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Talking to, not about, Entrepreneurs – Experiences of Public e-Service Development in a Business Start up Case

Ulf MELIN[1], Karin AXELSSON[2,] Magnus LUNDSTEN[3]
[1, 2] *Department of Management and Engineering, Linköping University, SE-581 83 Linköping, Sweden*
Tel: +46 13 284437, Email: ulf.melin@liu.se, karin.axelsson@liu.se
[3] *Nutek - The Swedish Agency for Economic and Regional Growth, SE-102 61 Stockholm, Sweden, Tel: +46 8 681 96 52, Email: magnus.lundsten@nutek.se*

Abstract: This paper focuses on experiences from using focus groups in order to facilitate and to understand citizens', in this case entrepreneurs', needs regarding public e-services in a business start up phase. Most e-government efforts are motivated by dual goals of citizen benefit and agencies' internal efficiency. Rhetorical, this is a persuasive ambition, but in practice it often seems to be easier to focus agency efficiency, redesign of business processes and information systems than to find out what citizens really want. Therefore this paper discusses focus groups as a way of understanding entrepreneurs needs regarding public e-services. In this paper the cooperation between researchers and practitioners in the development project is also discussed. Results presented in this paper shows that focus groups is a beneficial method in order to hear "the voice of the people" when developing public e-services. The researcher – practitioner cooperation that took place in the project is also identified as beneficial and fruitful for the process and the outcome.

Keywords: Public e-services, e-service development, e-government, focus groups.

1. Introduction

This paper focuses on experiences from using focus groups in order to facilitate and to understand citizens', in this case entrepreneurs', needs regarding public e-services in a business start up phase. This paper also presents some experiences from researcher and practitioner cooperation in the present e-service development project. In Sweden, most e-government efforts are motivated by dual goals of citizen benefit and agencies' internal efficiency. Rhetorical, this is a persuasive ambition, but in practice it often seems to be easier to focus agency efficiency, redesign of business processes and information systems (IS) than to find out what citizens really want. The National Auditing Office in Sweden discovered, in a recent evaluation of Swedish e-government projects from 2004, that internal efficiency was the dominating motive for initiating e-government projects [1]. Citizens, i.e., the future users of the e-service, are in best case represented in development projects by citizen organizations. More seldom do individual citizens take part in the project. User needs are, thus, sometimes "guessed" instead of analyzed. This is a problem that this paper has as its point of departure. We aim to discuss e-government development from a citizen perspective, since we regard this to be a necessary perspective to use if an e-government project is going to be as successful as possible.

The needs and arguments for users to participate when designing information systems is a topic that has been discussed in the IS discipline for several decades [2, 3]. Involving the users within different phases of the development process seems, according to many studies, to increase the possibility to produce an IS that is answering to the needs of the users, easier to introduce to new users, and better accepted by the users when implemented. User participation is, however, not always easy to organize for due to time and resource restrictions in real life information systems development (ISD) processes. Public e-service development projects are not an exception in this sense. It is, obviously, an even more complex task to involve future users in the development of public e-services, compared to ISD efforts of intra-organizational character. The importance of involving citizens in e-government development processes is discussed by several scholars in different context. We find examples from New Zealand [4] and Finland [5]. Examples of using focus groups in e-service development in the public sector is also reported by e.g. Lindblad-Gidlund and Nilsson [6] and Albinsson et al. [7]. Typical and important questions to ask before setting up user participation as a part of e-government development is for example: “who are the users?” and “How do we find out what users need when “everyone” (in this case potential entrepreneurs starting up a business) in the society is a potential user”?

The findings discussed in this paper originate from an action research project in an inter-organizational e-service development project in the public sector in Sweden. Focus groups were used in the action research [8] project as an approach to gather citizens’ opinions, attitudes, apprehensions, and needs regarding the project outcome. The aim of the project is to develop an e-service that simplifies the process of starting-up a business. The new e-service will be a comprehensive one-stop-shop, a portal, for starting up a business.

The need for this new e-service is based on the fact that information to aspiring new businesses in Sweden is extremely wide reaching and presented in many different places and in different forms, mainly in brochures and websites. Each authority has taken more or less comprehensive steps to develop information and services for enterprises. But while each authority (on central-, regional- and local level) provides satisfactory service in its own demarcated area, new enterprises find it difficult to get a clear overview of the path to starting a business. Lack of information is, thus, not the problem; the problem lays in the lack of structured, targeted and cohesive information.

To counter this problem the project has been using a “customer oriented approach” mapping and understanding the entrepreneurs’ path to starting a business. This approach can be compared with the opposite approach “built it and they will come” [9]. In the latter approach e-services are poorly marketed and often lack real benefits for citizens. The latter approach can be a result of talking about citizens, not to [10].

As mentioned above, this paper reports experiences from using focus groups when developing e-services in the area of business start-ups. Two applications (low fidelity prototypes) in an e-service were studied in this case: 1) “MyBusiness” (a business start up portal) including a business planning tool and 2) a web site for registration of a business in a national database in Sweden.

The paper has the following disposition; after this introduction the research approach is briefly presented. In the following section the e-service development project, which serves as our case (“The Business Start Up Case”) in this paper, is described. Thereafter, in section 4, focus groups as an e-government development method is discussed followed by our experiences from using focus groups in this studied project. The paper ends with a concluding discussion of experiences from the study using focus groups and experiences from the research – practitioner cooperation that have taken place in the project.

2. Research Approach

The research approach in this paper is qualitative and interpretive [11] in the sense that we present our experiences and analysis of setting up and using focus groups in the present case. The experiences are based on our interpretations of e.g. the pros and cons of using focus groups as a part of ISD and put in a context of theory. We also present our experiences of cooperation between researchers and practitioners. We classify the research project as an action research project with a twofold goal of generating research and practical knowledge as described above. Action research is a qualitative research method that is often used within the IS field [12]. Action research also fits the idea of the universities threefold task. Several scholars [e.g. 13, 14] refers to the idea that collaborative research aims to contribute both to practical concerns, e.g. how to handle practical issues in relation to the management of change, and to the creation of scientifically acceptable knowledge, e.g. new concepts, theories, and models.

The approach that characterise the overall e-service development project, the case studied in this paper, is a user-centric prototype driven development method. Focus groups and prototype development play a central role in this approach. Development of prototypes is done in an iterative way so that users (mainly entrepreneurs and business advisors) are actively involved. The project has several reference groups consisting of entrepreneurs and business advisors that are consulted on a regular basis. Apart from this, the project uses Linköping University (LiU) for focus groups testing and Stockholm School of Economics (SSE Business Lab) for analysing and making use of available research regarding the very early phase of entrepreneurship. Hence, the scientific component of the project is substantial. Standard usability tests are also done on a regular basis. This was done through interviews with a number of business owners. The results outlined the problems that new enterprises face today, drew a picture of the optimal path to starting a business in today's conditions and proposed how company start-ups can be improved. Hence, the result was a more clearly defined path that identified improvements in both customer-perceived quality and resource utilisation. Focus groups as a method is described more in detail in section 4.

3. The Business Start Up Case

The aim of the development efforts studied in this paper is to develop an e-service that simplifies the process of starting-up a business. The new e-service will be a comprehensive one-stop-shop, a portal "MyBusiness", for starting up a business, with linked e-services such as a planning tool and a registration tool. The need for this new e-service is based on the fact that information to aspiring new businesses in Sweden is extremely wide reaching and presented in many different places and in different forms, mainly in brochures and websites (see section 1). This creates a situation in which the entrepreneur initially has to spend a lot of time just to understand; what do I need to know to start up a specific type of business, who do I need to contact, and in which order should I do this. This can be illustrated further with an example; If an unemployed person wants to start a café in Stockholm, that person can register a company at the Companies registration office, and apply for loan or subsidies at another agency. The entrepreneur will have excellent help at each place but will not be informed that he or she becomes disqualified from applying for a special subsidy for unemployed individuals if he or she already has registered a company.

To counter this problem the present project has been using a customer oriented approach mapping and understanding the entrepreneurs' path to starting a business. This was done through interviews with a number of business owners. The results outlined the problems that new companies face today, drew a picture of the optimal path to starting a business in today's conditions and proposed how company start-ups can be improved. Hence, the result was a more clearly defined path that identified improvements in both customer-perceived quality and resource utilisation. This description has been used as source material for development across several different projects.

In order to be able to analyze and understand how to improve the process to starting up a business the project has been using the chart below (simplified chart, see Figure 1). This chart of the path to starting a business was used to analyze and design a solution that integrates e-services and information from different organizations. From left to right in the chart, the entrepreneur starts with an idea, collects information, makes a number of decisions and finally registers a company.

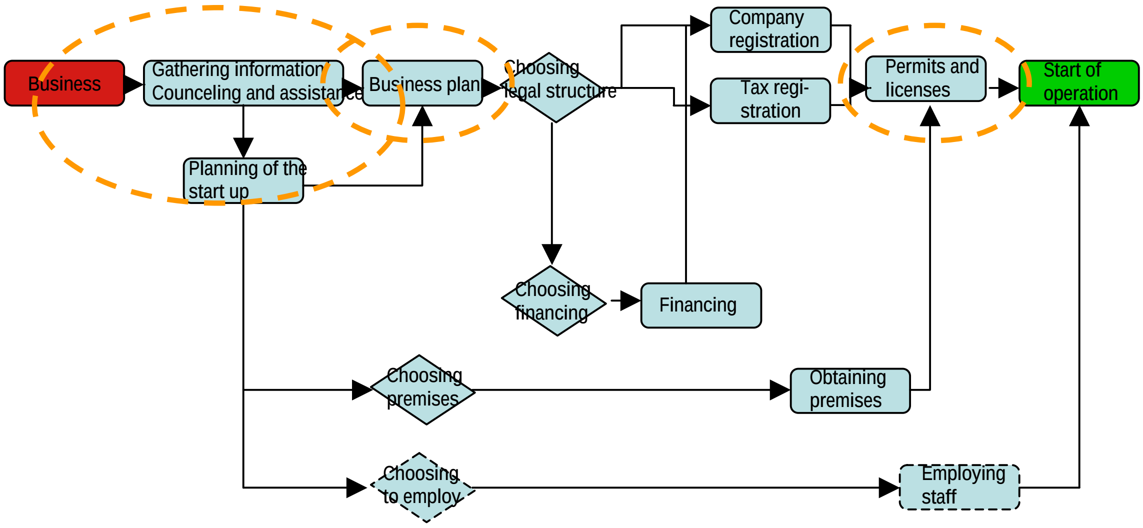

Figure 1 The Starting Up Process

As a result from working with the chart above several solutions were outlined. Examples are the need to coordinate on-line and other information, the need for collaboration between authorities regarding what information that should be mandatory in the business plan, the need to inform and support the entrepreneur so that this is planned for early in the start-up process. When a comprehensive analysis of all these problems was made we found that it would be possible to improve the process electronically by designing a business planning tool. An application linked to the business start up portal.

3.1 The Planning Tool, Business Registration and the Portal

To increase the quality of the start-up process a planning tool is being developed that creates increased transparency during the start-up process. This is done in a manner that the entrepreneur can overlook the whole process more easily and also re-use information continuously during the start-up process. One effect of this is that the entrepreneur will be better prepared when starting the formal registration of his or her company. The portal and the planning tool will also integrate other types of support; such as resources for free finance- and business development advice. This portal puts all information and e-services in a context that makes sense from a user perspective. The portal itself will create a comprehensive "picture" that will enable the user to overlook and understand the starting-up process. The planning tool will be an e-service that binds together information and other e-services. One service included in this paper is the business registration functionality containing submitting information of the owner, address, type of company, business etc.

The interactive business planning tool will support the entrepreneur throughout the process from idea to the formal start of the company. The tool will primarily focus on the entrepreneurs needs. This mean that the tool will be designed to deliver services that can match what the entrepreneurs usually asks for and also what we know they should ask for in order to have a successful start-up. The tool will help the entrepreneur create an overview of the specific start up by providing structured support to sort out personal related information and receiving information and e-services at national and local level. This will create value for the entrepreneur and lower the failure demand in the system (includes the whole process/system of starting-up a business, i.e. central- and local government, counselling, etc). The planning tool will also offers the possibility to reuse the information in other situations, for example when registering the company or applying for a permit.

4. Focus Groups as an E-government Development Method

Data collection in the marketing field has traditionally been performed by using focus groups [15]. Focus groups have lately also become instruments in the public society to hear “the voice of the people”. Another application area is as research method, mainly used in social sciences [16]. Focus groups are often defined as a way to conduct group interviews [17]. This is to some extent a definition that we can agree upon as well, but we think it is usable to regard focus groups as something more than purely an interview technique. We have developed a method based on focus group meetings that consists of several phases. The method has been used and adjusted in several e-government projects [10]. We have used focus groups in order to involve future users and to collect user opinions from citizens regarding the development of public e-services. So far we have found focus group to be a helpful tool to use when involving citizens in e-government development projects.

Our focus group method consists of the following key elements: First, the focus group meeting must be carefully planned and designed in advance. This is done by the moderators that are supposed to perform the meeting. The purpose of the meeting must be clearly stated. Is it, e.g., to identify problems, test design ideas, evaluate a prototype, or launch a developed e-service. During this planning session the different phases of the meeting are decided, in a way that fulfils the stated purpose. An important part in planning the meeting is to prepare questions for the discussion. In our meetings we have used scenarios, low-fidelity prototypes and questions as input to the group. This has been used as constructive fuel for the discussions. It helped to focus on certain aspects and issues, but it also served as aids to continue to a new phase of the meeting (e.g., leaving the scenarios and starting to evaluate the prototypes).

Various situations that might occur during the meeting must be estimated so that the moderators are prepared for possible problems. What do we do if the discussion ends, if discussed issues are too far from the purpose, if participants do not get along well, etc. are questions that need to be considered in advance.

The focus group is led by two moderators. We have found it important to be more than one moderator, since the moderator role consists of both chairing the discussion by posing questions and document and observe the discussion. These active and reflective roles might be altered during the meeting if two moderators are involved. The moderators need to be objective during the discussion, not taken anybody’s side in disagreements [18]. Preferably, the moderators should be persons with a good understanding of the focused issues but without any personal involvement in the outcome of development project.

Before the focus groups meeting can take place, recruitment of participants needs to be done. Individuals view things from different perspectives and in the focus group these different views are constructed and expressed [19] which hopefully provide a profound discussion in a certain matter. It might be difficult to get citizens to participate without any other payment than a cinema ticket or a free lunch. On the other hand, it is important not to pay participants too much since this might make them feel that they owe the moderators a debt of gratitude and, thus, do not want to be honest in the discussions. Instead, participants are to be convinced that attending the focus group will give them an opportunity to influence the final outcome, which both the individual and the society will benefit from.

During the focus group it is important to create a sound and open discussion climate. This does not imply consensus in the discussions, but every participant should have the right to express his or her opinions without being questioned or criticised. The meeting should not be dominated by any person or opinion, which is a main responsibility for the moderators to achieve.

Close after the focus group it is important analyse the outcome of the discussions. In order to do that the result has to be documented in one way or the other during the meeting;

e.g., by taking notes or tape the discussions. Other ways to document are by using questionnaires or asking the participants to take some notes, e.g., when using an e-service. The analysis is reported in a way that suits the purpose of the focus group.

4.1 Focus Groups in MyBusiness

Four focus groups were performed in this project in order to gather citizens' opinions, attitudes, apprehensions, and needs regarding applications under development; i.e., "MyBusiness" and the web site for registration of new businesses. We invited persons who were either in the process of starting an own business or just had been through that process. The purpose of the focus groups was to evaluate the prototypes of the two applications. The focus group participants are shown in Table 1, below.

Table 1Focus group participants

Focus grp no.	Gender	Age	Type of business
1	Female	20	Preventive health care
1	Female	32	Day care centre
1	Female	50+	Market research
1	Male	20-30	Event management
1	Male	28	Advertising agency
1	Male	30-40	Webmaster
1	Male	34	Coaching
2	Female	30-40	IT consultant
2	Female	30-40	Film director
2	Female	37	The Swedish Agency for Economic and Regional Growth
2	Male	43	The Swedish Agency for Economic and Regional Growth
2	Male	27	The Swedish Agency for Economic and Regional Growth
3	Female	29	Disc jockey
3	Male	40	Sports equipment
3	Male	35	Management consultant
3	Male	40	The Swedish Agency for Economic and Regional Growth
4	Female	31-40	Designer
4	Female	50+	IT consultant
4	Male	20-30	Event management
4	Male	25	Webmaster
4	Male	50+	Consultant

The focus groups were introduced by the moderators who presented the e-service development project and the purpose of the focus group meeting. The moderators, who also were researchers, described how they were supposed to contribute to the evaluation without being part of the development team. The moderators were no specialists of business start-up issues and had not been involved in the prototyping activities. The groups were also told that there had been other applications in this area before and that the prototypes were supposed to be a re-start for these matters. The introduction also included a description of the process of starting and registering a business as well as the web portal per se.

The second phase was a brainstorming activity about business start-ups needs and wishes of regarding authority contacts. This was done in an open way where the discussion eventually focused more on the prototypes. In this phase we did not show any prototypes. Questions such as "what is important?", "what is unimportant?", "what do you need?", "what do you wish for?", "what problems and opportunities do you see?", "what could be done on the Internet?", "what should not be done on the Internet?" were discussed.

In the third phase, a scenario-based discussion took place. When studying the prototype of business registering the group was divided into two parts. Half the group should register a public limited company and the other half should register a private firm. Each participant was asked to notice pros and cons while using the prototype for completing their task. These notes were then used as input in the discussion afterwards. When focusing on the other prototypes (the portal and the business plan) paper layout and screen shots were used.

The fourth phase used the results from the scenario-based session to discuss and evaluate the usefulness of the prototypes. This was done both in an open and explorative way and guided by questions such as "where should this information be placed in order for users to discover it?”. In the fifth phase, we focused on the concepts used in the prototypes. We discussed whether some of the concepts were hard to understand and how misunderstandings could be avoided. Some concepts had been chosen in advance and some concepts were suggested by the participants. The focus groups were ended by an evaluation of the meeting; how it had been arranged and what the results had been. Consequently, the focus group meetings consisted of the following phases: (1) Introduction, (2) Brainstorming, (3) Scenario-based discussion, (4) Evaluation, (5) Concept-based discussion and finally (6) Completion.

5. Experiences and Concluding Discussion

The experiences from using focus groups in the MyBusiness case cover both direct results from the development process and results from using focus groups as a method. Direct results from the development process cover, e.g., entrepreneurs’ attitudes towards public e-services, communication channels, cultures and challenges, needed functionality, etc. A number of direct questions were also posted to the IT development team based on the use of focus groups. Questions covered for example target group challenges, the studied e-services positioning in relation to other public e-services, the flow of activities and information in a start up process (regarding e.g. the name of the firm) and last, but not least, the feeling that the MyBusiness solutions manifests. Results from using focus groups as a method covered, e.g., methodological aspects such as recruiting members to focus groups, progress and process in the group activities, themes dealt with, phase division, and the role of low fidelity vs. “medium fidelity” (implemented graphic user interface and certain functionality) applications, etc. as discussed in section 4. Based on this experiences we believe that focus groups can be used in future e-government projects as a vehicle to .ensure “the voice of the people” and to achieve more beneficial e-services.

If we summarise the experiences from the interactive research (research and practitioner cooperation) approach in the present project, the experiences are stimulating and fruitful for both parties. The mutual knowledge and comparative advantages regarding different types of e-service knowledge has been very beneficial. Collaborative projects have a “tendency” to be slow and jerky which is frustrating for all parties, but can be dealt with if there is a common experience and understanding of these types of projects. The practitioners in the project has identified that the research partners have an understanding of the need to deliver concrete added value to the project and at the same time collect whatever empirical data they need for research. The research partners also identify this as a success factor in the cooperation – the mutual respect and understand also of the differences in the arenas that we work in. We, as practitioners and researchers, also believe that we have identified a common understanding of the realities of the scientific community. For instance, this means that practitioners have to take into consideration that a research partner at a university will need more time to schedule activities. From a research point of view the mutual understanding for the arenas and the conditions for the arenas is extremely important. When a mutual understanding like in this project is established the probability to achieve rigour action research (e.g. in model development) is higher. At the same time, we, as researchers need to have a sensitive way of handling and supporting “local” problems and issues from a practitioner’s point of view.

Further work is needed in order to verify the focus group method in this ISD context – but so far we believe that the method adds higher quality to different types of public e-services. Future research is also planned concerning the collaborative aspect of the present project. The experiences described in this paper can be related to previous experiences concerning action research from e.g. the social science area in order to be grounded more thoroughly. The overall development of e-services can also be put into a economic perspective (regarding e.g. cost benefit analysis etc.).

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