Confidential Case Study Summary: **IBM/North Communications**

MULTI-MILLION DOLLAR EXPANSION OF IBM'S INTERNATIONAL PUBLIC SECTOR MARKET THROUGH STRATEGIC BUSINESS PARTNERSHIP

If you have ever stood in line in a government office or passed from department to department trying to find the information and services you need, you have probably wondered if there wasn't a better way….

David Catzel, Info/California

Introduction

Info/California, the landmark pilot which paved the way for public access to government information by citizens, was the result of a confluence of three vectors… a technology company in search of the 'killer application', a Fortune 500 company seeking to expand market and revenue share and state government struggling to maintain public services against a backdrop of budget cuts and rising costs

- North Communications, an early producer of digital media in the 1980's, and a pioneer in the interactive kiosk business, was a promising young California company in need of a strategic partner to help it expand it business in this burgeoning new field. The challenge was to find that 'killer application' and the 'value proposition that would make the company attractive to such a partner.

- IBM, a major provider of mainframe computers to government, was concerned about the decline in sales and was interested in opportunities to expand its existing government computer service contracts.

- A "Reinventing Government" initiative on "The Hill" sought to harness automation and streamline operations to provide better service to citizens

Strategy

North Communications identified the public sector (government) as a significant industry vertical with needs that could be met by the company's kiosk products and services with their capability to advertise, collect or dispense information, and accept money for services. However, it needed a powerful strategic partner, with existing government relationships, to scale the opportunity.

IBM was identified as an ideal partner with a national and international sales force, service and technical personnel in every geography, and existing relationships at all levels of government. David

took an office at IBM's HQ in Sacramento to manage the account and ensure that North became an official IBM Business Partner, building its "InfoMedia" application products on IBM hardware, software and technology support.

IBM facilitated a relationship with the California Health and Welfare Data Center, which served as the government host agency. It co-funded the Info/California pilot under a 1988 State law which allowed a vendor to work with a State agency on research and development and share in the funding of that project. North, IBM and the data center worked together to define the scope of the project which was designed to test if public access kiosk products and services could provide services to citizens in a more cost effective and also more convenient way than the traditional telephone and government office visit.

The mission was to deliver government services where and when people needed them by placing kiosks where people live and shop so that acquiring government forms or information would be as convenient as shopping for groceries.

Whenever a citizen receives a traffic ticket, wants to start a business, or apply for a passport he or she must talk to government. Talking to government can be a frustrating encounter. How can government agencies reduce repetitive inquiries, give better service and smoothly guide citizens to the answers to their questions?

A public-private sector business model was developed whereby government and business would share the costs of deploying the networks. In return, government would pay the kiosk network a modest fee for services rendered to citizens. The partnership would also generate revenue from certain activities including context-sensitive advertising of relative private sector services.

Implementation

As a conceptual starting point for application design, North Communications decided to develop an ATM (Bank automated teller machine) for Government to address the largest challenge facing government workers… multiple language requirements, low literacy levels, and time-consuming repetitive requests for information, services and general assistance.

http://www.mediasense.com/northcommunications/

Purpose of the Program: Government agencies that provide services direct to the public spend an estimated 10% of their budget on 'basic administration'. This means informing the public about services, referring people to appropriate resources, screening for possible qualification for benefits, determining eligibility by analyzing and correcting forms filled out by applicants, interviewing, and data entry, and finally case management. In California in 1991, this amounted to over $1Billion and if

one included Federal agencies, it totaled over $20Billion. Info/California was a vehicle to help contain this basic administration cost and redirect government resources more effectively by deploying a statewide network of easy to use touchscreens in convenient public locations.

The Administration Bottleneck: Government agencies maintain expensive networks of offices in the community to handle a daily avalanche of ever-changing information – going out to citizens and coming in from citizens. Much of this activity is highly repetitive…the same questions, the same answers, the same forms, the same data entry, the same problems, day in and day out. The regulations fill volumes of manuals on civil service counters that are revised continuously. Both citizens and government workers inevitably make mistakes and overlook details when faced with this complexity. When a problem needs special or individual attention, it is impossible because of the work load. Redundant offices, forms, and procedures often make it necessary for citizens seeking service to visit several different agencies to find the information needed… costs rise and budgets are cut.

Info/California: One Answer … Basic administration was being handled the same way it was 50 years ago – manually, from behind counters, paper forms, lines and waiting rooms and face-to-face interviews. Info/California harnesses computer systems that record, communicate and analyzes information by providing the citizen a user friendly, intelligent, self-service kiosk with colorful touchscreen icons, on-camera narration in multiple languages to make complex programs easy for anyone to understand.

North Communications staff collaborated with IBM and the Health and Welfare Data Center to research and compile an informational matrix which overlaid complementary Federal, State and local programs into a cohesive government information system. The Info/California menu categories included Education; Employment; Environment and Resources; Family and Children; General Assistance; Health; Legal and Business; Transportation and Vehicles [See Appendix 1 for detail]

North and IBM worked with the Health and Welfare Data Center to get legislation passed to allow for the first citizen use of credit cards to transact with government. The team was also influential in defining specifications for kiosks to meet the Americans with Disability Act which described requirements for handicapped access

The public access interactive kiosk pilot provided more than 150 federal, state, county and city government services in a touch-screen format. Kiosk users could review job listings, renew a driver's licenses, register a car, attain a copy of a birth certificate, reserve space at public recreational facilities, and get information on subjects that included taxes, transportation, education, travel, and health. To make the kiosks user-friendly, information was sorted by topics, including auctions, citizenship, and driver's license, elected officials, events, small business, taxes and voter registration.

Example…. In California, more than 20 million licenses drivers interact with the DMV. A vehicle owner can go to a kiosk, after hours, select Transportation and Vehicles from the Menu, Licensing and Out-of-State Vehicles from a sub-menu. A narrator explains the process, and if the transaction cannot be

completed at the kiosk by swiping a driver's license and credit card, prints a list of documents needed to complete the process and the nearest DMV office by zip code.

Benefits: Info/California would assume some of the burden for repetitive public information tasks freeing up government workers to focus on cases with special needs. Agencies with intersecting missions could consolidate functions on a single touchscreen. Less space is needed to manage public traffic and the ability to control future growth without cutting services. In the end it means more efficient use of public funds for services that actually benefit the public rather than basic administration costs.

Success Metrics

To enable the private-public sector partnership business model, the InfoCalifornia team facilitated a number of pioneering activities including lobbying the State Legislature, to pass supporting legislation, and set standards, which laid the groundwork for public access to government via the Internet, mobile, interactive television and other interactive methods.

These groundbreaking landmarks included:

- Legislation allowing the first use of credit cards for payments to government.
- Setting ADA standards for handicapped access to electronic terminals.
- The first 24/7 public access to federal, state and local government information and services at a single terminal, eliminating the barriers between the various branches of government.
- The first use of a public-private partnership to fund provision of government services.
- The first advertisements on public sector interactive kiosks.
- The first availability of personalized government information and services in the language of citizen choice.

A survey of the pilot indicated success beyond government expectations… Of those surveyed:

- 54% said the kiosk saved them the time it took for a call, letter or trip to a government offices and 81% felt better prepared to contact a government office (because they knw where to go and what documentation to bring with them)
- 71% found the touch screen system easy to use (note 1991 pre-public Internet)
- 66% learned something new and 67% planned to return to the kiosk as an information resource
- 56% of the usage was outside of normal business hours of Monday to Friday 7am to 5pm
- 23% selected a language other than English

As a result of the success of InfoCalifornia, North and IBM deployed government kiosks worldwide including Singapore, Malaysia, and Australia and interagency networks were deployed across the United States including New York, Arizona, Texas, Kansas Nebraska, California, and Hawaii resulting in better service and cost savings across the board.