e-Biz
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About the Initiative

This publication is a part of the Capacity Building initiative under the National e-Governance Plan (NeGP) by NeGD with an aim to draw out learnings from various projects implemented in various States/UTs and sharing this knowledge, in the form of case studies, with the decision makers and implementers to benefit them, by way of knowledge creation and skill building, from these experiences during planning and implementation of various projects under NeGP.

Conceptualised and overseen by the National e-Governance Division (NeGD) of Media lab Asia/DeitY these case studies are submitted by e-Governance Practitioners from Government and Industry/Research Institutions. The cases submitted by the authors are vetted by experts from outside and within the Government for learning and reference value, relevance to future project implementers, planners and to those involved in e-governance capacity Building programs before they are recommended for publication. National Institute for Smart Government (NISG), working on behalf of this NeGD provided program management support and interacted with the authors and subject matter experts in bringing out these published case studies. It is hoped that these case studies drawn from successful and failed e-Governance projects would help practitioners to understand the real-time issues involved, typical dilemmas faced by e-Governance project implementers, and possible solutions to resolve them.

Acknowledgment

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1. Abstract

e-Governance in India has evolved through several stages – from humble beginnings of a departmental information portal to the transactional phase where departments/ministries have been offering online services. (e.g. MCA21, e-Filing. eBiz, is a transformational service category (joined- up/integrated services ) Mission Mode project, being implemented with the objective of providing a single window to entrepreneurs to set up a business by orchestrating services from multiple departments. This project would reduce the cost and time taken for obtaining approvals for starting and operating a business, both for the investor and for the government, thereby providing a fillip to economic activity. The objective, benefits, outcomes and services to be delivered along with technical architecture and governance structure have been discussed. The project is being developed in two phases. The first phase lasting for three years is the pilot phase covering 5 states and is funded by the government and the next phase of 7 years is in Public Private Partnership model wherein the coverage is to be extended to the entire country. The project’s pilot phase commenced in June 2009 and the eBiz system was to go live in 9 months from the start date i.e. in Feb 2010. The scope of work for go live included development of the eBiz Portal, shared services platform, services from 18 central departments and 11 state departments of 5 states. In all a total of 65 services were to be integrated in the scope of the first year of the project and subsequently more services and 5 more states to be added in the next two years of the pilot phase. The project has faced multiple challenges and as a result go- live has been delayed by at least 4 years on account of several unique challenges encountered. Finalisation of the Payment gateway solution was one such challenge for this project. No payment gateway solution was available wherein a government department would be collecting money centrally electronically on behalf of other central and state departments. Multiple round of meetings at various levels were held to design a solution which would get approval of Controller General of Accounts [10]. The shortfall in the number of services that have been integrated has been primarily due to reluctance on part of departments to integrate and requirement of funds for the integration infrastructure required by partner departments and other challenges have been discussed. Finally, the key lessons learnt from the implementation of this project have also been presented.
2. Keywords/key phrases

eBiz, Mission Mode Project, PPP, Entrepreneur, business, Integrated, Orchestrated, Joined up, NSDG

3. Acronyms: Refer Annexure III

4. Note to Practitioners

Currently in India, there is wide variation in the level of e-readiness of various government departments. The eGovernance systems have evolved from simple websites offering informational services to transactional websites and time is ripe to move into the transformational service category where in joined up/integrated services by orchestrating workflow of various departments is offered to citizen from a single window. The eBiz project uses 4 different types of integration called L0 - L3 Level integration which allows accommodation of different levels of readiness of partner departments While the Level 0 approach involves hyperlinking to partner department website, level 3 involves close coupling of partner departments workflow with eBiz application. Level 1 involves using the existing backend application of partner department whereas in Level 2 the backend of partner department is non existing and hence implemented under eBiz project for the department. When implementing a transformational service category project, like eBiz, with dependencies on other partner departments for delivery of electronic services the L0-L3 level approach is an architectural model worth emulating.

A close examination of the objectives, challenges and methodology of this project provides key learnings for egovernance projects in general and transformational category projects in particular. For example, it is clear that getting approvals from partner departments for delivery of a joined up service proved to be a major challenge. An understanding of the apprehensions/concerns of the departments with regard to integration helps in understanding the causes for reluctance which needs to be addressed for the success of such projects. The importance of getting the involvement of senior management in the approval process to reduce the time to obtain approval of “As-Is” and “To-Be” processes so as to meet the project timelines is a key lesson learnt from this project implementation experience. The need for a carrot and stick approach where in there is incentive for the departments to integrate as well as a mandate from the top management to obtain their consent in public interest becomes obvious. Though there has been well laid out governance structure for the eBiz project, these challenges highlight the importance of a strong institutional structure with continuity to implement complex projects of this nature.

The importance of having the detailed requirements deliberated internally and discussed thread bare with partner departments before implementing the system can be hardly
understated. This is clear from the change control notes experienced in this project. Within the first year scope or work there were major change control requests in the project – some of them show stoppers and requiring effort/cost of the total budget of year 1 project leading to more than 100% cost overrun on the project. The eBiz project had to go-live within a year and in the scope of work to be completed in this timeframe, there were a few activities that were being done for the first time and for which there was no known solutions or experience/learnings of others in that area. This project has had its share of challenges with the firsts associated with it like - eBiz was the first transformational category project in government domain, first to design payment gateway solution for joined-up service and first in using NSDG middleware for joined-up services architecture. NSDG middleware had gone live only in August 2008 and no department had integrated (used) with it till mid-2010.

eBiz project implementation experience illustrates the criticality of risk assessment and management and the role of a Champion /Mission Mode Leader to drive such complex project to resolve major turf challenges by consistent follow up and escalation to the senior most management (Cabinet Secretary/Prime Minister)

5. Project context

Starting a new business or setting up a new industrial unit requires multiple licenses/clearances and related services from multiple Government agencies across various levels of government. The information about these services is fragmented in multiple acts, rules and procedures and scattered across multiple websites/paper based documents. As a result, an average investor is confused and does not know where to begin and is dependent on middlemen for guidance and facilitation.

After obtaining the relevant information through secondary research and middlemen, the investor has to begin a protracted series of interactions with multiple Government Agencies. Each clearance/service requires multiple interactions with the agency and often multiple visits to the department offices. The business user needs to apply for each service individually with the respective agency and make payments through restricted set of Banks authorized by the agency. Even when online channels are made available by the respective agencies, the business user has to repeatedly submit largely similar information in repetitive fashion.
Opportunity and compliance costs for businesses are significant, as the time and effort spent in liaising with multiple agencies could be devoted to other business-related activities.

The current process is time-consuming, expensive and cumbersome. As a result, India is consistently ranked poorly - 165 out of 183 - in Starting a Business indicator of World Bank’s Doing Business ranking. India is also ranked poorly in the Business Freedom indicator – 124 out of 183 – in the Index of Economic Freedom published by The Wall Street Journal and The Heritage Foundation.

The situation was a clear call for action – a need for transformational initiative to take service delivery to citizens to the next level.

6. Project overview

The vision of eBiz project is to transform the business environment in the country by providing efficient, convenient, and transparent and integrated IT enabled informational and transactional services to investors, industries and businesses. These would include services in the areas of information on forms & procedures, licenses, permits, registrations, approvals, clearances, permissions, reporting, filing, payments and compliances throughout the life-cycle of an industry or business entity. The core theme of eBiz lies in radical shift by Government in its service approach, from being department-centric to customer-centric, in providing services to the business community.
The Project envisages setting up a G2B (Government to Business) portal to serve as a one-stop shop for delivery of convenient and efficient services to the investors and addresses the need of the business and industries right from the inception through the entire life cycle of the business.

7. Value Proposition

I. Enable entrepreneurs to submit one integrated application for multiple licenses and make a consolidated payment for the various licenses.

II. Reduce the number of procedures and the cost and time taken for obtaining approvals for starting and operating a business. A World Bank [2] study on the impact of similar reforms indicates the following benefits:

- Average expected savings to Investor for each license: over Rs. 6000 and 120 hours
- Average expected savings to government from each license: over Rs. 4000 and 100 hours

III. Significantly improve the country’s position on the World Bank’s Doing Business’ ranking making the nation an investor friendly destination. A truly integrated Single Window with a Joined-up service for business registration can potentially improve the country’s Starting a Business ranking to 112 (a jump of over 50 positions) [1]

6.1 Objectives of eBiz project

- Provide all information regarding business 24X7 on a single portal; and
- Provide an electronic one stop shop for all business licenses and permits,
- Eliminate the need to physically interface with various regulatory authorized at the Central, State and local government levels.
- Allow businesses to file applications for various returns, pay taxes and submit compliances through a single interface.

6.2 Expected Outcomes

- A world-class G2B portal that enhances India’s business competitiveness through a single, service-oriented, event-driven interface for all G2B interactions.
- Integrated G2B Services across Central, State & Local Government & across all geographies in India.
6.3 Services Envisaged

6.4.1 License and Permits Information Wizard

eBiz License and Permits Information wizard is a consolidated repository of all relevant Licenses, Permits and other Regulatory information along with their applicability criteria. The eBiz portal includes an ‘interview-style’ Wizard which poses the investors a series of questions to assess the licensing needs of their business. Based on the answers provided, the wizard provides a customized list of Licenses/Clearances that the investor needs to begin their business operation and a list of regulatory compliance they need to comply with as part of operating their business.

6.4.2 Composite Application Form

In the current scenario, the investor needs to fill multiple application forms to avail various services from Government agencies. An analysis of the forms indicates significant overlap in the information sought such as the identity of the applicant, demographics of the applicant/business unit etc. eBiz will create a Composite Application Form combining the common elements and creating a single form through which the investor can apply for multiple services.

6.4.3 Joined Up Service Orchestration

eBiz Joined up service combines the backend workflow of multiple government departments in such a manner that a single request from the investor through the Composite Applicable Form is routed through multiple Government agencies in a logical sequence. This includes parallel and sequential orchestration based on interdependencies between the services being requested by the investor

6.4 Stakeholders

Entrepreneurs, Investors, Department of Industrial Policy and Promotion executing the project, Infosys (the concessionaire implementing the project), partner government departments both at Centre and at the States level whose services are being integrated under the e Biz project, Department of Electronics and Information Technology, NIC, STQC, NICSI and NISG.

6.5 Planned Implementation approach

eBiz is one of the Mission Mode Projects under the National eGovernance Programme (NeGP). Initially it was envisaged to build this application as a turnkey project and a consortium was awarded a contract (2006) to build this system. Subsequently the consortium backed out and the project had to start from square one. This time ((2008) it was envisaged to create this project in a PPP (Public Private Partnership) mode with a 3
year pilot on turnkey basis and the remaining enhancements on a PPP model for a duration of 7 years – the total duration of the project was to be 10 years.

The concept of eBiz is ideally suited for implementation under a PPP model. Firstly, it would bring in the financial, managerial and technology resources of the private sector to the public fold. Secondly, it would ensure that the services are offered on a sustained basis in an efficient and cost-effective manner. Thirdly, it would also enable a dynamic configuration of the portfolio of the services in tune with the needs of the market. The very fact that eBiz involves integration of services of Government departments involved in interfacing with the business community across the Central, State Governments and local bodies in the country, is a huge challenge. The challenge is not just in terms of investment and technology but the process restructuring, business stakes of the government and change management effort required in making operational - the eBiz Solution. Given the challenges and the stakes involved, a staged approach has been adopted by Department of Industrial Promotion and Policy (DIPP) for implementation of eBiz Project [8]. The complexity of such a large project requires evolution of a strategic business model that ensures viability for all the stakeholders including the government departments, the implementing partner and the entire G2B eco-system. The model envisages an evolutionary approach spread over 2 phases

Phase I - Pilot Phase of eBiz Project – 3 years bought out model (2009-12)

Phase II - Expansion of eBiz Project – 7 years PPP mode (2012-19)

The scope of the first year of the pilot phase includes development of 29 G2B services of which 18 are from central departments and and 11 from state departments of 5 states
totalling 65 services as some of the 11 services are not applicable in all 5 states. (detailed list of services given in Annexure II). Second and third year of pilot phase involves addition of more services and states to the project. Expansion of services and rollout across the country was to be in the scope of the PPP phase.

6.6 Technical architecture for integration under implementation

The success of e-Biz is predicated on seamless integration with the department processes and systems. Hence e-Biz solution has been designed to handle variations in the level of computerization of the partner departments. Based on the readiness level of the department offering the service required by the eBiz system, L0-L2 level integration approach was used for rolling out the project with the ultimate objective of providing services via the L3 integration.

L0 – Integration through hyperlink (partner department URL on the eBiz portal) - suitable for departments where integration with the eBiz system would not be feasible at this stage.

L1 – Front end on eBiz and integration with existing backend application of the department (suitable for departments who are already offering their services in electronic mode)

L2 – Both the front end and the backend application of the partner department will be developed under the eBiz project. (suitable for departments which do not have any application for electronic service delivery)

L3 – Composite services designed by Joining up the workflow of the back end departments in such a manner that a single request (single composite form) from the business user is routed to the appropriate government authorities in a logically sequential manner.
6.7 Governance Structure in place

i) An Apex Committee chaired by Cabinet Secretary has been constituted to oversee the National eGovernance Programme and to provide policy and strategic directions for its implementation and to resolve inter-ministerial issues as well as to monitor and review the progress of the MMPs at the highest level. It has Finance Secretary, Secretary- Department of Expenditure Secretary - Planning Commission, Secretary - Department of Personnel & Training, Additional Secretary, and Department of Administrative Reforms & Public Grievances as members and Secretary- Department of Information Technology as its Convener.

ii) An Empowered Committee eBiz (EC) headed by the Secretary DIPP and consisting of the Secretaries of participating departments, Additional Secretary (Deity), Associations of Stakeholders and representative of NIC and the 5 State Governments which will meet regularly to review the progress of the project. The EC shall be responsible for overall guidance, for deciding policy level matters and to act as final body for approving all deliverables relating to the project.

iii) A Committee of Officers (COO-eBiz) / Central Project e-Mission Team(CPeMT) headed by the Joint Secretary of DIPP and consisting of representatives of the
participating departments and Deity which is to meet every month to review the progress of the project. It shall be primarily responsible for identifying opportunities for improvement, conceptualizing schemes and having them approved by the EC to be taken up as a project within the framework of NeGP.

Details of the committee structure is given in Annexure I

8. **eBiz Project Status - Planned vs. Actual (as on Feb 2014)**

A. As part of the scope of work of Year-1, which commenced in June, 2009, the design & development of eBiz portal, shared services domain, the data centre and disaster recovery sites have been completed on time. (The design of the payment gateway solution, which is part of the shared services domain is being revised)

B. As regards provisioning of 65 services of year 1 scope of work (details of services in Annexure II), only 22 services have been integrated and were to be tested and audited by the STQC (third party) in Oct 2010. Approvals from the partner departments on 13 services were received subsequently during the year 2011 and development work initiated. The partner departments have provided approvals for another 14 services but the integration activity was not initiated since they did not provide the required hardware and system software for integration and requested DIPP to provide the necessary funds for procurement of the same. For 10 services, the respective departments have not yet provided the approvals for integration with the eBiz portal.

C. Go live was to happen in 9 months (Feb 2010) from commencement of the project June 2009 as per RFP

D. The soft launch of the project was carried out on 28/1/2013 with License and Payment Wizard. This phase provides an interactive tool that helps investors assess the Licenses and Permits requirements while setting up and operating a business in India. The License & Permit Information wizard will provide authentic information 24X7 to investors and businesses by providing answers to questions in an interview style format. The number of questions asked on every occasion becomes smaller and smaller till there are no questions to ask. The questions asked from the second time onwards will depend on the answers given to the previous set through dynamic decision making. This wizard has the information on 100+ services of Central Government, pilot states and private agencies. In addition, the investor will be provided with hyperlinks of the concerned departments and forms, wherever possible. It is expected that this functionality alone would contribute greatly towards addressing issues arising from information asymmetry and would free investors and businesses from their reliance on middlemen for information.
E. The second launch of the project, viz., the platform was launched on 20th January 2014. This consists of two DIPP services, viz., Industrial Licenses and Industrial Entrepreneur’s Memorandum (IEM) and the integrated payment gateway with the Central Bank of India. This will allow the eBiz portal to showcase its transactional capabilities and will be a big step forward in demonstrating the functionality and value proposition of eBiz. With this launch, the eBiz platform is now in public domain and will allow the addition of more and more services across Central Government, State Government and Parastatal bodies.

F. The third milestone is the beta launch of the AP single window on 14th Feb 2014 with 13 L2 services integrated with eBiz platform.

G. Further, over the course of next 2-3 years, five additional States, namely Odisha, Punjab, Rajasthan, Uttar Pradesh and West Bengal will be brought under the ambit of this project. It is envisaged that during the next ten years, more than 200 services related to investors and businesses will be rolled-out across the country through this ebiz portal.
9. Issues and challenges faced during implementation

8.1 Delays in Approvals

Approvals for integration of services under the eBiz project were obtained in the meeting chaired by Cabinet Secretary in March 2005. Memorandums of Understanding (MoU’s) were signed with the 5 states before the commencement of the project. However, when the integration was to happen there have been inordinate delays in providing approvals for the ‘As- Is’ and ‘To- Be’ process documents.

Of the 65 services which were to be integrated in year 1, the duration which was expected to less than month had the following distribution for obtaining approvals.

<table>
<thead>
<tr>
<th>Duration in months</th>
<th>No of services approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>5</td>
</tr>
<tr>
<td>3-6</td>
<td>20</td>
</tr>
<tr>
<td>7-18</td>
<td>11</td>
</tr>
<tr>
<td>&gt;18</td>
<td>19</td>
</tr>
<tr>
<td>Not approved yet</td>
<td>10 (as on Feb 2014)</td>
</tr>
</tbody>
</table>

- Implementing Agency - on reasons for time over runs in approval process
- Departments do not give time for meetings to elicit requirements.
- Low level of participation of the department in defining the process.
- Interviews are attended by junior staff who do not have the full perspective. Hence when ‘As- Is’ and ‘To-Be’ process is presented to higher-ups for approvals, there are a lot of changes. 6-7 revisions of the document are done before the process flow is captured correctly.
- Lack of continuity of the officers (transfers).
- Solution Recommended by Implementing Agency
- Senior official participation in the meetings is required to mitigate such delays.
8.2 Reluctance of the partner departments to integrate with e Biz – a perspective

Reluctance of partner departments to integrate is by far the biggest challenge faced in eBiz. A lot of time and effort has been and is continued to be spent to convince the departments to integrate.

JS – DIPP
Mission Mode Leader says........ “For a project like eBiz to succeed, it is essential for partner departments of central and state Governments to come together for integration at the backend and aspire to deliver the combined strength of service delivery of Government to Businesses and investors and to the citizens.”

Partner Department Vs. eBiz Project Team

Some of the reasons/apprehensions of the departments and the clarifications given by the eBiz team relating to reluctance to integrate are:
<table>
<thead>
<tr>
<th>Partner Department View</th>
<th>eBiz Project team counter view</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Integration will disrupt existing departmental procedures</td>
<td>eBiz will have no jurisdiction on back end processes - eBiz will only provide a channel for submission of request. The department will continue to have ownership and control over their processes. eBiz process will ensure 100% compliance with existing departmental schema and processes</td>
</tr>
<tr>
<td>2 Hyperlinking is also integration</td>
<td>Hyperlinks defeat the purpose of a Single Window. A single webpage with 200s of hyperlinks will not be a Single Window Hyperlinks make it impossible to deliver joined-up and mashed-up services</td>
</tr>
<tr>
<td>3 Integration will undermine department’s IT initiatives</td>
<td>eBiz does not preclude other channels of service delivery. Departments are free to offer services through their own website or portals. eBiz is only an additional channel for an investor/ business to submit service requests</td>
</tr>
<tr>
<td>4 Integration will breach information security</td>
<td>eBiz contract mandates that concessionaire shall obtain and maintain ISO 27001:2005 / ISO17799-1:2005 certification throughout the period of concession</td>
</tr>
<tr>
<td>5 Integration will lead to data duplicity</td>
<td>eBiz is only a channel for submission – Data contained in application forms is delivered to the IT system of the department eBiz only tracks status of the application. Application data will reside only in the department IT system</td>
</tr>
<tr>
<td>6 eBiz will not be able to keep pace with department’s own changes</td>
<td>Change management is part of the eBiz contract. eBiz will implement the changes as and when notified by the department and adhere to agreed SLAs for implementing changes. It is in the interest of eBiz to keep pace with changes else the eBiz customers will face a blackout as the service from that department cannot be delivered from the department’s application due to mismatch in formats.</td>
</tr>
<tr>
<td>7 Integration with eBiz involves huge Capital Investment</td>
<td>Investment on Hardware and System Software ranges between 17 -50 lakh rupees (as per estimates of NICSI) In addition, the department will be required to develop an integration module for providing last-mile connectivity – a relatively simple task</td>
</tr>
</tbody>
</table>
The departments also feel that there is no benefit or value proposition for them from this integration rather they would have to deal with the need to upscale their infrastructure for the increased load for which they have not budgeted.

### 8.3 Payment Gateway Solution Finalisation

eBiz RFP required a payment solution which would enable online receipt of payments. However, the RFP did not provide details on requirements of the automatic apportionment, disbursement and reconciliation of payments to partner departments. A payment solution was developed by the concessionaire as per the RFP and certified by STQC (third party testing) to be in compliance with requirements. Subsequently DIPP felt the need to revisit the payment gateway solution to enable direct disbursement of fees to the partner departments. In the case of eBiz system, it is the first time that the money was being collected by one government department (DIPP) on behalf of the partner departments. This involved significant Government process re-engineering and the electronic payment gateway solution process has to be approved by CGA. After about two years of deliberations the solution approved by CGA has been finalized for implementation in Nov 2012. This payment gateway will allow all payments to be collected at one point and then apportioned, split and routed to the respective heads of account of Central / State / Parastatal agencies along with generation of challans and MIS reports. The first bank with which the portal has been integrated is the Central Bank of India. With the integration of eBiz with other banks, the eBiz payment gateway will essentially solve the problem of debiting from multiple sources and crediting to multiple sources in a completely automated manner based on a set of external messages. *This payment gateway is the first of its kind designed in India and can become a universal payment gateway for all eGovernance applications.*

Through active involvement of the eBiz team led by their Mission Mode leader, multiple rounds of meetings were held to finalise the solution. It has also been escalated and discussed at highest levels (Deity, CCA, CGA, RBI, and PMO). After about two years of deliberations the solution approved by CGA has been finalized for implementation. The
issue of the effort and cost in implementation of this payment gateway solution would need to be addressed by the stakeholders.

8.4 First time syndrome - NSDG middleware

The eBiz solution has been architected with the National eGovernance Service Delivery Gateway (NSDG) as the middleware for integration with the other departments. NSDG is also a Mission Mode project which enables secure exchange of information between departmental applications. This NSDG middleware in the NeGP architecture would facilitate the delivery of joined up services.

   i. Since NSDG is a new system developed by Deity with eBiz being one of the first users of the NSDG system, there was a learning phase in interpreting the working of NSDG protocols.

   ii. Multiple rounds of discussions were held to discuss features of NSDG and some changes were made to both the eBiz system and NSDG system as a result. As a result change requests were put up by eBiz implementing agency.

   iii. Marketing NSDG to the partner departments was also an additional task for the eBiz team as the departments were new and apprehensive of NSDG.

Ebiz Concessionaire .......

“ I have to also do marketing of NSDG ”

8.5 Cost of Integration infrastructure and maintenance cost for partner department integration

In cases where department already has an IT system, L1 integration is achieved through a system of adaptors connected through NSDG. To achieve this goal the department needs to procure infrastructure to host the adaptor. The eBiz project scope had envisaged that the departments would provide this infrastructure during conceptualization of the project and approvals obtained but the departments were not ready for the same during implementation phase. The partner departments had not made any arrangements for the operations and maintenance of the integration related infrastructure. This was the major bottleneck in the integration of departments where the approval to integrate with the eBiz system via NSDG had been obtained.

There were 29 such approved services where the departments were not ready for integration due to budgetary issues.
After quite a few rounds of discussions with the departments and then with Deity, the eBiz got approval to fund this integration infrastructure for L1 departments under the eBiz project to overcome this hurdle.

8.6 Change Request management

There have been quite a few change requests in this project even within first year of scope of work of this project. This compounded the issues of the project as a lot of productive time and effort of the department is being spent on addressing the following aspects of the change control requests.

i. Assess if the work in question is in scope or change request. Requirements were interpreted differently by different stakeholders and hence in spite of having the Change Control committee, special committees were constituted to assess if an activity was in scope or not (e.g. Payment gateway solution issue, NSDG related changes).

ii. Assess the cost and effort for the change control requests.

iii. Allocation of funds for these change requests as this had not been budgeted for in the project cost. This becomes challenging especially when the cost of change request implementation of an activity is significant in relation to the total outlay of the pilot phase of the project.

8.7 NICSI fire

There was a major electrical accident in the NICSI data center were eBiz servers were hosted in Feb 2011. The restoration of the damaged components took almost 10 months causing a delay in the completion of STQC testing.

Lot of effort and attention was diverted in trying to fix the after effects of the fire. As there were no Service Level Agreements in place with the NICSI data center, accountability or penalty clause could not be invoked.

8.8 Impact of changes in the ecosystem

Delay in project results in obsolescence of hardware and software, loss of guarantee period on the infrastructure in non-operational mode and increased operations and maintenance costs. Hardware was procured for go-live of project in 2010. As time progresses, there is proliferation of portals providing the same or similar services leading to loss of early start advantage. All these factors become all the more relevant for a PPP project since these losses/risks have not or cannot be accounted for. The delays due to various reasons lead to obsolescence of the approved “To – Be” processes and fresh approvals have to be sought. The changes in the processes of the departments have to be studied again, documented and approvals sought for these revised To-Be processes.
10. **Key lessons**

1. For the success of this kind of project, the dependencies on other departments is near total. In the federal country such as India, for an integrated MMP to succeed, a strong institutional mechanism is needed to steer the project and react proactively and dynamically to the issues so that these dependencies do not become showstoppers in the success of the project.

2. Project RFP design should be done very thoroughly. The system requirements should be thought through before floating the RFP. If the requirements are not fully developed, it would lead to many change control requests, rework and delays in the project. Projects should anticipate changes requests and make necessary provisions for the same - both resources and time wise.

3. This project has been able to hold ground and wade through complex long list of issues largely due the commitment of leaders involved in this project. Committed and continuity of the Mission Mode leader and Head, PMU is the strength of this project.

4. Risk Management and monitoring to be done meticulously and regularly to put necessary mitigation and contingency plans in action. This Project is a high risk project – a project which has quite a few first time activities in its kitty (First transformation joined up service project, first time electronic payment gateway solution being designed to centrally collect payment and distribute it to multiple central and state government and non-government agencies, first project which has used NSDG as a middleware for integrating with multiple departments). Aggressive and unrealistic targets make the initiative and project progress appears in bad light in all forums.

5. While the departments are at different level of e readiness, effective utilization of the L0-L3 integration approach enables one to leapfrog into the transformational category of service delivery model.

11. **Purpose of the Case Study**

   a) Disseminate knowledge about the eBiz Mission Mode Project. Insight into the issues and challenges faced during the implementation of the project would provide key learning to egovernance practitioners.

   b) Serve as an example of the transformation service category project – eGovernment maturity model discussion.

   c) Serves to show how to leapfrog into the transformational category integrated service delivery projects by allowing different levels of integration.
d) Learning’s and insights into the challenges of a joined up service project where in there is major dependency on other departments.

e) Challenges of a project and importance of risk management when it is the first of its kind or using some features/components for the first time.

f) Bring out the importance of getting the requirements right- thought through and detailed in RFP before implementation especially in a PPP model.

g) Serve as an example for demonstrating the interaction of triple constraint - Cost , Time and Scope

12. Methodology adopted for case writing

The author while handling NSDG project from NeGD Deity has been closely associated with this project which is the middleware being used in the eBiz system. The author has also participated in meetings, as representative of Deity, where some of these issues has been discussed like payment solution, change control requests and also interviewed the various stakeholders of the project for the purpose of the case study development. The background material, notes circulated by the department from time to time for meetings and documents available in public domain have also been referenced. Extensive discussions were also held with the stakeholders for the case study - DIPP mission leader, eBiz PMU head, concessionaire and partner department MCA.

13. References


[9] Interview and Discussions with Mission Mode Leader JS- DIPP, eBiz Project Manager, Infosys Principal technology architect, Infosys Project Coordinator- eBiz, MCA team

[10] Participation in meetings on eBiz payment gateway solution, NSDG issues, MCA integration


14. Brief profile of author

Anita Mittal – B.E (CSE) from Osmania University and M.S by Research (CSE) from IIT Chennai. Two research papers published in Journal of Systems Architecture and Computer Communications. Working in the IT industry for the last 20 years. Have worked in UK, USA, and with Cognizant in cutting edge technologies and platforms in various roles ranging from developer to project manager. Working in NeGD for the last 3 years handling core projects like Standards, NSDG MMP, India Portal MMP, Open Technology Center project and coordinating with MMP’s like eBiz and MCA.

15. Contact details of the case author, project owner

<table>
<thead>
<tr>
<th>Author</th>
<th>Project Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anita Mittal, Sr.Consultant, National eGovernance Division, Deity, 4th Floor, Electronics Niketan, 6 CGO Complex Lodhi Road New Delhi Cell : 9717511444 <a href="mailto:am4anitamittal@gmail.com">am4anitamittal@gmail.com</a></td>
<td>Shri Talleen Kumar, JS Department of Industrial Policy and Promotion Ministry of Commerce and Industry, Government of India, Room No. 227 A-1, Udyog Bhavan, New Delhi- 110011 Tel (O): 91-11-23063838 Fax: 91-11-23063051 <a href="mailto:talleen.kumar@nic.in">talleen.kumar@nic.in</a></td>
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</table>
16. Project case Fact Sheet

<table>
<thead>
<tr>
<th>Project name</th>
<th>eBiz</th>
</tr>
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<tbody>
<tr>
<td>Project type</td>
<td>Integrated MMP</td>
</tr>
<tr>
<td>Project duration</td>
<td>June 2009- June 2019</td>
</tr>
<tr>
<td>Project layout</td>
<td>Rs 86.77 crores(for pilot phase of 3 years duration) under major revision</td>
</tr>
<tr>
<td>Mission Leader</td>
<td>Shri Talleen Kumar JS DIPP</td>
</tr>
<tr>
<td>Concessionaire</td>
<td>M/s Infosys</td>
</tr>
<tr>
<td>Current Stage</td>
<td>Implementation</td>
</tr>
</tbody>
</table>

17. Annexure I – Governance Structure

<table>
<thead>
<tr>
<th>Empowered Committee</th>
<th>Committee of Officers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretary, DIPP</td>
<td>Joint Secretary, DIPP (in-charge of eBiz project)</td>
</tr>
<tr>
<td></td>
<td>Chairman</td>
</tr>
<tr>
<td>Secretary, DIPP</td>
<td>Joint Secretary, MOEF</td>
</tr>
<tr>
<td></td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, MOEF</td>
<td>Joint Secretary, MCA</td>
</tr>
<tr>
<td></td>
<td>Member</td>
</tr>
<tr>
<td>Secretary, MCA (Corporate Affairs)</td>
<td>Addl. DGFT</td>
</tr>
<tr>
<td></td>
<td>Member</td>
</tr>
<tr>
<td>Additional Secretary (E-Gov), Deity</td>
<td>Director (Systems), CBDT</td>
</tr>
<tr>
<td></td>
<td>Member</td>
</tr>
<tr>
<td>Principal Secretary (Industries) of Delhi, AP, Maharashtra, Haryana &amp; UP</td>
<td>Director (Systems), CBEC</td>
</tr>
<tr>
<td></td>
<td>Member</td>
</tr>
<tr>
<td>DGFT</td>
<td>Director (ESIC, Labour &amp; Employment)</td>
</tr>
<tr>
<td></td>
<td>Member</td>
</tr>
<tr>
<td>DG (Systems)</td>
<td>Member</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>DG (Systems)</td>
<td>Member</td>
</tr>
<tr>
<td>DG (ESIC, M/o Labour and employment)</td>
<td>Member</td>
</tr>
<tr>
<td>DG, NIC</td>
<td>Member</td>
</tr>
<tr>
<td>JS, DIPP (in-charge of eBiz Project)</td>
<td>Member</td>
</tr>
<tr>
<td>CPFC (EPFO, M/o Labour &amp; Employment)</td>
<td>Member</td>
</tr>
<tr>
<td>One representative each from CII/FICCI/ASSOCHAM</td>
<td>Member</td>
</tr>
<tr>
<td>CEO NISG</td>
<td>Convener</td>
</tr>
</tbody>
</table>
18. Annexure II – List of Services

Services identified for year 1 (65 services - 18 central and 11 state services in 5 states) Some services not available in some states hence it is 18+11*5-7 = 65 services

<table>
<thead>
<tr>
<th>Starting the Business</th>
<th>DISCOM</th>
<th>State</th>
<th>New Power Connection</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBDT Central</td>
<td>State</td>
<td>DISCOM</td>
<td>Permission to Charge the Line</td>
</tr>
<tr>
<td>CBEC Central</td>
<td>State</td>
<td>DISCOM</td>
<td>MSME Registration (SSI)</td>
</tr>
<tr>
<td>DGFET Central</td>
<td>State</td>
<td>PCB</td>
<td>NOC from Pollution Control Board</td>
</tr>
<tr>
<td>CBEC Central</td>
<td>State</td>
<td>STD</td>
<td>VAT Registration</td>
</tr>
<tr>
<td>RBI Central (FC-GPR (Reporting of Forex Transaction))</td>
<td>State</td>
<td>CoL</td>
<td>Shops Registration</td>
</tr>
<tr>
<td>MCA Central</td>
<td>State</td>
<td>DoF</td>
<td>Factories License</td>
</tr>
<tr>
<td>MCA Central</td>
<td>State</td>
<td>STD</td>
<td>Profession Tax Registration</td>
</tr>
<tr>
<td>MCA Central</td>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DIPP Central</td>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DIPP Central</td>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOEF Central</td>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESIC Central</td>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPFO Central</td>
<td>State</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Running the Business</th>
<th>Municipal Corp</th>
<th>State</th>
<th>Property tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBDT Central</td>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBEC Central</td>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBEC Central</td>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEI</td>
<td>State</td>
<td></td>
<td>Filing under Factories Act</td>
</tr>
</tbody>
</table>

19. Annexure III - Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CGA Controller General of Accounts</td>
</tr>
<tr>
<td>2</td>
<td>Deity Department of Electronics and Information Technology</td>
</tr>
<tr>
<td>3</td>
<td>DIPP Department of Industrial Policy and Promotion</td>
</tr>
<tr>
<td>4</td>
<td>MMP Mission Mode Project</td>
</tr>
<tr>
<td>5</td>
<td>NeGP National eGovernance Programme</td>
</tr>
<tr>
<td>6</td>
<td>NICSI National Informatics Centre Services Inc.</td>
</tr>
<tr>
<td>7</td>
<td>NSDG National eGovernance Service Delivery Gateway</td>
</tr>
</tbody>
</table>
20. Teaching Notes

19.1 Teaching Note 1: Discussion on the service delivery model. Detailed study of the examples cited.

Listing of examples under each category from the existing known projects and to explain or design a joined up service project use case. Can be done individually or in groups and taken up for discussion. Some of the innovative ideas that come out of this exercise could even be taken up as projects for implementation!

19.2 Background reading material

All Web Governance maturity models in literature recommend a progression towards citizen centric integrated service delivery model. For instance, Gartner's Four Phases of E-Government Model [2] shows the progression of e-government towards a Transformational Phase where the delivery of government services is redefined by providing a single point of contact to constituents that makes government organization totally transparent to citizens.

Gartner – 4 phases of eGovernment Model[3]

1. Web presence – in this stage, agencies provide a web site to post basic information to public; (immediate action is initiated toward the creation of a virtual environment on the Internet in the Presence stage, in order to provide the public with access to information)

2. Interaction – in this stage, users are able to contact agencies through web sites (e.g. e-mail) or do self-service (e.g. download document); (providing a web site with search ability, and to providing the public with access to various forms and sites)

3. Transaction – in this stage, users (including customers and businesses) can complete entire transactions (e.g. license application and procurement) online; (implicates the online execution of public services such as the payment of accounts balances and receiving licenses.)

4. Transformation – in this stage, governments transform the current operational processes to provide more efficient, integrated, unified, and personalized service; (the Transformation stage is seen at the regional and national levels, consisting of integration among internal and external applications, in order to provide full communication between the governmental offices and non-governmental organizations)
On the same lines, Layne and Lee’s [3] four-stage model sees the development of government agencies as a natural process in which the agency evolves because of and in response to functionality needs and customer expectations. The realization of the four stages will imply the true one-stop shop for the citizens.
The trends and maturity models cited above are not just theoretical concepts discussed in academic literature. Nations around the world have already begun their transformational journey from a department-centric approach to a citizen-centric service delivery model.

A. Singapore Government’s Online Business Licensing Service (OBLS) [4] is a one-stop portal for businessmen to apply for all the required Singapore government licenses in a single online transaction. The system routes all applications to various government agencies for processing. OBLS allows businesses to apply, update, renew or terminate any combination from a suite of 80 online business licenses issued by 17 government agencies, in one online transaction. More than 80% of start-up businesses in Singapore are served by OBLS without having to visit Government counters. Based on the cost-benefit analysis done at 31 Dec 2006, businesses have benefited from the OBLS project with an estimated cost savings of US$27 million (since the pilot launch in Jan 2004). Singapore is ranked No. 1 in World Bank’s Ease of Doing Business and 4th in Starting a Business indicator.

B. UK Government’s Business Link [5] has been the Governments online resource for businesses since 2007. After a recent review of its online service delivery strategy, the Government has accepted the recommendation for making Director the government front -
end for all departments’ transactional online services to citizens and businesses, with the teeth to mandate cross government solutions. Besides delivering better services for citizens, the move has the potential to deliver gross annual savings of more than £1.3 billion. On specific directions from Cabinet Office, Business Link website is set to be merged with Directgov from November 2011. In a related initiative, as on January, 2010, the Government had consolidated over 907 of its 1700+ web sites and has further committed to consolidate a further 479 web sites.

C. Canadian Government’s BizPal [6] has been the Governments online source of information on permits and licenses since 2005. BizPaL was created and managed by a partnership involving governments at the federal, provincial, territorial and municipal levels to provide information on permits and licenses that may be required to start and grow a business. In addition, Province of British Columbia’s BC Registry Services4 offers integrated Business Registration including registration with WorkSafeBC (Labour), Register with the Canada Revenue Agency for GST/HST, payroll deductions, and import/export accounts and Business Licenses from Municipal governments.

D. As per the World Banks Doing Business report over 20 economies established one-stop shops in the year 2011 including economies like Cameroon, FYR Macedonia, Mexico, Peru, Slovenia, Tajikistan, Vietnam.

19.3 Teaching Note 2: 5 why Analysis for the cause - delay in approvals resulting in delayed project implementation

Root cause analysis using 5 why method (six sigma quality tool) for the Delay in approvals causes which is one of the major causes for the overall project delays. It would be interesting to note that the in principle approval to integrate was obtained in 2005 from the partner departments.

Effect: Delay in Approvals from partner departments

1. Why Delay in Approval?
   Partner departments are reluctant to integrate

2. Why are they reluctant to integrate?
   They have misconceptions/apprehension as there is lack of clarity on requirements and impact of integration

3. Why lack of clarity?
   Inadequate participation of senior management in meetings/discussions

4. Why inadequate participation?
   Absence of authority required to ensure participation from partner department
Solution: Strong institutional mechanism and governance structure.

6.8 **Teaching Note 3: Change Request Management - Challenge discussion and learning:**

Importance of getting the requirements right before starting a project – cascading impact of inaccurate and inadequate requirements in software development life cycle. Importance of change control budget in project, change control board set up to approve the same, and estimating the project effort using use case or function points so that they could be used for assessing the change request effort. Payment gateway solution change request of eBiz had become a showstopper for the project.

6.9 **Teaching Note 4: NICSI fire - Challenge discussion and learning:**

Need for effective SLA contract management.

6.10 **Teaching Note 5: Analyse project for the triple constraint interplay – Cost, Time, Scope**

Study the challenges especially change request, payment gateway solution and ecosystem challenges – effect of time overrun on cost and scope – need for getting approval again for To – Be processes, effect of cost overrun – change request cost - effort and time involved in approval of change request scope, cost and time.