

**Transformational Government
Consultation Paper**

**Comments from
Oracle Corporation
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INTRODUCTION

This is Oracle Corporation's response to the Consultation Paper "Transformational Government - Enabled by Technology", published by the Cabinet Office in November 2005. Oracle Corporation is the world's leading supplier of information management software and services.

Oracle welcomes and supports the Strategy and appreciates this opportunity to comment and to input to its further development.

We start with some general comments that apply to implementation of the Strategy. More specific comments are then grouped under the headings of the three transformations described in the Paper:

- Design of services around the citizen or business
- Move to a shared services culture
- Greater professionalism of the IT function

If you wish to discuss the contents of this response further, then contact:

Ian White

Phone 07770-825323

e-mail ian.z.white@oracle.com

GENERAL COMMENTS

Learning from the Private Sector

It is clear that the authors of the Strategy have drawn on private sector experience in developing their proposals. This dialogue with the private sector should continue as implementation plans are drawn up and as implementation itself proceeds across the public sector. There are clear advantages to Government in doing so. IT Suppliers can bring to Government's attention relevant experience from their commercial customers whom they know have already adopted a particular aspect of the Strategy. Valuable lessons can be learnt. It is also useful for private sector partners to be able to keep abreast of policies developing in the centre of Government.

As responsibility for implementation will in due course lie with individual public sector organisations, there is a risk that this cross-fertilisation of ideas and experience will not continue.

To illustrate this, the Cabinet Office Shared Services Team that contributed to the relevant part of the Strategy have frequently sought views from the private sector on their emerging proposals. Both sides have benefited from this closeness of working. Once implementation of Shared Services is devolved to the individual sectors (Local Government, Police, etc), those sector planners should continue this relationship to help them draw up realistic implementation plans and budgets.

Other areas where there is much that can be learnt from private sector experience include:

- Federated identity management, including single sign-on to a wide range of services
- Design of web-based access to these services
- Motivating customers to use electronic channels for their transactions with the service provider

Experience of making such transformations in the private sector can inform and guide public sector organisations. The similarities in the challenges that both sectors face outweigh the obvious differences of culture, role and objectives.

Recognising Sectoral Differences

The Strategy is applicable to the whole public sector. The high level at which it has been expressed means that it has not been necessary to recognise important differences between Central and Local Government, and between these and the Health, Education and Police sectors. Acknowledging this diversity becomes more important as the Strategy moves into implementation planning. Not only are there the obvious differences of governance, funding and business objectives, but there is also marked variation in the systems and processes in operation:

- Each sector starts from a different baseline, using different standards
- This baseline will vary considerably amongst the individual organisations in that sector, whether these are Local Authorities, NHS Trusts, Police Forces or Universities
- Strategic thinking may nevertheless have already been done in areas such as national standards (eg chart of accounts, customer data structures) and in how best to deploy new technology (eg mobile working, e-auctions)

Horizontal or Vertical Collaboration?

Implementation will require much greater collaboration between public sector organisations than has been the norm. Such collaboration could, for example, take the form of:

- Joining a Financial Shared Service Centre
- Merging separate websites into one
- Accessing each other's customer information

Not only must there be a willingness in principle to collaborate with others, but each organisation needs to consider the feasible opportunities for both horizontal¹ and vertical² collaboration, and the relative merits of each in terms of both efficiency savings and improved customer service.

¹ "Horizontal collaboration" is between bodies of equal status in different parts of the public sector, exemplified by Local Authority-led Local Area Agreements or Local Strategic Partnerships.

² "Vertical collaboration" is between bodies of different status in one area of public service, for example a number of NHS organisations in a region, a county with its districts

Objectives can conflict here. For example, should a local authority seek to collaborate on a geographic basis with other public service organisations in its area, or should it collaborate with other Authorities of the same type in the same “vertical” (eg Shire Counties, Metropolitan Boroughs)? The answer may be to collaborate horizontally in transforming customer service – ie in the front office – but to collaborate vertically in transforming middle and back office services.

More policy guidance is needed to avoid the risk of a patchwork quilt of shared services with no overall consistency of approach. Such an outcome would be sub-optimal: it would not achieve the full range of potential benefits – of either efficiency savings or improved customer service.

COMMENTS ON EACH OF THE TRANSFORMATIONS

1. Services Designed Around the Citizen or Business

Mobility of Customers and Employees

The strategy rightly recommends greater use of mobile channels for delivering public services. Oracle sees this as a key area that deserves more attention, taking account of the benefits it brings for taxpayers, customers and mobile employees. There are a number of reasons for this:

- Booz Allen estimate that 67% of all professional workers are away from their desks or work area more than 20% of their time. In many areas of public service – social workers, nurses, police - the figure is likely to be much higher than 20%.
- Much more can and should be done to exploit existing mobile technologies. Parts of the public sector have been slow to adopt these - often because of past security concerns that can now be addressed and overcome.
- The use of video on mobile phones and other devices is likely to grow rapidly in the next few years, and this will open up more opportunities for using mobile channels.

Design Standards for Online Services

The Strategy recommends rationalisation of the 2500 government websites, with a planned reduction in the total number. This rationalisation programme gives the opportunity to make the design of websites more consistent and more compliant with accepted good practice, such as the guidelines promulgated by Nielsen and by Flanders.

Government has an opportunity to do better than the private sector here. It should be able to apply design standards across the board to a greater extent than is feasible in the commercial world. Take the example of financial transactions. Government should be able to achieve greater design consistency in sign-on, transaction handling and account management than is likely to happen amongst commercial providers of online banking and credit card services. The Government Gateway and Directgov are only part of the answer.

2. Move to a Shared Services Culture

Single-functional v multi-functional

We understand that an unresolved issue for the eGU's Shared Services Team is whether to advocate single-functional or multi-functional Shared Service Centres for the back-office functions of HR and Finance. Similar options arise when looking at sharing front-office functions such as Council Tax, Housing Benefits and other locally-collected payments.

There is an obvious parallel here with the merits of an ERP solution compared with separate applications supporting Finance, HR & Procurement. An ERP approach has the clear benefit of integration, but there are also arguments of speed and simplicity for choosing single-functional sharing, at least initially. Of course, an existing ERP user will be reluctant to join a single-functional shared service centre because it will be seen as a retrograde step. It is difficult enough to persuade organisations to join a shared service operation - with the associated requirement to migrate to its standard systems and processes - without also removing the integration benefits of ERP.

Data sharing

We agree that data sharing is a key element of service transformation and of reducing the administrative burden on citizens and businesses. We welcome the new Ministerial focus. However, we feel that data sharing is a broader issue than just shared services. It enables agencies to work together to:

- Achieve sustainable joint efficiencies
- Improve the services available to citizens and businesses
- Protect these citizens and businesses against fraud, misuse or breaches of privacy
- Address national and local policy outcomes.

To enable data sharing - whether between local authorities, central government departments or within a community across public sector agencies - there is a need to develop trust and accountability between organisations and a common understanding of the meaning of the data. Progress on the other aspects of shared services, particularly information management and developing a common infrastructure, will help to progress data sharing and the wider aspects of multi agency services.

Identity management

The Strategy talks about “an holistic approach to identity management, based on a suite of identity management solutions”. Government should take advantage of recent developments in Federated Identity Management in order to minimise the number of separate sign-ons needed to access a coherent set of public services.

It is also important to avoid implementing a series of point solutions to address different aspects of Identity Management, with the associated risk of incompatibility amongst them. Oracle, for example, now offers a comprehensive integrated set of identity management solutions that cover:

- Single sign-on
- Identity administration
- User provisioning
- Federated identity services
- Virtual directory
- Strong authentication

Vanilla Solutions

A key success factor in moving to a shared service environment is the use of a standard system that is as “vanilla” as possible, ie. has as few customisations as possible. It has now been generally recognised, not least in the Gershon Efficiency Review, that today’s leading application packages can meet Government requirements out-of-the-box, if necessary adapting existing business processes to fit the package’s automated business flows.

DWP is a good example of a Department that has introduced new Oracle applications with a policy of minimal customisation. This has benefits for the Department and is good for Oracle too. The more that Departments adopt this policy, the easier will be any future move towards Shared Services on an Oracle platform.

The e-Government Unit should take a firmer lead in promoting vanilla solutions, working with the Heads of Profession of the relevant business function (Finance, HR and Procurement). The benefits are clear:

- Faster implementation
- Lower cost implementation and subsequent maintenance
- Easier integration with other applications

- Adoption of best-practice business processes

3. Professional Leadership and Governance

We welcome the trend to a more cross-Government approach to IT management, exemplified by

- The CIO Council
- The Service Transformation Board, and
- The Common Infrastructure Board.

We in Oracle can contribute to the work of each of these bodies, based on our experience of implementing many aspects of the Strategy in our private sector customers – and indeed in Oracle itself. We stand ready to provide advice and assistance as and when requested.

On the subject of Supplier Management, we welcome the intention to broaden the pan-Government approach that, for Oracle, is limited at the moment to regular re-negotiation of the OGC MoU, with its attendant emphasis on procurement issues alone. With the CIO Council taking the lead, we look forward to a broader and more business-based dialogue.

Of equal interest to Oracle is the emerging CTO Council. We look forward here to a pan-Government dialogue on issues such as architectures and standards, the opportunity for which has been lacking in recent times.