Business Process Model-based Evaluation of ICT Investments in Public Administrations

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ABSTRACT

This paper presents an approach to assess ICT investments in public administrations. The public sector bears great potential for business process optimization through ICT. However, these possibilities remain largely unexploited since the effects of ICT on the processes are not clear to decision makers. To assess this impact all processes of a public administration, the process landscape, have to be taken into account. The PICTURE modeling method has been proposed as a way to efficiently model the whole process landscape. Based on the knowledge captured with those process models, the impact of certain ICT functionalities on the processes can be analyzed. ICT investment decisions become more transparent towards the political leadership. This paper has two research objectives: First, an architecture for an automated evaluation of ICT investment decisions is introduced. Second, the practical feasibility of the architecture is shown based on an investment decision for a document management system.

Keywords  

ICT INVESTMENTS IN PUBLIC ADMINISTRATIONS

Process reorganization and optimization through ICT bears great potential for public administrations (PA) (Davenport 1993; Navarra and Cornford 2005) in Europe. Infrastructure oriented software products play a particular important role in this context. Examples for these products are workflow management systems (WFMS), document management systems (DMS), or optical archives (OA). These systems have established as an essential tool for back-office reorganization. Because of their impact on multiple business processes they promise efficiency improvements across the organization.

Especially in PAs these potentials remain largely unexploited due to missing transparency. In particular municipal administrations hesitate to invest into new ICT components for process reorganization (Algermissen et al. 2005). This is mainly because the potential impact of ICT on the business processes is not clear to the public decision makers. Due to this missing transparency ICT investment decisions cannot be justified towards the political leadership and the public. Therefore, often only few processes which are easy to assess are reorganized (Algermissen et al. 2005). A coherent ICT investment strategy is missing in most cases.

The full impact of ICT investments can only be assessed when considering the complete process landscape of a PA (Baacke et al. 2007a). Many ICT components do not only have an impact on a single process but on a number of processes with similar characteristics. For example a DMS is not only able to support the process “handle building application” but also the processes “handle application to run a restaurant” or “handle application for housing allowance”. Therefore, all of these processes should be taken into account, when deciding on ICT investments. To consider the process landscape of a PA means to refer to its complete set of processes.
Transparency about the process landscape can be achieved by using the PICTURE modeling approach. The PICTURE-method is a domain specific approach (Guizzardi et al. 2002; Kelly and Tolvonen 2000; Luoma et al. 2004; van Deursen et al. 2000) designed for process modeling (Green and Rosemann 2004; Raster 1994) in public administrations. It enables capturing the whole process landscape by fixing the level of detail of the models (Rosemann 2003). This is important due to the various potential contributors to models in public administrations (Hadar and Soffer 2006). The PICTURE-method is easy to understand and it enables the involvement of employees of a PA into the modeling process. This allows for an efficient acquisition of a large number of processes. PICTURE has been chosen in this paper as it is to our best knowledge the only PA-specific modeling approach that focuses on the representation of the entire process landscape (Seltsikas and Palkovits 2006).

The contribution of this article is to present an architecture for an automated evaluation of ICT investments. Basis for this analysis are PICTURE process models. These models explicate the implicit knowledge (Fraser et al. 2003; Styhre 2003) of the process landscape and, therefore, provide the information needed to assess the impact of ICT-investments on the processes. By using the whole processes landscape as foundation for the analysis, investments decisions become more transparent and justifiable.

The reminder of the paper proceeds as follows: The second chapter outlines the core elements of the PICTURE modeling language. Chapter three describes the architecture of the ICT investment evaluation approach. It explains how the impact of ICT investments can be evaluated on the basis of PICTURE process models. The fourth chapter presents an implementation of the evaluation methodology and illustrates its application. The paper concludes with a summary of its core contributions and an outlook to future research areas.

THE PICTURE PROCESS MODELING APPROACH

PICTURE is a domain specific modeling method with a corresponding web-based tool. It is used to capture the relevant information of the entire process landscape of a PA. The PICTURE-approach consists of two core components: The process landscaping module and a reporting framework. In section 3 the support of ICT investments decisions by the reporting framework is described. In the following the process landscaping module with the PICTURE modeling language is presented.

The two fundamental constructs of the PICTURE modeling language are process building blocks and attributes. Additional constructs that rest upon these basic ones are processes, sub-processes, variants, and anchors. To structure the different elements, the PICTURE-language distinguishes different views on the process landscape.

Views: Like many other process modeling approaches PICTURE uses views in order to handle and effectively reduce complexity. PICTURE consists of four different views:

- Process View (“How is a service delivered?”)
- Business Object View (“What is processed/produced?”)
- Organization View (“Who is involved in the modeling process?”)
- Resource View (“What resources are used?”).

Process Building Blocks: A main construct of the PICTURE modeling language are domain specific process building blocks (PBB) (Baucke et al. 2007b). A PBB represents a certain set of activities within an administrative process. The name of a PBB is taken from the vocabulary of the public administration domain (Rupprecht et al. 2000). PBBs are atomic, have a specific level of abstraction, and are semantically defined by a domain concept. PBBs are either completely executed or not accomplished. The complete meaning of a PBB is specified by the language designer. Therefore, in an analysis of the models problems like naming conflicts (Pfeiffer and Gehlert 2005) are avoided. As the type of the PBB defines the semantics of the model element such conflicts do not occur. Examples for PBBs are “Incoming Document”, “Formal Assessment”, “Enter Data in IT”, or “Archive Document”. PBBs belong to the process view. With PBBs a sequential order within administrative processes can be specified.

Attributes: Additional facts about the processes can be collected with the help of attributes assigned to the PBBs. These attributes specify the properties of the corresponding building blocks in detail. For example, an attribute of the PBB “Enter Data into IT” is “Duration”. Attributes provide the core information for the subsequent process analysis. They establish a connection from the central process view to the business object, organization, and resource view.

Figure 1 shows the modeling constructs introduced so far and how they relate to each other. The process view is the main view of the PICTURE-method. It contains the following four additional language constructs: processes, sub-processes, variants, and anchors.
**Processes**: A process performs a certain administrative service. In PICTURE processes are represented as a sequential flow of PBBs. This sequential order restricts the degrees of freedom of the modeler and simultaneously promotes the construction of structurally comparable models. A process can further be described by attributes. It can be connected to organizational units or employees.

**Sub-Processes**: Many processes are quite complex and run through several different organizational units. In order to simplify the modeling of processes the concept of sub-process is introduced. A sub-process in PICTURE is defined as a part of a

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**Figure 1. Views, Building Blocks, and Attributes within the PICTURE-Method.**

**Figure 2. Processes, Sub-Processes, Variants, and Anchors within the PICTURE-Method.**
process that is covered by only one employee. With the help of sub-processes the modeling can be performed distributed. Interviews for process recording are effective as employees are asked what they actually do in their daily business. After the modeling activities are completed the different sub-processes are connected in order to create coherent processes.

**Variants:** As modeling with the PICTURE-language is strictly sequential a way is needed to describe contextually important ramifications in the process flow. For that purpose PICTURE offers two possibilities: On the one hand attributes can be used to specify different cases with percentage values, e.g. for different contact channels (mail, email, phone, or personal). On the other hand it is possible to specify process variants. A *process variant* defines an alternative sequence within a sub-process. Process variants often share many common PBBs with the original sub-process. However, some of the PBBs can be modified, new ones can be added, and others can be removed. The frequency of a process variant can be weighted by percentage values.

**Anchor:** An anchor allows for establishing connections between PBBs in different sub-processes and variants. Some specific PBBs provide attributes to create such anchors. For example the PBB “Outgoing Document” from variant A in sub-process II can be connected to the PBB “Incoming Document” from sub-process III. The exchanged document is for example a change request. In this case an anchor is established between the two corresponding PBBs. Thus, the anchor connects different sub-processes to form a process. Anchors allow for following a process through the organization and connecting the different “model what you do” perspectives. Figure 2 shows how processes, sub-processes, variants, and anchors work together.

![Figure 3. Example Process “Update Citizen Register” in PICTURE-Notation](image-url)

The modeling of the process landscape with PICTURE is performed in a distributed form. There are certain questions for example about the execution of processes and the frequency of certain tasks that can only be answered by a responsible official. In order to gain this information many officials must participate. Thus, the PICTURE-language focuses on a strong involvement of the officials of an administration in the modeling project. Traditional general-purpose modeling languages are often too complicated for officials to be used in interviews. PICTURE has been designed as a simple and intuitive modeling language focusing on the needs of officials in PAs.

The representation of the process knowledge is done in a way that the results can be evaluated in a (semi-)automatic way. With the PICTURE-language similar activities are modeled by the same type of PBB. The PBBs limit the degrees of freedom during modeling. This leads to reduced deviations when different modelers are involved in a project. Additional information is collected in a structured way and by a standardized set of attributes per building block. Thus, the occurrences of specific
combinations of PBBs with certain characteristics can be identified by a simple syntactic search. Thus, the analysis algorithm does not need to use natural language processing to capture the semantics of PBBs. Analysis problems like naming conflicts or structural conflicts are reduced or avoided at all (Pfeiffer 2007).

Figure 3 shows the process “Update Citizen Register” as an example of a PICTURE-model. The process is triggered when a citizen moves to a new address. By law a citizen is required to inform the government by handing in a change request. This fact is visualized by using the PBB “Document/Information Comes in”. Within the following four columns additional information are given regarding attributes, the organization responsible, the business object, and the resources used in order to process the building block. Within the attribute column for example it is specified that 60% of all change requests are made by mail, 10% arrive by fax, and another 30% are made by citizens appearing personally. This information is relevant for an analysis of the process model. The next step within the process or in other words the next PBB is “Perform a Formal Verification”. In this PBB the completeness of the change request is verified. Afterwards the citizen register database is updated and the change request is archived for at least one year (which is specified in the corresponding attribute).

As the example shows the focus of modeling with PICTURE lies on an easy capturing of the PA’s process landscape. The models are annotated with facts that are relevant for ICT investments decisions. The use of PBBs and corresponding attributes prepares an automated analysis of the models. In the following the corresponding reporting framework is presented.

AN ARCHITECTURE TO EVALUATE ICT INVESTMENTS

An ICT component such as a DMS, a WFMS, or an OA can have several optimization effects on the process landscape. The main quantifiable benefits are reductions of processing, transport and waiting times, elimination of errors, or a decreased material consumption. To prepare an investment decision these benefits need to be forecasted and monetarily evaluated. Due to legal regulations and the involvement of a large number of external agents reorganization in the public sector is highly constricted. It is difficult and time-consuming to provide a realistic forecast of these benefits. Therefore, it is helpful when the examination of the process landscape can be performed in an automated form.

Unlike traditional process modeling approaches the PICTURE-language allows for an automated analysis of the process landscape. The information that has been captured by the modeling component is saved in a process model repository. The data in this store is then used by the reporting framework to extract decision relevant facts. The corresponding architecture of the framework is described in Figure 4. The PICTURE reporting framework is based on the following elements (c.f. Figure 5):

Process building block pattern: The basis to analyze PICTURE-models in an automated form are the so called process building block patterns (PBBPattern). A PBBPattern represents a specific weakness, inefficiency, or potential improvement in the process landscape. It consists of a sequence of PBBs with specific corresponding attribute values. A PBBPattern can contain required and unwanted PBBs as well as placeholders for arbitrary PBBs. A PBBPattern is used to search the process landscape for specific (sub-) processes that fit to its specification. The PBBPattern comprises all requirements a (sub-) process has to meet to be counted as a match. An example for a PBBPattern is the sequence of the PBBs “Enter Data into IT” and “Print Document”. A PBBPattern is connected to a key figure. PBBPatterns together with its key figures are stored in the PBBPattern / key figure repository.

Key figure: A key figure is the basis to quantify the specific effect of an ICT component on a PBBPattern. It is applied to evaluate the occurrences of the PBBPattern in a quantitave form. The key figure is defined by a formula that is based on the attributes of the Pattern elements (e.g. “number of pages”), and (sub-) process attributes (e.g. “number of cases per year”). The data to calculate the key figure is derived from the attribute values of the (sub-) processes where the PBBPattern matches. An example for a key figure is the number of printed pages per year. It is calculated by a multiplication of the attribute “number of pages” in all the instances of the PBB “Print Document” with the corresponding (sub-) process attribute “number of cases per year”. For this computation all (sub-)processes where the PBBPattern is found are considered. Consequently, a key figure refers to a PBBPattern and a savings rate.

Savings rate: The savings rate estimates the effects of the introduction of a specific ICT product. It is used to calculate a monetary savings potential of an ICT component based on a key figure. For instance it can be assumed that the introduction of a DMS saves 0.02 Euro per page printed in the organization. In the example of the key figure “printed pages per year” and with a savings rate of 0.02 Euro per page for a DMS an annual saving potential can be derived. Based on that data an investment decision for the DMS can be made. The savings rate is a project specific monetary value. A possible source for savings rates is the cost accounting of the organization. If such figures are not available the savings rate must be estimated. The savings rates are stored in the ICT component repository.
Report: A report contains all relevant information for an ICT investment decision. It comprises a single or multiple key figures. For each key figure the corresponding savings potential is displayed and visualized in a chart. Reports can be designed for specific ICT components. For example there can be a report for the introduction of a DMS, with the number of “printed pages per year” and the corresponding savings potential. The reports are created by the report generator. The report generator uses data from the process model repository, the PPBPattern / key figure repository, and the ICT component repository.

Figure 4. Logical Architecture of the Reporting Framework and the Process Landscaping Module

Pattern element: A pattern element represents an PBB which is required respectively unwanted in a (sub-)process with respect to a PPBPattern. A PPBPattern consists of a sequence of pattern elements. A PPBPattern matches a (sub-)process if all pattern elements have a corresponding *(required activity)* or have no *(unwanted activity)* counterpart in form of a PBB in the (sub-)process. A placeholder stands for a number of PBBs that are ignored in a (sub-)process. It defines the maximum number of PBBs until the next required activity has to be found in the (sub-)process when the PPBPattern matches. The *follow link instruction* requests the analysis algorithm to continue its search in the next connected sub-process. This allows for more intelligent patterns that span over the borders of a sub-process.

Figure 5. Metamodel of the Pattern-based Analysis

PBB attribute requirement and (sub-)process requirement: Beneath a sequence of pattern elements also specific attribute values are relevant in order to make a PPBPattern match. The *PBB attribute requirements* define for each required activity...
the value ranges for its attributes so that a PBBPattern applies. The (sub-)process requirements contain all attributes of a process or sub-process which are relevant for the pattern. Similar to the PBB attribute requirements a specific value or value range can be specified for the PBBPattern. All attributes marked in the pattern as requirements can be used as variables in the formula of the key figure.

When the analysis algorithm is executed the process repository is scanned sub-process by sub-process and variant by variant for a specific PBBPattern. Whenever a match is found the corresponding key figures are derived based on its calculation formula. By using the savings rates the results are computed for each process and aggregated for every organizational level of the PA. An aggregation of the data at different stages allows for a drill-down and roll-up analysis. Hence, based on the key figures and the savings potential relevant processes for reorganization can be identified. By following the organization chart the user can identify processes with abnormal values.

PICTURE is able to forecast the potential benefits of an introduction of a single ICT or even a group of ICT components. Based on different scenarios potential savings can be forecasted. Due to an automated pattern-based analysis of the process models this process is less time-consuming than a manual analysis. To derive ICT-investment strategies from the analysis results the potential benefits (considered to be realistic) have to be compared with the introduction and maintenance costs of an ICT component. A forecast of these costs is usually much less time-consuming and more reliable than the forecast of the potential benefits.

IMPLEMENTATION AND USE OF THE REPORTING FRAMEWORK

The reporting framework has been implemented as a module of the web-based PICTURE-tool. The module provides a construction kit for PBBPatterns, key figures, and reports. Similar to the process landscaping module it is designed to enable a simple and intuitive construction of these elements.

The PICTURE process landscaping module has previously been evaluated in two case studies (Becker et al. 2007a; Becker et al. 2007b). After that the reporting framework has practically been applied in a project in Altenberge, a small municipality in the Münsterland with about 10,000 inhabitants engaging 40 officials in the core administration. In this case study 88 interviews with the officials were conducted. The project group was composed of a project manager; four sub-project managers and fourteen team members. Each interview was conducted by two team members together with one or two officials of the administration. In these sessions altogether 466 processes could be identified. Two-thirds of them were modeled as detailed PICTURE processes during the interviews using the process landscaping module. Based on the interviews an ICT reorganization potential analysis was performed and several proposals for improvements could be derived based on the PICTURE process models. The focus of the analysis phase was to support the paper handling in the organization. The following three steps have been performed to evaluate the investment in a DMS:

First, 30 DMS-related key figures and corresponding PBBPatterns were entered into the tool. They were configured with cost- and saving rates. Figure 6 shows an example of a PBBPattern. It maps to incoming paper documents that are scanned within the next 15 PBBs and no other documents arrive before scanning. This example refers to the savings potential for a central DMS in a public administration.

![Figure 6. Screenshot of the Construction of a PBBPattern](image-url)
Second, after the definition of the key figures and PBBPatterns the analysis algorithm was started for the project. The automated search for PBBPatterns such as the example in Figure 6, the calculation of the key figure values, and the aggregation of these results took about half an hour.

Third, the evaluation results in form of reports were examined and manually interpreted. As expected the time consumed for creating, editing, and archiving documents could not justify an investment for the small administration Altenberge (c.f. Figure 7). More promising was the time consumed for gathering all required information intra-organizationally, since this is done mostly manually yet. The processes in which the about 300,000 pages are printed for internal use only should be analyzed manually. For that purpose the tool provides a list of all relevant processes ordered by the number of printed pages. Although the actual sample analysis does not suggest the DMS-investment, it has only consumed three hours for generating figures and interpreting the results. 30 minutes were spent for the automated calculations. Additionally, it is possible in the tool to change the savings rates “on the fly” while interpreting the results. This allows for answering questions like “If the printing costs rise to the amount of x, will that justify the investment in a DMS?” With these mechanisms the break even for investments can be calculated. Besides that the evaluation of Altenberge’s process landscape provided some optimization proposals which do not depend on a DMS. Minor changes in the processes could be derived that avoid unnecessary organizational breaks.

![DMS Report](image.png)

**Figure 7. Screenshot of a DMS Report**

**CONCLUSIONS AND FURTHER RESEARCH**

Process reorganization and optimization through ICT bears great potential for PAs in Europe. Especially in PAs the effects of ICT reorganization remain largely unexploited due to missing transparency. Especially municipal administrations hesitate to invest into new ICT components for process reorganization. The potential impact of ICT on the processes is not clear to the public decision makers. They are often not aware about the structure of their business processes and where ICT could be applied.

The process landscapes of PAs often include more than 1,000 processes, depending of the size of the organization. To handle such a huge number of processes and to analyze them in an automated form, a special, domain-specific process modeling and analysis method is necessary. In this paper we have employed the domain-specific modeling method PICTURE. PICTURE uses semantically predefined process building blocks for the process modeling. Based on that we have presented an architecture for an automated evaluation of ICT investments. The entire approach was implemented and evaluated in a case study in the small municipality Altenberge.
The example of Altenberge shows that not in every case ICT investments are sufficient. In smaller organizations the costs for a software solution will exceed the expected benefits. The example also indicates that the aggregation of weaknesses in the process landscape can lead to the identification of additional reorganization potentials as transparency is provided.

Further steps will be an implementation in a bigger city to proof the concept of PICTURE in another evaluation case and to derive further potentials for a continuous refinement of the PICTURE methodology. Besides of that a transfer to other information handling domains like the financial sector is in focus.

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