

This case and the others in this series examine how government IT investments come to deliver value to the public, what we call public return on investment (Public ROI). The cases are part of a larger project to develop a new framework for assessing public returns to government IT investment. The results of these case studies and related research are featured in a white paper that presents the framework and recommendations for conducting public ROI assessment for government IT projects. All five case study reports and the white paper are available at CTG's Web site.

In the case studies we examine how the IT investment was conceived and developed, with particular attention to the role of public value in the process. We take the view that government IT investment generates public value two ways:

- By improving the value of the government itself from the perspective of the citizens, and
- by delivering benefits directly to persons, groups, or the public at large.

The first way is based on the idea that, assuming a benign government, the better it functions overall, the better off its citizens will be. The government is an asset to the community or nation that delivers a wide range of values. Internal improvements make it a more valuable asset to the public. The second way of generating value has three forms: financial, political, and social. Financial value results from lowering the cost or increasing the efficiency of government or delivering direct financial benefits to the citizens. Political value consists of increasing participation, fairness, transparency, legitimacy, etc., or conferring advantage to elected officials or citizens. Social and psychological returns include increased social status, relationships, or opportunities; increased safety, trust in government, and economic advantage. These general understandings of public value guide the data collection and presentation of the case results.

The case studies examine public returns to the overall IT investment, including returns generated by a government IT investment and the possible mechanisms to produce them. We do this by considering the links between investment goals, implemented systems, government performance, and public returns in terms of where they represent value in the chain shown in Figure 1 (below).

Figure 1. Public ROI Value Propositions

The public returns from the investment can flow from the internal improvements in the agency resulting in returns to individual citizens and the public at large (the main flow through the center). Other returns can flow to the political system and the economic environment (below the center), or through effects on other agencies (secondary performance gains). This general view of public returns informs the case studies and helps summarize the results.

The case studies were conducted through site visits and interviews with the participants in each project, combined with review of project documents and other evidence. We are indebted to the members of the Government of Israel and their IT teams, especially Yitshak Cohen, Ronny Jacobowitz, and Mor Sagmon for their generous assistance in conducting the case study and warm hospitality. The findings and views expressed in this report, however, are those of the authors alone and do not reflect the policies or views of the participants or the Government of Israel.
