
Keeping Score in the Public Sector

The performance management and information access reality

Dale Vile and Tony Lock, Freeform Dynamics Ltd, March, 2012

In the current economic climate, public sector organisations are under increasing pressure to improve their performance and demonstrate that they are doing so, while simultaneously providing citizens and businesses with better access to information. We look at how well they are doing with this based on feedback from 118 respondents during a recent online survey.

Key Points

Public sector organisations must often manage the opposing pulls of visibility and security

Many organisations in the public sector handle sensitive information from their stakeholders (citizens and businesses) that must be protected from a privacy and security perspective. At the same time, they also often hold information that is part of the public record and have an obligation to make this available as freely as possible. This creates a number of information management related challenges over and above those experienced in the private sector.

Most are meeting statutory obligations, but it is challenging and getting harder

Problems to do with information fragmentation and inconsistency between systems, aggravated by lack of automation, means producing routine reports for government and regulators is typically costly and time consuming. The escalating need to publish performance metrics more broadly, deeply and frequently, along with an increasing obligation to make information available on demand to regulators, citizens and businesses, is adding to the burden and creating some real challenges.

Significant gaps exist with regard to meeting internal needs and stakeholder expectations

The underlying information disjoints already mentioned also mean that the majority participating in our study do not do a good job in meeting the internal information needs of either management or the broader workforce. Public sector organisations are also finding that keeping up with the information access expectations of politicians, the media and, most importantly, an increasingly tech savvy population of stakeholders, is extremely difficult. Indeed most are failing at the moment.

Initiatives are in place to improve things, but lack of funding is an issue

Many public sector organisations have initiatives in place to improve the way in which information is managed, secured and accessed. These include making better use of electronic channels such as the Web, and in some cases coordinating, collaborating and sharing with similar organisations. However, the imperative to reduce both capital expenditure and operating costs often trumps such efforts, making it hard to secure funding for investment in new capability.

The trick is to make better use of what's already in place, and work more smartly

Significant under-exploitation of the tools and systems already in place is an endemic problem. The reporting and analytics facilities within desktop tools, database management systems and even specialist business intelligence systems are far from fully utilised. However, this represents a great opportunity to improve capability without the need for major spend. Having said this, making the most of what's in place will typically require investment in training and processes.

The study upon which this report is based was designed, interpreted and reported by Freeform Dynamics and executed in collaboration with The Register news site. Feedback was gathered via an online survey of 118 IT and business professionals from the UK, USA, and other geographies. The study was sponsored by Microsoft.



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Introduction

In the current economic climate, public sector organisations are under more pressure than ever to manage their resources and funding effectively and prove that they are delivering the results expected of them. One of the consequences of this is a need to make good use of information assets to both optimise the way they operate and provide necessary feedback to regulatory bodies and stakeholders such as citizens and businesses.

The study reported in this document was designed to look at how well this is taking place, and provide some ideas as to how things might be improved where necessary. To this end, feedback was gathered from 118 respondents during an online survey (see Appendix for more details), with representation from educational establishments, local government, central government, publicly funded healthcare, law enforcement, defence, social services and charities.

Limitations of the study

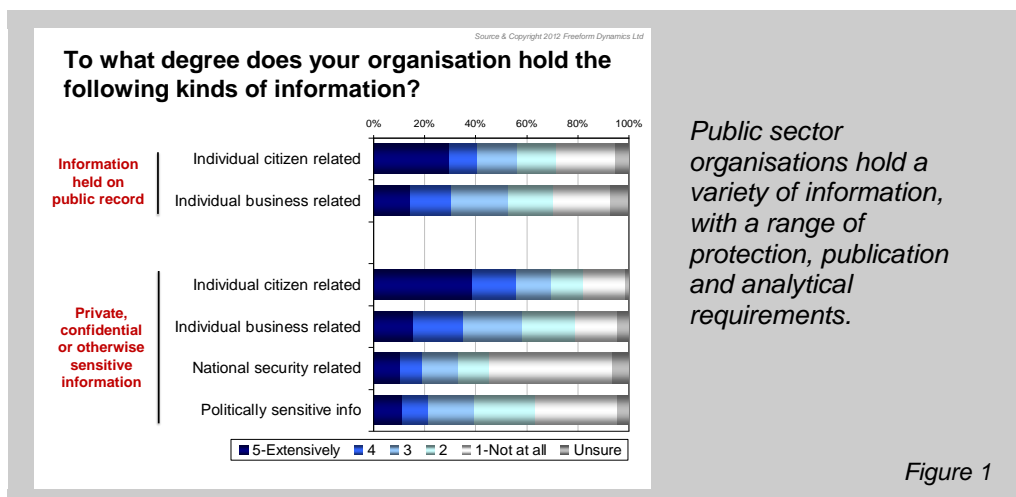
We should say up front that this is not the definitive work on performance management in the public sector. Apart from the modest sample size, most respondents were IT professionals, so we are generally looking at the world here through an ICT lens. We also have a mix of respondents from the UK, USA and other geographies, so what we are providing is a generic view of activity within publicly funded and accountable entities.

Lastly, the survey was billed as covering the area of 'performance management' and respondents were self-selecting, creating a bias towards those with an interest in the subject matter. For this reason, we are probably picking up fairly optimistic views, so it's important not to take percentages quoted as an absolute representation of the public sector universe as a whole.

The results of the study are nevertheless interesting and thought provoking for anyone working in a public sector environment or doing business with the public sector.

The current state of play

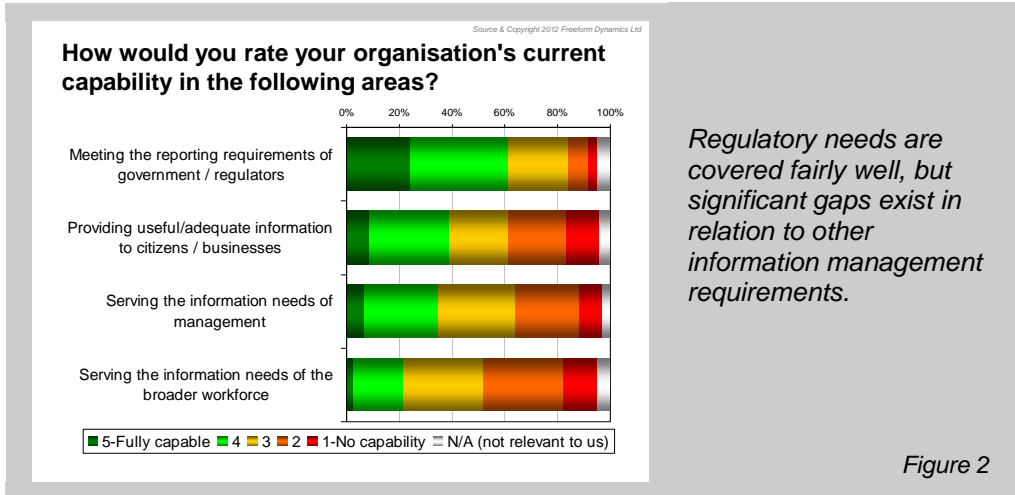
To begin with, it is worth understanding the general context with regard to information, as those in the public sector have a couple of diametrically opposed forces working upon them. On the one hand, they often hold sensitive data which needs to be tightly controlled and protected from inappropriate access. On the other, they manage information that is a matter of public record, and this needs to be made as accessible as possible to regulators and stakeholders (Figure 1).



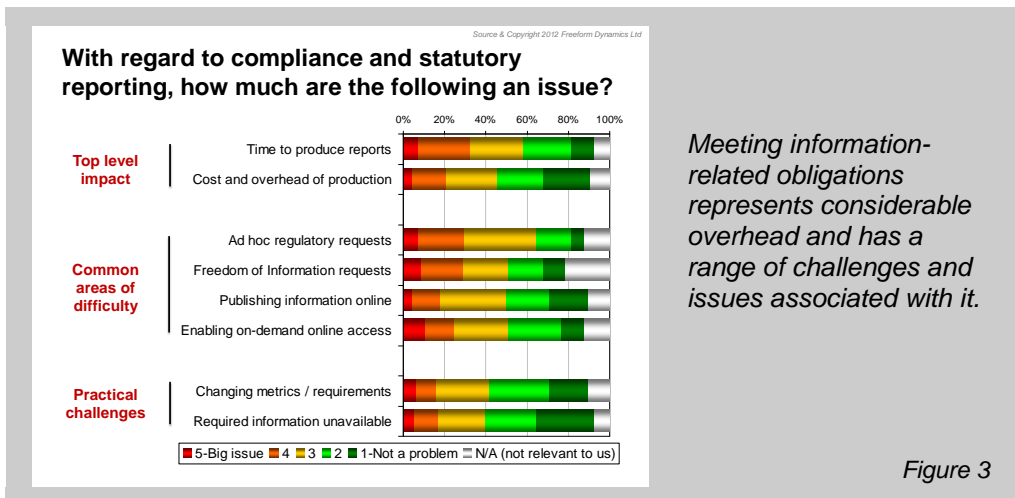
But all data has value, the recognition of which is growing as organisations in the public sector come under an increasing swathe of pressures to exploit it more effectively. With so much data to

look after and analyse, it is telling to look at how organisations rate their information management capabilities.

While mandated requirements are generally managed reasonably well, many public sector organisations are struggling with reporting to stakeholders and fulfilling the internal needs of the organisation from a performance management perspective (Figure 2).

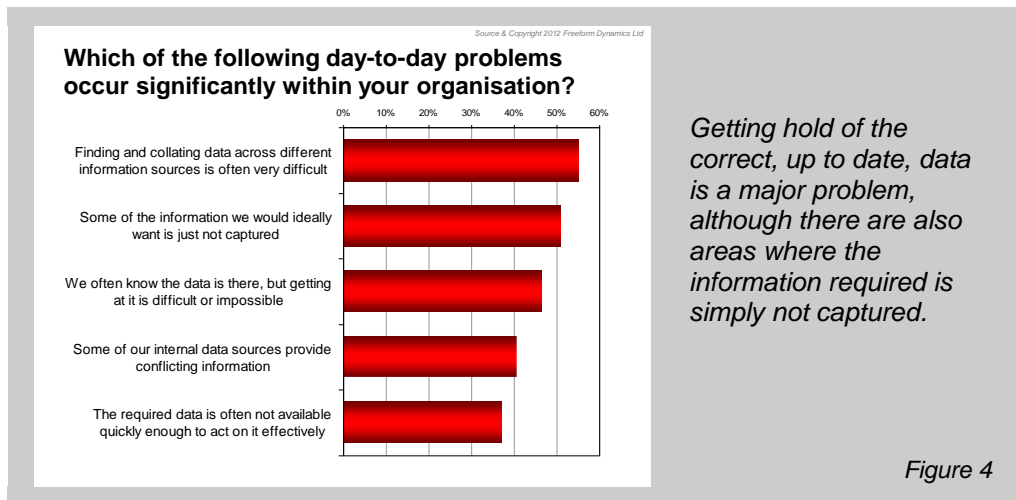


It's also clear that meeting information-related obligations represents considerable overhead and has a range of challenges and issues associated with it (Figure 3).



We are starting to see a glimpse here of some of the issues associated with making information available to external interested parties, which increasingly includes an element of 'on demand' information provision in addition to routine reporting.

Drilling into some of the underlying causes of the issues expressed by respondents in the study, it's sometimes a case of the required information just not being captured. More commonly, however, it's problems to do with finding and collating information from fragmented and often inconsistent data sources that is the issue, which takes time to work through, and thus introduces significant overhead and delay (Figure 4).

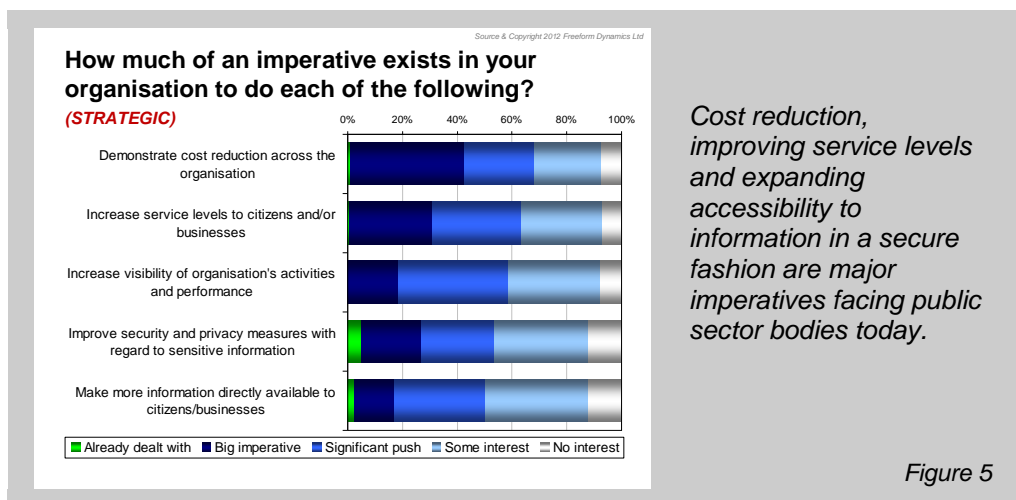


While this snapshot of the current situation reveals challenges enough, we also took the opportunity during the study to examine some of the dynamics playing out in the public sector that could create additional pressure.

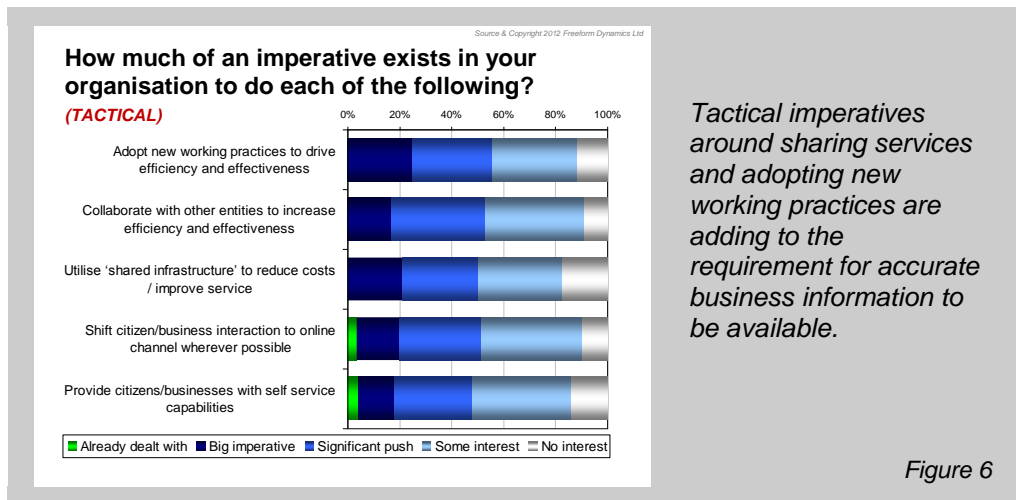
Dynamics and imperatives

It is clear that organisations operating in the public sector are already facing difficulties meeting the existing needs of users and external stakeholders in relation to business information and reporting. But it's not a case of just having to deal with the current set of challenges. A number of aggravating economic and political trends are creating additional pressures, most of which are outside the organisation's direct ability to control.

In response to these pressures, many public sector organisations have a range of strategic imperatives in place to address escalating requirements and expectations (Figure 5).



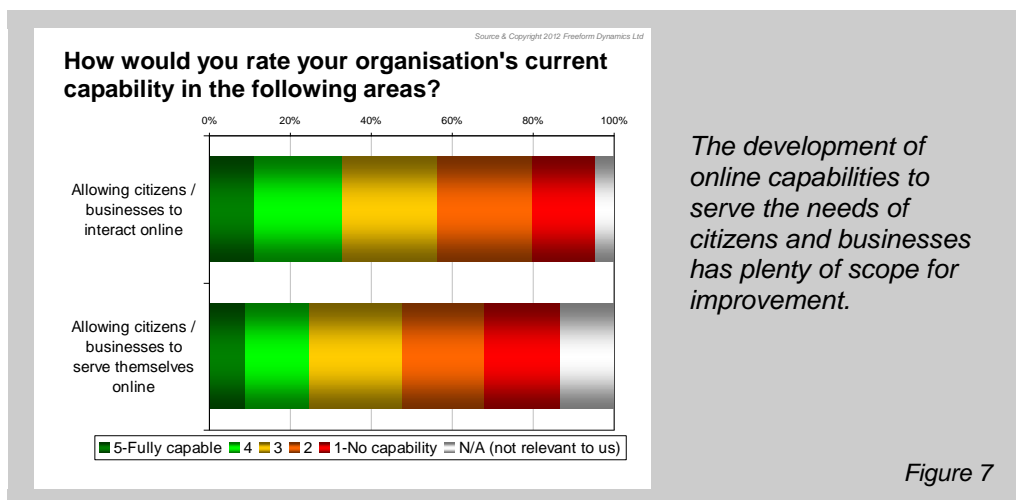
In order to deal with these more 'strategic' imperatives, we see organisations employing a range of tactical initiatives designed to improve their operational effectiveness and drive efficiencies. Some of these are clearly dependent on the effective management, analysis and secure delivery of information in a timely fashion (Figure 6).



The emphasis on collaboration and new working practices reflects a general drive towards more joined up and flexible operations and services, and the focus on online interaction and self-service is understandable from both an efficiency and stakeholder access perspective. A clear acknowledgement of the potential role of shared services is then interesting in the context of some of the broader trends being observed around hosting and various forms of cloud computing.

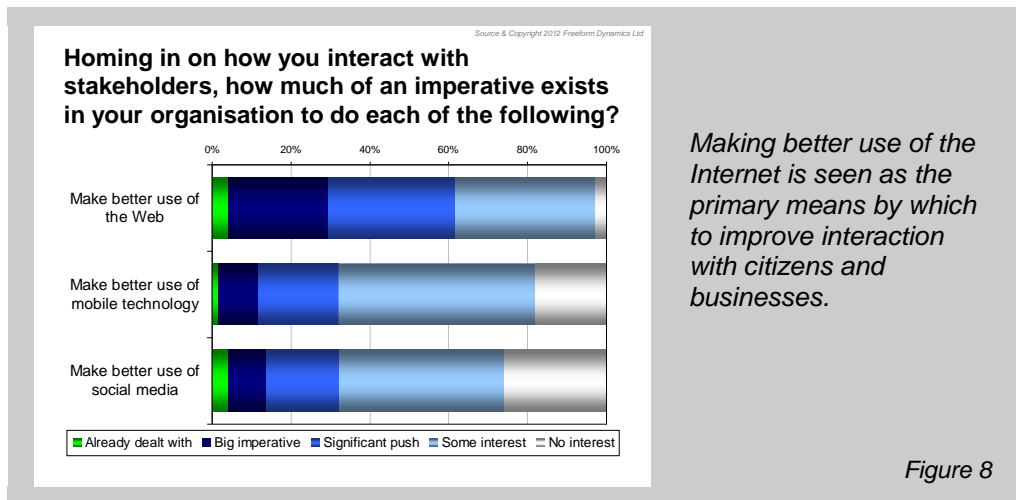
Focus on stakeholders

Picking up on the question of serving the needs of stakeholders (citizens and businesses), the research indicates that significant capability gaps frequently exist with regard to online interaction and self-service (Figure 7).



Addressing these gaps will lead to efficiency gains as online interactions are generally cheaper to execute (on a transaction-by-transaction or request-by-request basis) than dealing with people face to face, over the telephone or via written (paper based) correspondence.

Enabling more efficient and effective online interaction will clearly also help to address the needs and expectations of stakeholders that today are generally a lot more 'tech savvy', with use of the Web, mobile devices and social networks increasingly becoming an integral part of their daily lives. It is therefore not surprising to find initiatives in all three of these areas taking place in the public sector, though at the present time the emphasis is firmly on Web access (Figure 8).



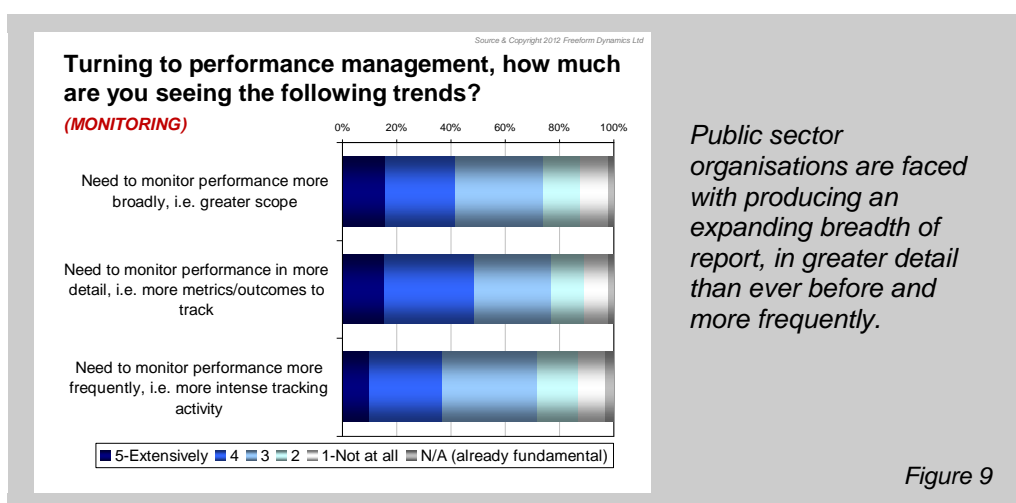
While the number of public sector organisations focusing on mobile technology and social media is relatively limited, early adopters have already provided proof that using such channels can be valuable. So far, we have seen a range of applications - from emergency services publishing stats and alerts on Twitter, to local authorities allowing citizens to capture and submit photos of fly-tipping and graffiti via smart phones. In the meantime, however, the focus on getting basic Web based access in place as a priority is understandable.

Performance management

Bearing in mind everything we have discussed so far, it is clear that a major requirement exists for effective performance management, by which we mean the processes and systems needed to monitor key metrics as a foundation for results-driven management.

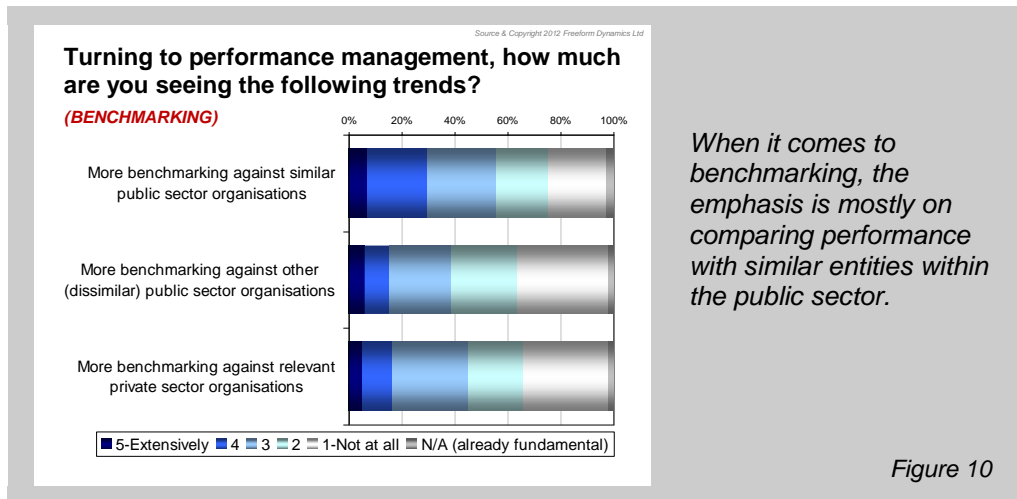
Beyond the need to manage effectively, better performance monitoring and reporting is also increasingly being driven by a requirement to create more visibility for stakeholders and regulators. And it's here that public sector organisations in particular have their work cut out.

Unlike companies in the private sector that are accountable to shareholders with similar needs and expectations (usually revolving around the profit motive), those in the public sector are accountable to groups of politicians, stakeholders and the media that have widely varying and often directly conflicting interests and agendas. And as politicians push through policy changes against the backdrop of a difficult economic climate, the pressure increases and the need for broader, deeper and more frequent performance monitoring becomes even more acute (Figure 9).



Closely related to performance management is the concept of benchmarking, and this is particularly topical in the public sector as politicians and the media are quick to compare the performance of similar (and even sometimes dissimilar) entities.

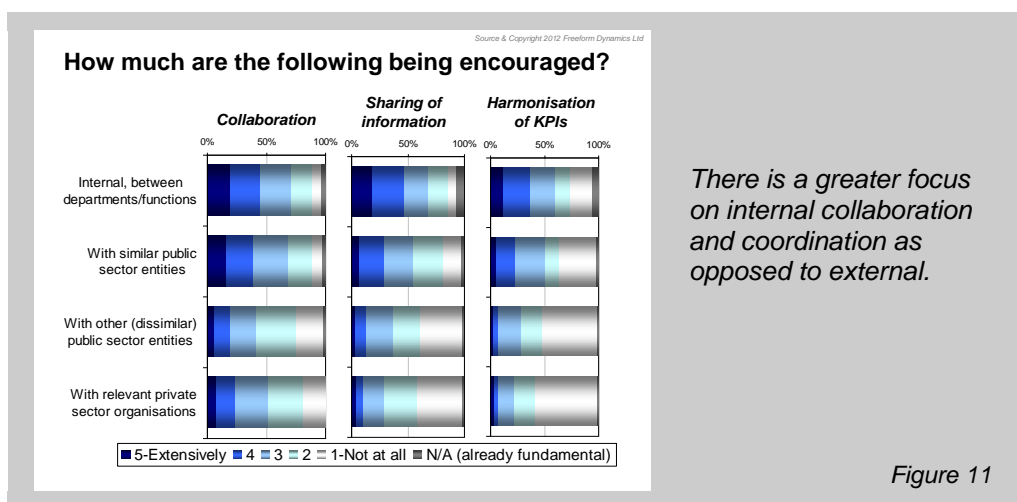
This can reflect a genuine need to propagate best practices, or a noble (if not sometimes politically motivated) desire to provide citizens with objective information on the relative performance of schools, hospitals and so on. At the other extreme, it can also, unfortunately, be about political points-scoring or sensationalist news reporting. Either way, benchmarking in the public sector has become a hot topic, and a significant number of respondents in our study acknowledged this trend, particularly with regard to comparisons between similar entities (Figure 10).



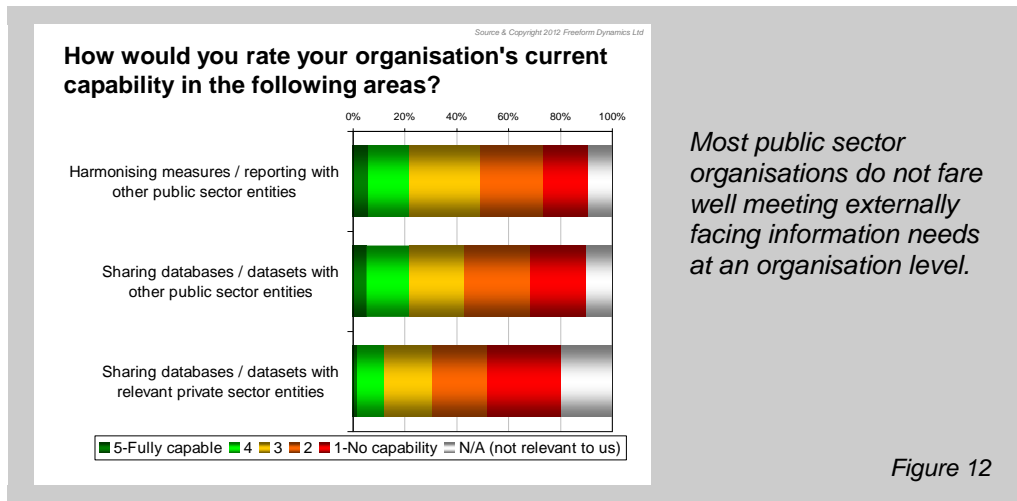
But comparisons are only useful if they are acted upon, which leads us to the question of how information, activities and measures are coordinated across organisational boundaries.

Joining the dots

Looking more closely at the activities that cross organisational boundaries, indications are that most attention today is focussed on internal collaboration and information sharing between departments. For many, it's a case of getting things working together well internally before moving on to consider what could be achieved by collaborating and/or sharing with external organisations (Figure 11).



The relative lack of focus on external coordination is reflected in current capability, though it is interesting to note that only a small minority considers inter-organisation sharing and harmonisation not to be relevant (Figure 12).

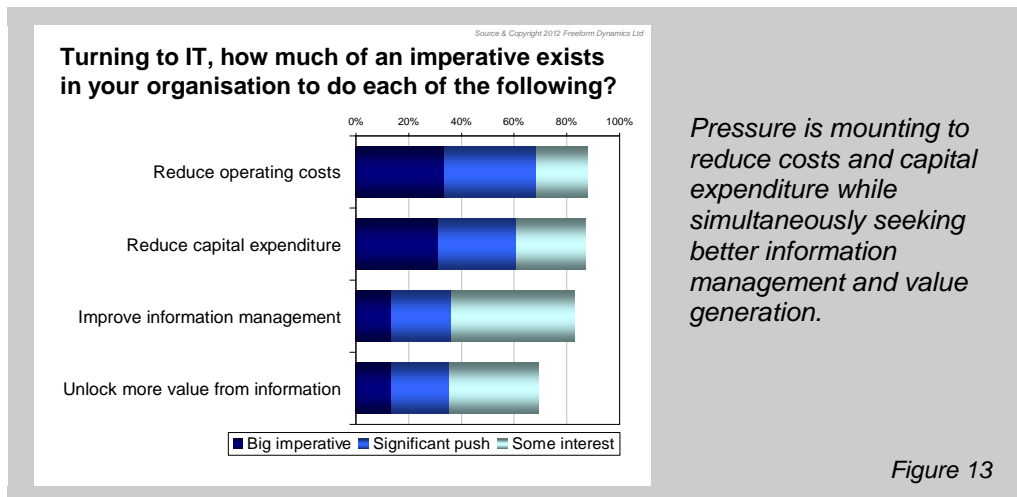


With such capability gaps, along with the other issues and constraints previously highlighted, this brings us to the question of how improvements are being (or can be) achieved.

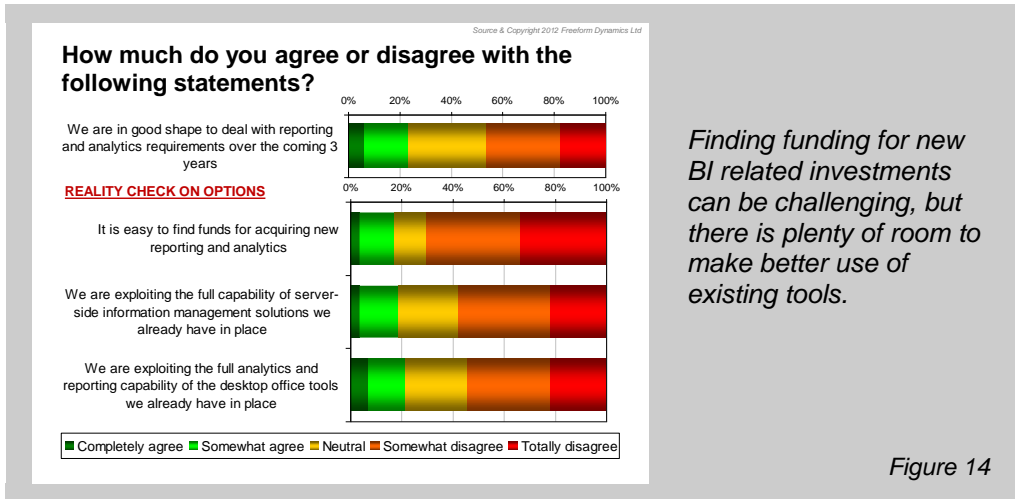
Driving improvements

While the research indicates escalating pressure to improve analysis, reporting and collaboration capability, and generally provide more stakeholder visibility, there are some harsh realities that need to be considered by those looking to drive improvement.

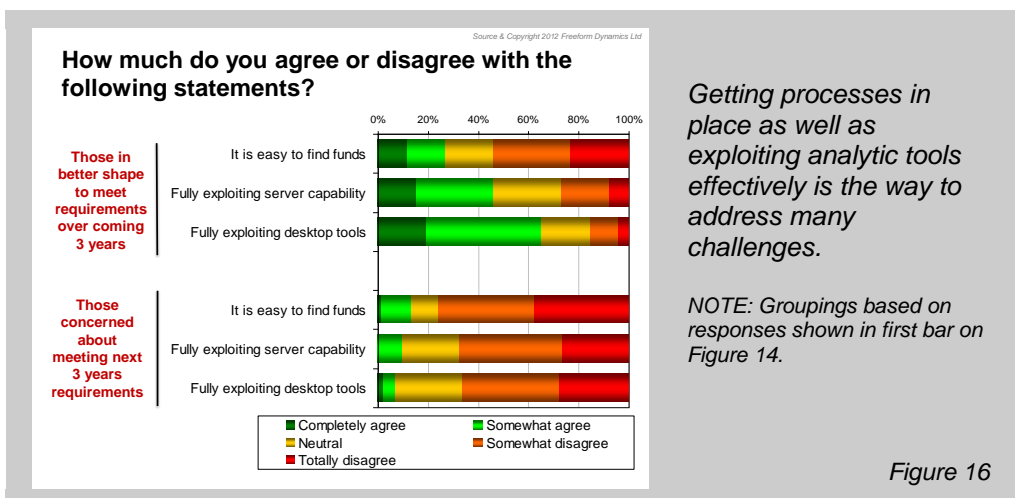
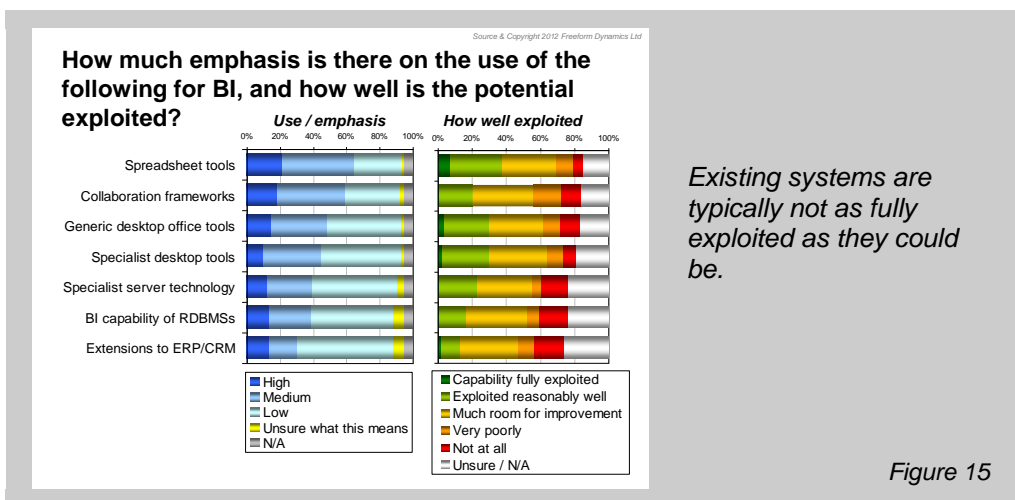
Despite all of the information related gaps and issues we have been discussing, addressing them is often overshadowed by the need to reduce costs (Figure 13).



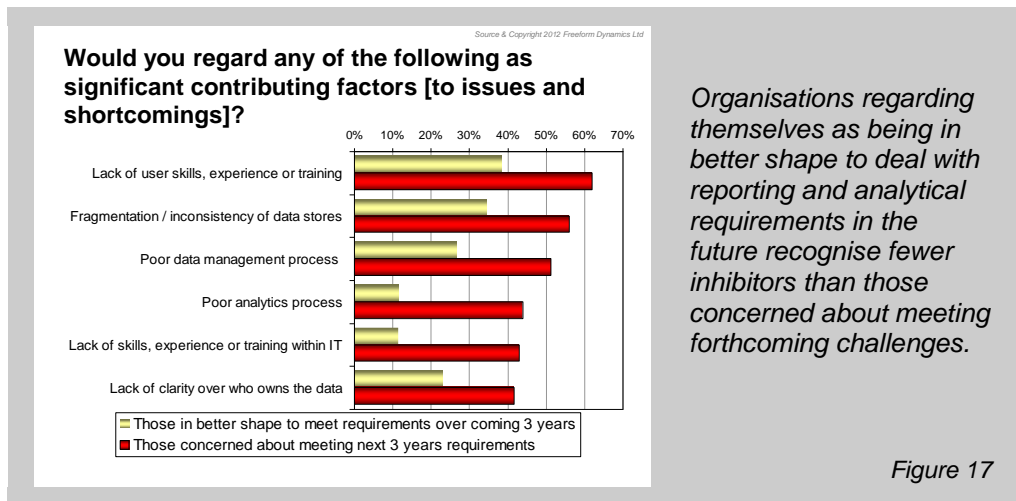
Given this set of relative priorities, throwing money at the information and analytics problem is unlikely to be an option, at least to any significant degree. Indeed this is confirmed by the research, as is the concern that most organisations do not see themselves being well geared up for the future in terms of current capability (Figure 14).



We can also see from this chart, however, that here is an upside. Many organisations are not exploiting the technology they already have in place particularly well. There is therefore obvious scope to close many capability gaps without the requirement for significant levels of capital investment. This can be achieved, at least in part, by making better use of existing tools and systems (Figure 15), which in turn puts organisations on a firmer footing for the future (Figure 16).



Beyond technology, the research also highlights some of the other things that make a difference. Again, when we group respondents based on their confidence to meet reporting and analytical requirements in the future, it can be seen that that it's not just about systems and tools, but how you use them (Figure 17).



The lesson from all this is that improving information reporting and analysis capabilities is not simply a matter of spending money on new systems. While it might make sense to upgrade or extend systems in some areas, achieving results in the current economic climate is often going to be more about smarter working using the right skills and processes while exploiting the technologies already in place.

Discussion and conclusion

Organisations operating in the public sector today are faced with an increasing raft of challenges while simultaneously being asked to expand the services they deliver to stakeholders. Many of the challenges they face involve providing reports to a wide range of parties utilising information held in a broad variety of systems, few of which are linked to make the transfer and access of data as straightforward as it needs to be. And that is before security related issues are considered.

Against this backdrop, the study reported here reveals plenty of scope in many organisations to better utilise the information management and reporting tools they already have in place. However, while making better use of existing tools may reduce the need for additional capital expenditure, it is important to realise that achieving results is likely to be dependent on investment in other areas such as training and best practice implementation. Breaking down traditional organisational boundaries and getting past historical lines of demarcation will also be required in many cases.

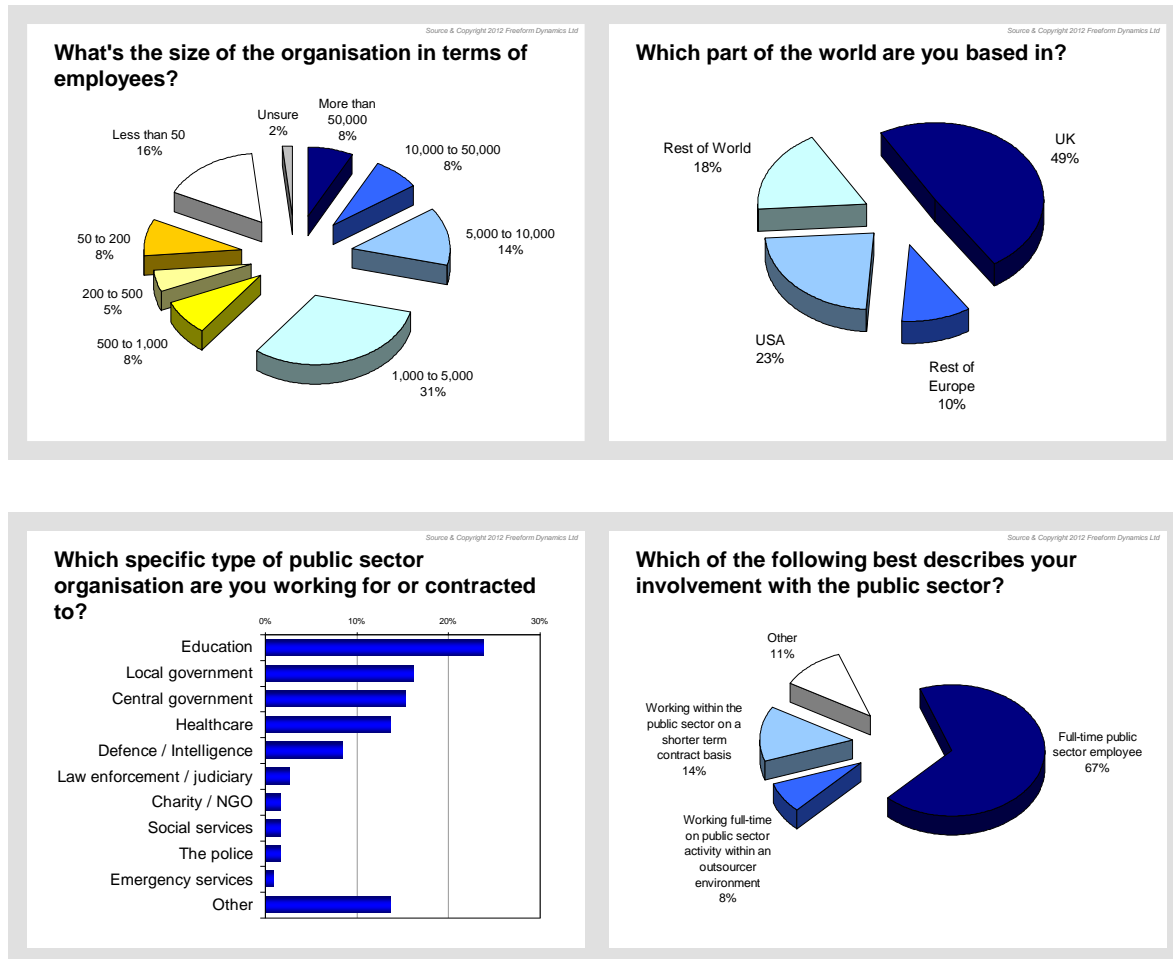
The good news is that many organisations realise they could better collaborate inside the organisation to deliver services and information in a more effective, efficient and timely manner, even if few have yet advanced far down this path. It is also becoming clear that there is potential to collaborate with external agencies to the benefit of stakeholders, as well as making good use of shared services where it makes sense.

The bottom line is that with increased pressure and limited funding, the overriding requirement is to work, communicate and transact smartly, while fully leveraging past investments. This might sound obvious, but based on this study, it is probably worthwhile reminding ourselves of this principle.

Appendix: Study sample

Feedback was gathered via an online questionnaire published on The Register news and information site (www.theregister.com). The 118 respondents were predominantly IT professionals and managers with some representation from those in non-IT management and professional positions. The respondents represent a good cross section of job functions in the public sector.

The sample distribution was as follows:



A note on methodology

The web survey approach used in this study is subject to the 'self-selection' principle, which basically means that people with a greater knowledge of or interest in the topic are more likely to have responded.

Such self-selection does not undermine the analysis we have presented here as we have focused on the relative emphasis of different perceptions and types of activity. It does, however, mean that it would be inappropriate to regard any of the statistics we have used as a representation of the absolute level of need or activity across the public sector community as a whole.

The study was completed in January 2012, and we would like to take this opportunity to thank all of those who took the time to participate. Your help is very much appreciated.

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As part of this, we use an innovative research methodology to gather feedback directly from those involved in IT strategy, planning, procurement and implementation. Our output is therefore grounded in real-world practicality for use by mainstream IT professionals.

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