

# Chapter LXXII

## Organisational Challenges of Implementing E-Business in the Public Services: The Case of Britain's National Mapping Agency

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### ABSTRACT

*Underpinning £136 billion of economic activity in the United Kingdom, Britain's National Mapping Agency is a commercialising public sector organisation having trading fund status and existing in the intersection of two different spheres—the public and the private. Recognised as a leading participant in the geographic information industry, within which it is forging partnerships with key private sector companies, the organisation has enthusiastically grasped e-business as an all-embracing phenomenon and implemented a new strategy that transformed the way it did business. Drawing on longitudinal data gathered over a period of four years, this article explores the processes of strategic and organisational transformation engendered by e-business implementation in this organisation and discusses the successful elements, as well as some of the challenges to its change efforts.*

### INTRODUCTION

A common theme within the management literature in recent years has been the take up of private sector management strategies and practices by public sector organisations, designed to increase efficiency, performance, and cost economy in the activities they performed. In the United Kingdom, more specifically, in the context of significant changes in their operating environments and pressures to increase efficiency and accountability,

public sector organisations have been urged to experiment with new organising ideas, structures, and processes and transform the way they do business, by taking the opportunities and meeting the challenges that e-technologies and e-ways of working presented. As a result, public sector organisations have embraced e-business and have made innovative uses of Internet technologies to invent new business models or to enhance existing practices. E-business has been seen as a way of transforming these bureaucratic, centralised,

and reactive organisations and their capabilities. Whilst the Internet created new commercial opportunities for public sector organisations, e-business was thus about exploiting those opportunities.

This article draws on findings from a study conducted over a period of four years in a commercialised public sector organisation to reveal the processes of strategic and organisational transformation engendered by e-business during the implementation of a complex structural and cultural change programme aimed at reshaping this organisation and rethinking how it provided value to its customers. The discussion will examine the dilemmas and constraints identified by managers in the interpretation of the e-business strategy concept and why its implementation in practice can be challenging. Whilst the Internet offers a technological solution, the findings of this case study suggest that the successful implementation of a wider e-business strategy depends on managing simultaneously a number of projects which cross organisational boundaries and link organisational and technological factors.

The article is divided into five main sections. The first section reviews recent e-business research and highlights that studies treating the concept of e-business as an all-embracing phenomenon and analysing in depth its implications are relatively rare. The second section of the article describes the methodology used in the study. Information on the contextual developments within the case study organisation is followed by a discussion of the research findings. The case study is used as a background for discussing some of the challenges and constraints that this commercialising organisation faces in implementing a wider e-business strategy. Finally, the concluding discussion highlights key lessons learnt and implications for practitioners.

## **E-BUSINESS AND ORGANISATIONAL CHANGE: REVOLUTION OR E-VOLUTION?**

Increasing environmental pressures, global economic uncertainties, changes in public and

community expectations, and pressures to increase public accountability have provided the momentum for British public sector organisations to examine the effectiveness of their management structures, systems, and processes. The emphasis is on achieving efficiency, effectiveness, and economy in the activities performed by public organisations and on developing their ability to compete with private sector organisations. As a result, many public sector organisations are now existing in the intersection of two different spheres—the public and the private (Kickert, 2001). They fit neither in the strictly public realm of state action nor in the strictly private realm of commercial relationships. They are expected to function like businesses—to be efficient, customer-driven, and client-oriented—yet they perform tasks that are inherently public. How to strengthen organisational capabilities in order to confront successfully the competitive pressures becomes, consequently, one of the biggest challenges for these organisations.

Research into appropriate e-business models has grown significantly over the past few years, with authors taking both theoretically and empirically based approaches to the development of taxonomies of business models suitable for the new economy. A number of business models focused upon individual business transactions that use the Internet as a medium of exchange, including both business-to-business and business-to-consumer (e.g., Becker & Berkemeyer, 2005; Carlton, 2001; Clay, 2001; Clegg, Chu, Smithson, Henney, et al., 2005; Gao, 2005; Garicano, 2001; Scott Morton, 2001; Smith, 2001). Interest has also tended to focus on new startups (Chaston, 2001; Clarke & Flaherty, 2004; Colombo, 2001) and on traditional organisations moving towards integrating electronic marketing and sales, purchasing, or customer service with their current businesses (e.g., Barnes, Hinton, & Mieczkowska, 2005; Bhaskar, 2005; Chen & Leteney, 2000; Hansen, 2000; Kotha, Rajgopal, & Rindova, 2001; Lee & Wang, 2001), or on the technology itself (Day & Schoemaker, 2000; Smith, 2001). Much research into the use of e-commerce, furthermore, has tended to focus on larger firms (Dutta & Segev,

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