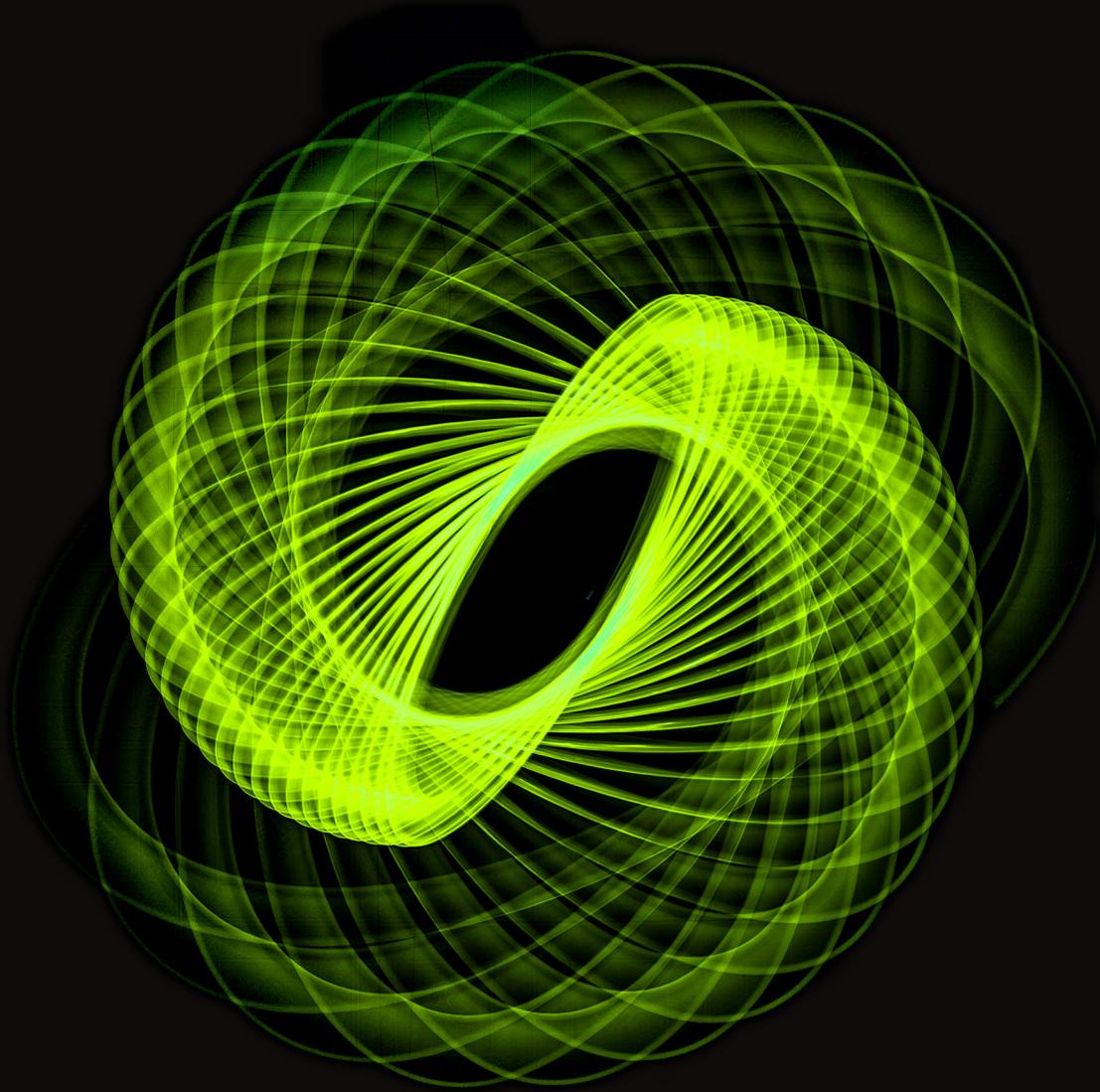


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**2018 Federal Government
Industry Outlook**
Interview with Dan Helfrich

A conversation with Deloitte Federal Services leader **Dan Helfrich**—his take on what's big for the federal government in 2018.

Any bold predictions for 2018?

My prediction for 2018 is that cognitive technologies—artificial intelligence, computer vision algorithms, and machine learning, etc.—will move from the hypothetical to the practical. With the Modernizing Government Technology Act now law, agencies will have more opportunity to invest in cognitive tech. We are actively working with government leaders to help them understand whether, how, and where to invest in applying cognitive technologies for best impact on their missions.

And bonus prediction: Argentina-England will play in World Cup final.

But what about blockchain, will that move to the practical too?

Yes, blockchain is on the precipice of an important shift from pilot to project. I agree with Forrester's prediction that 2018 will be "the year of reckoning for blockchain initiatives." There are still many questions that governments need to address in order to get comfortable with blockchain. Just the idea of being part of a blockchain ecosystem raises questions—who owns the blockchain? Or how do different government entities interact in the blockchain? The only way we'll get to answers is by experimenting, testing, iterating and learning from those pilots and first initial projects.

I love the idea—and I really think it may happen—of several agencies collaborating for a whole-of-government approach to the blockchain where they have common interests. The essential question though, whether it is blockchain or cognitive technologies, is: how does this advance our mission?

What's another trend—maybe one that isn't so focused on technology—that government leaders should be focused on?

Shared services is a trend we're spending a lot of time on. Fundamentally, shared services are about how HR and procurement and finance are delivered. With the administration's focus on efficient and effective delivery of services, agencies serving other governments is an interesting marketplace as I think there will be some shifts in service providers in the next 12-18 months.

The other shift happening within shared services is this confluence with technology. Technological advancements enable new, better shared services. For example, a key part of the administration's Cybersecurity Executive Order focused on shared services for cloud. That's three issues wrapped up together—shared services, cloud and cyber.

We've heard about shared services for years, but 2018 could be the year where shared services become a key part of IT modernization efforts. This confluence of technologies and business strategies is what is powerful and can drive significant transformation within government.

What about the people aspect—the government workforce—what trends are you seeing within the government talent organizations?

Government leaders are having to rethink how they organize, recruit, develop, manage, and engage 21st century employees. We're working with government clients on ways they can embrace digital technologies for not just recruiting but better manage the whole employee lifecycle.

Our experiences as consumers have "trained" us to be good at self-service and government can take advantage of this trend in their approach to HR by moving away from HR systems dependent on manual entry. Systems built on knowledge bases can communicate the way employees now communicate, making their lives easier as well as speeding up and streamlining the delivery of HR services.

I'd also add that with cognitive technologies comes a tidal wave of change in how work is managed. We recently estimated in our [AI in Government](#) report that automation could save between 96.7 million and 1.2 billion federal hours annually. That's a huge impact on who does what, what people's roles and responsibilities are. As these technologies are put into place, human capital leaders should be working hand in hand to ensure the savings are realized and that their people are focused on that value-add, mission-critical work.

“Just the idea of being part of a blockchain ecosystem raises questions—who owns the blockchain?”

Name one trend critical to Deloitte’s business growth in 2018.

One trend would be a continued focus on a hybrid approach to professional services. For example, sometimes a client needs traditional services. More often, today’s challenges demand BOTH those services AND a corresponding technology platform or intellectual property. Today’s professional services firm needs to be able to bring a variety of different assets to their clients and we’re doing that now and expect to see client demand increase dramatically over the next 12-24 months.



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