

The Business Case for Open PSI (Part I)

Submitted on 28 Apr 2010 by Ton Zijlstra

In my post [Being Aware of all Open PSI Stakeholders](#), I promised to go into the 'business case' for open government data and PSI. And I will. But not before formulating some general caveats when it comes to asking for a business case. We need to know what to ask for first.

The question for the business case for open PSI is sure to arise. My intuition is it will arise primarily as a way to slow the opening up of government down. Especially where there is no political driving force behind open PSI, no leadership on the issue. This is the case in the Netherlands for instance, as well as Denmark, and unlike the UK where the prime minister went on record to say 'let's do it'.

Business cases as means of obstruction

The management instrument business case has a long history of being abused to stop change. Because nobody can really object to the reasonable question to show how necessary investment will bring benefits, it is easily deployed as a means of obstruction in those situations where you know there is probably no clear cut answer to be given up front. At least not phrased in a way that satisfies those asking for a business case.

This because of the assumptions often silently underlying such a request for a business case:

- There is a generic ROI regardless of context;
- The investment is a one-off decision, never a journey of exploration. In other words, it has to be all or nothing.
- It is possible to know all possible returns in advance;
- It is possible to realistically separate costs of investment from your other costs;
- It is possible to reliably calculate the size of each of the possible returns;
- It is possible to reliably list all relevant risks and quantify them;
- We know the exact causal paths from investment to returns;
- The investment needs to create its own return entirely, i.e. it is its own goal and a stand alone thing;
- If anyone of the above items cannot be met, it makes sense to say 'no';
- It is more preferable to pass up on opportunity and do nothing than run the risk of failure. When you don't invest, there's no risk of having to explain disappointing returns or the absence of returns.

Detecting obstruction

It's not that I think business cases are useless per se. If there's a clear cut investment in a specific context and in a specific process, with clear connections to your organizational goals, trying to achieve a well defined (and contained) result, a business case makes a lot of sense. To see how specifically you think a certain action will contribute to your goals, and what the likely factors are that come into play to make sure it will. Business cases make sense when you can ask a pertinent and detailed question. 'Show me the business case for open PSI' is not a pertinent and detailed question

like that.

This is why asking 'show me the business case' in such a non-specific way for me is a red flag of obstruction. It is also a temporary thing, I'm sure. In the mid-nineties I was asked for 'the business case for email'. I never saw the answer, but the question soon never came up anymore either. In the past eight years I've been asked a lot for the business case for blogging, social media or web2.0. Those questions are now quickly disappearing as well. I am also sure the generic question for a business case for open PSI will simply disappear when someone in the Dutch government will take leadership on the issue. Because then obstruction means a cost to the person asking for the generic business case, and taking a risk in line with the leadership's view means you're covered as management.

Towards a useful open PSI business case

So can we make a useful business case for open PSI at all? Yes, we can. Should we make a business case for open PSI? Yes, we should, because it will help us as well to choose our actions more effectively.

We just have to realize we need to make the question for the business case more detailed and relevant for any particular government institution. While the [PIRA](#) study calculating an EU wide potential value of PSI of tens of billions of Euro's is interesting when seen on an EU scale, it means nothing to any particular government institution facing the decision to invest money to make it happen.

We also need to realize that real innovation, and complex environments such as our societies, bring with them different rules of engagement when it comes to management.

We need to see as well that the decision that we MUST open up our PSI has already been taken by the Dutch government, based on the [EU PSI directive](#), and has been [transposed](#) into law. This means any business case needs to address what it is we WANT to do and how, and what is needed so we CAN do it.

In my next posting I will try and outline a template and/or checklist to help you build a business case for open PSI around 'want' and 'can', as related to both the list of assumptions above, as well as the [list of possible benefits](#) of PSI and stakeholders involved from the previous posting.