ReWiring Government

Scaling Tech Enabled Innovation in the Public Sector

Thursday, September 5
The Forum Hotel Oak Boardroom







Ability of an organization to constantly innovate with digital and Al across its entire business to improve customer experiences and increase efficiency of operations

Organizations around the world are Rewiring, but are faced with some key questions...



Will it provide **competitive differentiation** or is it just **table stakes**?



Is it worth the investments and efforts?



Will we be **rewarded and recognized** in a visible way?



...and if so, what exactly should we do?



of organizations have a digital and Al transformation underway





of expected revenue increase delivered (e.g., satisfied customer)



of expected cost reduction delivered

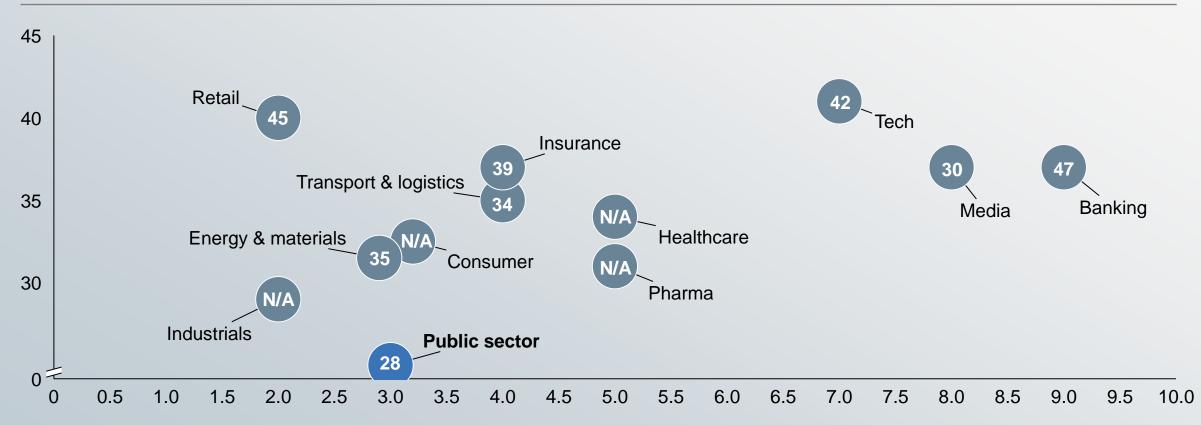
While governments have made strides, the pace of change in digital and Al is accelerating, more progress is likely needed to keep up



Digital and Al maturity varies significantly across and within different sectors...

Digital and Al maturity score¹, 2022





^{1.}Digital Quotient (DQ) and Al Quotient (AlQ) assessments measure digital and Al maturity across core capabilities and management practices that are essential to capturing value 2. "IT spending as a percent of revenue" for midsize enterprises from a 2022 Gartner survey represented as proxy for the average IT spend (%) per sector

IT spend², %

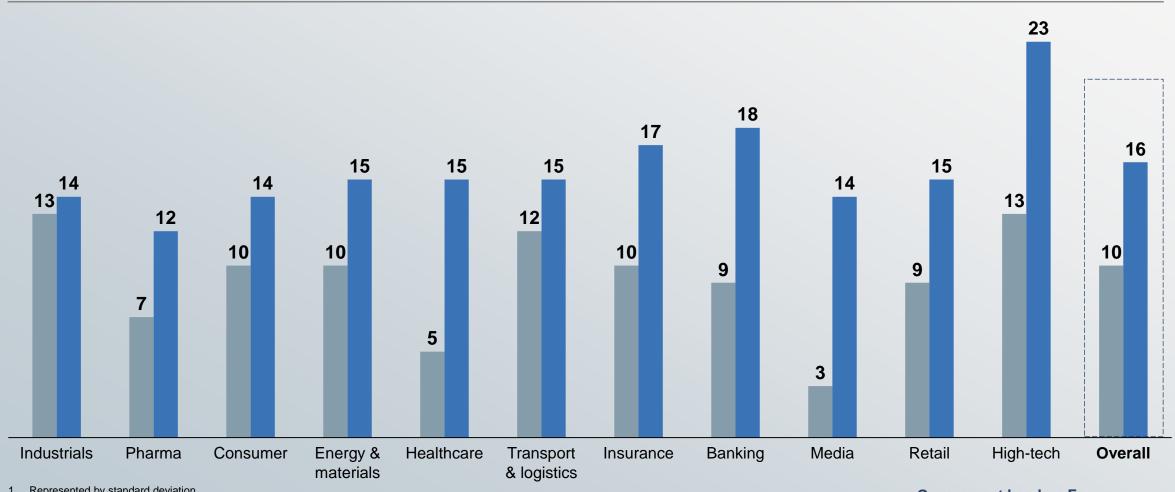
^{3.} CX score based on % of respondents from McKinsey's 2022 State of States survey who are satisfied with US state service (industries with "N/A" values were not included in survey)

^{4.} Energy & materials CX score based on the CX score for "Electric utility" 5. Travel & logistics CX score based on the CX score for "Airline"; 6. Insurance CX score based on the CX score for "Car insurance"; 7. Banking CX score based on the average of the CX scores for "Bank or credit union" (49) and "Credit card" (44); 8. Media CX score based on the CX score for "Cable or satellite TV"; 9. Retail CX score based on the average CX scores for "E-commerce site" (46) and "Grocery store" (44); 10. High-tech CX score based on the CX score for "Mobile phone"

...and the distance between leaders and laggards has increased in the past several years

Change in spread between AIQ leaders and laggards, 2016-19 to 2020-221





^{1.} Represented by standard deviation

Government Leaders Forum

The 'Rewired' framework is a proven recipe for successful digital, technology, and analytics-enabled transformations

1. Strategic Roadmap

.....to align senior leadership on the digital roadmap and reimage business domains to prioritize customer experiences

Business Domain

Business Domain

Business Domain

2. Talent

...to ensure you have the right skills and capabilities

3. Operating Model

...to bring business and technology together 4. Technology

...to more easily use technology to innovate with pace

5. Data

...to leverage data to improve customer experience and business performance

- Alignment on value
- Building capabilities
- Change management

6. Adoption and Scaling

...to ensure adoption by building new skills and leadership characteristics, and by tightly managing the transformation progress and risks

Digital and AI enabled service delivery can enable governments to serve citizens more effectively...



...and the value at stake from doing so is high



2x

Increase in trust in government



60%

Less time spent interacting with public administration



20%

Reduction in calls to call centre



50%

Less case-handling effort through automated processing



Building a digital platform to improve access to mental health support

5M+

Children and youth already benefiting from first version of digital platform



Advancing citizen experience through robust tech modernization

99%

Satisfaction rate among citizens with government digital services



Leveraging a scaled digital factory model to enhance citizen journeys

10M+

Clients projected to experience new journeys over the next 25 vears

Some government agencies have leveraged aspects of Rewired to drive success in pockets



Investing in upskilling building digital and tech capabilities

\$20M

Improvement in productivity and talent retention forecast over three years



Establishing a digital government with GenAl-enabled coding capabilities

35-45%

faster code creation through the use of coding co-pilots (e.g., GitHub, Co-pilot)



Creating a register modernization program to integrate data

6B EUR

Estimated savings potential in reducing burden on public administration and citizens

'Rewiring Government' provides a tailored approach conscious of public sector nuances

- Alignment on value
- **Building capabilities**
- Change management

1. Business-led digital roadmap



Build clarity and align stakeholders on the WHY behind rewiring



Develop business cases that quantify and detail how to capture holistic value



Make a public commitment to the value to set expectations for the public

2. Talent



Promote the perks of working both in government and on new initiatives



Invest in building critical skills including digital and program management



Balance the right mix of internal and external talent

3. Operating model



Explore IT financing and funding options that allow for multiyear investments



Leverage competitive market forces to enhance procurement



Adopt iterative ways of working

4. Technology



Implement automation tools to accelerate software development



Invest in disaster preparedness to mitigate business continuity risk



Streamline access and usage of software tools

5. Data



Centralize data management through a federated data model



Develop scalable data products to enable self-served standard consumption

Strengthen connectivity across silos to enable cross collaboration and resource sharing

6. Adoption and Scaling



Secure full leadership commitment by offering incentives tied to value delivery



Identify and leverage digital change champions to inspire all employees



Publicly share and celebrate successes of digital initiatives

Four bold provocations to consider to further whole-of-government impact

How might the public sector...



...collaboratively coordinate funding and investments, and take an investor lens to drive actions in support the unified vision



... adopt a culture of innovation that prioritizes the development of new solutions with urgency rather than adhering to the status quo



...treat data as a government-wide asset rather than the domain of individual agencies



...mobilize the knowledge and capabilities of their shared workforces across different levels