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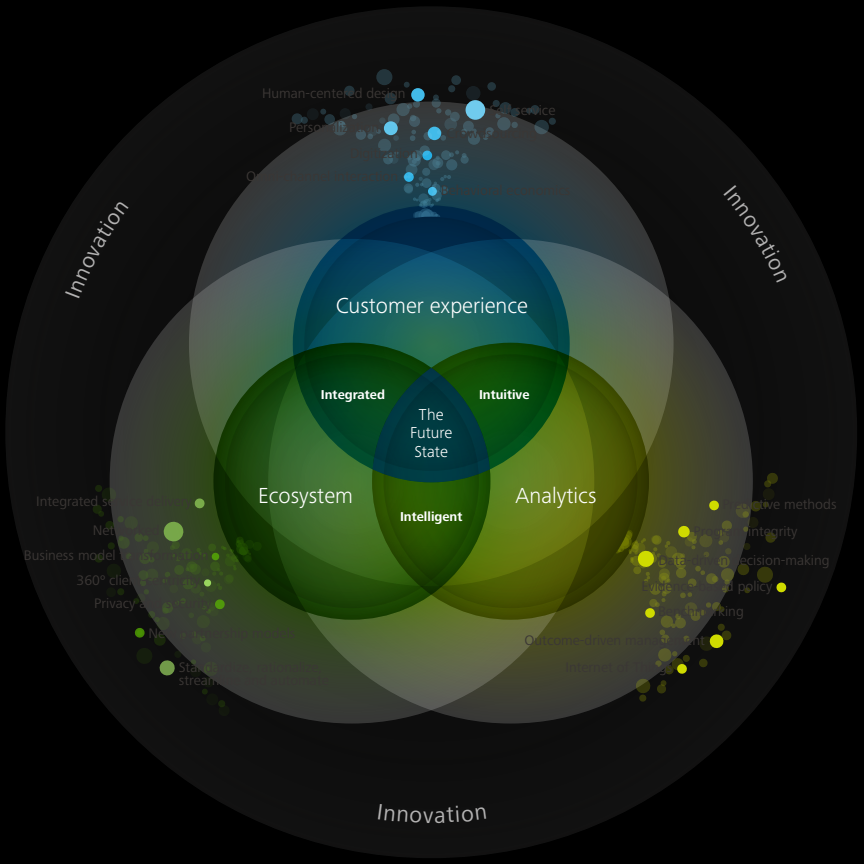

The future of state government
Intuitive. Integrated. Intelligent.

Consulting

Technology is reshaping government and the **speed of change is accelerating.**

Living out the promise of this change means pushing past old limits and **setting new expectations.**

So what might the new model look like?

State government of the future starts with people. The Future State provides the right services through the right channel at the right time. There is no wrong door—it cuts across the functions and connects all the dots. It uses evidence to deliver better outcomes. If "respond" was the old standard, "anticipate" will be the new one.

Three key trends drive this change—customer experience, analytics, and integration across government and the broader ecosystem. State governments drive fundamental innovation in their business models and deliver a better experience. The future state will be more intuitive, integrated, and intelligent.

In this future...

- Disconnects in customer service yield to the smart power of technology, not the hard labor of formalistic reorganizing. Gain doesn't always require pain.
- Health care systems evolve from "sick care" to wellness. Helping people stay healthy in the first place is the best prescription—and the most cost-effective.
- Citizens aren't left to decode the system and work it from the outside. Citizens are at the center, and the system organizes itself around them.
- Human services shift from focusing on transactions to achieving life-changing outcomes for children and families.
- Business licensing, compliance, and reporting, now costly and burdensome, transform into a seamless, one-stop shop experience.

A new model

Intuitive
In a world of constant change, intuitive governments harness the power of analytics and digital technology to sense and respond to citizen needs as they evolve. Feedback loops and performance analytics help to continuously refine and improve services.

Integrated
Integrated governments replace vertical divisions with a horizontal model that aligns the enterprise to create a streamlined, personalized and engaging citizen experience.

Intelligent
Governments that learn from behavioral economics, psychology, and analytics can use data to manage risk, empower their workforces, and continuously reconfigure in pursuit of better outcomes.

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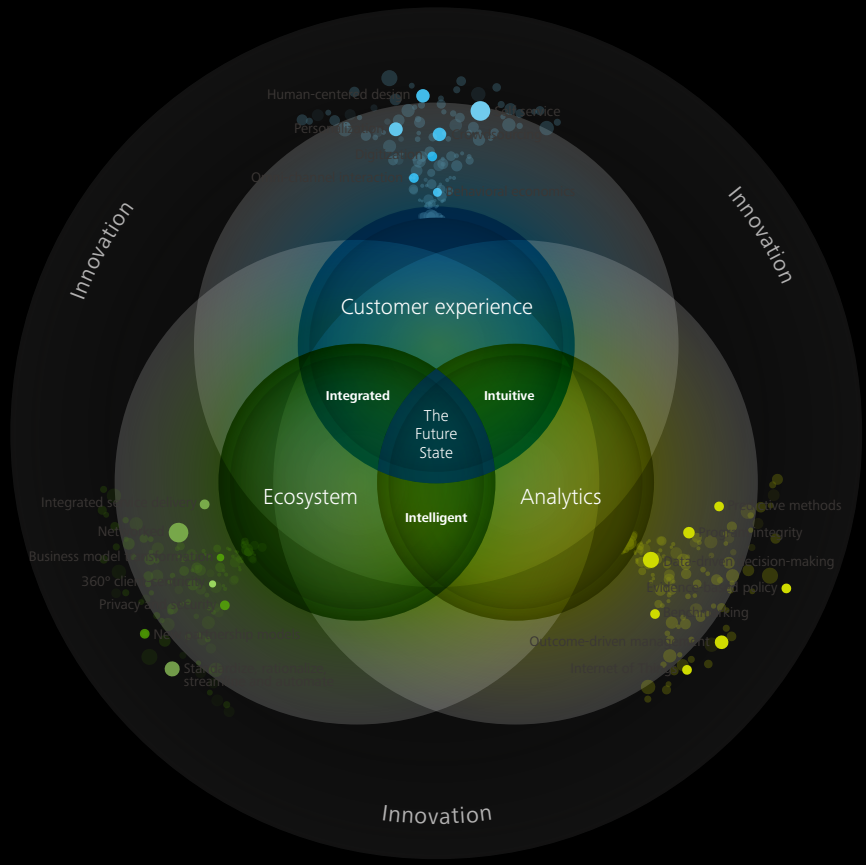

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Features
What trends are driving change?

Principles
How does future government deliver?

Outcomes
What does the customer experience look like?

Customer experience
- Omni-channel interaction
- Digitization
- Personalization
- Human-centered design
- Self service
- Crowdsourcing
- Behavioral economics

Every problem has a focal point. But whose point of view takes precedence? The future focus shifts to the citizen—from providing services to delivering digital experiences that guide and help citizens across life events: finding a job, having a baby, starting a business, applying for a license. The future-state government:

- **Designs for the future** by deconstructing complex problems from the citizen's view
- **Meaningfully segments constituents** according to their needs and preferences
- **Influences positive behavior** by understanding triggers that shape actions
- **Transforms service design** by aligning structure, resources, and operations around the customer
- **Anticipates customer needs** through the use of analytics

When the government has a single view of the customer and the customer has a "single-window" interaction with government, both sides spend more energy on progress and less on process.

Ecosystem
- Integrated service delivery
- Networked
- Business model transformation
- 360 ° client-centricity
- Privacy and security
- New partnership models
- Standardize, rationalize, streamline and automate

Government doesn't pursue objectives in the same ways the private sector does. It isn't meant to. But a government that marshals its resources without getting in its own way can drive toward the outcomes its ecosystem needs. The future-state government:

- **Connects resources to solvers** in areas such as data, finance, and policy
- **Aligns partners to outcomes** using social criteria to understand each player's mission
- **Integrates service delivery** to drive efficient use of the customer's effort
- **Turns wicked problems into wicked opportunities** by integrating the efforts of problem solvers across the public, private and nonprofit sectors

Governments that create the necessary platforms are able to extend the enterprise beyond the four walls of a department and work with citizens and private partners across internal and external ecosystems. That leaves them more open and collaborative. Imagine a more seamless and efficient government whose constituents can do everything online and never have to enter the same information twice.

Analytics
- Predictive methods
- Program integrity
- Evidence-based policy
- Data-driven decision-making
- Outcome-driven management
- Benchmarking
- Internet of Things

Advanced algorithms, faster computing, visualization tools, and predictive models don't just allow governments to mine insights from their data—they let governments put these insights to use. The future-state government:

- **Asks the right questions** to get to the core of issues
- **Identifies root problems** so the fundamental challenge can be articulated
- **Detects signals faster** and more accurately
- **Builds a fact-driven culture** that embeds analytics outputs

Analytics can unlock "sense and respond" capabilities that transform operations. Inside government, areas like workforce management and finance stand to reap the benefits. Externally, sensing and social media engagement can make service delivery more efficient, while regulatory monitoring and detection can become faster and more effective.

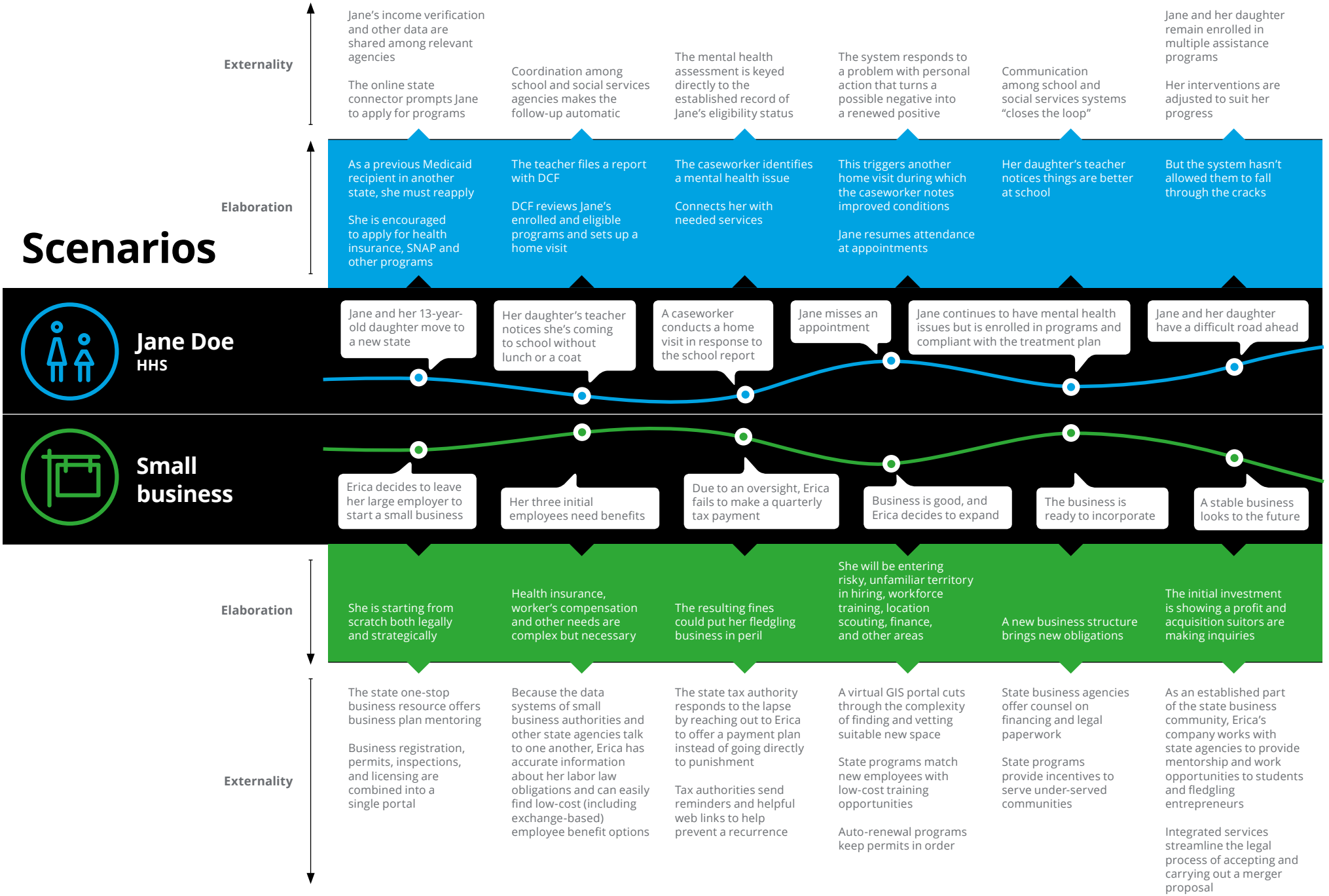
Innovation
- Open functionality
- Applied learning
- Adaptive rules
- New business models

Governments can't always change their core mission, but they can adopt creative approaches to achieving it. They can reach across boundaries to form partnerships with innovators on the outside, and they can adopt new practices to build a culture of innovation on the inside. The future-state government:

- **Cultivates a culture of innovation** so ideas arise from inside and outside government
- **Replicates and tailors ideas** that work
- **Networks with experts** to test new ideas and cut through artificial barriers
- **Creates and maintains platforms** that bring people together

Whether government designs and builds innovative new practices, adopts them from outside, or builds a platform to bring people together, a culture of innovation increases government's propensity to collaborate with citizens and the private sector in an effort to help solve societal problems.

Scenarios



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Living in the future state

Nudge vs. fudge

Analytics
New Mexico Department of Workforce Solutions

One in 10 state unemployment insurance dollars goes to someone who is ineligible. The New Mexico Department of Workforce Solutions is using a novel approach to stem these losses: Instead of the traditional "pay then chase" method, the department has combined predictive analytics with behavioral nudges to stop overpayments before they're made. Field-tested "nudge" language on the department website encourages claimants to give accurate answers rather than "fudging" questions about their eligibility. The difference this language makes during key moments of the filing process has been able to reduce improper payments and provide significant savings to the state's unemployment trust fund.

Analytics can unlock "sense and respond" capabilities that transform operations making service delivery more efficient, faster and more effective.

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Technology based on reality

Customer experience
Texas HHS eligibility app

Moving citizen-government interaction onto a mobile platform sounds like a worthy task. But it would be cumbersome to account for every kind of interaction and make each one work on every kind of device. Instead, the Texas Health and Human Services Commission visited service centers to see what people needed to accomplish and what devices they carried. Many benefit recipients have smart phones, and many use them as their primary online devices. Creating an app that allowed citizens to submit verification documents using the cameras on their phones was a targeted solution, not a needlessly comprehensive one. The result wasn't just quicker and cheaper; it was more effective. Within a month, the new app was the commission's leading channel for verification submissions.

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Embracing complexity

Ecosystem
The RE-AMP Network

An ecosystem is too complex for single-point solutions to work well. Instead, many problems respond better to a broad approach that applies a full portfolio of strategic interventions at many points in the system. The RE-AMP Network uses that insight on behalf of clean energy—it's a collaborative effort among 160 nonprofits and foundations in eight Midwestern US states. The group has one goal: reducing greenhouse gas emissions 80 percent by 2050. But in pursuing that goal, the network has identified four mutually supporting "bulls-eyes": prevent the building of new coal-fired power plants, shut down existing plants, make renewable power a viable alternative, and reduce energy consumption through significant efficiency measures. Ruth Rominger, a consultant to the project, said the group "knew that unless they coordinated to work on those four levers simultaneously, they wouldn't make progress." Or, as the Monitor Institute put it, "Start by understanding the system you are trying to change."

Working with private partners across the ecosystems is more open and collaborative allowing constituents to do everything online and never have to enter the same information twice.

A culture of innovation increases government's propensity to collaborate with citizens and the private sector in an effort to help solve societal problems.

Power to the people

Innovation
Open NY

The machine-readable data from more than 100 million public records is a terrific public resource. But how to extract value from it? In New York State, the Open NY program turned to citizens for the answer. The state invited developers to six "hackathons" and encouraged them to develop apps and portals they thought would be useful. Some of the results already in operation include apps that let people find local shelters and food banks, teach sign language to hearing children, or locate family services, as well as portals that support a ready view of health data, budgeting, campus crime, and local statutes. In a parallel move, the state also carried out a user-centric redesign for a state website that hadn't changed in 15 years.

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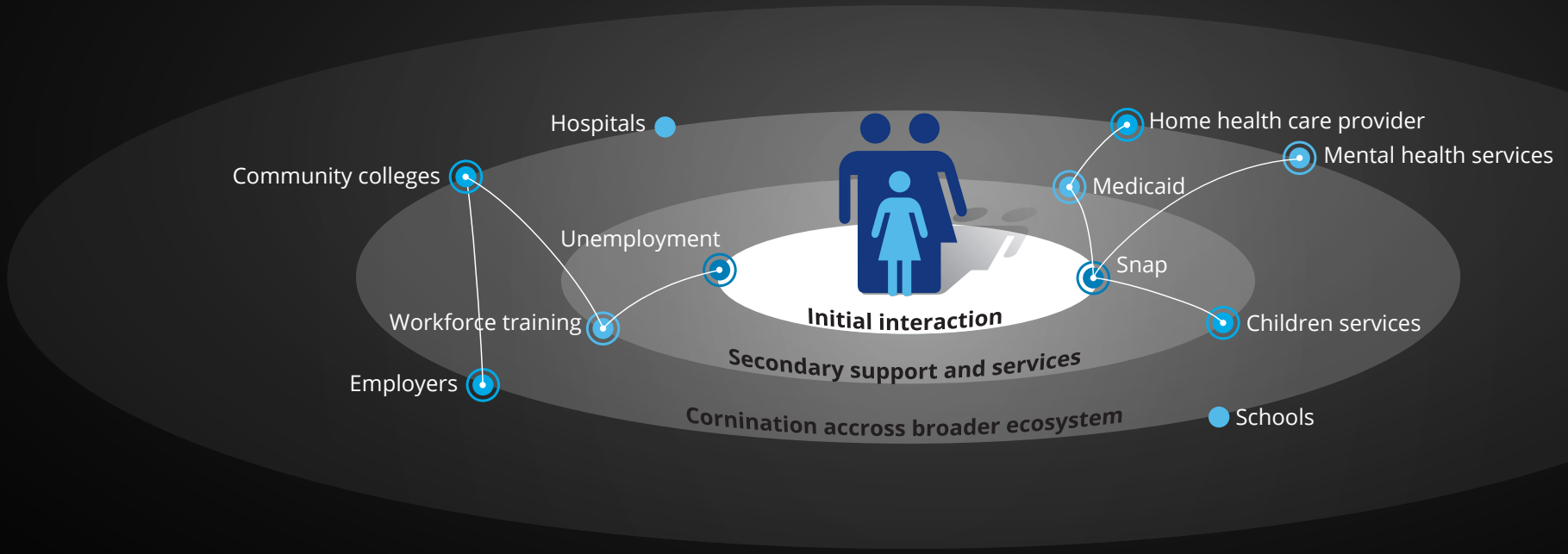
Future of state government

Traditional government surrounds the citizen with a confusing array of touch points—and it's the citizen's responsibility to know and pursue them. When government functions instead as an integrated, intelligent, intuitive ecosystem, it is able to connect dots, sense needs, and react accordingly. If a family interacts with government at one point, analytics may be used to anticipate the right services at the right time, in the most effective manner, at the most appropriate cost, across the ecosystem.



Let's talk

State government leaders will be faced with a rapidly changing landscape based on the exponential speed of technology-driven innovation in areas like customer experience, analytics and coordinating across ecosystems. The promise of an intuitive, intelligent and integrated state government is within reach. Are you ready to follow?

If you are thinking about how to apply technology to transform your government operation—Deloitte is here to help.

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