Chapter 12
Open Innovation in the E-Government Strategy Planning: A Case Study

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ABSTRACT
This chapter seeks to identify the current trends of the government transformation to e-Government, and combine them with the changes in the new information and communication technologies. Furthermore, the purpose of the study is to understand the evolution towards openness strategy and e-governance as well as assessing its challenges and implications. It seeks to identify the path towards the openness strategy at the ministry of the interior in Finland. It also discusses what kind of capabilities were created or needed in the development process.

INTRODUCTION
For years, the idea of openness has been considered as a competitive strategy by firms in the Information and Communication Technology (ICT) industry. Terms like “open standard,” “open source” and “open innovation” have been used to depict these openness strategies. Not only the private sector firms but also various government agencies are seeing the possibilities of innovation and technology advantages in the open innovation strategy and openness technologies. However, many times new technologies supporting e-Government solutions are used just as an overlay onto existing organizational structures and technological infrastructure.
without further consideration to how the existing processes or organizational structures could be improved to support e-Government strategy and implementation of e-services.

The idea of internal, closed R&D was considered to be the only source for organizations to succeed for many years. However, lately, due to the Internet and global competition, it has been possible for organizations to gain access to wide range of information related to technologies, specific industry information and competition situation from different external sources, like for example, universities, technology centers and other research facilities. According to Henry Chesbrough (2006b, pp.45-52) organizations need to leverage the abundance of knowledge outside their own organization to be successful.

E-government is a complex phenomenon which involves technical, organizational, institutional and environmental aspects. Recently, there has been a growing interest in e-Government and productivity as a consequence of the convergence of two issues: (1) increased demand for accountability on the part of governing bodies, and the public in general, and (2) a commitment of government bodies to focus on results and to work more intentionally towards efficiency and improved performance (See also Poister, 2003) with external and internal networks. The government’s strategy in Finland was to increase the efficiency of the Ministry of the Interior, to improve the cooperation between the different government bodies and to create efficient and customer-friendly e-services. This chapter will address the efforts of the Ministry of the Interior to use these openness strategies to enhance their e-Government strategy and interactiveness with the citizens.

In Finland, Prime Minister Matti Vanhanen’s first Government decided in its Government Program to start preparations for a development of an e-Government program in Finland’s to enhance regional and community development and connectivity. (PM’s office, 2006) A functional infrastructure, in other words, good basic IT-structures, are a necessity for the functioning of the whole of e-Government. The objective was to strengthen the public services by creating new e-services, improve existing e-services, and also improve citizens’ access to these services. It was predicted that in the future, immaterial services will increase and the importance of the concrete location of the services may decrease as online services improve. (PM’s office, 2006, p.86). In addition, 20% of the public sector services are e-services according to the Finnish government’s e-Society goals of 2013 (FCG, 2009). For these reasons, the openness was an interesting technology and strategy approach to be studied and tested.

Moreover, the government developed a national municipal policy to guarantee the availability of public services for all age groups anywhere regardless of the location where the citizens live, and to level out the differences between different municipalities. The government wanted to ensure equal availability of public services throughout the country. Future cooperation between the public, private and non-governmental sectors in service production was considered to be a necessity. (PM’s office, 2006, p.86) This particular research is timely because more and more, citizens are demanding higher service quality, particularly in the area of e-government. These e-services are expected to be available anywhere and anytime with immediate response, simplified and with one-stop processing. These service requirements entail processual, technological and organizational changes in the government.

This chapter is an instrumental single case study. It will first discuss of theoretical background of the strategic management and strategy planning, e-Government, open innovation paradigm and the key terms. Next, it will present the case. Finally, the managerial and theoretical implications will be presented.