The Efficient Government

Technology Trends and Marketing Strategies in E-government

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Inside:

As defined by the World Bank, "e-government" refers to the use by government agencies of information technologies (such as Wide Area Networks, the Internet, and mobile computing) that can transform their relations with citizens, businesses, and other areas of government. These technologies offer better delivery of government services to citizens, improved interactions with business and industry, easier access to information, and more efficient government management. The resulting benefits can be less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions.

E-government Is Mainstream

Since the mid-1990s, the public sector has increasingly used the Internet and information technology as tools for disseminating information to and gathering data from their constituents. These technology investments have paid off in rich dividends. The public can now communicate with many levels of government without standing in long lines or waiting by the telephone for extended periods of time. Further, improvements in government services are more visible through the use of technology.

While the government has concentrated most of its efforts on simply informing citizens of the services and functions it offers, more and more public sector entities directly transact with businesses, other government agenci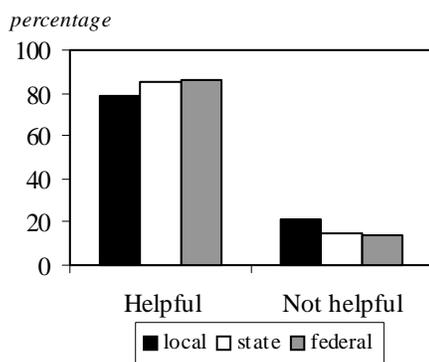es, and the average citizen. These transactions—G2B (government to business), G2C (government to citizen), and G2G (government to government)—are the norm in most federal, state, and local governments today. These new methods, for example, allow businesses to respond to Requests for Proposals (RFPs) on-line, enable citizens to pay their taxes on-line, and allow government agencies to share information quicker and more effectively. A recent survey conducted by Hart-Teeter for the Council for Excellence in Government shows the large increase in the use of e-government applications and notes that this technology is viewed as helpful to constituents (figures 1 and 2).

Figure 1
Growth in Use of E-Government
2000-2001
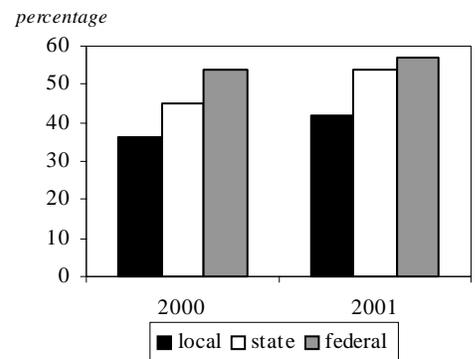
Source: *E-government to Connect, Protect, and Serve Us*. A survey conducted by Hart-Teeter for The Council for Excellence in Government, November 2001.

Figure 2
How Helpful is E-Government?
2001

percentage
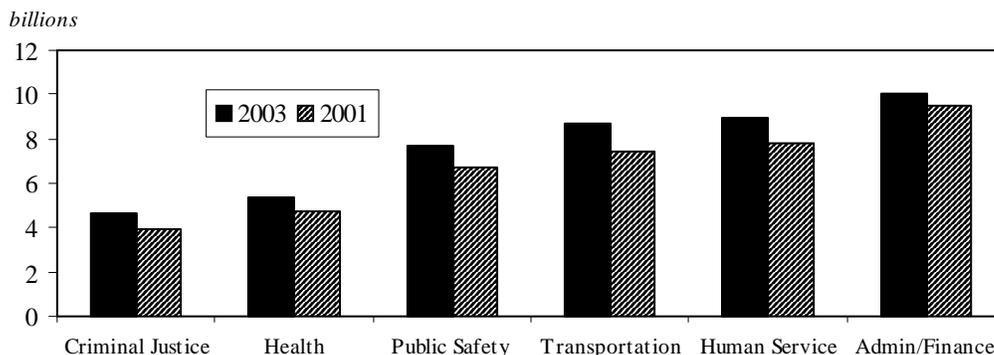

Helpful   Not helpful

■ local □ state ■ federal

Funding E-government and Technology Initiatives

The U.S. public sector market is a $2 trillion business. The federal government alone spends approximately $45 billion on information technology (IT) products and services. State and local governments also purchase large IT solutions. Figure 3 depicts IT spending by level of government. By far, systems integration represented the largest technology segment (72.9 percent of all contracts awarded), followed by services (19.4 percent), communications (6.2 percent), hardware (1 percent), and software (0.4 percent).

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After almost a decade of implementing information technology solutions to facilitate delivery of services to citizens, the public sector has now reached a new level of sophistication in regard to their use of technology. What will continue to drive information technology investment in the future? The February 2002 issue of *Governing* magazine highlights the following issues as the forces propelling government investment:

- *The emergence of real-time government*, making it easy to gain access to consistent and updated information at all times.
- *The importance of external information*, requiring investment in sensory and surveillance systems. This will keep government officials current and aware of changes in their jurisdictions.
- *The need to build and operate industrial-strength information systems and networks*, enabling governments to operate without interruption and to disseminate information in a time of crisis efficiently and effectively.
- *The integration of technology across governments*, representing one of the greatest challenges governments face today. Public sector entities must move toward integrating data, establishing policies to allow for cross-agency access of information, and creating applications that enable the sharing of data.
- *The shift in focus to the front lines*, arming workers in the field, such as case workers, corrections officers, law enforcement personnel, and inspectors with the best

Figure 3
State and Local IT Spending Forecasts, Selected Agencies
(billions)

billions

■ 2003 ▨ 2001

Criminal Justice   Health   Public Safety   Transportation   Human Service   Admin/Finance

technology tools for their trade in order to make government more effective.

Tapping into the Public Sector

How do technology companies, specifically ones with e-government solutions, tap into this tremendous government market place? There are several steps and many characteristics particular to government that must be considered. Consensus decision-making is the norm, teaming with other vendors may be required to compete, and, after all that, the lowest bid may win the job.

A technology firm must take several steps in order to sell successfully to government:

- A company must secure a U.S. General Services Administration (GSA) Multiple Award Schedule Contract for the federal government. State governments have their own contracting vehicles similar to the GSA Multiple Award Schedule Contract. Some local governments may use the state contract vehicle, but, in many cases, they have created their own policies and procedures for purchasing goods and services. Applying for and participating in a federal or state government multiple award contract vehicle can be a long process (six months or more), paper intensive, and relatively complex, thereby draining internal resources. Companies that specialize in assisting technology vendors with their contract vehicles can provide a quicker, more effective, and less costly way for a firm to ensure that it is on the right schedule and completes the process in the shortest amount of time.

- Placement on a schedule *is only the beginning*, providing a license to market products and services and enabling a firm to compete for jobs via a pre-negotiated pricing schedule. The list of possible vendors is similar to looking in the yellow pages for particular services. Marketing, then, is key to ensuring a competitive advantage.

- Market research is the next big step. Where is the greatest potential for a firm's products and services?

- The public sector is very good at listing projects and posting proposals on many databases. Tracking RFPs is also another strategy to add to a public sector marketing campaign.

- Working with other vendors on a subcontracting basis for bigger projects helps secure exposure for a firm and provides government marketing experience.

- Consulting companies that specialize in public sector sales and marketing often have the experience and necessary contacts to enable a firm to sell its products and services more effectively.

As an example, a Fortune 500 technology company made a strategic decision to penetrate the e-government market. The business objective was to offer citizen-to-government Internet transactions tailored to the requirements of both the government end user and the citizen end user in each locale, initially in the United States and later internationally. The company hired a public sector consulting firm to help evaluate the market for e-government services, preparing a technical architecture for the service offering, an operations concept, a sales and marketing concept, and the detailed financial pro formas to support the business plan. In order to gain an understanding of the market requirements, firm representatives met with the mayors of more than a dozen cities across the United States, briefed them, and learned of their preferences for the proposed service offering. For other corporate reasons, upper management decided not to pursue this market at that time, even after investing a year of effort and building a list of clients ready to purchase their solution.

Tapping into the government market requires strategic positioning, marketing, and time. It is worth the effort, however. The public sector market is an excellent vertical market for technology companies, representing one of the largest buyers of information technology today.

Two E-Government Solutions

From a government manager's perspective, information technology has revolutionized the way many tasks are performed, leading to significant increases in productivity. However, opportunities for IT companies remain to address problems in

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the public sector. Two examples of possible technology solutions illustrate the kinds of potential gains to be found through investments in IT:

Agenda solution. An agenda is a multipage document that consists of a list of items to be considered by a governing elected body, such as a city council or a county board, as well as backup documentation describing each agenda item in detail. Each item, prior to its inclusion on an agenda, must be reviewed, researched, and approved by multiple members and the staff of the elected body. The agenda, as well as the backup documentation, are required by law to be made available to the public prior to the board meetings, and, once the board has taken action on the item, the associated documentation must be archived for future reference. Today, the process is cumbersome, labor intensive, and subject to delays and inaccurate information. It is also paper intensive with a typical government board agenda consisting of 100 items with approximately ten to fifteen pages of back-up material associated with each item.

An agenda management solution automates and significantly improves the efficiency of the existing manual agenda process. Furthermore, customers using the solution will be able to extend the functionality to the creation and publication of board meeting minutes. Many cities and counties still have not fully automated their agenda solution to date.

E-jury solution. In the United States, juries are used in both civil and criminal court cases in federal, state, and county courts. The selection process to assemble a jury is both costly and time consuming. It is the responsibility of the court to attend to the eligibility and representation of the jurors for each case. For most counties, a prospective juror must be a citizen of the United States, at least 18 years old, and able to read and write.

Jury duty is an important aspect of civic responsibility and essential for the judicial system to function. However, many citizens respond negatively when summoned because jury duty often means absence from work (and therefore lost income), and in many cases, problems with child care. This results in extremely low delivery and response rates of the jury summons, and a painful process for those who must wait away from home or work to hear if they will be excused or impaneled. In many cases, potential jurors must wait for several hours or even days. There is no argument within the thousands of courts across the country that jury reform is necessary. In consideration of a growing portion of the population with Internet access at home, allowing citizens to respond to a jury summons online may be one possible beneficial solution for jury reform.

An Internet-based system offers several advantages for both constituents and the jury services agencies:

- a reduction in staff to manage and monitor the entire jury empanelment process
- a reduction in size of physical venue locations required for empanelment sessions
- a reduction in postage costs
- an opening of alternative and more cost-effective communication lines to the constituency
- the possibility of alternative and lower cost methods for address verification and likely increased response rates

Citizens could avoid long waiting periods by responding to the summons, when it is most convenient to them within the allotted time frame, via the Internet. Already estimated at more than 86 million people, the potential population market (the number of potential users of an e-jury system) for an e-jury solution will grow substantially as more and more people gain access to the Internet. A limited number of counties in the United States are attempting to implement a fully automated system today, and many counties have incorporated some automation into their systems.

These are but two examples of possible e-government solutions that have attracted the interest of public sector leadership. The e-government market is large, with many viable solutions that technology companies can offer the public sector. Although still a relatively new market, the e-government field has seen many players, and there remain many opportunities to sell specific e-government solutions.◆

Texas and E-government

Texas is one of the leaders in the e-government revolution. Since the late 1990s, legislation in Texas has established the foundation for the state's on-line successes. Texas leaders decided that a public/private partnership was the most appropriate method to handle the state's Internet portal. One of the first state-wide pilot programs, the Texas website has grown from a primary source of information to an interactive portal maintained by hundreds of state agencies, commissions, universities, and local government entities. The site currently serves more than 1 million visitors per month.

How does Texas compare to other states? As shown in the table below, Texas ranks third in both technology spending and ratings by number of services, convenience, and privacy issues.

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Top Ten States for IT Investments and End-User Approval

E-government investment *($500 million or more)*	Government web site rankings
California	Indiana
New York	Michigan
Texas	**Texas**
Michigan	Tennessee
Florida	Washington
Ohio	California
Pennsylvania	New York
Illinois	Pennsylvania
North Carolina	Ohio
Massachusetts	North Carolina

Source: State and Local Source Book 2002, *Governing Magazine*.

BUREAU OF BUSINESS RESEARCH

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Number of Visitors to Selected Texas State Agency Web Sites

Agency	March 2000	September 2000	March 2001	September 2001	March 2002
Texas Lottery Commission	21,896,643	16,183,209	43,102,077	42,647,370	49,344,403
Texas Dept of Transportation	6,000,000	7,433,769	9,649,050	9,715,297	12,812,858
Texas Secretary of State	150,040	1,559,230	5,167,717	5,996,412	12,810,858
Library and Archives Commission	547,331	1,693,835	4,883,259	4,679,680	6,205,411
Comptroller of Public Accounts	1,609,903	1,623,720	1,973,921	2,114,608	3,910,312
Texas Dept of Public Safety	1,875,060	1,805,555	2,415,549	2,243,281	2,355,659
Real Estate Commission	236,861	256,653	411,973	725,199	1,108,096
Texas Dept of Health	636,931	1,153,392	1,110,199	1,072,737	---
Texas Alcoholic Beverage Commission	340,785	459,204	600,081	699,003	1,002,006
Texas Workforce Commission	340,972	383,183	497,230	545,723	779,894

Source: Texas Building and Procurement Commission, Open Records Reporting, Open Records Requests by agency within month/year, http://orreport.tbpc.state.tx.us/