

How has digital transformed the Finance workforce in government?

Digital modernization investments appear to have paid off

Brian Siegel, Mike McCormick, and Mike Kuchler

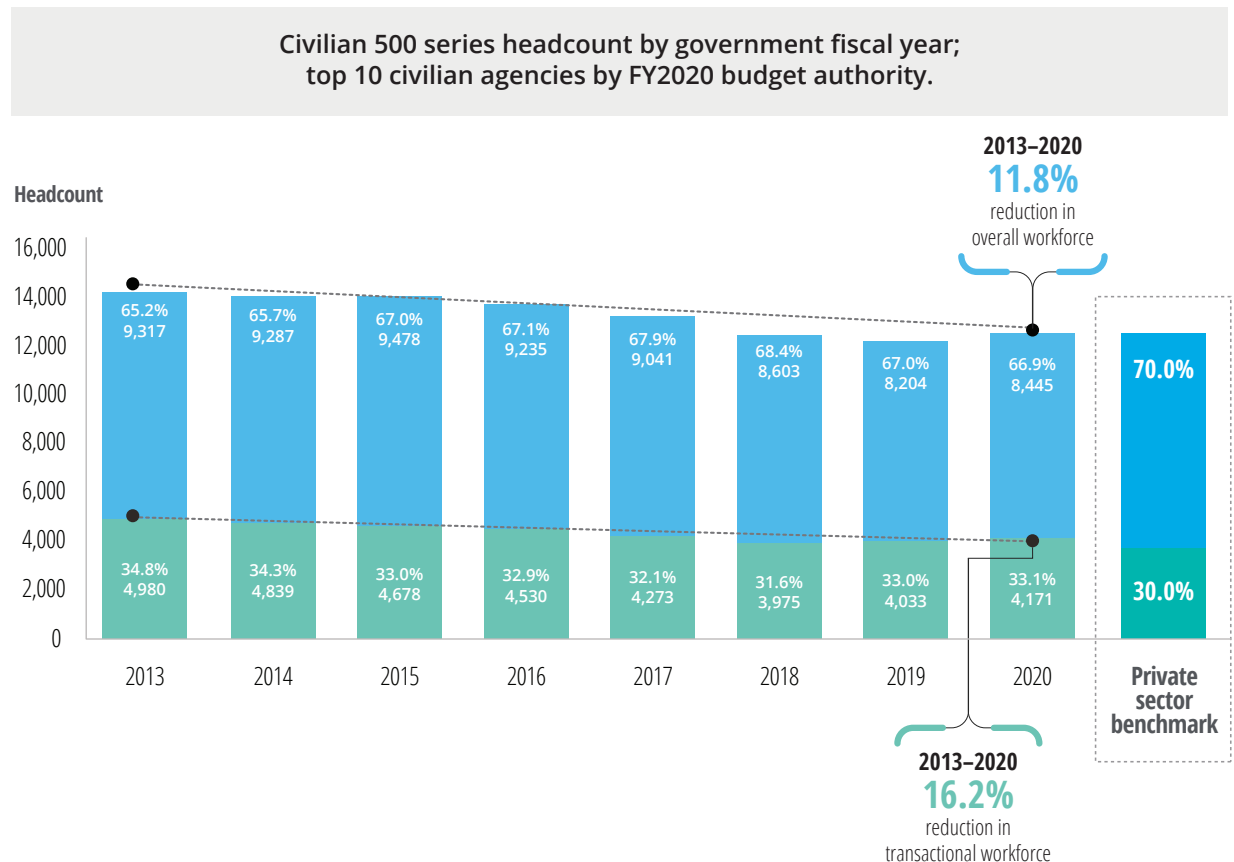
KEY INVESTMENTS IN digital modernization are transforming the Finance workforce within the federal government's largest civilian agencies.¹ A decade ago, many agencies initiated significant digital transformation programs, such as modernized enterprise resource planning migrations, that have paved the way for further modernization. Deloitte's experience working with many of these organizations over the last decade points to increased investments in cloud, process automation, and advanced analytics that are paying dividends and reducing the need for human intervention in the finance function.

The result is a smaller financial management workforce that is shifting from transactional roles to nontransactional, value-added ones. This is borne out by the decreasing trend over the last eight years: The number of financial management positions in the federal government's largest civilian agencies has decreased by close to 12% overall, with transactional jobs decreasing over 16% (figure 1).² Workforce allocation in these top agencies is also approaching top private sector benchmarks: The American Productivity & Quality Center reported that companies that fall within the 25th percentile allocate 70% or more time to nontransactional Finance activities.³

FIGURE 1

Digital modernization is driving a decrease in transactional Finance roles

■ Nontransactional ■ Transactional



Source: Deloitte analysis of Office of Personnel Management Federal Workforce FY2020 data.

How has digital transformed the Finance workforce in government?

This trend highlights how the Finance function has been transforming into a cross-cutting business partner that can deliver insights and help increase speed and accuracy of decisions. While the data above demonstrates the impact of digital modernization in the largest civilian agencies, smaller agencies have also been vaulted into digital modernization, as the global pandemic has required the government to roll out solutions with unprecedented speed.

Governments can take advantage of the current momentum and lessons learned over the past year-and-a-half to continue on the path of becoming a truly digital enterprise. To learn more about this path, check out [Accelerated digital government](#).⁴

Endnotes

1. This data set includes the 10 largest civilian government agencies by FY2020 Budget Authority. Source: Office of Personnel Management, "Federal Workforce Data," accessed June 11, 2021.
2. As measured by end strength, a measure of total positions filled at the end of each year, representing the headcount of all paid employees.
3. APQC, "Time allocation in finance," 2020.
4. Meghan Sullivan et al., *Accelerated digital government: COVID-19 brings the next generation of digitization to government*, Deloitte Insights, March 4, 2021.

About the authors

Brian Siegel | brisiegel@deloitte.com

Brian Siegel is a principal in Deloitte Consulting LLP's Government & Public Services (GPS) practice with 25 years of experience in both the public and private sectors. He is a leader in Deloitte's Shared Services practice serving both providers and customers, specializing in a range of offerings from assessment and design to implementation and optimization. He has led projects addressing technological change, process improvement, insourcing, enterprise resource planning implementations, and financial management operating models. Siegel takes a results-driven and pragmatic approach to project delivery that pushes the "art of the possible."

Mike McCormick | mimccormick@deloitte.com

Mike McCormick is a principal in Deloitte's Enterprise Performance (EP) practice. He has 17 years of tech-enabled business transformation experience, working with US federal agencies, international governments, and commercial organizations. He is also Deloitte's GPS EP Innovation and Assets leader focused on developing technology-enabled products and solutions for Public Sector organizations.

Mike Kuchler | mkuchler@deloitte.com

Mike Kuchler is a senior manager in Deloitte Consulting's GPS practice. Kuchler has over 14 years of experience in government consulting and international emerging markets, focusing on leading large-scale finance strategy, operating model, and digital transformation programs. Prior to his career in consulting, Kuchler led international economic growth programs in the international development community.

How has digital transformed the Finance workforce in government?

Acknowledgements

The authors would like to thank the research team **John Park, Richa Patel,** and **Sam Trostle** for their work on this piece.

Finance Transformation Services

CFOs know finance transformation can be difficult and time-consuming. But they also know it's an effective way to keep up with the changing needs of the business. Whether it's technology disruption, business model innovation, or a new industry ecosystem, Deloitte helps finance organizations look ahead to what's next while keeping the ship on a steady course. To learn more, visit [Deloitte.com](https://www.deloitte.com).

Deloitte. Insights

Sign up for Deloitte Insights updates at www.deloitte.com/insights.

 Follow @DeloitteInsight

Deloitte Insights contributors

Editorial: Aditi Rao, Sayanika Bordoloi, Dilip Kumar Poddar, and Nairita Gangopadhyay

Creative: Govindh Raj and Anoushriya S Rao

Promotion: Maria Martin Cirujano

About Deloitte Insights

Deloitte Insights publishes original articles, reports and periodicals that provide insights for businesses, the public sector and NGOs. Our goal is to draw upon research and experience from throughout our professional services organization, and that of coauthors in academia and business, to advance the conversation on a broad spectrum of topics of interest to executives and government leaders.

Deloitte Insights is an imprint of Deloitte Development LLC.

About this publication

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or its and their affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

None of Deloitte Touche Tohmatsu Limited, its member firms, or its and their respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.