

NEWS RELEASE

For Immediate Release

Alison Heaphy
(518) 442-4598

Research on Government IT Investments Finds Public Sector Value Creation that Goes Far Beyond Traditional Financial and Service Evaluation Data

UAlbany's Center for Technology in Government releases white paper and case studies on assessing public returns on government IT investment

UAlbany's Center for Technology in Government releases white paper and case studies on assessing public returns on government IT investment

Albany, NY - The Center for Technology in Government (CTG) at the University at Albany has released *Advancing Return on Investment Analysis for Government IT: A Public Value Framework*, along with five integral case study reports. The white paper takes on one of the biggest problems facing government IT projects: describing and measuring public value. CTG partnered on this project with SAP, the world's leading provider of business software solutions for public sector organizations, to produce a comprehensive, non-proprietary public ROI methodology.

Based on the analysis of the five international case studies, CTG found that two key sources of public returns are (1) value to the public that results from improving the government itself, and (2) value that results from delivering specific benefits directly to persons or groups. The cases showed how public value creation can extend far beyond the expected financial savings and service evaluation data to actually increasing the integrity and transparency of government. This expanded scope of value often includes a wide range of stakeholders, each with their special interests and expectations from government.

"The main goal of the white paper was to introduce an assessment of public returns that is credible, persuasive, and highly relevant to the investment decisions faced by governments," said Anthony Cresswell, deputy director at the Center for Technology in Government and lead author of the white paper. "Most methods for assessing return on investment focus solely on financial or economic metrics; this approach provides a broader, more diverse range of ways in which IT investments can produce results of value to citizens or to the society as a whole."

The white paper and public value framework were developed, in part, from five international case studies conducted by CTG that examined how a significant government IT investment was conceived and developed, with particular attention to the role of public value in the process. Along with the white paper, CTG has also released individual reports on the five case studies. Participating case study organizations included:

- The Commonwealth of Pennsylvania's Integrated Enterprise System – ERP implementation to put in place the technical infrastructure and enterprise standards for core administrative functions.
- The Government of Israel's Merkava Project – Effort to restructure the financial, logistics, and human resource components of governmentwide administration into an integrated ERP system.
- The Austrian Federal Budgeting and Bookkeeping System – A redesign and integration of the government's electronic workflow for federal budget and bookkeeping processes.
- The Province of New Brunswick, Canada's Service New Brunswick – A multi-channel "single window" citizen access to government services as well as maintenance of geographic information databases.
- The Washington State Digital Archives – Investment in digital archiving for government records to provide collection, preservation, and access to records of enduring legal and historical significance.

"The scope of government investment in IT is substantial – and growing. That, coupled with the inability to truly measure its impact, makes the topic of 'value' a critical one," said Tom Shirk, president of SAP Global Public Services. "This white paper provides a comprehensive and universal method to helping government measure public value – and the assessment framework offers both a systematic approach to thinking about public value as well as how to apply that approach to a particular IT decision. We welcome the use of this framework by not only our customers, but the industry as a whole."

The framework is broad in scope so that it can be applied to virtually any government IT investment – from simple

Web sites to government-wide information systems and architectures. The framework provides an analysis process that starts with a high level view of the IT investment and then drills down through successive steps to identify the specific measures and methods that will reveal and document public value. This allows the assessment to be tailored to the size and nature of a particular investment decision.

In addition to providing a framework for measuring public ROI, the case study participants have also benefited from being part of the overall project.

“We will use the CTG case study on Merkava, as well as the white paper, to try and improve the link between the resources invested in this project and the return from it,” said Yitshak Cohen, senior deputy accountant general, CIO, Ministry of Finance for the Government of Israel, one of the case study participants. “We will also give consideration to restating the aims of Merkava using CTG’s methodology and using the results of the research as part of the government-wide methodology we have for managing the life cycle of IT projects.”

“Government agencies exist to provide services to the public, whereas businesses exist to generate revenue for their owners. SNB is somewhat unique in that it exists to deliver government services while being mandated to operate like a business,” said Darrell Fowler, director, Project Delivery, Service New Brunswick. “This white paper furthers our understanding of public investments in improved government service and the value they generate. Without the concept of ‘public value’ as a return on investment, it would be very difficult to gauge how much benefit a decision to invest in an IT initiative can have.”

“Our participation in this project has clarified our vision and our commitment to focusing on the political and social aspects of ROI,” said Adam Jansen, digital archivist Washington State Digital Archives. “The case study report and the white paper have given us some excellent ideas on how we can continue to make the public ROI case to each of our stakeholders and ensure the delivery of value to them through the Digital Archives. The findings from this project will help all governments move beyond focusing on just the fiscal impact when considering government IT investment and to consider the greater societal value the investment creates.”

Advancing Return on Investment Analysis for Government IT: A Public Value Framework and all five case study reports can be downloaded from the CTG Web site at www.ctg.albany.edu/projects/proi and from the SAP Web site at www.sap.com/industries/publicsector.

The Center for Technology in Government is an applied research center devoted to improving government and public services through policy, management, and technology innovation. The Center, located at the University at Albany, works with government to develop well-informed information strategies that foster innovation and enhances the quality and coordination of public services. For more information visit www.ctg.albany.edu.

The University at Albany's broad mission of excellence in undergraduate and graduate education, research and public service engages 17,000 diverse students in nine degree-granting schools and colleges. For more information about this internationally ranked institution, visit www.albany.edu. For UAlbany's extensive roster of faculty experts, visit www.albany.edu/news/experts.htm.