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Government Analytics: What Governments Stand to Gain (or Lose)

Accenture Survey Reveals Those Agencies that Don't Understand Government Analytics Could Be Missing Out

Analytics delivers value for government—but only when governments understand and embrace the concept. According to a recent Accenture survey, more than half (52 percent) of government leaders interviewed cited lack of understanding of analytics and how it can help as a major barrier to using analytics. Four out of 10 people surveyed were not as familiar with, or had never heard of the term, “analytic techniques.”

By not initiating or expanding an analytics program due to a lack of understanding, agencies are missing opportunities to save costs and make the most of existing resources.

Accenture surveyed government decision-makers across six countries (Australia, Canada, France, Spain, the United Kingdom and the United States) to assess the current analytics environment within revenue, tax, human services and social services organizations internationally.

Missing the boat means missing the benefits

Accenture's in-depth research into high-performance businesses and governments shows that public sector organizations target the same benefits as businesses do for their enterprise data systems: better decision making, improved financial management, and faster, more accurate transactions. If analytics can help achieve all of these benefits, where does this leave those agencies that don't understand the concept?

Agencies that lack analytics knowledge may not pursue an analytics program to tap the same benefits as those who understand and are actively applying analytics. According to Accenture's recent analytics survey, organizations that are using analytics are more likely to have detected a decrease (versus no change) in errors and non-compliance during the past 12 months. For example, 67 percent of those surveyed in Australia, 50 percent in the US and

47 percent in Canada are using analytics to address errors and non-compliance.

By identifying and reducing the amount of errors and non-compliance through analytics, agencies can achieve cost savings. For example, by implementing a non-compliance prevention program, a social services agency in North America yielded annual savings of 4 percent on a \$2.5 billion income assistance program.

In addition, analytics are helping agencies to either get by with fewer staff, or free up existing staff to focus on the core mission, rather than administrative tasks. Instead of spending time wrestling massive amounts of data, agencies can use analytics to harness insights from the data to inform better decisions and improve outcomes. For example, one survey participant in human services said, “We are short on staff. If we took the pressure off the caseloads for our staff, we could spend more time doing investigation.”



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Building an analytics advantage

Agencies that are enhancing their understanding of analytics—and even those that have made inroads—can improve analytic capability and impact by focusing on three core goals:

1. Develop a cross-functional, integrated analytics vision. First and foremost, agencies need to educate their business leaders on analytics, helping clarify what it is and what it can and cannot do. Beyond that, agencies need an integrated analytics vision and knowledge of how this vision will be applied across business processes. Developing a framework of analytic capabilities can be helpful in making progress in a structured manner.

2. Create value by prioritizing analytics. Focusing analytics on high-value processes, specifically those related to where value is being lost today, will help find the money that can then be redirected to fuel improvements and growth. Agencies are most likely to move the needle in finance if they use consistent criteria to prioritize value-focused analytic investments and, perhaps most important, put in place methods to track the value delivered from initial idea to realization of results.

3. "Operationalize" analytics. Analytics alone doesn't generate value. Value is only delivered when agencies take the insight delivered by analytics and apply the insights to business processes. This means that analytics can no longer be seen as a backroom activity undertaken in isolation from the front line business. Agencies must consider a governance structure, processes, metrics and technology support to facilitate wider use of analytics and to expedite movement from analysis to actions that yield value.

Analytics adopters

According to Accenture's analytics survey, a variety of participants are seeing results from their agency's use of analytics:

A US-based social services participant said, "We have initiated a program for integrity focused on fixing things before they become a problem, and we've had a lot of success with it."

"It has helped us find those who use assistance who have the income themselves to pay for things," reported a Canadian decision maker who works in social services.

One survey participant in a revenue/tax agency in Spain said, "A system of prediction enables us to prevent clients from getting low service."

By broadening their understanding of analytics and focusing on building analytic capability, agencies can reap business value and cost savings during these difficult fiscal times.

About the Accenture Analytics Innovation Centre Network

The Accenture Analytics Innovation Centre network is designed and equipped to address a wide range of issues that organizations face as they seek to glean deeper insights from data and to improve decision-making processes. The Analytics Innovation Centre in Dublin, Ireland focuses on the innovative development of sophisticated techniques in fraud and compliance analytics to address many of the key business challenges facing revenue agencies. For more information, contact christopher.gray@accenture.com.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 249,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. Its home page is www.accenture.com.

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