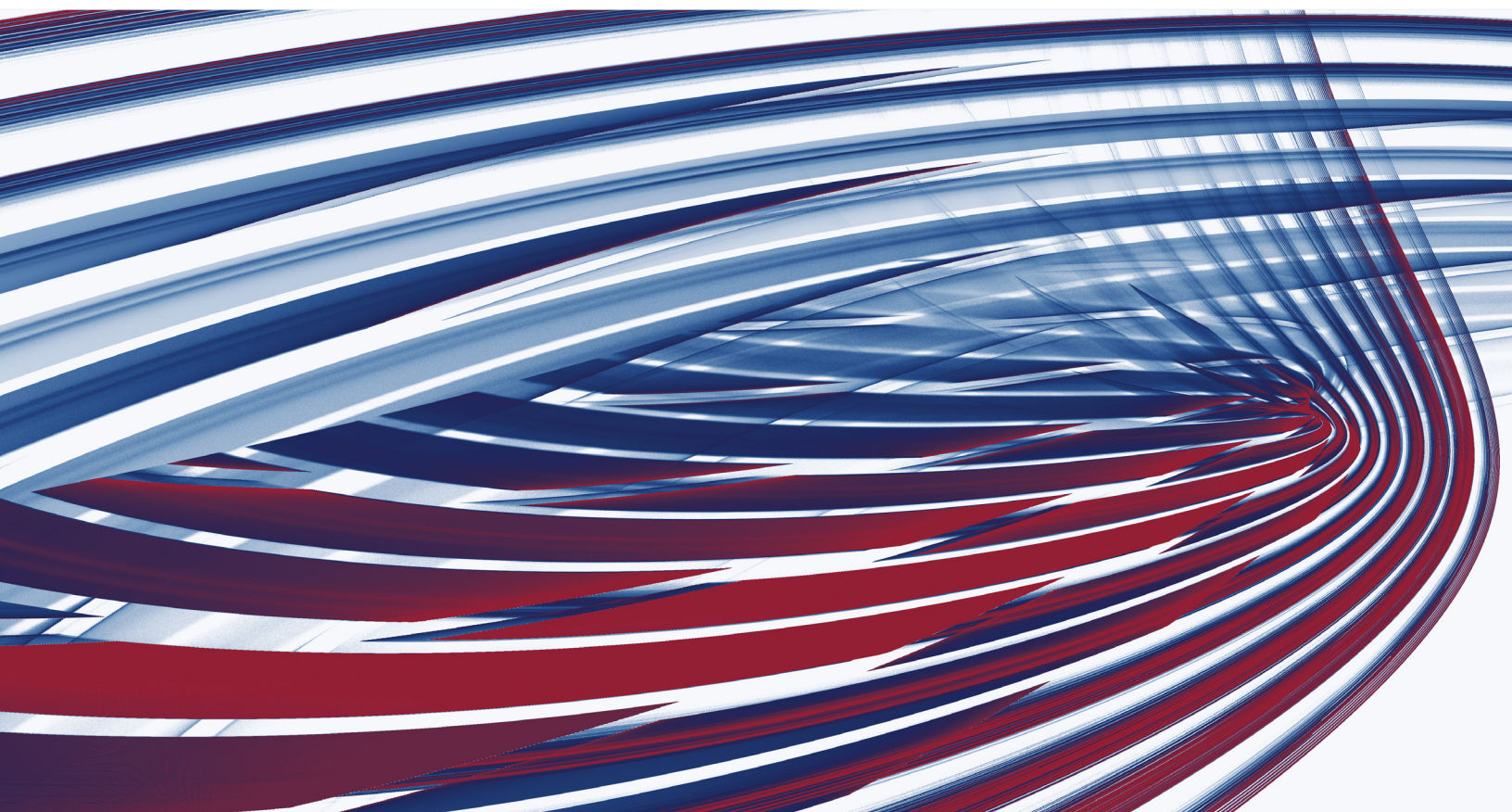


Implementing agile ways of working in IT to improve citizen experience

Government agencies are under pressure to deliver more and better services to their stakeholders. Agile ways of working can be transformative.

by Jan Shelly Brown, Khushpreet Kaur, and Naufal Khan



In the digital age, the public is used to personalized customer experiences and highly convenient interactions with businesses. As such, there is increasing pressure on government agencies and public-sector organizations to deliver similar experiences to their “customers”—the citizens and residents for whom they work.

In our work with both public- and private-sector organizations, one of the most powerful ways of achieving these experiences is by adopting agile ways of working, particularly by IT departments. First popularized by software and technology companies and now commonly used across the private sector, agile emphasizes cross-functional collaboration and an iterative test-and-learn approach to delivering products and services. Organizations that have adopted agile methodologies report up to 30 percent faster time to market for products and similar improvements in organizational productivity.¹ Moreover, the cross-functional and empowered nature of agile teams helps deliver solutions and services that are much more user centric. The top-cited improvement objectives for agile transformations are shown in the exhibit.

We believe that government agencies can achieve similar gains, yet many public-sector organizations struggle to reap the full benefits of agile. A range of challenges are responsible for this. For example, while chief information officers may be familiar with the promise of agile, other stakeholders charged with leading the change might not be. In other cases, governments’ siloed organizational structures and workforce capability gaps, especially at the state and local levels, can work against a transition to agile.

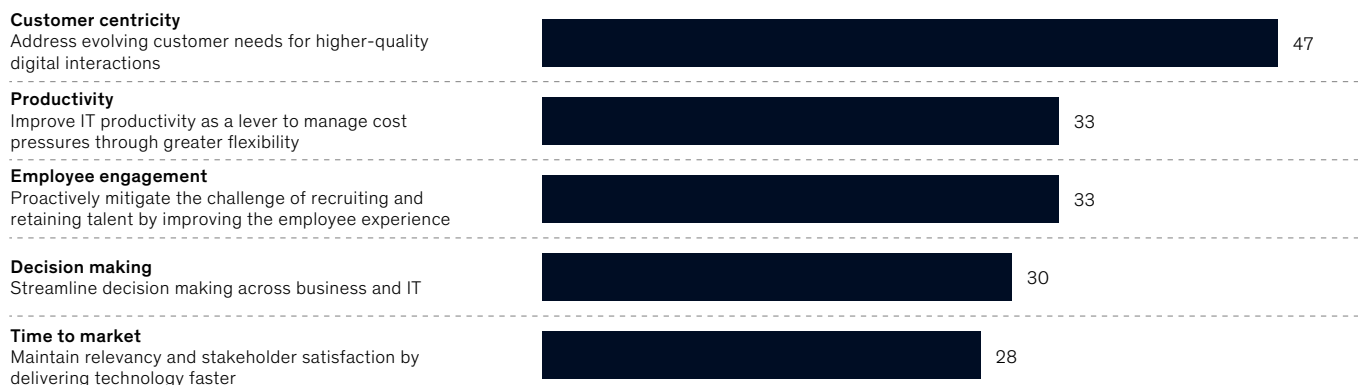
There is clear evidence that for government agencies to overcome these challenges, agile ways of working can be transformative. For instance, a leading public-sector finance player just completed a three-year transformation aimed at delivering customer-centric solutions through agile ways of working. The organization restructured its IT teams to break down organizational silos and encourage more collaboration and reoriented its technology solution development around end-user needs. In this way, the agency was able to improve citizen satisfaction scores as well as service delivery times. Meanwhile, agencies such as the US Social Security

¹ “How to create an agile organization: McKinsey Global Survey,” October 2017, McKinsey.com.

Exhibit

Customer centricity is often the most-cited driver of agile adoption.

Top-cited improvement objectives for agile transformations,¹ %



¹ Includes respondents who indicated that their organizations are currently undergoing or have finalized an agile transformation.

Source: How to create an agile organization: McKinsey Global Survey

Administration are starting to devote greater time and attention to understanding the needs of their constituents, using design thinking and agile development to better deliver timely and tailored services.

Obstacles to agile

Our research and experience suggest public-sector organizations typically face four common obstacles when seeking to use agile methodologies to transform their technology: hierarchical cultures, gaps in talent and capabilities, outdated organizational strategies, and complex procurement and partnership processes.

Hierarchical cultures

Agile methodologies enable organizations to learn quickly and move at a dramatically faster pace. For that to happen, however, teams must be empowered to make the best decisions in the moment, with the end user—rather than the internal structures and norms—at the center. Another important agile principle is to adopt iterative, test-and-learn approaches with fail-fast mindsets.² Such approaches and mindsets can be difficult to adopt in the public sector, which operates under public scrutiny and faces significant political and public pressures. This often creates command-and-control and failure-averse cultures to avoid negative attention. As a result, teams in public-sector organizations are often forced to contend with bureaucratic hurdles and controls that complicate even simple tasks and decisions, hampering their ability to deliver services in a timely, citizen-centric manner.

Talent and capability gaps

Critical agile capabilities such as user-centered design, product management, and automation engineering tend to be absent in public-sector environments. Moreover, public-sector IT departments often struggle to recruit competent digital talent because of budget constraints, salary

caps, and policy restrictions (for example, only entry-level hiring). Public-sector organizations also struggle with the perception, especially with top technology talent, that government jobs mean a stifling work environment and culture, with limited opportunities for skill development and career growth.

Outdated organizational strategies

The move to agile requires a different kind of organization, with cross-functional teams and an emphasis on end-to-end development. This is difficult in public-sector organizations, where IT is often siloed away from the business teams that deliver or design services for citizens. Within the IT function, there are often additional silos, organized by stages of software development, applications, and projects. For instance, development teams may be organized by systems and then by development, testing, and infrastructure—which can create fragmentation, slow delivery of improvements, and ultimately, degrade citizen experience. While it is not uncommon to have these silos in the private sector, breaking them down and overcoming them is significantly more difficult in the public sector.

Complex procurement and partnership environment

In an agile organization, self-managing teams identify their own procurement needs instead of relying on a centralized procurement department. This model can be difficult to implement in public-sector organizations that must often source through a centralized department that requires multiple reviews and sign-offs with long timelines. Furthermore, because public-sector organizations often don't have the required in-house capabilities, they tend to rely on external vendors more than private-sector companies do—especially for technology services. This can lead to two problems: first, it makes it difficult for government organizations to properly evaluate and select best-suited vendor partners; second, the procurement constraints, along with a lack of agile

² The fail-fast philosophy employs development and testing to determine an idea's value. This methodology rethinks failure as a knowledge-making and learning process that can lead to success.

expertise, make it nearly impossible to design and implement effective, agile partnership models with vendors or incorporate the right performance and impact metrics.

Implementing agile

In our experience, government agencies can overcome these obstacles with a deliberate focus on four core dimensions. And while these changes take time, organizations that start now can gain significant advantages.

1. Start small. Organizations that are successful at adopting agile usually begin by implementing small, ring-fenced pilots to test, learn, and demonstrate the impact. This scale allows citizens, employees, and managers alike to see the potential of agile—overcoming risk aversion and building momentum within the organization. It

also provides the opportunity to learn and refine the agile practices for the specific organization's context. This approach works best when the initial project is both visible and valuable.³ For instance, the US Department of Veterans Affairs (VA) built a new application process for its disability-claims program with the goal of streamlining the transfer of data and easing the claim-submission process for veterans (see sidebar, “Building a new client portal to facilitate veteran interaction and benefits collection”). At the time, 65 percent of disability and pension claims being submitted to the VA were sent on paper or by fax. The department launched a small pilot to understand the exchange-to-exchange process and fully automate the application process for a subset of veterans. The pilot program demonstrated that the department could drastically cut the time and steps required to submit a claim while also proving the value of an agile approach for other units within the VA.⁴

³ For more on agile pilots, see Daniel Brosseau, Sherina Ebrahim, Christopher Handscomb, and Shail Thaker, “The journey to an agile organization,” May 2019, on McKinsey.com.

⁴ “Lighthouse open API pledge - Shaping a new direction for health care,” US Department of Veterans Affairs, oig.va.gov.

Building a new client portal to facilitate veteran interaction and benefits collection

The VA.gov effort—which aimed to build a new client portal that made it easier for veterans to interact with the US Department of Veterans Affairs (VA) and collect benefits—was a collaboration with many teams across the VA, coordinated by the Digital Service at the VA. This effort built on years of small successes piloting agile with different VA business partners. The VA.gov effort was driven by research into how veterans, service members, caregivers, and dependents accessed the VA as well as deep analysis of usage and call-center data to understand user priorities and needs. The team focused

their efforts on building the smallest set of new content and functionality possible that could meet these initial needs.

Employing a design-build-test-iterate model of development was a culture shock for many of the stakeholders involved; they were used to getting a list of requirements, assigning the tasks, and then creating a product after the solution had passed through all stages. In the new agile methodology, stakeholders were involved in the cocreation and testing and could see the progress and evolution of the site. The vendors supporting this effort

were comfortable with agile ways of working. The team was able to work with IT leadership to remove some of the documentation and reporting burdens that were typical of IT projects, allowing for much more frequent deployment of software (multiple times daily).

2. *Reimagine the culture.* Agile organizations are driven by empowered autonomous teams and, as such, require a new leadership model. In an agile organization, leaders are no longer superior to those who report to them directly in an organizational hierarchy; instead they are peers who serve as architects, coaches, and catalysts. For example, the British Army recently began its transformation by driving mindset changes in its Personnel Directorate (DPers). To start, DPers established a set of values that reflected the kind of agile organization it wanted to become. Once the values were set, leaders were encouraged to hold each other accountable on these values and cascade them through their working groups. The results: improved productivity, a more empowered workforce, and a greater ability to respond to an ever-changing operating context.⁵

3. *Find new ways to appeal to top talent.* In order to implement agile at scale, it is necessary to have a clear strategy for recruiting and managing talent. For instance, the US Digital Service (USDS) clearly and compellingly articulated its value proposition and has successfully attracted more than 400 top engineers, designers, and product managers from Silicon Valley and eminent public-sector companies. Mirroring the best practices of high-tech and digital players, the USDS streamlined its application process via its website, set a fast timeline of 15 days from interview to conditional offer for qualified applicants, and made the process more transparent to applicants.⁶ In addition, government agencies can offer meaningful mission-driven work that is not always available in the private sector. The USDS, for instance, appealed to prospective employees' sense of purpose by recruiting for vital projects, including a digital service team to support veterans

and a project to strengthen cybersecurity at the US Department of Defense.

4. *Modernize the vendor-engagement model.* Agile-friendly procurement processes enable teams to obtain partner resources quickly without compromising quality. Contracts for agile projects in the private sector, for example, are based on the progress made at the end of each sprint, not on work delivered at the end of multiyear contracts. Public-sector organizations can seek to incorporate some of these principles into their engagements with vendors. For instance, they can adapt pricing models that account for variability in requirements as projects move through sprints while using shared, predefined (during contracting), and outcome-focused performance indicators to ensure that the agency and its partners work toward the same goals. Roles and responsibilities can also be split between the agency and its partners to support skills transfer to the public-sector teams and to minimize the organization's overreliance on the vendor partner in the long run. Organizations that have done this well have used their vendor relationships to foster innovation, productivity, and the active transfer of skills to in-house employees.

Government agencies today are almost universally under pressure to deliver more and better services to their stakeholders, with smaller budgets and fewer resources. Adopting an agile way of working in technology and digital can help public-sector leaders cope with these pressures while improving citizen experience and service delivery, leading to a renewed sense of trust and confidence.

⁵ David Chinn, Jonathan Dimson, Christopher Handscomb, Jesper Ludolph, and Xavier Tang, "Building agility in the British Army's headquarters," October 2019, McKinsey.com.

⁶ "Hiring top technical talent from the private sector," *Report to Congress – December 2016*, US Digital Service, December 2016, usds.gov.

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