

Digitization and Automation in Local Government

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Agenda

- Role of Government
- Obstacles to Digitization/Automation
- Benefits to Digitization/Automation
- Things to Consider
- Examples/Case Studies
- Q&A

The Role of Government

The authority granted to local governments vary based on their state constitution. The primary functions are:

PLANNING &
MONITORING

LAWMAKING &
ENFORCEMENT

ADVOCACY

SERVICE
DELIVERY

POLICY
DEVELOPMENT

REPRESENTATION

The Role of Government

- **Solve Problems**
- **Deliver Services**



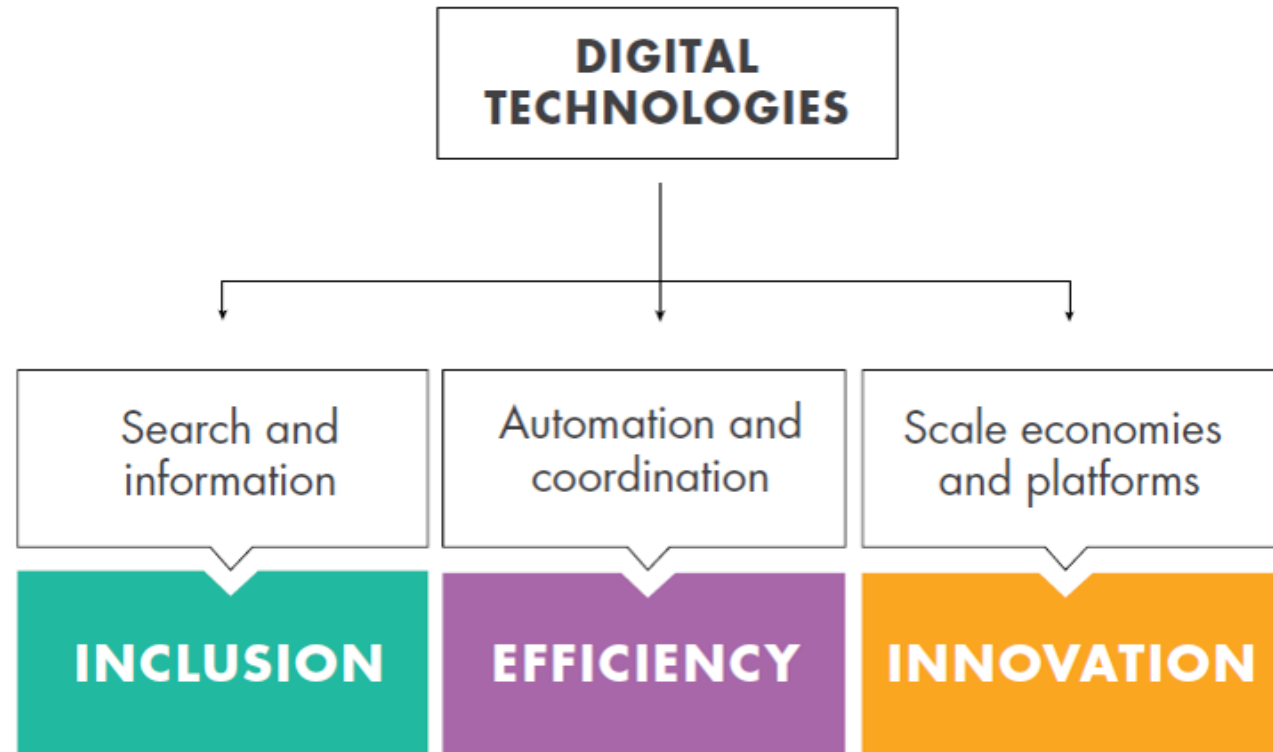
The Role of Government

Based on the form of local government, the Mayor or City Manager are responsible for hiring & overseeing numerous department heads; core departments include:

POLICE	BUILDINGS, HOUSING, ZONING	PUBLIC WORKS
FIRE	FINANCE & BUDGET	PARKS & COMM. SERVICES
ECONOMIC DEVELOPMENT	COMMUNITY DEVELOPMENT	INFORMATION TECHNOLOGY
CITY CLERK	HUMAN RESOURCES	LEGAL

Why?

- Reduce costs, improve the employee experience, and provide faster and better services for constituents



Challenges

- Governments across the globe has the main challenge in reaching out to the masses and delivering uniform benefits and engaging the citizens at the ground
- All government programs and benefits, even after spending huge sums of money, are still not visible to masses at large and post completion of the campaign the government's does not have access to beneficiaries profile
- Government needs a consistent channel of communication with re-engagement with the citizens at ground level
- Bureaucracy is generally considered to be the red tape in the system, at various levels in various countries, if not aligned to government goals, affects the implementation of programs
- Government spends a lot of time and energy to do on-ground research which is uphill task and involves a large wastage of manpower, time and money

Work Flow



60%

of public servants that are tasked with delivering services to constituents, are unsure or don't feel empowered to do so effectively with their current digital solutions.

CHALLENGE #1
BUDGET
CONSTRAINTS

47%

of respondents see budget constraints as the primary challenge in acquiring necessary IT to improve digital services.

CHALLENGE #2
LACK OF USER-
FRIENDLY PORTALS

68%

of respondents think that their agencies' digital portals are not user-friendly at all or at least need improvement.

CHALLENGE #3
PERSONNEL
SHORTAGE

24%

of respondents said a lack of skilled professionals to create and/or manage digital services challenges service improvement.

Work Flow: Interfaces versus Core Processes

- While some interfaces have gone digital, automation of core processes has proved to be more challenging, denying governments the chance to achieve efficiencies at scale.
- In finance, HR, and procurement, some **60 to 80 %** of tasks are automatable, creating potential for net long-term savings (after accounting for implementation and ongoing software costs) of at least **30% (McKinsey 2019)**
- **The ability to scale is an issue**

Resident & Constituents Experience

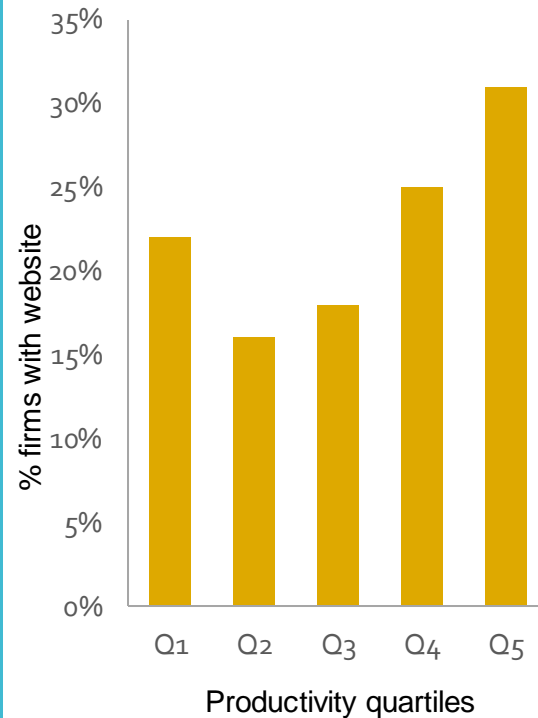
- **COVID-19 Happened and then it became Oh My, G.O.D.**
- **Government on Demand**

Resident & Constituents Experience: Pivot

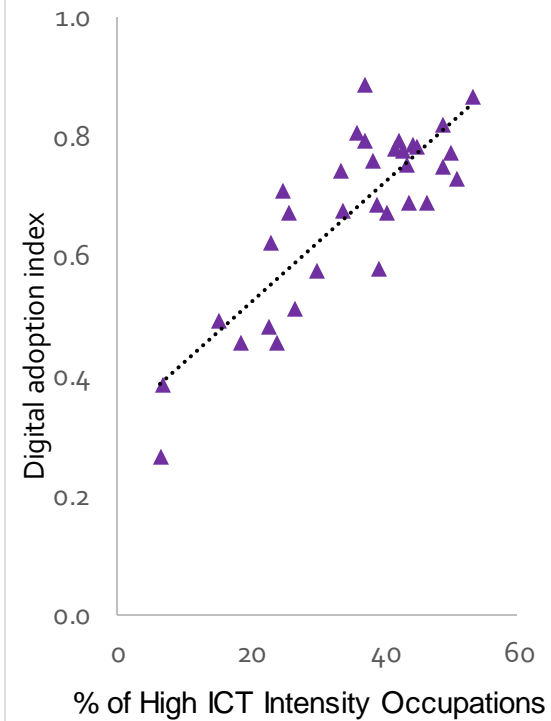
- The Center for Digital Government (CDG) surveyed citizens in March before the pandemic hit and again in August to learn more about their changing expectations for digital government services. Prior to the pandemic, **54% of respondents preferred in-person government services. In the August survey, that number had fallen to about 16%** (2020 Xerox Gov't and Tech Report)
- **Satisfaction with digital government services is down about 13 percent since the pandemic started — with longer waits, poor customer service and overly complex processes contributing to that decline. At the same time, 60 percent of those citizens approve of their government experimenting with digital technologies to modernize services. So it's an important time to capitalize on what effectively is a citizen mandate. We encourage a multi-channel approach to citizen communication and service delivery. It's about having a predictive, personalized process and automating paper-intensive workflows to accelerate service delivery and reduce costs.**

Things to Consider

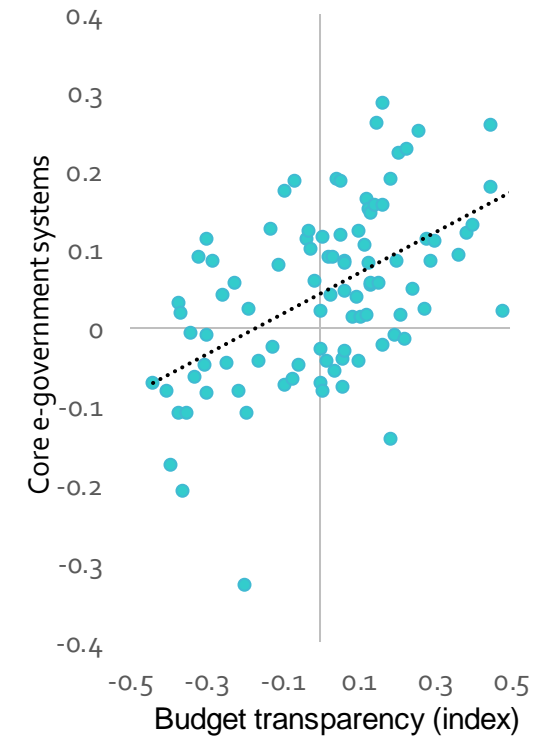
Productivity-biased



Skills-biased



Voice-biased



Things to Consider

Privacy Issues

Cyber-Security

Financing

Things to Consider

Privacy/Legal Issues

Cyber-Security

Financing

Benefits

Digital public services have enormous potential.

**24/7
accessibility**

even during a
pandemic



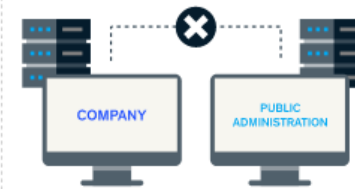
**~50% less
time spent**

interacting with public
administration



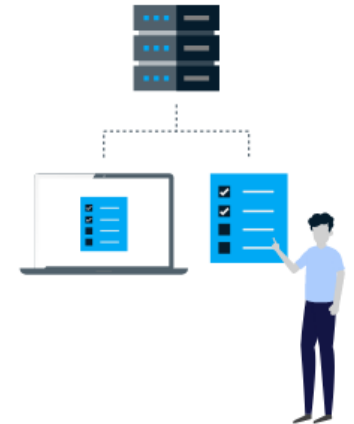
**>50%
lower costs**

for companies when
interacting with the
public administration



**~60% less
case-handling
effort**

through automated
processing



Source: German National Regulatory Control Council

Agility

Collaboration

Productivity

INTERNAL BENEFITS

There are multiple benefits to improved digital services, including increased responsiveness and compliance rates for constituents, and improved employee efficiency.



- Improve employee efficiency & productivity (35%)
- Increase responsiveness & compliance rates for constituents & businesses (28%)
- Improve public perception of service (17%)
- Improve interdepartmental communication (12%)
- Lower agency costs (8%)

EXTERNAL BENEFITS

Ease of constituent-government engagement and citizen satisfaction are the top external benefits of improved digital services.



- Ease of constituent-government engagement (33%)
- Satisfaction of citizens (30%)
- Better enables businesses to interact with agency (15%)
- Increased transparency (12%)
- Exceptional constituent user experience (10%)

Examples

Finance

- Government departments conduct many of the same core finance processes as private-sector firms—they disperse cash, manage month- and year-end financial-close processes, and conduct budgeting, financial planning, and analysis—and often use the same enterprise-resource-planning and financial systems.
- In the UK, 11,000 civil servants work in the finance function across 25 government departments, many as large in budget terms as FTSE 100 companies.
- General accounting operations, cash disbursement, and financial control are standout areas of opportunity.
- One large European utility piloted the automation of new vendor creation and of period closing and found the processes were 70 and 50 percent automatable, respectively. McKinsey's own Finance Shared Services Center has realized 50 percent automation of expense allocation.

Examples

Human Resources

- Government is the single largest employer in cities.
- Some 80% of HR processes are at least somewhat automatable, with payroll administration, record keeping, benefits administration, and recruitment administration—functions that many governments still perform in-house—at the top of the list.
- In the private sector, one large energy provider was able to automate 90% of its onboarding process, including ordering and delivery of passes, phone, and office equipment ready for day one, leading to more than 20% cost savings.

Examples

Applications and Processing

- Governments process applications and claims for a range of payments and services.
- There has been significant innovation in the citizen-facing front end over the past two to three years. However, in part because of legacy IT systems, digital front ends find themselves interfacing with clunky back offices and siloed databases, leading to rekeying requirements.
- Automation can help by reading and writing data between applications, checking consistency and completeness, and even sending and interpreting emails, bridging the gap between digital front ends and legacy systems.

Arizona Moves Ahead With Virtual Court System Overhaul

- *The state of Arizona, in partnership with Thomson Reuters, announced the launch of their virtual court system, which allows critical evidence to be digitized, stored and shared remotely.*

Examples

- *Finance.* Government departments conduct many of the same core finance processes as private-sector firms—they disperse cash, manage month- and year-end financial-close processes, and conduct budgeting, financial planning, and analysis—and often use the same enterprise-resource-planning and financial systems. In the United Kingdom, 11,000 civil servants work in the finance function across 25 government departments, many as large in budget terms as FTSE 100 companies. Some 80 percent of tasks performed in private-sector finance functions have at least some potential for automation, according to McKinsey research, and a similar proportion can be assumed in government. General accounting operations, cash disbursement, and financial control are standout areas of opportunity. One large European utility piloted the automation of new vendor creation and of period closing and found the processes were 70 and 50 percent automatable, respectively. McKinsey's own Finance Shared Services Center has realized 50 percent automation of expense allocation.
- *HR.* Government is the single largest employer in many countries. In the United States, the Office of Personnel Management alone employs more than 5,000 people (in addition to HR staff in departments and agencies) to manage the federal government's workforce of approximately 2.8 million people. Some 80 percent of HR processes are at least somewhat automatable, with payroll administration, record keeping, benefits administration, and recruitment administration—functions that many governments still perform in-house—at the top of the list. In the private sector, one large energy provider was able to automate 90 percent of its onboarding process, including ordering and delivery of passes, phone, and office equipment ready for day one, leading to more than 20 percent cost savings.
- *Applications and processing.* Governments process applications and claims for a range of payments and services, from social welfare to visas and tax returns. There has been significant innovation in the citizen-facing front end over the past two to three years. However, in part because of legacy IT systems, digital front ends find themselves interfacing with clunky back offices and siloed databases, leading to rekeying requirements. Automation can help by reading and writing data between applications, checking consistency and completeness, and even sending and interpreting emails, bridging the gap between digital front ends and legacy systems. The efficiency potential is significant. One insurance firm used software to automate subrogation claims processing and reduced time per claim from 10.0 minutes to 3.5 minutes, increasing the volume of claims processed per week by a third.
- **Arizona Moves Ahead With Virtual Court System Overhaul**
- *The state of Arizona, in partnership with Thomson Reuters, announced the launch of their virtual court system, which allows critical evidence to be digitized, stored and shared remotely.*

An illustration on a light blue background showing two hands holding a rectangular sign. The hands are positioned at the bottom corners of the sign, with fingers gripping the edges. The hands are light-skinned and are wearing dark grey or black suit sleeves with white cuffs. The sign itself is a vibrant orange color and features the words "THANK YOU" in a bold, white, sans-serif font, centered on the sign. The overall style is clean and modern.

**THANK
YOU**