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PARTNERSHIPS BETWEEN governments and private sector companies are certainly nothing new in Canada and elsewhere, and over time, the process has been honed down to a fine science. But in the past decade, with the explosion of technology into our daily lives, this science has become somewhat muddled when applied to IT projects because, like technology itself, the rules are often rewritten several times before a single project can be completed. This presents a whole new set of challenges, both for governments, and for the private-sector technology companies they wish to do business with.

According to Jane Peatch, executive director of the Canadian Council For Public-Private Partnerships, public-private partnerships (P3s) involving technology are much more organic than more traditional partnerships, making them notoriously difficult to plan and budget. “The objectives are often defined along the way,” she says, “as opposed to saying, ‘We need 18 miles of highway.’”

The CCPPP facilitates cooperation between the public and private sectors, but hasn’t done much work in the technology arena to date “because the demand hasn’t been there from our members,” Peatch says.

Peatch also points to a decision late last year by the government of the United King-

dom on its private finance initiative (PFI), a program fostering private sector involvement in providing government services, which recently came under a storm of political criticism for repeated budget overruns. Eventually, it was decided that the UK government would abandon any further PFI projects centred around technology because of the high risks and unpredictability involved.

However, other groups are much more optimistic about future collaboration between technology companies and governments. One example is Accenture, a global technology services and outsourcing company that has worked on several IT P3 projects in the past. The company recently

Same principles, little progress

won an award from CCPPP for a successful overhaul of the Ontario government’s welfare delivery program, which was a complex transformation to a web-based system that took more than five years.

But even with all of the technology involved, the same old principles still apply, according to Alden Cuddihey, a partner with Accenture’s government operating group. Whether it’s roads or websites, says Cuddihey, “the partnership principles are more around how we work together on project teams, and how we work around a

shared governance structure so that we’re ensuring each of our organizations is tied to each other up to the most senior level.”

“We’ve learned over time to invest considerable time in working together on team-building,” Cuddihey says, “in creating a team – not the ‘consulting team’ and the ‘government team,’ but rather one team around the business transformation project. It gets everyone rolling together.”

Another individual who sees the merits of P3s is Canada’s new prime minister, Paul Martin. He recently appointed Scarborough-East MP John McKay to a newly created assignment as secretary to Minister of Finance Ralph Goodale, with a special emphasis on public-private partnerships.

Like Cuddihey, McKay believes there is much to be gained from governments working with co-investors from the private sector, once some fundamental differences are hammered out.

“You’ve got two separate cultures, and as I read the literature and talk to people about this, I think that’s probably one of the most difficult bridges to cross,” McKay says. “A civil servant by definition is risk-averse, and an entrepreneur by definition is a risk-taker, and the two of them don’t necessarily see eye-to-eye on risk analysis.”

But once these bridges are crossed, McKay believes the two sides can have a lot to offer each other, and that in many cases, P3s can offer both taxpayers and their governments the promise of reduced costs and more efficient services, while both sides benefit from the expertise and experience of the private sector.

“I think that the government of Canada should not undertake at least any capital initiative, and possibly any social initiative, without applying a P3 lens to the project,” McKay says.

With more governments at all levels looking towards technology to streamline their services, he should have plenty of work on his plate. *MM*

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