



# Total cost of ownership of governmental e-solutions

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EU IT projects coordinator

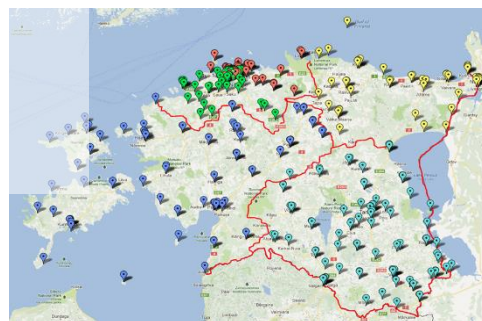
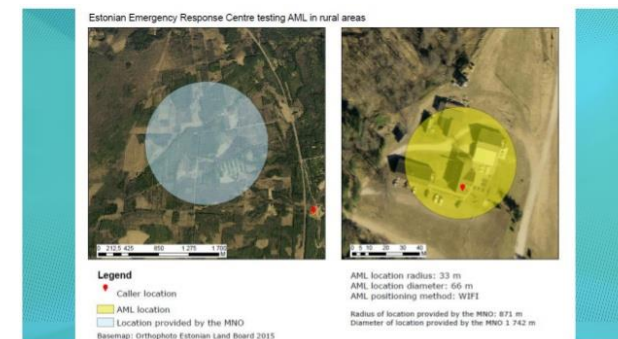


# IT and Development Centre Ministry of the Interior, Estonia (SMIT)

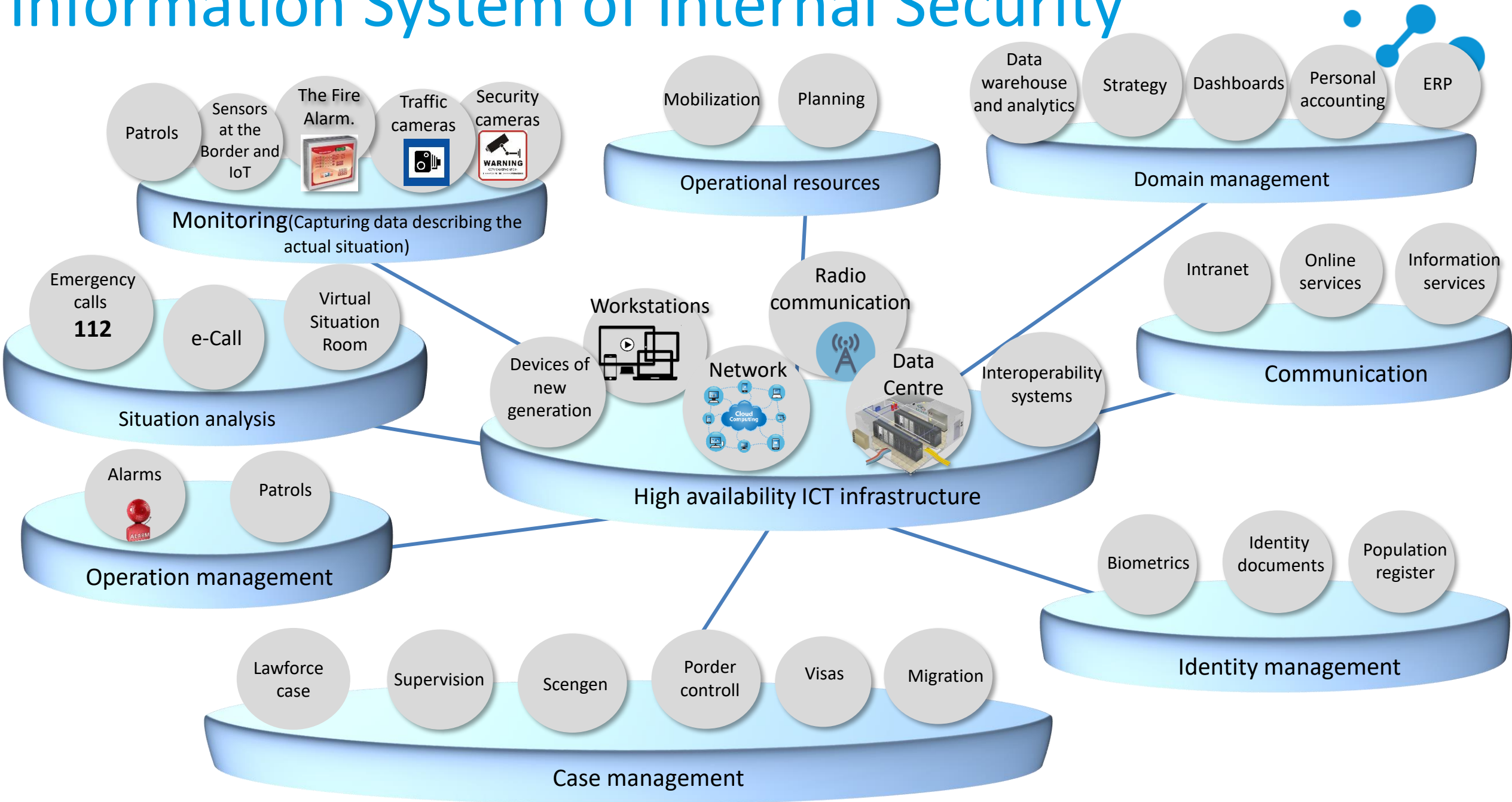
# SMIT: ICT services and know-how



- Moto: Each person working for internal security has sufficient information for his/her needs independently of time or location.
- 116 ICT services incl. 27 mission critical (24/7) services
  - Population register and ID management
  - Issuance of documents
  - Emergency services 112
  - Management of rescue services
  - Police databases
  - [e-Police](#)
  - Visa register
  - Border checks
  - Border surveillance ([KILP](#))
  - TETRA communication network
  - Etc...
- 352 locations
- 10 000+ end users
- 25% increase in data traffic annually



# Information System of Internal Security



# ICT trends to consider



## Environment

- **Security globally** has totally changed and continues to change rapidly
- **Cyber threats** incl. cyber attacks and cyber crime volume and effect continues to increase
- **Cross-border exchange of information** and interoperability of IT systems incl. requirements for checks on EU external borders will increase
- Daily life will more and more **depend on ICT services**
- Shortage of qualified **IT staff** and increasing costs for this workforce

## Users

- **Fast** and ever increasing **volume of data** capture and analysis
- Procedures in constant **change** and business requirements **volume and speed** will increase



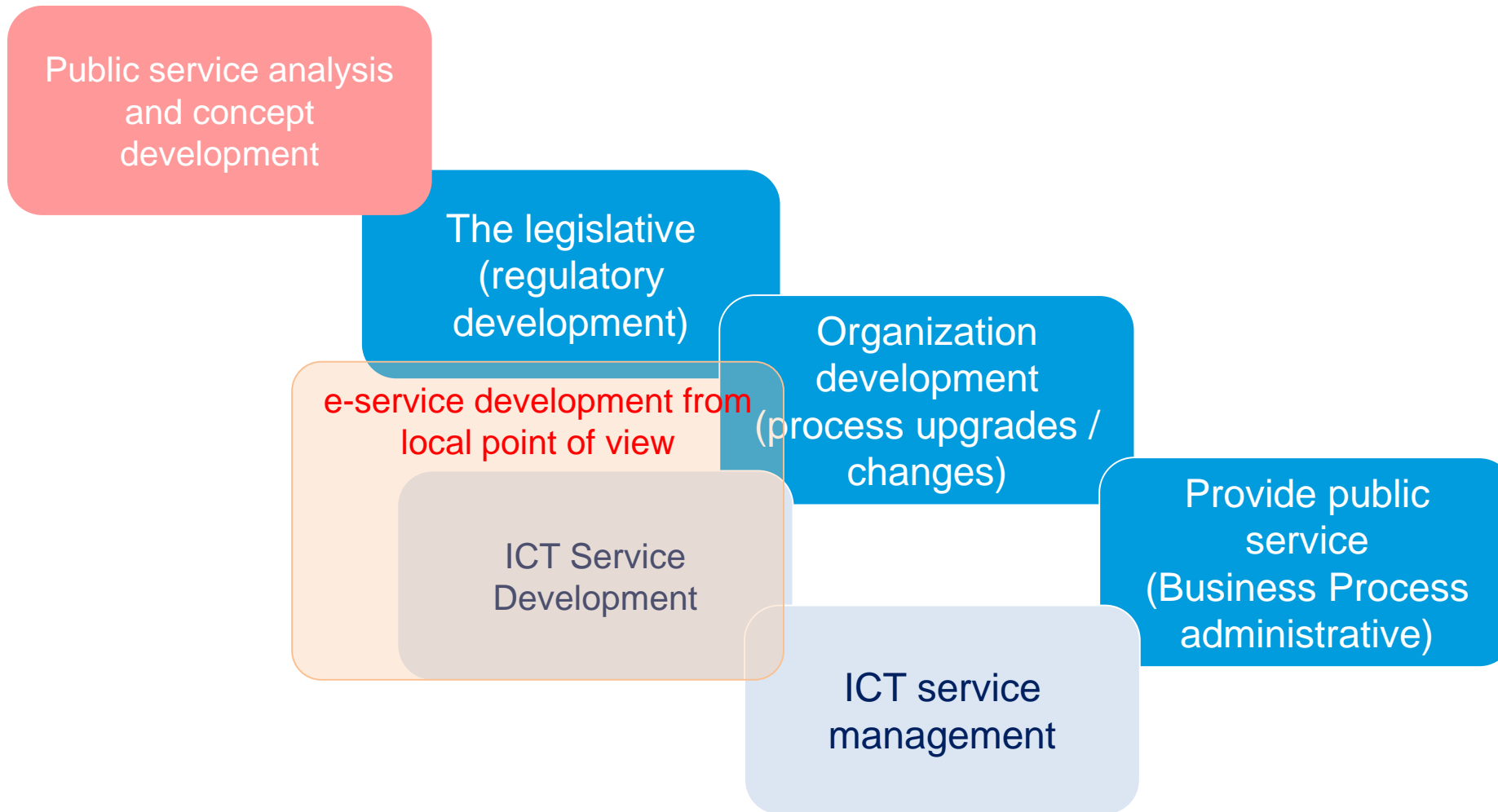
Public sector

# What is the problem?



- The total duration of the development projects are too long (2.5 to 4.5 years)
  - Time from arise idea to financing desision for 1 to 2 years (state budget process)
  - International procurement process for 1-3 months
  - A business (case) analysis of 3-6 months
  - Realization of 1-1.5 years
  - Implementation of 2 to 4 months
- Applying for funding for the project is not feasible to know the solution
- The organization is inert and slow to seize new opportunities and realize them.

# Public services and ICT service development







Total cost of ownership:  
why it matters to public sector?

# Costs



Purchase price

UX

Maintenance

Man-hours

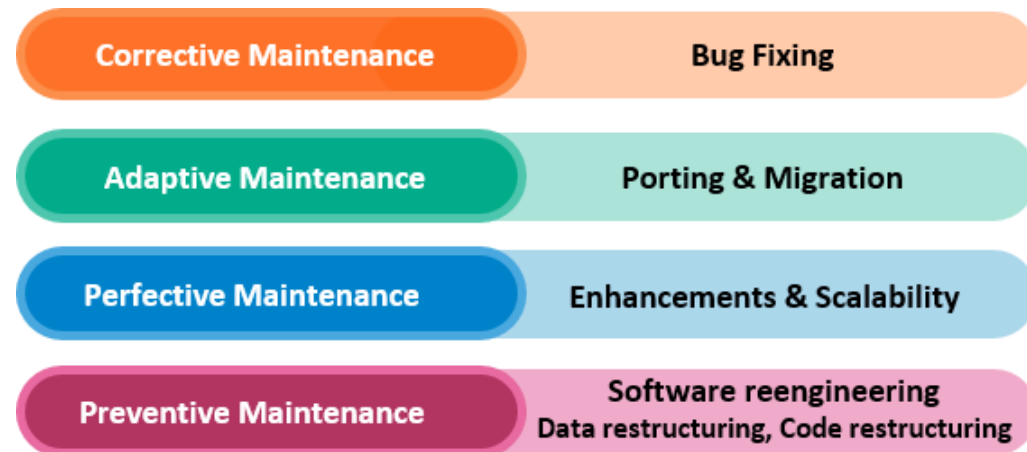
Hardware

...



# Maintenance without TCO

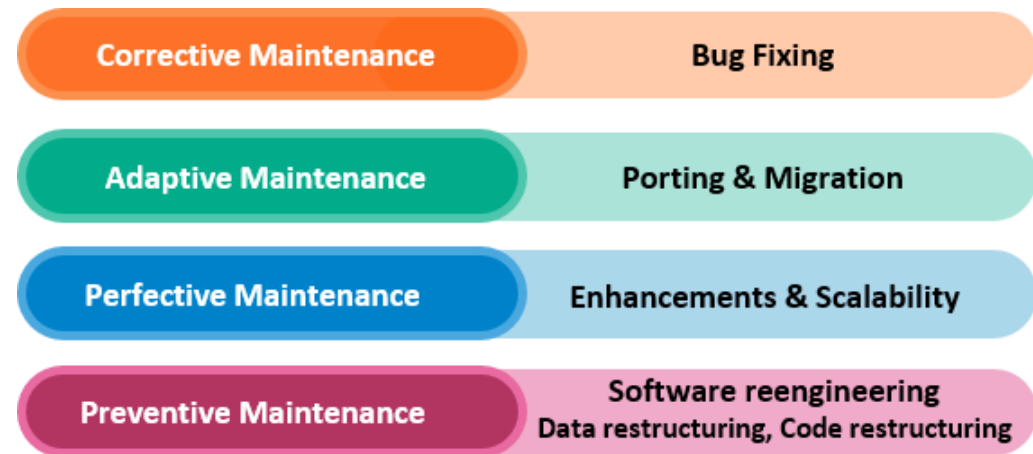
- Software = intangible fixed asset
  - maintenance (fixing of bugs)
  - ? depreciation (amortization or wear and tear)
    - depreciation – non-monetary cost = no need to cover



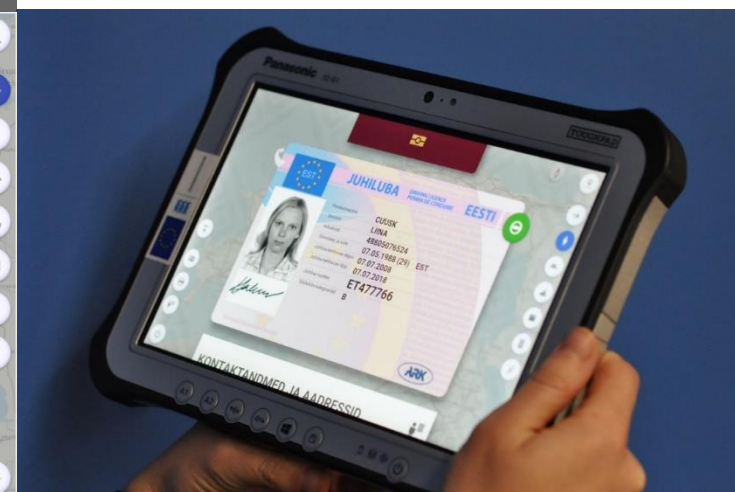
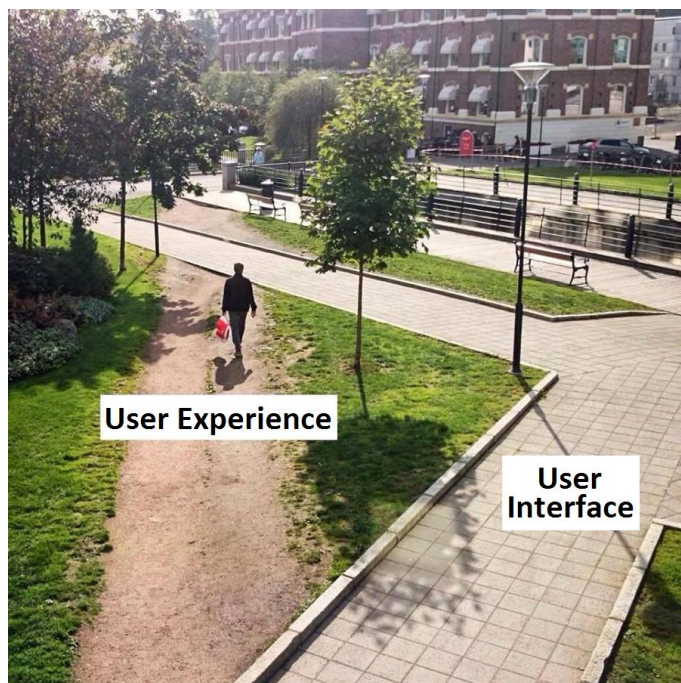


# Maintenance with TCO

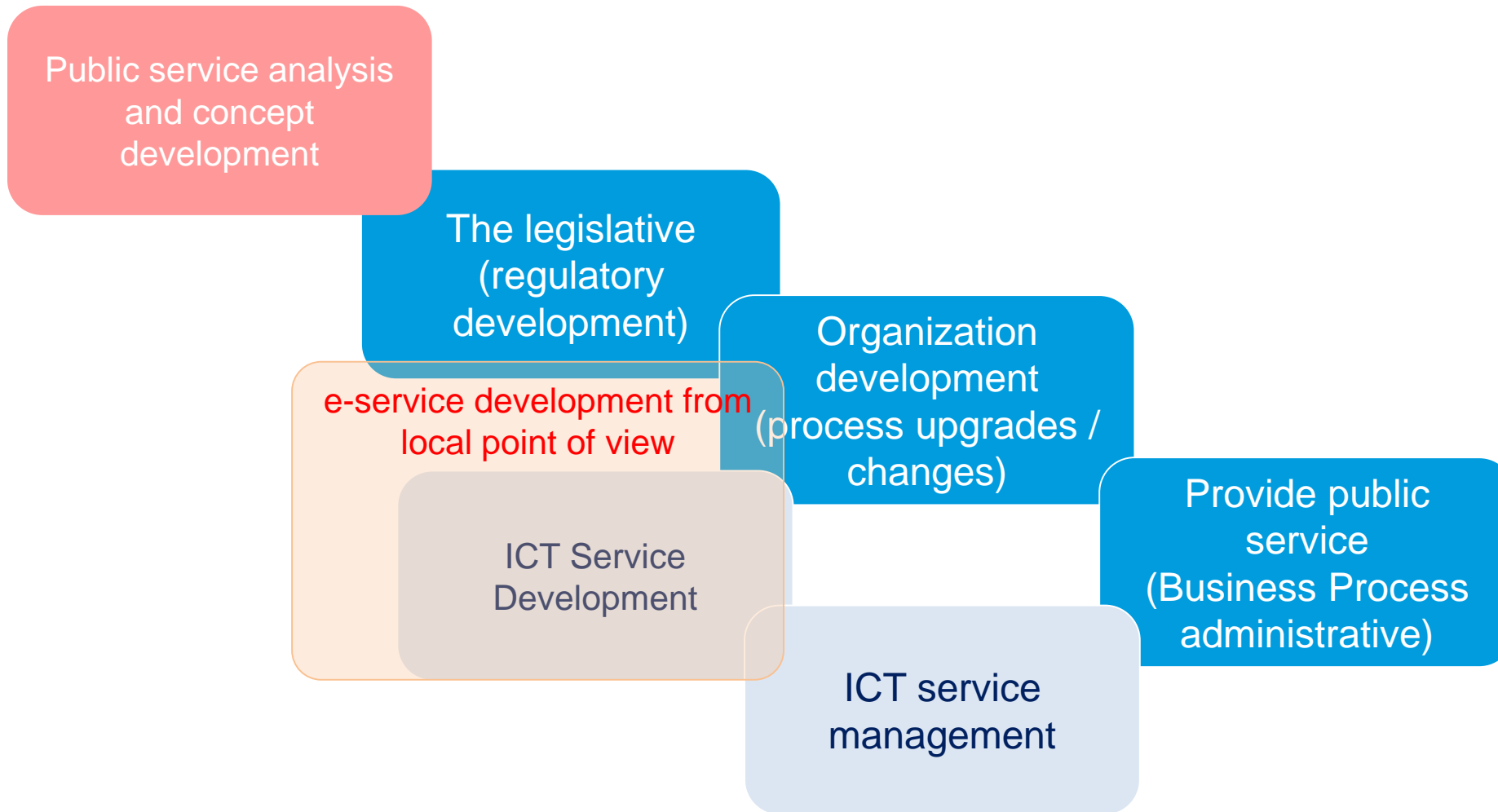
- Software = intangible fixed asset
  - maintenance (fixing of bugs)
  - depreciation (amortization or wear and tear)
- Releases
  - Once a week
  - Once every 2 weeks
  - Once a month



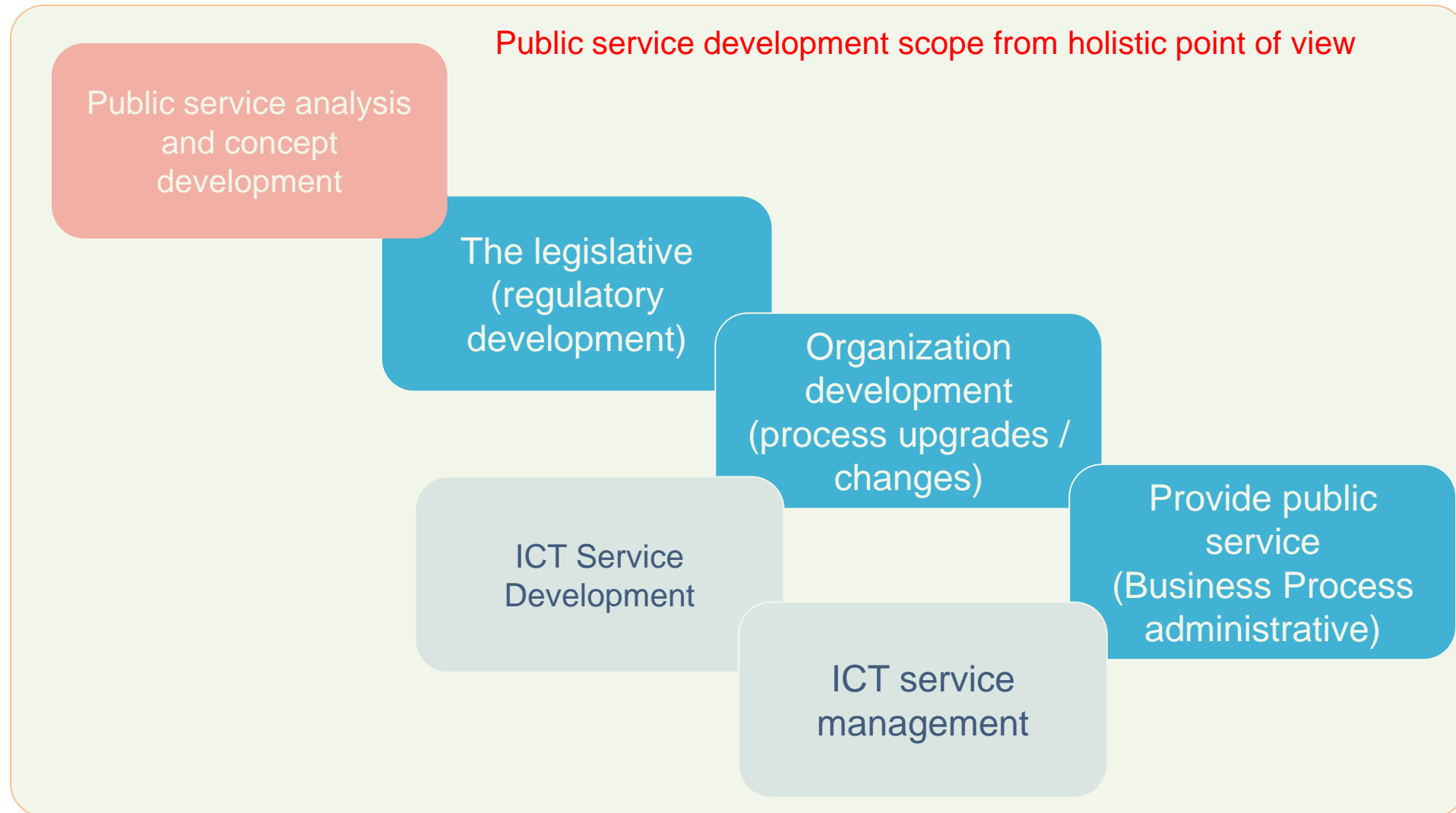
# User experience (UX)



# Public services and ICT service development



# Public services and ICT service development



# Way forward



- ✓ TCO of gov e-solutions
  - Continues development and maintenance (fixed assets + running costs)
- ✓ TCO of public services
  - Optimised public services



# THANK YOU



## QUESTIONS?

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*Mei koos Sinuga*

The logo for 'smit' features a stylized blue icon above the word 'smit' in a bold, lowercase, sans-serif font.