

New Brunswick is one of the ten provinces of Canada. It is one of three provinces labeled as “the Maritime Provinces” due to its location in the Atlantic Region. With a population of approximately 700,000, New Brunswick is home to 2.3% of Canada’s overall population of approximately 38 million. New Brunswick is primarily rural with the population of its largest, St. John, numbering close to 67,000. The primary industries of NB are those you would expect to see in a rural coastal state; fishing, mining, finance, forestry, and tourism. But, surprisingly enough, information systems and services are also among NB’s primary industries.(2) SNB played a significant role in this.

Historical Context

In 1990 citizens of New Brunswick were “crying out loud because of red tape.” In response, the government of New Brunswick conducted a budget consultation tour of the province and talked to citizens to understand their needs. Citizens were complaining about paying high taxes and not getting adequate value from these taxes. Moreover, citizens were demanding more and improved services.

“At that time, the web was useless; practically nonexistent, so we really concentrated on bringing the businesses together, developing relationships with departments so they would let us deliver services on their behalf, to develop quality that was similar or better than what they were delivering.”

Donat Thériault

Consulting and Intellectual Property Enterprise, SNB

The consultation tour results called for more service centers, however, a number of key decision makers were becoming increasingly convinced that more service centers would increase costs and would not necessarily solve the problem. Utilizing mapping resources available at the province’s New Brunswick Geographic Information Corporation (NBGIC) it was determined that geographic coverage of the province in terms of access to offices was sufficient. This supported the view that having more offices would not necessarily result in improved services to citizens confirming that “spending good money after bad”, i.e., building more offices, was not the right strategy. NB officials began to seek a new model for service delivery. The Department of Finance, as the agency primarily responsible for the services of interest at that time, developed a proposal to regroup a number of government offices into a one-stop shop where one worker could deliver the services of several departments. A pilot project, including a comprehensive evaluation, was conducted in two communities by a third party. The pilot was a success and the vision of “customer-centricity” was born. But it was born in a much more modest way than the SNB of today. It was born to support the delivery of 15 or so services – to keep customers and businesses from having to run to 15 different doors to get services; today SNB delivers over 270 services to customers and delivers a full range of other benefits to the province of New Brunswick. Where previously, having individual services available at as many as 975 government offices presented a confusing and expensive way for citizens and businesses to interact with government, the new model saw most of the informational and transactional services offered through a network of 36 strategically located service centers. The government offices which previously provided these services could then concentrate on their core business and leave the “service delivery front end” to SNB’s single-window.

The initial strategy and vision was to be customer-centric and to focus on helping customers and businesses come to one place for most of the services they need from government. As the integrated, technology-based service delivery model began to grow, the government faced the dilemma of deciding where it would reside; in a new organization or in an existing one.

At this point it became apparent that the New Brunswick Geographic Information Corporation (NBGIC) was going to have an ongoing role in the SNB story. Created in 1990, NBGIC was an organization designed to maximize government investments and improve services through integration. Three different departments responsible for land assessment, real and personal property registries, and mapping services, were merged to create NBGIC. This agency integration laid the ground work for the creation of SNB as a service delivery organization based on an integrated, extra-governmental business model.

As an extra-governmental organization, a number of the characteristics of NBGIC fit the design goals of SNB. NBGIC already worked with a board of directors to provide oversight to planning and operations. It needed only slight modifications to accommodate the service delivery business. Thus, in 1998 NBGIC changed its name to Service New Brunswick and took charge of government service delivery.

Institutional Context

SNB is a Crown Corporation⁽³⁾ owned by the Province of New Brunswick. Crown corporations are publicly owned and are operated much as private sector companies. SNB is financially self-sufficient and revenue oriented, has its own President and an independent board of directors. While it continues to receive a level of funding from the Province for certain “core services”, increasingly it is reliant on its own source revenues including direct charges for services, fees, and subscriptions.

Crown corporations play an integral part in Canada’s social, political, and economic landscape. They are set up by government, but operate more as private or independent companies. Canada’s Crown corporations are relatively independent of government control and therefore, have a greater degree of freedom compared to government ministries. The heads of many crown corporations are appointed, as is the President of SNB, but this does not limit their ability to operate largely at “arms length” from government.

The SNB Board of Directors has two committees; the audit committee and the development committee. In addition SNB’s operations are supported by a series of advisory committees, and working groups comprised of SNB employees. The Business Advisory Group (BAG), for example, examines new project and investment opportunities and makes recommendations to the Board about those opportunities.

As the main service delivery agency for the Government of New Brunswick, SNB’s main objectives are to:

1. Improve service delivery to citizens.
2. Improve cross-integration of government services.
3. Reduce duplication of effort both for customers and government agencies.

In fiscal year 2004-05, SNB had about 641 employees delivering around 270 services to citizens on behalf of a number of provincial government departments, municipalities, and public utilities. SNB employees are providing services to customers in 36 different communities. About 160 or 25% of SNB employees are employed in the main offices in eight functional areas: human resources, corporate counsel, operational support, sales, marketing and communications, corporate strategy, corporate services and systems development. The remaining 481 employees or 75% are located in the community-based, public service delivery facilities.

The growth and success of SNB can be traced back, in part, to the flexibilities it is afforded by virtue of being a crown corporation. The traditional challenges facing public sector innovation such as limits on discretion in terms of setting priorities, hiring, and budgeting are not issues in the same way for SNB. The story of the corporate registry, in particular, illustrates these flexibilities.

In 2000, as part of a government reorganization, the Corporate Registry (CR) was moved from the Department of Justice (DOJ) to SNB. While operating as part of the DOJ the CR team faced a number of issues limiting their ability to move forward in their service offerings. First, the program was very low in the priority list against competing programs such as public prosecution, and court administration. Secondly, there was limited internal expertise and interest in transforming traditional services programs to new web-based service offerings. In addition Provincial requirements that public access databases be rendered in a fully bilingual manner were insurmountable with DOJ’s existing technical infrastructure.

SNB had experience in managing registry programs through its real property and personal property registries and the management of the CR had begun to see the advantages technologies available in SNB might hold for the registry. SNB executives were interested in getting the CR brought into SNB as well, based on familiarity and potential synergies with the other registries. They looked forward to the challenge of modernizing the CR for the public benefit, balanced with the potential political and budgetary challenges of having it.

SNB general management and CR unit management were collectively willing to take a “just do it” attitude; they looked at providing public access to the CR database as a quick hit initiative to the overall modernization of the Registry. The quick hit philosophy is part of SNB culture, guided by the perspective that the public should be able to see a difference in service quality and/or products early on any modernization project. Within three months of the actual physical move of the CR to SNB, public Internet access to the CR database was operational. This type of accelerated timeline would not have been possible without SNB’s expertise in project management and Internet applications. SNB had allocated \$100,000 to the quick hit initiative and the planning for the business registry project, including modernization of the CR. SNB was able to absorb the development and ongoing maintenance costs of the public access initiative within normal budgetary processes.

The public responded favorably to the new service. In relation to hits or visits to the database, it experienced

150% growth rate over a three year period. This helped to reduce and/or stabilize telephone inquiries into the CR for information from the database. One matter that was debated within SNB was whether public access to the CR database would carry a fee or not. The decision was made to provide free access in order to reduce the complexity and timelines for the quick hit and create an environment for customer take-up. It was acknowledged that the matter would likely get revisited in the future and that some customer and political concerns would likely arise in moving from a free access to a fee access process.

By 2004, fiscal reality both from the provincial government and SNB perspectives created a need to revisit this issue. For some time SNB had been in favor of implementing a charging model for corporate registry information. All of SNB's registries except this one had a fee associated with access, therefore this change would bring consistency to its management and fee model. In addition, it would provide funds for enhancing CR functionality in areas such as e-filing and e-records and the potential to have fee-based value added information products.

In response SNB began to explore a fee-based model for access to the CR database by launching a "consultation tour" to assess the impact of introducing fees for a previously free service. Customers, i.e., users of the registry database, were found to be mostly willing to pay for the services made available through the enhanced registry web site. SNB also conducted an industry research study, evaluating market size, simulating different pricing policies, and assessing the volume of annual CR search transactions completed through different channels (phone, online). The business case with a one year payback period projected was approved.

Political Context

A number of political factors played significant roles in the launch of SNB. In the early 90's, New Brunswick was facing a budget deficit. This financial crisis was creating political pressure to save money, reduce costs and improve services. At the same time, citizen satisfaction with government services was at an all-time low. The Department of Finance in particular was seeking a response strategy. As long-time manager Donat Thériault recalls "There were two goals. The first goal was to save money. And the second was improving services for citizens—at that time, we were at a low in terms of people's satisfaction." Up to that point in time, the government had responded to citizen dissatisfaction by building more offices in more regions. The question on the table for everyone was whether the same response was appropriate or if another might serve citizens better. Of particular concern to executives at the Department was the already high number of service centers spread throughout the province. "We had offices everywhere. In 1991 we did a study of all the points of service in New Brunswick and it was just huge—there were service points everywhere." Further, the budget crisis made the strategy of building more offices problematic.

The convergence of two political crises – a budget deficit and an all-time low for citizen satisfaction created significant pressures for a response. In more prosperous times – citizen dissatisfaction might have resulted in a strategy of building more offices. However, the co-occurrence of the budget crises required a closer look at established strategies. The province just didn't have the money to spend on more centers unless assurances could be made that more centers would increase citizen satisfaction. Those assurances were not forthcoming so a new strategy was needed.

In a presentation to the Cabinet, the Department of Finance made the case; 'quantity does not give you quality' and they called for a new business model. The province, they suggested, could "keep doing more of what we've been doing for the last 200 years but it's not going to improve services—we need to think differently." The SNB model was presented as an alternative. Unfortunately, Department of Finance couldn't put a finger on exactly how much money this new model might save. But the province understood that whatever was to be done, it had to be done with the support of the public, so the Cabinet directed the Finance Department by authorizing a pilot project; "check with the public, first, see what they think, and if they like it, roll it out to the rest of the province."

Creating SNB was a political decision. The Government of New Brunswick did not conduct a comprehensive financial return on investment analysis, it took a risk and implemented the pilot based on faith in the vision of integrated, single-window government services. It took a risk on the pilot, but it put the final decision in the hands of the public. The cabinet directive established citizens as the final arbiter of value and laid the ground work for a new business model that rests heavily on determinations of value made by citizens. SNB in a sense lives (was created) and dies by this sword.

(2) <http://www.newbrunswick.worldweb.com/TravelEssentials/PeoplePopulation/8-123.html>

(3) See: <http://www.mapleleafweb.com/features/general/crown-corporations/index.html>