# Adoption of a New Online Travel Management System for FED-AK

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## EXECUTIVE SUMMARY

*This case describes the implementation of an online travel management system at FED-AK, the Alaska office of a U.S. government agency. The previous system was intended to accomplish the same functionality, but due to employee resistance, it was used only as a forms generator in conjunction with a paper- and mail-based process. The new system is integrated, which compels employees to use all the functionality provided. It also incorporates many lessons learned from the old system—in particular, extensive training and online help functions. The system is expected to significantly reduce the cost of travel by minimizing errors, enforcing policies, and reducing transaction costs. The system will also lead to faster reimbursement of employee travel expenses.*

*Keywords:* *Computer Systems Implementation, Information System Implementation, System Acceptance, Systems Development Process*

## ORGANIZATION BACKGROUND

The organization discussed in this case is Federal Environment Department - Alaska (FED-AK), the Alaska office of a United States federal government agency, Federal Environment Department - USA (FED-USA), which is part of the Department of the Interior (DOI). In addition to the references indicated, much of the information in the case is from personal interviews and from internal agency documents.

With the widespread use of the Internet for business and personal interactions, many national and local governments are offering citizens access to government resources via electronic channels (Evans & Yen, 2005). A well-established model (Laine & Lee, 2001) organizes Electronic Government (e-Government) offerings along four stages: cataloging, simple transactions, vertical integration within one functional area and full vertical and horizontal integration in a truly one-stop shopping experience. According to the most recent report on e-Government around the world (West, 2008), the level of e-Government service varies tremendously, from simply a

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web presence with limited or no catalog access, to full transactional capability (available in at least one service area in 50% of the government websites worldwide). A comprehensive survey of services offered by city governments in Europe tracks 67 different types of e-Government services available to citizens (Torres, Pina & Acerete, 2005).

A number of studies have evaluated the readiness, the usability, the usage levels and the effectiveness of e-Government, using empirical surveys, theoretical models, or a combination of the two (Wang, Bretschneider & Gant, 2005). Srivastava and Teo (2007) go even one step further, showing a link between e-Government adoption and two metrics for national performance: reduction of social divide and increase of business competitiveness. Titah and Barki (2005) provide a good review of both theoretical and experimental e-Government research results published up to 2005.

At the same time, e-Government initiatives are facing several roadblocks, including privacy and confidentiality, usability, ease of navigation and ingrained habits of citizens. These roadblocks are significant even in the most technologically advanced countries, such as the United Kingdom (Kolsaker & Lee-Kelley, 2007). As one might expect, more e-Government functionality is available in developed countries, but variability in the level of service is also higher in developed countries (Siau & Long, 2006). For example, a United Nations survey (UN, 2008) ranks the United States as fourth in the world in e-readiness, and first in e-participation.

In February 2002, President George W. Bush presented a series of measures intended to streamline the government and to increase transparency and accountability through widespread use of Electronic Government (e-Gov). Internet-based technologies have the ability to improve citizens' access to government resources, to increase efficiency and effectiveness of the government, and to improve the results of taxpayer interactions with agencies (U.S. Government, n.d.). The e-Gov initiative in the US encompasses four areas of service: government to citizens, government to business, government to government, and intra-government efficiency and effectiveness (U.S. Government, 2002). In the area of increasing efficiency and effectiveness, the main drivers for e-Government initiatives are cost savings, service innovation, better control and decision making, improved service delivery, and modernization (UN, 2008). The UN survey gives examples of several successful e-Government initiatives worldwide. One example particularly relevant for the case study below is that of the Treasury Board of Canada Secretariat website that makes public information about travel and hospitality expenses for Canadian government officials (Proactive Disclosure, n.d.).

Among the initiatives intended to improve intra-governmental effectiveness, the e-Travel initiative is designed to provide government-wide travel management services. Travel, along with timekeeping, is one of the key expenses that can be misrepresented by government employees, and not only in the United States: Shallert (2003) presents the initial stages of business process reengineering to solve a similar problem in the Australian government. In September 2007, the U.S. General Accounting Office (GAO) reported to Congress that internal control weaknesses led to at least $146 million in improper premium travel government-wide during the fiscal year ending June 30, 2006. Most of this premium travel involved business class airline fares (General Accounting Office, 2007). Although an exact number is not available, a common rule of thumb is that coach travel would have cost as little as 25% of this amount.

Federal employee travel is governed by the Federal Travel Regulations (FTR), which are administered by the General Services Administration (GSA) (General Accounting Office, n.d.). Through an Interagency Travel Management Committee (ITMC), GSA coordinates an exchange of information among federal agencies to ensure compliance with federal rules as well as with internal agency policies. For example, GSA sets per diem levels and reimbursement policies. However, since the GSA doesn't specify any standard processes, U.S. Federal Executive Depart-