

**CHALLENGES IN INFORMATION SYSTEMS DEVELOPMENT
IN A COUNTRY PREPARING FOR EUROPEAN UNION - SLOVENIA CASE
PANEL**

Chair:

Jože Gričar

University of Maribor, Slovenia

Panelists:

Franc Bračun

SKB Bank, Slovenia

Stanko Koželj

Association of Accountants, Treasurers and Auditors of Slovenia

Milan Jelovčan

Merkur - Trade and Services, Slovenia

Darjan Petrič

Health Insurance Institute of Slovenia

Marin Silič

Government Centre for Informatics, Republic of Slovenia

Ivan Žerko

SRC.SI, Systems Integrations, Slovenia

There are several countries preparing to join European Union in the next few years and more will follow in years to come. How can information technology support these endeavors? Several stakeholders are involved in the effort: government, businesses, professional associations, and educational institutions. How can they help in exploiting information technology to support a transition process and accelerate market orientation? European integration is part of broader globalization processes enabled by information technology. How should countries prepare for it? Internet based global connectivity offers new opportunities to energetic countries preparing for e-commerce, e-government, and e-democracy. What is a role of professional organizations and universities on those lines? The panelist will build on the case of Slovenia in order to develop generalized ideas of working together in a process of European integration using information technology for accelerated development.

As commerce is being redefined by the dynamics of the Internet and other electronic commerce technologies, the panelists will analyze the present situation in Slovenia and look forwards to future developments. They will present a Slovenian case for universal commerce, within which mutually reinforcing changes in business practices and underlying information technologies will be presented. Universal commerce is the sharing of business information, maintaining business relationships, and conducting business transactions by any means (by traditional means and by means of telecommunications networks). In today's business environment, where the operational boundaries between firms have become fluid, it is unproductive to separate inter-organizational business processes from intra-organizational ones.

Therefore, universal commerce includes the relationships and transactions between companies, as well as the corporate processes that support the commerce within individual organization by any means.

Challenges such as balancing investment between traditional and electronic facilities, the uses of databases, processing capacity, telecommunication networks, and prioritization of development needs based on organization objectives rather than on technological wish-lists seem to be critically important.

Traditional institutions such as commercial banks, trade and services, health insurance, established business intermediaries, educational institutions, media and publishing companies, and others will have to redefine their roles in the new environment. A tension between the transactional efficiency of purchasing facilitated by electronic markets and a need for long-term relationships of trust and patience, enabled by new technologies, will persist and call for additional research and development. Representatives of companies that have built new kinds of relationships with their suppliers and customers through bilateral electronic linkages will present problems and challenges.

During its transition to a market economy, Slovenia succeeded in maintaining an efficient health care sector by erecting Health Insurance Institute in 1992. A change in purchasing system (health insurance claims) required a change of Health Insurance Information System of Health Insurance Institute providing compulsory health insurance, and of Health Service Providers. The use of IT for purchasing purposes in Slovenia's health sector is at a 100% level. Implementation of a health insurance smart card system in 2000 brought not only additional technology (the Health Insurance Card, Professional Cards and smart card readers), but also accurate administrative data for purchasing purposes. Since every citizen possesses a health care smart card today, additional ways of using smart card technology tomorrow should be sought.

Demographic trends, new drugs, new diseases etc. require additional funds for health care that countries preparing for European Union entry (Slovenia included) cannot afford. For that reason, information technology and information system utilization needs to be elevated to a higher level in order to support expenditure control in the health sector. A National Health Sector Management Project will provide for a national health information clearing house that will collect, process and deliver data and information to all major stakeholders: Ministry of Health (i.e. clinical trends), Health Insurance Institute (i.e. cost comparison), Ministry of Finance (i.e. Public Funds for Health Insurance), major hospitals (i.e. best practice). Issues and lessons learned may be of interest to other countries preparing for European Union.

Over the past decade, Slovenia's trade has undergone a significant transformation. The number of foreign investments in trade is quite high. Several foreign trading companies have formed subsidiaries and opened stores in Slovenia. Consequently, the competition has become quite keen resulting in concentration of Slovenian trading companies into a few large ones, and in elimination of a large number of smaller, or weaker companies. The newly formed companies grow fast and are economically sound. As a result, Slovenia's trade has a relatively sound structure and has made initial steps in preparing for Slovenia's accession to the European Union. This means that it is now time to proceed to the next step. The largest trading companies in the European Union no longer talk of electronic trading but rather do business electronically. They have developed required technology solutions and are now devoting more energy to the business itself and to the possibilities that the technology offers. New forms of business association are being developed intensely that were not usual or that used to be taboo in the past. Obviously, collaboration between organizations is a need. In Slovenia, there is much talk about electronic trading but only a few pilot projects have actually been introduced. From a technology perspective, Slovenia's trade is not that far behind. However, only very slowly does the management of the largest companies accept electronic trading. Only very slowly is it becoming obvious that the greatest difficulty is not to provide the required technical support but to change the mentality of decision-makers.

The number of foreign trading companies doing business in Slovenia is not very high yet, and there is still some time left for Slovenia's trade to adjust to the European, or international, level of doing business. There are many things that can be learned from the most developed countries. The panel will suggest that whilst searching for the answer to the challenges brought by the new technology, new structure of trade, and new forms of business, business and IT executives should take a closer look across the Slovenian borders.

The panel will also address issues on how government, professional association, technology integrator and a university should cooperate in, and contribute to, preparing a country for successful participation in the forthcoming larger Europe.