An obligation to future generations

Provocative change ahead for the government industry

IBM Institute for Business Value

Change is everywhere

Every industry, including the industry of government, is facing digital disruption. Seventy-five percent of government leaders say traditional business models are not sustainable in the current environment.[1] The public expects the agility and efficiency found in the private sector, and governments must appeal to new workers with the skills to meet these requirements to attract investment and grow economies. Physical and cyber security alone demand significant increases in investment and oversight. For many governments, it may take time to re-examine their role in society and re-imagine how to achieve sustained success. Perhaps decades. But change is inevitable.

The same thing over and over

Governments spend too much time doing the same tasks the way they always have, regardless of efficiency. The time has come for a different approach. Advances in technology have accelerated the need for change in how governments operate. For decades, information technology created systems of record and registries of critical activities. More recently, governments have embraced analytic tools to better glean insight from the vast amounts of data that they now accumulate. For example, the IBM Institute for Business Value found that 87 percent of government executives surveyed said cognitive computing plays a disruptive role in their organizations, and that they intend to invest in cognitive capabilities.[2]

By leveraging automation to deliver repetitive tasks with greater consistency and speed, many back-office processes can be re-imagined. As technologies mature, every government process will be re-examined and re-architected.

Instrumented by agents enabled by artificial intelligence (AI) and cognitive computing, flesh-and-blood experts will find more time to focus on activities where human judgement and experience has greater impact. AI and cognitive computing-enabled tools can make filing taxes faster, easier and with more precise results. Access to important personal identification documents like birth certificates and driver's licenses will become a customized interactive task.

Network technologies such as blockchain, that enhances the security of online records, will redefine many core government functions such as global trade, customs and visa processing, rendering them more trustworthy and efficient. Once a record is added to the blockchain, it is permanent and difficult to tamper with. The Internet of Things (IoT), that infuses devices with the ability to communicate status information to other systems to evaluate and act on it, will increasingly help run integrated cities.

A cognitive future in government[3]

- Uncover and build knowledge from structured and unstructured information.
- Capture the expertise of top performers.
- Accelerate the development of expertise in others.
- Enable quality and consistent decision-making across the organization.

The costs of change

Global government debt now exceeds USD 63.1 trillion.[4] Economic stagnation and resulting austerity measures place financial pressures on many governments, leading to budget cuts that can derail projects. More efficient business processes leave more cash flow to funnel toward growth, transformation and sustained lower operational costs elsewhere in the organization.

In the future, tasks will be delivered with more seamless integration between agencies that deliver services. Long-term contractual arrangements between a federal, state or local agency and a private sector entity — a public-private partnership or PPP — were the talk of the industry of government a decade ago. The skills and assets of a government entity and a private party were shared to deliver a service for the use of the public. The first iteration of government-led PPP projects drew mixed results since, often, the primary focus was on reducing the cost of delivering a service. But now, aided by

technology, a new kind of PPP can emerge, a model where the partner embraces technology to deliver productivity gains and simplify core processes. Governments will continue to work with a network of ecosystem partners to deliver specific services, where roles are defined in a more agile and iterative fashion.

Radical and long-term change is not without its challenges. To strive for what may seem implausible, government leaders must choose to:

- *Seek champions of transformation in and across agencies.* The right candidates are forward thinkers who influence and make change happen. In the absence of such champions, agencies will need to continue taking an incremental, project-based approach to technology adoption. The longer this approach is taken, the greater the gap becomes between "business as usual" and optimal outcomes.

- *Revisit how governments engage with industry.* Although risks are appraised to determine project feasibility and address expectations, PPP contracts typically cost more. The private party must take on a significant portion of the risk since how much it receives for participation depends on performance. To unleash the full potential of new digital technologies, it is time to rethink value and engagement.

- *Evolve legacy technologies.* Many government agencies suffer from aging infrastructure and applications as part of their enterprise architecture. IT departments waste time and resources to simply "keep the lights on." A better balance between transformation and operations in terms of budget, talent and effort must be found.

- *Champion organizational and process changes.* Question existing silos, work flows and decision trees to deliver tangible and lasting benefits.

The people of future government

People have the greatest impact on the future of government, starting with the aging workforce. Over the next decade, there will be an exodus of knowledge from government departments and the need for new employees who can learn the agency mission and move up into leadership roles. One-third of government executives that responded to a 2016 IBM Institute for Business Value global skills survey said individuals retiring from the workforce are negatively impacting skills availability and quality.[5]

To help close the gap, government leaders should engage Millennial employees in transformation efforts. Referred to as "digital natives," Millennials (born after 1980) represent the largest demographic group in history and by 2025, may make up 75 percent of the workforce.[6] Millennials offer the skills and perspectives that can help reimagine government for the digital era. With the internet age a part of their childhood upbringing, Millennials view the work experience differently. A 2015 IBM Institute for Business Value Millennial study revealed that 60 percent of Millennials believe their organization does not do a good job when it comes to customer experience.[7] They expect more of the seamless experiences that fueled the digital transformation of the private sector. Now that the first Millennials are reaching the top echelons and making — or influencing — major business decisions, government must create collaborative, multigenerational work environments where everyone can thrive. By 2020, Millennials will be approximately 50 percent of the U.S. workforce, and by 2030, 75 percent of the global workforce.[8] Should young professionals gravitate toward the reinvention and evolution of one of the oldest industries, they will bring with it fresh perspectives and technological prowess, along with a renewed purpose to create lasting change.

Millennials aren't the only group ready to lead by their technical needs and expectations. The future government must also align to an emerging citizen's mantra to provide information and services when, where and how they want it. Today's citizens are seeking the same conveniences they've become used to in their experience as consumers, for example improved efficiency and optimized interactions across mobile, social and web.

"The philosophy of the school room in one generation will be the philosophy of government in the next."

Abraham Lincoln, 16th President of the United States

Inaction is no longer an option

Behemoth corporations and industries often adopt the edict, "This is how we've always done it." Government must choose to adapt and change, and focus on delivering transactions that enable a new way of doing business for the industry of government. Rather than an incremental project based approach, it is time to take a transformational route to technology adoption in government. Organizational boundaries, process flows, approval cycles and service delivery models can be re-imagined based on digital technologies.

Progressive leaders embrace change, and new thinkers must proliferate to move innovation ahead and set the pace for those who follow to create a culture that transcends existing power bases and silos. These leaders will help build an environment where more businesses can achieve and succeed, and where compelling experiences meet citizens at every touch point. One can anticipate a long journey to get there. But by embracing digital technologies and creating an architecture that covers function, process, organization and technology, governments will be better able to deliver on their obligation to future generations.

Notes and sources

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