Accelerating Digital Transformation to Navigate Business Disruption

The pandemic has profoundly impacted every facet of life and work. The changes it has wrought will reverberate for years. Government organizations have been at the forefront of this disruption, working furiously to continue operations and serve the public. While remote work, constituent self-services, automation, and other digital transformation initiatives once seemed elusive and deferrable, they quickly became indispensable in the face of social distancing and unprecedented constituent needs. In a recent Center for Digital Government (CDG) survey, 80 percent of the responding 128 state and local tech leaders said digital transformation had become a more important goal for their organization since the pandemic.

In many ways, the pandemic has been both an accelerant and a proving ground for digital transformation. Agency leaders, government workers, and constituents have now experienced digital processes first-hand — and their efficacy. Mindsets are shifting as people realize most functions and services can be delivered digitally and that digitization is essential for business continuity, efficiency, and better customer experiences.

“We have to make sure we’re providing services to every constituent. And there was always a concern [we could] leave out those who were not ready for that digital transformation,” Texas Department of Information Resources CIO John Hoffman told CDG researchers. “Interestingly, there is now an entire segment of the population that is demanding nothing but a digital experience.”

Like many leaders, Hoffman recognizes the pandemic has been a tipping point for adoption. “I would say the pandemic has been a driver for innovation as much as an accelerator,” Hoffman said. “It turned projects from years to months, and months to weeks, and weeks to days. It really accelerated that entire process.”

Now, as the pandemic recedes, state and local government leaders are at an important crossroads. The disruption of COVID helped prove the critical role of digital transformation in business resilience, cost efficiencies, and the delivery of modern services. But for governments to build on the investments they’ve made and maintain momentum for digital transformation, they

FERTILE GROUND FOR TRANSFORMATION

Respondents in the CDG survey identified the key trends and challenges driving the need for digital transformation.

Remote work. About 80 percent of agencies responded to the pandemic by transitioning to remote work. Sixty percent say they need a more flexible work environment to be prepared for business disruption.

Digital services. Increasing the number of digital, contactless services is the second-highest priority among state, county, and local governments. Doing so will help address urgent needs of the moment as well as a general demand for more modern, convenient services.

IT staffing/skills shortage. Despite demand for digital services, organizations simply do not have the human resources to develop, deploy and maintain new applications and services in-house. They rank increased IT demands and needs as a top challenge.

Antiquated processes. Siloed legacy systems and manual, paper-based processes prevent organizations from working as quickly, intelligently and cost-effectively as possible. Survey respondents rank automated processes among their top three priorities.

Reduced revenue. On average, about 46 percent of respondents said their agency experienced revenue losses as a result of the pandemic. Steep losses and tightened budgets will force many state and local governments to reduce operational costs and find innovative ways to do more with less.

must now plot a path that goes beyond meeting the immediate needs of the crisis.

To support an ongoing culture of innovation, organizations will need to approach digital transformation with purpose and resolve. Doing so will help ensure they create an outcomes-focused technology foundation that allows them to meet a variety of challenges, prepare for future disruptions, and take advantage of new opportunities.

Igniting Purposeful Digital Transformation

To foster a culture of robust innovation, successful leaders must embrace purposeful digital transformation. Purposeful digital transformation focuses on a defined set of business goals, incorporates industry best practices, and uses technology judiciously to transform the underlying business. This approach is important for gaining buy-in, staying on track with goals, and ensuring investments support the long-term vision.

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“In the past, IT would say, ‘This is what you’re going to do; this is how you’re going to do it; and this is the system you’re going to use,’” Pueblo County, Colo., IT Director Lori Pinz told CDG. “We were trying to force them to adapt. Now we’re using the liaison approach — adapting to them — for providing that customer service, understanding their needs. And you [now] have that buy-in because you’re trying to solve that problem they’re bringing to you.”

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Pinz and other leaders engaged in purposeful digital transformation weave two key tenets into their strategy: First, they build bridges across individuals, departments, and agencies. Second, they focus on outcomes, not technology.

Key tenet: Build bridges across individuals, departments, and agencies

Digital transformation brings substantial change to agencies, especially those that have been bound to legacy systems, manual processes or long-standing ways of doing things. In CDG interviews, most respondents anticipated that cultural buy-in would be their top challenge as they begin to implement digital transformation plans. As Keith Fuchser, IT divisional manager for Arapahoe County, Colo., said, “The technology is not really the hard part with digital transformation. The tough part is the cultural shift.”

Building bridges across an organization encourages enterprise-wide adoption of digital transformation initiatives and increases cultural support for innovation. It is essential for strengthening trust and creating new synergies that propel the organization forward.

To mitigate disruption and increase stakeholder adoption of digital transformation initiatives, here are some key tactics to keep in mind:

- **Devise a formal plan.** Create and share a formal change management program. Establish the initiative as critical to the organization and communicate its short- and long-term value.

- **Solicit stakeholder input.** Include end users in the process from the start and take time to understand their business needs. Ensure plans align with the needs, capacity, and capabilities of stakeholders.

- **Crowdsource ideas.** Cultivate the sharing of ideas, accomplishments, and challenges to build on successes, tap into new opportunities, and increase stakeholder engagement.

- **Identify a single point of contact.** Appoint a departmental liaison who interacts with the IT team on an ongoing basis.

- **Be transparent.** Regularly communicate progress, benefits, and other important information — including challenges and setbacks.

- **Look for quick wins.** Validate the project's value as soon as possible. Share prototypes and proofs of concept; use focus groups to highlight benefits and capabilities.

- **Pace digital transformation.** To minimize the impact on IT and business staff, build capacity and momentum over time.

Key tenet: Focus on outcomes, not technology

As technology becomes more strategic in addressing urgent needs and meeting digital transformation goals, it's easy to forget that technology is a means to an end, and not the end itself.

"I'm trying to steer away from 'solutions,'" said Keith Fuchser, the IT division manager for Arapahoe County, Colo. "I really want to focus on [terms like] 'digital services,' 'customer experience,' 'business value,' and 'system consolidation.' I want to focus more on outcomes rather than technologies. It's very easy to say, 'We're just going to do a chatbot,' and then that's all we do. We lose sight of the forest for that little chatbot tree."

Focusing on outcomes helps leaders see the big picture in terms of digital transformation. It also optimizes spending and helps prevent the proliferation of siloed, one-off solutions. Although an organization may roll out individual projects, it establishes its overall direction and strategy upfront, and it never invests in technology for technology's sake. Rather, outcomes such as improving resident services, enabling remote work, streamlining work processes, and saving taxpayers' money guide technology decisions.

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Digital transformation is a journey. The following tactics help ensure organizations stay on course and use technology purposefully to achieve their goals:

- **Define vision and goals.** Defining the vision and prioritizing goals helps clarify the strategy and roadmap for achieving success. Organizations can focus on mission-critical initiatives first, break projects into manageable chunks, and muster the necessary resources at each phase.

- **Seek executive sponsorship.** Starting at the C-level, digital transformation must be promoted as a priority and funded accordingly.

- **Assign clear roles and responsibilities.** Hold individuals and groups accountable and identify interventions, trainings, and other mechanisms that can steer people back on track.

- **Identify KPIs and other metrics.** For each phase of the journey, identify key performance indicators (KPIs) and metrics that reflect the project's progress and value. Document the current state as soon as possible so you have a baseline for comparison. Assess progress on an ongoing basis.

- **Present a strong business argument.** To receive funding, organizations must be able to quantify total cost of ownership and demonstrate tangible value or return on investment. Be sure to demonstrate how new investments extend the value of existing assets and data.

- **Assess and improve processes before moving them.** Avoid simply replicating manual or legacy processes in a digital system. For example, take the opportunity to restructure charts of accounts or simplify approval processes.

- **Leverage industry best practices.** Turn to peers in other agencies and industry groups to get real-world examples of using technology purposefully. Instead of re-inventing the wheel, seek purpose-built solutions that target specific challenges and incorporate best practices into their workflows.

Technology as an Accelerant

A powerful set of core technologies — including cloud solutions, intelligent automation, purpose-built applications, and user-centric security — helps accelerate digital transformation. Organizations can leverage these technologies strategically to achieve a variety of goals and ensure they are prepared for future disruptions. Used purposefully (and often collectively), they exemplify the principle that technology is a means to an end, enabling organizations to improve the constituent experience, create more flexible work environments, streamline processes, and more.

Cloud solutions

For the majority of respondents in the CDG survey, cloud and hybrid cloud solutions are the main strategy used to achieve digital transformation. Cloud solutions are

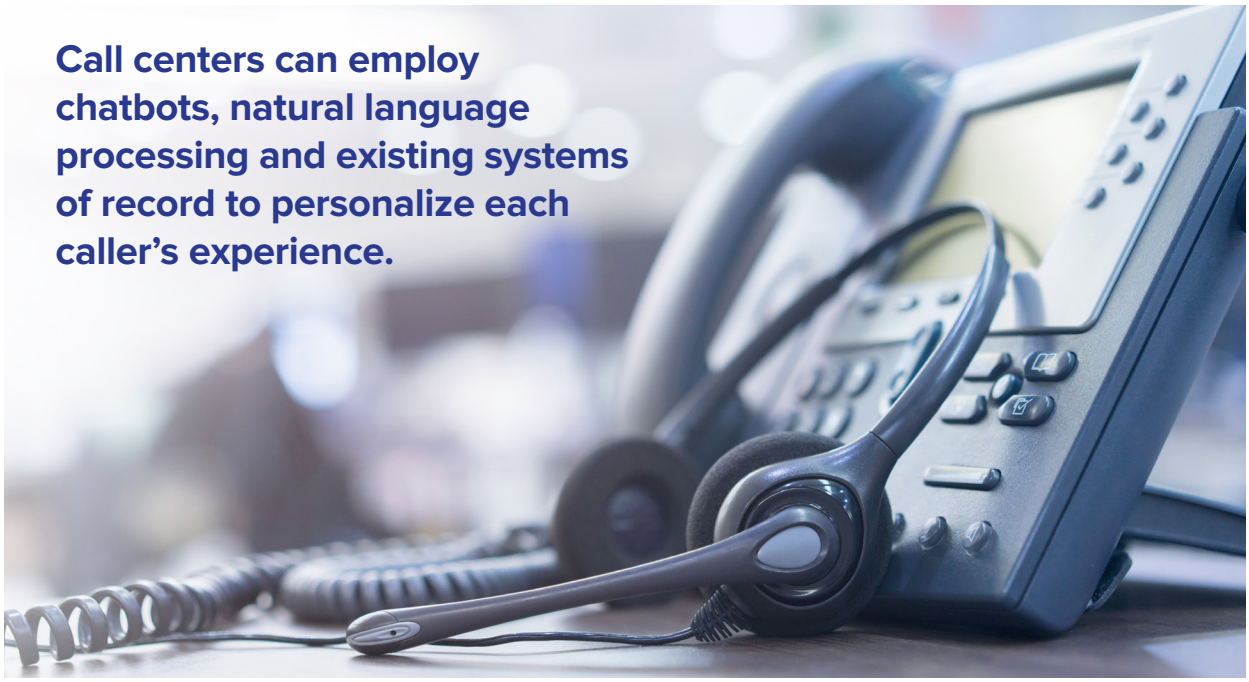
PURPOSE-BUILT SOLUTION EXPEDITES PROPERTY ASSESSMENT APPEALS

Arizona's Maricopa County is the fourth-largest county in the United States. With the pandemic placing financial hardships on homeowners and businesses, the county foresaw an uptick in residents' appeals to re-value their property — and thereby lower their taxes. Government statutes require the Assessor's Office to respond to appeals within a specific timeframe.

The office needed to conduct business remotely, and it needed to prepare for the anticipated surge in demand. But many of the assessor's processes were still manual and inefficient. To address this, the county decided to launch an online appeals portal as quickly and cost-effectively as possible.

Maricopa adopted a purpose-built, cloud-based solution and went live within just a few months. The contactless Property Tax Assessment Appeals and Exemptions solution allows property owners to easily submit residential and commercial valuation appeals without coming into an office or waiting in line. Fully automated workflows free up staff to focus on other issues and help ensure the office responds to appeals faster and more accurately.

"One of the pillars of our strategy is innovation and digital transformation," Maricopa County CIO Ed Winfield said. "We look for ways we can leverage known technologies to address process efficiencies, functional needs and help workflows throughout the county. We also have a demand from our individual constituents for online services … and that has been especially prevalent during COVID."



foundational, in part because they allow organizations to quickly establish a footprint in the transformation process and then evolve at their own pace as budget and other resources allow.

When the pandemic struck, cloud infrastructure, platforms, and software-as-a-service solutions were instrumental in quickly enabling remote work, unifying communications, and delivering personalized, omni-channel call center services. These solutions provided a clear view into the challenges the cloud addresses and the outcomes it enables.

Using cloud-based solutions, organizations can more easily integrate siloed legacy systems with modern web-based interfaces and other functionalities — allowing organizations to improve business processes and extend the value of those systems and the data within them. They can also flexibly scale computing, storage, and bandwidth as demands fluctuate, alleviating the burden of implementing and maintaining those resources in-house.

Intelligent automation

Automation that incorporates artificial intelligence is increasingly important as organizations attempt to enhance constituent services, do more with less, and improve decision-making. It enables a level of insight, accuracy, and efficiency that is practically impossible to achieve via manual, human-powered processes.

Call centers can employ chatbots, natural language processing, and existing systems of record to personalize each caller's experience. Agencies can provide convenient, end-to-end digital constituent services that enable complex transactions and workflows related to validating identity, determining eligibility, and approving services. In the back office, digital workers can complete repetitive, manual processes for everything from accounts payable to arrest bookings so employees can focus their time and expertise on more engaging, higher-priority work.

Purpose-built applications

Pre-built applications enable organizations to quickly deploy consumer-facing services or back-office solutions that address a specific process. These automated solutions incorporate best practices, business rules, and typical workflows related to the process. The best offerings seamlessly integrate with back-office and third-party applications to provide a fully automated, end-to-end solution.

Purpose-built solutions ensure each task or item within the process is addressed correctly, at the right time, in the right order, and by the right person. By relying on a technology partner's innovation, subject matter expertise, and proven methodology, organizations can save time and money associated with application development, avoid workflow errors, and improve the user experience for both staff and constituents.

Constituent-facing solutions range from push alerts about upcoming court dates to online portals for appealing a property assessment to setting up a short-term rental business. On the back end, purpose-built solutions automate and streamline complex tasks such as moving legacy ERP solutions to the cloud or tracking contracts that contain diversity management requirements.

User-centric access control

Data security, compliance, and governance are essential components of every digital transformation initiative. However, an ever-increasing number of mobile devices, internet-of-things sensors, cloud environments, and other endpoints is expanding the attack surface, blurring the lines of the network perimeter, and making cybersecurity more complex than ever.

Organizations typically have an arsenal of tools to detect, prevent, predict, and defend against data breaches and cyberattacks. But these tools often operate in silos that interfere with visibility and control. In addition, many tools protect data at rest and physical systems within the organization's network, but are ineffective once data travels beyond the organization's firewall.

To simplify and strengthen cybersecurity across the digital enterprise, many organizations are adopting user-centric access controls for remote work, digital services, and other digital transformation initiatives. A user-centric model focuses on allowing access to resources based on a user's identity, access privileges, and behavior. In this context, a user can be a human or a device. Typical controls within this approach include multi-factor authentication, which helps ensure users are who they say they are; role-based access control, which helps ensure an authenticated user can only access the resources they are authorized to access; and behavioral analysis, which monitors and analyzes user behavior to detect anomalies or other suspicious activity that may indicate a cyberattack.

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Staying Committed to the Process

By building on the momentum of recent successes, states and localities are poised to transform their organizations and navigate disruption more quickly, comprehensively, and creatively than ever.

While it's tempting to view digital transformation as a destination, forward-looking organizations will see it as a journey and remain committed to a continuous program of improvement.

Purposeful digital transformation fosters a culture that can sustain transformation and innovation beyond the enthusiasm and watersheds of the moment. It is grounded in realistic planning and proven best practices that leverage technology in service of the organization's mission and vision. As they pursue purposeful digital transformation, many government leaders will rely on the knowledge and expertise of their vendors for guidance, training, and state-of-the-art technology solutions.

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