University of Konstanz

Co-value production in digital service delivery

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ISA² Interoperability Winter School
December 12, 2019

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EU Co-VAL (2017-2020)
H2020 No. 770356

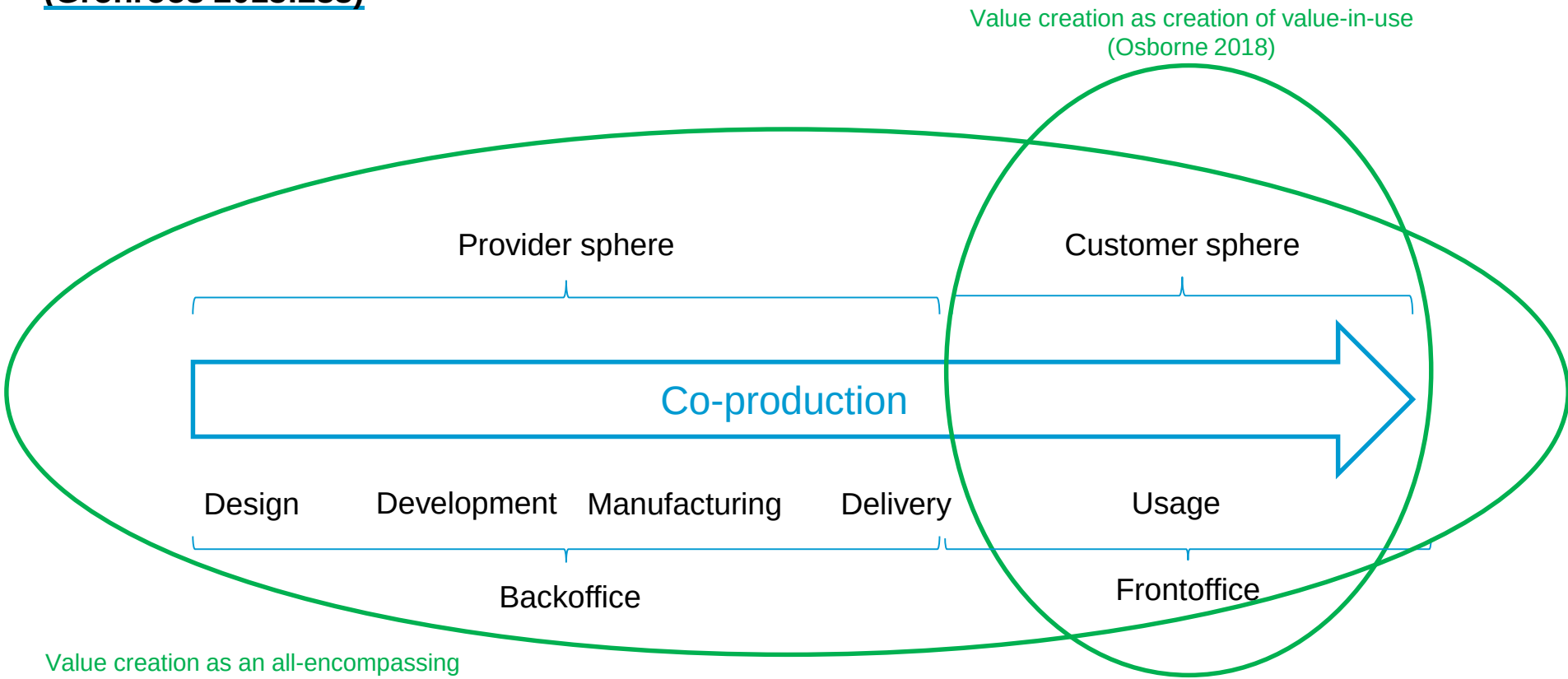
Understanding value co-creation in public services for transforming European public administrations

WP3 – Digital transformation

http://www.co-val.eu/

Theory & research questions

Value co-creation in service logic (Grönroos 2013:283)



Research question

How are public administrations co-producing public value in digital service delivery?

Research design

Analytical steps

Cross-case analysis of multiple cases using a common outline (Yin 1984):

- Look for unique and common experiences
- Patterning of variables and relationships

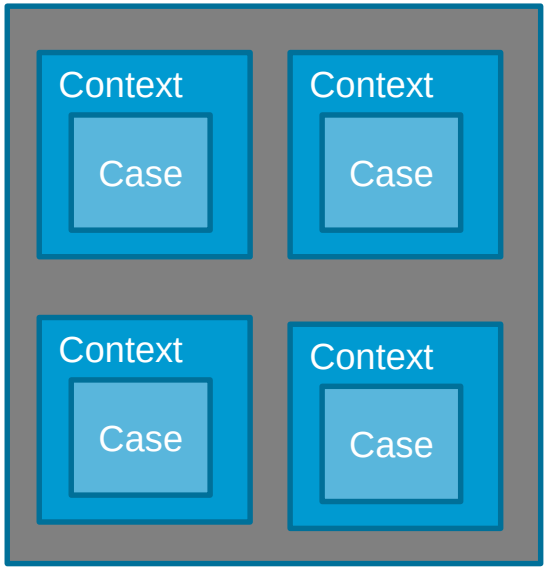
Cross-case synthesis (Stake 2006; Miles and Huberman 1994):

- With all cases as individual chapters and a synthesis in table format
- Entire report consistent of cross-case synthesis

Goal (Yin 1981):

- Either predict similar results or produce contrary results for predictable reasons
- Derive initial theory of co-value production in digital service transformation (Eisenhardt 1989)

Multiple case designs go with the same methodological framework (Yin 2017)



Defining digital transformation

I. Defining digital transformation (1/2)

Definition:

Digital transformation is a **holistic effort to revise core processes and services of government beyond the traditional digitization efforts**. It evolves along a continuum of transition **from analog to digital to a full stack review of policies, current processes, and user needs** and results in a **complete revision of the existing and the creation of new digital services**. The outcome of digital transformation efforts focuses among others on the **satisfaction of user needs, new forms of service delivery, and the expansion of the user base.**

Government Information Quarterly
Available online 26 June 2019, 101385
In Press, Corrected Proof

Defining digital transformation: Results from expert interviews ☆

Ines Mergel [a], Noella Edelmann [b], Nathalie Haug [a]

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https://doi.org/10.1016/j.giq.2019.06.002

Highlights

- Empirically grounded definition of digital transformation focuses on holistic process to change products and culture.
- Digital transformation goes beyond digitization and digitalization by including the whole organization.
- Digital transformation changes bureaucratic and organizational culture and relationships to stakeholders.
- Short-term output focus on measurable increases in new digital services.
- Long-term impact and outcome focus on increases effectiveness and citizen satisfaction.

https://www.sciencedirect.com/science/article/pii/S0740624X18304131?via%3Dihub

Organizational embeddedness of digital transformation units in government

II. Digital Service Teams as initiators for digital transformation activities

Government Information Quarterly

Available online 7 August 2019, 101389

In Press, Corrected Proof

Digital service teams in government

Ines Mergel

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https://doi.org/10.1016/j.giq.2019.07.001

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Highlights

- DSTs are organizational units set up to redesign government digital services.
- This comparative study distinguishes between internal and external contexts of DST.
- From in-depth interviews organizational design elements and practices are derived.
- The findings operationalize context variables of DSTs across countries.
- The study contributes to the theory of context and configuration of IT governance structures.

- **Understanding the context in which digital service teams are created**
- Interviews with founders, chapter leaders, service designers
- Includes:
  - US: USDS, 18F
  - Canada: CDS
  - UK: GDS
  - Finland: D9
  - Italy: Team Digitale
  - Denmark‘s Digital Disruption Unit
  - Estonia‘s CIO office

Casing: High-level digital service teams

Empirically derived based on previously conducted expert interviews and policy tracing

Example: Government Digital Service (UK)

Government Digital Service

- **Organizational embeddedness:** Cabinet Office, governed by the Ministerial Group on Government Digital Technology, and the digital, data and technology leaders of the central government departments and devolved administrations.

- **Reasons for creation:** Investment delays in digital government, civil service generally “fed up” with delayed upgrades

- **Mission:**
  - Provide best practice guidance;
  - Set standards for digital services;
  - Build support for common platforms, services, components, tools;
  - Help government choose the right technology;
  - Support increased use of emerging technologies by the public sector

GOV.UK Notify

GOV.UK VERIFY

GOV.UK Pay BETA

GDS Academy

GOV.UK

Co-creation phases in digital transformation processes

IV. Co-creation activities

(1) Co-commissioning:

- Derived from mission statements
- Moving toward government as a platform (GaaP)

- *Co-commissioning actors: Agencies, GDS, Cabinet Office minister (at the beginning)*

(2) Co-design:

- User research (anthropological user & process owner interviews, participatory research)
- Derive user journeys

- *Co-designers:*
  - *Users: both citizens and internal users (civil service)*

Source: GDS

IV. Co-creation activities

(3) Co-implementation/management

- ⇢ User tests
- ⇢ Usability tests

- ⇢ *Co-implementation actors: Cross-agency groups, IT service providers/vendors, (internal & external) users*

(4) Co-delivery:

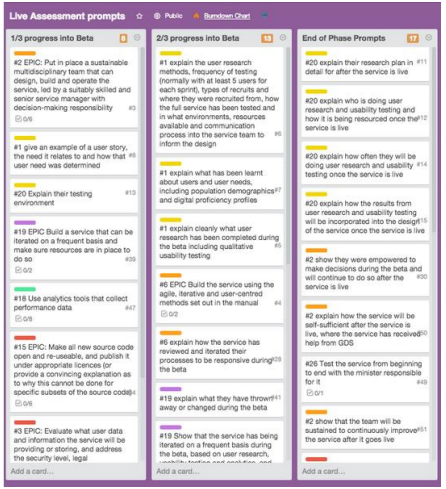
- ⇢ As standard:
  - ⇢ use of digital services
  - ⇢ submission of user information

- ⇢ *Co-delivery actors: Agencies, users*

(5) Co-assessment ("continuous service review"):

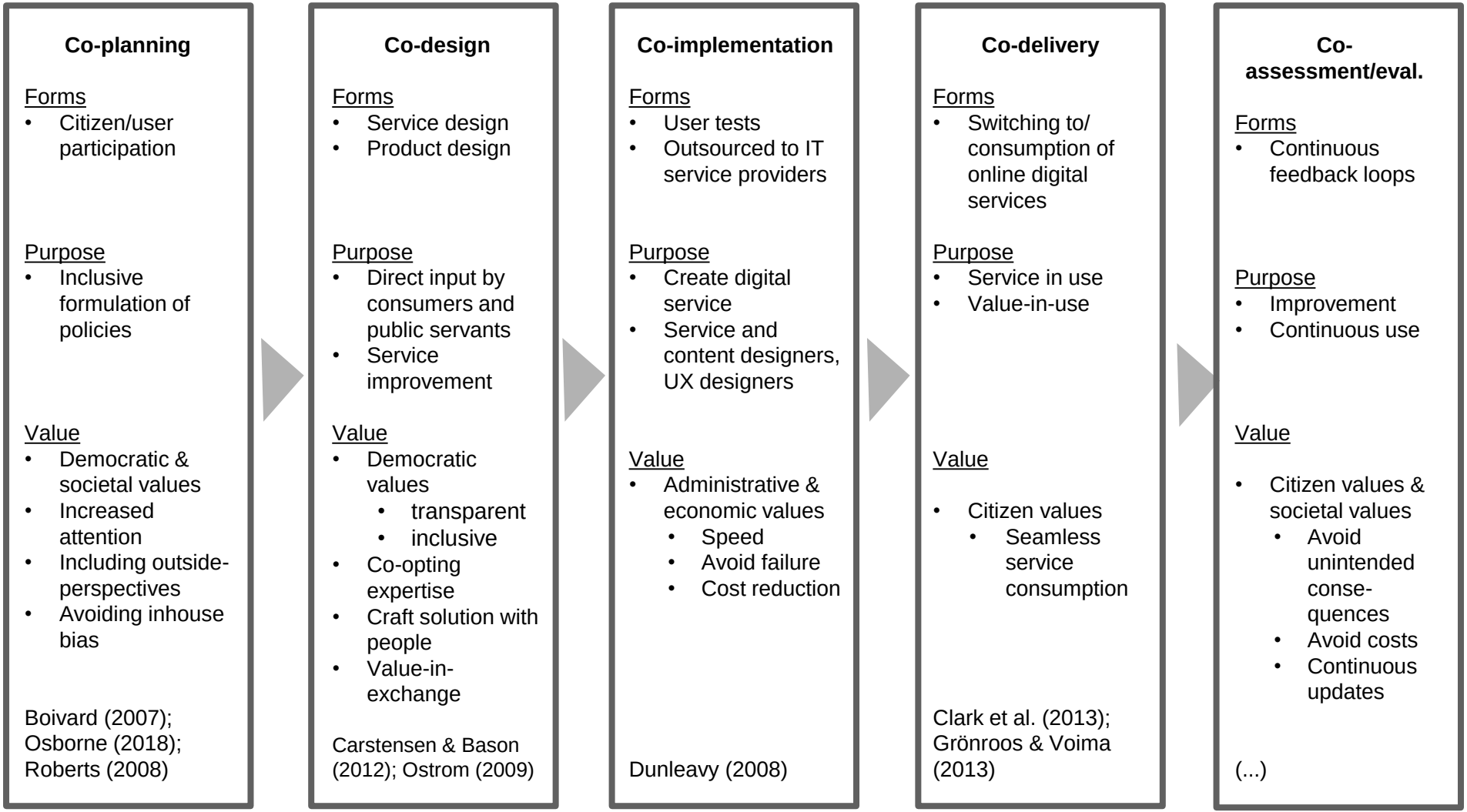
- ⇢ Continuous feedback in all phases & especially when live (active)
- ⇢ User statistics (passive)
- ⇢ Add new services when requested

- ⇢ *Co-assessment actors: Agencies, users*

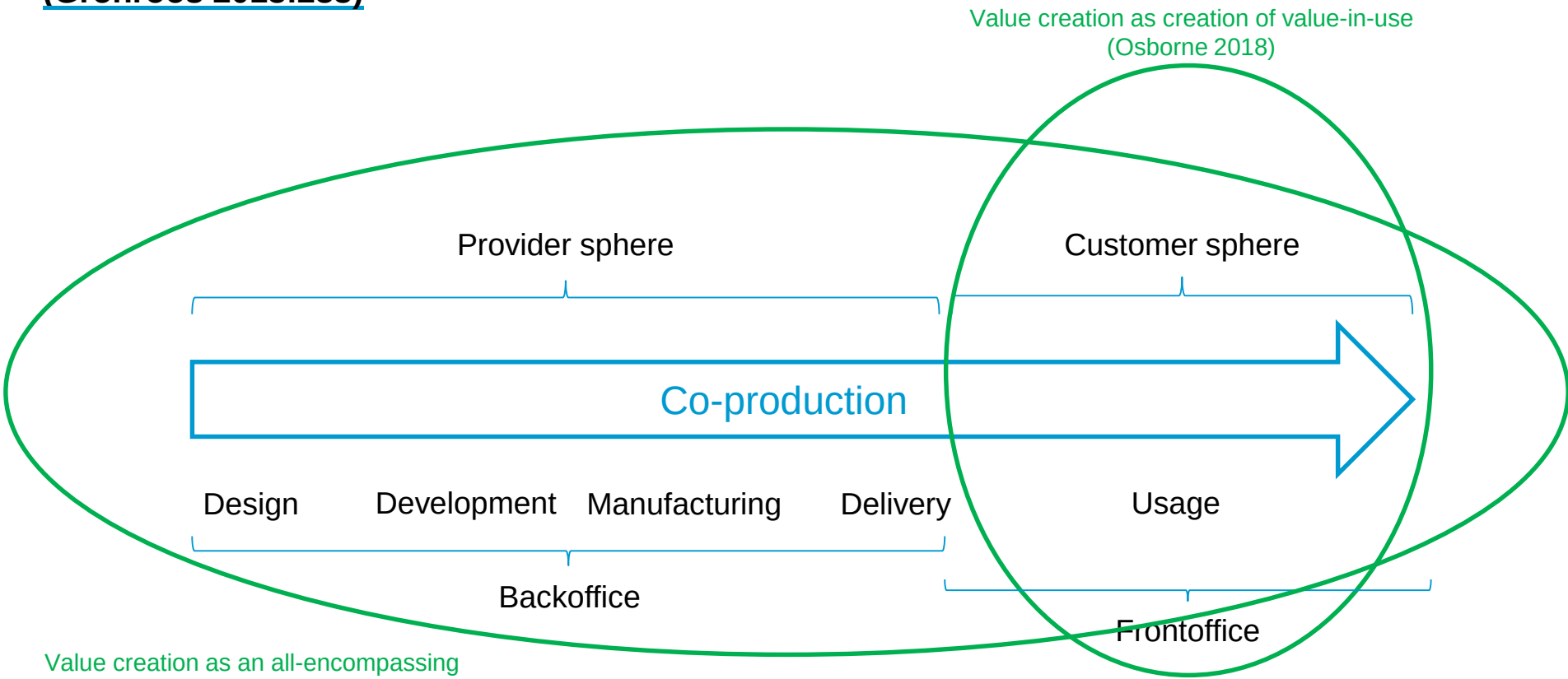


https://mojdigital.blog.gov.uk/2015/06/01/a-new-approach-to-assessing-digital-services/

Co-value creation phases in digital transformation processes

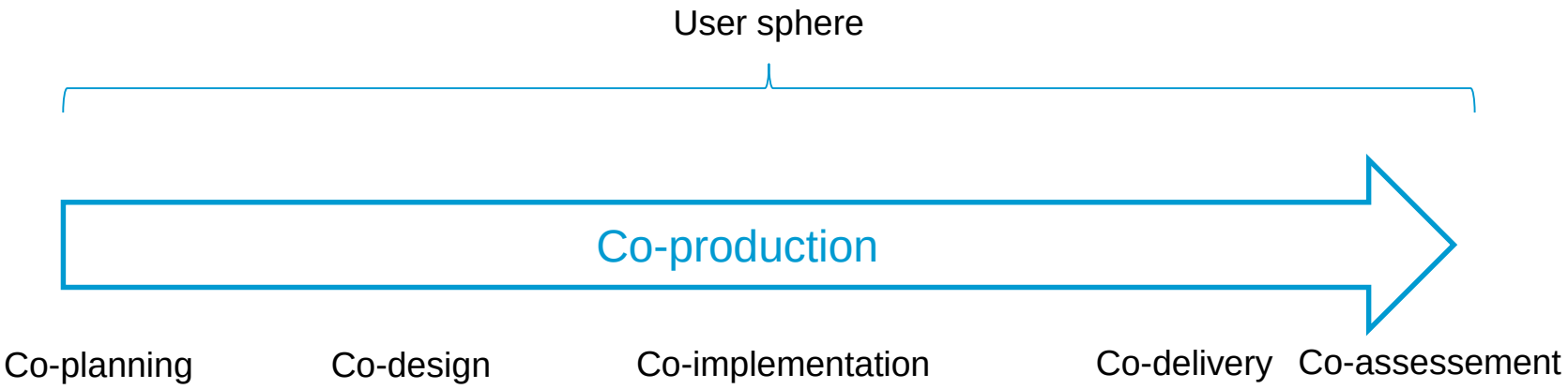

Co-planning
Forms
• Citizen/user participation
Purpose
• Inclusive formulation of policies
Value
• Democratic & societal values
• Increased attention
• Including outside-perspectives
• Avoiding inhouse bias
Boivard (2007); Osborne (2018); Roberts (2008)
Co-design
Forms
• Service design
• Product design
Purpose
• Direct input by consumers and public servants
• Service improvement
Value
• Democratic values
• transparent
• inclusive
• Co-opting expertise
• Craft solution with people
• Value-in-exchange
Carstensen & Bason (2012); Ostrom (2009)
Co-implementation
Forms
• User tests
• Outsourced to IT service providers
Purpose
• Create digital service
• Service and content designers, UX designers
Value
• Administrative & economic values
• Speed
• Avoid failure
• Cost reduction
Dunleavy (2008)
Co-delivery
Forms
• Switching to/ consumption of online digital services
Purpose
• Service in use
• Value-in-use
Value
• Citizen values
• Seamless service consumption
Clark et al. (2013); Grönroos & Voima (2013)
Co-assessment/eval.
Forms
• Continuous feedback loops
Purpose
• Improvement
• Continuous use
Value
• Citizen values & societal values
• Avoid unintended conse-quences
• Avoid costs
• Continuous updates
(...)

Theoretical interest: Value co-creation in service logic (Grönroos 2013:283)



Extending Grönroos‘ framework toward a theory of value co-creation in digital transformation (based on Grönroos 2013:283)

Value creation as an all-encompassing process



Implementation challenges

- **No technological interoperability challenges**
- **Legal interoperability (“We are not allowed to do this.”; “Show me the law.”)**
- **Organizational interoperability**
  - Cultural barriers (persistence)
  - Active resistance (“we have never done this before”)
  - Scale up to the whole of government
  - Moving toward a digital mindset (“digital first” mentality)
- **Cross-cutting issue:**
  - Lack of digital competences
  - Lack of project management skillset

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Thank you for your attention!

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