



# Creating More Responsive Government Organizations

Why technology modernization, data analytics and talent management are vital to your future

**L**ike many state governments, South Dakota has a large workforce. Managing payroll and benefits for 18,000 current employees and retirees is no easy task, and paper-based processes made it more complex and inefficient. South Dakota needed to move away from manual processes where employees submitted paper forms to HR personnel, who then re-entered the information into a database. State leaders wanted to transition to self-service tools that let employees do things like change their direct deposit information, update their tax withholding and provide a new address — all in just a few clicks.

South Dakota found its solution in a cloud-based platform that provides capabilities for everything from absence management to compensation management, which ultimately gives employees 24/7 access to payroll and benefits information and saves the state's HR department valuable time it can redeploy to higher-value tasks.<sup>1</sup>

South Dakota is just one example of how governments can benefit from digital transformation. However, navigating transformation isn't simple. State and local agencies find digital transformation challenging because they must contend with legacy technology, budget constraints and resistance to organizational change.

To better understand these challenges, the Center for Digital Government (CDG) recently surveyed 150 government officials throughout the country, representing a range of functions, including auditing, finance, human resources, IT procurement and operations. They shared insights into their biggest obstacles to making long-term technology and digital investments and how these hurdles impact everything from record-keeping, permitting and licensing to worker efficiency and financial and talent management.

What's clear from the research is that government agencies must focus on three core areas to meet future demands:

■ **Modernize technology and processes using the cloud.**

Governments still rely on paper-based processes, and survey respondents said lack of budget is a key barrier to modernizing them. The cloud can help agencies implement modern capabilities and automate tasks more cost-effectively and with less risk than traditional big-bang technology deployments.

■ **Become more data-driven.** Government officials understand the potential of data analytics, but many haven't implemented tools to leverage data in more powerful ways. Modern data analytics platforms can help agencies automate data collection and analysis and share data across agency systems, positioning them to become data-driven across all activities.

■ **Transform the public sector workforce.** Inadequate workforce skills can be a major modernization challenge. Yet agencies also appear to underinvest in talent management and development. Modern HR and talent management platforms can give employees access to training and development that strengthens workforce skills and helps agencies attract and retain the talent they need.

Focusing on these three tasks can accelerate the public sector's digital transformation efforts, and in turn, create a more responsive and efficient state and local government.

**Drive Technology Modernization**

Several tools can help government agencies modernize core systems, including cloud-based solutions for human capital management, enterprise asset management and financial management.

The city of Las Vegas discovered this firsthand as it sought to compete for development projects, meet rising demand for digital government services, break down organizational silos, and transform from a regulatory and enforcement body into a more customer-centric organization. Many of the city's agencies used separate systems, which led to a lack of interoperability and data sharing internally and a disjointed customer experience for citizens.

To solve these problems, the city implemented a cloud-based solution for its community development and regulatory needs. The new platform enables the city to meet various business requirements, from accepting payments and building applications online to sending customers automatic reminders when specific actions must be completed. The platform also streamlines

## Modernization Challenges

CDG research indicates state and local governments understand the importance of investing in digital technologies and spending more on modernization. But these investments could be more significant and impactful if certain barriers were removed.

The good news is 46 percent of respondents said their investment in digital initiatives has increased or significantly increased over the last year. And 60 percent of respondents from IT departments also said they were satisfied with their department's attitude toward trending digital initiatives.

Yet budget constraints, outdated technology systems and access to skilled talent remain ongoing challenges. Nearly half of officials surveyed said budget was the top hindrance to adopting modern digital solutions for record-keeping. Another 35 percent pointed to legacy systems and a lack of employee expertise

as primary challenges. Legacy systems are a significant obstacle because they prevent state and local governments from augmenting employees' capabilities with new technologies. However, even when new technology is available, learning opportunities may not be — 27 percent of respondents also said lack of employee training is an issue.

One result of these challenges is that many government processes still rely on paper. Twenty-eight percent of survey respondents use paper processes for permitting and licensing; 50 percent use a combination of paper and digital; and 22 percent are completely digital. For payroll, 55 percent use digital processes, 18 percent use paper and 27 percent use both.

"The biggest constraint the public sector has is moving to a more modern platform," says Heather Sherlock, director of public sector strategy for Infor, which provides cloud-based solutions

to government agencies to help them optimize their business processes. "They have budget constraints; they have to answer to constituents as to why they want to spend funds to upgrade systems; and they have limited staffing to drive changes. There's also a lot of resistance to change. Getting buy-in is extremely difficult for government organizations."

State and local agencies must overcome these modernization challenges. Using hybrid paper and digital-based processes makes government agencies much less efficient in delivering constituent services. Citizen expectations are changing, and they now demand faster, more personalized service. Digital innovation is no longer just the domain of the private sector — it's critical to driving citizen engagement and fulfilling state and local governments' missions in the communities they serve.

day-to-day work of city staff and field employees. For example, building inspectors can share real-time data via text or email with contractors and homeowners so they can immediately see inspection results and correct any problems — no phone calls or paperwork required.

Like Las Vegas, more government entities are moving to the cloud. Nearly 70 percent of respondents in CDG's 2018 Digital States Survey said they ultimately expect the cloud to handle more than half of all their computing needs. They want to reap benefits like lower storage costs compared to on-premises data centers, improved agility and increased interoperability.

These capabilities were important reasons why Las Vegas chose a cloud-based solution.

“We knew that we were not dealing with a static set of requirements. These requirements were going to change, and they were going to do so quickly, so we needed to be able to configure things quickly and not have to customize the software. This is a huge difference in how we deliver and design our systems today,” says Rick Virmani, development services systems manager for the city.

Unlike traditional system deployments, which can take years to procure and implement, the cloud enables agencies to upgrade incrementally and access new features and modern capabilities faster. This approach helps agencies keep pace with changing consumer demands and an evolving cyber threat environment. A configurable, extensible cloud-based platform lets agencies address modernization challenges with open APIs that allow them to easily scale operations and business processes; help them ensure they maintain regulatory compliance; and drive more efficiency, automation and collaboration across departments.

“Using a cloud platform allows government agencies to look across the walls and not be so siloed in their operations,” says Bob Benstead, Infor's vice president of strategic planning.

And once these walls are broken down, government agencies have an opportunity to take advantage of other tools, such as data analytics, that provide better insight into challenges and opportunities across the organization.

### **Leverage Data Analytics**

State and local governments must become more data- and performance-driven to improve service delivery. The CDG survey indicates many government officials see promise in data analytics to achieve these goals.

Sixty-nine percent of respondents said their agencies would find value in modernizing their data analytics platform, while 67 percent would find value in modernizing their performance metrics platform. However, 59 percent of government officials surveyed said their departments had not — or did not know if they

## **Key Considerations for Your Transformation Journey**

As state and local governments move to digital, IT leaders can rely on modern solutions such as the cloud and data analytics tools to drive transformation. However, there are several things they should consider before they re-engineer their business processes:

■ **Build leadership buy-in.** In Idaho, leaders in the Controller's Office spent years educating stakeholders and socializing the idea of digital transformation internally before they made a budget request. Idaho officials interviewed key leaders and staff in different departments to better understand their pain points and how modernization could help them become more efficient. Doing this due diligence and education well in advance can create internal advocates for technology modernization and potentially ease the cultural and organizational changes required for digital transformation.

“Take the time to educate on that future vision and make sure that alignment happens, because process transformation is difficult,” says Joshua Whitworth, Idaho's chief deputy controller. “The more time you spend getting everybody to see that future vision, the more you can capitalize on this as you go forward.”

■ **Conduct external due diligence, too.** It's also critical to do due diligence externally, especially since most governments will have to work with a strategic technology partner to modernize their systems. A vendor's solutions should align with the organization's culture. Any partner also should share the organization's future vision and meet its needs today — and tomorrow.

had — implemented modern digital solutions for data analytics and performance metrics.

A key challenge for governments is maximizing the value of the data they have to drive a better citizen experience.

“They have lots of data, but they don't have a view of the data across the whole organization — they have silos and pockets of data in each department,” says Heather Sherlock, director of public sector strategy for Infor.

A robust data analytics platform can help government agencies realize the true value of data by automating data collection and analysis and bridging data silos across agencies so they can identify trends and patterns that lead to more proactive decision-making.

That's the vision in the state of Idaho. Next year, the state will begin implementing an analytics-driven, cloud-based ERP

solution to improve procurement processes and optimize human capital, financial, asset and enterprise performance management. Joshua Whitworth, Idaho's chief deputy controller, says analytics will help with the state's decision-making and future financial planning.

"A fully integrated system helps provide you a single source of truth. You're getting all the data in one location and you can build statistical models on top of the data to make more accurate decisions," Whitworth says. "From a forecasting perspective, it can help us see where the state is going in terms of expenses and provide information to the legislature and decision-makers to control those expenses or set policies to help us become more efficient."

Whitworth said automation also is one of the biggest benefits of moving to integrated modern platforms.

"Data-driven decision-making is vital for states striving to maximize the limited resources they have to deliver value to their citizens," says Whitworth. "The more a state can automate processes with modern technology, the greater our workforce can focus on the things that add value to the citizens, not just on data entry for mundane processes. We can capitalize on that automation and make sure someone doesn't have to convert data to get information. They can just pull up a dashboard and drill down into the information needed to support a decision. This provides greater efficiencies. By modernizing our systems, we're adding critically needed capacity back into our workforce."

Whitworth's point about using data analytics to extend the capacity of the state's workforce is an important one. While technology is a force multiplier for digital transformation, to be successful state and local governments also need to prepare their people.

### Focus on Talent Management

CDG's research indicates that a lack of workforce skills is one of the public sector's biggest modernization challenges. However, government agencies also appear to underinvest in training and talent management. Only 27 percent of survey respondents said they planned to implement digital solutions for HR training and

courses, 24 percent for job-specific training and 24 percent for professional development.

Yasmin Barnes, senior principal of public sector at Infor, says learning and performance management platforms are crucial to help governments develop a digitally enabled workforce. Government workforces are permanently leaner since the recession, so they need to be more skilled and more efficient. Better training tools can help agencies achieve these goals.

"A good learning management system is key. During the last recession, a lot of government agencies downsized and didn't rebuild their staffs, so they've learned to work with less," Barnes says. "A good learning management system is important because it makes learning flexible and available."

One example Barnes gives is allowing a field worker to access training on a mobile device without the need to pull that person into the office.

Governments also need strong performance management capabilities to help employees develop more digital skills.

"Performance management is vital because it takes more than just one conversation with an employee at the end of the year," says Barnes. "It's important that you're checking in throughout the year and determining what progress and improvements are being made for those employees to be successful."

### Conclusion

Whether state and local governments choose to embrace the cloud or adopt a data analytics or performance management platform, they need to focus not just on the "how," but also on the "why" of digital transformation. Modern technology can bring together governments' people and purpose to help them achieve their missions and improve the lives of the citizens they serve.

*This piece was written and produced by the Center for Digital Government Content Studio, with information and input from Infor.*

Endnote:

1. State of South Dakota Video Case Study, Infor, <https://www.infor.com/en-sg/resources/state-of-south-dakota-featuring-infor-talent-management-and-global-human-resources-self-service>



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