



**Navigating to a New Performance Frontier** 



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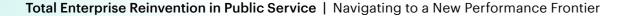
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### **About this report**

This report is informed by the Accenture Total Enterprise Reinvention research which surveyed 1,516 C-suite executives across 19 industries in 10 countries in November 2022. To define the benefits of reinvention for public service agencies and departments, we interview government decision makers around the world and analyze Accenture cross-industry and public service-focused research in addition to third-party reports on public service trends on an ongoing basis. In particular, we look at the areas of operations, generative AI, customer experience and talent strategy to create and validate the capabilities specific to the New Performance Frontier for public service.



# Total Enterprise Reinvention in Public Service | Navigating to a New Performance Frontier

### Leaders in industries across the globe are navigating a newly complex and dynamic environment.

The world is in an extended period of instability and insecurity, or "permacrisis," driven by geopolitical conflicts and extreme political division, inflation, public health emergencies and the increasingly tangible impacts of climate change.

The Accenture Global Disruption Index — a composite measure that covers economic, social, geopolitical, climate, consumer and technology disruption — shows that levels of disruption increased by an extraordinary 200% from 2017 to 2022. In comparison, the Index rose just 4% from 2011 to 2016.<sup>1</sup>

Amid this upheaval, people, communities and businesses around the world rely on the public sector for service stability and continuity. The core functions of the public sector from safety, security and defense to education, infrastructure, public health and other government services are more critical than ever before. When crises hit, public sector workers are at the center of effective response. How resilient agencies are in these moments can have meaningful impact on outcomes for individuals and entire communities.

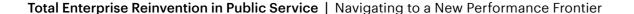
In recent years, we've seen public service organizations make rapid, innovative changes in response to crises. These changes span people, processes and technologies that require new ways of working and tackling problems. These same organizations are now grappling with a "new normal," including redesigned internal operations along with evolving constituent expectations, often in the context of ongoing volatility. The good news is that the public sector's accelerated transformation during the past few years positions these organizations well to navigate current circumstances and the road ahead.

To successfully anticipate and manage the rapid adjustment future scenarios will require, public sector organizations must embrace a more deliberate strategy of continuous reinvention. Creating a more agile and resilient public service organization starts by establishing a strong digital core that unlocks human potential and enables the next-generation capabilities necessary for short- and long-term success. We call this new strategy Total Enterprise Reinvention.<sup>2</sup> It leads to a New Performance Frontier that moves beyond today's best practices. It aims to reinvent, over time, every part of an organization centered around a digital core and new ways of working that establish a culture and capability for continuous reinvention. In doing so, these organizations can achieve perpetual innovation that can improve outcomes in the face of any disruption.

# Total Enterprise Reinvention isn't a to do. It's a to be.

In simple terms, this strategy comes to life through:

- Continuous reinvention with digital technologies at the core, tapping into cloud, data and AI to enable rapid pivots and proactive change.
- An organization-wide mindset shift to big, open and boundaryless thinking, breaking down silos and moving beyond traditional benchmarks across all functions and organizational nodes.
- People at all levels embracing new ways of working, attracting talent and upskilling, and continuously evolving these new ways as the world around us changes.



# The case for continuous reinvention: Why now?

Several trends make it necessary for public service leaders to focus on these concepts now. While the cooperative nature between public service organizations is well known, competition for economic development and talent, once mostly regional, is now global. This development in the context of varying degrees of volatility and disruption can hinder data and resource sharing. Worldwide and regional permacrises, new constituent expectations and rapidly emerging new technologies require public service organizations to continuously transform to keep pace and best serve their mission.



### **Evolving global crises**

Political instability is creating global tension and polarization. Economic volatility is driving uncertainty and insecurity across numerous demographics.

Governments will need to respond to these trends with reduced resources while continuing to deliver on the priorities and promises of their legislatures.

# Rising public expectations, decreasing public trust

Research we conducted in 2022 with 5,500 consumers and 3,000 public service workers in ten countries showed that people interacting with government agencies increasingly expect to have easy experiences,3 akin to their intuitive interactions with consumer businesses. They expect to be able to access services and complete transactions in a digital, secure, yet human-centered way. But as these expectations are rising, trust in government is low: According to the 2022 Edelman Trust Barometer, 48% of citizens say government is a dividing force, and trust in government fell in 17 out of 27 countries from 2021 to 2022.4 Governments have an opportunity to build trust and address constituent expectations by putting end users at the center of new experience strategies. Increasing transparency, enhancing accessibility and streamlining interactions can improve public satisfaction with government and result in budget savings through efficiencies.

# Rapidly changing threats in an uncertain environment

Threats and crime — both physical and cyber — change in real time. In uncertain environments, preparedness and visibility are key. Public sector organizations don't simply need more information; they need the right intelligence at the right time and an enhanced ability to respond most effectively. Organizations should put technology and talent strategies in place to move from reactive to proactive risk detection and prevention.

# Increasing challenges in labor markets

All industries are struggling to hire and retain talent in a competitive labor market. This is amplified in the public sector. In fact, according to the US Board of Labor Statistics and as outlined in a recent Accenture report, the public sector payroll in the United States counted 376,000 fewer jobs in March 2023 than pre-COVID-19 levels.<sup>5</sup> At the same time, organizations need to respond to changing views on work — from remote work to reskilling — and increase their focus on employee well-being, employer brand and workplace culture. Successful public sector agencies are those that create stronger workforces with a three-pronged strategy: unlock new sources of talent inside and outside the organization; maximize human ingenuity with supportive technology and training; and create new talent by looking at people's potential based on their current and developing skills.

# Pace of change in modern technology

Technology is evolving at an unprecedented pace. In some instances, governments understandably lag behind their commercial peers in cutting-edge technology adoption. Legacy systems and processes cannot work at the pace of change and often prevent organizations from quickly leveraging new technologies. The forced technology acceleration of the pandemic, however, gives governments the opportunity to capitalize on that momentum to continue to implement new and emerging digital solutions. Generative AI, for example, will empower public service organizations to increase efficiency, improve stakeholder experiences and better

address mission challenges. In fact, Accenture analysis across 22 job categories found that 40% of all working hours can be impacted by large language models (LLMs) like those that power Generative Al solutions.6 But with all its promise, Generative Al also presents challenges to national security, transparency and equity. With such rapid technological advances, it's important to thoughtfully manage next-generation technologies to account for risk and ensure their use enhances operations, surfaces actionable insights and improves mission outcomes.



The case for continuous reinvention: Why now?

But how does an organization that is responsive to both constituents and elected officials achieve a forward-looking strategy? Because governments are always on, responding to immediate needs while securing communities' futures, it can be difficult for those who lead to take a step back and imagine all that is possible.

- How can agencies serve people better?
- Protect people better?
- How can bolder visions become reality?

The answer is Total Enterprise Reinvention in Public Service.

# ion in Public Service | Navigating to a New Performance Frontie

### Introducing Total Enterprise Reinvention in Public Service

When public service organizations strive for a state of continuous reinvention, they will simultaneously create a cultural and operational environment that is more aligned with their mission and better equipped to respond successfully to current and future challenges. In practice, a more responsive, agile organization can deliver human-centered services better for improved outcomes. What's more, efficiencies in service quality and delivery can translate to cost savings and even increased trust in government<sup>7</sup> itself.



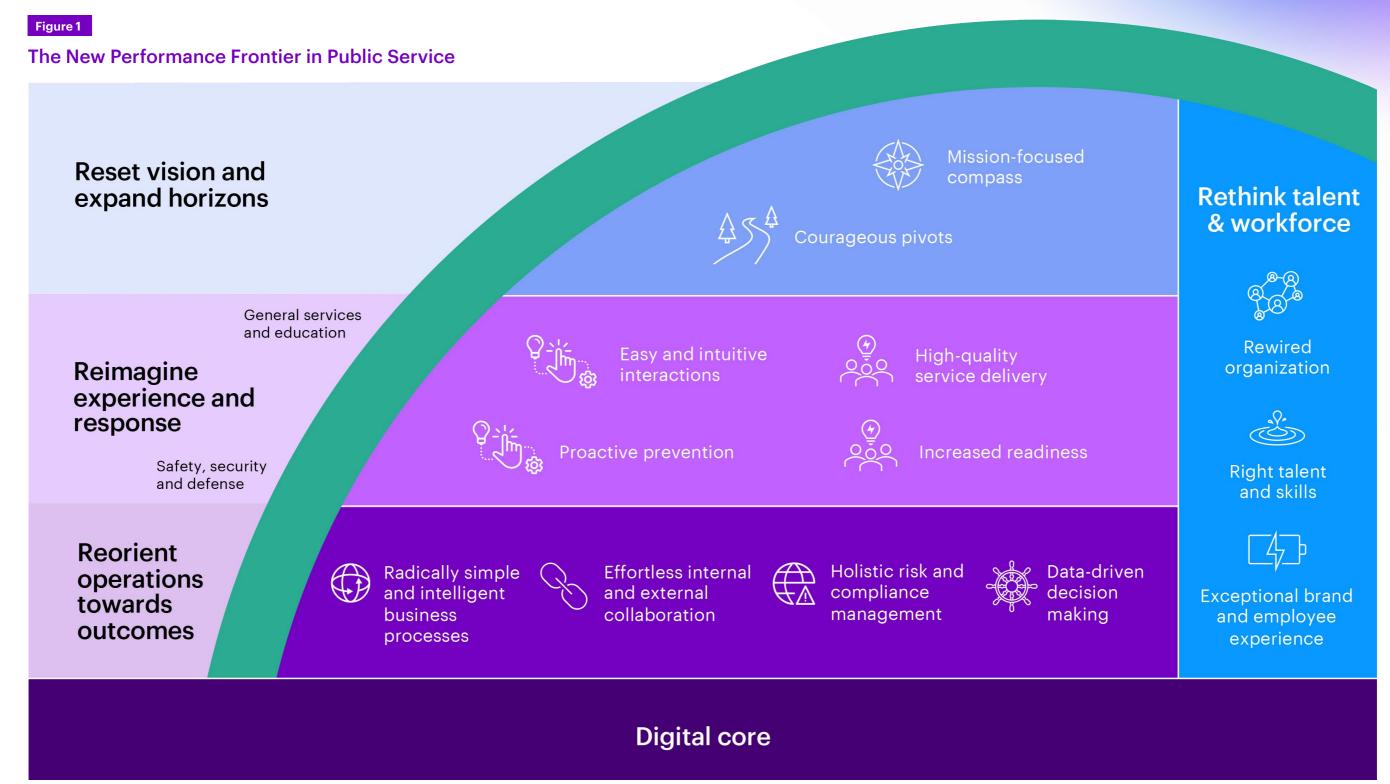
### A New Performance Frontier for Public Service

With an ever-accelerating pace of change, organizations that shoot for today's best practices will be behind by the time tomorrow arrives. Thus, they have an opportunity to achieve a New Performance Frontier: a set of distinctive capabilities that few agencies are executing today, but which will be default practice in 5 to 10 years' time. The next-generation capabilities that will drive success in the coming decade and make up a New Performance Frontier for public service go beyond current industry benchmarks to deliver new levels of value and productivity — not as

one-time projects, but through continuous reinvention. The public service capabilities discussed in the broad categories to the right provide a framework to help agencies cultivate agile, innovative and resilient organizations with empowered people who become agents of change. While agencies will prioritize capabilities that best fit their specific strategies and opportunities, this framework provides a roadmap for growth, operational productivity and readiness.

- 1 Reset vision and expand horizons
- 2 Reimagine experience and response
- 3 Reorient operations toward outcomes
- 4 Rethink talent and workforce
- 5 Engage and ignite your digital core





Source: Accenture

## Reset vision and expand horizons

In the permacrisis context, public sector organizations must reassess their missions to ensure they meet the needs of tomorrow. While this might seem like an obvious checkpoint, revisiting the mission is not as regular a practice as it should be. In reexamining missions, public sector leaders need to lean in more ambitiously to address even unknown future challenges. Organizations must also prepare to pivot, not just act, to make forward progress in crisis response.

### How to do it:

- Clearly articulate the mission
  - Missions are of core importance to public service organizations. In defining a guiding mission, seek inspiration from both inside and outside the public service industry to move beyond the status quo. Continuously pressure test the mission to make sure it holds up in the face of change.
- Continuously revisit priorities and pivot when necessary
   Use forecasting to identify indicators like public health tracing or labor market changes. Build a robust feedback loop allowing for fast response and changes based on real-time insights. Support a culture of nimble action from leadership to all employees. Because challenges will continue, organizations must be prepared to pivot while not losing focus on their mission.

### Who's doing it:

During the COVID-19 pandemic, DC Health, the government agency responsible for public health in Washington, D.C., made technology investments to quickly unlock data and improve its ability to respond. The department rolled out, in a matter of days, various digital platforms to aid in communication and effectively disseminate information. It also implemented Amazon Web Services to support its efforts.

DC Health successfully managed 160,000 COVID-19 outreach cases and delivered essential alert notifications to over 1.4M people. This digital transformation and technology investment allowed DC Health to reimagine its vision. With new access to data to drive smarter decisions, DC Health announced a bold mission to "make DC the healthiest city in the U.S." The new mission statement informs policy decisions and resource allocation, while also supporting a culture of health and wellness across the district.

## Reimagine experience and response

Our 2022 survey of 5,500 consumers across Australia, Canada, France, Germany, Italy, Japan, Singapore, Spain, the United Kingdom and the United States showed only 49% are confident that public service agencies are using their data for what the agency says. And nearly one in three respondents feel they are treated more like a number than a human when interacting with a government agency. Good or bad, the experiences people have with public service agencies shape their perceptions of — and confidence in — government.<sup>9</sup> Lengthy and confusing processes can limit access to services and hinder an agency's ability to provide better constituent outcomes. Public employees experience process challenges, too. From general services and education to safety, security and defense, real-world application of experience in public service will vary depending on the organization's mission. Experience, however, is universally important and key to delivering strong outcomes. Governments that consider "how people want and need to be served" and "how employees want and need to work" can seize opportunities to improve service in measurable ways.

### How to do it:

### Focus on easy and intuitive interactions

Enable personalized, universally accessible and easy-to-use services across physical and digital channels to extend reach to diverse constituencies. Break down silos and create a secure and seamless constituent experience spanning all related agencies and services with shared data and insights across organizational nodes and technology platforms.

### Embrace digital behaviors for higher-quality service

Leveraging available data and implementing next-generation technologies are key components to mission success. Ensuring digital readiness in all functional and operational areas facilitates fast, relevant and responsive digital services to employees and public service customers.

### • Use data to enable proactive service

Insights from qualitative and quantitative data will help leaders understand where critical populations are, what they need and how best to reach them, allowing leaders to drive smart policy and resource allocation. Having the right technologies, data and skills in place will allow organizations to shift from reactive to proactive, predictive service delivery.

### Leverage digital to increase readiness

Fast, reliable and modern digital services are mission critical for safety and defense organizations as well as their counterparts with more proximate constituent contact. Digital readiness can and should be embedded into every functional and operational aspect of an organization, from intelligence and targeting to recruitment and retention to supply chain and network resilience.

### Who's doing it:

Facing an aging population and a shrinking workforce, the Finnish government created a world-class network of virtual assistants to help high-skilled entrepreneurs build their businesses in Finland. By using readily available, AI-powered technology, the network caters to digitally savvy business leaders through a single, centralized source.

In just three months, what had been a lengthy, fragmented, multi-agency business start-up process transformed into a seamless, unified service for entrepreneurs looking to move to the country. The ecosystem partners initially included the Immigration Service, Patent and Registration Office and Tax Administration, in collaboration with Accenture and the startup boost.ai. The network later evolved to include Business Finland for additional branding and immigration attraction services. The virtual assistants offer seamless experiences for end users, helping Finland advance its mission to become the next top talent center for the world's most forward-thinking businesses.<sup>10</sup>

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### Reorient operations toward outcomes

Optimizing operations is essential, as strong operations help organizations deliver on their core missions, including improving outcomes for those they serve and employ. Legacy systems, siloed operations and limited collaboration block valuable insight and impede successful service delivery as well as innovation. Organizations and their stakeholders benefit when operations functions are at peak performance and elevated technologies improve intelligent business processes. Many measures — from talent strategies to Al and more — are necessary for operational maturity.

### How to do it:

### Apply human-centered design approaches

Take a holistic look at business operations. To ensure easier service delivery and optimal outcomes, find ways to mobilize human-centered design to employ automation and AI and surface new insights. Evaluate the use of these technologies to improve efficiencies and redirect staff time to higher-value, mission-focused work, including strategy and analytics. User-centric operations and personalized employee experiences with technology simplify day-to-day work and make it more enjoyable for staff.

### · Remove organizational silos

Tackling hard problems requires broad inter-agency and outside-government collaboration. Provide and expand access to new capabilities, experiences, data and talent within, across and outside of the organization. Externally, explore diverse and creative public-private partnership approaches. Internally, adopt and support a culture of working across silos to share data and achieve strategic outcomes.

### · Relentlessly use data

The data a public service organization holds — from customers, employees, other agencies and ecosystem partners — is one of its most valuable assets to enable data-driven decisions and evidence-based budgeting. Discontinue programs that are not working and expand traditional benchmarks beyond year-over-year baselines. Establish a culture that encourages debate around which data to use, where to use it and how to use it, and do so within the guardrails of a clear governance strategy that enables action.

### Who's doing it:

One of the world's largest food and beverage companies recently implemented a control tower to provide visibility across all operations and help build a new roadmap to resiliency. They engaged a new Sales & Operations Execution (S&OE) team to handle short-term issues, which enables the planning team to focus on long-term strategy, and they connected existing analytics dashboards to an Enterprise Resource Planning system and other data sources. Proactive alerts helped them to address potential issues up to six weeks in advance, empowering them to make short-term adjustments to save valuable time and effort and to actively plan for disruptions. With end-to-end visibility, more efficient organization and a set of new routines and best practices to connect disparate teams, the company saw its case fill rate pass 90% — a level it had not achieved in more than two years.11

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### Rethink talent and workforce

Public sector leaders, perhaps more so than leaders in other industries, are acutely aware of the convergence of socio-economic and labor market disruption. With advancements such as Generative AI changing how, where and when work is done, now is the time to embrace a new identity as a talent leader and new ideas for the public service workforce.<sup>12</sup>

### How to do it:

- Link humans and technology to rewire the organization
   Technology must work in partnership with the humans doing the work.
   The human-tech relationship of the future may require new organizational structures and operating models. Leaders must embrace technology and data to continuously drive changes in the talent architecture that will best serve tomorrow's employees and constituents.
- Access, create and engage talent and skills in innovative ways
   A creative talent strategy with durable recruitment pipelines expands, rather than limits, opportunities. Think, "recruit, reskill and retain." Co-create with external partners to provide learning programs that address in-demand skills for hard-to-fill roles. Develop talent by building future-critical skills with speed and at scale, enabled through a culture of continuous learning.
- Create an exceptional brand and employee experience Position public sector through education and awareness programs as an attractive career opportunity that allows growth while "doing good." Develop a culture that empowers employees by elevating their values and needs and connects them to the organization's mission. Make public sector the place where people want to grow their careers by creating strong brand recognition and positive perceptions.

### Who's doing it:

The Australian Public Service's Workforce Strategy 2025, and the Centre of Excellence established to deliver it, worked to identify and dismantle organizational silos across government agencies. It also sought to develop new operational models to enable disparate teams to share skills more effectively. Survey data and existing partnerships among departmental leaders informed the four-year plan. The goal is to create a more agile organization that can effectively attract and retain individuals with the right skills who can help the country's agencies better respond to changing needs.<sup>13</sup>

### Engage and ignite your digital core

These capabilities that represent a New Performance Frontier are centered around a strong, enterprise-wide digital core. The digital core integrates the power of cloud, data and AI to create an interoperable set of secure, flexible platforms that enable reinvention. It is fundamental to all other strategic needs of public service organizations and allows them to integrate and quickly benefit from emerging technologies to not only meet the current pace of change but also to be ready for whatever comes next.

Amplifying the role of technology helps drive positive outcomes and improve operations. This happens in a practical sense when organizations shift from

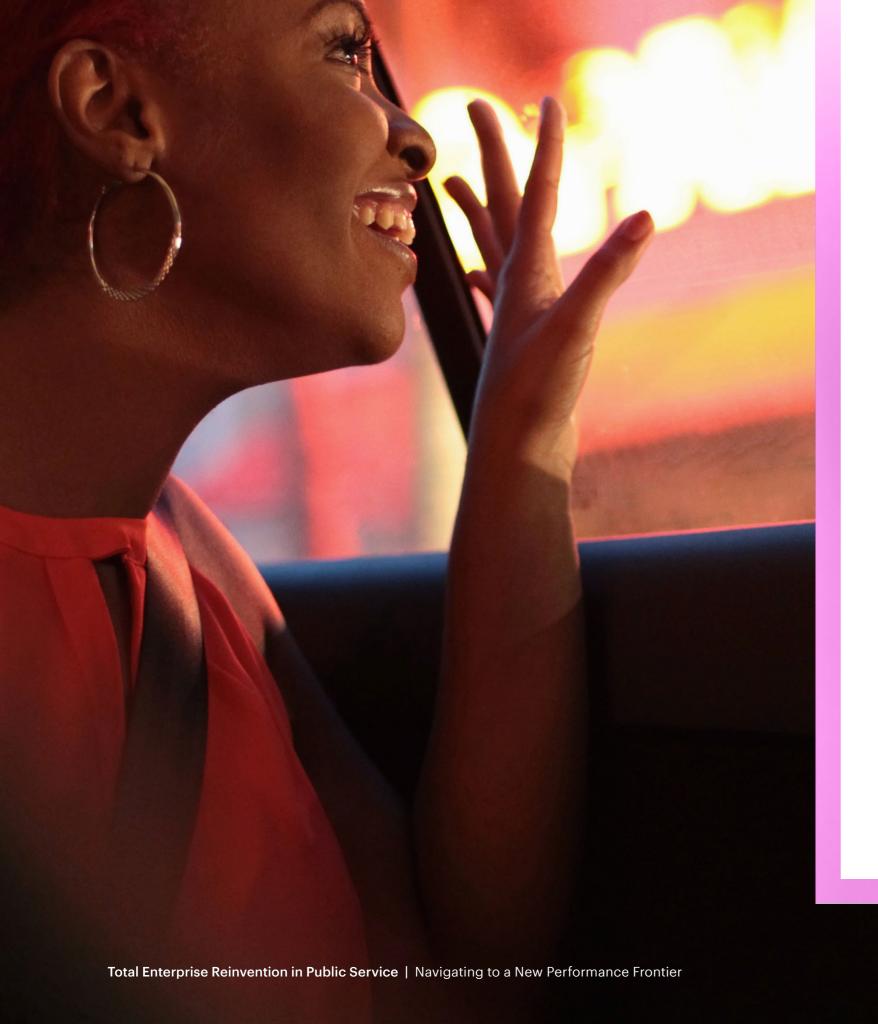
a technology landscape of static, standalone parts to interoperable pieces intentionally integrated and leveraging the cloud.

While the digital core sits at the heart of our proposed framework, building it is not a one-time project. It is a forward-looking and continuous progression, including cloud-based, secure and nimble IT infrastructure that unlocks the power of data, analytics, AI and other next-generation technologies. The resulting capabilities enable public service organizations to increase resilience in the face of any disruption and enhance service delivery and quality for all stakeholders.

### Who's doing it:

Spain's Ministry of Justice is using an Al-powered judicial search system to increase access to large volumes of complex information spanning local, regional, countrywide and European law. The system, called Delfos, uses large language models and the cloud to search for relevant procedural or legal content based on a user's keywords or question. Beyond surfacing relevant information, Delfos also rewrites it in plain language, removing technical jargon and making it easy to understand regardless of the user's judicial knowledge, improving accessibility in multiple ways.

The system reduces the search time for specific information by 40%, something that benefits staff as well as constituents. The Ministry is also using Generative AI to create problemsolving connections: Search users are linked to colleagues across the country with relevant experience for personalized support.<sup>14</sup>

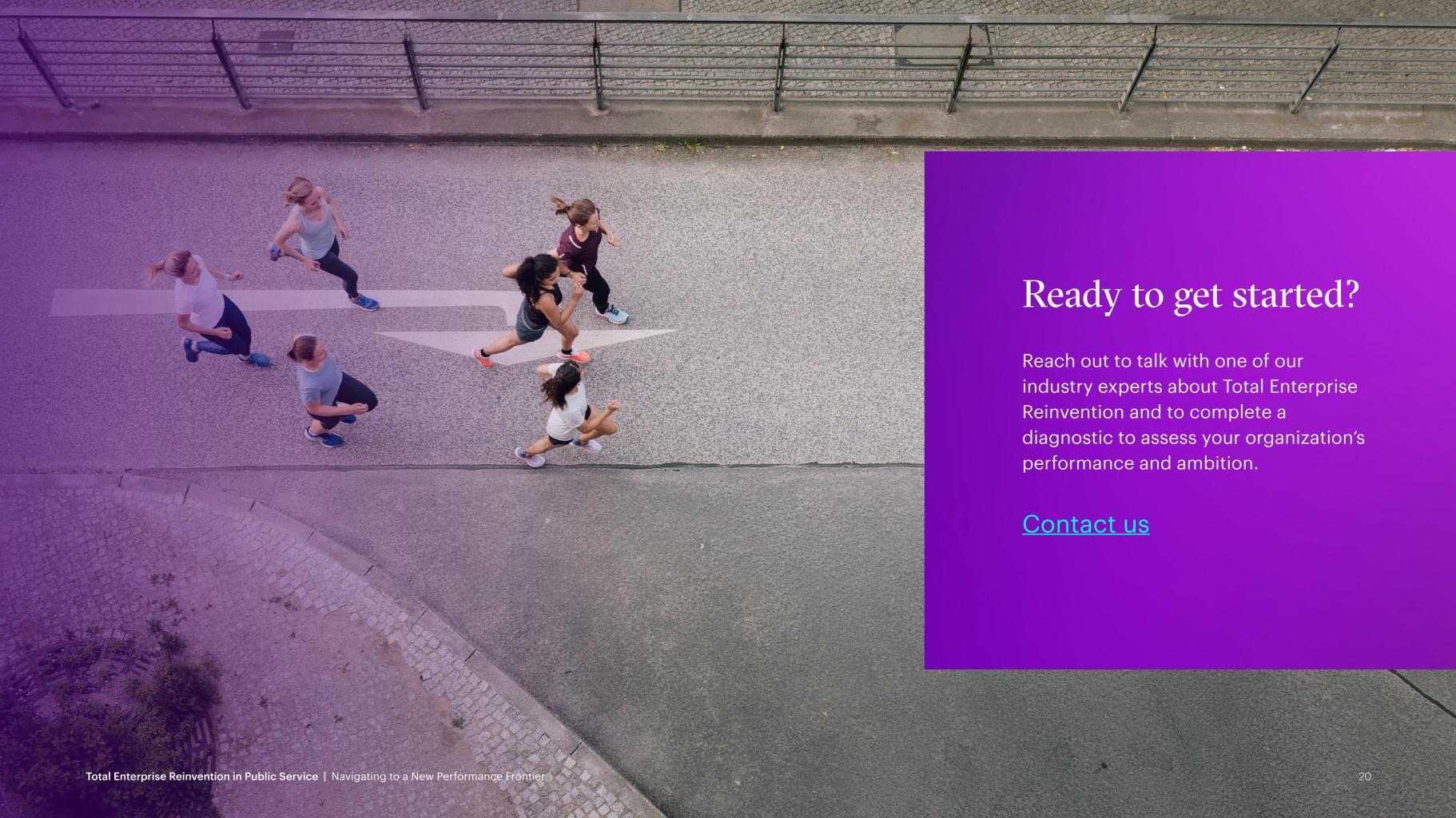


### The time is now

Total Enterprise Reinvention is a state of continuous evolution that allows for quick change and faster results supported by an enabling digital infrastructure. This is not a typical government approach. Yet it is an imperative approach in our current permacrisis environment. The ability to fulfill strategic missions and deliver as promised (and mandated) requires an immediate mindset shift accompanied by immediate action.

Tackling the big issues and keeping jurisdictions sustainable over time entails asking new questions and taking steps to rewire the organization — through new talent

strategies and new technology tools, among other things — to be more agile and resilient. While the current context demands it. the current state of the public sector also supports it. Coming out of the accelerated transformation cycles of the pandemic provides fortuitous foundational momentum to begin to realize the promise of exciting new capabilities. Public sector agencies have never been more ready to tackle transformation in response to constant change and better meet the growing demands and expectations of those they serve.



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