

# e-Procurement Project Development

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# Agenda

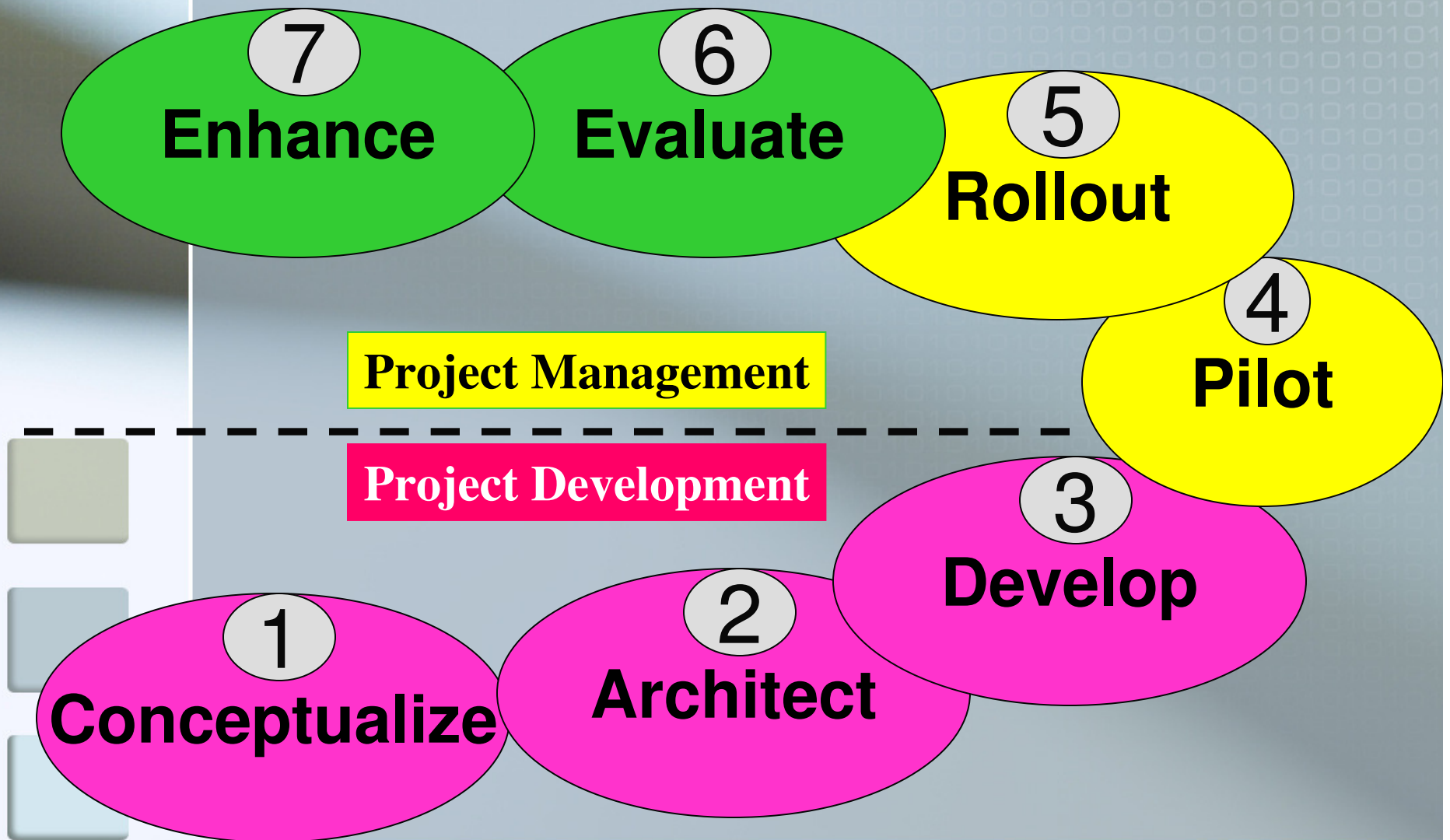
- Implementation Dynamics
- e-GP Project Development
- Process Reforms for e-GP
- Business Models
- SLAs

# Success & Failure Rate

- 35 % of eGov projects are failures
  - Initiatives not implemented
  - Initiatives abandoned in progress
- 50% of eGov projects are failures
  - Main stated goals not achieved
  - Initial success but failure after an year
  - Success for one group but failure for others
- 15% of eGov projects are successes
  - All stakeholders benefited
  - No adverse results

**Most Failures are  
rooted in  
improper  
Project Development  
&  
Project Management**

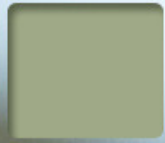
# 7 Steps in Implementation





# Complexities in Procuring e-GP Solution

- e-Govt is not an off-the-shelf commodity
- Complexity of the scope of e-GP requirements
  - Combination of several techno-commercial-managerial-legal requirements
- Possibility of wide range of solutions
- Requirement to adopt conventional procedures to achieve unconventional outcomes
- Fast-changing technologies
- Lack of in-house expertise
  - To structure the project
  - To design the RFP
  - To evaluate the bids



# Anatomy of RFP

*... the 3 volume approach*

# Volume I – Functional & Technical Specs

- Vision, Mission, Objectives, Outcomes
- National/ International Best Practices
- Service Definition
- Functional Architecture
- Technology Architecture
  - Including Security Management Requirements
- Process Architecture
  - Outcome of GPR
- People Architecture

# Vol II- Commercial & Bid Specifications

- Prequalification Criteria
- Technical Bid Formats
- Commercial Bid Formats
- Evaluation Criteria
- Bidding Terms & Conditions



# Vol III – Legal Specs & SLA

- Roles & Responsibilities of parties
- Scope of Work of Partner
- Service Level Agreement
- Consequences of Breach
- Terms of Payment
- Governance Structure
- Exit Management



# Process Reform & GPR

# A Definition of GPR

GPR is the

**Fundamental** rethinking and  
**Radical** redesign of

Government Processes

to achieve **Dramatic** improvements in  
critical measures of **performance**

.. such as Cost, Quality, Service and Speed.

# Problem statement...

- All processes are simple & efficient when originally designed
  - User-friendly
  - Deploying contemporary tools & techniques
- Processes become complex & inefficient with passage of time
  - with addition of sub-processes to handle exceptions
  - with changes in environment
  - with increase in customer expectations
  - with increase in volumes

We need to  
**Reinvent**  
the  
processes



# 5 Symptoms of Poor Processes

1. Extensive information exchange, data redundancy and re-keying
2. Huge inventory, buffers and other assets
3. Too many Controls and Checks
4. Rework, Iteration & Duplication of work
5. Complexity, Exceptions & Special cases

# Root Causes of Poor Service Delivery



**BPR is an important part of the Solution**

# A 4-Pronged Approach to Transformation

## Transforming Process

- Eliminate
- Simplify
- Automate
- Base on Trust
- Integrate
- Join Up
- Legislate

## Using Technology

- Enterprise Architecture
- Standards
- Unified Databases
- Unified Networks
- SOA
- Portals



## Transformation

## Transforming Channels

- Multiple Channels
- 24x7
- Access
- Common Service Centres
- Mobile
- Self-Service
- Licensed Intermediaries

## Transforming People

- Training
- Change Management
- CRM skills
- Consultation
- Empowerment
- Education
- Awareness

# Some useful approaches to GPR

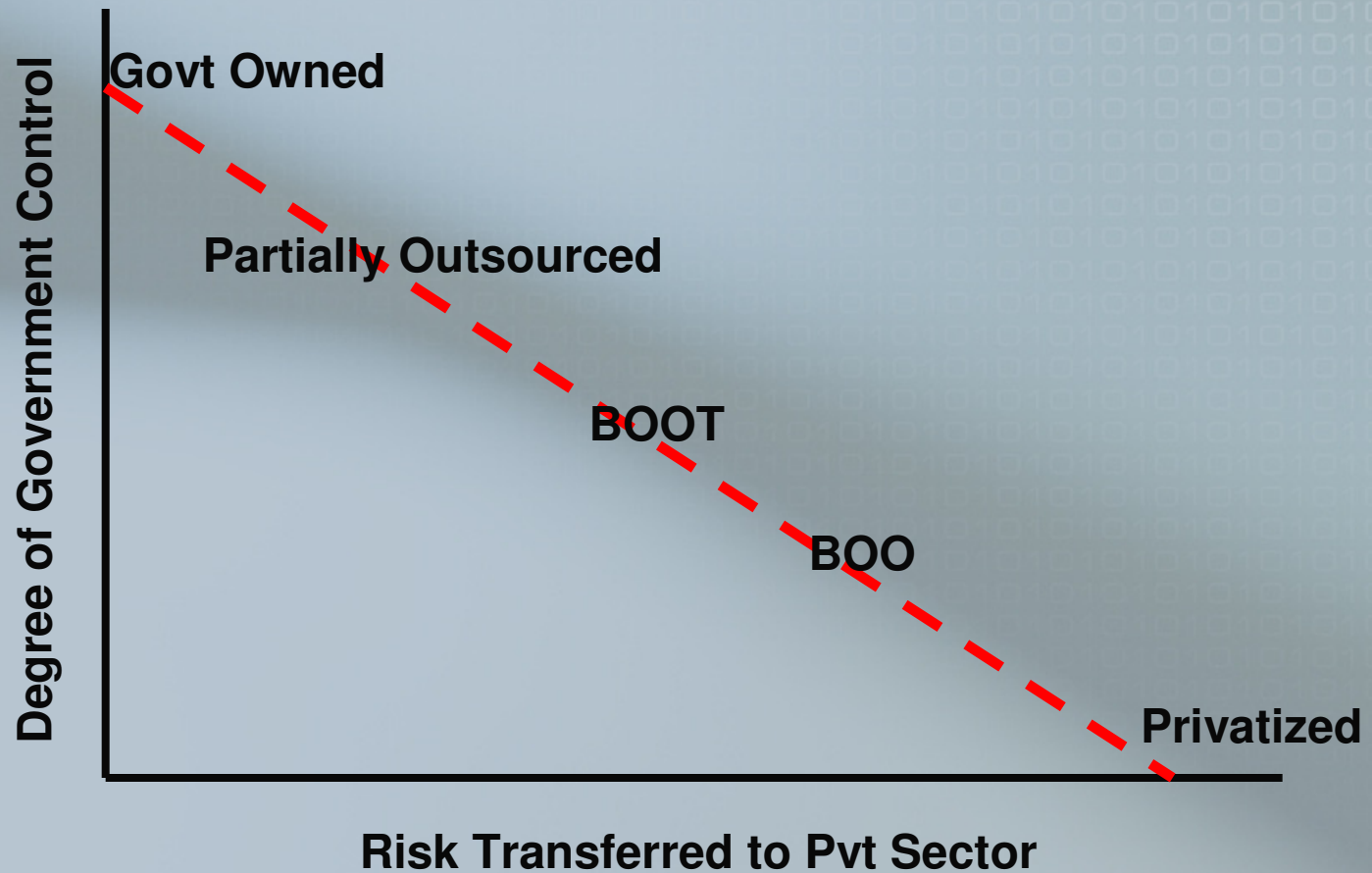
1. Identify & Eliminate unnecessary steps
  - Non-value-adds (NVA)
  - Redesign the Forms to be simple
2. Borrow the Best Process
  - International Best Practice Survey
3. Integrate Processes from citizen's point of view
  - Think of Government as ONE – not as 42 agencies
4. Design new process on the basis of Trust
  - Make Inspections & Audit on the basis of Risk Assessment and NOT universal
  - Replace Certifications with Self-Declarations
5. Prioritize the Processes for Re-engineering
  - Adopt a Framework for Prioritization



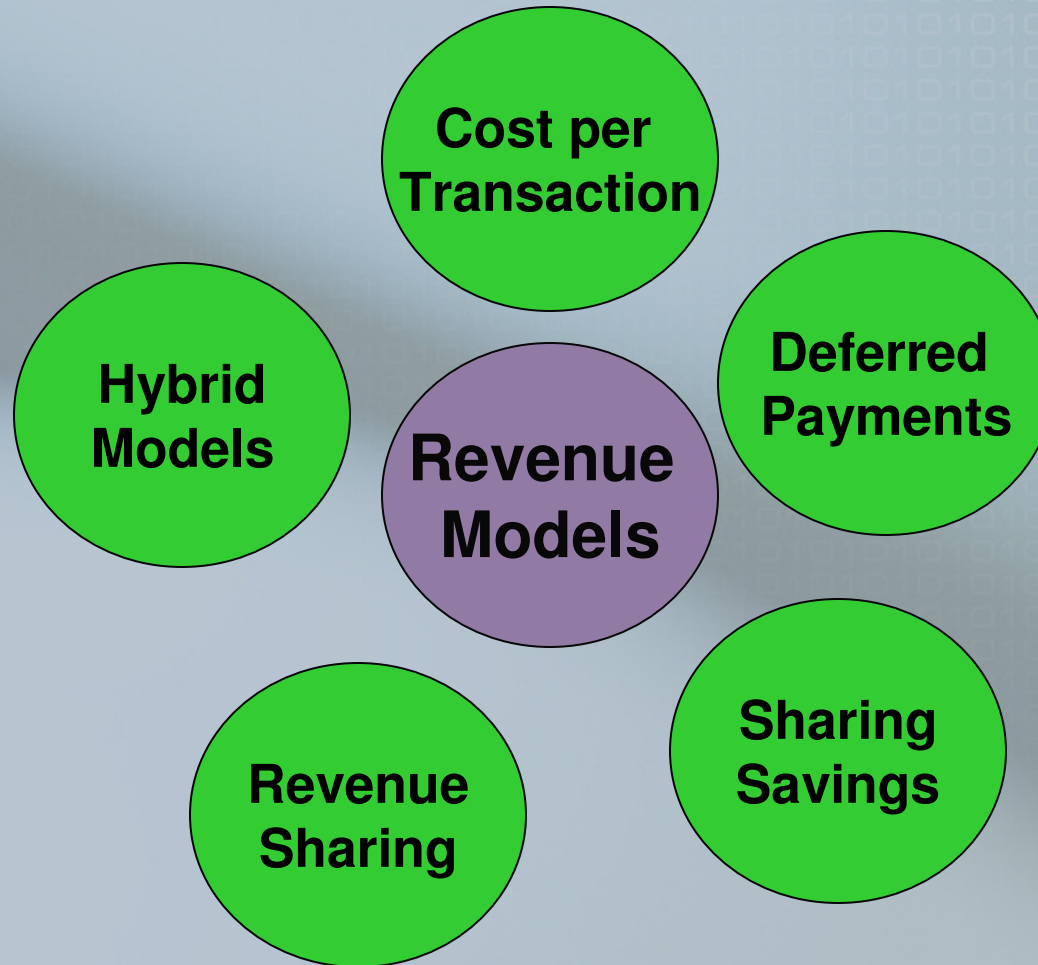


# Business Models

# Transferring Risk Thru Business Models



# How do pvt partners get paid?



# Illustrative Business Model for e-GP

- Strategic Control & Ownership retained with Govt.
- Design, Development & Operations are given to Pvt Partner
- Govt can invest in core infrastructure
- Partner invests in the rest
- Partner compensated on a per-transaction basis.
- Performance of e-GP managed thru SLA.



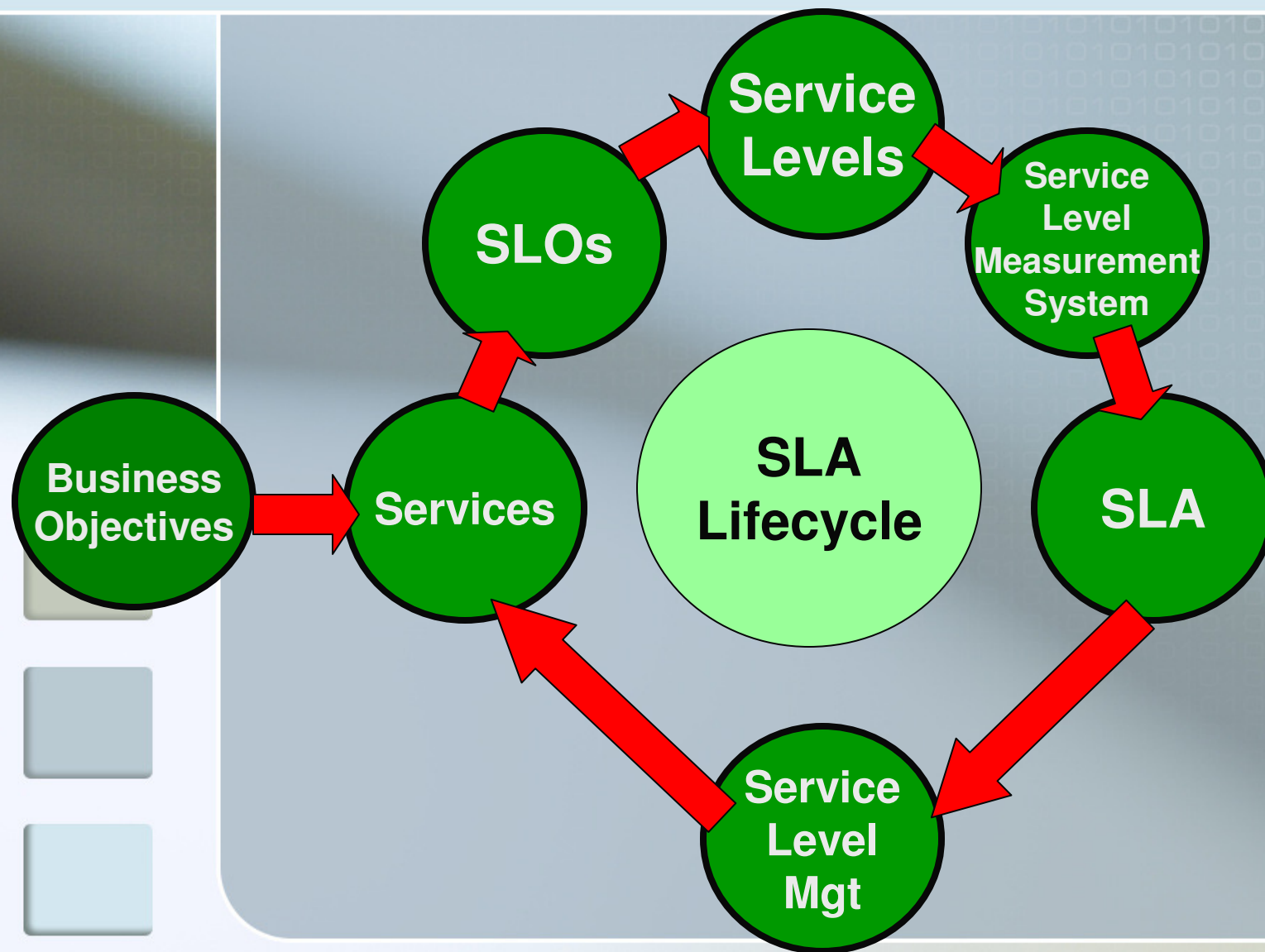


# About SLAs

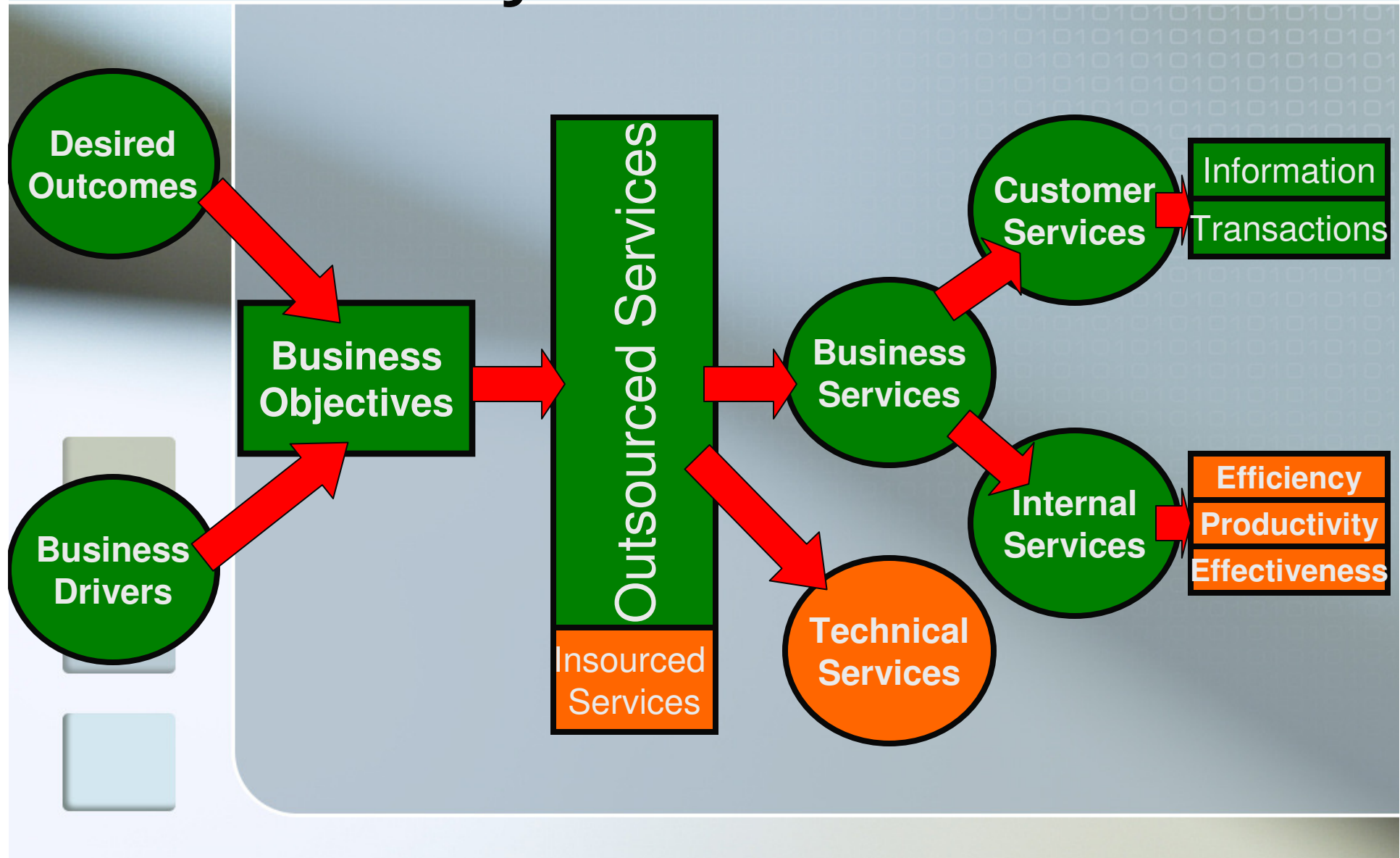
# SLA for e-Government projects

- Justification for SLA
  - Govt is buying *services*
  - not **hardware, software & networks**
- Captures the Roles & Responsibilities
- Specifies quantity & quality of services
- Payments linked to performance
- Contains rewards & penalties
- Drives the partners to better performance

# SLA Lifecycle



# Converting Business Objectives to services





# Tasks for the Workgroups

1. Group I ( Conceptualization)
  1. Define a Vision for e-GP
  2. Design a Set of Services for e-GP
  3. Define Service Levels
  4. Design a Delivery Strategy
  5. Design a Business Model for e-GP in HP
2. Group II ( Process Reform)
  1. Identify 10 bottlenecks/ pain points in the current procurement process
  2. Suggest 5 methods of improving the situation
3. Group III ( Capacity Building & Change Mgt)
  1. Identify Capacity Requirements at Policy, Managerial & Operational levels
  2. Suggest the appropriate programs for Change Mgt
4. Group IV (Technology)
  1. Identify 5 areas of technology that can pose challenges to e-GP
  2. Suggest innovative approaches to Technology Management



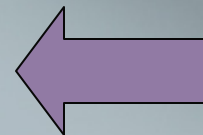


Thank You

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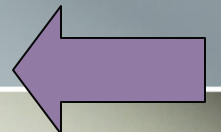
# 1. Conceptualization

- Develop a Vision
  - e.g 'Establish a pan-Government e-GP system to enhance Efficiency & Transparency...
- Define a Mission
  - A Slogan that motivates
- Spell-out Objectives
  - Benefits to ALL Stakeholders
  - Stakeholder consultation
- Define Services
  - Attempt Transformation
- Lay down Specific Outcomes
  - Measurable Parameters



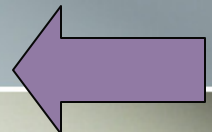
## 2. Architecture

- Meets the Objectives
- Is Sustainable
- Scales to handle future demand
- Accommodates future developments



## 2. Architecture (contd)

- Process Architecture
  - Government Process Reengineering
- Technology Architecture
  - Consultative Approach – e.g eBiz Architecture
- People Architecture
  - Policy Level, e-Gov Champions, CIOs, CTOs  
Operational Level
- Resource Architecture
  - Business Model, Viability, Sustainability, PPP, User Charges, SLA

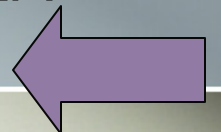




# 3. Development

- Functional Requirements Specification
- System Requirements Specification
- Coding
- Testing
- Deployment
  - Documentation, Version Management, ALM

Spend Quality Time here





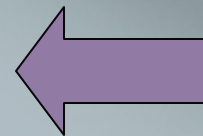
# 4. Pilot

- Why Pilot?

- A More thorough debugging
- A more innovative product
- Early course correction OR 'Go-No-GO' decision
- A more reliable Business Model

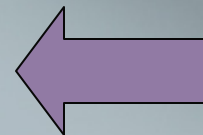
- Scope of the Pilot

- Functionality
- Geographical Coverage



# 5. Rollout

- Phasing
  - Functionality
  - Geography
- Resource Planning
  - Financial
  - Managerial
  - People
  - PPP
- Stakeholder Consultation
- Project Management



# 6. Evaluate

- Service-Orientation

- Efficiency
- User-Convenience
- Citizen-Centricity

- Technology

- Architecture & Standards
- Security
- Scalability
- Reliability

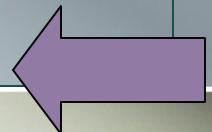
- Sustainability

- Organizational
- Commercial
- Legal

- Cost-effectiveness

- Replicability

- Functional
- Technological
- Commercial



# Legislative Intent

- Old and Antiquated Laws
  - Registration Act 1905
  - Stamp Act 1899
  - Survey & Boundaries Act 1923
  - Revenue Code 18xx
- Basis of legal system is Mistrust, not Service
- Acts are department-centric, not citizen-centric
- Rules are complex and tedious
  - 10,000 rules, 1 lakh forms!
- Rulers are not accountable



# Process Problems

- Controls instead of facilitation
- Asking for too much information
  - by every agency, on every occasion
- Burden of proof thrown on Citizen
  - Attachments, Annexures, Attestations
- Too many areas of discretion
- Complexity of rules & regulations
  - Anything to do with money is more complex
- Heavy reliance on manual systems
- No concept of Quality Assurance





# Delivery Channel Problems

- Jurisdiction
  - too many 'narrow domestic walls' !
  - too many 'single windows'
- Restricted timings
- Disparate and sub-optimal delivery networks
- No choice of delivery channels
- Process & Delivery Channel often combined
  - resulting in delay, malpractice



# Delivery Problems

- Mindset & attitudinal problems
- Delivery Agents unsuitable
  - Unqualified
  - Untrained
  - Unequipped
- Lack of empowerment of front-end people
- Lack of dedicated delivery teams
  - Delivery is handled on a part-time basis
- Lack of service levels, measurement systems

