Center for Technology in Government

Public ROI - Advancing Return on Investment Analysis for Government IT
Case Study Series

Service New Brunswick

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Introduction

This case and the others in this series examine how government IT investments come to deliver value to the public, what we call public return on investment (Public ROI). The cases are part of a larger project to develop a new framework for assessing public returns to government IT investment. The results of these case studies and related research are featured in a white paper that presents the framework and recommendations for conducting public ROI assessment for government IT projects. All five case study reports and the white paper are available at CTG's Web site.[1]

Background Information

Service New Brunswick (SNB)[2] is well-known internationally for its expertise in providing multi-channel "single window" citizen access to government services as well as for developing and maintaining geographic information databases. SNB's award-winning model provides one-stop-shopping for different government services on behalf of provincial and municipal government agencies, and also provides some linkage to the Canadian Federal Government in a "joined up" government model. SNB was launched in a time of high pressure from citizens for improved service delivery; today it serves the province through its award winning service programs, but also and maybe more importantly in the long run, through its innovations in economic development.

The numbers behind SNB speak for themselves; customer satisfaction numbers are the highest in Canada going from about 50% in late 1980's to 92% in 2005. These numbers require that responsible examinations of public value include SNB. But there is more to this story than customer satisfaction ratings. The essential part of the public value story in this case is Service New Brunswick (SNB) as a quasi-governmental organization and its evolution from an integrated service provider to an economic development innovation. SNB is a public corporation with a single shareholder – the government of New Brunswick (NB). This shareholder has guided SNB with one unchanging priority throughout its existence; make public service good business. SNB has four lines of business:

1. Property assessment - SNB is responsible for providing valuation and classification of all real property in New Brunswick; administering property tax-related programs; and ensuring equity in the tax base for both municipal and provincial governments.

2. Registries - SNB is responsible for handling the Real Property, Personal Property, Corporate Registries and Vital Statistics for the Province of New Brunswick.

3. Government service delivery – SNB is responsible for providing services to citizens on behalf of the Government of New Brunswick and more so recently on behalf of other government, such as New Brunswick municipalities and the Federal Government. Services are provided through three different channels: (1) online, (2) telephone services, and (3) service centers.

4. Geographic information infrastructure – SNB is responsible for creating, coordinating and maintaining the province's survey control network and base mapping data.

SNB maintains a balanced portfolio by attending to three principles in its project selection and implementation activities; (1) financial sustainability, (2) identifiable public value, and (3) entrepreneurialism. Guided by these principles it has evolved as an organization in terms of its service

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[1] View and download copies of the white paper and case study reports at www.ctg.albany.edu/projects/proi.
[2] www.snb.ca

portfolio and the value it delivers to the province of NB, and more recently to Canada and beyond. Building on its unique successes, SNB has continued to refine its role as a direct service provider to the citizens of NB while increasing the public value it delivers through an expanded market-driven business model.

Context Factors

New Brunswick is one of the ten provinces of Canada. It is one of three provinces labeled as "the Maritime Provinces" due to its location in the Atlantic Region. With a population of approximately 700,000, New Brunswick is home to 2.3% of Canada's overall population of approximately 38 million. New Brunswick is primarily rural with the population of its largest, St. John, numbering close to 67,000. The primary industries of NB are those you would expect to see in a rural coastal state; fishing, mining, finance, forestry, and tourism. But, surprisingly enough, information systems and services are also among NB's primary industries.[3] SNB played a significant role in this.

Historical Context

In 1990 citizens of New Brunswick were "crying out loud because of red tape." In response, the government of New Brunswick conducted a budget consultation tour of the province and talked to citizens to understand their needs. Citizens were complaining about paying high taxes and not getting adequate value from these taxes. Moreover, citizens were demanding more and improved services.

The consultation tour results called for more service centers, however, a number of key decision makers were becoming increasingly convinced that more service centers would increase costs and would not necessarily solve the problem. Utilizing mapping resources available at the province's New Brunswick Geographic Information Corporation (NBGIC) it was determined that geographic coverage of the province in terms of access to offices was sufficient. This supported the view that having more offices would not necessarily result in improved services to citizens confirming that "spending good money after bad", i.e., building more offices, was not the right strategy. NB officials began to seek a new model for service delivery. The Department of Finance, as the agency primarily responsible for the services of interest at that time, developed a proposal to regroup a number of government offices into a one-stop shop where one worker could deliver the services of several departments. A pilot project, including a comprehensive evaluation, was conducted in two communities by a third party. The pilot was a success and the vision of "customer-centricity" was born. But it was born in a much more modest way than the SNB of today. It was born to support the delivery of 15 or so services – to keep customers and businesses from having to run to 15 different doors to get services; today SNB delivers over 270 services to customers and delivers a full range of other benefits to the province of New Brunswick. Where previously, having individual services available at as many as 975 government offices presented a confusing and expensive way for citizens and businesses to interact with government, the new model saw most of the informational and transactional services offered through a network of 36 strategically located service centers. The government offices which previously provided these services could then concentrate on their core business and leave the "service delivery front end" to SNB's single-window.

> "At that time, the web was useless; practically nonexistent, so we really concentrated on bringing the businesses together, developing relationships with departments so they would let us deliver services on their behalf, to develop quality that was similar or better than what they were delivering."
> *Donat Thériault*
> *Consulting and Intellectual Property Enterprise, SNB*

The initial strategy and vision was to be customer-centric and to focus on helping customers and businesses come to one place for most of the services they need from government. As the integrated,

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[3] http://www.newbrunswick.worldweb.com/TravelEssentials/PeoplePopulation/8-123.html

technology-based service delivery model began to grow, the government faced the dilemma of deciding where it would reside; in a new organization or in an existing one.

At this point it became apparent that the New Brunswick Geographic Information Corporation (NBGIC) was going to have an ongoing role in the SNB story. Created in 1990, NBGIC was an organization designed to maximize government investments and improve services through integration. Three different departments responsible for land assessment, real and personal property registries, and mapping services, were merged to create NBGIC. This agency integration laid the ground work for the creation of SNB as a service delivery organization based on an integrated, extra-governmental business model.

As an extra-governmental organization, a number of the characteristics of NBGIC fit the design goals of SNB. NBGIC already worked with a board of directors to provide oversight to planning and operations. It needed only slight modifications to accommodate the service delivery business. Thus, in 1998 NBGIC changed its name to Service New Brunswick and took charge of government service delivery.

Institutional Context

SNB is a Crown Corporation[4] owned by the Province of New Brunswick. Crown corporations are publicly owned and are operated much as private sector companies. SNB is financially self-sufficient and revenue oriented, has its own President and an independent board of directors. While it continues to receive a level of funding from the Province for certain "core services", increasingly it is reliant on its own source revenues including direct charges for services, fees, and subscriptions.

Crown corporations play an integral part in Canada's social, political, and economic landscape. They are set up by government, but operate more as private or independent companies. Canada's Crown corporations are relatively independent of government control and therefore, have a greater degree of freedom compared to government ministries. The heads of many crown corporations are appointed, as is the President of SNB, but this does not limit their ability to operate largely at "arms length" from government.

The SNB Board of Directors has two committees; the audit committee and the development committee. In addition SNB's operations are supported by a series of advisory committees, and working groups comprised of SNB employees. The Business Advisory Group (BAG), for example, examines new project and investment opportunities and makes recommendations to the Board about those opportunities.

As the main service delivery agency for the Government of New Brunswick, SNB's main objectives are to:

1. Improve service delivery to citizens.
2. Improve cross-integration of government services.
3. Reduce duplication of effort both for customers and government agencies.

In fiscal year 2004-05, SNB had about 641 employees delivering around 270 services to citizens on behalf of a number of provincial government departments, municipalities, and public utilities. SNB employees are providing services to customers in 36 different communities. About 160 or 25% of SNB employees are employed in the main offices in eight functional areas: human resources, corporate counsel, operational support, sales, marketing and communications, corporate strategy, corporate services and systems development. The remaining 481 employees or 75% are located in the community-based, public service delivery facilities.

The growth and success of SNB can be traced back, in part, to the flexibilities it is afforded by virtue of being a crown corporation. The traditional challenges facing public sector innovation such as limits on discretion in terms of setting priorities, hiring, and budgeting are not issues in the same way for SNB. The story of the corporate registry, in particular, illustrates these flexibilities.

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[4] See: http://www.mapleleafweb.com/features/general/crown-corporations/index.html

In 2000, as part of a government reorganization, the Corporate Registry (CR) was moved from the Department of Justice (DOJ) to SNB. While operating as part of the DOJ the CR team faced a number of issues limiting their ability to move forward in their service offerings. First, the program was very low in the priority list against competing programs such as public prosecution, and court administration. Secondly, there was limited internal expertise and interest in transforming traditional services programs to new web-based service offerings. In addition Provincial requirements that public access databases be rendered in a fully bilingual manner were insurmountable with DOJ's existing technical infrastructure.

SNB had experience in managing registry programs through its real property and personal property registries and the management of the CR had begun to see the advantages technologies available in SNB might hold for the registry. SNB executives were interested in getting the CR brought into SNB as well, based on familiarity and potential synergies with the other registries. They looked forward to the challenge of modernizing the CR for the public benefit, balanced with the potential political and budgetary challenges of having it.

SNB general management and CR unit management were collectively willing to take a "just do it" attitude; they looked at providing public access to the CR database as a quick hit initiative to the overall modernization of the Registry. The quick hit philosophy is part of SNB culture, guided by the perspective that the public should be able to see a difference in service quality and/or products early on any modernization project. Within three months of the actual physical move of the CR to SNB, public Internet access to the CR database was operational. This type of accelerated timeline would not have been possible without SNB's expertise in project management and Internet applications. SNB had allocated $100,000 to the quick hit initiative and the planning for the business registry project, including modernization of the CR. SNB was able to absorb the development and ongoing maintenance costs of the public access initiative within normal budgetary processes.

The public responded favorably to the new service. In relation to hits or visits to the database, it experienced 150% growth rate over a three year period. This helped to reduce and/or stabilize telephone inquiries into the CR for information from the database. One matter that was debated within SNB was whether public access to the CR database would carry a fee or not. The decision was made to provide free access in order to reduce the complexity and timelines for the quick hit and create an environment for customer take-up. It was acknowledged that the matter would likely get revisited in the future and that some customer and political concerns would likely arise in moving from a free access to a fee access process.

By 2004, fiscal reality both from the provincial government and SNB perspectives created a need to revisit this issue. For some time SNB had been in favor of implementing a charging model for corporate registry information. All of SNB's registries except this one had a fee associated with access, therefore this change would bring consistency to its management and fee model. In addition, it would provide funds for enhancing CR functionality in areas such as e-filing and e-records and the potential to have fee-based value added information products.

In response SNB began to explore a fee-based model for access to the CR database by launching a "consultation tour" to assess the impact of introducing fees for a previously free service. Customers, i.e., users of the registry database, were found to be mostly willing to pay for the services made available through the enhanced registry web site. SNB also conducted an industry research study, evaluating market size, simulating different pricing policies, and assessing the volume of annual CR search transactions completed through different channels (phone, online). The business case with a one year payback period projected was approved.

Political Context

A number of political factors played significant roles in the launch of SNB. In the early 90's, New Brunswick was facing a budget deficit. This financial crisis was creating political pressure to save money, reduce costs and improve services. At the same time, citizen satisfaction with government services was at an all-time low. The Department of Finance in particular was seeking a response strategy. As long-time

manager Donat Thériault recalls "There were two goals. The first goal was to save money. And the second was improving services for citizens—at that time, we were at a low in terms of people's satisfaction." Up to that point in time, the government had responded to citizen dissatisfaction by building more offices in more regions. The question on the table for everyone was whether the same response was appropriate or if another might serve citizens better. Of particular concern to executives at the Department was the already high number of service centers spread throughout the province. "We had offices everywhere. In 1991 we did a study of all the points of service in New Brunswick and it was just huge—there were service points everywhere." Further, the budget crisis made the strategy of building more offices problematic.

The convergence of two political crises – a budget deficit and an all-time low for citizen satisfaction created significant pressures for a response. In more prosperous times – citizen dissatisfaction might have resulted in a strategy of building more offices. However, the co-occurrence of the budget crises required a closer look at established strategies. The province just didn't have the money to spend on more centers unless assurances could be made that more centers would increase citizen satisfaction. Those assurances were not forthcoming so a new strategy was needed.

In a presentation to the Cabinet, the Department of Finance made the case; 'quantity does not give you quality' and they called for a new business model. The province, they suggested, could "keep doing more of what we've been doing for the last 200 years but it's not going to improve services—we need to think differently." The SNB model was presented as an alternative. Unfortunately, Department of Finance couldn't put a finger on exactly how much money this new model might save. But the province understood that whatever was to be done, it had to be done with the support of the public, so the Cabinet directed the Finance Department by authorizing a pilot project; "check with the public, first, see what they think, and if they like it, roll it out to the rest of the province."

Creating SNB was a political decision. The Government of New Brunswick did not conduct a comprehensive financial return on investment analysis, it took a risk and implemented the pilot based on faith in the vision of integrated, single-window government services. It took a risk on the pilot, but it put the final decision in the hands of the public. The cabinet directive established citizens as the final arbiter of value and laid the ground work for a new business model that rests heavily on determinations of value made by citizens. SNB in a sense lives (was created) and dies by this sword.

Initiation

Vision
The "single window of government," i.e. the one-stop shop, was first conceived in New Brunswick in response to citizen dissatisfaction with service quality. In the "single window of government" pilot, a number of advisory committees were created to design approaches to identifying customer needs and monitoring customer satisfaction. The value that citizens play in this process was validated in the pilot and their role was institutionalized from that point forward.

The pilot project proved the potential of the "single window of government" strategy for reducing costs and improving services. It also confirmed the value of the inclusion of citizens and other stakeholders in the ongoing process of needs identification and performance measurement. The vision for SNB was secured at this point - improved services for citizens through a highly transparent and citizen driven, financially self-sustaining, multi-channel service delivery model.

> "Technology has changed the way we live, work and do business. People expect to do business with government as simply and easily as they do business with the private sector. Our government understands this and gives top priority to initiatives that improve the delivery of service."
> *Peter Mesheau*
> *Former Minister Responsible for SNB*

Initially the vision of SNB was clearer than the operating policies. The years since then have produced a highly refined and effective set of operating principles and policies framed in this vision. Creating an organization that would systematically listen to stakeholders, deliver public value and be financially sustainable was the task they faced. A number of key decisions along the way showed that the SNB visionaries, and those they would attract by their vision, were up to the task.

Creating a World-Class Service Culture

The first investment necessary to get SNB off the ground was brick and mortar. But, early visionaries understood that a cultural transformation would also be necessary. "We had to take an organization that was enforcement focused and turn it into a service operation where the customer was king or queen." New goals and objectives were necessary. Significant investments were made in training and have continued to be made since then. To establish the service centers for the pilot in 1992, three-week intensive general training was provided to both service representatives and management. Between 1992 and 1998, both groups continued to go through general intensive training programs targeted at changing the culture of the organization. General and specialized training continues to be offered to both new and existing staff at SNB to sustain and even further this transformation. Another example of the commitment to service is the management of error rates. SNB has policies and procedures in place for identifying and measuring error rates and then responding as appropriate. In some cases, when rates are not acceptable, new training programs might be developed or in some cases, responses with specific individuals are undertaken. SNB uses the error rates to identify areas to help them focus attention where attention is needed.

Listening to Stakeholders

Citizen dissatisfaction was one of the primary catalysts for the creation of SNB. Monitoring and responding to customer feedback, and more broadly, stakeholder feedback, as a consequence is a foundational element of its design and success. Stakeholder feedback is gathered and is used in many ways at SNB. It is captured through meetings, focus groups, surveys, and study tours. Citizens, businesses, government leadership, agency managers, and others are contacted and listened to regularly. In general, the results of these consultations are used to set priorities and drive decision making. In addition, they are used to make statements about the value SNB provides to citizens and businesses specifically, and to the government of New Brunswick, more broadly. SNB has mastered the art of conducting needs assessments and responding to the needs identified.

The first investment in stakeholder needs and expectations analysis was required by the Cabinet as part of the pilot. Following those consultations, SNB institutionalized the process of connecting to and listening to stakeholders. Through the aptly named Service Quality Support (SQS) unit SNB stays in touch with its stakeholders. The primary responsibility of SQS is managing the SNB Service Quality Model (see Figure 1); looking at and evaluating customer requirements and needs and feeding that information back to the operations division for use in setting and managing priorities. Consultations are conducted every 18 to 24 months by the SQS unit to understand business requirement changes from stakeholders, for online services, telephone services and over-the-counter services.

The service quality model helps SNB make tradeoffs between different investment strategies as well as to make users part of the decision-making process. According to Thériault, "Regardless of the situation, the story is the same. It doesn't matter if we're talking with the general public that goes to get a driver's license or a hunting license. We sit with them and ask them those same questions. If we're talking to commercial truckers we'll use focus groups; we'll use their professional associations. We'll use different means to go and sit with them and understand their business stressors, especially as they relate to the government of New Brunswick. And they'll tell us what would be useful and helpful to them. The result, in this case, can be seen on our website; we have a section completely for truckers where they can get information on weather, on bridges, on ferries, on all kinds of transportation issues relevant to them specifically." The results of the consultations are used to allow SNB to benchmark against itself with similar surveys and with other business providers. The results are also used to find both strengths and areas for improvement. SNB administers surveys in-house as well as participates in national surveys.
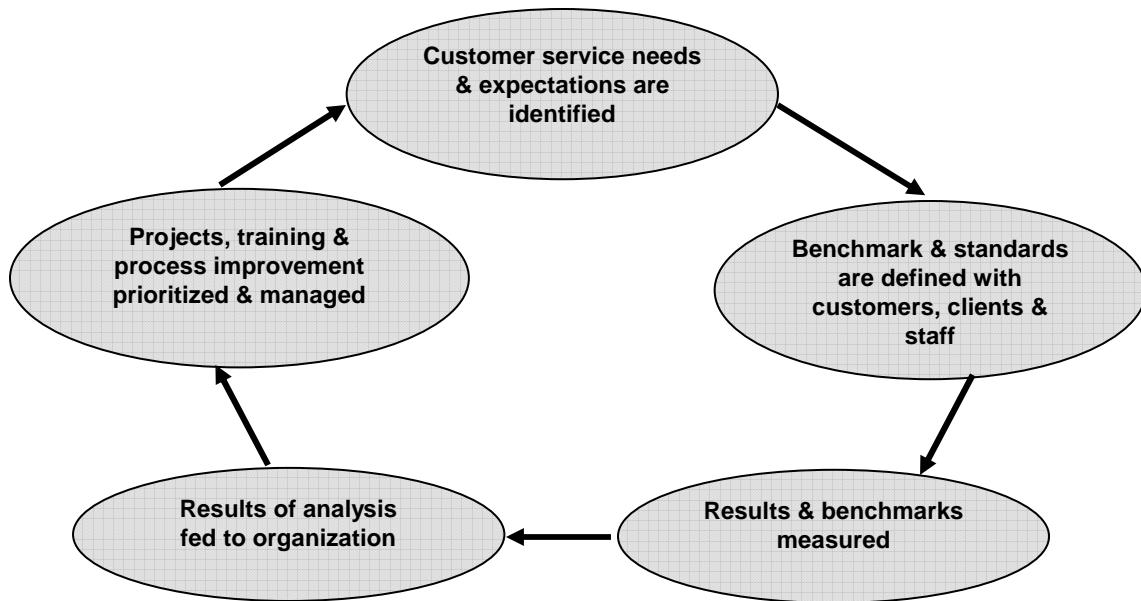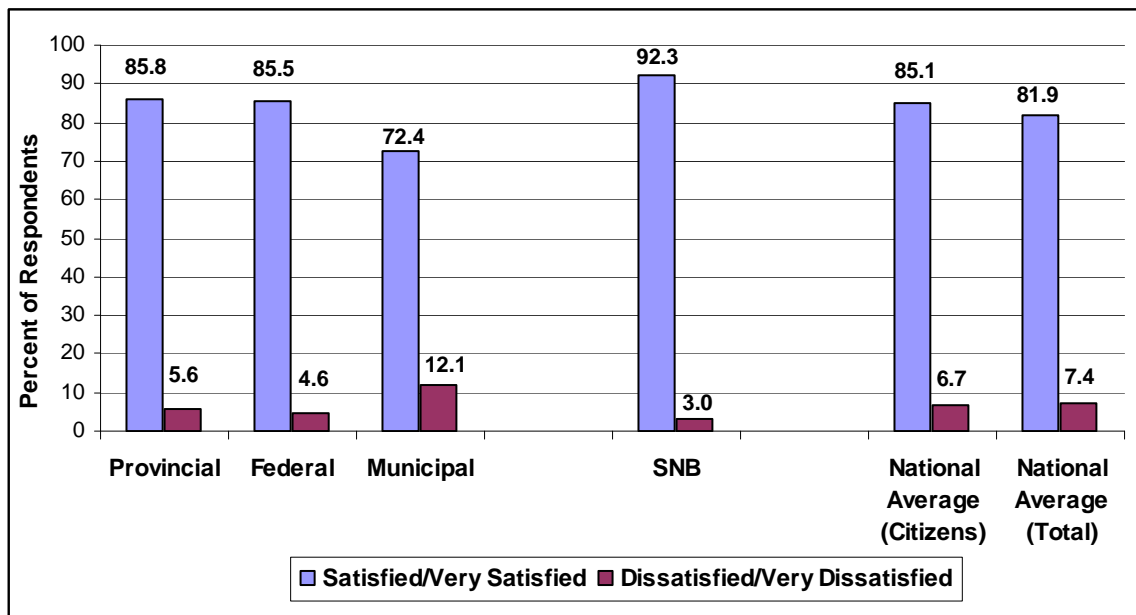
Figure 1. SNB Service Quality Model

Figure 2. Citizen Satisfaction with Government Services in Canada, 2001

Figure 2 is derived from results of a national survey conducted in November 2001 by R.A. Malatest and Associates Ltd. for the Institute of Public Administration of Canada (IPAC). In November 2003, SNB commissioned this same survey, using the CMT (Common Measurement Tool) and the 92% was re-confirmed.[5] The CMT allows an organization to measure satisfaction against 10 different drivers across the three service channels (See Table 1).

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[5] The common measurement tool was developed through research of the Institute of Citizen Centered Services (ICCS), Toronto, Ontario. The company that did the survey was Orion Marketing Research of Fredericton.

Table 1. Ten Drivers of Customer Satisfaction Measured by the CMT		
Over the Counter	**On the Web**	**Teleservices**
• Timeliness • Competence • Extra mile/extra smile • Fairness • Outcome • Security/privacy	• Visual appeal • Complete info • Easy to find	• Communication

Developing a Technology Strategy

The technology strategy adopted by SNB has allowed them to retain a focus on their core business; creating public value through effective service programs. SNB cultivates internal expertise in the areas of gathering and analyzing service needs, developing service programs, and the maintenance of those programs over time. The success of their technology strategy rests primarily on two principles; buy, don't build, system development expertise and leverage existing investments, in this case, investments in applications, hardware, software, and skills. Essentially, SNB invests in the resources (hardware, software, skills) necessary to maintain its service programs over time and buys the skills necessary to develop new services each of which are developed by leveraging the infrastructure resources already available. Developing specific new applications to support a new service offering, for example, is generally contracted out to appropriate experts. Using existing components and core capabilities, such as servers and authentication systems, to deliver new services, keeps the cost of new projects down, allowing SNB to think differently, when necessary, about a project of high public value and limited or even no financial return. Through this strategy, SNB is free to focus its expertise in refining their particular brand of market research, product development, product delivery, and quality control and to take some "risks" where others might not be able to.

A key partnership for SNB, in terms of its technology strategy, is the one they formed with CGI Information Systems and Management Consultants Inc. in the late 1990's. CGI and SNB came together to develop applications according to the "spin the terminal" philosophy. This philosophy requires all new development to be conducted with the citizen user in mind, enabling the application at some point to be 'spun' to provide direct web access for the citizen. gBiz was developed through this process and has become the core element of the SNB technology infrastructure and a key factor in the flexibility and affordability of its business model.

Creating Public Value Through Balanced Portfolio Development

SNB's home page characterizes the organization as "market driven."[6] Being market driven allows SNB to change, expand, or retract its scope and priorities, based on the needs of their market – the citizens of NB. To ensure that changes are consistent with the needs of the market and with the goals of SNB all new business opportunities go through the Business Advisory Group's "business casing" process. Decisions about projects are then made at the Board level. The Board is responsible for using public value as a threshold criterion for any investment or de-investment and for keeping a balance within the portfolio that ensures the financial sustainability of SNB. Project proposals must be accompanied by a detailed financial evaluation worksheet, somewhat standard in content. Information about level of effort and associated cost is required for planning and scoping, development, staffing and support, user support, equipment and installation, and marketing. A project summary sheet which includes information such as overall project costs, milestones and deliverables, known risks and resource requirements and implementation considerations must be included as well.

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[6] http://www.snb.ca/e/4000/4003e.asp

Project evaluations are framed in an ongoing consideration of the principle objectives of SNB by the use of a Project Proposal Evaluation process. Evaluators rate each project in terms of factors such as strategic value, service improvement, customer demand, staff capacity, risk and financial return. Proposal ratings are then used by the Board in their discussion and decision making process. The instruments support these discussions and in particular, they serve to formalize the goal of maintaining the balance between public value and financial sustainability.

SNB manages and expands its business portfolio in a number of different ways. The first, and the most public and familiar, is through the development of formal agreements to act as the service arm of other New Brunswick government agencies, the second is a formalized transfer of responsibility from other government agencies to SNB, the third is to seek out new lines of business that leverage current capabilities and investments. The following sections illustrate how the three different portfolio development approaches are used to maintain the balance between public value and entrepreneurialism in the SNB portfolio.

Formal Agreements to Act as the Service Arm for Other Agencies
The Business Development unit meets regularly with all service delivery partners, primarily departments and municipalities, to keep in touch with both existing service relationships and possible new opportunities. An SNB team meets regularly with all partners in what is essentially a "tour." The team tours all agencies with existing agreements as well as potential partners that provide service delivery to the public, to talk about the next level of services and listen to the concerns of agency staff. "We make an appointment with them and we go and meet with them." The tours enable a communication of concerns; concerns which often go beyond service delivery itself. Concerns about costs, about losing the ability to deliver services directly, losing resources, and losing staff are often the focus of these discussions. The tour enables SNB to engage directly with agency staff on the commitment to delivering public value and to make the point that the question of who delivers that value is less important than the delivery itself. The tours also include more operational level discussions of business requirements and costs. These discussions enable SNB to craft proposals back to agencies about how partnering with SNB will allow an agency to meet its service objectives, or even in some cases, to "push the envelop beyond those objectives."

During the tours SNB gathers information from agencies about performance goals and mechanisms for tracking performance against those goals. This information, when it is available, is used as part of the proposal process. SNB seeks information about service performance measures, customer satisfaction ratings, error rates, and costs. Most often agencies are not able to provide this information; most agencies, SNB has found, seldom have established standards for their own performance nor have they developed evaluation processes to determine if they have achieved their performance goals. Further, service delivery costs are rarely fully tracked. SNB is compelled, because of its requirement of financial sustainability, to be very clear about its costs. "We've come up with a fairly comprehensive estimate—we don't have any choice; we're a business. If we charge a department two dollars and our cost is $3.50, it won't be long before it's going to drain us as a corporation, so we really have to understand all of our costs."

In some cases, the tour launches SNB and an agency into conversations about a formal agreement, in other cases it doesn't. The conversations that do get launched play out over time and involve a give and take between SNB and the agency. The give and take includes detailed discussions about the current agency costs, projected SNB costs, as well as the development of associated service standards and Service Level Agreements (SLA). SLAs represent another area where SNB leverages existing investments. Each service agreement with an agency is formalized through an SLA; SLAs for new offerings are generally modifications of the most relevant from among existing agreements.

Understanding resistance to the idea of transitioning service responsibility to SNB and responding to it, is also part of the conversation. Often resistance to a service agreement with SNB comes from agencies believing that their costs are less than they actually are. SNB will work with departments to develop more

detailed cost estimates. Once full costs are accounted for the SNB service model usually competes very well with agency models.

Formalized Transfer of Program Responsibility
The case of the CR was presented above to illustrate the flexibilities afforded SNB due to its status as a crown corporation. It also represents an example of a formalized transfer of responsibility for an entire program from a traditional agencies, in this case the Department of Justice, to SNB. The entire CR unit was moved from DOJ to SNB including the policy and management arms of the program.

New Lines of Business Leveraging Current Capabilities and Existing Investments
In 2003, SNB was well established and well run. However, the newly established administration was anxious to see SNB be more aggressive in terms of its impact on the province. A strengthened Business Development and Marketing division was challenged to think beyond the current business models, beyond services and registries, and even beyond the province. The primary focus of the staff is this divisions is now marketing SNB services to other local and international governments.

One concrete example of this broader mandate is the recently concluded agreement with the Government of Canada for the provision of pleasure craft licensing services. The focus of this effort is two-fold. Provide public value to the citizens of Canada through a financially sustainable service (made possible by leveraging existing investments in SNB components), and develop a downstream market as an economic development opportunity for the province. This project, as all others was required to navigate through the BAG using the same business case process as any other project.

Where It is Now

Today, SNB is a trusted government partner; providing services for almost 15 years at an increasingly satisfactory level. Over the years this trust has helped SNB weather changing administrations. Each administration has recognized the value SNB brings to the province and as a consequence each administration has supported SNB. SNB has continued to earn this trust by providing over four million transactions annually and hundreds of different web-based services; by collecting millions of dollars on behalf of 16 departments and 59 municipalities; and by maintaining a 92% customer satisfaction rating. At the end of fiscal year 2004-05 SNB was providing about 270 services to citizens. These services are provided through three channels: online, over the phone, and over-the-counter. The balance of use of different channels has shifted throughout the last decade with Web use growing from 6% to 32%, and over-the-counter service delivery dropping from 86% to 60%.

Table 2. SNB Performance Statistics Fiscal Year 2004-05			
Category	**FY 2003-04**	**FY 2004-05**	**Growth**
Transactions by Delivery Channel			
Online	1.5 mln	1.9 mln	26.7%
TeleServices	0.3 mln	0.3 mln	
Over-the-Counter	2.6 mln	2.9 mln	11.5%
Total	**4.5 mln**	**5.1 mln**	**13.3%**
Online Products/Services			
Forms	292	352	20.5%
Service packages	17	19	11.8%
Services	89	152	70.8%
Products/publications	21	24	14.2%
Total	**419**	**547**	**30.5%**

Like any dynamic organization on a growth path, SNB wrestles with the management of its growing portfolio of services. The give and take between the goal of continuous improvement and growth and the commitment to customer satisfaction is tractable and challenging. Maintaining a balance requires SNB to both continue to invest in the best strategies of its past and to create new strategies for its future. For example, its unique approach to training continues to be a success factor for SNB. General and specialized training continues to be provided regularly to both service representatives and management, new and tenured. For service representatives SNB often organizes train-the-trainers program so that within a two-week period they could train all the service representatives throughout the province on a new services or feature.

To ensure their ongoing success SNB is reinforcing capability in a variety of areas as well as building capability in new areas. Through ongoing refinement of the project selection process, the case for consolidated services and the management of customer expectations SNB is building on its strengths. By creating new capability in managing intellectual property and leveraging it s resources for economic development SNB is preparing itself to deal with new challenges. Each of these aspects of SNB is discussed below as a way to further highlight the unique characteristics of SNB in terms of its ability to balance public service and good business.

Refining the Project Planning and Selection Process

With the expansion of more projects on behalf of partners beyond NB, business analysis and selection processes have become more formal. This year for example, SNB will release new pricing policies and pricing guidelines and has created a more explicit business analysis process. A number of factors contributed to the necessity of this formalization. First among them is the disappearance of "low hanging fruit". The new business opportunities and service expansions are more tractable and complex; carrying greater costs and risks. More effort is necessary to identify and select from among those projects that provide public value and are good business and those the provide public value but are not sustainable. SNB now requires business cases to be more explicit and formalized using standardized techniques and tools.

The Case for Consolidated Service Offerings

The days of low hanging fruit and easy wins are over. The straightforward business transactions have been automated leaving the more complex services being delivered in traditional ways and more so recently agencies are beginning to wonder if they could create their own "SNB like" service window. Each of these issues alone presents a challenge, but taken together they require a new threshold of business analysis.

Thierault characterizes the contrast between SNB projects at the launch and today; "when we talked about putting the first hundred forms or 200 forms online, those are the simple things. A new service usually starts with a simple licensing or registry program. Then you get into more complex things where you have to have a pretty comprehensive business case. The more complex services often require substantive knowledge or specialists in that type of business. SNB has reached a saturation point in automating simple and high volume processes, and low volume processes are more difficult to justify in terms of costs, so alternative strategies are required."

Resistance among departments to transfer the delivery of services to SNB is attributable to a number of factors. First, for departments it means losing the power of being a service provider. Second, the departments lose direct contact with their clients, the citizens, when the services are delivered by SNB. Thus, a department's understanding of the needs of citizens usually captured during day-to-day contact is removed. The business case for moving a service to SNB; whether involving a complex service or to overcome resistance must satisfy both the agency or agencies themselves that the service will be delivered more effectively or efficiently by SNB without a notable loss of power, and to satisfy SNB that it can be done consistent and sustainable way.

Responding to Changing Expectations

As citizens become more "web-savy", their expectations are changing. They have greater expectations for fully seamless and completely anonymous service options which secure their information and protect their privacy. These changes put pressure on SNB to understand and respond appropriately. SNB has in place mechanisms to maintain contact with the citizenry through its SQS methods. In general, these methods have allowed SNB to focus on general services and features. However, these same methods are being employed to collect perspectives about the more complex issues such as security and privacy. SNB is then able to reflect these needs back through existing systems and forward into new systems through appropriate policy, management, and technology strategies. Understanding the cost of those responses and integrating them into both current service agreements and future agreements is also done to ensure that the balance of value and sustainability continues.

Managing Intellectual Property Rights

SNB has become increasingly aware of the need to manage its intellectual property. In the early days, anyone who asked about the business model and technology strategies employed at SNB was given that information. As the success of the SNB model becomes more well known, the value to the province of New Brunswick of this model becomes more tangible. Competition for economic opportunities has become more intense and SNB has become more attune to the value of their assets in terms of these competitions. They are less willing, reasonably so, to share freely the very things that give them this economic development edge. The open door policy of the early days, which served SNB well, has been revisited. Requests for visits to SNB, by government and non-governmental delegations are considered differently now than in the "early days." Sales of software tools and applications have become a new market for SNB and recognition of the market value of these products has changed the nature of many conversations at SNB. Managing intellectual property rights, like tracking and publicizing citizen satisfaction, appears to be good business for SNB.

Leverage SNB as an Economic Development Engine

The development of gBiz as a product and the signing of a licensing agreement with CGI has created new economic development opportunities for SNB and placed it firmly in a new and broader role in creating public value for the province. gBiz is an extension of the e-government model originally pioneered by SNB
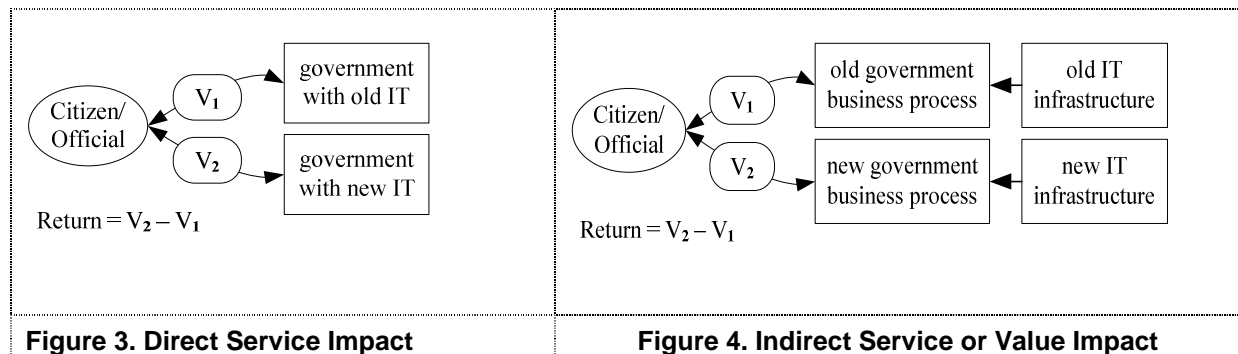

and developed in part by CGI. According to Georgette Roy, chair of the Board of Directors of SNB, "SNB together with CGI has leveraged gBiz into both an award-winning services platform and an economic development engine." The gBiz framework as described by CGI, provides service catalogs, payment facilities, and methods for reaching back into legacy mainframes allowing for the development of repeatable solutions resulting in reductions in cost and development time. gBiz is built on Microsoft products and uses a range of open standards technology. The primary example of the leverage provided by this product and the SNB-CGI relationship is the use of gBiz in the development of "joined up services" in Suffolk County in the United Kingdom. The County was faced with a short time-frame for the required delivery of services and looked to the gBiz framework as the strategy of choice. In December of 2004, SNB received a major software licensing royalty check for the sale by CGI of the gBiz framework to the County of Suffolk. A second example of the economic development impact is the siting of the CGI Global E-Government Headquarters in Fredericton, NB. In 2001, CGI established its "g-commerce lab" in Fredericton. This move was seen as a first step in new opportunities for growth in the Atlantic region.

Implications for Public ROI Assessment

The SNB case highlights the key point made in the white paper: close attention to the connections between stakeholders, government operations, and technology investments is essential to a fully informed public value assessment. Determining if an investment has generated public value requires a focus on these connections in terms of the value generating mechanisms of efficiency, effectiveness, enablement, and intrinsic enhancements.

SNB was founded with the citizen as a central. Seeking their feeding and responding to it was required and became part of the work policies and practices as well as the culture of SNB; the connection between stakeholders, operations, and investments was institutionalized. Consistently working closely with stakeholders from the inception of SNB until today to understand what they need from government and monitoring whether those needs have been met allows SNB to assess public value in a uniquely comprehensive way. Their organizational strategy rests on the linkages created between public value and IT investments. Assessing the public value resulting from a technology investment – even in its simplest form such as depicted in Figure 3, is an example of these institutionalized practices at SNB, for example, assessing the public value delivered through the addition of the web as a service delivery channel. SNB did this by adding the web-based service delivery channel to the existing SQS process and citizen satisfaction surveys. In this way data about the impact of the investment was captured from the beginning of its use. The connections institutionalized at SNB also support assessments about public value resulting from overall infrastructure investments as depicted in Figure 4. For example, assessing the value delivered through investments both in application level technologies to increase the quality of an individual service event as well as in server and network technologies to enhance overall response rates. As indicated in the case, SNB has long employed a strategy of leveraging technology investments through a "build it once, use it many" model. The explicit adoption of this strategy challenges SNB to systematically track instances of technology reuse as part of the business analysis process. Systematic tracking of these leverage points and the value they deliver is part of the SNB business analysis process and provides a model for others.

| Figure 3. Direct Service Impact | Figure 4. Indirect Service or Value Impact |

SNB also provides a case example of the power of taking a broader view on the impact of investments such as depicted in Figure 5. Broadening the view to include the environment allows for the consideration of the fuller set of value generating mechanisms. Through its well-established linkages of stakeholders to technology to government operations and its commitment to ongoing assessment SNB also institutionalized this broader view of assessment: impact on the environment. This broader view supports assessment certainly of value generated through increased efficiency and effectiveness but it also supports assessment of enablement and intrinsic enhancements in a way not possible in the other views. As a crown corporation with a single customer, SNB must constantly scan its environment to assess its performance. Are the specific needs of citizens being met? Certainly this is a question they ask, but they also ask, is life better than it was? And if so, how?
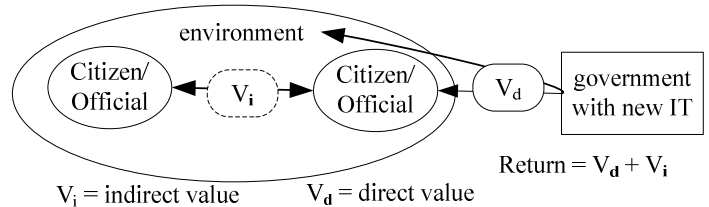
V_i = indirect value V_d = direct value

Figure 5. Mixed Direct, Indirect Service & Environmental Value Impact

The extensive attention paid to assessing public value at SNB as shown in this case reflects the view of public returns presented in the white paper and provides some data to begin to consider even more value flows. SNB's commitment to making good service good business required them to measure direct agency returns, direct citizen benefits, and the public-at-large from the very beginning. Having public value assessments at all three levels allows SNB to go beyond where many other organizations are in terms of the public value assessment efforts, to begin to track the public value flowing from public-at-large benefits to policy and electoral benefits and general economic development as well. As such, the case analysis both provides models of these practices and calls for the addition of these two indirect benefit flows (shown in the Figure 6 below as heavy arrows).
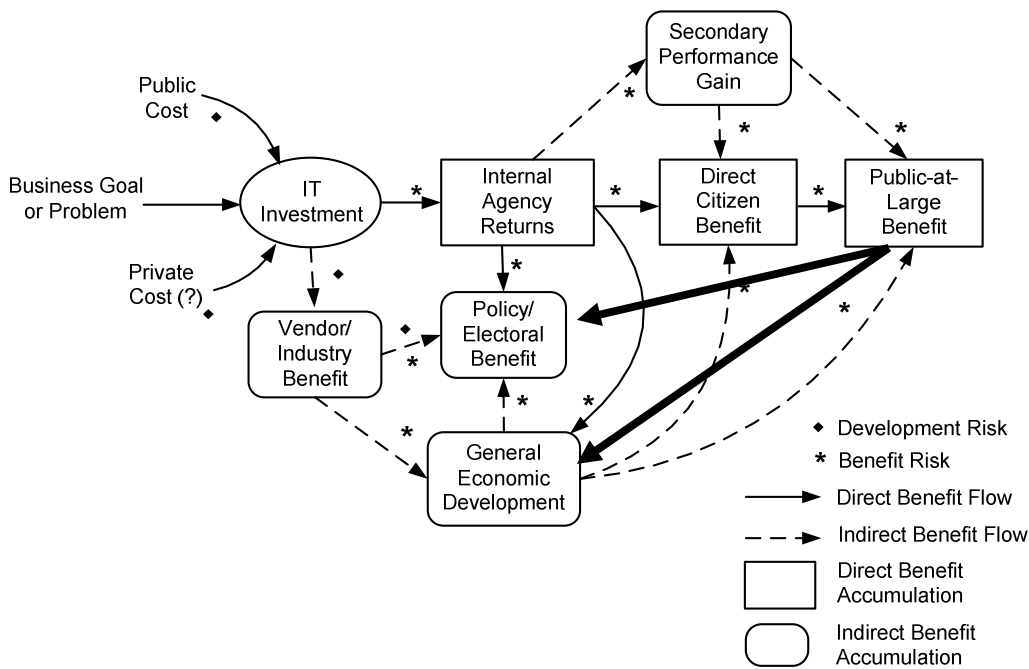

Figure 6. SNB Public ROI Value Propositions