- 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
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!