

Key Success Factors for Electronic Inter-organisational Co-operation between Government Agencies

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Abstract. Electronic Government has proven a watershed in the domain of Public Administration, despite being difficult to pin down precisely. Indeed, the Government-to-Government arena is one of the least studied aspects of this newly established field of knowledge, despite its importance in fostering co-operation and collaboration between government agencies, mainly with respect to the management of their knowledge, in order to increase the effectiveness of Public Administration. This paper aims to present the key success factors needed to implement government-to-government endeavours effectively. The research design used in this article was largely drawn from a Government-to-Government case study successfully implemented in Brazil.

1 Introduction

The main scope of this article is to present some key success factors for building Government-to-Government (G2G) enterprises successfully. It also aims to show how public agencies themselves can benefit when they are electronically linked to others, thereby innovating and streamlining their working processes, in order to achieve greater agility and efficacy at reduced cost.

In order to pinpoint the key G2G success factors, a specific successful case study was examined, namely one involving the Brazilian Central Bank (BCB) and the Brazilian Justice Department (BJD). In-depth analysis of this case enables us to appreciate the barriers surrounding G2G enterprises as well as the associated causes involved and possible solutions thereto.

The BacenJud system developed by the Brazilian Central Bank was analysed in a more detailed manner. This paper shows how this G2G project made it possible for both the Brazilian Central Bank and the Brazilian Justice Department to achieve greater agility and effectiveness regarding the processing of legal demands made by the Brazilian Justice Department, thereby handing down its sentences at reduced cost. Furthermore, this study studied the factors that had a clear nationwide impact on the success of this endeavour in the realm of the Justice Department.

Therefore, this paper intends to answer the following research questions:

- From the case study analysed, what are the key success factors in the implementation of Government-to-Government processes between public agencies in Brazil?
- How did the G2G project impact the efficiency of the former interaction between the Brazilian Central Bank and the Brazilian Department of Justice?

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2 Case Study

The Brazilian Federal Constitution grants very few institutions right of access to the bank accounts of both citizens and companies or, indeed, the power to freeze financial assets of either. One such institution is the Justice Department, which intervenes by means of judicial orders handed down by the judges of several courts nation-wide.

As required, a judge can either freeze or liberate the bank accounts of both citizens and businesses and even declare the bankruptcy of a company. Judges are further empowered to suspend a decreed bankruptcy or request financial information about organisations and citizens under scrutiny.

When it issues orders relating to information about the financial assets of either citizens or institutions, the Justice Department sends them directly to the Central Bank, which then forwards the orders to the specific recipients, namely either an institution or the Brazilian Financial System. It is almost impossible for the Justice Department to know precisely where the request should be sent.

As there was already a computerised system in the Central Bank linking it to the Brazilian Financial System, it was relatively easy to meet the Justice Department's requests. However, the increasing demand for this kind of information made by the Justice Department obliged the Central Bank to involve several employees on a full-time basis and expend considerable financial resources just to deal with this requirement. Over the years, the number of claims has increased dramatically. In the meantime, the Central Bank's Legal Department issued an opinion alleging that the Central Bank had no constitutional duty to assist the Justice Department with these specific demands. However, in order not to jeopardise its relationship with the Justice Department, the Central Bank decided to rethink its *modus operandi*, in order to continue giving assistance to the Justice Department. Consequently, the Central Bank acknowledged the need to redesign this working process, by streamlining it and achieving greater efficiency and responsiveness at reduced cost. At a time when the Federal Government has reduced the public spending budget and society is demanding greater efficiency, efficacy and accountability from the public agencies, it was of paramount importance to achieve this.

2.1 An Innovative Process

By 1999, the Central Bank realised it was no longer feasible to process this operation manually, i.e., receiving claims on paper and feeding them into the communication systems linked to the National Financial System. In 2000, the Central Bank received 300 claims per day, totalling 71,775 claims in that year. A team of 23 people working full-time on this task was unable to meet the Justice Department's demands in time, thereby causing problems in terms of efficacy. The Bank was spending approximately US\$1 million/yr. to process these requests, including wages, equipment and so forth.

The Bank soon realised that there was a pressing need to develop an information system where the Justice Department itself could formulate its requests that could then be forwarded directly by the Central Bank to the financial institutions.

The Bank looked into the possibility of a revised information flow, seeking to take advantage of the deployment of the existing Internet access in most Brazilian courts. A web-based system was developed in order to centralise the interaction of the judges

with the Bank so that they could file their requests directly. A web-based system was selected such that the judges would not have to install any specific software on their desktops, thereby reducing costs involved in the process.

2.2 Process Architecture

From the moment a court signs an agreement with the Central Bank, it designates a professional in charge of managing the system on its premises. This manager is supposed to conduct operations including: adding users; altering data; changing passwords; granting permission to judges to access the system and withdrawing this permission when necessary. These operations are done through the system itself, which has a dynamic interface, according to user profile. Users can then access a restricted site on the Internet and after their identity is verified, the system offers web templates to allow them to fill out their requests. These are recorded directly in the Central Bank's corporate database.

At 7 p.m. every day, all requests received during the course of that day are processed and forwarded to the financial institutions as electronic files. Each institution then replies directly to the judge involved. The process allows the institutions to standardise their answers and send them directly to the judges' e-mail addresses.

3 Findings

3.1 Perceived Benefits

This new process has brought several benefits both to the Brazilian Central Bank and the Brazilian Justice Department; the main benefit being the marked improvement in efficiency in processing and answering requests. Under the former system, it used to take an average of 5 days from the moment the request was made and delivered to the Financial System, though, at times it could even take as long as 20 days. Such delays can render a legal request worthless, as it gives the suspects sufficient time to remove monetary assets from the banks. Using the new process, a maximum of 24 hours is needed to prepare, transmit to the Central Bank and receive the answer to a request from the Financial System.

The agility attained by this new process derived not only from the reduced turn-around time in handling requests, but also from the opportunity given to the institutions to make or buy their own software in order to answer the claims automatically, as the e-mails of the judges are also supplied to the financial organisations [3]. Another improvement in process performance arose from the tracking capabilities available in this new workflow. In the event the request is not answered in due time, the judge is aware of who must be contacted and can follow up and demand an immediate reply.

In financial terms, the new process reduces costs both for the Central Bank and for the Justice Department. For the Central Bank, the main costs are related to the infrastructure needed to complete the process. For the time being, the former

infrastructure still remains in place, as some requests still have to be processed manually, though now that the new structure there is no further pressure to improve the structure. Whereas requests used to cost the Central Bank nearly US\$10.00 each, an automated request costs less than US\$0.80. Costs to the Justice Department, were also reduced, as it is only necessary to establish Internet access in every court. The costs involved in traditional mail and personnel to handle the legal requests have also been eliminated.

3.2 Key Success Factors

From researcher observations and analysis of the questionnaires, we may deduce that the key success factors associated with a G2G enterprise are as follows:

a) Security

As the Internet has become a very important link between governmental agencies, it is of paramount importance to avoid security flaws, such as information violation by 'crackers', breakdowns in communication and so forth. Losses caused by such problems are more than just financial, as they can cause loss of confidence and acceptance by users and even involve the interruption of a given communication link [1].

In G2G processes, the issue of security is even greater, as confidential information can leak and be made public. Most of this information is protected by laws of secrecy under Brazilian legislation.

Thus, as was shown generically above, it is clear that security is one of the key success factors for a G2G endeavour. An authentication failure can allow any person to issue a legal request and expose the private life of citizens and relevant organisational information to all and sundry. Several courts insisted on seeing how the process worked before actually deciding to join the network proper.

b) Organisational Culture

Another factor that influences the success of an electronic governance model is the culture of the public agency in which it is developed. New processes of electronic governance, at different levels within the Public Administration, demand changes in organisational culture [2].

The influence of the culture is even more relevant when two different public agencies are working together, concurrently. The changes required in the organisational cultures in order to integrate different internal processes demand very clear prior definition of leadership and respective function. This role, itself, demands that a clear path be followed and precise judgement so as to make innovative workflows feasible [4].

Hence, as seen above, the success of the use of a new process depends on the culture within the organisations involved, in this case, the culture of the courts nationwide. It was observed that the courts that already had a culture of using computerised processes assimilated the new *modus operandi* very rapidly and naturally. On the other hand, courts without Internet access or that barely used information systems in their daily activities have resisted greatly in joining the G2G process.

c) Training

New technologies, new processes and new models of electronic governance require the acquisition of new knowledge not just by the persons involved directly in the process, but also by the persons in charge of administrating them. Consequently, public agencies must assess their human capital carefully, as it is mandatory to train personnel before deployment of G2G enterprises [4].

When the process involves more than just one public agency, all players must implement training efforts, in order to leverage the knowledge of the personnel in the agencies involved equally.

Insufficient training can lead to misuse of the electronic processes hindering the potential benefits that might be attained by this new model.

Although the system was developed based on a user-friendly environment via a web interface, the Central Bank felt it necessary to make presentations to judges across the country, in order to explain how the system worked and explain the best practices associated with this new workflow.

In October 2001, the Central Bank started to make presentations to the judges in the courts in a state where only 10 judges had joined the system and a mere 8 requests had been generated until that moment. In the two months following the presentations, 130 judges joined the system and nearly 100 requests were generated. Interviews made by the researchers have shown that the use of the G2G process by trained people is increasing, proving the efficacy of the training strategy.

Thus, by consolidating information from all the observations, interviews and questionnaires, it can be seen that Access and Information Security, Organisational Culture and Training were the key success factors in this G2G enterprise.

4 Conclusions

From the case study analysis and interviews, it is possible to conclude that:

- Responsiveness to a G2G process is far greater than that obtained in traditional processes. This agility, itself, is of paramount importance in deploying more effective and efficient public policies;
- G2G processes are a valid alternative for Brazilian Public Administration, which is facing the dilemma of cutting back its operational budget to make the control of the governmental fiscal deficit feasible and to comply with citizen expectations regarding public agencies;
- The security issue in a G2G process is a critical factor, as breakdowns arising from it can cause losses not only for public agencies, but for society as a whole;
- To overlook the organisational culture of a public agency by concentrating efforts on a technological facet of a G2G project may cause the undertaking to fail. Nonetheless, public administration is ruled by the same legal agenda and must comply with similar procedures and rules. However, each public agency has its own identity, values and culture, leading it to develop different workflows, sometimes far different from workflows addressing a similar process in another public agency. To analyse the culture and values of a public agency is of paramount importance to the success of a G2G enterprise;

- Although technology offers people a user-friendly interface and, in some cases, the technology is already being used in the public agency, a G2G enterprise involves a *modus operandi* that is new for most of the people involved. It is necessary to show the benefits this new process can bring and the best *praxis*, as important steps for proper implementation of G2G projects.

It can be also inferred that the paper deals with e-governance [6], as it taps digital support for public choices and workgroups among several public administrators of different ranks. This is important as, according to [5] it is the least researched facet of e-government.

All the research questions presented earlier in this paper have been dully answered, as the key success factors and the barriers, causes and possible solutions associated with G2G processes have been addressed. Further, the profound influence of electronic inter-organisational co-operation between public agencies to deploy a knowledge management initiative within the government can be seen, i.e., G2G processes are the bedrock upon which knowledge management initiatives must be built.

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