Appendix 10

Draft Enterprise Digital Strategy for Public Exhibition

Enterprise Digital Strategy

2018–22

HOBSONS BAY CITY COUNCIL

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Executive summary

Evidence demonstrates that both community and internal stakeholder expectations are driving increased demand for digital delivery of information and services and support for business operations – all while resources are becoming increasingly constrained.

A data-enabled and coordinated governance approach to digital transformation (and related organisational improvement), offers an opportunity to achieve better service at a reduced cost, through increased self-service and digital ways of working. This Strategy provides an evidence-based set of principles and priority areas that reflects an appreciation of how well Council is currently meeting digital expectations, and the maturity of the digital capabilities necessary to meet future expectations. Five core strategic principles have been identified that will shape and guide Hobsons Bay's transformation towards its digital vision,

"To continually provide for the evolving needs and expectations of the Hobsons Bay community through embracing digital opportunities and cultivating a mindset of innovation."

1. Customer Centric
(instead of process-centric)

2. Socially Pioneering
(using digital technology in new ways for community benefit)

3. Data Smart
(embracing measurement to support decision quality with evidence-based insight)

4. Drive Collaboration
(through sharing and utilising knowledge and data to minimise wasted effort)

5. Mobile First
(ensuring solutions perform to a standard of excellence on mobile platforms)

Three key priority areas

In charting the course from the current state, three key priority areas have been identified, and the required strategic actions underpinning each have been defined.

1 Uplift digital foundations and capabilities

This focuses primarily on the foundational people, structures, and platforms necessary for a successful digital transformation program.

2 Focus on data and business intelligence

This highlights the actions required to close the current gap around business process and performance measurement as a baseline for assessing potential benefits of improvement initiatives, as well as forming the basis of smarter decision making.

3 Embed a 'Cohesive Council' digital improvement model

This area deals with the need to shift away from siloed, efforts across the organisation, business areas, and improvement initiatives, to ensure that solutions to problems already solved are reused and improvement efforts are not duplicated but instead enhance each other, and that strong governance ensures allocation of resources for best value/ return.

With the culmination of focus on these priority areas and associated strategic actions in accordance with the guiding principles, Hobsons Bay City Council will be in a position to facilitate a 'community-driven digital innovation lifecycle' whereby 'Co-Design', 'Smart Cities' / 'Internet of Things', 'Open Data', among other strategic themes that combine in a way that is not currently possible to produce solutions which benefit both the community and Council.

Background

The challenge

The world is changing. Community expectations of customer service continues to evolve. The challenge for local government, is to provide for evolving customer expectations of contemporary service delivery in an environment where resources are increasingly constrained, meaning there is pressure to deliver more with the same resources as well as meeting employee expectations of increasingly digital ways of working.

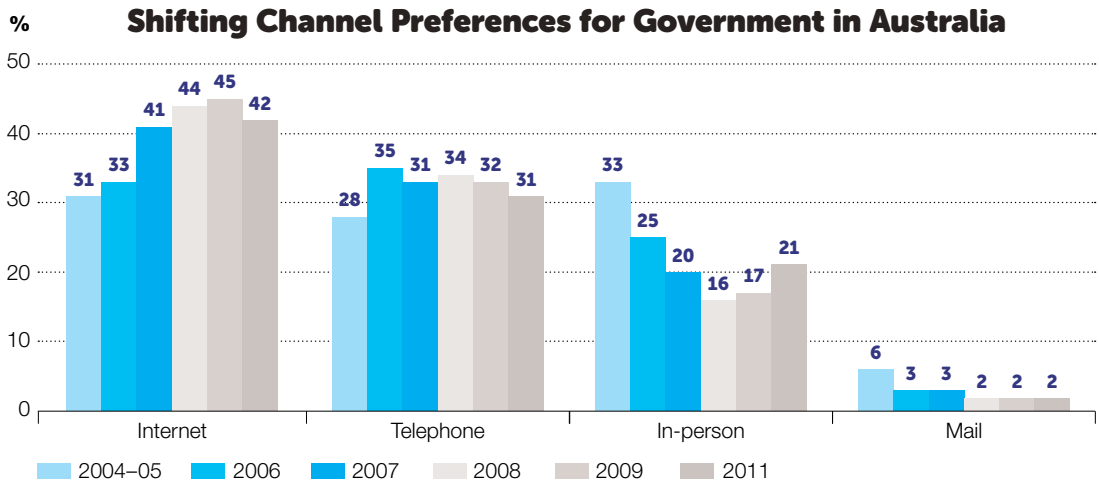
The digital opportunity

Underpinned by a natural generational shift and the increasing use of digital 'smart' devices (phones, tablets, wearables), research on service delivery channel preferences for public sector organisations indicates a clear shift of preferences towards digital.

This observation is further supported by a key finding of the Hobsons Bay 2017 Community Digital Survey; that 66% of respondents expressed a preference for digital self-service channels which are either not currently available or satisfactory.

This is not to suggest that digital self-service channels must replace traditional service channels. Rather, the digital opportunity is to supplement and augment traditional channels with more digital ways of interacting with Council – for those who prefer it.

Supported by digital ways of working and a robust governance capability, the growing proportion of people who do prefer digital self-service channels will enable Council to drive down the 'cost to serve' and invest in closing the gap between service expectations and delivery.



Graph: Shifting Channel Preferences for Government in Australia.
www.finance.gov.au/publications/interacting-with-government-2011/10-future_service_delivery_preferences.html

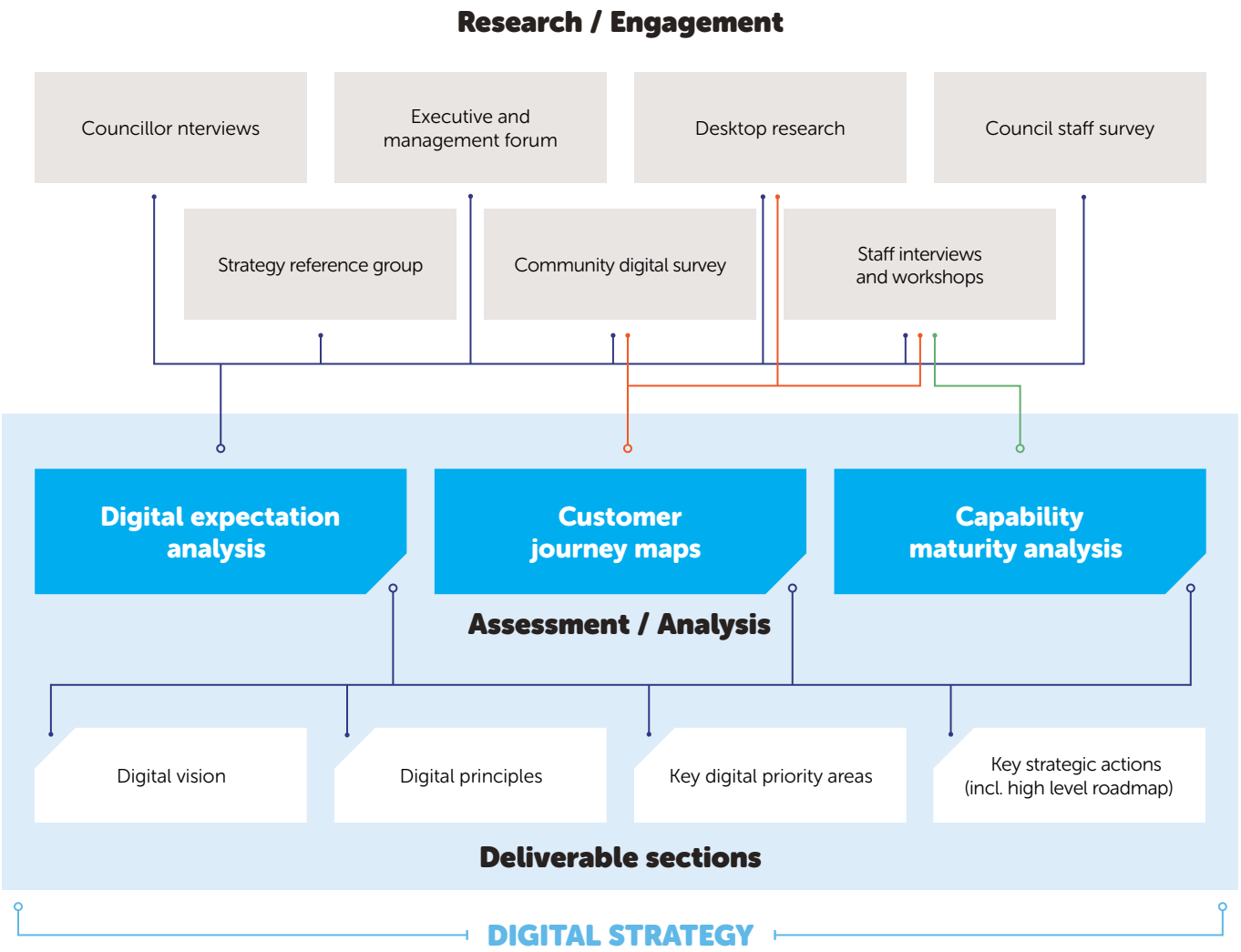
Strategic context

The **Enterprise Digital Strategy** is a 'Major Initiative' to be delivered during the 2018–19 financial year. Supported by the **ICT (Information and Community Technology) Strategy 2018**, it will help to achieve the goals within the **Council Plan 2017–21**, and form part of the strategic foundation and framework necessary to support the **Hobsons Bay 2030 Community Vision.**

Council's evidence-based approach

This Enterprise Digital Strategy was developed using an evidence-based approach.

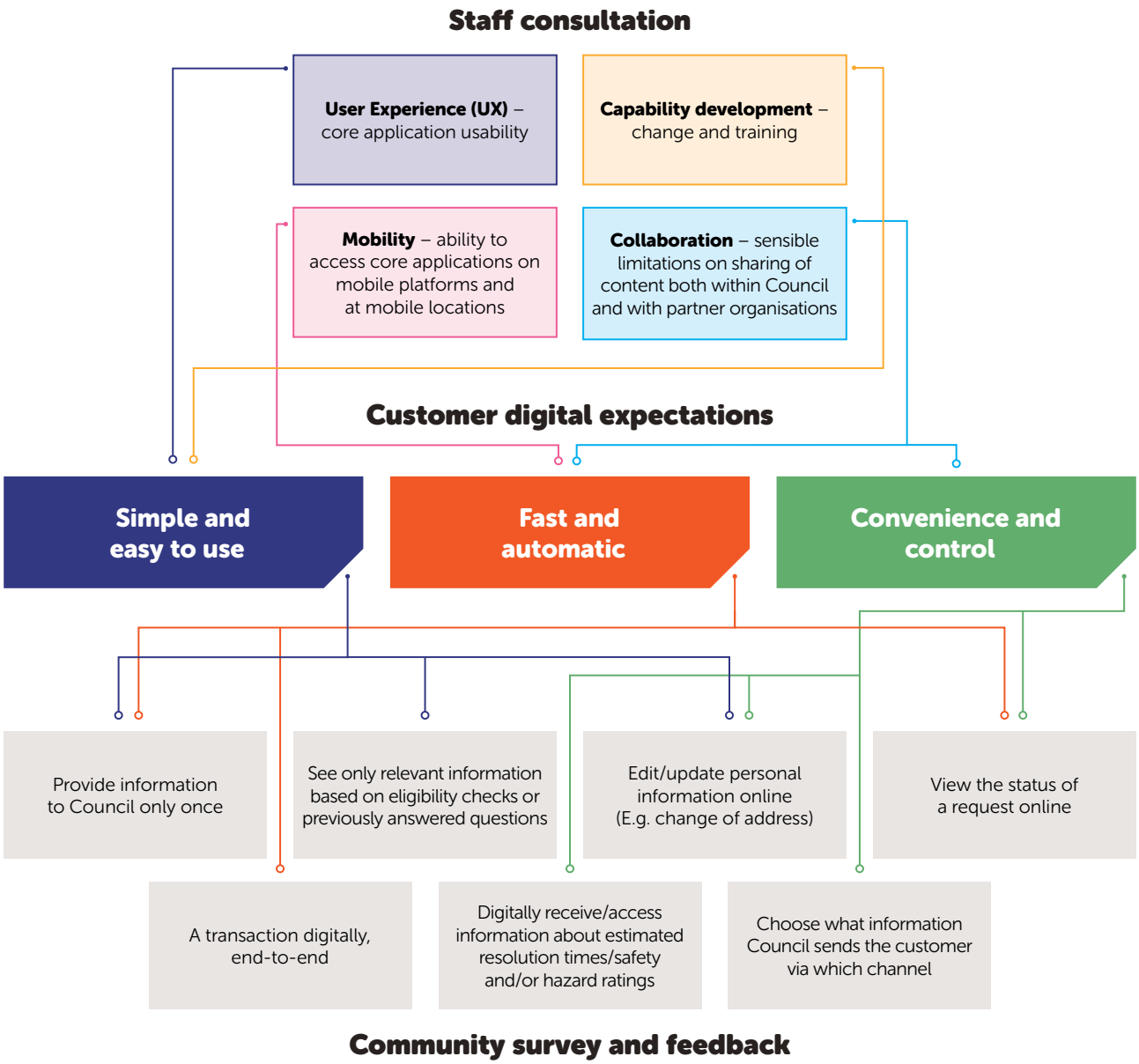
The digital principles, priority areas and opportunities are based on extensive internal and external consultation via a combination of research and engagement methods to determine the 'digital expectations' of the community and Council. Considering the future of digital service delivery externally, as well as digital ways of working in Council's internal operations, the challenges and opportunities in meeting these expectations to become a smarter, more digital city have been identified.



Digital expectations: key customer experience themes (from engagement and consultation)

The Enterprise Digital Strategy was informed by engagement and consultation with the Hobsons Bay Councillors, community and Council officers.

The key themes of these consultations are categorised into three customer digital expectations:



Digital vision

Using community and Council expectations as a guide, the Hobsons Bay City Council digital vision has been developed:

"...To continually provide for the evolving needs and expectations of the Hobsons Bay community through embracing digital opportunities and cultivating a mindset of innovation."

Five core strategic principles

These principles will shape and guide the digital transformation towards the vision:

p1 Customer centric

p2 Socially pioneering

p3 Data smart

p4 Drive collaboration

p5 Mobile first

"You've gotta start with the customer experience and work backwards to the technology." – Steve Jobs

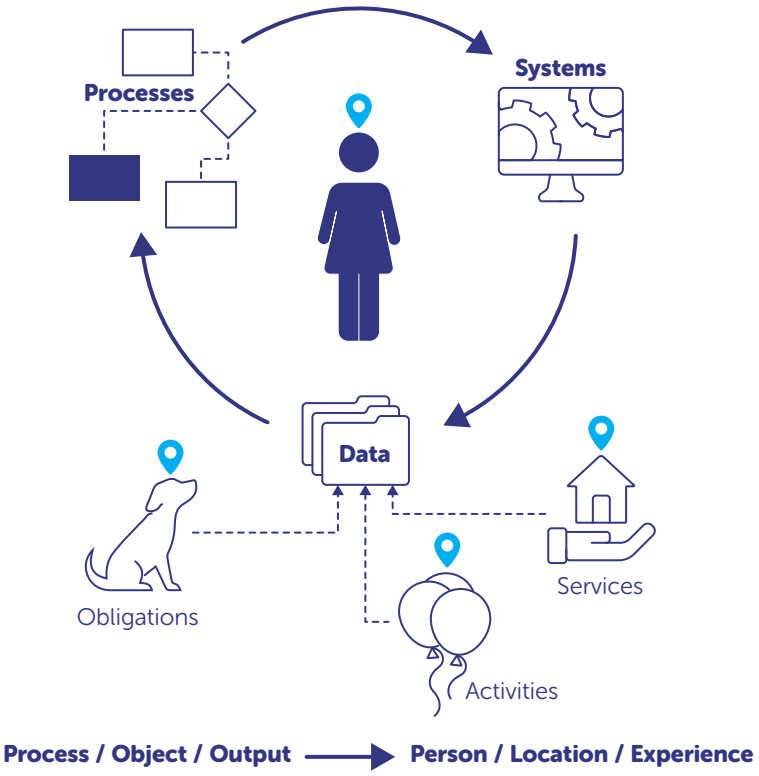
Customer centric

Customers as the starting point for decisions around systems, processes, and data.

Customers view Council as a single entity, yet some interactions with Council can be fragmented, based on separate systems and processes, delivered by individual business areas. A shift towards an enhanced customer experience in the design of services is required, whereby the emphasis shifts from processes, objects, and outputs towards people, location, and experience.

This shift will yield a range of benefits through increased awareness of the location at which customer interactions and activities occur, and the increase in the use of digital self-service channels that will result from more customer-centric solutions. These benefits include:

- Understanding the customer experience (displaying personalised content that is likely to be most relevant to customers based on their relationship with Council).
- Improved convenience and control for customers in line with contemporary customer experience expectations (e.g. management of contact preferences, ability to monitor/self-serve updates on requests or reported issues).
- Improved community safety through proactive and on-demand distribution of information regarding potential or actual hazards in the municipal area.
- A reduction in cost to serve or deliver a type of service through straight-through-processing and automation, freeing resources to be reallocated towards higher value-added activities for community benefit.
- A reduction in a range of risks including information security and privacy (e.g. protection of sensitive or personally identifiable information) and data integrity (e.g. customer contact details being updated in one system, but not others).



[1]Dynamic 'Information Architecture' in this context is the practice of thoughtfully organising information for user-friendly consumption based on the channel and device being used, and user goals.

[2]'Cost to Serve' is the 'per transaction' cost of delivering a type of service to a customer.

"Hobsons Bay will be an inclusive, empowered, sustainable and visionary community led and supported by a progressive Council of excellence."
Hobsons Bay 2030 Community Vision

Socially pioneering

Keeping the community front-of-mind in use of data and digital design.

Council embodies the principle of being 'Socially Pioneering' in the use digital technology in new ways for community benefit (e.g. 'Creative Technology Hubs'). The concept of [1]'Smart Cities' presents as a further opportunity to be digitally 'Socially Pioneering' through use of a distributed network of sensors that 'Collect' data about things happening in the municipal area, 'Communicate' it back to a central platform (most often via a type of network called the [2]'Internet of Things'), which is then 'Crunched' (analysed) to inform a wide range of ('Smart') decisions on how to allocate resources in ways that benefit the community. Examples might include:

Socially pioneering digital solutions	Community benefits
In-home care alerts for people who need support	Enabling community members to safely live independently in their own home for longer
Waste bin capacity sensors	Enabling more efficient routing of waste trucks to reduce greenhouse emissions from fossil fuel usage
Pathway navigation assistance for visually impaired	Enabling community members to safely navigate recreational paths based on smart phone location data

Being 'Socially Pioneering' also means careful consideration of community needs in the prioritisation, evaluation and design of digital solutions, including (but not limited to):

- Utilising co-design to ensure solutions are 'fit for purpose' based on direct input from users with special needs and all levels of capability and digital literacy
- Complying with digital accessibility standards (e.g. Web Content Accessibility Guidelines 2.0)
- Facilitating wider access to digital technologies through educational programs, and historical Council data through enabling self-service discoverability, and
- Promoting inclusion, social equity, and environmental sustainability.

[1]'Smart Cities' describes the use of a range of sensors by cities to collect and analyse data to make smarter decisions, particularly about resource allocation.

[2]The 'Internet of Things' (Or IoT) is an internet-like network of devices with 'sensors' for collecting data which can be used to make 'Smart' decisions

"What gets measured, gets done." – Drucker

Data smart

The critical role that measurement must play in the future of Hobsons Bay City Council.

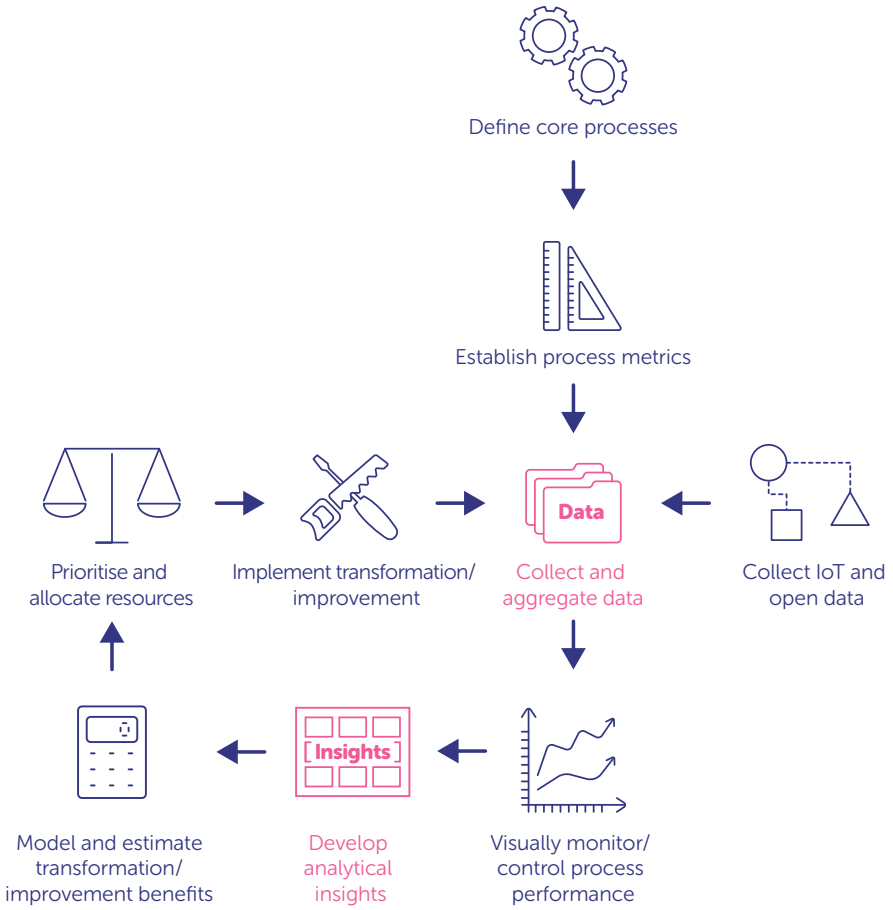
In an environment where resources are increasingly constrained, local governments are under pressure to deliver more with the same resources (or the same with less). Additionally, increasing requests and expectations for improved initiatives are also increasing to ensure resources are allocated for best value/return. For these reasons, there is a need to become diligent in the use of data and evidence-based insights to make better, more informed 'Smart' decisions. The [1]data smart organisational improvement cycle is proposed.

Two crucial components in meeting these challenges:

1. Collection of internal data (process performance and 'Smart Cities' such as 'Internet of Things') and data from external sources (leveraging [2]'open data')
2. Analysis to identify areas of greatest improvement opportunity.

Before these two components are possible, there is a need to first undergo a fundamental shift in how processes are defined and measured, embedding these disciplines within 'business-as-usual' activity across the organisation. This will be critical in enabling business case development and benefits estimation as the basis for identifying and prioritising digital transformation and process improvement (e.g. [3]'LEAN') focus areas.

Following implementation, continued collection of data and use of [4]visual management and data analysis may highlight further opportunities to be evaluated for inclusion in future iterations of business/ technology improvement.



[2]'Open Data' is the principle of making data freely available without restriction on use. It has been a proven enabler of creative, community-driven innovation.

[3]'LEAN' is a process improvement methodology focussed on removing waste from processes by removing steps which don't add value to the overall outcome.

[4]'Visual Management' is the use of large, visual indicators of improvement progress to support positive cultural momentum towards further progress.

"The whole is greater than the sum of its parts." – Aristotle

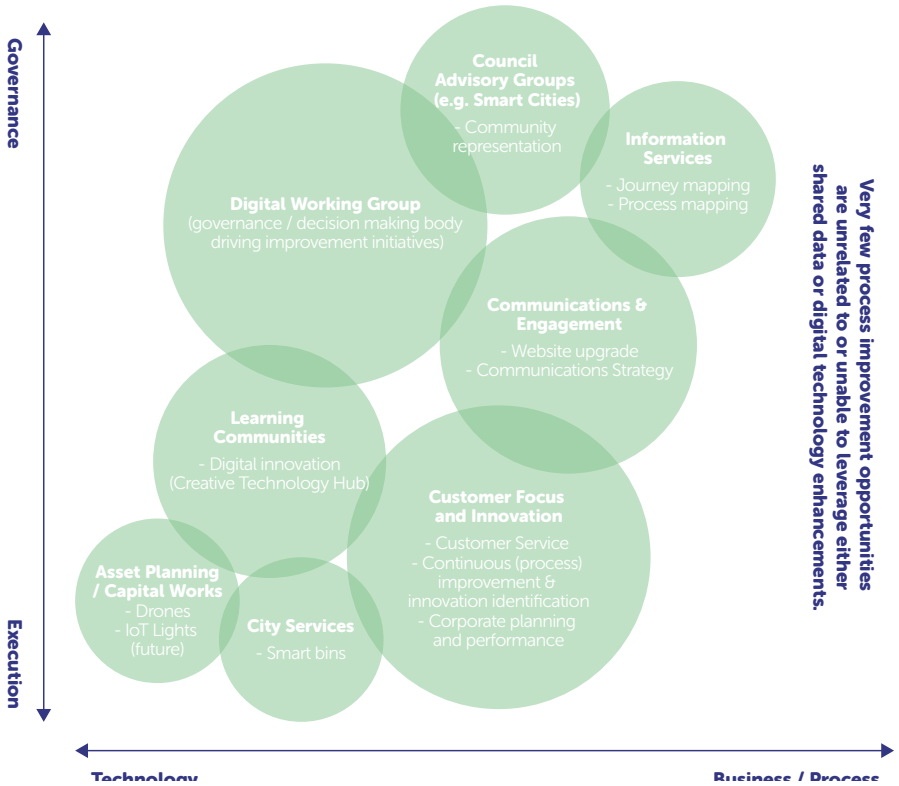
Drive collaboration

The imperative of a coordinated approach to improvement.

The philosophy of 'open data' has emerged in recent years as an enabler of collaborative innovation. As organisations realise the potential of their data in the hands of others (both organisations and individuals), it becomes possible to solve problems and seize opportunities which Council may never have considered. Collaboration with partner Government Authorities (particularly adjacent councils) and other organisations both through open data sharing and other joint initiatives should be a key consideration in coordination and alignment of improvement activities.

Collaboration across business / service functions ensures a consistent user experience for comparable interaction types (e.g. The experience of 'applying for a permit' will be broadly consistent regardless of the permit type). This will also enable Council to adapt responsively to emerging opportunities as well as simplifying support and maintenance of solutions.

Attempting either process improvement (e.g. LEAN) or digital transformation 'in a vacuum' is a very common but avoidable source of duplicated (wasted) effort. With very few exceptions, process improvement and digital transformation efforts should occur in close collaboration to ensure the mutually beneficial effects of their combination minimises waste and maximises value from digital and process improvement opportunities.



"Make it work well on mobile and it should work elsewhere." – Best Practice

Mobile first

Mobile compatibility as a default approach and a minimum standard.

Ensuring a standard of excellence in usability and functionality 'on mobile' platforms and 'whilst mobile', is often the most challenging aspect of solution development. Therefore, setting this as the benchmark when evaluating or developing solutions will enable the type of cross-platform compatibility required to deliver reliable and consistent experiences across digital platforms as these continue to converge. Adherence to a 'mobile first' philosophy will see solutions designed or selected both with use across mobile platforms and at mobile locations front of mind, enabling a wide range of benefits for mobile users in the community and across Council for both 'back office' and 'in-field' work.

Mobile users in the community will:

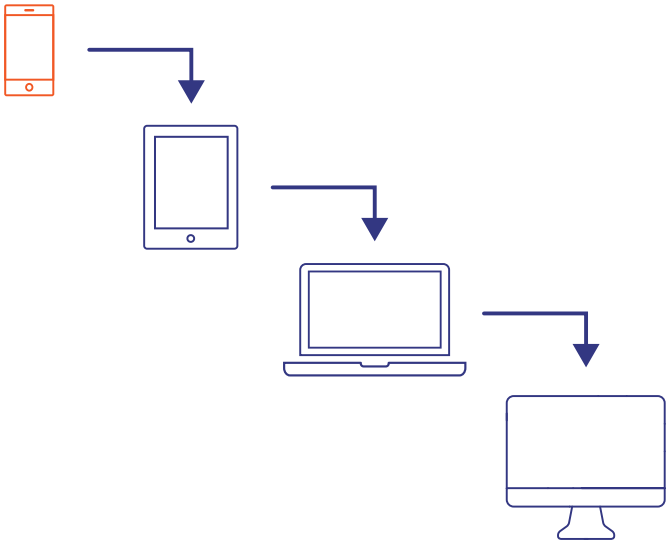
- be able to view content for which special consideration has been given around consumption on mobile devices, rendered responsively to the device resolution of their choice and in accordance with accessibility requirements (e.g. large text for the visually impaired).
- be able to search for things of interest or relevance in proximity to them (e.g. "What's near me?" based on smart phone / tablet GPS-location), and will be able to interact with Council and receive notifications about matters when and where it is most convenient for them.
- benefit from solutions which leverage device verification to protect identity and sensitive information.

Mobile users in Council back office roles will have:

- more access to and better performance / reliability of business applications on mobile platforms and at mobile locations will enable Council to embrace digital ways of working ([1]dWoWs) whereby data is captured directly to enterprise systems
- data and content that is centralised for sharing and collaboration

Mobile users in Council in-field roles will have:

- dynamic geospatial routing of work (without the need to return to depot, for efficiency)
- GPS location-assisted navigation to work sites (for efficiency).
- GPS location tracking (for safety)
- provision of safety instructions while on site.
- capture of attendance / inspection / work outcomes while on site (for customer visibility).



[1]'digital Ways of Working' (dWoWs)
A concept including themes of capturing data digitally instead of on paper, and minimising the human intervention (and therefore time and effort) between the capture and use of data. It also includes the principle of sharing and collaborating on centrally stored and managed content, preserving control of version and access.

Alignment to Hobsons Bay 2030 Community Vision and Council Plan 2017–21:

This Enterprise Digital Strategy has been developed to align with the Council's overarching Hobsons Bay 2030 Community Vision and Council Plan 2017–21. The vision, principles, and roadmap articulated in this Digital Strategy will help Hobsons Bay to achieve its principal goal to be a 'progressive Council of excellence'.

Alignment to Hobsons Bay 2030 Community Vision

Hobsons Bay 2030 Community Vision Priorities	Digital principles: Customer centred	Socially pioneering	Data smart	Drive collaboration	Mobile first
Visionary, vibrant, accountable urban planning		✓			
Community wellbeing and inter-connection	✓	✓			✓
Growth through innovation, access to local jobs, technology and education	✓		✓		✓
Proactive enrichment, expansion and conservation of the natural and urban environment		✓			
Activate sustainable practices				✓	✓
An accessible and connected community	✓	✓			✓

Alignment to Hobsons Bay Council Plan 2017–21 Goals

Hobsons Bay City Council Plan goals	Digital principles: Customer centred	Socially pioneering	Data smart	Drive collaboration	Mobile first
An inclusive and healthy community	✓	✓			✓
A great place	✓	✓			
A well designed, maintained and environmentally sustainable place	✓	✓	✓	✓	✓
A council of excellence	✓	✓	✓	✓	✓

Three key priority areas

To focus effort and investment in meeting the digital expectations of Council and community, three key priority areas have been defined:

1 Uplift digital foundations and capabilities

Invest in people, good governance and digital platforms to help lay the foundations for an effective Digital Strategy.

2 Focus on data and business intelligence to support a smarter Council

Promote Council's information assets as an essential enabler of smarter business decisions, improved staff productivity and efficient public service delivery.

3 Embed a 'Cohesive Council' digital improvement model

Shift away from siloed, uncoordinated efforts to a truly collaborative approach supporting digital/business transformation investments.

1 Uplift digital foundations and capabilities

Challenges

Approximately 66% of community survey respondents expressed a preference for interacting with Council across a range of key service areas via digital self-service channels, which in many cases are either not currently available or currently satisfactory

Government agencies typically lack critical components of a 'digital mindset' – customer focus iterative development[1]

There are currently areas for improvement in regards to Council's level of 'digital maturity'. This represents a barrier to the organisation's aspiration of being a 'Council of Excellence' and a future industry leader in this space.

The Council's Information Technology Team is currently fully engaged with business as usual service provision and technical project management of IT application and infrastructure improvement projects.

Benefits/Key Opportunity Areas

Improved capacity, capability, governance mechanisms, and supporting technology that will underpin a digital transformation agenda to meet ever evolving customer and employee needs, delivering benefits across a range of tangible and intangible outcome measures, now and into the future.

Actions (how)

- Establish digital services office (DSO)
- Assemble digital governance board
- Focus on foundational digital platforms
- Embed digital Ways of Working (dWoWs)

[1]Bellman and Eggers, (2015), "The Journey to Governments Digital Transformation, Deloitte University Press, p.8.

Strategic actions

SA#	Strategic actions	Description
1	Establish digital services office (DSO)	Create a new work unit comprising five new positions that will be responsible for implementing, maintaining and continuously improving the elements of the Digital Strategy.
2	Assemble Digital governance board	Establish a reference and governance/decision body with the key structures in place to oversee the implementation of the Digital and ICT Strategies.
3	Focus on foundational digital platforms	Implement key measures of Council's ICT Strategy 2018 to support the delivery of this Digital Strategy and providing scalable, secure and future-focused technology solutions. Examples of key measures include the adoption of smart city initiatives (e.g. Internet of Things (IoT) and more public wi-fi), and upgrades to the public website to include online self-service capabilities.
4	Embed digital Ways of Working (dWoWs)	Drive the adoption of dWoWs such as paperless office initiatives, enterprise mobility solutions (optimising staff productivity) and internal policies that support flexible working arrangements. Drive adoption of contemporary, centralised storage-based content sharing and collaboration practices. Minimise human intervention between the capture and consumption of data.

2 Focus on data and business intelligence to support a smarter Council

Challenges

The current systems and practices for measuring business performance reflect a cultural legacy of working 'in' business areas instead of 'on' business areas, where focus is mostly limited to operational tasks at hand rather than improvement opportunities.

As a result, there is a significant deficit of intelligence on many process outcomes (e.g. customer experience) which is necessary as a baseline from which to measure benefits of digital and business improvement activities.

Benefits/Key Opportunity Areas

- A cultural shift (supported by IT systems and reinforced through reward and recognition structures) towards a 'measurement mindset' where the value of data as an enabler of quality business decisions is widely understood and the disciplines around the capture, validation, and management of data are diligently practiced.
- Access to a growing cache of evidence-based insights which can be used to inform policy and support business decisions around prioritisation of / resource allocation to initiatives based on demonstrated business problems, user needs and improvement opportunities.

Actions (how)

- Develop an Information Management Strategy (and implement outcomes)
- Develop a customer and business process catalogue
- Establish customer experience (CX) and business process metrics
- Embed a culture measurement practice (systems + processes + cultural mindset)
- Support ongoing maturation of analytics capability

Strategic actions

SA#	Strategic actions	Description
5	Develop Information Management Strategy (and implement outcomes)	Develop an Information Management Strategy to serve as a catalyst and provide guidance on decisions around management and governance of information lifecycle that includes security, privacy, data quality, enterprise system integration.
6	Develop a customer and business process catalogue	Building on the recent process mapping work that helped to create this strategy, develop an enterprise reference catalogue of core processes across each business area.
7	Establish customer experience (CX) and business process metrics	For each business process and customer interaction, define the key metrics that are relevant (e.g. customer request turnaround times, ease of use) and baseline levels against which to measure and monitor Council performance and customers' experience.
8	Embed a culture of measurement practice	Implement systems of measurement which capture the defined CX and business process metrics with a minimum of cost and effort and adopt incentive mechanisms to support smarter processes and decisions, and a better customer experience.
9	Support ongoing maturation of analytics capability	Leveraging the improved quality and increased volume of performance data, and implement business intelligence initiatives to continually extend the sophistication and reach of analytical methods across business areas and support smarter prioritisation of community investments.

3 Embed a 'Cohesive Council' digital improvement model

Challenges

The evolution of the various existing business and technology improvement work underway at Council demonstrates an exceptional commitment to closing gaps between current and target states of service delivery and operations, however inherent within this are several risks:

Duplication of systems – different solutions being used to support similar or equivalent functions across departments, resulting in unnecessarily high direct costs and additional overheads associated with managing a more complex vendor and technologies landscape.

Wasted improvement efforts – processes being 'LEANed out' only for digital transformation to occur shortly following (or vice versa), or focus on proposed solutions which don't align with the Council Plan 2017–2021.

Unnecessary burden on operational employees of process changes over time as well as process variance across departments.

Customer experiences for common interaction types which unnecessarily vary across departments, contrary to typical customer perceptions of a single 'Cohesive Council'.

Benefits/Key Opportunity Areas

- Data-driven prioritisation of business and technology improvement investment with anticipated benefits which are clearly defined and able to later quantified.
- Modular solutions for consistency of internal process and external customer experience and minimised cost through simplified technology architecture where modules of functionality are re-used across business areas.

Actions (how)

Conduct digital and business improvement stocktake

Develop prioritisation model and supporting methodology / toolset

Govern improvement prioritisation / sequencing

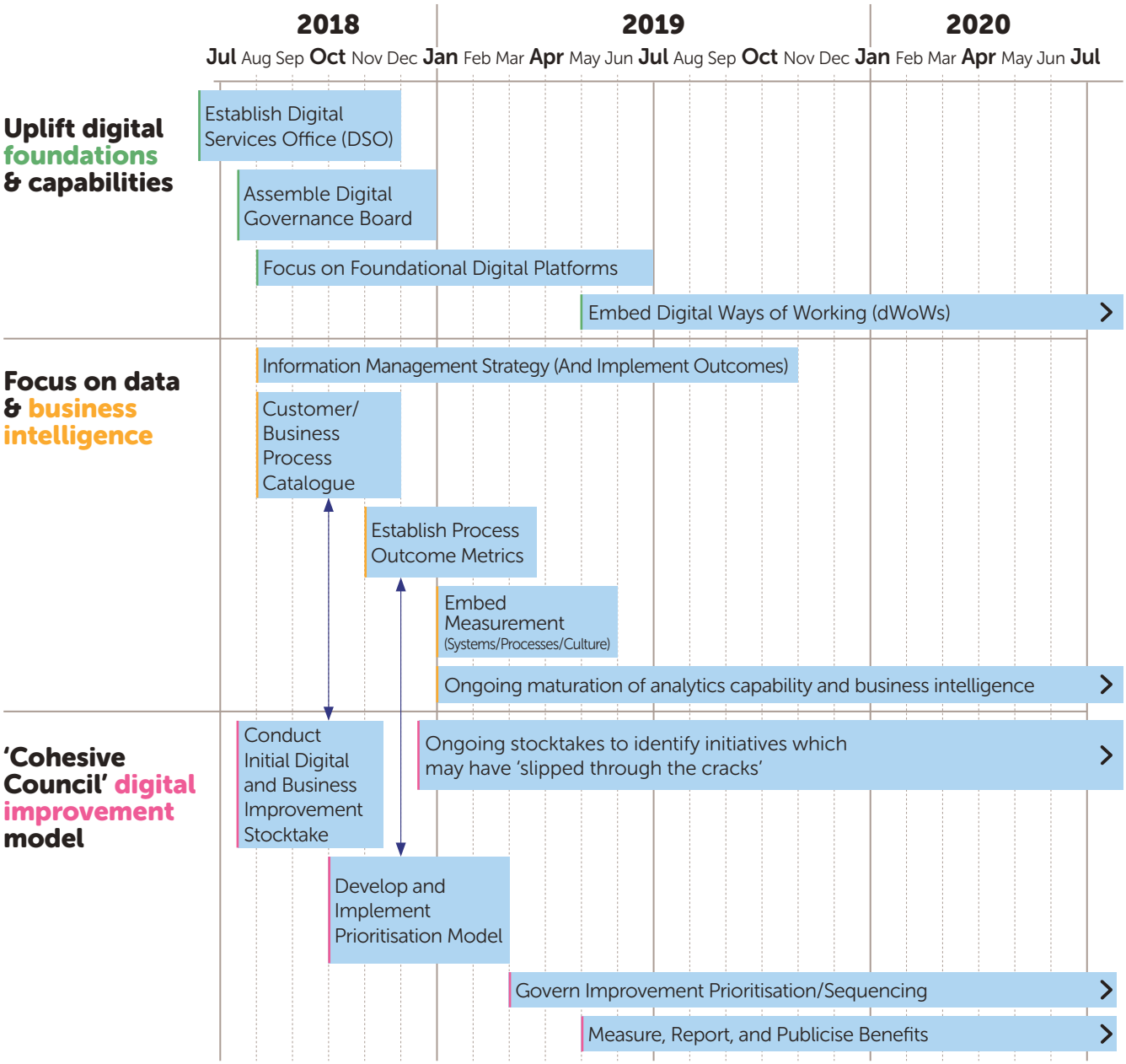
Measure, report, and publicise benefits

Strategic actions

SA#	Strategic actions	Description
10	Conduct digital and business improvement stocktake	In collaboration with the Customer Focus & Innovation Team, identify planned and actual Council business and IT/digital improvement initiatives using a repeatable system/process to ensure all key elements of scope, solution options, costs, risks, and benefits are captured in a consistent way.
11	Develop and implement prioritisation model	Develop a prioritisation model and supporting toolset and methodology for calculating anticipated benefits and assessing the relative merits of improvement initiatives across dimensions of cost, risk, capacity, and range of tangible and intangible benefits for the community and Council.
12	Govern improvement prioritisation/sequencing	Qualify and monitor improvement initiatives through a centralised and robust governance structure consisting of representation from appropriate subject matter experts, key decision makers, and using the defined prioritisation model and supporting toolset.
13	Measure, report, and publicise benefits	Building on the capture of baseline performance data and the disciplined application of the benefits estimation methodology and toolset, establish a mechanism for regular realisation and promotion of improvement benefits to Council and community stakeholders.

Digital roadmap:
First 24 months

(Note: strategic actions may change to align with changing community needs, available funds and technology opportunities)



Notes:

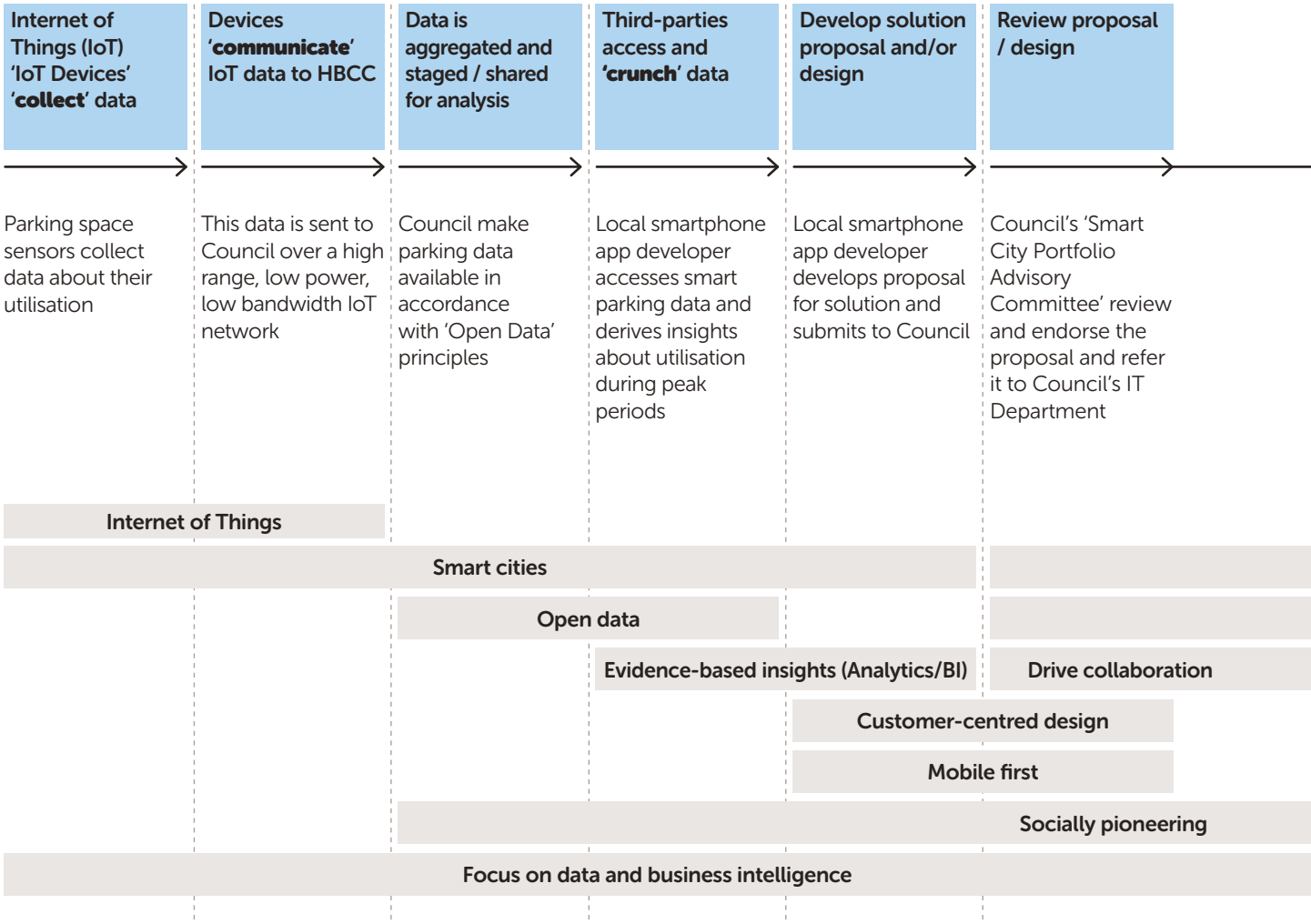
- Council's ICT Strategy will articulate in greater detail the strategic actions required (from an information and technology management perspective) to support the implementation of the Enterprise Digital Strategy.
- Much of the first 18 months' focus on data nad business intelligence will be addressing the deficit in key process and metric definition.

IT Training

The 'smart' and 'open' future example: Parking in the summertime

As Hobsons Bay City Council becomes a 'Smart City' and more fully embraces the 'Open Data' philosophy, many things which are not currently possible today will become a reality.

The digital principles and priority areas outlined in this strategy and illustrated in the below example, lay the foundation for a "community-driven digital innovation lifecycle"



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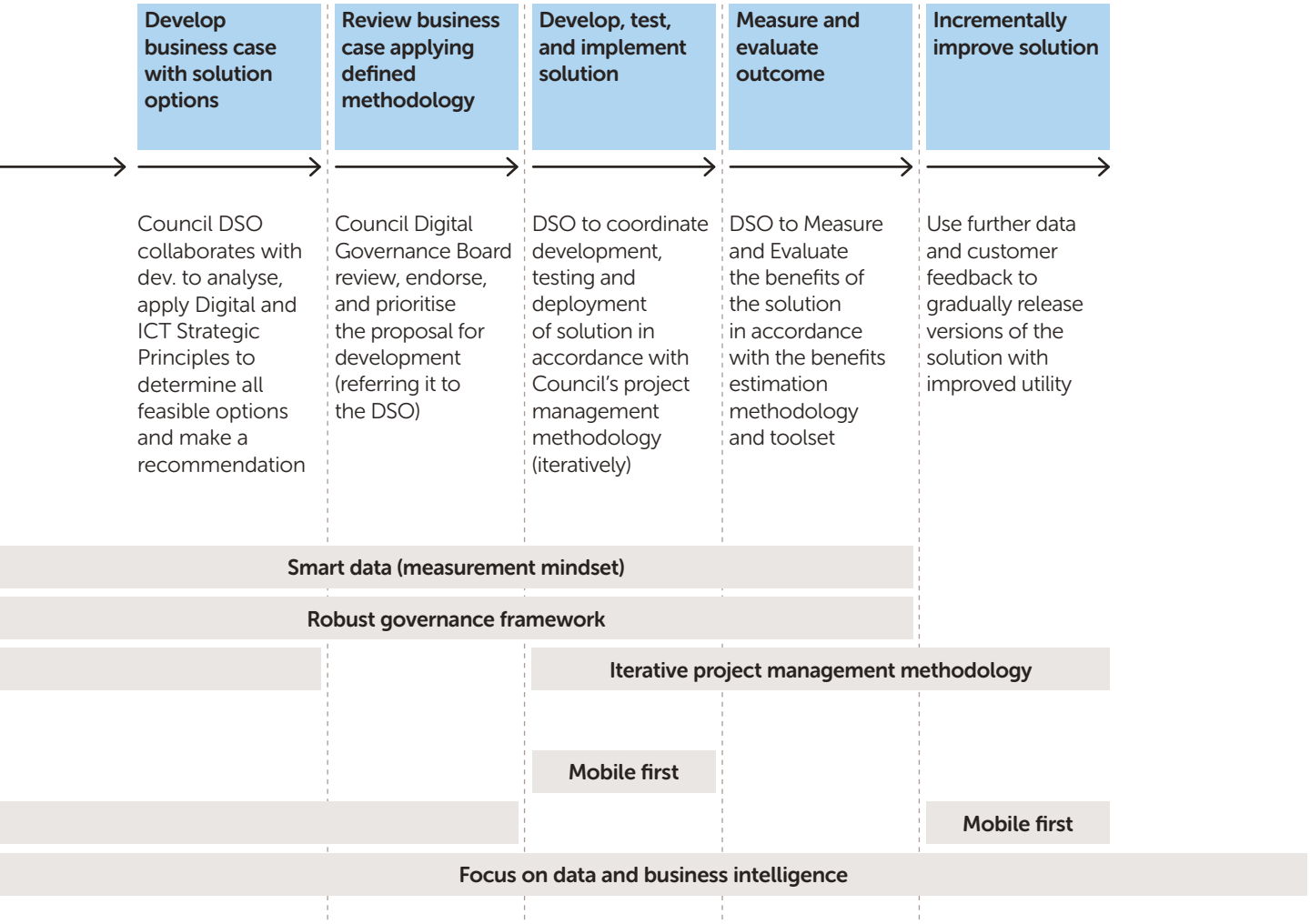
Develop business case with solution options
Review business case applying defined methodology
Develop, test, and implement solution
Measure and evaluate outcome
Incrementally improve solution
Council DSO collaborates with dev. to analyse, apply Digital and ICT Strategic Principles to determine all feasible options and make a recommendation
Council Digital Governance Board review, endorse, and prioritise the proposal for development (referring it to the DSO)
DSO to coordinate development, testing and deployment of solution in accordance with Council's project management methodology (iteratively)
DSO to Measure and Evaluate the benefits of the solution in accordance with the benefits estimation methodology and toolset
Use further data and customer feedback to gradually release versions of the solution with improved utility
Smart data (measurement mindset)
Robust governance framework
Iterative project management methodology
Mobile first
Mobile first
Focus on data and business intelligence

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CITY COUNCIL

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粵語	Македонски	普通话