White paper explores public ROI

BY John Moore
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A State University of New York at Albany white paper focuses on the public value of government information technology projects as opposed to the financial orientation associated with traditional return-on-investment (ROI) measures.

The white paper, “Advancing Return on Investment Analysis for Government IT: A Public Value Framework,” sets forth a nonproprietary public ROI methodology. The school’s Center for Technology in Government (CTG) partnered on the project with software vendor SAP.

CTG conducted five government case studies in conjunction with the white paper:

- Pennsylvania’s Integrated Enterprise System.
- Washington state’s Digital Archives.
- Service New Brunswick in New Brunswick, Canada.
- Israel’s Merkava integrated enterprise resource planning project.
- Austria’s Federal Budgeting and Bookkeeping System.

The white paper identifies public value as the least understood area of technology investment. The public ROI of projects can range from “a few minutes saved in a routine transaction to improving the trust and legitimacy of an entire government,” the document states. “Assessing these returns remains a core problem in IT planning and decision-making.”

CTG’s public value framework aims to describe and measure public value, connecting what happens in the government with the effect on public domain stakeholders. The framework describes a multistep approach that starts with a high-level view of an IT investment and then analyzes its details to identify specific measures and methods that document public value, according to CTG.

Anthony Cresswell, the center’s deputy director and lead author of the white paper, said the organization’s research showed that governments assume that a given improvement – better access to information, for example – will produce good outcomes. But those governments don’t take the next step: systematically looking for evidence that a project yields the anticipated results.

Cresswell said he hopes the project will “enhance the ability of government officials to pursue the public value agenda.”

The public value framework is a paper-based methodology at this point. CTG has talked informally about the possibility of building a software tool based on the framework, Cresswell said. He noted that CTG has previously produced Web-based toolkits that automate “fairly complex types of assessment tasks.” CTG has created such a toolkit for the Justice Department.