Federal agencies face a challenge: They need to cut costs and meet citizens’ rising expectations—without compromising their mission. Many agencies are rising to the challenge, tackling short-term budget issues and looming long-term service gaps in innovative ways. They have discovered that strengthening their workforce capabilities and cutting costs in non-mission-critical areas enables them to quickly achieve cost-effective performance improvements, support the mission and realize a strong return on investment.

These agencies have embraced what Accenture calls “strategic government efficiency.” They link spending to desired outcomes, match budgets to priorities—and capitalize on leading practices to improve HR processes and workforce productivity, achieve higher efficiency and build an empowered, engaged workforce. Here are seven examples of how agencies are putting them into practice today, achieving both quick wins and long-term benefits:

1. Reducing costs through better human capital analytics

Human capital analytics allows federal agencies to maximize the impact of their people. It helps agencies identify critical skill needs, determine the most effective staffing and talent mix, and design a cost-effective organization through optimal workforce utilization. Analytics can also be used to predict staff retention and identify staff development options with the greatest return on investment. Research shows that when analytics are used to optimize talent, time to competency is increased by 35 percent and employee “churn” is reduced by up to 20 percent.

35% Speed

A branch of the armed services is using analytical models developed by leading commercial organizations to determine whether it can meet retention goals with smaller bonuses or other, less costly incentives. If adopted widely, the military could save hundreds of millions of dollars.

2. Reducing operating costs through human resources optimization

Human resources optimization reduces costs by streamlining operations and increasing process efficiency. By identifying opportunities to use technology, integrate processes and align the right level of workforce to the right positions, agencies can reduce the total cost of HR.

200x ROI

A federal law enforcement organization’s recent HR assessment identified improvement opportunities that would reduce costs by more than $40 million—an 200 percent return on investment. Another agency implemented a “virtual hiring” solution that enabled it to double the number of applicants interviewed, reduce recruitment costs by more than 50 percent, and onboard twice as many high-quality new hires.
3. Reducing the cost of learning delivery with blended learning solutions

When agencies shift from traditional, formal learning and development methods to ongoing, informal learning methods such as podcasts and collaborative sites, it creates opportunities to promote on-the-job competency building at reduced costs. Most of a typical learning budget is spent on activities that have little impact on employee performance. In fact, several studies suggest that employees acquire only about 10 percent of what they know from formal classroom learning.

25% Cost

For its deployment of a global logistics system, a large federal agency used a blend of instructor-led training, videos and online chat to introduce content, reinforce it at the point of need and provide self-paced learning options. This approach reduced the overall cost of training delivery while accelerating users’ proficiency. In our experience, blended learning solutions such as these have saved clients more than 25 percent in delivery costs.

4. Using the technology to improve workforce productivity

One straightforward way to increase productivity is to give agency staff the tools they need to do their jobs anytime, anywhere.

25% Speed

The U.S. Census Bureau introduced a custom-built mobile solution for its field staff, which was used by its 145,000-person field force conducting the 2010 U.S. census. The mobile solution required minimal training thanks to a highly intuitive user interface. As well, it increased field operations speed by 25 percent and cut data-collection errors by more than 90 percent.

5. Optimize organizational structures for productivity

Organizational structures are as important as processes and tools. Creating structures that align to desired outcomes to how work is accomplished can increase productivity and decrease costs. Shared services models are another way to optimize organizational structures by consolidating and centralizing mission and administrative functions.

100+ Functions Consolidated

A large metropolitan city’s government assessment of 80 agencies and 600,000 employees helped it to identify a $50 million annual savings opportunity, eliminate redundant work and duplicative shadow organizations, and increase employee engagement. In another example, a state government recently identified $145 million in savings (net present value) over 20 years by consolidating over 100 state agencies, board and commissions, all operating as independent businesses, into a shared services model.

6. Improving transformation return on investment

Embracing and managing change—from budget cuts through large-scale transformations—is challenging for any organization and its employees. Yet when change is managed well and effectively implemented, organizations can reduce the preparation time needed for the change and the operating costs associated with the change, including third-party and overtime costs.

$2 Million in Annual Savings

After several failed attempts, a government agency successfully transformed an error-prone, paper-based time reporting system into an automated electronic time, attendance and scheduling (eTAS) system, deploying to hundreds of facilities nationally in 12 months while addressing the unique preferences and constraints of each location. With an innovative virtual training solution using existing technology such as voice and text capabilities, multi-party audio, and real time desktop sharing, the agency enabled personalized coaching in small, online sessions that helped ensure user adoption. The result: a projected $2 million in annual savings from reduced errors and estimated additional $600,000 in savings from the system’s innovative virtual training model.

7. Increasing productivity through improved employee engagement and leadership

Employee engagement drives productivity by building support for the mission, increasing throughput and reducing absenteeism. One of the most important drivers of engagement is leadership and how employees perceive their supervisors.

25% Engagement

A great leader can motivate employees to go above and beyond. A federal law enforcement organization, aiming to engage its workforce to facilitate the agency mission, launched a robust leadership development program with a goal of increasing engagement scores by over 25%.

A foundation for strong results

These are only a few examples of how federal agencies are applying leading practices to achieve meaningful, positive results. These efforts are helping agencies achieve compelling outcomes and high returns on investment—while delivering their mission in unprecedented fiscal times. Accenture can help agencies implement similar programs in their organization and provide tools to validate savings, track ROI and evaluate the overall success of cost-reduction and strategic efficiency efforts.

For more information

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