MOVING AT THE SPEED OF LIFE.

Why modernizing public service agencies needs to begin at the core
The challenge for public agencies today

Leaders in today’s public service organizations are facing an unprecedented combination of pressures.

Citizens are demanding more than ever before—not just value for money as taxpayers, but also a high-quality and responsive service experience. And public agencies are striving to meet these rising demands against a background of budgetary constraints and monolithic, rigid legacy systems.
Anxious times
Given this situation, it’s hardly surprising that many public service leaders are feeling a sense of anxiety. The underlying cause is a widening gap between what’s regarded as possible in public services—effectively the levels of quality and responsiveness that the public are now demanding—and what can currently be delivered with today’s system, processes and workforce.

This gap is growing. And its existence means virtually all public agencies today are confronted by a common overarching challenge: how to balance the pivot of investment from the old to the new without collapsing the organization.

Siren calls for transformation
As they face up to this conundrum, they’re not short of advice from the sidelines. Many voices are calling for them to commit to a wholesale “big bang” transformation, ripping out legacy systems and replacing them with new technologies. The cries of “out with the old and in with the new” may be tempting. But the reality is that such an approach is not feasible in public services.

Why? For two main reasons. The first is the need to “keep the lights on”. With legacy systems running critical citizen services, the risks of shutting those systems down are simply too great. The second is the potentially astronomical costs of implementing the new systems to replace them. In combination, these factors mean there is rarely—if ever—a business case for such a wholesale shift.
Not revolution, but evolution...

It follows that public service leaders should stop feeling anxious about the calls for big bang transformation.

Instead they should value what they already have, and start to plan out a realistic, achievable route to close the expectation gap which is not to undertake a revolution, but an evolution. A deliberate, considered, incremental, sustainable and—crucially—affordable pivot of investment from the old to the new.

In planning and navigating this evolution, it’s vital to take a holistic view of the required changes: a perspective that looks beyond IT systems to include the processes and people with whom those systems are inextricably interwoven. It’s all these elements in combination that make up the core of any public agency. And for the organization to move to a future state that meets the needs and expectations of citizens in the 21st century, the whole of this core must evolve in a coordinated, controlled and integrated way.
... founded on three pillars

The pathway to the future state will differ for each agency. But we’ve identified three common pillars that can help public service organizations evolve their existing core in a way that’s pragmatic, progressive and sustainable. These pillars are:

**Boundaryless**
by building a collaboration ecosystem

**Adaptable**
by creating flexibility to respond to constant change

**Radically human**
by ensuring technology serves people—not vice versa
No public service agency can deliver its mission and evolve its core by using just its own resources.

Boundaryless: building a collaboration ecosystem

Whatever an agency’s remit, the complexity and rate of change it faces are simply too great for it to respond effectively using what it already has in-house. However, agencies do have a great starting-point from which to overcome this challenge. Their role at the heart of their mission in society means they’re ideally placed to identify, create and tap into an ecosystem of partners to access the resources and capabilities they need. These partners will likely be highly diverse—public, private and third sector; traditional and non-traditional; small and large. What they’ll all bring is an ability to fulfill needs that agencies can’t meet internally.
The result? The agency’s boundaries start to blur, with operations, services and technologies extending into partner organizations. This involves agencies moving towards becoming “boundaryless”, by expanding their range of partners to develop an effective ecosystem, while also exploring the technical and non-technical aspects of operating collaboratively. They must also keep security firmly in view, since this is vital to sustaining legitimacy and trust with citizens.

Many agencies worry that citizens will object to them involving private sector providers in public services. But Accenture research¹ among more than 6,000 citizens in six countries suggests such fears are overdone: across all the countries in our study, eight citizens out of ten want their government to work with the private sector to innovate around services. And our ten-country study² of 590 government professionals shows that public service innovation leaders recognize this desire among citizens, and think creatively when it comes to partnerships: 66 percent say they discuss the need to be innovative with external stakeholders, and 58 percent work with at least one private sector to help drive their own innovation.

Leaders in public service innovation...

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¹ Moving at the speed of life
² Moving at the speed of life

Boundaryless: building a collaboration ecosystem
Accenture’s research into government innovation confirms that citizens support public agencies’ efforts to apply innovation to become more adaptable to their needs. Three out of four users of public services want agencies to innovate more, and 53 percent think they should reinvest savings from innovation in more innovation. What’s more, 44 percent say “personalized services” is a top priority for interacting with government. And agencies are responding: 71 percent of public service executives say customer digital demographics is now expanding the ways they deliver products and services.

PILLAR TWO

Adaptable: creating flexibility to respond to constant change

44% of public service users say “personalized services” is a top priority for interacting with government.
These agencies are moving towards becoming “adaptable”

An “adaptable” agency is an organization that’s becoming agile yet stable, capable of handling and responding effectively to shifts in policy, citizens’ demands, technology and the way people work and live.

Achieving adaptability is about evolving and enhancing the existing core by building in flexibility, an ability to learn continually and resilience to change. One example is agencies’ drive to improve flexibility by implementing microservices: stand-alone applications that can be integrated to form larger systems and enable organizations to evolve their architectures and solutions over time.

The logical conclusion of becoming adaptable and implementing microservices is progressing to a “platform approach”: a robust but flexible environment that enables an agency to capitalize in a faster and more agile way on new opportunities as they emerge, by plugging technology components in and out. The result? A built-in ability to harness future technologies quickly and continuously.
And they’ll need to ensure that every technology innovation they apply to evolve the core—Artificial Intelligence (AI), Virtual Reality (VR), robotics and more—is designed and used with humans at the center.

Ultimately, these innovations—and the living services they enable—will only succeed if they deliver the best outcomes for people. To achieve these, agencies must foster collaboration between people and machines, enabling each to augment the other’s capabilities to get the best from both. Agencies should also build a future workforce around a culture of versatility, with a clear focus on learning, empowerment and customer focus. This is likely to include adopting self-learning systems powered by AI, such as smart applications that enable constant workforce learning and chatbots that learn from every citizen interaction.

**Radically human: ensuring technology serves people—not vice versa**

To create a future of living services, agencies will need to embrace a seamless interface between humans, machines and systems.
Integrating these technologies into everyday activities is an important aspect of evolving the core in a public agency. But there can be barriers—real or perceived—in the way. For example, we know from our daily client conversations that many agencies worry how citizens will respond to rising use of AI in public services. But our research suggests citizens are coming to terms with this change. 37 percent say they’ve used AI-enabled public services in the past six months, and 57 percent positively want government to use AI to increase efficiency and reduce costs. The same proportion favor using VR for immersive learning in higher education. As for agencies, 39 percent believe their HR organization will routinely use AI for training, reskilling and upskilling within the next two years.

In combination, all these advances are taking agencies towards becoming “radically human”: creating systems and services that relate and collaborate with people by talking, listening, seeing and understanding the way humans do. The key to staying on track to become radically human is to keep people front and center of every evolutionary step by asking, “What is the best outcome for the human?”—whether that human is the citizen or a worker, be they a police officer, caseworker, teacher or other employee.
And as we stressed then, the core of any business is about much more than technology. It also includes IT, business operations and people—which must all evolve together to achieve improvements in performance and outcomes. Since we first said this, all of it has decisively proven to be true. And—given that “big bang” transformation is not an option—the concept of evolving the core is especially relevant to public agencies.

Already there’s no clear line between where the human workforce ends and the IT begins. As this blurring continues, it brings major implications for public agencies’ investment, both current and capital. For example, they may increasingly interchange IT and human operational budgets, and bring IT services in-house because they’re core to the business.

How Accenture can support your evolutionary journey

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Evolutionary steps like these—and others we’ve described in this paper—will help public agencies future-proof themselves against uncertainty.

As they do this, we don’t see Accenture’s role as being to help them build new IT or run it as a separate function, but to assist them in evolving their enterprise, in a world where IT and business are inseparable.

As you embark on evolving your agency’s core, the three pillars we’ve highlighted—becoming boundaryless, adaptable and radically human—will set the right direction of travel. These pillars don’t offer a quick, three-step path to instant success: progress, like your evolution, will be measured and incremental. But they will help you to value what you already have, and to evolve it to create your future.
About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 482,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at [www.accenture.com](http://www.accenture.com)

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