DIGITAL GOVERNMENT TRANSFORMATION
US Public Survey Data Analysis
Public Sector Research Group
October 2015

*US Public Sector refers to State/local/city agencies or organizations
These early stage companies are disrupting and transforming so many other industries, and yet the public sector has yet to be transformed. And we know that it’s a huge commercial opportunity. The impact for change in society is tremendous. All the things that entrepreneurs are looking for.”

— Jay Nath, Chief Innovation Officer, City of San Francisco
READINESS AND RESPONSE

<table>
<thead>
<tr>
<th>Have a clear and coherent digital strategy?</th>
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<tbody>
<tr>
<td>Global</td>
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<tr>
<td>US Public Sector</td>
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<table>
<thead>
<tr>
<th>Objectives of digital strategy</th>
<th>% agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increase efficiency</td>
<td>87%</td>
</tr>
<tr>
<td>2. Create or access valuable information or insights to improve decision making</td>
<td>84%</td>
</tr>
<tr>
<td>3. Improve customer/citizen experience and engagement, and transparency</td>
<td>82%</td>
</tr>
<tr>
<td>4. Fundamentally transform our organization processes and/or organization model</td>
<td>64%</td>
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<tr>
<td>5. Create or access valuable information or insights for innovation</td>
<td>62%</td>
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</table>

65 percent say that digital trends are improving their organization’s ability to respond to threats and opportunities.

73 percent say their digital capabilities are behind the private sector.

36% confident globally
37% satisfied globally

Satisfied with organization’s current reaction to digital trends

Confident about organization’s readiness to respond to digital trends

Digital opportunity vs investment

Global
- View digital technologies as an opportunity
- Increased investment in digital initiatives in the last fiscal

US Public Sector
- View digital technologies as an opportunity
- Increased investment in digital initiatives in the last fiscal

Don’t know Disagree Neither agree nor disagree Agree
**LEADERSHIP, WORKFORCE AND SKILLS**

89% find workforce and skills to be a challenging area to manage in their organization’s transition to digital.

58% say that leadership understands digital trends and technologies.

51% say that their leaders have sufficient skills to lead the organization’s digital strategy.

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**Digital skills vs investment in workforce**

- **Global**
  - Employees have sufficient skills to execute organization’s digital strategy: 34%
  - Organization provides opportunities and resources to obtain the right skills: 33%

- **US Public Sector**
  - Employees have sufficient skills to execute organization’s digital strategy: 37%
  - Organization provides opportunities and resources to obtain the right skills: 40%

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**Workforce-skills lacking**

- **Entrepreneurial spirit**: 53% (US Public Sector) vs 59% (Global)
- **Agility**: 55% (US Public Sector) vs 59% (Global)
- **Technological savviness**: 46% (US Public Sector) vs 42% (Global)
- **Business acumen**: 46% (US Public Sector) vs 42% (Global)
- **Collaborative processes**: 40% (US Public Sector) vs 42% (Global)
- **User experience design**: 39% (US Public Sector) vs 39% (Global)

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Does a single person or group have the responsibility to oversee/manage your organization’s digital strategy?

- **US Public Sector**: Yes, 51%
- **Global**: Yes, 51%
78% say that digital technologies and capabilities enable employees at their organization to work better with customers/citizens.

82% say improving customer/citizen experience and transparency is an objective of their organization’s digital strategy.

How are digital trends impacting your organization’s customer/citizen service quality?

- **US Public Sector**: Improving, 73%
- **Global**: Improving, 78%

What is the biggest driver of digital transformation?

- **Global**:
  - Customer/citizen demands: 38%
  - Cost and budget pressures: 3%
  - Federal/central government directives: 38%
  - Others: 3%
- **US Public Sector**: Improving, 73%
  - Customer/citizen demands: 37%
  - Cost and budget pressures: 3%
  - Federal/central government directives: 38%
  - Others: 3%

What is the level of customer/citizen involvement in co-creating digital services for your organization?

- **US Public Sector**:
  - Don’t know: 13%
  - Low: 57%
  - Neither high nor low: 19%
  - High: 11%
- **Global**:
  - Don’t know: 11%
  - Low: 53%
  - Neither high nor low: 23%
  - High: 13%
**CULTURE - INNOVATION, COLLABORATION, OPEN SOURCE, AGILE**

89% find culture to be a challenging area to manage in their organization’s transition to digital

To what extent does your organization use open source technology to deliver digitally transformed services?

- **Global**
  - Great extent
    - 5%
  - Moderate extent
    - 18%
  - Small extent
    - 35%

- **US Public Sector**
  - Great extent
    - 3%
  - Moderate extent
    - 14%
  - Small extent
    - 27%

Is the transition to digital altering your organization’s attitude towards risk?

- **Global**
  - Improving
    - 46%
  - Neither improving nor degrading
    - 28%
  - Improving
    - 26%

- **US Public Sector**
  - Improving
    - 59%
  - Neither improving nor degrading
    - 19%
  - Improving
    - 22%

69% say that digital technologies and capabilities enable employees at their organization to work better with other employees

Digital trends are changing these dynamics within my organization:

- **Collaborative culture**
  - Improving
    - 70%
  - Neither improving nor degrading
    - 27%
  - Don’t know
    - 3%

- **Innovative culture**
  - Improving
    - 67%
  - Neither improving nor degrading
    - 30%
  - Don’t know
    - 3%

67% globally say digital trends improve collaborative culture

65% globally say digital trends improve innovative culture
**PROCUREMENT**

76% find procurement to be a challenging area to manage in their organization’s transition to digital.

62% say that government procurement needs to change significantly or very significantly to accommodate digital transformation.

43% say that they are satisfied with the community of vendors that currently serves the digital government marketplace.

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**Top 3 obstacles to better procurement practices in the digital age**

<table>
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<th>Global</th>
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<tbody>
<tr>
<td>1. Rules/regulations</td>
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</tr>
<tr>
<td>2. Lack of flexibility</td>
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</tr>
<tr>
<td>3. Onerous terms and conditions</td>
<td>3. Procurement skill sets</td>
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**In what ways does procurement need to change to enable digital transformation?**

- Agile development process: 39% US Public Sector, 45% Global
- Less restrictive terms and conditions: 22% US Public Sector, 31% Global
- Less control from the center: 16% US Public Sector, 21% Global
- Modular development: 12% US Public Sector, 20% Global
- More open to small and medium-sized companies: 10% US Public Sector, 19% Global
- Shorter contract periods: 7% US Public Sector, 10% Global

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Development of digital services:
- In-house: 16%
- Outourced: 11%
- Developed by others: 8%
- Mixed (in-house and contracted model): 68%