



Return on Investment

The Joy of ROI

Return on Investment process can help sell your 100% E project

How liberating! To actually see--in hard dollars and clear performance data--how a technology project can return value.

Iowa's new Return on Investment (ROI) analysis is one of the key tools in the Accountable Government Act, passed by the General Assembly and now on the Governor's desk. ROI analysis will help the State govern better through quantifiable information and independently verified data-driven results, as opposed to more subjective means.

"In short, to complete a successful ROI review, a 100% E project must demonstrate quantifiable benefits that will more than offset the costs," said Paul Carlson, ITD Director of Enterprise Quality Assurance. "If you can't provide definable benefits, you'll probably have to go back to the drawing board."

The ROI system developed by the State has gained national, even international, attention as an intelligent, actionable tool that shows great promise in creating more productive, performance-based government. ROI can be used to evaluate all kinds of projects, not just information technology programs.

Beginning with fiscal year 2003 IT funding requests, State departments with 100% E projects and other technology expenditures will require

completion of a Return on Investment funding application for any of the following:

1. [Pooled Technology Fund project requests](#)
2. [Reengineering Fund \(administered by ITD\) project requests](#)
3. [Any IT expenditure costing over \\$100,000 and contained in an agency budget or budget request](#)
4. [Any non-routine IT expenditure contained in an agency budget or budget request](#)



All FY 2003 ROI applications are due to the Information Technology

Department (attn: Paul Carlson) by **June 15** to then enter the review process.

For those who haven't been through the ROI workshop, a detailed tutorial on the ROI sequence is available on the front page of the State's web site at www.state.ia.us. Just find the ROI link on the left-side bar and you're there. At the bottom of the front page of the ROI site you'll find an electronic training manual and the ROI application form. All ROI applications must be submitted electronically.

ROI REVIEW TIMELINE

- **June 15, 2001** - Deadline for submitting draft funding applications
- **June, 2001** - Preliminary application review by ITD's Enterprise Quality Assurance Office
- **July 15, 2001** - Applications finalized
- **July, 2001** - Applications evaluated by ITD internal review group and ITMC subgroup
- **August, 2001** - Oral (optional) presentations made by agencies to Information Technology Council (ITC)
- **September, 2001** - Applications reviewed by ITC
- **October, 2001** - ITC funding recommendations due to Department of Management and to the Governor
- **January, 2002** - Governor's recommendation submitted to Legislature
- **End of Session, 2002** - Funding priorities agreed upon by Governor and Legislature

Elections, Courts & Taxes

Three big areas for state e-government

Governor Vilsack's framework for "100% E" mandates that e-government applications must add value and return on investment for Iowans through better service, greater speed and efficiency, cost-savings, productivity or a combination of these factors.

What are some examples that other states can offer to show this kind of ROI?



Arizona's e-Voting

In March of 2000, Arizona's Democratic Party conducted the nation's first binding election using the Internet to cast ballots. Nearly three times as many people voted in the Arizona Democratic Primary in 2000 compared to 1996, attributed largely to the ability for party members to vote online. (source: civic.com)

This finding is further supported in a recent report released by the Information Technology Association of America (ITAA). According to ITAA, demographic groups that vote less often say using technology to make it easier to cast a ballot would likely increase their participation in the election process. (source: National Association of Secretaries of State)



Colorado's Electronic Courts

Colorado became the first state to offer statewide electronic filing of lawsuits and other legal briefs in September 2000. Annually more than 240,000 lawsuit filings occur in Colorado civil courts. Documents are now stored electronically and are instantly accessible by all case parties, including judges and clerks, through a Web site. Gone is the burden of having to copy, package and manually deliver millions of paper documents between law firms and courts. (source: civic.com)



Washington's Electronic Tax Filing

The State of Washington celebrated a partnership between the Department of Revenue and the Department of Information Services in creating an electronic filing system for taxpayers. The filing system provides automatic computations, has automatic error checking, is in a secure, encrypted environment and includes up-to-date online help so businesses can file and pay taxes via the Internet. By automatically performing tax-return calculations, the system reduces the error rate of 14 percent found in manually prepared tax returns. More than 7,200 Washington businesses used the filing system in its debut year. Washington's DOR estimates that up to 100,000 businesses will eventually file electronic tax returns. (source: civic.com)

What will be the success stories in Iowa? Will one of them be in your department? Will one of them come from your project team?

Eight imperatives for leaders in a networked world: Part II



Richard Varn
State CIO

Iowa CIO Richard Varn is a member of the Policy Group On Network-Enabled Services and Government at Harvard's John F. Kennedy School of Government. Below are items 5-8 excerpted from the Group's recent report on public leadership and technology, which Rich helped author. Last month's issue of this newsletter published imperatives 1-4.

5. Protect privacy and security

Problem. As technology expands online communications, volatile issues of privacy and security require careful respect for individual rights and responsibilities in the context of maintaining community standards and safety.



What to avoid. Don't misunderstand privacy and security issues, either by ignoring them or by allowing their volatility to paralyze efforts to develop new electronic systems and services.

What to do. At minimum, understand and implement the "fair information practices" and the "secure information practices" developed over the past twenty-five years. The greater challenges, however, involve heading off destructive controversies as much as possible through up-front planning and the involvement of stakeholders in case-by-case evaluations of the trade-offs inherent with electronic services.

6. Form IT-related partnerships to stimulate economic development

Problem. While the biggest IT benefits often require cooperation across the boundaries that separate one agency from another and the government from the private sector, sustaining cooperation among diverse entities is almost always difficult.

What to avoid. Those who ignore cross-boundary opportunities—especially now that the Internet has greatly reduced the obstacles to network interoperability—make a major mistake. Cross-boundary work is enormously more feasible than it used to be.

What to do. Mobilize public and private stakeholders for a specific initiative, such as strengthening a regional economy and/or a particular industry. In some cases, this work will merit development of entirely new institutions to design and deliver electronic public services.

7. Use IT to promote equal opportunity and healthy communities

Problem. Recent decades have produced increasing inequality in the distribution of income and political influence. A "digital divide" threatens to widen these inequalities and potentially destroy the social cohesiveness of geographically based communities.

What to avoid. Don't try to duck these issues by assuming they're too unwieldy to remedy. At the other extreme, don't attempt massive fixes by trying to tax activities that can easily flee to low-tax jurisdictions.

What to do. Clarify what "universal service" could and should mean in a world of broadband digital networks. Judiciously develop the kinds of net-based education, job development and community engagement that are becoming essential for economic and social success.

8. Prepare for digital democracy

Problem. Digital networking is expanding across regional and national boundaries to produce serious problems for policy making and regulatory agencies.

What to avoid. Don't take an isolationist posture in response to growing problems of global interactions. And don't think of Information Age governance simply in terms of electronic voting.

What to do. Experiment to make online participation in "the conversation" of politics easier and more meaningful. Develop initiatives to help legitimize digital communities and give stakeholders a role in setting standards and regulations. For example, note that the development of electronic medical records will involve stakeholders far beyond the reach of any single state or even the entire US medical community. In cyberspace deciding who has the authority to look at a medical record or prescribe medication is fundamentally a problem of global governance.