in Action", Cabinet Office, 2000; "Common Causes of Project Failure", OGC, 2005), by the European Commission (through its Breaking Barriers to e-Government research programme http://www.egovbarriers.org/), by the Australian Government ("Review of the Australian Government's Use of Information and Communication Technology", 2008), and on the CS Transform team's experience in working on government transformation in over 35 countries around the world.
10   See Microsoft's White Paper "CSP Engagement Framework: a delivery approach for the Microsoft Citizen Service Platform": http://www.microsoft.com/downloads/details.aspx?displaylang=en&amp;FamilyID=360f0f15-80f8-453f-b78c-1039a363856a

## Fig 12: Critical Success Factors for citizen service transformation

### Strategic Clarity

✓ **Clear vision:** all programme stakeholders have a common and comprehensive view of what the programme is seeking to achieve.  In particular, we do not spend money on technology before identifying the key organisational and business changes needed to deliver our vision.

✓ **Strong business case:** we know what outcomes we want to achieve, have baselined where we are now, and know how we will measure success.

✓ **Focus on results:** although we have a vision of where we want to go, and a set of principles by which we will move forwards, we do not over-plan. Instead, our strategy focuses on taking concrete, practical steps in the short to medium term, rather than continually describing the long-term vision.

### Leadership

✓ **Sustained support:** our political leaders and top management are committed to the programme for the long term.

✓ **Leadership skills:** our programme leaders have the skills needed to drive IT-enabled business transformation, and have access to external support

✓ **Collaborative governance:** leaders from all parts of our and other organisations involved in the programme are motivated for it to succeed, and are engaged in clear and collaborative governance mechanisms to manage any risks and issues.

### User focus

✓ **A holistic view of the customer:** we understand who the customers for our services are - not just for individual services - but across the government as a whole.  We know our customers, both internal and external, are different - and understand their needs on a segmented basis.

✓ **Citizen-centric delivery:** citizens can access all our services through a "one-stop" service. This is available over multiple channels, but we use web services to join it all up and reduce infrastructure duplication, and we actively encourage customers into lower cost channels.

✓ **Citizen empowerment:** we engage citizens directly in service design and delivery, and provide them with technology tools that enable them to create public value themselves.

### Stakeholder engagement

✓ **Stakeholder communication:** all our stakeholders - users, suppliers, delivery partners elsewhere in the public, private and voluntary sector, politicians, the media etc - have a clear understanding of our programme and how they can engage with it.

✓ **Cross-sectoral partnership:** other market players (in the private, voluntary and community sectors) often have much greater influence on citizen attitudes and behaviour than government - so our strategy aims to build partnerships which enable the market to deliver our objectives.

### Skills

✓ **Skills mapping:** we know that the mix of business change, product and marketing management, programme management, and technology skills needed to deliver transformational change does not already exist in our organisation. We have mapped out the skills we need, and have a clear strategy for acquiring them.

✓ **Skills integration:** we have effective mechanisms in place to maximise value from the skills available in all parts of our delivery team, bringing together internal and external skills into an integrated team.

### Supplier Partnership

✓ **Smart supplier selection:** we select suppliers based on long-term value for money rather than price, and in particular based on our degree of confidence that the chosen suppliers will secure delivery of the expected business benefits

✓ **Supplier integration:** we will manage the relationship with strategic suppliers at top management level, and ensure effective client/supplier integration into an effective programme delivery team with shared management information systems.

### Future-proofing

✓ **Interoperability:** we use interoperable, open standards which are well supported in the market-place.

✓ **Web-centric delivery:**  we will use a service-oriented architecture to support all of our customer interactions, from face-to-face interactions by front line staff to online self-service interactions

✓ **Agility:** we will deploy technology using common building blocks which can be re-used to enable flexible and adaptive use of technology to react quickly to changing customer needs and demands.

✓ **Shared services:** key building blocks will be managed as government-wide resources - in particular common data sets (e.g. name, address); common citizen applications (e.g. authentication, payments, notifications); and core IT infrastructure.

### Do-ability

✓ **Phased implementation:** we will avoid a "big bang" approach to implementation, reliant on significant levels of simultaneous technological and organisational change.  Instead, we will develop a phased delivery roadmap which:
  • works with citizens and businesses to identify a set of services which will bring quick user value, in order  to start building a user base
  • prioritise those services which can be delivered quickly, at low cost, and low risk using standard (rather than bespoke) solutions
  • works first with early adopters within the government organisation to create exemplars and internal champions for change
  • learns from experience, and then drives forward longer term transformations.

✓ **Continuous improvement:** we expect not to get everything right first time, but have systems which enable us to move quickly and learn from experience.

### Benefit Realisation

✓ **Benefit mapping:** we ensure clear line of sight between every investment and activity and the end outcomes we are trying to achieve

✓ **Benefit tracking:** we establish clear baselines, set measurable success criteria, and track progress against planned delivery trajectories for each of these

✓ **Benefit delivery:** we establish pro-active governance arrangements to drive out the downstream benefits after the initial implementation project is complete
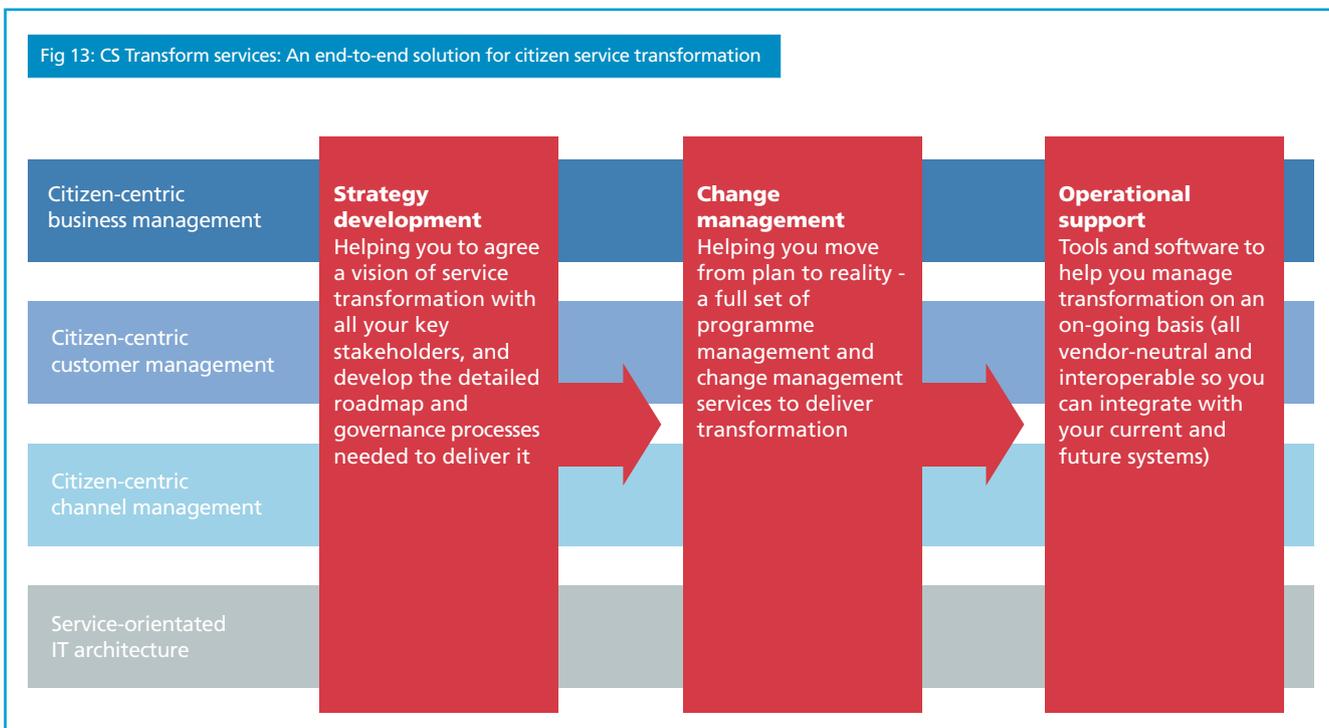
# 6: How we can help

This first White Paper by CS Transform gives an overview of what citizen service transformation involves, and sets out in outline how successful strategies seek to implement it in practice. In future whitepapers, we will be exploring key aspects of citizen service transformation in more detail.

Based on feedback from our customers in governments around the world, our priorities for early publication include papers looking at:

- **Government segmentation:** what are the key dimensions along which governments differ, and what does this entail for the approach they should take to implementing the general principles described in this overview?
- **The CS Transform Franchise Marketplace 2.0 solution:** the business model for joining-up government services around citizen needs which is increasingly being adopted by governments around the world.
- **The Policy Framework for citizen service transformation:** what are the policy products needed to drive forward the transformation process?

These and future white papers will be published at www.cstransform.com. We look forward to your feedback.

In addition, CS Transform Limited provides a wide-range of consulting services designed to help governments deliver all aspects of citizen service transformation. A high-level view of these services is set out at Figure 13. Further details are available on our website, and by email enquiry to impact@cstransform.com.

**Fig 13: CS Transform services: An end-to-end solution for citizen service transformation**

| Citizen-centric business management | **Strategy development** Helping you to agree a vision of service transformation with all your key stakeholders, and develop the detailed roadmap and governance processes needed to deliver it | **Change management** Helping you move from plan to reality - a full set of programme management and change management services to deliver transformation | **Operational support** Tools and software to help you manage transformation on an on-going basis (all vendor-neutral and interoperable so you can integrate with your current and future systems) |
| --- | --- | --- | --- |
| Citizen-centric customer management | | | |
| Citizen-centric channel management | | | |
| Service-orientated IT architecture | | | |

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