Reaching the e-Summit Truth

The calendar shows us that it's now nearly six months since the much-vaunted e-commerce summit. Paul Swain's ambitious initiative promised much - but has it delivered? Rex Widerstrom investigates whether there have been any valuable outcomes or was it simply another government talkfest?

No doubt enthused by last November's e-summit and some evidence of action to date, New Zealand business is still taking a 'too soon to tell' approach to the Government's efforts to date. While that may not seem like much, given the usual level of impatience which business feels toward the pace of government initiatives, it almost amounts to a ringing endorsement ... so far.

When Commerce, Communications and IT Minister Paul Swain presided over the opening of the e-commerce summit he promised that it would:

- raise the profile of e-commerce and its importance for New Zealand
- get feedback on the Government's e-commerce strategy, and
- give business a chance to talk to business about how e-commerce can lift business performance in New Zealand.

During the summit the Minister released e-commerce: Building the strategy for New Zealand, which he described as "representing the Government's response ... a statement of the government's commitment to leadership".

That leadership was to be provided "by walking the talk in its own activities, by communicating the significance of e-commerce to the wider public, and in carrying out appropriate research".

Swain also committed the Government to "building an enabling regulatory environment" and "recognising it has a key role in building the e-commerce capability of business, individuals and communities".

By the close of proceedings he was admitting: "Businesses have said that the strategy needs to be more aggressive" and promising "a real sense of urgency around this".

So, judged by the high standards he set for it, was the summit and the subsequent strategy a success or not?

Typical of the responses was that from Bruce Trevarthen, founder/director of web solutions company, e-solutions. He pointed out that the ECAT (E-Commerce Action Team) core group was formed only in early March, and that the Christmas and New Year break had intervened; meaning the Government effectively had closer to four months to actually deliver.

e-solutions has noticed an increase in traffic and usage of the e-commerce sites it has built and hosted during that time. However, Trevarthen said he attributes that more to a growing public awareness of, and comfort with, e-commerce than any government initiative.

"New Zealand has always been relatively liberal in terms of allowing the use of security technology," he said, "so we've had 128-bit encryption, for instance, from almost the moment it became available."

Government, he added, can help by "focusing on security" and continuing to "talk up" e-commerce not just in terms of business-to-consumer (B2C) but also business-to-business (B2B).

"Most of all, though", he said, "government must show itself willing to use the technology and to implement e-commerce solutions across departments."

That's already happening according to Reg Hammond, the man responsible for managing the IT policy group within the Ministry of Economic Development (MED). Aside from the creation of the ECAT core group (and negotiations advancing to establish regional and industry-wide groups who will then network), he claimed the e-Transactions Bill currently before a Select Committee is a key early deliverable.

"We have to create the right policy and regulatory environment," he explained, "and the Bill will ensure that electronic transactions are covered by law. Alongside that are other pieces of legislation that need amending, like the Crimes Amendment Bill, and things like the Evidence Code."

The Bill has legislative priority, Hammond said, as do other Bills associated with it, indicating the Government's desire to proceed quickly.

MED are also busy simply trying to document all that is going on across the various departments in implementing e-commerce. That's a task that's slightly complicated by people often not seeing themselves as actually dealing with e-commerce at all, said Hammond.

"We tend to work with policy people who deal with specific issues ... people who'd think of themselves as intellectual property people, for instance. But their work is associated with e-commerce in a lot of areas. Nonetheless progress on this aspect of the strategy is also progressing well.

"Education, say, is fairly straightforward. The Companies Office has moved transactions online. But you also have MAF, for instance, which is very keen to look at issues around the digital divide. So we're going round departments to ask what they're doing at a policy level rather than an administrative level."

As well, the group has asked the ECAT core group what research is needed and is setting about doing it.

"We prepared some data for the summit but we are now in the process of gathering and analysing even more," added Hammond.

While it's not in place yet, ECAT - at the urging of the Minister - is formulating a "six-quarter action plan". The concept was developed by John Sifonis, a director of Cisco's Internet Development Group, and a keynote speaker at the summit. He's also co-author of Net Ready - Strategies for Success in the e-Economy. In Net Ready he outlined a concept called the seven-quarter action plan. Swain changed that to a six-quarter action plan and is using the thinking behind it to underpin the Government's focus for ECAT.

"While in format the six-quarter action plan is similar to a usual project plan designed to achieve specific measurable objectives, it is distinguished from usual project planning by its emphasis on speed and flexibility," Swain explained. "Because both are critical to ensuring business and organisations keep pace with the extremely fast-changing global environment we now operate in."

One of the ECAT core group's first efforts will be to draft a six-quarter action plan for the ECAT network, and then develop sector six-quarter action plans to speed moves to adopt e-commerce.

Brendan Boyle, director of the e-government unit within the State Services Commission, is also confident the Government is fulfilling its leadership role.

"We have drivers independent of the summit and subsequent programmes anyway," he pointed out, "so we haven't responded based on that. But we have an e-government strategy coming up for Cabinet approval at the beginning of April, and have a five-year vision in place. The unit will review its progress and direction every six months and adjust accordingly."

A paper on electronic billing, prepared for the unit by the IRD, was to be ready by the end of March. E-procurement looks like being the first significant foray by government into large-scale e-commerce, and the pilot WINZ procurement programme announced recently is another significant advance Boyle points to in asserting that progress is being made. An e-billing strategy is expected to be in place by the middle of this year, and by January 2002 the unit hopes to have a pilot completed.

"The big policy question is still authentication," Boyle admitted. "The means of identification is only one issue; there's also the means of authentication, and it may not be a case of 'one size fits all'. Different levels will be required, and there will have to be some new forms of identification."

He cited Ireland, where people are given the option of "more efficient, lower compliance cost" electronic transactions or older, slower, higher-cost old-technology ways of doing things. The opportunity cost to the person wanting to do business with the government online is the adoption of a unique identifier.

Business is interested in transacting with government in cyberspace, Boyle believed. "We're getting that message loud and clear," he said.

Another of those who are giving that message is the ANZ Bank's Greg Dyer. Warning that it's still early days, he said the Government is so far making the right noises and following through.

"There's evidence of the tangible work being done with WINZ (on e-procurement)," he said, "and now we're looking for progress on the [e-transactions] Bill. That is an important stepping stone."

While he doesn't expect the Bill to herald a significant increase in the uptake of e-commerce amongst business, he believed it would "clear away impediments, and make it easier to do business electronically."

Dyer echoed the concerns of other industry players, and of Brendan Boyle, that there are still technology issues to tackle. He acknowledged that the banks felt that they have secure systems or they wouldn't be offering online account access, but said the issues aren't so much technical as ones which "have to be resolved in people's minds".

"The Government leading by example and showing it trusts the technology is vitally important," he added. "Business will follow the Government's direction on e-commerce but the regulatory environment is also a factor. The Telecommunications Inquiry was helpful, as will be the appointment of an independent commissioner."

More ECATs are next on the agenda, with MED negotiating with regional and industry bodies to establish these, and then co-operate with them to run 'Roadshows'. The first of these is to be held in the Waikato and there are plans for at least two others in the provinces this year.

"The response from industry groups has been excellent," said MED's Reg Hammond, "and we'll be looking to tuanz to be a full participant in the ECAT network."

Swain told the first ECAT core group meeting that in 18 months' time he wanted to have evidence of its success in having markedly improved business and the wider community's understanding of e-commerce.

"We need to have identified our strengths and weaknesses," he said, "and taken specific actions to exploit our strengths and reduce our weaknesses. We want evidence of improvements; of progress against our action plan."

In 18 months' time, the Government will have had a total of two years to make tangible progress. It's off well from a standing start and business is not only cheering them on; some are even running alongside.

But Hammond, Boyle, Swain and the other people in government responsible for making the vision espoused at the summit a reality know that, by then, the post-summit enthusiasm will have waned and business - and the public - will be expecting some tangible and high-profile results.

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INTERNATIONAL NEWS: New Zealand Stock Exchange hires Shandwick to revamp ailing image

by REX WIDERSTROM PR Week USA 14-Aug-00

WELLINGTON, NEW ZEALAND: Hoping to counter what it views as a 'lack of balance' in the media, the New Zealand Stock Exchange has hired the Wellington office of Shandwick - the same company that has had its own share of bad press recently, after threatening legal action against the Public Relations Institute of New Zealand (PRINZ).

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The NZSE has been criticized of late for the poor performance of the New Zealand market as well as a possible merger with its Australian counterpart.

Another complaint is that the organization tends to blame others for its poor performance.

'All we are saying is that a few people tend to not want to recognize the things we have done,' said NZSE chairman Eion Edgar.

Shandwick/Wellington CEO Klaus Sorensen added that the agency hopes to correct 'a number of misconceptions' about the exchange, and claimed that the NZSE had been made 'a whipping boy' for the poor performance of many listed companies.

Shandwick's threat of legal action against the PRINZ prevented the organization from releasing the results of an investigation into the agency's work for state-owned enterprise Timberlands. New Zealand lobbyist Nicky Hager led the complaints about Shandwick's tactics, which reportedly included the creation of a bogus community organization to support Timberlands' continued logging of native rimu forest.