



# - Public / Private Partnerships, For Better or Worse

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# Electronic Land Registration System

- ❖ Partnership between Teranet and Ministry of Consumer & Business Services
- ❖ Automation of land registration system: data conversion; secure online remote access for searching & registering documents
- ❖ 16 million searches, 1 million registrations, \$50 million/month
- ❖ Benefits for Government: cost efficiencies; enhanced security & audit ability; uniform system province-wide; enhanced accessibility; no money down
- ❖ Benefits for clients: secure system; remote access (faster, more efficient)
- ❖ Innovation: self-funding model; long term (25+years); joint governance model; transfer of government employees
- ❖ Awards - 2001 Canadian Information Productivity Award, 1999 Online Product Aware for Best New Product – Legal, 1998 Canada Council for Public-Private Partnerships' Award for Service Delivery

# PKI Certificate Authority

- ❖ Partnership between Ministry of Consumer & Business Services, Ministry of the Attorney General, Law Society & Teranet
- ❖ PKI Certificate Authority to provide roles-based secure access to applications; Teranet registers & authenticates users
- ❖ 13, 000+ certificates issued
- ❖ Benefits to Government: requirement for risk management for online registration through authentication and non-repudiation of transactions
- ❖ Benefits to clients: single certificate provides access to multiple applications; reliability of application data
- ❖ Innovation: partnership of public, private and not-for-profit; authentication of 'unknown' users

# Delivery of Business Registration Services

- ❖ Partnership with Ministry of Consumer & Business Services and Teranet
- ❖ Providing private sector channels for delivery of government business registration services bundled with other value-added products and services
- ❖ 125,000 new unincorporated businesses registered in Ontario each year
- ❖ Benefits to Government: improved customer service; enhanced accessibility; shared costs
- ❖ Benefits to clients: access to bundled government and private sector services to better meet government needs
- ❖ Innovation: Service bundles that provide more complete customer service experience

## Writs of Execution

- ❖ Partnership with Ministry of the Attorney General & Teranet
- ❖ Outsourced management of systems, data conversion, secure remote access for searching, issuing and filing, public-access kiosks
- ❖ 10 million remote searches since April 1998
- ❖ Benefits to Government: efficiencies; improved service; risk management
- ❖ Benefits to clients: secure remote access; complete data
- ❖ Innovation: link to land registration system; enhancements and extensions based on joint business case

## **What the critical elements for partnerships?**

**Like marriages we agree on the elements but we  
have different perspectives and objectives!!**

# Financing

- ❖ **Public sector:** efficiency is a major driver; minimize up front investment
- ❖ **Private sector:** focused on rate of return (ROR); want certainty associated with ROR
- ❖ **Conclusion:** need to look at shared financing models; private sector needs to accept longer term commitment (can balance that with “government is a dependable partner”)
- ❖ **Partnership Reference:** in business registration partnership, each partner pays their own development for their side of the interface (shared costs).

# Contracting and Procurement

- ❖ **Public sector:** complex/structured; little flexibility for different procurement/contracting models; approval processes are elongated; need to declare everything up front/cannot change anything after the fact without immense effort
- ❖ **Private sector:** responding to government tenders is costly and time intensive/need to divert resources; little room for alternative approaches or different contract terms
- ❖ **Conclusions:** once partnership finally in place, it is dependable and reliable
- ❖ **Partnership Reference:** Business registration partnership arrangements took almost one year from the beginning of the procurement process to contract signing.



## Risks & Rewards

- ❖ **Public Sector:** uncomfortable with exclusive arrangements with private sector/operate multiple public/private channels; want low risk/no risk arrangements and as a result tend to want private sector to accept larger risk; do not really consider 'rewards' in partnering
- ❖ **Private Sector:** want low risk as well but will accept higher risk for higher reward; tend to want to re-use existing solutions/force fit to maximize profit
- ❖ **Conclusion:** more emphasis on win-win partnering (involves trade-offs/compromise/recognizing hot spots)
- ❖ **Partnership Reference:** Business registration partnership allows private sector to bundle with other service offerings; bundled price not dictated by government

## Deliverables/Implementation

- ❖ **Public Sector:** cannot just remove existing products & services for channels; typically require longer term commitment/phased deliverables; tend to want to provide alternatives to clients
- ❖ **Private Sector:** easier to replace products; tend to want to provide “big bang” solution/deliverables; streamline solution to ‘one’ alternative
- ❖ **Conclusion:** expectation setting in advance: understanding each others objectives; private sector needs to build in contingency
- ❖ **Partnership Reference:** In business registration partnership there has been concern about channel competition with existing public sector channels which government feels it can not remove

# Motivation to Deliver

- ❖ **Public Sector:** change is always hard; transformation projects many times implies efficiency gains which do not always consider staff issues; partnerships sometimes means loss of control; gap between middle management and staff perceptions of value
- ❖ **Private Sector:** very focused on efficiency/not always sensitive to impact of change on government staff; more flexibility to use performance incentives to motivate (positive/negative)
- ❖ **Conclusion:** get buy-in at all levels; set expectations at outset; create team environment
- ❖ **Partnership Reference:** Writs of Execution partnership involved structured management teams at regional level with head office and local staff; client meetings; direct contact between local office staff and Teranet project staff to roll-out of public access terminals

# Communications/Advertising

- ❖ **Public Sector:** Proof of Concept/pilot launches – a conservative approach; stealth launch mentality; don't declare success unless you absolutely know it works; public typically doesn't reward you for advertising ('wasting taxpayers money'); slow approval process
- ❖ **Private Sector:** conservative approach slows down adoption; big splash/build excitement/declare success ('make them think it works' and then figure out if it does)
- ❖ **Conclusion:** understanding the different communication motivation; working out in advance what each party is willing to accept
- ❖ **Partnership Reference:** Land Registry System contract establishes timelines, processes, and 'who can say what'. Ministry manages announcement on timing, regulations, rules; Teranet manages sales, usage and awareness campaigns, joint workshops coordinated with professional organizations

# Governance

- ❖ **Public Sector:** decision-making is influenced by political environment/legislative changes/changes in project leads
- ❖ **Private Sector:** decision-making is influenced by change in management/corporate bottom line; perception that legislative changes do not consider partnership dynamics
- ❖ **Conclusion:** spell out processes to manage partner membership changes
- ❖ **Partnership Reference:** Decision making and conflict resolution weak and unable to deal with stalemates; highly dependent on personalities of one or two key players: conflict, circular discussions; endless negotiations; personalized conflict. Re-structured governance with hierarchy of committees with specific areas of responsibility; formal escalation process; recognition that decisions need to be made quickly and at the appropriate level.

## **So what makes these partnerships successful?**

Like marriages the perspectives are different but  
the desired outcome of the partners are the same  
... success!!

# Partnerships – For Better or Worse

## Overall Comments

- ❖ Do we believe in Partnerships? Absolutely!
- ❖ Innovation: innovation is easier to achieve in public / private partnerships if expectations clear up front
- ❖ Motivation: requires endorsement from senior levels, and involvement from middle and front line implementers in planning
- ❖ Measuring Success: requires achievable milestones and measures upfront; milestones should be staged to provide feedback as you go; success should be shared
- ❖ Lessons Learned: Do upfront work: define/agree on objectives, processes, measurements, escalation/problem resolution; ensure wins for both sides; co-dependency for success is good (e.g. both win or neither win); be prepared to open up processes and structures if they're not working
- ❖ Would we do it again? Absolutely!