

Transformational Government Framework

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Part I: Introduction to the Transformational Government Framework

Welcome to the Transformational Government Framework.

This document is in three main parts:

- This **Introduction** (Part I of the Transformational Government Framework) sets out the context in which the TGF has been produced, its purpose, and the principal users at whom the Framework is aimed.
- Part II describes **the Transformational Government Framework** itself
- Part III sets out **conformance criteria**: the standards by which users of the Transformational Government Framework may determine if they are conformant with it.

This introductory part consists of four sections:

- **Context**: the historical background for Transformational Government
- **Definition**: what we mean by Transformational Government in this context
- **Purpose**: the objectives of the Transformational Government Framework
- **Audience**: the intended primary and secondary users of this Transformational Government Framework.

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 much of the last two decades, many thought that new technology would provide the key to deliver these transformations. But at a time when virtually every government 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: Transformational Government.

Defining Transformational Government

The definition of Transformational Government used within this framework is as follows:

Transformational Government: definition

"A managed process of ICT-enabled change in the public sector, which puts the needs of citizens and businesses at the heart of that process and which achieves significant and transformational impacts on the efficiency and effectiveness of government."

This definition deliberately does not seek to describe some "perfect end-state" for government. That is not the intent of the Transformational Government Framework. All governments are different: the historical, cultural, political, economic, social and demographic context within which each government operates is different, as is the legacy of business processes and technology implementation from which it starts. So the Transformational Government Framework is not a one-size-fits-all prescription for what a government should look like in future.

Rather, the focus is on the process of transformation: how a government can build a new way of working which enables it rapidly and efficiently to adapt to changing citizen needs and emerging political and market priorities. In the words of one of the earliest governments to commit to a transformational approach: "*.... the vision is not just about transforming government through technology. It is also about making government transformational through the use of technology*"¹,

A full understanding of this definition of Transformational Government can also be assisted by focusing on the four major ways in which Transformational Government programs differ from traditional e-Government programs:

- They take a whole-of-government view of the relationship between the public sector and the citizen or business user

¹ See the UK Government's white paper "Transformational Government – enabled by technology", Cabinet Office, 2005

- 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 Transformational Government 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 spent 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.

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. Transformational Government programs embrace this. Where traditional e-Government programs focused on the user as "the customer", Transformational Government looks to enhance the relationship between government and the citizen on a much richer, more reciprocal, and more empowering basis.

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 Transformational Government 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.

Purpose of the Transformational Government Framework

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.

The governments and industry leaders involved in OASIS therefore believe that the time is now right to set out a clear best practice framework within which governments can overcome these challenges to deliver genuinely transformational ICT-enabled change in the public sector.

Against the background, the purpose of the Transformational Government Framework is as follows:

Transformational Government Framework: purpose

To distil emerging global best practices into a practical "how to" guide for design and implementation of an effective Transformational Government program.

Target audience for the Transformational Government Framework

The Transformational Government Framework is primarily intended to meet the needs of:

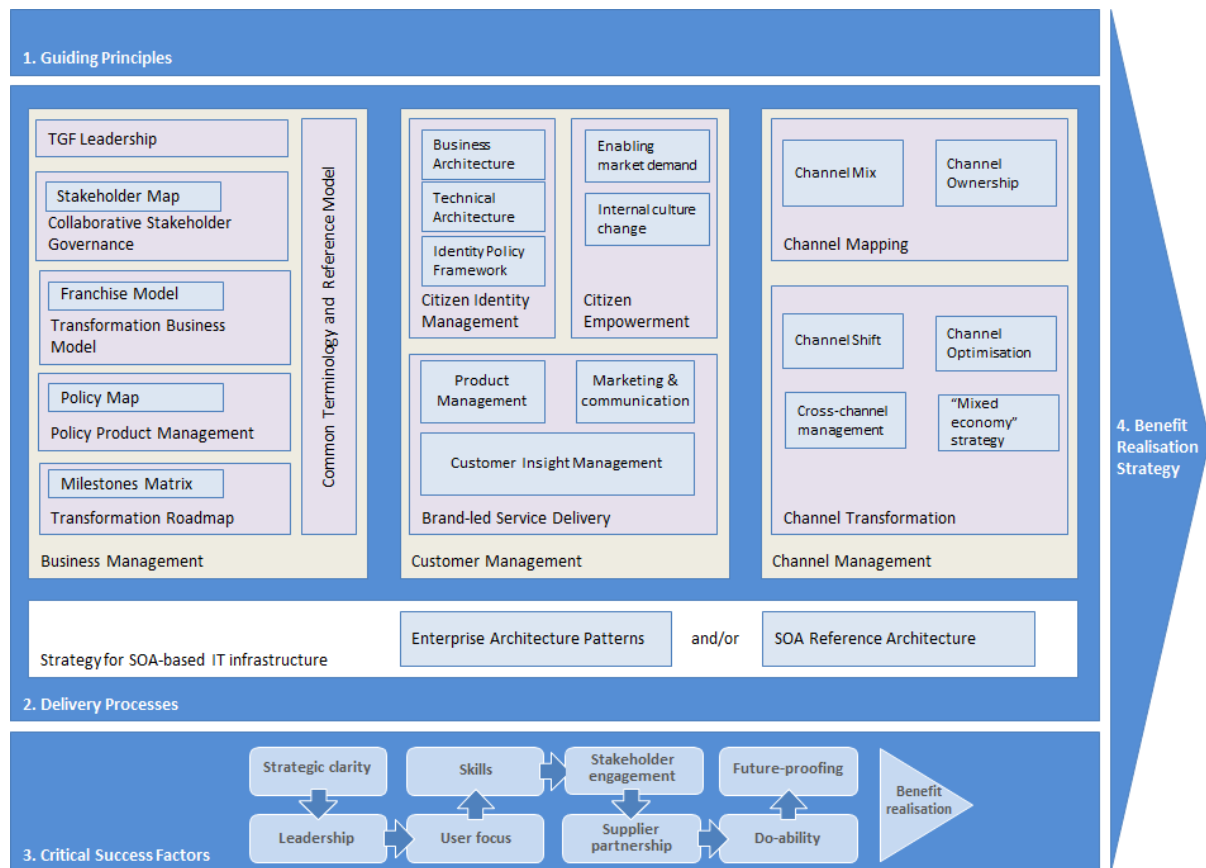
- Ministers and senior officials responsible for shaping public sector reform and e-Government strategies and policies (at national, state/regional and city/local levels)
- Senior executives in industry who wish to partner with and assist governments in the transformation of public services, and to ensure that the technologies and services which the private sector provides can have optimum impact in terms of meeting public policy objectives

Secondary audiences for the Transformational Government Framework are:

- Leaders of international organisations working to improve public sector delivery, whether at a global level (eg World Bank, United Nations) or a regional one (eg European Commission, ASEAN, IADB)
- Academic and other researchers working in the field of public sector reform
- Civil society institutions engaged in debate on how technology can better enable service transformation.

Part II: The Transformational Government Framework

The Transformational Government Framework can be seen schematically below.



There are four main components to the Framework:

1. A set of **guiding principles** for transformation: that is, the core values which underpin successful citizen-centric reform around the world
2. The major **delivery processes** within government, all of which need refocusing in a citizen-centric way in order to deliver genuinely transformational impact: business management, customer management, channel management, and service-oriented technology management.
3. A checklist of the **critical success factors** that every government needs to manage if it is to develop and deliver an effective Transformational Government program
4. The **Benefit Realisation Framework** which is needed to ensure that the Transformation Government program ultimately delivers all of its intended benefits and impacts in practice.

Each of these components is described in more detail below.

Component 1 of the TGF: Guiding principles

As discussed in Part I of this document, a one-size-fits all approach to public sector reform will not work. Nevertheless, there are some guiding principles which 10-15 years of experience with e-enabled government around the world suggests are universal. They are based on the experience of many OASIS member organisations working with governments of all kinds, all around the world, and they form the heart of the Framework.

In the Transformational Government Framework, we use the term “principle” to mean an enduring statement of values which can be used on a consistent basis to steer business decision making over the long term. The TGF Guiding Principles are set out below, and must be used by any Transformational Government program conforming with the TGF.

Guiding Principles for Transformational Government

Develop a detailed and segmented understanding of your citizen and business 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 and business 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 work with you to deliver your joint objectives.

Manage and measure these nine critical success factors:



These nine factors are covered in Component 3 of the TGF.

Component 2 of the TGF: Delivery processes

Delivering the principles outlined above, in line with the Critical Success Factors detailed in Component 3 of the TGF, involves re-inventing every stage of the service delivery process. The Transformational Government Framework identifies four main delivery processes, each of which needs to be managed in a government-wide and citizen-centric way in order to deliver effective transformation:

- business management
- customer management
- channel management
- technology management

A high-level map of these delivery processes and how their constituent elements interact is illustrated in summary below. (Similar, more detailed maps are shown in Appendices 1-4.) The following sections then look in more detail at each of the four delivery processes, setting out the best practices which should be followed in order to ensure conformance with the Transformational Government Framework.

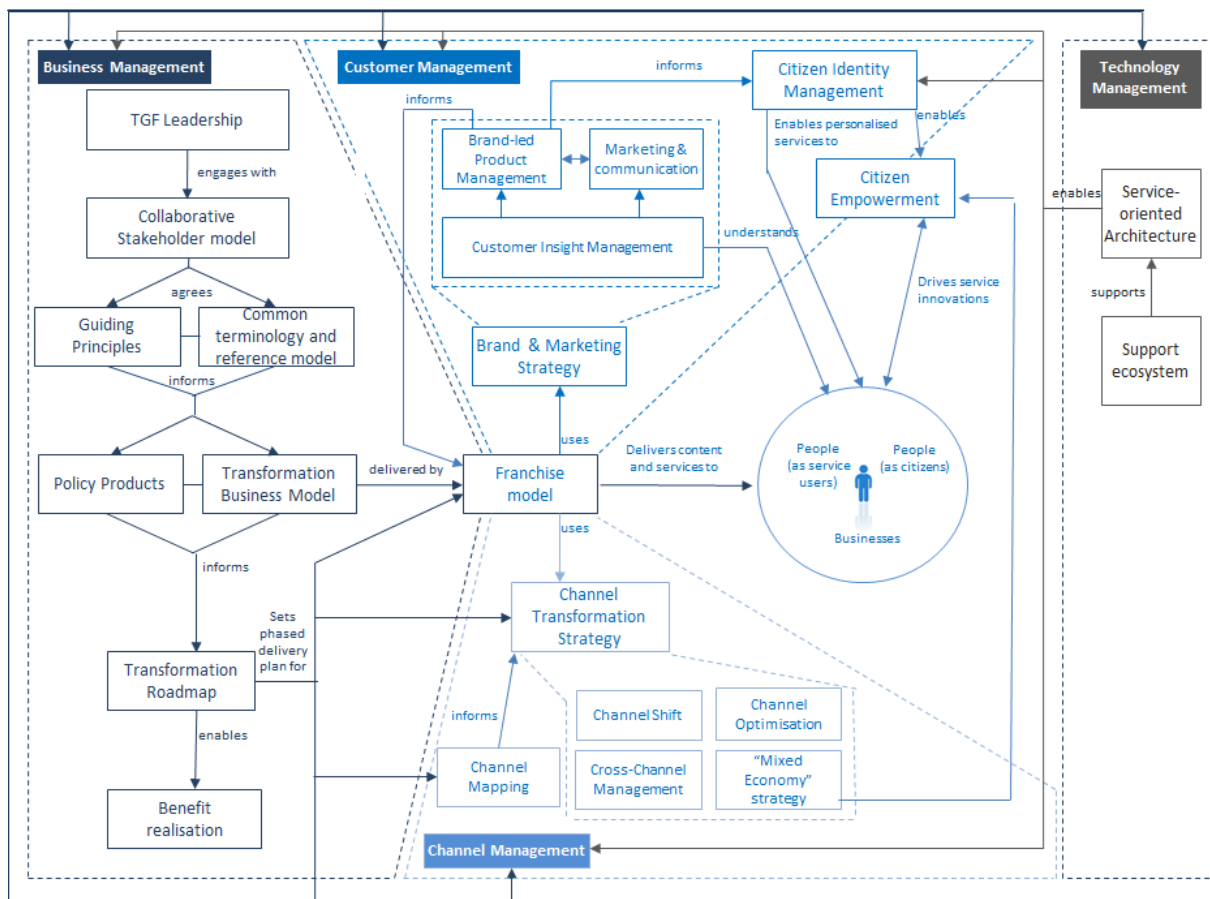


Figure: Relationships between the four Delivery Processes for Transformational Government

Business Management

For largely historical reasons, governments are generally organised around individually accountable vertical silos (for example, tax, health, transport), with clear demarcations between central, regional, and local government. Yet citizen and business 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 Transformational Government Framework identifies five key aspects of business management which need to be tackled in this way:

- **Transformational Government leadership:** the key people and governance structures needed to develop and implement a Transformational Government program
- **A collaborative Stakeholder Governance Model:** the process by which all key stakeholders are identified, engaged and buy-in to the transformation program
- **A common terminology and reference architecture:** ensuring that all stakeholders have a clear, consistent and common understanding of the key concepts involved in Transformational Government and how these inter-relate
- **A Transformation Business Model:** a new virtual business layer within government, focused round the needs of citizens and businesses, which enables the existing silo-based structure of government to collaborate effectively in understanding and meeting user needs
- **The development and management of Policy Products** that constitute the documented commitment to the transformational process of any conformant agency;
- **A Transformation Delivery Roadmap:** giving a four to five year view of how the program will be delivered, with explicit recognition of priorities and trade-offs between different elements of the program.

The details of all this are included in the TGF “**Business Management Framework**” at Appendix A to this document.

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:

- Brand-led service delivery
- Identity management
- Citizen empowerment

The details of all this are included in the TGF “**Customer Management Framework**” at Appendix B to this document.

Channel Management

Channel management is often a weak spot in government service delivery, with widespread duplication, inefficiency and lack of user-focus. Common pitfalls identified by OASIS members 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

Transformational Government programs seek to avoid these pitfalls, by building a channel management approach centred on the needs and behaviour of the citizen. The two key elements of the approach recommended in the Transformational Government Framework are:

- **Channel Mapping:** a clear audit of what existing channels are currently used to deliver government services. The TGF Channel Mapping approach includes an analysis of the current usage and costs of these channels across two key dimensions: which delivery channels are being used ('channel mix') and who owns them ('channel ownership').
- **Channel Management Strategy:** the TGF helps build a new channel management approach centred on the needs and behaviour of citizens and businesses. The key components of such an approach include:
 - Channel Shift
 - Channel Optimization
 - Cross-Channel Management
 - Development of a wholesale intermediary market.

The details of all this are included in the TGF "**Channel Management Framework**" at Appendix C to this document.

Service-oriented technology management

The transformations to business, customer and channel management described above require a new approach to technology and in particular a commitment to the paradigm and principles of Service Oriented Architecture (SOA) and SOA-based infrastructure.

Transformational Government demands a single view of the citizen or business, 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 Transformational Government becomes impossible - or possible only at great expense and with significant wasteful and duplicated IT expenditure.

The TGF recommended approach is set out in the TGF "**Technology Management Framework**" at Appendix D to this document.

Component 3 of the TGF: Critical Success Factors

Programs and projects which seek to deliver Transformational Government 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 in Component 2 of the TGF.

However, there is now an increasing body of research which seeks to understand why some IT-enabled transformation programs succeed and why others fail. The TGF has drawn together the findings from such research, validating these with OASIS members from around the world, to identify nine Critical Success Factors that must be taken into account. Successful transformation programs manage and measure these Critical Success Factors throughout the life of the program.

Critical Success Factors for Transformational Government

Strategic Clarity

- ✓ **Clear vision:** all program stakeholders have a common and comprehensive view of what the program is seeking to achieve. In particular, we do not spend money on technology before identifying the key organizational 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 program for the long term.
- ✓ **Leadership skills:** our program 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 organizations involved in the program 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 program 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 behavior 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, program 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 maximize 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 program 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 frontline 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 organizational 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 Realization

- **Benefit realisation strategy:** we have a clear strategy to ensure that all the intended benefits from our Transformation Program are delivered in practice, built around the three pillars of benefit mapping, benefit tracking and benefit delivery.

Component 4 of the TGF: Benefit Realisation Strategy

Logically, the design and delivery of a Benefit Realisation Strategy is a part of the Business Management task, and is a core responsibility for the Transformational Government Leadership and the collaborative stakeholder governance model described in the TGF Business Management Framework. It is of such vital importance though, that we have highlighted it as a distinct component of the overall Transformational Government Framework.

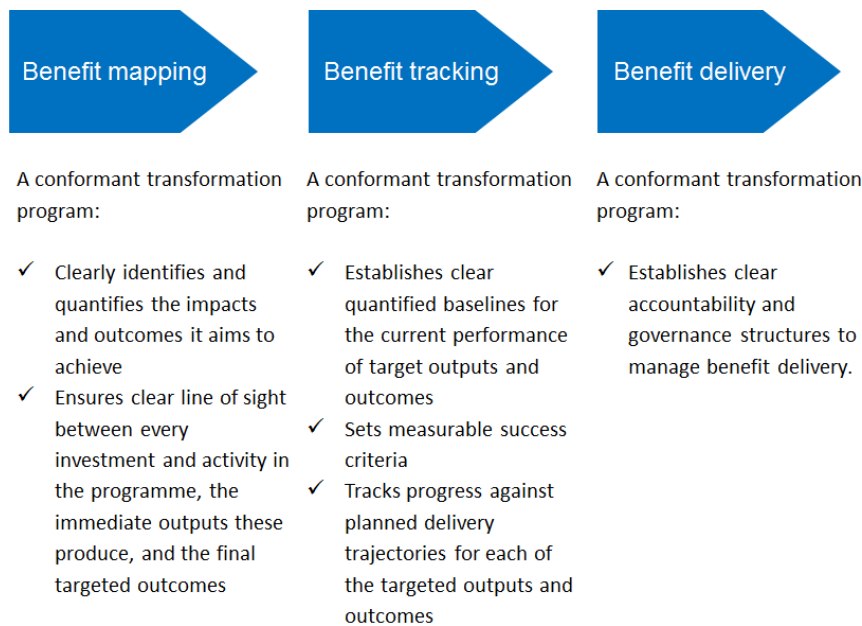
Put simply, ICT projects in government (and indeed in the private sector) do not automatically deliver benefits. Governments historically have fallen into two pitfalls which have hindered full benefit realisation:

- **Failure to pro-actively manage the downstream benefits after an individual IT project has been completed.** Often, IT projects are seen as "completed" once the initial technical implementation has been achieved. But to get the full projected benefits (efficiency savings, customer service improvements etc), ongoing management is essential, often involving significant organizational and cultural changes. A study for the European Commission² calculated that, as a rule of thumb, organizational change accounts for 55% of the full costs of e-Government projects in Europe, with only 45% of the costs going on ICT. Yet these change costs are often not fully factored in or delivered, resulting in a failure to maximize the potential benefits of the ICT investments.
- **Failure at a whole-of-Government level to undertake the restructuring of the public labour market to take advantage of new efficiencies.** Effective delivery of e-Government services – both in external service delivery to citizens and businesses, and in modernising the internal operations of government – opens up the potential to reduce significantly the cost of government. As the cost of delivering government services reduces, governments need to plan and implement the necessary restructuring of the public sector labour market to realize

² Source: e-Government Economics Project

efficiency benefits in the traditional paper-based channels. These efficiency savings can then either be returned to the tax payer in the form of lower taxes, or recycled into priority front-line public services such as health and education. A study by the OECD in 2006³ showed that this “whole-of-government” approach to efficiency savings had until that point been a feature of only a few countries, notably Canada, the UK and Finland. Increasingly though, financial pressures are forcing governments to focus on this issue.

The Transformational Government Framework does not seek to specify in detail what benefits and impacts a Transformational Government program should seek to achieve – that is a matter for each individual government. However, the TGF does set out a best practice approach to benefit realisation, based around three pillars as illustrated below.



³ IT Outlook 2006, OECD

Part III: Conformance Criteria

Any conformant implementation of this Framework:

- a) **MUST use the Guiding Principles** set out in Component 1 of the TGF

- b) **MUST have delivery processes for business management, customer management, channel management and technology management** which address the best practices described in Component 2 of the TGF. Specifically, this means that it:
 - **MUST have a Business Management Framework** which:
 - MUST have leadership which involves:
 - Clear accountability at both the political and administrative levels
 - Deployment of formal program management disciplines
 - A clearly identified mix of leadership skills
 - Engagement of a broad-based leadership team across the wider government.
 - MUST have a Collaborative Stakeholder Governance Model
 - MUST have an agreed and common terminology and reference model
 - MUST have a Transformation Business Model
 - SHOULD use the Franchise Model
 - MUST have used the TGF Policy Product Map to identify all necessary Policy Products
 - MUST have a phased Transformation Roadmap

 - **MUST have a Customer Management Framework** which:
 - MUST have a Brand-led Service Delivery Strategy, which is agreed and managed at a whole-of-government level and which addresses:
 - Customer Insight
 - Product Management
 - Marketing and communication
 - MUST have a Citizen Identity Management Framework, which:
 - Uses a federated business model
 - Uses a service-oriented IT architecture
 - Is citizen-centric, giving citizens control, choice and transparency over personal data
 - MUST have a Citizen Empowerment Framework, which encourages and enables service innovation in the Citizen-to-Citizen, Business-to-Citizen, and Citizen-to-Government sectors.

 - **MUST have a Channel Management Framework** which:
 - MUST have a clear mapping of existing channels, and their cost structures
 - MUST have a Channel Transformation Strategy which addresses the following elements:
 - Shifting service users into lower cost, digital channels

- Optimising the cost and performance of each channel, including through use of benchmarking
 - Improving cross-channel management, with the aim of providing a seamless user experience across different channels
 - Developing a thriving mixed economy in the delivery of government services by private and voluntary sector intermediaries.
- c) **MUST measure and manage the Critical Success Factors** outlined in Component 3 of the TGF
- d) **SHOULD seek regular, independent review of performance** against these Critical Success Factors
- e) **MUST have a Benefit Realisation Strategy** which addresses the areas of benefit mapping, benefit tracking and benefit delivery as described in Component 4 of the TGF
- f) **MUST use these conformance criteria suitably transposed to the specific implementation. [Peter – not sure what this one means?]**

In terms of the primary users identified for the TGF in Part I:

- A conformant government will be able to demonstrate and document that it is engaged in a Transformation Program which complies with all these criteria.
- A conformant private-sector organisation will be able to demonstrate and document that it provides products and services which help governments to comply with all these criteria.

Appendix 1: The TGF Business Management Framework

Introduction

The TGF Business Management Framework is in four main sections:

- Context
- Overview of key components in the TGF Business Management Framework
- Detailed description of the key components
- Conformance criteria

Context

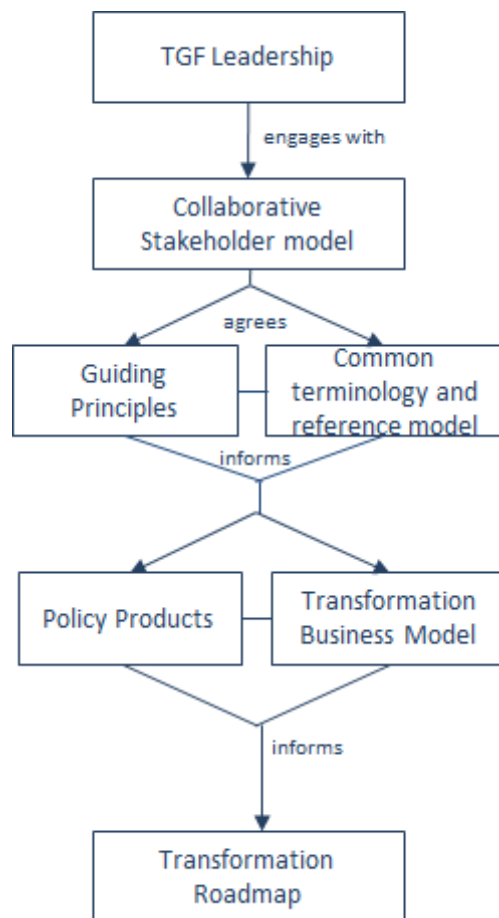
For largely historical reasons, governments are generally organised around individually accountable vertical silos (for example, tax, health, transport) with clear demarcations between central, regional, and local government. Yet citizens' needs cut across these demarcations. In moving to a citizen-centric 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.

Overview of key components in the TGF Business Management Framework

The Transformational Government Framework identifies five key aspects of business management which need to be tackled in this way:

- **Transformational Government leadership:** the key people and governance structures needed to develop and implement a Transformational Government program
- **A collaborative Stakeholder Governance Model:** the process by which all key stakeholders are identified, engaged and buy-in to the transformation program, including to the Guiding Principles described in Component 1 of the TGF
- **A common terminology and reference architecture:** ensuring that all stakeholders have a clear, consistent and common understanding of the key concepts involved in Transformational Government and how these inter-relate
- **A Transformation Business Model:** a new virtual business layer within government, focused round the needs of citizens and businesses, which enables the existing silo-based structure of government to collaborate effectively in understanding and meeting user needs
- **The development and management of Policy Products** that constitute the documented commitment to the transformational process of any conformant agency
- **A Transformation Delivery Roadmap:** giving a four to five year view of how the program will be delivered, with explicit recognition of priorities and trade-offs between different elements of the program.

A high level view of the logical relationships between these components is illustrated below.



Component 1 of the Business Management Framework: TGF Leadership

Transformation programs require sustained leadership over a period of years.

There is no “ideal” leadership structure for a transformation program: the optimal positioning of the leadership team will depend on the context of each specific government. However, global experience suggests the following factors are vital to address in whichever way is most appropriate for the specific context:

- **A clear focus of accountability:** at both the political and administrative levels, there should be a senior and empowered individual who has overall responsibility for the Transformation Program
- **Deployment of formal program management disciplines:** to deliver effective government-wide transformation, it is vital to use a formalised program management approach, such as PRINCE II.
- **Ensuring the right skills mix in the leadership team.** Effective leadership of a Transformation Program requires the senior accountable leaders to have access to a mix of key skills in the leadership team which they build around them, including: strategy development skills, stakeholder engagement skills, marketing skills, commercial skills and technology management

skills. Deployment of a formal competency framework such as SFIA can be helpful in identifying and building the right skill sets.

- Building a broad-based leadership team across the wider government.** It is not essential that all Ministers and senior management are committed to the transformation program from the outset. Indeed, a key feature of an effective roadmap for transformation is that it nurtures and grows support for the strategy through the implementation process. However, it is important that the program is seen not simply as a centralised or top-down initiative. Sharing leadership roles with senior colleagues across the government organisation is therefore important. Further detail on this is set out in the section below on a collaborative stakeholder model.

Component 2 of the Business Management Framework: Collaborative Stakeholder Governance Model

Chris to expand in discussion with Nig and Peter (need to decide how to combine merits of Nig's stakeholder map below and Peter's "onion" model)

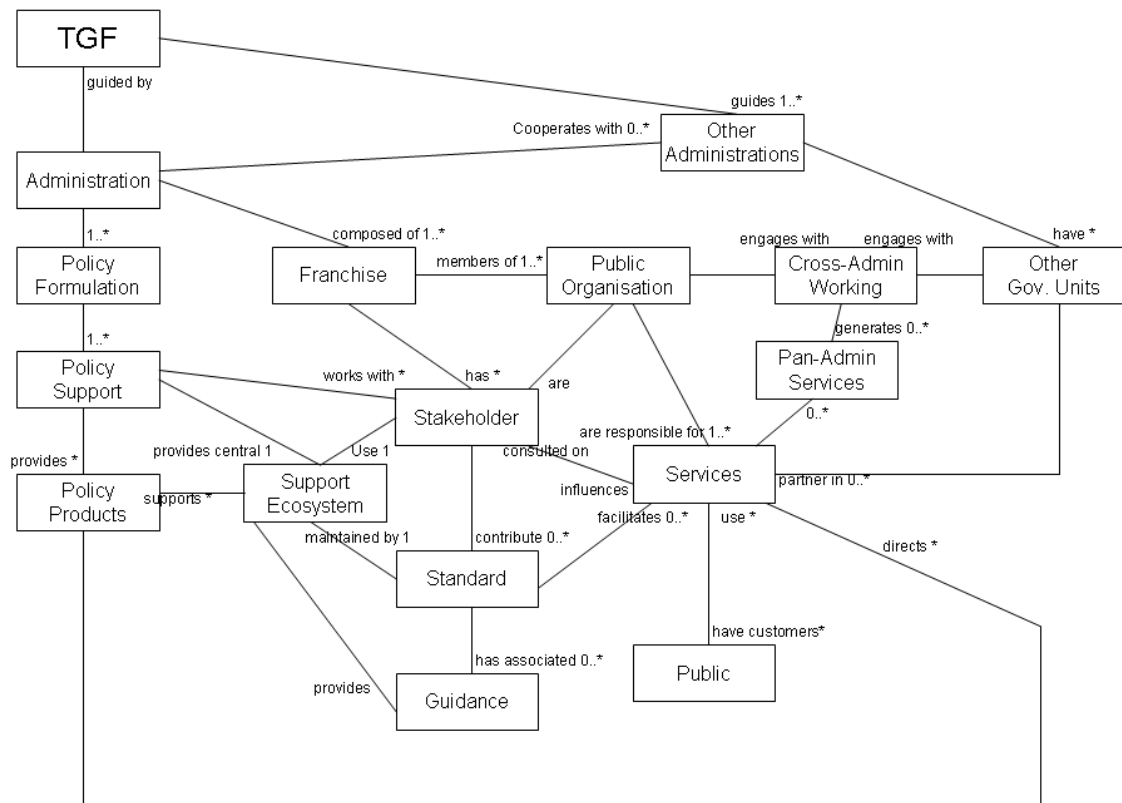


Figure: Relationship of Stakeholders to the Framework

Component 3 of the Business Management Framework: common terminology and reference model

In any change program of this breadth and complexity, it is vital that all stakeholders have a common understanding of the key concepts involved and how they interrelate, and have a common language to describe these in.

We therefore recommend that a TGF-conformant transformation program should seek to agree with stakeholders a common Terminology and Transformation Reference Model.

To assist with this, in Appendix 5 to this document we set out a formal definition of all the concepts that are used throughout the Framework and identify the main relationships between them.

Component 4 of the Business Management Framework: Transformation Business Model

A central task of the TGF leadership and collaborative stakeholder model is to develop a new and effective business model which enables the machinery of government to deliver citizen-centric services 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.

This Framework recommends implementation of a business model which permits the joining-up of services from all parts of government in a way that makes sense to citizens, yet 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 in the figure below:

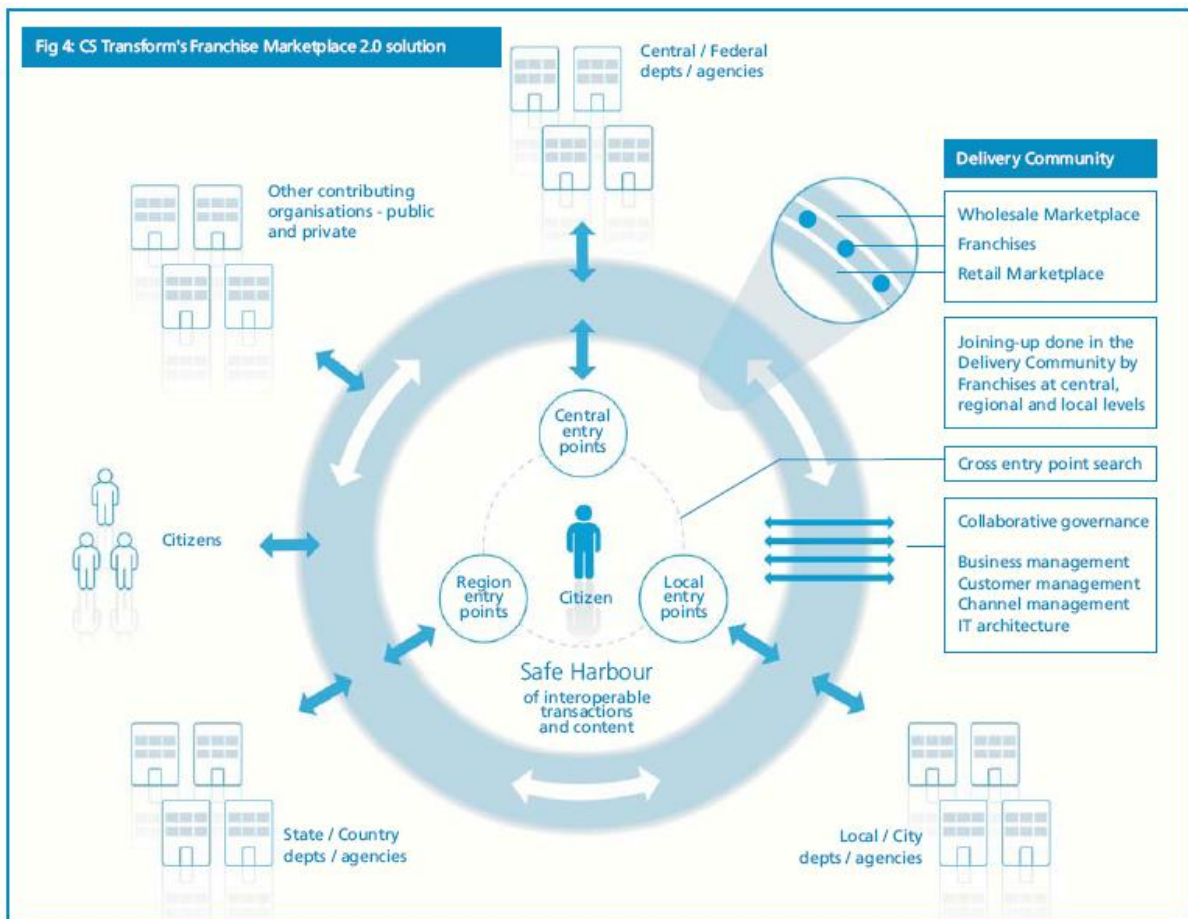


Figure still needs updating to remove CS Transform references and reflect findings of Nig's business model review

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

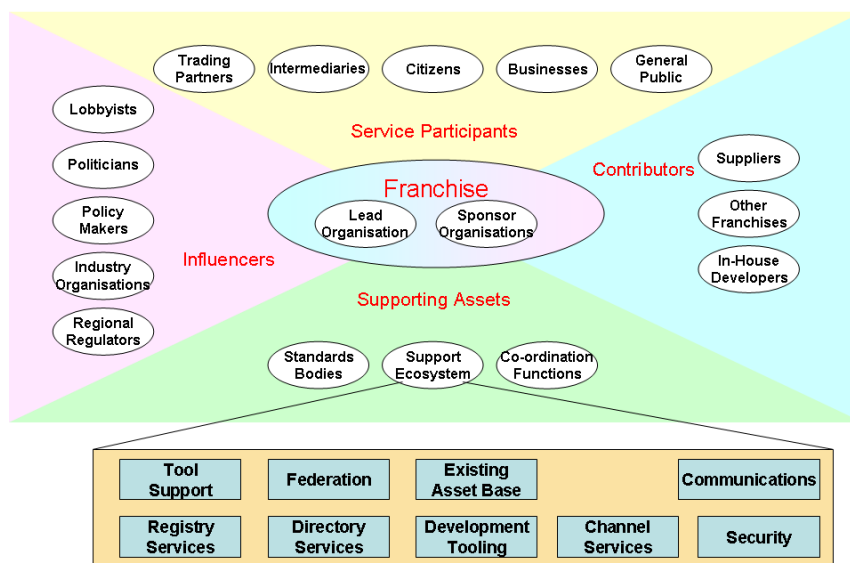
This Franchise model represents an important break-through in the shift from a traditional e-government approach towards citizen service transformation. Certainly, the model as a whole or key elements of it has been adopted successfully in governments as diverse as the UK, Hong Kong, Croatia, Abu Dhabi and Australia (where it has been adopted by both the South Australia and Queensland governments).

It is clearly possible that alternate models may develop in future. But however the Transformational Government 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.

Enabling the Franchise Model

A number of relationships need to be managed by a franchise to enable it to develop, maintain and deliver transformational citizen-centric services. These represent different viewpoints that can be broadly classified as:

- Service Participants. Those who are actors in the normal operation of the service.
- Influencers. Those who have a political, business or altruistic interest in the service and the part that it plays in broader government, business and social scenarios.
- Supporting Assets. Those organisations/bodies and facilities that are necessary to provide a technical underpinning for this and other services.
- Contributors. Those who work with the franchise to develop and maintain the service.



Nig: I like the chart but think there are a couple of gaps I'd like to fill. Can you please send the ppt original?

- ***The Franchise***

The franchise is based around a customer segment. It may contain bodies drawn from central, regional, and state government and others that contribute to serving that segment.

It MUST have a lead organisation that ensures its interests are represented to other franchises and bodies. It MUST also have sponsoring organisations that with a responsibility for the full range of service perspectives across the segment.

The franchise is responsible for ensuring that all relationships with external bodies are managed and for the provision of supporting assets necessary to allow organisations within the franchise and working with it to discharge their responsibilities in an open, consultative and transparent manner.

Despite the importance of the franchise concept, it is not intended to add unnecessary bureaucracy – rather, it is intended to provide a lightweight framework within which participants can work naturally and cooperatively.

- ***Service Participants***

The service participants are the most important actors in operational services as the services MUST address their needs and those of the people that they represent.

Thus, as well as being users, it is essential that they are consulted during the proposal stage for all services. Once operational, this group SHOULD to be involved in customer satisfaction exercises and the development of any service enhancements to ensure that their needs continue to be met.

- ***Influencers***

The influencers are those who identify, and possibly mandate, the need for a service. Accordingly, it is vital that they are able to steer developments within and across franchises. They also have a responsibility to ensure that all stakeholders are aligned and are organisationally capable of discharging their responsibilities.

- ***Supporting Assets***

The supporting assets provide the technical underpinning for project delivery. Where they are publically owned, it is intended that they will provide light-touch governance and facilities (primarily technical) to support franchises and inter-working between them and with standards bodies.

It is essential that they ensure the provision and availability of assets that are universal (i.e. fundamental items that are required by all public sector organisations) or common (i.e. assets used across multiple franchises).

Tooling SHOULD to be provided with the aim of supporting all stakeholders and facilitating their collaboration.

- **Contributors**

During their normal activities, contributors will encounter situations where they need to work with other organisations to use, modify or generate assets. They MUST use franchise provided mechanisms in such situations.

Component 5 of the Business Management Framework: Policy Product Management

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 transformation can be delivered is much broader than is currently being addressed in most Interoperability Frameworks and Enterprise Architectures.

A TGF-conformant transformation program will use the Policy Product Map shown below as an assessment framework for determining what Policy Products are needed to deliver the program effectively. This maps the four delivery processes described in Component 2 of the TGF (Business Management, Customer Management, Channel Management and service-oriented Technology Management) against the five interoperability domains identified in what is currently the broadest of Interoperability Frameworks - the European Interoperability Framework (EIF): technical, semantic, organisational, legal and policy interoperability. While the EIF framework is conceptually complete, by mapping it against these core delivery processes, a much clearer sense can be gained of the actions which are needed.

The TGF Policy Product Map	Political Interoperability	Legal Interoperability	Organisational Interoperability	Semantic Interoperability	Technical Interoperability
Business Management					
Customer Management					
Channel Management					
Technology Management					

A full analysis of the Policy Products which we recommend are typically needed to deliver an effective and holistic transformation program is included in the separate Committee Note “Tools and Models for the Business Management Framework” (reference). However, the detailed Policy Products in that note are advisory only. Whilst every policy product indicated may not be needed, we recommend that any conformant transformation program should use the overall framework of the Policy Product Map to conduct a gap analysis aimed at identifying all key Policy Products needed for that government, taking the Committee Note into account as guidance.

Component 6 of the Business Management Framework: Transformation Roadmap

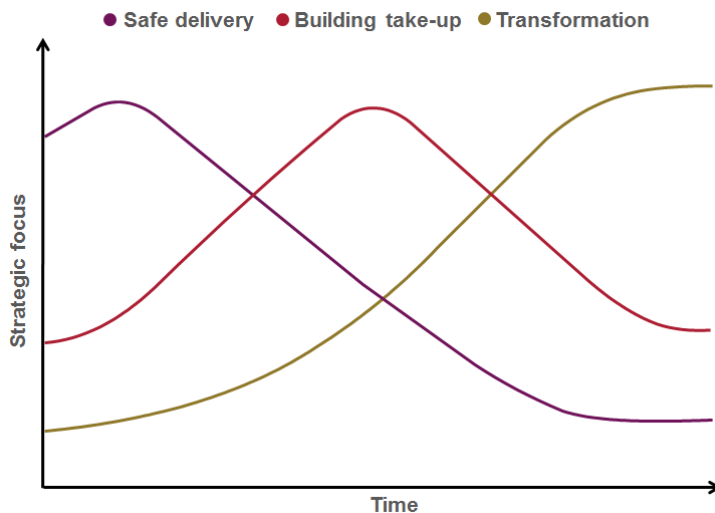
Finally, it is essential that the vision, strategy, business model and policies for citizen service transformation are translated into an effective Transformation Roadmap.

Since everything can clearly not be done at once, it is vital to map out which elements of the transformation programme need to be started immediately, which can be done later, and in what order. 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 balance quick wins with the key steps needed to drive longer term transformation.

In the early days of the Transformational Government program, 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 fuller **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 below 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 shift over time.



Guided by the strategic trade-off framework described above, 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, the program looks 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.

Conformance Criteria

Any conformant implementation of this Framework:

- MUST have leadership which involves:
 - Clear accountability at both the political and administrative levels
 - Deployment of formal program management disciplines
 - A clearly identified mix of leadership skills
 - Engagement of a broad-based leadership team across the wider government.
- MUST have a Collaborative Stakeholder Governance Model
- MUST have an agreed and shared terminology and reference model
- MUST have a Transformation Business Model
- SHOULD use the Franchise Model
- MUST have used the Policy Product Map to identify all necessary Policy Products
- MUST have a phased Transformation Roadmap

Appendix 2: The TGF Customer Management Framework

Introduction

The TGF Business Management Framework is in four main sections:

- Context
- Overview of key components in the TGF Customer Management Framework
- Detailed description of the key components
- Conformance criteria

Context

The first of the Guiding Principles identified in Component 1 of the TGF is:

- “Develop a detailed and segmented understanding of your citizen and business 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 and business interactions with government”*

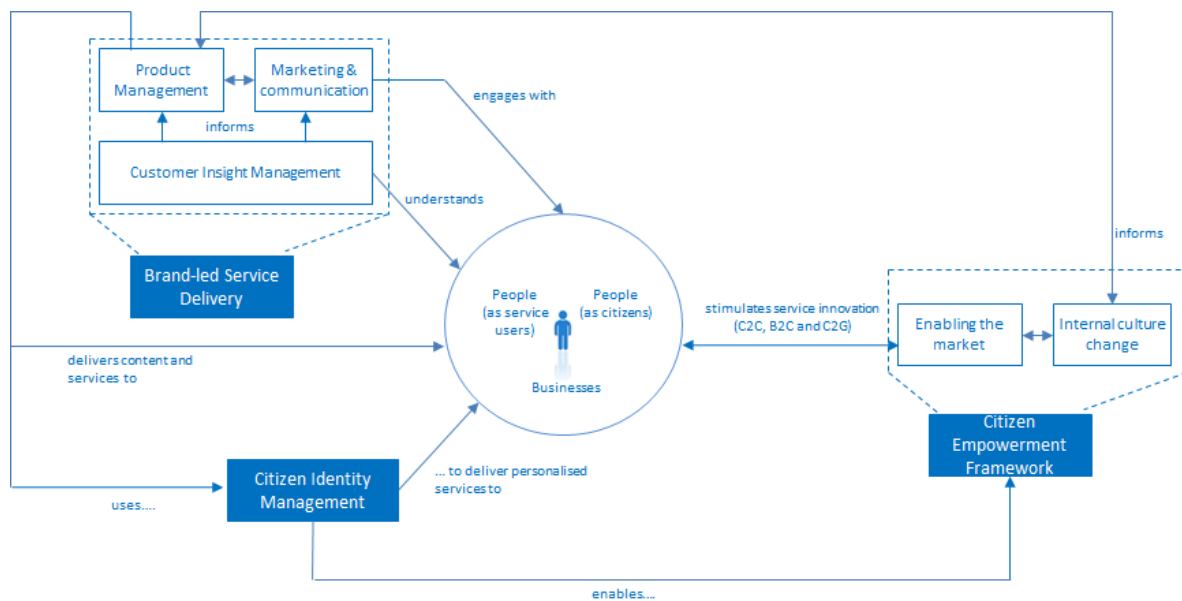
Putting these principles into practice involves taking a holistic, market-driven approach to every step of the service design and delivery process. This in turn often requires new skills and management practices to be brought into government. The TGF Customer Management Framework draws together best practice on how to do this.

Overview of key components in the TGF Customer Management Framework

There are three key components of the TGF Customer Management Framework:

- Brand-led Service Delivery
- Identity Management
- Citizen Empowerment

A high level view of the logical relationships between these components is illustrated below.



Component 1 of the Customer Management Framework: Brand and Marketing Strategy

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 and how
- Delivering that offer through 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

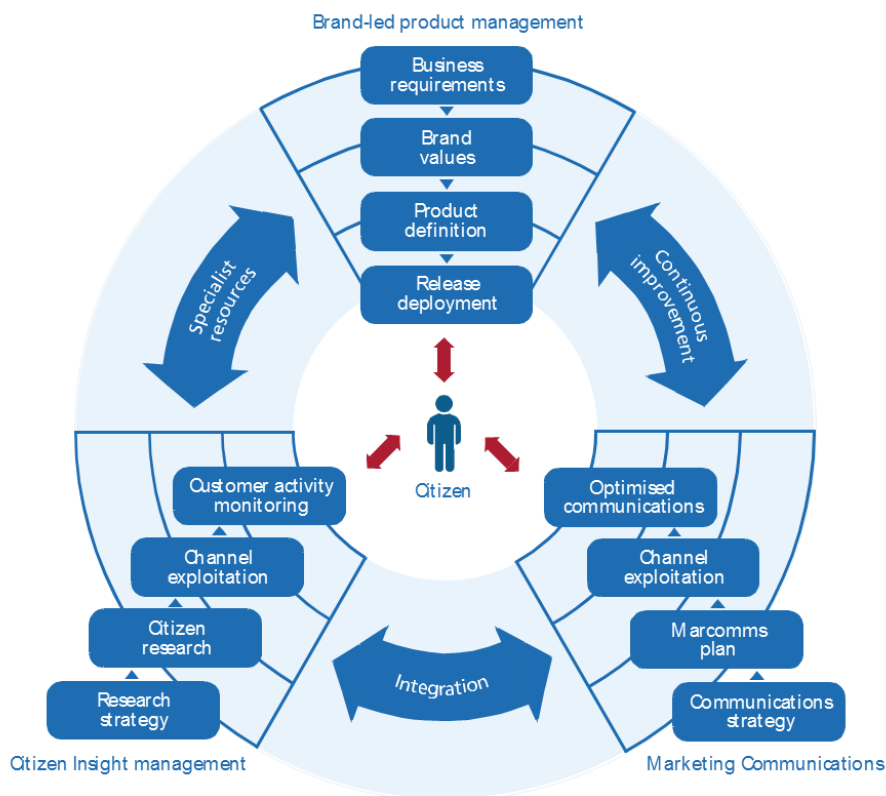
This is the process that a brand-led consumer product company such as Proctor and Gamble or Virgin would go through when developing a new product. However, it is not typically how governments manage their own service development, and governments generally lack the skills to do it. Moreover, the challenge 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.

A TGF-conformant Transformation Program will establish government-wide processes for managing the three core elements of the TGF Brand-led Service Delivery Framework illustrated below:

- Citizen insight
- Brand-led product management
- Marketing communications



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.

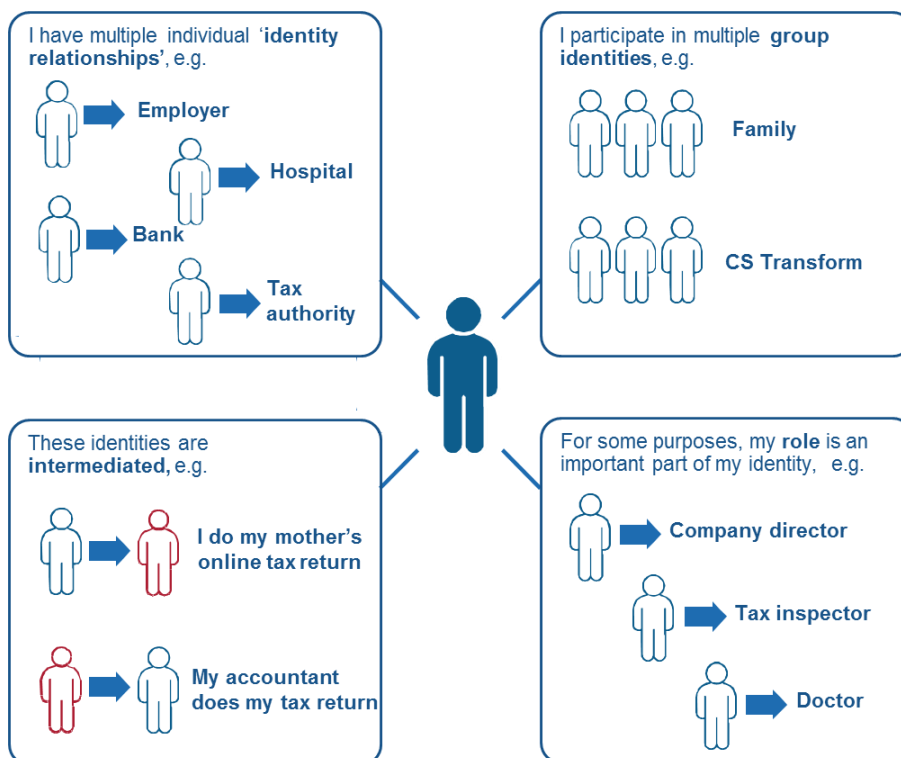
This is an iterative process of continuous improvement, not a linear one. Continuous citizen insight research is needed to ensure that both the service delivery experience and the marcoms activity remain aligned with the brand values, through successive phases of release deployment. As the service is 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.

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

Component 2 of the Customer Management Framework: 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 the following figure 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

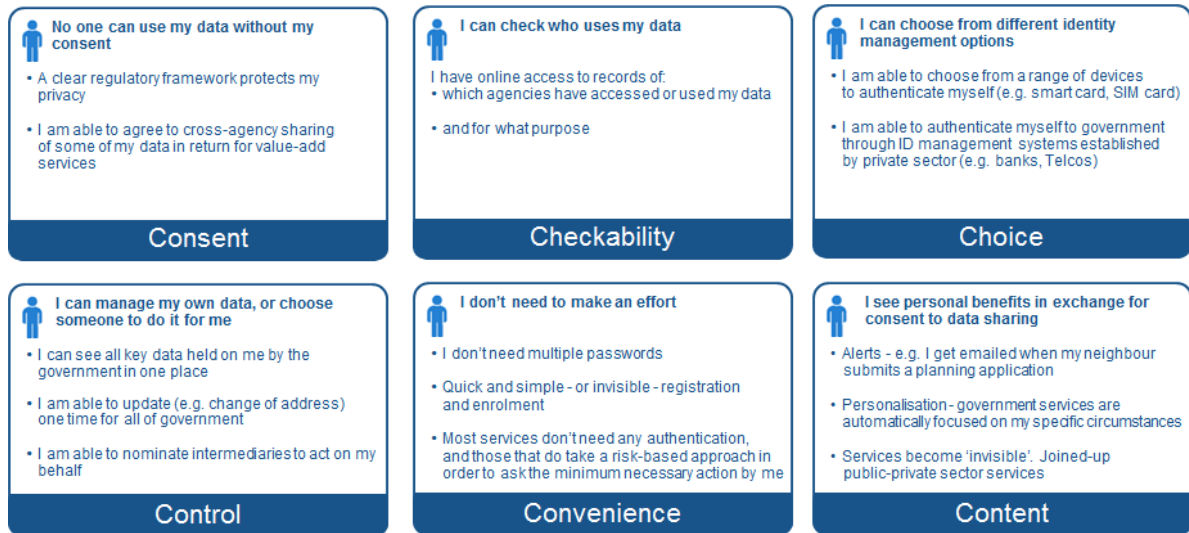
frustrated at constantly having to furnish government with the same information over and over again.

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:

- **Business Architecture.**
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.
- **Technical Architecture**
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.
- **Citizen-centric Identity Model**
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 illustrated in the figure below.



No one government has implemented all features of this approach, but all are being successfully deployed around the world, and together they represent our view of the approach to identity management which will best help deliver Transformational Government.

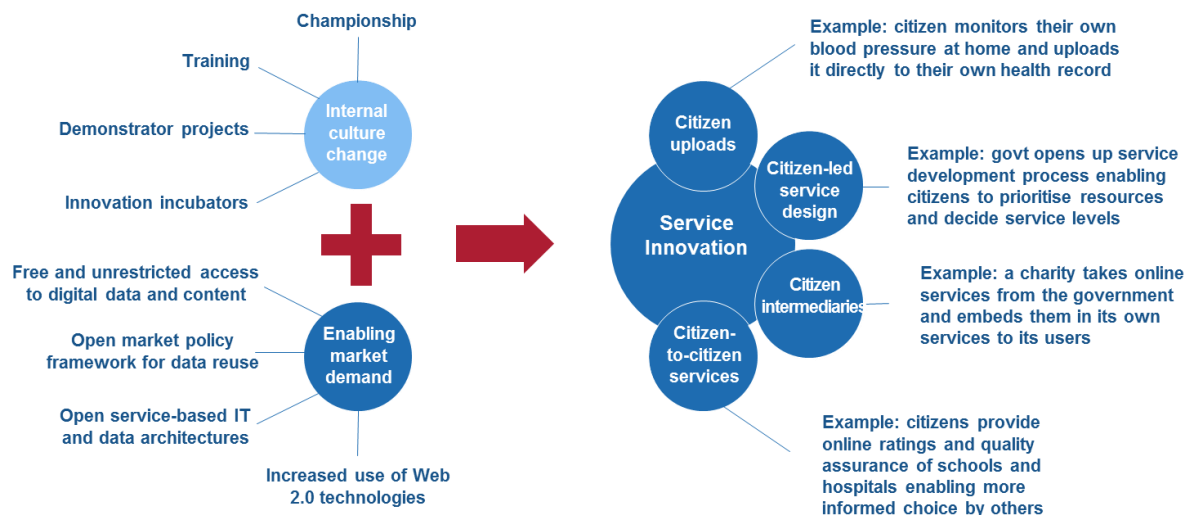
Component 3 of the Customer Management Framework: Citizen Empowerment Framework

We argued in Part I of the TGF that a defining feature of Transformational Government programs is that they focus on the "citizen" not the "customer" - that is, they seek to engage with citizens and businesses 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:



This figure also highlights two important enablers of this innovation, which we believe are important to address as part of a Transformational Government program:

- 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 - 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 (see the “Wholesale Intermediary Market” component of Appendix 3)
 - 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 (see Appendix 4).

Conformance Criteria

Any conformant implementation of this Framework:

- MUST have a Brand-led Service Delivery Strategy, which is agreed and managed at a whole-of-government level and which addresses:

- Customer Insight
- Product Management
- Marketing and communication

- MUST have a Citizen Identity Management Framework, which:
 - Uses a federated business model
 - Uses a service-oriented IT architecture
 - Is citizen-centric, giving citizens control, choice and transparency over personal data

- MUST have a Citizen Empowerment Framework, which encourages and enables service innovation in the Citizen-to-Citizen, Business-to-Citizen, and Citizen-to-Government sectors.

Appendix 3: The TGF Channel Management Framework

Introduction

The TGF Channel Management Framework is in four main sections:

- Context
- Overview of key components in the TGF Channel Management Framework
- Detailed description of the key components
- Conformance criteria

Context

Channel management is often a weak spot in government service delivery, with widespread duplication, inefficiency and lack of user-focus. Common pitfalls identified by OASIS members 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

Transformational Government programs seek to avoid these pitfalls, by building a channel management approach centred around the needs and behaviour of citizens and businesses.

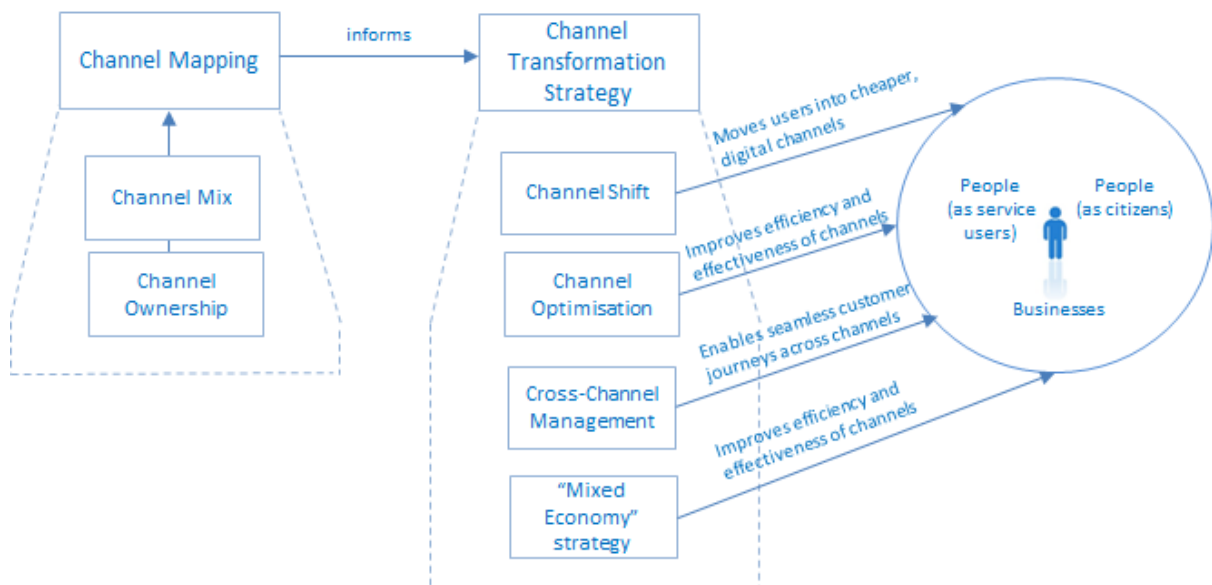
Overview of key components in the TGF Channel Management Framework

The two key elements of the approach recommended in the Transformational Government Framework are:

- **Channel Mapping:** a clear audit of what existing channels are currently used to deliver government services. The TGF Channel Mapping approach includes an analysis of these channels across two key dimensions: which delivery channels are being used ('channel mix') and who owns them ('channel ownership').

- **Channel Management Strategy:** the TGF helps build a new channel management approach centred around the needs and behaviour of citizens and businesses. The key components of such an approach include:
 - Channel Optimization
 - Channel Shift
 - Cross-Channel Management
 - Development of a “mixed economy” in service provision through private and voluntary sector intermediaries.

A high level view of the logical relationships between these components is illustrated below.



Component 1 of the Channel Management Framework: Channel Mapping

A vital first step in developing a citizen-centric channel management strategy is to carry out a mapping 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 of this type 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:

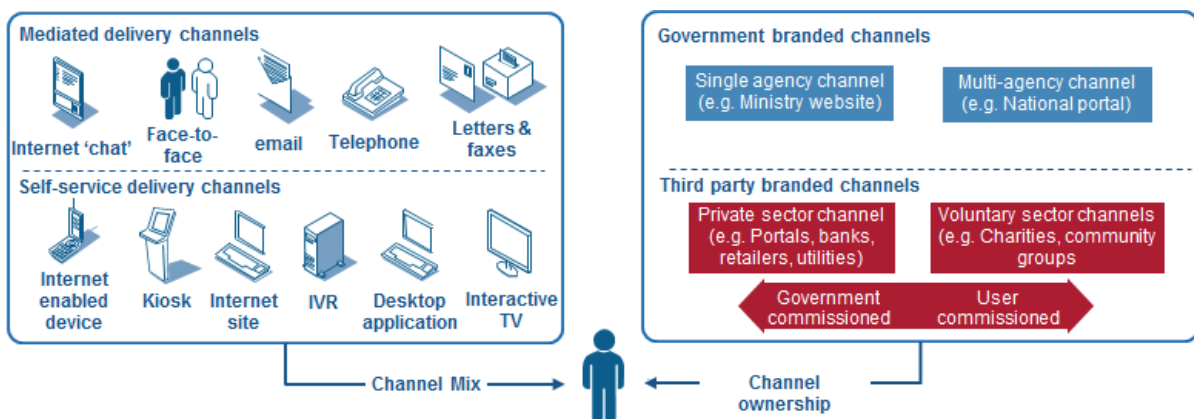
- unnecessary - because the user is struggling to find the right place to get the service they need, resulting in multiple contacts before their need is finally resolved

- 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 service transformation.

In undertaking this mapping, we recommend that a holistic approach is taken to understanding the range of channels through which government services are and could be delivered. 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, as illustrated below:

- **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).



Component 2 of the Channel Management Framework: Channel Transformation Strategy

Once a full Channel Mapping has captured the current channel mix and cost base, it is important to map out a strategy for the future desired channel mix, and the future customer experience over different channels.

The key elements of this Channel Transformation Strategy are discussed below.

Component 2a: Channel Shift

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.

Transformational Government programs adopt a similar approach, setting out clear strategies for channel shift⁷. 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.

Component 2b: Channel optimisation

As well as seeking to shift future service delivery to an optimal channel mix, Transformational Government programs 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.

Component 2c: Cross-channel service management

However, it is vital not to think about channel optimisation solely on a channel-by-channel basis. There are two imperatives for taking a cross-channel approach to service delivery:

- First, to improve service to citizens. Citizens do not simply want services to be available through a choice of channels. Rather they want services to be delivered in an integrated way across channels. Transformational Government programs 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.

Component 2d: Development of a mixed economy in service provision

Finally, it is essential to recognise that a citizen-centric approach 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 Transformational Government.

Conformance Criteria

Any conformant implementation of this Framework:

- MUST have a clear mapping of existing channels, and their cost structures
- MUST have a Channel Transformation Strategy which addresses the following elements:
 - Shifting service users into lower cost, digital channels
 - Optimising the cost and performance of each channel, including through use of benchmarking
 - Improving cross-channel management, with the aim of providing a seamless user experience across different channels
 - Developing a thriving mixed economy in the delivery of government services through private and voluntary sector intermediaries.

Appendix 4: The TGF Technology Management Framework

To be completed. Major sources of content likely to be existing OASIS SOA spec, plus Nig's work on the supporting ecosystem

Appendix 5: Terminology Index

To be completed – need to decide if we do just a primer version of the reference model, or a full one

Some key concepts, as used in this Primer, are outlined in detail here.

However, the TGF Reference Model is a stand-alone document with the complete set of concepts that are used throughout the TGF as well as the formal models reflecting those concepts and the relationships between them.

This enables any conformant agency to use a common terminology without ambiguity and be sure that these terms are used consistently throughout all work.

[Introduction to concept of Reference Model and what methodology and modelling artefacts are used to present the Model]

[Identified concepts should be grouped logically according to the main concerns of the Framework – the following headings are purely indicative – needs more work]

[The text should flow with definitions made as appropriate and formatted clearly. An appendix will include a summary 'terminology index, indicating what terms are defined and where to find the definitions in the core text here]

[Concept maps, topic maps and/or UML diagrams can be included in this section to highlight the model]

TGF Leadership, Stakeholders, Administrations and Agencies

Transformation Business Model

Policy formulation and policy products

Service delivery and the Franchise Model

Support ecosystem and SOA

