

COLLABORATIVE OUTCOMES IN THE PUBLIC SECTOR

AN INNOVATIVE WAY FOR DELIVERING PUBLIC VALUE

SAP White Paper
SAP for Public Sector

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CONTENT

4	Executive Summary
6	Government Agencies Working Together
6	Scenario One – Family Services Aided by the State Tax Agency
7	Scenario Two – A Driver’s License, a Boat, and a Tax Connection
8	Scenario Three – Passport Issuance Tied to Child Support
8	Scenario Four – Coordinated Nationwide Response to Life-Threatening Events
9	Providing Higher Public Value
10	The Technical Architecture
11	A Case Study
12	Beyond the Fiscal Considerations
13	Conclusion

EXECUTIVE SUMMARY

THE COLLECTIVE POWER OF SHARED INFORMATION

The execution of collaborative outcomes within the public sector is now moving from something occasionally and haphazardly accomplished through informal or manual methods to an approach that is being accomplished in real time, online, via automation and enabling technologies. This progression is driven by the tremendous potential benefits that collaborative outcomes afford the public sector and its stakeholders.

Governments are looking at collaborative outcomes as a way to reduce cost, improve service, and maximize the value they deliver among, between, and outside their organizational boundaries. The emphasis on collaborative outcomes is growing because governments increasingly realize that technology provides the collective power to share information and processes that deliver operational, social, and political benefits. With such enabling technology, governments can break down layers of bureaucracy, deliver responsive services, and ultimately achieve positive collaborative outcomes for their stakeholders.

This paper will introduce the concept of collaborative outcomes in business terms and demonstrate the value they can provide to both public sector organizations and their stakeholders. We will explore examples of interagency and intra-agency collaborative outcomes, as well as those that cross organizational boundaries to the private and nonprofit sectors. These examples will reflect mutually beneficial results that impact many stakeholders working with the public sector, spanning employees, elected officials, constituents, and regulatory bodies, as well as external partners. A companion paper, *Collaborative Outcomes in the Public Sector: Processes and Architecture*, goes deeper into the architecture of the technology supporting collaborative outcomes.

GOVERNMENT AGENCIES WORKING TOGETHER

FOUR SCENARIOS

Collaborative outcomes refer to a form of organizational collaboration or joint activities where two or more entities share responsibility for managing toward an outcome that is beneficial to all. In the public sector context, collaborative outcomes occur when two or more government agencies, ministries, departments, or divisions deliver a quantitative or qualitative improvement experienced by stakeholders from a combination of activities, achieved by leveraging common solutions, processes, and technologies. Ultimately, collaborative outcomes help governments maximize their public value – the value they deliver across operational, social, and political dimensions.

The following four scenarios show how collaborative outcomes can benefit both government and its stakeholders. Each of these examples offers a different window into ways that collaborative outcomes can meet not only financial goals but improve the social and political results of government programs as well.

Scenario One – Family Services Aided by the State Tax Agency

The following example is intra-agency and involves two agencies within the same state or provincial government department of revenue:

- General tax administration agency (GTA)
- Child support enforcement agency (CSE)

In this scenario, a divorced custodial mother of two has been receiving

court-ordered child support payments each month from her noncustodial ex-husband. A month goes by without a payment, and she is unable to reach him. Since this payment is her sole source of income and she has overdue bills, she quickly contacts the child support enforcement agency within the department of revenue in her state. Using a customer relationship management (CRM) application, the CSE personnel interact with the GTA staff within the department of revenue to verify if the noncustodial father is owed a tax refund or is employed, with the intent to garnish either his refund or his wages to effect payment to the mother. The state GTA has records showing that the father has recently changed jobs. The child support payment, automatically deducted from his paycheck, has been delayed in the employment transition. In the course of this discovery, the GTA also verifies whether the father has fulfilled his state income tax obligation.

Based on the situation, the GTA can withhold the father's state income tax refund, garnish his wages, or issue a lien against his property, all of which help collect money supporting his child support obligation. Additionally, if the father is delinquent on his tax payment, the tax agency would send him a tax bill or payment reminder. In this scenario, because of the ex-husband's recent job change, the GTA notifies him of his outstanding child support and tax obligations. He sends a check for both to the GTA, which disburses the money to the CSE, which then sends the money to the mother.

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The collaborative outcomes achieved in this scenario are threefold. First, the CSE achieves its mission of ensuring timely support payments to eligible constituents, in this case the custodial mother. Second, by facilitating prompt payment to the mother, she does not have to apply for social assistance or

welfare, which is a desired social services outcome. Third, the GTA accomplishes its desired outcome, which is to maximize taxpayer compliance and reduce the tax gap. The two agencies deliver political value by fulfilling tax compliance policies and social program objectives. Social value is achieved by helping the mother stay off the welfare rolls. Finally, the agencies achieve operational value by working efficiently to reduce processing and transactional costs.

Scenario Two – A Driver’s License, a Boat, and a Tax Connection

This example is inter-agency and involves three separate agencies within a state or provincial government:

- Tax and revenue agency
- Motor vehicle licensing
- Boating safety bureau

Having recently relocated, a man drops by the local branch of the state motor vehicle licensing agency to renew his driver’s license early and make sure the agency has his change of address. While there, he also wants to apply for a boating license. To begin the renewal and application process, the motor vehicle clerk uses a CRM application that contains a checklist prompting the clerk to cross-check with the state tax and revenue agency. This check is to verify that driver’s license applicants have fulfilled their tax obligations. The clerk also uses the CRM application to call up a checklist for boating licenses, which indicates that proof of completion of a boating safety course is required to obtain a boating license.

The clerk informs the citizen of this prerequisite, and also determines via online, real-time collaboration with the tax and revenue agency that, unbeknownst to him, the man owes a small balance on his prior year’s state income tax. The clerk cannot renew his driver’s license until he fulfills his outstanding tax obligation. In this scenario, this citizen gives the motor vehicle clerk payment for his overdue taxes, the driver’s license renewal, and the boating safety course fee. In turn, the clerk provides him with his driver’s license, a payment receipt, a boating license application, and the phone number for the boating safety course registration office. The man is able to accomplish two objectives in one visit, while the motor vehicle agency collaborates with the tax and revenue agency to inform him of his overdue taxes.

In this example, the motor vehicle licensing agency accomplishes its primary mission and desired outcome of issuing and renewing driver’s licenses for eligible citizens. The tax and revenue agency accomplishes its mission of taxpayer compliance, while the boating safety bureau achieves its goal of training all boating license applicants. The motor vehicle department clerk feels a sense of accomplishment because she has provided a valued service to her customer. This collaborative outcome would not have been possible if these three state agencies had not worked together interactively or shared information, processes, and technology.

Technology can become the vehicle by which agencies can change their autonomous cultures, which typically focus on a single, narrowly defined mission and stand-alone processes. The promise of collaborative outcomes can change the way that governments think of themselves, instead offering a set of shared services that can be put to use by other agencies.

Scenario Three – Passport Issuance Tied to Child Support

This scenario crosses different levels or segments of government, involving a federal government agency and a state government agency:

- Federal passport agency
- State government child support enforcement agency

Here, a citizen requests a passport renewal for a planned trip abroad. Before processing this passport renewal, the passport agency cross-checks with the family services department in the citizen's state of residence, specifically the child support enforcement agency. The CSE informs the passport agency that the citizen is a noncustodial mother who owes child support to her ex-husband and has an outstanding warrant for failure to attend a related court hearing. Given this shared information, the passport agency rejects the passport renewal for the woman, who is in fact intending to leave the country permanently. In this case, the federal passport agency accomplishes its mission and desired outcome, which is to issue, renew, or decline passports for citizens. The state child support enforcement agency accomplishes its mission of identifying and pursuing delinquent noncustodial parents to pay back child support.

Scenario Four – Coordinated Nationwide Response to Life-Threatening Events

This final scenario involves many organizations within the public sector and across organizational boundaries in the private and nonprofit sectors:

- Federal government emergency management agency
- State government department of public safety
- Public and private hospitals
- Nonprofit disaster response and relief organizations

In this example, an earthquake devastates a large city, leaving many people injured and requiring urgent medical care. People also need shelter, food, and clean water.

Here, a father is separated from his family and is suffering from a broken arm and chest pains. He is approached by a representative from the state public safety agency, who contacts a central emergency operations command center. The emergency operations center has a comprehensive list of local medical facilities and quickly matches the injured father's needs to the hospital best situated to serve him. Secondly, they record his name, the extent and status of injuries, and the

location of the facility where he is being treated. Across town, the man's family has been placed in a temporary shelter supported by the federal emergency management agency. The mother talks to a representative from an international disaster-relief organization, who records the information and queries the central emergency operations center. The emergency operations center passes back the status and location of the father. During this time, vaccines have been arriving directly from private sector manufacturers to various medical facilities throughout the city, based on real-time demand estimates also coordinated by the emergency operations center. After receiving their tetanus vaccinations from nurses dispatched from a local public hospital, the family is transported by a national guard vehicle to the father's medical facility, where they are reunited.

Multiple collaborative outcomes occur in this scenario, thanks to an enabling technology that facilitates sharing of information during the catastrophe. This information sharing integrates the "vertical axis," through all layers of government, as well as the "horizontal axis," through all levels of the coordinated emergency response community. To maximize both private and public resources, the technology is accessible

and deployed in a coordinated manner to ensure timely information flow.

Here, the sharing of patient-tracking information between various organizations gives relatives the current location of family members being cared for, along with their condition. To avoid redundancy and speed up responsiveness, federal and state emergency management and public safety organizations also share information on conditions; available resources (people, equipment, communications, food, shelter, water, and transportation); and emergency procedures and responsibilities. The use of medical facilities and skills is optimized, and the emergency operations center matches best available resources in a coordinated fashion against incoming needs and demands. The ultimate collaborative outcome is the increased number of lives saved by providing the appropriate and timely delivery of service.

Providing Higher Public Value

The end results of all these scenarios include improvement in fulfilling the missions of the different organizations; well-coordinated, responsive, and improved constituent services; and higher public value across operational, social, and political dimensions. Politi-

cal value is enhanced as elected officials can highlight these collaborative outcomes as examples of governments “doing more with less,” improving the quality of life, and meeting service goals. Social value is improved when entitled citizens receive necessary financial aid or medical services. At a higher level, social value is also enhanced when taxpayer compliance is enforced, since tax dollars account for the bulk of government revenues. These revenues in turn fund various service agencies and programs serving the public, such as education, health, environment, infrastructure, public safety, and so forth.

The success of government agencies will hinge on their ability to share and use information and business processes effectively among, between, and across organizational boundaries. Legislative bodies and citizens are scrutinizing their collaborative performance.

THE TECHNICAL ARCHITECTURE

HOW TECHNOLOGY SUPPORTS COLLABORATIVE OUTCOMES

Using a flexible business process platform, governments can integrate the disparate solutions in place across their different agencies. With such a platform, they can become more citizen centric and service oriented, and provide improved public value.

Collaborative outcomes knit together functions, services, data, and business processes that may be taking place throughout any form of government and across, among, and between government boundaries. Collaborative outcomes may occur when someone within a government agency starts working with other parts of the agency or when two agencies within the same government work together. In general, collaborative outcomes may occur at any level of government when someone is tasked with increasing collaboration within or across levels of governments, agencies, or the communities they serve.

Today, many governments are achieving collaborative outcomes, albeit informally and manually. But the current approach is typically paper based, time consuming, expensive, and constrained by disparate, disconnected technology. Instead, governments can leverage flexible, adaptive business process platforms to automate their business processes on an open platform and achieve real-time collaborative outcomes.

Technology can become the vehicle by which agencies can change their autonomous cultures, which typically focus on a single, narrowly defined mission and stand-alone processes. The promise of collaborative outcomes can

change the way that governments think of themselves, instead offering a set of shared services that can be put to use by other agencies. The core processes of the agencies also change as people start to understand that services from other departments can be part of fulfilling their mission.

The technical implementation of a software architecture supporting this approach usually involves a bidirectional transfer of information. Sometimes this communication takes place through exchanging electronic files, sometimes through XML messages, and other times through Web services. As its systems increasingly participate in collaborative outcomes, agencies will want to work together more consistently. They will develop rules and a software architecture for connecting systems to achieve collaborative outcomes.

Using a flexible business process platform, governments can integrate the disparate solutions in place across their different agencies. With such a platform, they can become more citizen centric and service oriented, and provide improved public value. The nature of this technology architecture and business process platform is discussed in more depth in the companion paper, *Collaborative Outcomes in the Public Sector: Processes and Architecture*.

A CASE STUDY

GAUTENG SHARED SERVICES CENTER, JOHANNESBURG, SOUTH AFRICA

An example of the way that pursuing collaborative outcomes can change the way government is structured comes from South Africa, where Monica Rubombora has pioneered the application of shared services to this end. As the general manager in charge of procurement in the Gauteng Shared Services Center in the Gauteng province of Johannesburg, Rubombora is well versed in achieving collaborative outcomes through manual processes. But she and the Gauteng center are seeking a faster process.

According to Rubombora, the shared-services center registers about 400 vendors in its databases per month. Verifications on each registration have to be dealt with by phone, a process that involves the work of many employees and can take anywhere from 14 to 21 days in every case.

The main reason for this lengthy process is that Rubombora's team has to check with the South African Revenue Services (SARS) to verify whether the tax certificate each vendor has supplied is authentic. And every six months, a new tax certificate has to be delivered for each company in the database, adding to the burden.

Rubombora reported that increased use of the collaborative outcomes approach has improved her department's functions, reduced the amount

of paperwork required of vendors, and speeded up payments. As she says, "All a vendor has to do is, for example, give me their reference or tax number, and I can immediately cross-check with SARS and verify that information provided is correct. Paper now does not have to move between two cities. Hard-copy documents are reduced in size and sometimes eliminated. As a result, costs are reduced – the cost of the people, the cost of the phones – and I can redeploy those to some other value-added work somewhere else within my organization. That for me would be a major boost."

Political value is enhanced as elected officials can highlight these collaborative outcomes as examples of governments "doing more with less," improving the quality of life, and meeting service goals. Social value is improved when entitled citizens receive necessary financial aid or medical services. At a higher level, social value is also enhanced when taxpayer compliance is enforced, since tax dollars account for the bulk of government revenues.

BEYOND THE FISCAL CONSIDERATIONS

WHEN SOCIOECONOMIC OBJECTIVES HOLD SWAY

Governments are recognizing that their various agencies interact with the same stakeholders across a variety of services. They also recognize that they are not fully leveraging these various touch points and agency interactions to maximize public benefit.

In different parts of the world, collaborative outcomes may have varying degrees of resonance. In developing countries and established economies, the motivations often differ.

In South Africa, for example, there are many passionate government employees who are trying to effect social change for their country. The socio-economic objective is at the top of the agenda for government, and social value is more critical than operational value.

As Rubombora told us, even from a procurement point of view, her organization doesn't necessarily seek the least expensive services. For example, her procurement group is prepared to pay a premium to conduct business with local disadvantaged businesses to promote and sustain them. Reducing the administrative burden for these vendors would achieve both a social and an economic objective by driving economic growth at the same time as social cohesion. In other economies, efficiency and improved constituent service are the primary motivators.

CONCLUSION

CREATING AND LEVERAGING A BUSINESS PROCESS PLATFORM

There is a renewed interest in collaborative outcomes across all levels of government as a way to increase efficiency and productivity while maximizing public value. In light of a rapidly aging and retiring workforce, governments worldwide need to attract the next generation of government workers, who are familiar with the use of Wikis, blogs, social networking, and related collaborative tools as a way of life. Meanwhile, the complexity of governments' mission is increasing, along with citizens' demand for transparency. The success of government agencies will hinge on their ability to share and use information and business processes effectively among, between, and across organizational boundaries. Legislative bodies and citizens are scrutinizing their collaborative performance.

Governments are recognizing that their various agencies interact with the same stakeholders across a variety of services, as illustrated in the examples above. They also recognize that they are not fully leveraging these various touch points and agency interactions to maximize public benefit. More and more, governments realize that inter-agency collaboration across business processes can achieve positive mutual outcomes.

In the scenarios cited above, the organizations involved can leverage a business process platform to help them manage their respective missions and achieve successful collaborative outcomes. SAP® software supports a business process platform for the public sector, enabling standardization, innovation, and collaboration on one common, open platform. Public sector organizations can leverage natively integrated SAP solutions supporting public sector industry processes. These SAP solutions support public administration processes across accounting, workforce management, procurement, and grants to constituent-facing service lines of business, such as tax and revenue management, public security, social services, and constituent services. The SAP NetWeaver® technology platform serves as the foundation of this business process platform, which can easily change and orchestrate new processes driven by citizen demands, legislative actions, or regulatory reform. For governments that have invested in proprietary, legacy, or best-in-class third-party applications – and want to protect those investments – SAP NetWeaver can integrate these solutions into the business process platform and still achieve collaborative outcomes.

In most cases, a change in mind set occurs as governments begin implementing collaborative processes. Departmental blinders are taken off, and the entire government at all levels becomes a potential partner in providing the best possible service in terms of political, social, and operational value. As technology enables this mind set, collaborative outcomes become easier to achieve, supporting the responsive, transparent, and highly effective government promised by the wise use of technology.

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