

New Zealand Local Government IT Satisfaction Benchmark Report

Executive Summary

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IT Satisfaction Survey

Effectus partners with the *Info-Tech Research Group* who have run the IT Satisfaction Survey over 1,100 times globally and can definitively prove that quantifying satisfaction and then addressing the gaps will improve value for the organisation.

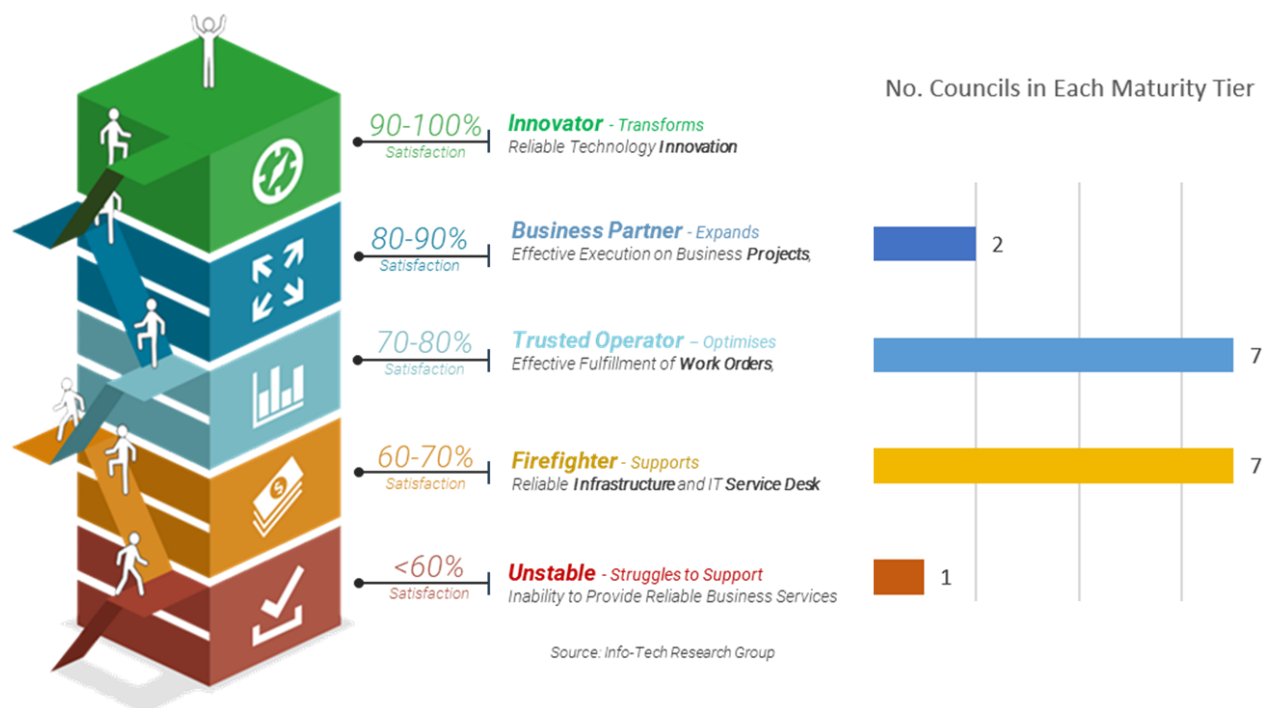
The advancement of IT to a desired state (normally Business Partner is sufficient) will improve strategic flexibility and better alignment with business objectives and outcomes.

Results from the ALGIM Surveys

ALGIM and Effectus conducted a series of New Zealand Local Government IT Satisfaction surveys between February and July 2020 and incorporated them with previous surveys Effectus has conducted to produce a Local Government benchmark.

Satisfaction Levels

The New Zealand Local Government average **satisfaction score** is **71.5%** across all surveys conducted to date, and **74.5%** for surveys conducted in 2020. The number of councils that attained satisfaction levels in each of the maturity tiers is shown below.



What does "good" look like?

- Overall satisfaction score 80% and the role of IT as a Business Partner is well-established.
- IT services consistent & reliable, with none of the 13 Core IT Service satisfaction scores below 70%.
- Relationship scores above 75% and a leadership culture which fosters collaboration and trust.
- IT and business management engaging more on value-adding and future-oriented processes and less on infrastructure and operations which, while essential, are reliable and cause little fuss.

Thirteen Core IT Services were included in the IT Satisfaction Survey, as reflected below:

		Satisfaction Importance		
IT Security	Satisfaction with practices ensuring organisational devices and data are properly secured	81.0%	4	One of the 13 Core IT Services is in the Business Partner tier, with an average satisfaction score above 80%.
Service Desk	Satisfaction with responsiveness and effectiveness of service desk	78.1%	7	
Service Requests	Satisfaction with small requests and bug fixes	73.5%	8	
IT Policies	Satisfaction with policy design and enforcement around security, governance, etc	72.4%	12	5 services are in the Trusted Operator tier, with scores between 70% and 79%.
Devices	Satisfaction with desktops, laptops, mobile devices, etc	71.9%	5	
Network & Comms	Satisfaction with reliability of comm. systems and networks	70.6%	1	7 services are in the Firefighter tier, with scores between 60% and 69%.
Data Quality	Satisfaction with providing reliable and accurate data	68.5%	2	
Business Apps	Satisfaction with applications and functionality	66.4%	3	
Projects	Satisfaction with large department or corporate projects	65.7%	10	
Requirements Gathering	Satisfaction with BA's ability to understand and support the business	65.1%	13	
Analytical Capability	Satisfaction with standard reports, custom reports, and the ability to generate business insights	63.4%	11	
Innovation Leadership	Satisfaction with providing opportunities for innovation and innovation leadership	63.1%	9	
Client Facing Solutions	Satisfaction with customer experience and effectiveness	61.7%	6	

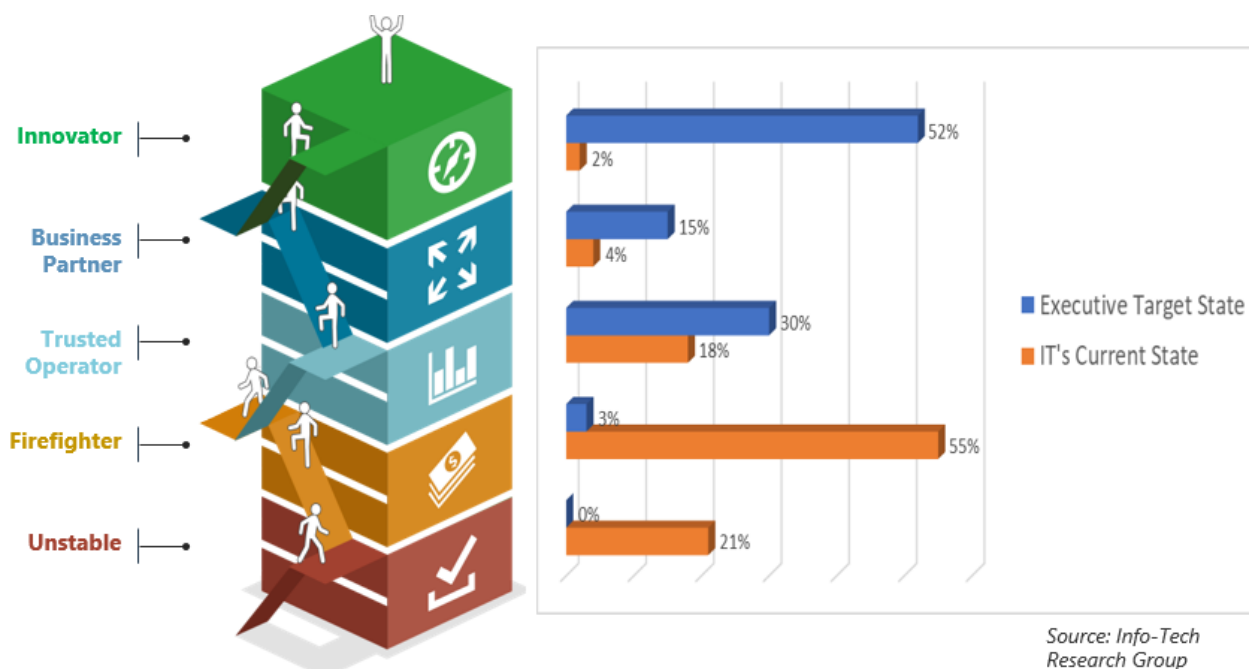
Insights

- The survey gathered participants' perceptions of IT services as opposed to an audit or assessment of IT Services. Their perception is their reality and is, generally, the only measure that is being used by the business to assess IT.
- Perceived satisfaction does not correlate well to council size, IT staffing or IT budget.
- Perceived satisfaction is heavily impacted by IT's relationship with the business.
- IT teams in smaller councils appear to be able to forge stronger relationships with business.
- IT's customers still think IT is about the plumbing. High importance is placed on Network, Security, Devices and Service Desk – even when satisfaction with these services has been consistently high.
- We would like to see forward-looking services such as Innovation, Projects, Analytics and Client-Facing Solutions having a higher level of importance, but this is still not the case for most councils.
- Satisfaction levels in NZ Local Government have historically been a few percent lower than the international government sector average. Some very good recent results have lifted the NZ overall satisfaction up to be in line with the international average.
- While most Local Government IT Executives see the IT function as reasonably mature and aspire to be Business Partners, satisfaction surveys indicate that about half of IT functions are still in Firefighter mode.
- All Councils had some IT Services in the Firefighter maturity tier with satisfaction scores below 70%, and this is where attention should be focused to address dissatisfaction and drive up maturity.

Suggested actions to improve satisfaction

As per the following chart there is a global issue with business expectations not being met by IT. It is never too late to start implementing measures that better align IT with business leadership. This includes, but is not limited to, the following:

- Ensure there is effective prioritisation of activity with an engaged IT Steering Group.
- Engage departments with lower satisfaction scores early to improve relationships and better understand needs and priorities.
- Identify initiatives to improve services with lower satisfaction scores and higher importance ranks.
- Undertake an internal IT Capability Assessment to quantify which IT Process Areas absolutely need focus and which ones just need maintenance.
- Set realistic target satisfaction and maturity goals for the next 12 months and align with the Local Government satisfaction benchmark.
- Include initiatives in your project roadmap to achieve these targets.
- Keep demonstrating the value to the business of successful implementations of IT.
- Keep demonstrating the worth of the business taking accountability for projects and initiatives that used to be left with IT.
- Run the IT Satisfaction survey periodically (preferably annually) to track progress and realign with expectations. Share the results with the business and demonstrate improvement over time.



In Summary

The biggest benefit of doing an IT Satisfaction Survey is the transparency it provides of what the perception of IT is and how that impacts the business getting value from IT. The illumination it provides will result in positive activity from the business and IT to address misalignment.

Given that the majority of Councils in New Zealand are in the Trusted Operator or Firefighter tier, the opportunity is there to substantially improve business alignment which will improve business value, through the use of IT.

New Zealand Local Government IT Satisfaction Benchmark

Appendix – Results Analysis

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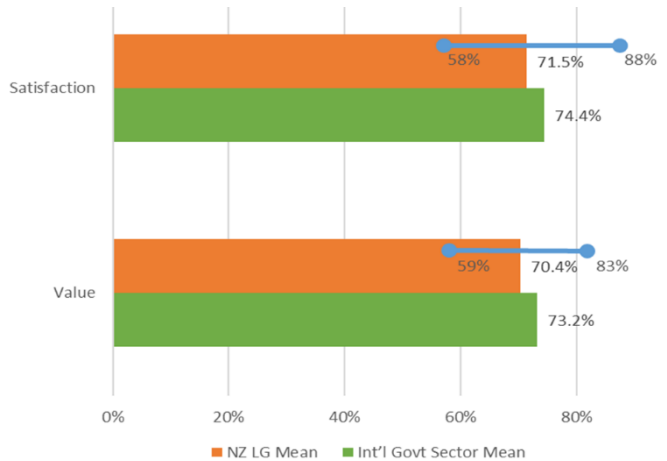


Results Analysis

This IT Satisfaction Benchmarking initiative is based on Info-Tech Research Group's CIO Business Vision online survey. The benchmark includes survey results from 17 councils and excludes superseded results if councils had conducted previous surveys.

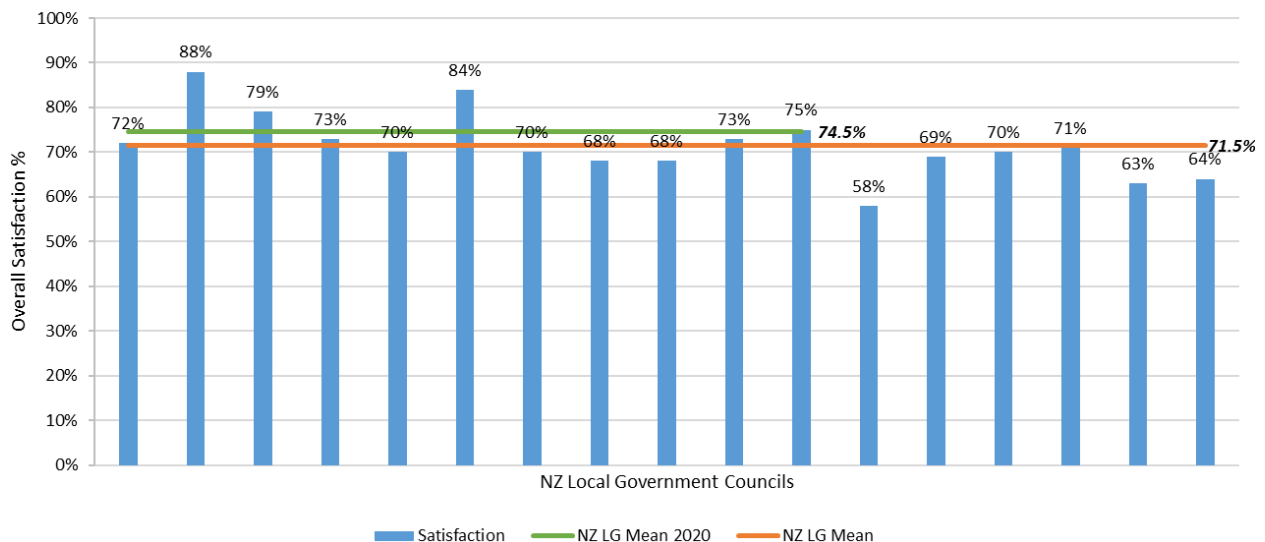
Overall Satisfaction and Value

- The New Zealand Local Government overall satisfaction score is 71.5%, with council scores ranging between 58% and 88%.
- The average value score is 70.4%, with scores ranging between 59% and 83%.



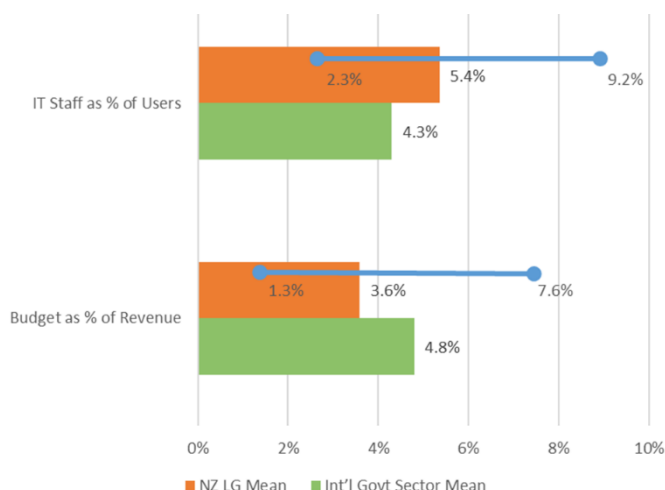
While the average Overall Satisfaction score is 71.5% across all surveys conducted to date, this is somewhat higher for surveys conducted in 2020, at 74.5%. The highest-scoring 5 councils averaged an Overall Satisfaction score of 80% while the lowest-scoring 5 councils averaged an Overall Satisfaction score of 64%.

Overall Satisfaction by Council



Budget and Staffing

- The average IT Staff as % of Users is 5.4%, with a range of 2.3% to 9.2%.
- The average IT Budget as % of Revenue is 3.6%, with a range of 1.3% to 7.6%.
- These percentages are indicative only and may be skewed by IT's scope in each Council, sourcing strategy, level of centralisation, etc.
- Future surveys will aim to standardise budget & staffing responses.



Service Satisfaction

The perception of Overall Satisfaction addressed in Question 1 is typically scored somewhat higher than satisfaction scores for the 13 Core IT Services addressed later in the survey (~2% higher). In higher-scoring councils this difference is significantly higher (~7%). This may relate to a relationship and goodwill factor expressed in answers to Question 1. The Overall Satisfaction mean is 71.5% while the average of satisfaction scores across the 13 Core IT Services is 69%.

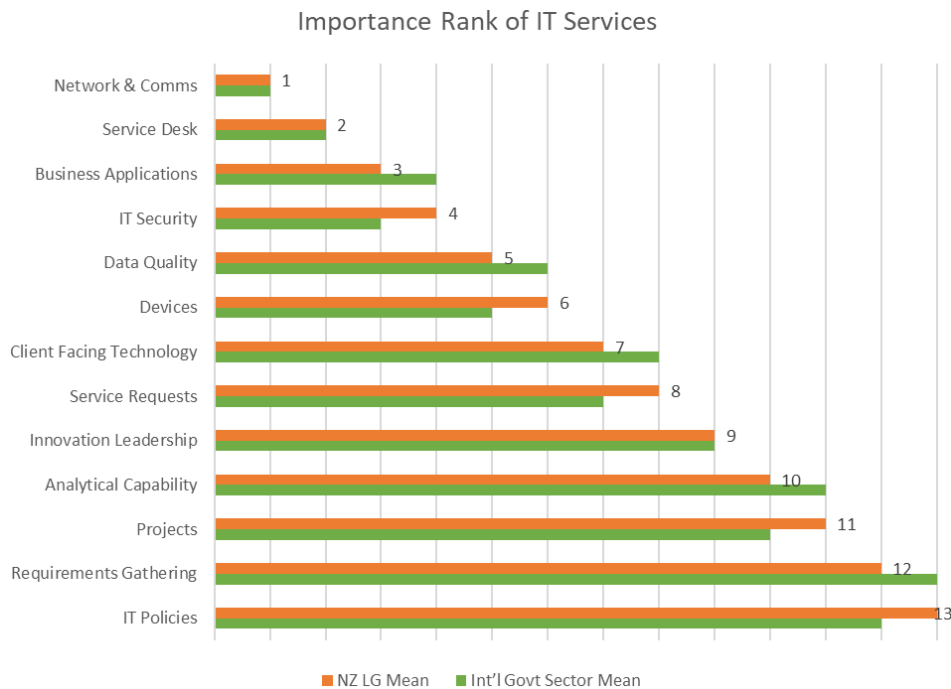
Satisfaction with Core IT Services



The circled services above highlight the focus areas for improvement across all councils. Focusing on these areas will bring greater alignment with the business, delivering higher business value and faster improvement in IT Satisfaction results.

Service Importance

The Importance ranking of IT services in NZ Local Government is consistent with the Importance ranking internationally, with no services varying by more than one position. It is worth noting that infrastructure and operations-related services like Networks, Service Desk and Devices remain high in importance despite receiving relatively good satisfaction scores, while high-value and future-oriented services such as Projects, Analytical Capability and Innovation remain relatively low in importance.



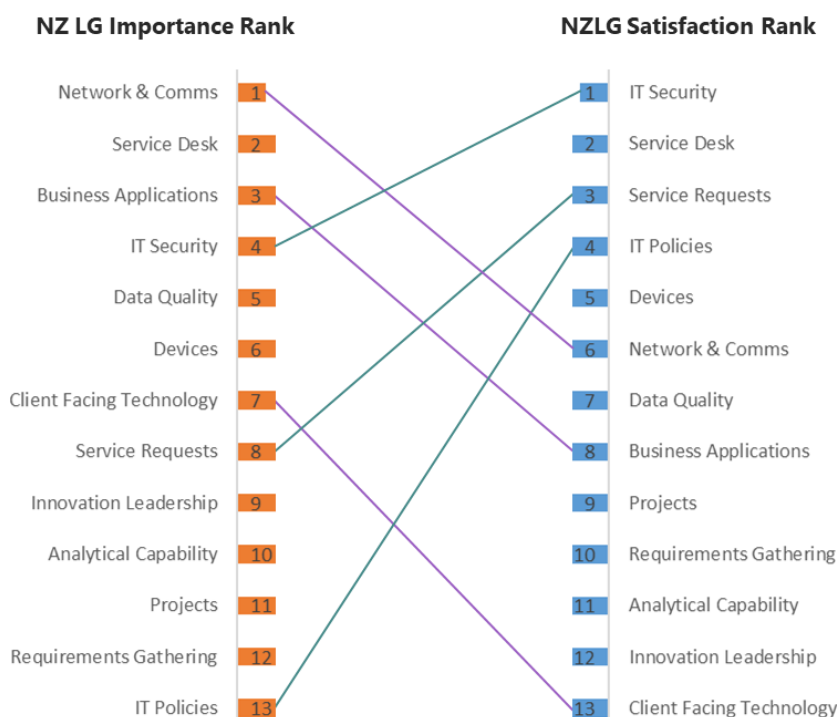
Relating Importance to Satisfaction

Satisfaction scores are lower than the International Govt Sector mean overall and for 11 of the 13 core IT services. The largest negative differences against International Govt Sector means relate to some of the services deemed to be most important by councils.

Service Benchmarks	Importance Rank	NZ Local Govt Mean	Int'l Govt Sector Mean	Difference
Network & Comms	1	70.6%	75.9%	-5.3%
Service Desk	2	78.1%	80.2%	-2.1%
Business Applications	3	66.4%	72.3%	-5.9%
IT Security	4	81.0%	80.4%	0.6%
Data Quality	5	68.5%	73.6%	-5.1%
Devices	6	71.9%	76.2%	-4.3%
Client Facing Technology	7	61.7%	65.6%	-3.9%
Service Requests	8	73.5%	75.8%	-2.3%
Innovation Leadership	9	63.1%	67.0%	-3.9%
Analytical Capability	10	63.4%	66.8%	-3.4%
Projects	11	65.7%	69.0%	-3.3%
Requirements Gathering	12	65.1%	69.5%	-4.4%
IT Policies	13	72.4%	71.1%	1.3%
Overall Satisfaction		71.5%	74.4%	-2.9%

A negative Service Gap exists where a service is ranked relatively high in terms of Importance but scored relatively low for Satisfaction. Likewise, a positive Service Gap exists where a service has a low Importance rank but a relatively high Satisfaction score. Negative service gaps indicate services that require attention sooner, possibly by redirecting attention and resources from services with high positive service gaps.

For example, in the results above, **Business Applications** indicates a negative Service Gap with an average Importance rank of 3rd and the 8th-highest Satisfaction score. IT Policies indicates a positive Service Gap, with the lowest Importance rank and the 4th-highest Satisfaction score. This is illustrated further in the diagram below. Results will vary by council and should be assessed to identify services most in need of attention.



Relationship Satisfaction

Relationship Satisfaction was measured across four dimensions as listed in the table below. Results averaged 70.6% and are fairly well aligned with international government sector results.

Relationship Satisfaction	NZ Local Govt Mean	Int'l Govt Sector Mean
Understands Needs	71.6%	72.9%
Executes Requests	71.3%	71.7%
Communicates Effectively	69.6%	71.5%
Trains Effectively	69.8%	68.4%
Average	70.6%	71.1%

The highest-scoring 5 councils averaged 78% for Relationship Satisfaction (with an Overall Satisfaction score of 80%) while the lowest-scoring 5 councils averaged 62% (with an Overall Satisfaction score of 64%), indicating a close correlation between satisfaction levels and the IT-Business relationship.