

Resourcing NMO – just a business decision or taking care about future?

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Wording

- NMO
- NMCO
- NSDO
- NSIO
- is it important?

History ...

- ▶ Things simply happen
- ▶ In many cases actors are not aware of consequences of their actions!
- ▶ Not so many years ago in a small country ...



Decision on resourcing ...

- ▶ affects NMCO and its future.
- ▶ depends on number of circumstances and cultural tradition in the country and is reflection of those influences
- ▶ directly and indirectly it shapes amount of capital in the branch and its distribution
- ▶ therefore this decision affects heavily surveying, mapping, GIS and even IT profession in one country

Case example: Croatia

- ▶ 56.537 km²; 4,5 mil. inhabitants; medium GDP per capita
- ▶ SGA – governmental organization – responsible for surveying, photogrammetry, mapping, cadastre, addresses, NSDI, ...
- ▶ 1.300 employes
- ▶ Branch – Croatian Geodetic Institute
- ▶ Budget for 2007 – 38,8 mil €

Case example: Croatia

- ▶ Following the decisions on privatization in 1999 Croatia adopted new legislation sanctioning mentioned development
- ▶ 510 subjects have been licensed to execute state survey and cadastre work
- ▶ today we have 610 licensed subjects
- ▶ adopted new legislation – cutting the number
- ▶ there is no unemployed surveying engineer or technician in Croatia

Tasks

- ▶ Providing security in legal transactions by running an reliable, accurate and updated cadastre
- ▶ Providing official mapping for customers
- ▶ Reform of cadastre and land registry (MoJ)
- ▶ Establishing national mapping after the war
- ▶ Digitalization of existing maps (both topographical and cadastral)
- ▶ Establishment of SDI in Croatia
- ▶ Providing efficient services to citizens

In simple words

- ▶ We should satisfy needs of our customers!
- ▶ The catch lies in the fact that needs of the customers are growing exponentially

SGA's business model

- ▶ Outsourcing:
 - **Whole production**
 - Most of IT development
 - Solid part of IT support

SGA's business model

- ▶ "Internal partnering" - CGI
 - Quality control
 - Partly development
- ▶ "External partnering"
 - Partly development (private sector and academia)
- ▶ "Quasi partnering"
 - Agreements with public enterprises and governmental bodies on production and development

Amount of work 1999 vs 2007

- ▶ Topographical map 25
 - Total 602 sheets
 - Produced in '00 = 27
 - Produced in '07 = 79
- ▶ Cadastral resurvey
 - Total 3323 cad. municip.
 - Surveying in '99 = 10
 - Surveying in '07 = 150
- ▶ Orthophoto map 5
 - Total 9.821 sheets
 - Produced in '99 = 40
 - Produced in '07 = 1572
- ▶ Digitalization of cadastral maps
 - Total 56.000 sheets
 - Digitalizing in '00 = 450
 - Digitalizing in '07 = 8.500

Respective finances and sources



- ▶ '99 – 2 mil € (budget (1,7 mil) and municipalities)
- ▶ '07 – **36 mil €** (budget + WB loan (16 mil), EU funds bilateral projects, counties, municipalities, public enterprises)

Demand is higher than our capacity to participate in financing of projects!

Results of such model

- ▶ **Job has been done!**
- ▶ NMO can accept almost any task relying on such private sector
- ▶ Profession becomes market player now expanding on other areas
- ▶ Customers are satisfied



SGA has profiled itself as a problem solving organization!

Advantages of outsourcing

- ▶ Clear division of job
- ▶ Capability to cope with increased amount of work
- ▶ Capability to cope with fluctuations in orders
- ▶ Introduction of new technologies in production is fast and profit driven
- ▶ Reduction of costs – market regulated
- ▶ Development of capable and strong private sector

Disadvantages of outsourcing

- ▶ need to regulate many things formally
- ▶ need to establish regulated and capable quality control mechanisms
- ▶ in a way NMO takes responsibility to secure sufficient amount of job (finances)
- ▶ capacity problems in NMO – specialists are leaving to private sector (salaries)
- ▶ ...

Future

- ▶ In 2010 SGA will enter next phase of development – regular maintenance instead of massive production
- ▶ Model will still rely on outsourcing combined with partnering
 - Towards private sector – development of advanced services, future development and share of risk
 - Towards gov. & pub. sector – joint undertakings in data collection and distribution