

4. The Collaboration Process

4.1. Initiation and Design

The initiation of the project profited greatly from a longer-standing relationship between the city and university professor at the Applied Computer Science department. Both had jointly developed the city information system which became the official web presentation of Bremen, www.bremen.de. The outside perspective from the university broadened the scope of the project to cover all aspects of access, infrastructure, and applications, as outlined in section 2.2.-2.4. The initial concept team was completed with a senior consultant, who had been working on concepts to integrate electronic signatures and GeldKarte-applications for Deutsche Telekom and the national savings bank association. Meeting initial opposition by the city's economic division, who did not share this vision, the integrated concept drawn up by the city, the university, and the consultant firm proved to be successful in the first round, because it merited a broad and multidisciplinary approach to the problem of how to develop electronic services. As indicated above, winning the first round meant that the project team was funded for a little more than half a year to detail the concept. This period was crucial in establishing the public private partnership which today makes up Bremen Online Services.

Led by a steering group made up of the original partners, including Deutsche Telekom and Sparkasse Bremen, the key paradigm for Bremen Online Services was to form non-discriminatory and open working groups for every technical and content aspect of the project. In these working groups, more than a hundred representatives from industry, local commerce, and public administration participated. The private sector was invited to participate by open calls for tender. Of course, the prospect of receiving a \$ 20 million DM grant also had considerable appeal. The project was an opportunity for the private sector as well as for the administration to gain know-how about cutting-edge Internet transaction technology. When it came time to finalize the project, the steering group issued a call for tender and selected preliminary industry partners to implement the project in case the final grant would be awarded, as ultimately happened.

As for the agencies and private partners planning to offer services, participation has been voluntary. For several public administration applications, in such areas as legal administration, finance, building application permits, procurement, car registration, citizen's register and the institutes of higher education, funds have been awarded to allow the necessary re-engineering.

During the initiation and design phases, the project profited greatly from the high-level support it gathered. Both the first mayor and the second mayor, who represent the true dominating parties in Bremen, the left-of-center Social Democrats (SPD) and the right-of-center Christian Democrats (CDU), personally supported the initiative and helped to assure wide-spread cooperation and support within and outside the administration. For them, the project and its ultimate success presented numerous opportunities in which to present Bremen as an innovative and successful city-state, which they greatly appreciated since it contrasted nicely with Bremen's over-all dire economic situation. The leadership was also necessary to overcome some initial resistance by actors and companies which had originally intended to use the federal competition to fund other projects in their realm.

4.2. Implementation and Operation

To carry out the main tasks of technical development and to share expertise as well as to cut the costs for each individual partner, the partners founded the Bremen Online Services Development and Operation company. It is a limited liability company, whose partners shared their stakes as showed in the following:

Hansestadt Bremen:	50.1%
Deutsche Telekom AG:	15 %
Die Sparkasse Bremen:	10% (since 2001: 15 %)
Brokat AG:	5%
Signum GmbH:	5% (until 2001)
VSS GmbH:	5%
mcb GmbH:	4.9%
BSAG:	2.5%
BREKOM GmbH:	2.5%

Brokat AG is the developer of the online banking solution, which was first believed to be a good starting point to develop the online platform. Signum and VSS were local software consultancy firms, who were awarded substantial parts of contracts after the call for tender. mcb is a subsidiary of the City of Bremerhaven, BSAG is the local transport authority, and BREKOM the telecommunications provider for the city.

The two executives of the company are the head of the city's Office for new media and eGovernment and the consultant who had helped draft the project. Both of them remain part-time in their former jobs, with which they split their executive duties. The board of directors includes the university professor. Also, the company teams work closely with the working groups within the public administration and at the university, which assists the project leadership. Thus, the company is tied very closely to the most important application areas. This helps greatly in bridging the two worlds of public administrations and private sector, which have rather substantial communication problems, as had to be faced in the course of the project.

Within the city, the project groups are led by members of the Office of New Media and eGovernment and a representative from the respective agencies which participates in the project. The concept worked out by each team has to be approved by the powerful employees representation office. Implementation of the project within these groups is greatly enhanced by the provision of additional personnel and funds for IT development in each participating agency.

The private sector partners who offer their services within the single-window component of the service delivery front-end are also assisted by Bremen Online Services. They are provided with the technology, and development of initial applications for them is free during the time when federal funding is available. After that, they will become customers of Bremen Online Services, who then has to sell its products to them.

As the project hasn't reached this stage as this case study is written, one needs to point out that unfortunately no assessment can be made about how successfully the partnership will fare after that. The project intends to build all components before funding stops, so that it can deliver both a technologically satisfying and economically competitive solution to provide electronic services. This model, which ultimately puts the private sector in charge of delivering electronic services, will mean that public administrations and private service providers will only buy its services when it will seem feasible for them.

The business case of Bremen Online Services assumes that a break even point will not be reached until five years after its initial start, e.g., two years after the end of the federal funding. This is because the building of the infrastructure, providing access and re-engineering complete processes in the administrations all have to be paid for in advance of large-scale revenues. Revenues will be generated only partly by transaction fees within Bremen. Rather, Application Service Providing will become a necessary second business line. Thus Bremen Online Services has to establish itself as a nation wide operating software company.

This requires a long-term investment, which is fully accepted by the major players, the city, Deutsche Telekom and the Sparkasse Bremen. However, it creates a problem for the much smaller IT companies, who operate on smaller budgets. Their objective was to generate substantial revenue in a shorter time frame. This means that they are likely to quit the partnership if these goals have not been met, as has been the case already with one partner and might be so for others in the future.