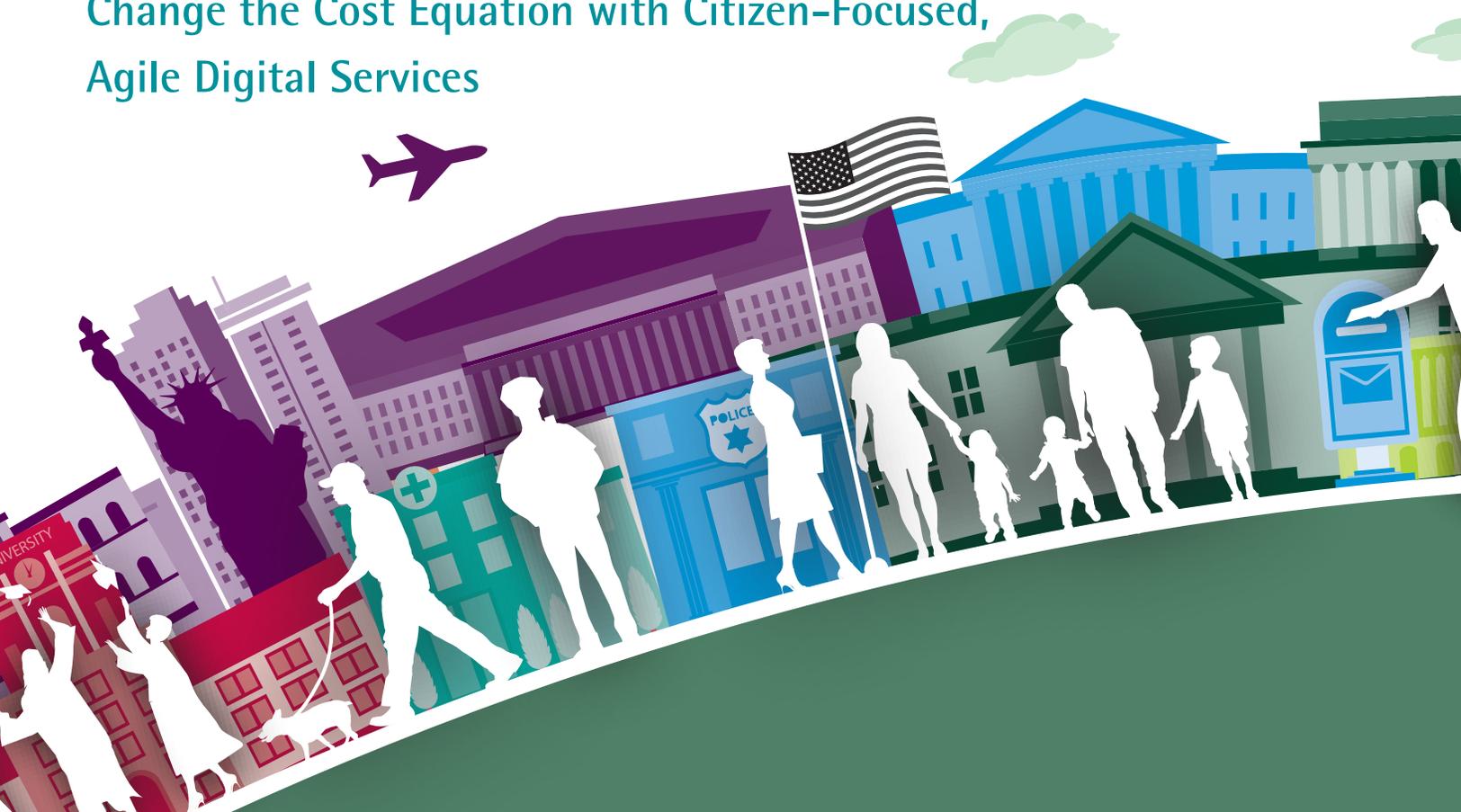


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Accenture Federal Services  
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# Go Digital for Better, Faster, Cheaper Government Efficiency

Change the Cost Equation with Citizen-Focused,  
Agile Digital Services



# Three out of four federal managers see positive outcomes from digital services—but just 33 percent count cost savings among them. What's more, nearly one third are unsure of the cost-effectiveness of digital. This is according to a survey from Accenture Federal Services and Government Business Council.<sup>1</sup>

From the Administration's Digital Government Strategy to convenient self-service models that enable strategic government efficiency, digital can deliver superior customer satisfaction while lowering costs. After all, this is key to why digital is so transformational. So why don't federal managers believe that they can have their cake and eat it too—when they can with digital services?

## Challenging traditional delivery models

Some federal managers have some understandable misperceptions about the upfront costs of delivering digital services. They assume that traditional, all-or-nothing delivery models—costly, complex and time-consuming—apply. That may be why most (63 percent) say that limited budget is the top barrier to digital services, according to the Accenture survey.

Yet just as digital has disrupted so much of how people live and work, it has disrupted status-quo IT delivery models. Digital has changed customer-facing product development and delivery. Endless requirements have given way to incremental development processes centered on customers' needs.

## Starting with good—then getting better

Incremental development is common in the private sector. Companies release minimum viable products (MVPs) to deliver the "best product for now" instead of "the perfect product for later" with the intention of continually improving the product over time using agile methods based on customer feedback and evolving market demand.

What does incremental development look like? Consider how Apple develops its products. The company has essentially helped condition today's consumers to iterative design principles using marketing

savvy and its reputation as an innovator. As MacWorld's John Gruber explains, Apple releases its products—including the iPod, iPad and iPhone—in versions with the expectation that the next version will be all the better. Gruber writes, "Rather than expanding the scope of a new product, hoping to impress, they pare it back, leaving a solid foundation upon which to build."<sup>2</sup>

## Capturing the agile advantage

Incremental development is not only for the private sector. The U.S. Digital Services Playbook identifies "agile and iterative practices" as one of 13 key plays to help agencies make the most of their digital services investments.<sup>3</sup> Agile methods can bring significant benefits, helping agencies to:

- **Save money.** Lower upfront costs and improve return on investment.
- **Speed results.** Realize business benefits sooner through faster time to market.
- **Align resources.** Prioritize investment and resources based on customer need.
- **Lower risk.** Test product functionality and customer reaction on an ongoing basis.

In addition to avoiding large upfront development costs, agile methods help agencies save money by building only what customers want. By setting priorities against customer feedback, agencies can focus on what is most meaningful to customers without any guesswork. This way, they have assurances that products will get used for a stronger return on investment. The Recreation.gov team monitored social media channels and conducted online customer surveys to ensure that its reservation system aligned with customer needs.<sup>4</sup>

## Changing the cost equation

The iterative development of digital services also positions federal agencies to think of spending over time in an entirely new way as they focus on delivering public service for the future.

In a budget-strapped environment, agencies typically lock in on upfront costs out of necessity. But with digital service delivery, there is an opportunity to assess the benefit annuity over time in terms of customer service improvement and ongoing cost reduction. If the break-even point has a short enough horizon, the business case is strong (See Figure 1.) Sometimes it is about spending some money now to start realizing immediate benefits—recognizing that the full benefits will be ultimately delivered incrementally over time.

As the generation raised on digital grows up, digital is going to be a “must-have” not a “nice-to-have” for citizens to access government services. Some would argue that for many citizens who actively use digital channels in their daily lives today, the pendulum is already swinging this way. What is clear is that demographic shifts mean that digital services will pay off over time—sooner than many federal agencies may think.

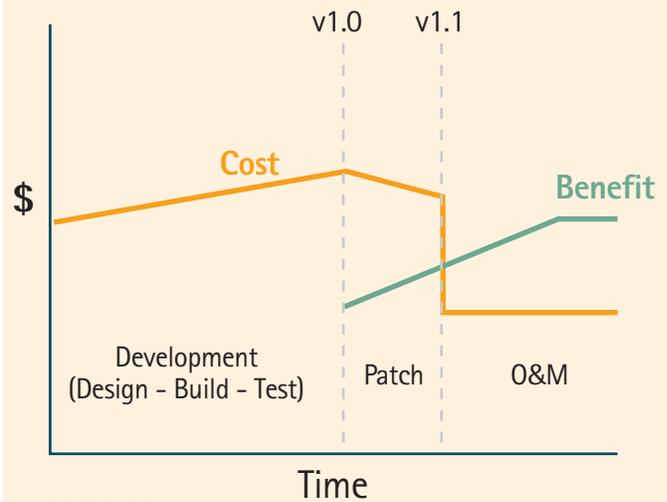
## Creating a foundation for results

To get more capabilities faster for less money to realize government efficiency, federal agencies must start thinking differently about digital:

- **Develop the platform.** Success demands that agencies have an IT foundation that enables agile delivery capabilities so that they can quickly deliver releases often using modern light-weight architectures.
- **Connect with customers.** Agencies need to develop an effective, “outside-in” customer feedback strategy to reliably receive, process and act on customer insight.
- **Align with the mission.** Agencies must plan digital services with a mission focus to deflect the highest-cost interactions while driving increased customer satisfaction.

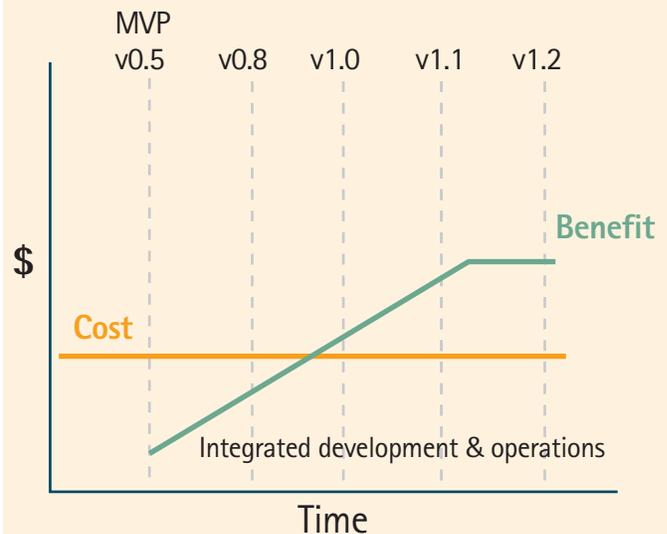
As they do these things, federal managers can put digital services to work—for their agencies, their budgets and for citizens.

Figure 1: From the Old World to the New World: Iterative Development Changes the Cost Equation



Old World:

- Big bang implementation approach / Waterfall methods
- Delayed benefits realization and ROI/break even point
- Big teams and uneven costs/resources



New World:

- Incremental approach / Agile / DevOps methods
- Earlier benefits realization and ROI/break even point
- Smaller teams and predictable costs/resources

1 Accenture Federal Services, “Delivering on Digital Government for Government Efficiency: A Candid Survey of Federal Managers,” <http://www.accenture.com/us-en/Pages/insight-delivering-digital-government-government-efficiency.aspx>

2 John Gruber, “This Is How Apple Rolls,” May 13, 2010, accessed February 11, 2015, [http://www.macworld.com/article/1151235/apple\\_rolls.html](http://www.macworld.com/article/1151235/apple_rolls.html)

3 The U.S. Digital Service, “U.S. Digital Services Playbook,” accessed February 11, 2015, <https://playbook.cio.gov>

4 Partnership for Public Service and Accenture, “Serving Citizens: Strategies for Customer-Centered Government in the Digital Age,” September 8, 2014 accessed February 11, 2015, <http://www.accenture.com/us-en/Pages/insight-digital-to-dos-serving-citizens-improving-government.aspx>

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