# Public-Private Sector Bridge

*V1.0 Revised draft following a discussion during a TC call on 1st February 2017. Dated 3rd March 2017*

# Introduction

Recent TGF TC discussions have started to address the difficulties that private sector businesses can encounter when engaging in public sector transformational projects with a view to the TC developing some guidance that helps consortia, programmes and projects to address these issues.

This note identifies an initial set of differences from public and private sector perspectives such that TGF patterns to facilitate private-public sector bridges can be identified.

This may lead to the development of new patterns or updates to those already existing.

| **Private Sector View** | **Public Sector View** | **Class** | **Relevant TGF Area/Patterns** | **Means to Address** |
| --- | --- | --- | --- | --- |
| Primarily motivated by profit | Motivated by meeting public liabilities/demands | Motivation |  | Needs to be addressed in setting up relationships, consortia etc.Must consider benefits to the contributing stakeholders |
| Constantly seeking competitive edge | Collaborate with other government bodies at the same level and with related responsibilities | Motivation |  |  |
| Competitive – want as much business as they can handle. Compete with other organisations in their sector. | Collaborative in order to provide the best realistically possible citizen experience | Motivation |  |  |
| Unlikely to have mandatory rights over customers  | Have many legal obligations to citizens and businesses | Public Service Obligation |  |  |
| Free choice on associations and desired customers  | No choice over citizens that they Are responsible to | Public Service Obligation |  |  |
| Can elect what markets to be active in/services to offer | Have to offer services to meet obligations  | Universal Service Obligation |  |  |
| May not understand Government or have pre-existing relationships with government organisations  | Have relationships with a range of government organisations. However, the effectiveness of some of these for a particular programme may be questionable. | Market Knowledge |  |  |
| Probably fully abreast of innovations within their market sector | May not know about innovations in the private sector that could be relevant to the consortium | Market Knowledge |  |  |
| Brand is everything.Reputation (market presence and value) is vital to retain and acquire business | Local or regional pride.Customers probably cannot choose another supplier but will seek public approval | Objectives/Reputation | Brand Management |  |
| Desire reusable solutions that can be sold elsewhere | Likely to require capabilities to meet specific local requirements/desires | Objectives |  |  |
| Maybe prepared to take risks/experiment  | Inability to be seen to ‘fail’ leading to risk adverseness | Objectives |  |  |
| Participation may be time-limited (e.g. by contract) | Effectively exist forever. However, they may change in terms of coverage or responsibilities over time.Political cycle/electoral timescales may impose constraints (e.g. deliverables must be delivered within a cycle) | Programme/Planning Horizon |  |  |
| Capital for investment might be easier to justify.Can leverage investments elsewhere and could treat a case as a pilot. | Can borrow more cheaply than Private SectorHowever the project planning horizon is quite short | Funding Models / Investment horizons |  | Could look to rill it out further (might just treat it as a pilot). For small companies the economics are very different. |
| May not be able to develop a business case for major projects without the public sector being involved (e.g. Nuclear Power Stations) | May be limited by scale when it comes to involvement in major projects. | Funding Models / Investment horizons |  |  |
| Data is private to the company | Data subject to FOI and forthcoming data sharing legislation | Information Management |  |  |
| New requirements to share data or handle it in a different manner may be imposed as a result engaging with a consortium | Some Data in the private sector is especially sensitive e.g. health data and sharing this with private partners needs to be carefully considered | Information Management |  |  |
| May need/wish to retain data even after leaving the consortium. | When partners leave the consortium, the continuation of service is likely to be required and data arrangements may need to change. | Information Management |  | When initially setting up consortia and introducing new stakeholders, the risk of lock-in needs to be considered. |
| Probably not bound by geography or limited in ability to expand sphere of operations.Data handling may need to be different for records that fall within the realm of the consortium. | Geographically bound and limited in areas of responsibility. Have no rights on records that are not within the remit of consortium agreements (indeed, that could be illegal) | Information Management |  |  |
| Customer identities defined by business systems/business need. A single customer identity is reasonably straightforward to achieve. | Customer identities often tied to national identifiers e.g. NHS no, social services no. A range of these are probably required for modern transformational projects | Information Management |  |  |

There are some areas that despite organisations being able to manage individually, that will need to change or be redeveloped for a consortium and will thus be a challenge for all stakeholders e.g. procurement. All stakeholders will need to understand the big picture and engage fully in multi-stakeholder collaborative leadership.

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3rd March 2017