The **Club**

G-Digital Market Investigation
High Level Analysis & Findings

G-Digital Programme

January 2010

Market Investigation Objectives

- The programme set out to meet a number of objectives through a variety of communication and consultation channels and activities. To:

1. understand the ease of deliverability
2. understand the deliverability of different commercial/contractual options
3. assess cost, pricing, and risk drivers
4. determine any gaps in the Business Services requirements
5. build/gain confidence in the market’s ability to meet our Business Services
6. assess and understand logical service boundaries
7. understand flexibility of each service
8. understand the challenges in and process of implementation
9. understand the feasibility of achieving programme targets
10. inform the market of G-Digital

Summary of Approach

- The approach for both G-Digital and Identity Assurance was to issue separate PINs and seek responses in two broad phases through a number of mechanisms.

- Both phases were supported by the development of a microsite that contained background documentation, the ability to link to other information and publish documents and findings.

- Phase 1 was carried out through the production, publication and review of an online survey.

- Phase 2 comprised a series of 8 face to face workshops including:
  - 55 suppliers (including web specialists and SMEs)
  - 3 incumbent suppliers for The Club, Businesslink & NHS Choices
  - A large public body and a supplier currently using and providing disaggregated digital services

Phase 1: High Level Output

- The online survey for both the G-Digital and Identity Assurance PINs generated 125 responses from a wide variety of suppliers

- All types of supplier were represented: Systems and service integrators; point solutions providers; SaaS and IaaS suppliers
  - Point solutions and infrastructure suppliers were represented in smaller numbers
  - System integrators were represented in higher numbers

- An initial review for identified 87 suppliers responded to G-Digital:
  - 19 suppliers responded to the Identity Assurance PIN only
  - 9 duplicate and 10 unclear or test submissions

- A second review identified a total of 70 suppliers who had responded specifically to the G-Digital requirements
  - 17 had provided useful information about the programme but not against the specific requirements

Phase 2: High Level Output

- The required business services can be delivered by the market now or in the very near future
- There are a range of commercial options for delivering what is required for G-Digital:
  - Combination of direct and indirect contracting likely
  - Need to reduce time to market and resource in procurement agreed
  - Consumption based charging, short term contracting and as a service delivery all possible
  - SMEs and non traditional suppliers need to ensure representation
- Define and where necessary develop open standards to ensure interoperability
- Ensure reuse of services to drive value and minimise risk from customisation by individual users

Objective 1

To understand the ease of deliverability for each Business Service including specific functional, and non-functional, elements

Phase 1 – Survey Analysis	Phase 2 – Workshop Analysis
• All specified Business Services were marked as being available now (Q2.1) • Strong Indication that 'as a service' commercial models are available options for most or all Business Services (Q2.2)	• Process has validated that each business service can be delivered by the market. • Common agreement that each business service could be delivered individually (i.e. disaggregated.) • Consensus that a very clear set of operating standards are required. • There were mixed views on bundling: 1) No real advocates of bundling in order to solve common technical challenges 2) Quite popular view that some customer types would require a core solution comprising a common subset of services and that this solution would be steady over time • Mixed views on how to deal with varying Non Functional requirements across customers • Common agreement that customisation of a service must be strongly resisted.

Objective 2

To understand the deliverability of different commercial/contractual options and the status of the market.

Phase 1 – Survey Analysis	Phase 2 – Workshop Analysis
• As a service' and consumption based pricing confirmed as viable commercial options available now (Q2.2) • A range of negotiable options exist with most standard terms (Q6.2) • There was a balance of view about whether to use multiple or prime contract options to deliver G-Digital (Q6.6)	• Multiple contracting options are available • Contract alignment maybe be complex if service is highly disaggregated • Direct and indirect contracting preferred by different providers • Strong steer to contract business outcomes and away from service levels • Consumption based pricing is possible in most services but some experience finds that government often does not want this due to risk of not knowing fixed price • SME's need greater representation, have been dissuaded by complex nature of procurements previously • SME's emphasised need for transparency in establishing markets

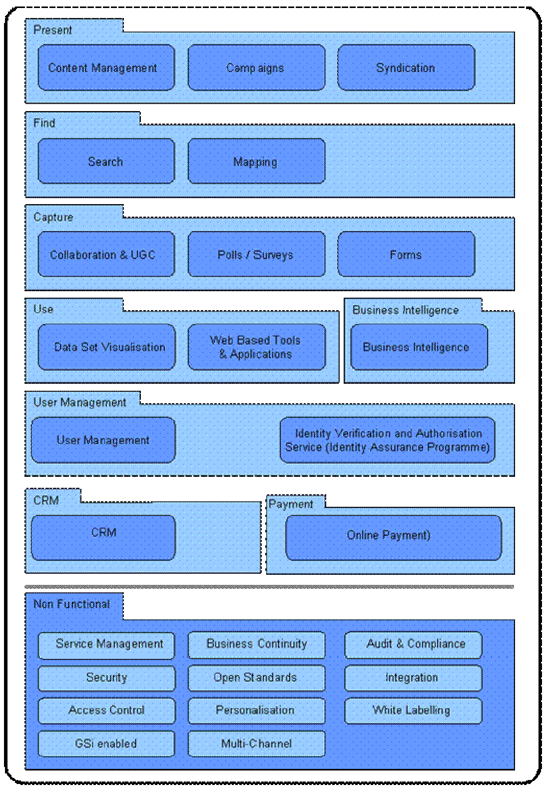
Objective 3

To assess cost, pricing, and risk drivers and how the Business Services, and the identified functionality, influence each of these

Phase 1 – Survey Analysis	Phase 2 – Workshop Analysis
• In many cases suppliers were willing to offer the same service under a range of different pricing structures (Q6.3).	• Potential upward cost drivers identified as: 1. Complex buying/procurement process 2. Over configuration/customisation behaviors 3. Diverse business processes 4. Failure to reuse services 'as is' to maximise capacity benefits 5. Offsetting of risk • Suppliers identified benefit from potential mandation of use and longer term financial commitment to drive discounts/reductions

Objective 4
To determine any gaps in our Business Services

G-Digital Scope Pre-Market Investigation (per G-Digital Microsite)



Candidate Services (To Be Considered Post Market Investigation)

Sources of candidate list:

- G-Digital Stakeholders (requirements identified since initial requirements elicitation exercise.)
- Market Investigation Workshops

Candidate G-Digital Business Services

- E-Mail Alerts
- Adserver
- Electronic Records Mgmt
- Multi Media
- CRM
  - Case Management
  - Business Process Mgmt
  - Customer Complaints
  - Campaign Mgmt
  - SEO
- Online Payments
- Reqular Payments
- Service Integration / API
- E-Commerce
- AI Advisor

Candidate Non Functional

- Accessibility
- Multi-Tenancy
- Metrics
- Session Awareness
- Printing

Candidate IDA Business Services (?)

- Enrolment
- Bio metrics

Candidate People Services?

- Editorial / Data Service
- Translation
- Citizen Drive

Objective 5

To build and gain confidence in the market's ability to meet our Business Services

Phase 1 – Survey Analysis	Phase 2 – Workshop Analysis
• All specified Business Services were marked as being available now (Q2.1).	• The process has given confidence that the market can deliver on our business service requirements. The challenge lies in: 1. Defining the standards (technical and other) for the G-Digital service 'eco system' 2. Creating a workable and appropriate commercial model the market investigation showed that there are multiple possibilities 3. Adopting the appropriate service management model.

Objective 6

To assess and understand logical service boundaries in service delivery, support, interoperability etc.

Phase 1 – Survey Analysis	Phase 2 – Workshop Analysis
• Out of scope for Phase 1 survey	Business Services • The market did not believe that service bundling was necessary to address common complex service integration challenges. The view was that clear technical standards were more important. • A number of approaches were suggest with the most common being: – A number of core platforms (comprising multiple services) aligned to likely customer profiles. Less frequently required services would then be integrated to the core when required. – A number of suppliers indicated core platform in place over a committed period would lead to the greatest cost savings (compared to pure pay as you go.) Service Integration / Management • It was agreed that it was possible to separate "service management" from "service integration“ and separate "service management" into discrete component services. But no strong view there was an advantage from this approach

Objective 7

To understand flexibility of each service to meet different customers needs while remaining competitive and relevant over time

Phase 1 – Survey Analysis	Phase 2 – Workshop Analysis
• Out of scope for Phase 1 survey	• *Range of customers:* Mixed views on how non-functional requirements would be combined with functional requirements: 1) Tee shirt sizes (small, medium, large) 2) Individual SLAs defined per instance • *Range of customers:* Agreement that for any given service there may need to be a range of services offering different levels of functionality • *Flexibility:* Flexibility and relevance partly driven from shorter term contracts allowing the customer to switch on / switch off services and also to interchange services. • *Competitive:* View from some suppliers that they have already started to benchmark services • *Relevance and Competitiveness*: partly driven by the fact that there would be a market for services. Challenge in who creates and manages the market.

Objective 8

To understand the challenges in and process of implementation

Phase 1 – Survey Analysis	Phase 2 – Workshop Analysis
• Good general indications that setting up new services and migration of existing services can be achieved within a reasonable time period. The questions did not provide specific scenarios or case studies and therefore more detailed analysis will be required (Q5.4 & Q5.5.)	• Establishing effective commercial arrangements that draw from a wide market place will be challenging • Procurement processes may need to create a range of different commercial delivery vehicles that under pin characteristics such as remaining flexible, low cost, etc • Changing behaviours will be a challenge and need to address: 1) Intelligent buying 2) Standardisation of business services 3) Scope for mandating or making the default option, the use of market

Objective 9
To understand the feasibility of achieving programme targets

Phase 1 – Survey Analysis	Phase 2 – Workshop Analysis
• Overall viability of the concept appears deliverable from a review of all responses. • Value of costs savings and delivery to green agenda out of scope of Phase 1 survey	• All the programme targets can be met as far as can be assessed through the Phase 2 activities

Objective 10
To inform the market of G-Digital

Phase 1 – Survey Analysis	Phase 2 – Workshop Analysis
• Achieved through issuing PIN and general communications	• Feedback positive for workshops • Suppliers have encouraged ongoing dialogue