



Corporate Perspective on Development of Czech eGovernment Services

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Introduction



- › E-government is more than simply making information and some citizen services available via a website. E-government runs wide and deep across all aspects of government, deep within the core of every government entity (Curtin et al., 2013)
- › the general perception is that e-government uptake helps to reduce costs by making operations more efficient, serving citizens and companies better and reducing complex and over-stretched bureaucratic system (Sharifi and Manian, 2010; Basu, 2004)
- › past studies have highlighted the potential contribution of e-government to enhance interactivity, transparency, and openness of public sector entities and to promote new forms of accountability (Bonson et al., 2012)



Literature Review



- › changing the relationship between citizens and government, businesses and government are often cited as goals for e-government adoption and implementation. Networks such as e-government have the potential to improve interactions between government and businesses (Mossberger et al., 2013)
- › Härting et al. (2017) believes that the potential value of digitalization is influenced by efficiency, innovation, data privacy, mobility, new business models, and human integration. As moderators within their model act industry and company size
- › although public administration within single country has no competition and therefore contemporary challenges may be less relevant, the environment is also forcing it into changes. Citizens are namely expecting number of digitized services and bringing e-Government services towards them (Manfreda, 2017)



Literature Review



- › the concepts related to e-Government that were important a decade ago significantly differ from the topical concepts. Digital transformation is becoming a new trend today and it applies to e-Government as well. Since the digitalization is often done merely as applying new technology into an organization without considering the internal processes or complete business model, it is evident, that digitalization in public administration is often focused on renovation the visual part of public portals, while bureaucratic procedures and processes often remains unchanged (Manfreda, 2017)
- › over the years, EU member states have attempted to adopt and implement the objectives enshrined within EU e-government strategies. Nevertheless, nowadays, member states are far from achieving most of these objectives. Recent EU research projects points to the fact that the ICT systems of the member states are still not inter-operable within each other (Kalvet et al., 2018)



Literature Review – DK/SE/DE Approach



- › Denmark adopts a centralized approach to the delivery of G2B e-government services. The G2B platform (virk.dk) is a user centric platform that provides digital self-service. These services include: social contributions for employees; corporate tax: declaration and notification; VAT: declaration and notification; registration of a new company; submission of data to statistical offices; customs declarations; environment-related permits (including reporting); and public procurement (EC, 2015; Williams et al., 2018)
- › Sweden adopts the decentralized approach toward G2B e-service delivery. On the verksamt.se it is not a one stop shop for all G2B services. It is only a central hub for few fundamental services. These services are company registration; tax related issues; changing company data; creating a business plan; searching company names; and links to checklist on how to start a company (verksamt, 2018)
- › In Germany at the federal level, G2B service delivery is via the e-government portals of the different agencies and www.bunde.de. Bunde.de is a platform where informational services on G2B and G2C services are delivered. Unlike the case of Denmark and Sweden, Bunde.de is not a user centric platform. The services are delivered in German (EC, 2016)



Literature Review



- › Papadomichelaki and Mentzas (2009) contended that one of the main critical factors in the e-Government evolution is the development of websites that better serve the needs of citizens. However, we face a challenge: the implementation of the idea that an e-Government is not a technology. On the contrary, the use of technologies in the service of governmental institutions, whose purpose is to improve the quality of life of their citizens by redefining the relationship they establish with their government (Kumar et al., 2007). According to Gautrin (2004) the existence of online services in the governmental field can significantly increase accessibility, as well as save the time and the money of citizens



Methodology



- › the main aim of this research was to determine which state services should be digitized as a matter of priority from the point of view of the experience and opinions of company representatives
- › as part of data collection, a combination of telephone surveys and online surveys was chosen. Telephone survey was intended for a sample of 250 companies selected according to fields of activity and company size; the online survey was intended for respondents from the TOP100 Czech companies (ranking based on total sales in 2018), where 28 companies responded. The survey itself was conducted in the period November – December 2019
- › respondents:
 - › 93 companies from production and agriculture sector, 61 trade companies, 124 companies from the sector of services (including knowledge services)
 - › 178 small companies, 63 medium-sized companies and 37 large companies
 - › 122 CEOs, 70 CFOs, 86 CIOs



Current Level of Corporate Digitalization



- › according to the respondents, the level of digitalization in their companies is at least relatively advanced (71 % of respondents) – but it should be mentioned that due to self-evaluation, this is a subjective result
- › the highest level of digitalization was recorded among medium-sized companies (84 % of respondents), on the contrary – and here it is necessary to emphasize the above subjective self-assessment – the lowest level of digitalization was recorded in a sample of large companies (57 % of respondents)
- › it can also be said in the industrial context that a higher level of digitalization is in the sample of companies in the field of trade (77 % of respondents), respectively in services (74 % of respondents)



Digitized Agenda in Czech Companies



	Production and agriculture	Trade	Services
Financial accounting and financial reporting	93 %	80 %	82 %
Controlling	76 %	66 %	65 %
Budgeting	62 %	57 %	69 %
Costing system	69 %	48 %	54 %
Verification of identity of suppliers and customers	65 %	67 %	48 %
Supply system	67 %	69 %	38 %
Customer network	47 %	57 %	41 %
Business logistics	56 %	62 %	27 %
HR agenda	46 %	49 %	37 %
Tenders	31 %	36 %	48 %
Training and development of employees	27 %	36 %	44 %
Production automation	46 %	8 %	10 %
Support activities	19 %	16 %	19 %



Reasons for Digitalization



- › respondents most often cite an increase in the efficiency of company processes (87 % of respondents) and an increase in competitiveness (67 % of respondents) as the engine for digitizing the company
- › it is mentioned by 32 % of respondents digitalization being a decision of the parent company. Efforts to comply with the requirements of applicable legislation or public administration, efforts to optimize costs and the management of the company, efforts to save time or efforts to protect the environment were also mentioned in a minority.
- › in the context of the above, it is interesting that more than half of the respondents (58 %) mention that they do not have a designated specialist for digitalization. 29 % of respondents have an internal employee for digitalization, the rest use the services of external consultants. Medium-sized (40 %) and large (54 %) of companies have their own employees being in charge of digitalization



Digitalization Strategy



- › 51 % of respondents give digitalization of their company a top or at least high priority – this trend is especially noticeable in trade companies (62 % of respondents), less so in production and agriculture companies (44 % of respondents). At the same time, it is a high priority topic especially for medium-sized and large companies (60 % of respondents), less so for small companies (46 % of respondents)
- › from this point of view, however, it is interesting that the vast majority of respondents have not developed any strategic approach to digitizing the company (64 % of respondents) – only 8 % of respondents have a solution from the parent company, respectively 10 % of respondents have their own solution



Barriers of Digitalization



	Production and agriculture	Trade	Services
Lack of qualified ICT experts or insufficient ICT competence of employees	56 %	38 %	53 %
Lack of help and support from the state	37 %	38 %	43 %
Lack of funds	41 %	30 %	44 %
Insufficiently digitized business partners	33 %	44 %	31 %
We do not know what and how to digitize	28 %	20 %	27 %



Possible Subsidies



- › digitalization is associated with additional costs. To mitigate the impact, companies would most often welcome deductions from the income tax base (39 % of respondents), respectively subsidy programs for digitalization (26 % of respondents) or free consulting services of a private company with a state guarantee (24 % of respondents)
- › subsidy programs are slightly dominated by companies operating in the field of production and agriculture (34 % compared to 15 % of respondents from among trade companies); for trade companies, on the other hand, the interest in deductions from the tax base clearly won (57 % of respondents). Representatives from medium-sized companies (40 % of respondents) are also most often in favour of subsidy programs



Common Problems with Czech eGov Services



72 %	Offered services are not fully digitized (necessary physical presence at offices or telephone communication)
56 %	Offered services are confusing and complicated (web portals are not intuitive)
44 %	Paid data archiving in the data box for more than three months from the delivery of the message
36 %	Registration in the systems is complicated
31 %	In the portal we do not know what to do (insufficient support from the portal)
28 %	We are concern about data and data security
9 %	Web portals are unstable and data is lost from them
8 %	Web portals have poor quality and insufficient language mutations



Preferred Services for Digitalization



80 %	Viewing and extracts from public registers <i>(e.g. associations register, foundation register, register of houses owners, business register)</i>
79 %	Legislation online – full text of applicable laws available free of charge <i>(full text of valid laws, decrees, Czech state norms and other relevant legislation available free of charge – not paid versions such as ASPI system or www.sbirka.cz)</i>
76 %	Viewing and extracts from public administration information systems <i>(e.g. real estate cadastre, vehicle register, trade register, criminal record register, an extract from the driver's score, extract from the register of unreliable payers, extract from the insolvency register, etc.)</i>
74 %	Electronic circulation of documents <i>(digitalization – minutes of meetings and negotiations, contracts, invoices and follow up on orders, etc.; archiving; mail online)</i>
62 %	Digital electronic identity <i>(verification of documents stored in online data files – e.g. verification of contracts, smart contracts)</i>

80 %	Health insurance <i>(automatic search of employees and their health insurance companies from the central register)</i>
77 %	Social insurance <i>(online reporting of employee's sickness, automated calculation of benefits, reporting of work accidents – sharing of evidence)</i>
71 %	VAT automation <i>(generation of tax forms and control reports from the accounting software without the need for further modification, submission of claims, confirmation of payment, request for refund or excessive deduction, appeal against the decision)</i>
71 %	Submission of information to fiscal office <i>(publication of documents and reports)</i>
66 %	Corporate income tax automation <i>(generation of tax form from digitized financial statements, submission of claims, payment, automation of advance payments, overpayments, appeal against the decision)</i>

	Small	Medium	Large
Construction agenda online	58 %	64 %	70 %
Insolvency proceedings online	55 %	60 %	70 %
Complaint procedure online	50 %	36 %	38 %
Online evaluation of creditworthiness of business partners	46 %	56 %	68 %
Expansion of the online public data portal (open data)	34 %	41 %	59 %
Automatic verification of the identity of business partners	59 %	68 %	89 %
Execution and repayment calendars for personal bankruptcy of employees	51 %	64 %	73 %



Conclusions



- › Based on the results of this research, it can be said that the current level of digitalization of companies in the opinion of respondents can be characterized at a very advanced level, with the highest level of digitalization recorded in medium-sized companies and those in trade and services. Respondents consider the increase in the efficiency of business processes and the increase in competitiveness to be the main reasons for digitalization.
- › Companies already have the most frequently digitized areas of the financial agenda (accounting and reporting, controlling, costing and budgeting), while digitalization in logistics (supply and business logistics) also predominates in production companies, and the area of HR agenda and logistics is often digitized in large companies.
- › An interesting finding of this research was the fact that although respondents attach high priority to digitalization, they often have not developed any strategic approach to digitalization in the company. To mitigate the effects of the implementation of digitalization, respondents would most often welcome deduction from the income tax base (business firms), resp. subsidy programs for digitalization (companies in the field of production and agriculture, as well as medium-sized companies).



Conclusions



- › If we focus on the current experience of respondents with e-Government services, despite their regular use, company representatives often come across the fact that the services offered are not fully digitized, and thus a physical presence at the authorities or at least telephone communication is necessary. They also often mention the opacity and complexity of the services offered, when web portals are not very intuitive and also mention the need for paid archiving of data in the data box for more than three months from the delivery of the message.
- › As part of the online handling of business matters, company representatives would most often be interested in viewing and extracts from public registers and public administration information systems, as well as the possibility of obtaining valid legislation completely free of charge. Companies operating in the field of production and agriculture are also interested in online insolvency proceedings.



Conclusions



- › For e-Government services focused on the financial and HR agenda, company representatives would most often be interested in online solutions to the tax agenda including the social and health insurance. There is also a great interest in companies operating in the field of production and agriculture in the online solution of executions and repayment calendars for personal bankruptcy of employees.
- › As a limitation of this study might be mentioned the sample size and where there were interviewed only 28 representatives from TOP100 companies. This limitation cannot be eliminated as it is linked to the willingness of corporate representatives to provide the insight to the level of digitalization in their companies.





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