GOVERNING INSTITUTE

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Managing Disruption:

Using Data to Drive Local Government Transformation

Is your city struggling to manage rapid change?

Just when you think you've figured out how to secure your information technology (IT) systems, along comes the Internet of Things. Disruptive forces present a constant challenge to local government leaders because they upend traditional processes, time-honored delivery methods and citizen expectations. Consider these staggering numbers:[1]

- More than 2.5 quintillion bytes of data are created every day — enough to fill 10 million Blu-ray discs
- More than 16 million text messages are sent every minute
- More than half of all web searches are from mobile phones
- Eight million people per month searched the web last year using voice-controlled devices

Every day more services move from physical to digital, transforming how people shop, bank and consume information. These trends set expectations for seamless and digital experiences from government.

Meeting these heightened expectations requires investment in technology, training and process optimization. To reach that point, local government leaders must use data-driven solutions to maximize revenue collection, understand their current financial state and forecast future trends. Using the right data and analytics tools can improve collection of tax and fee revenue — providing funds for modernization initiatives — and help with allocation of resources to make the biggest impact.
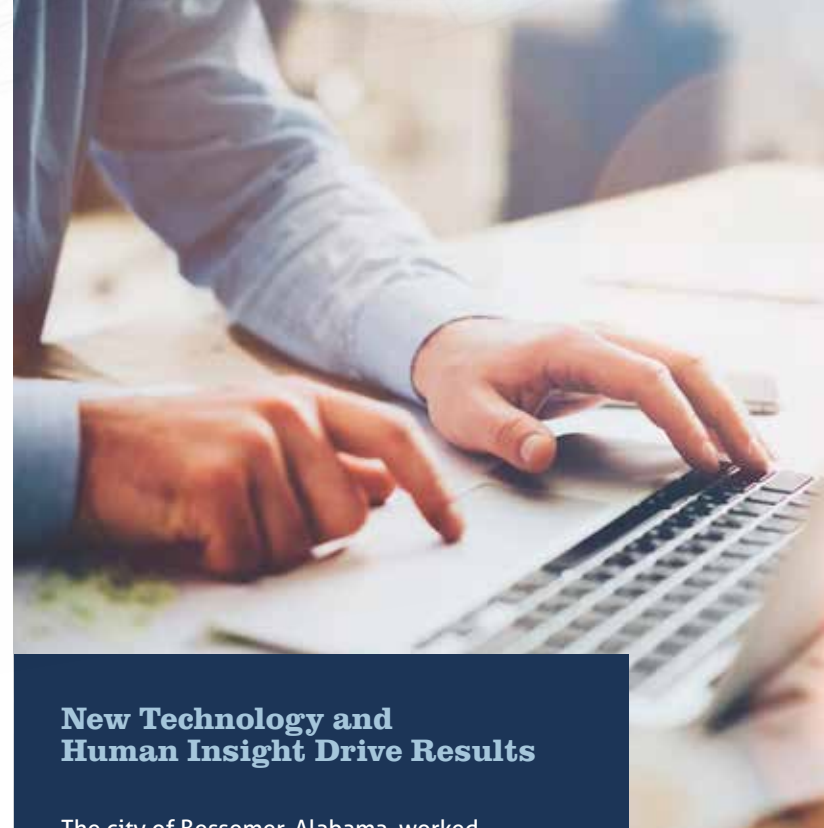
At the same time, local agencies must consider innovative technology and administrative upgrades that enable them to deliver better and more responsive citizen services at a lower cost. Reviewing and modernizing workflows and operational processes will improve government efficiency and performance across a range of key public sector functions.

Below are details on how your jurisdiction can overcome fiscal constraints and succeed in delivering data-enhanced solutions that will accomplish your community's objectives.

Find the Data Hidden in Plain Site

Putting any innovation in place almost always has a financial element, and for governments this requires new revenue or reallocation of resources. With a dependable resistance to any new taxes or fees, governments must find the funding for technology in existing budgets or grants.

Analytics tools offer a solution to funding challenges because they identify revenue streams based on data a city already has. Cities have vast amounts of data from property and planning records, business licenses, utility billing, and other sources. What they need are actionable insights such as knowing compliance levels with taxes or fees and whether

payments are underreported. These insights can lead to better collection processes and more efficient allocation. With the right solutions and expertise in place, agencies can leverage data in new ways, automate workflows and operational processes, and ultimately collect more revenue for new technology and other community priorities.

Having the right tools and approach to data analytics provides direction on local government functions:

> **Tax and license administration**
Integrating taxpayer data and payment processing into one system gives agencies insights on local and statewide taxpayer trends, helps them identify tax compliance issues, and enables recovery of misallocated or lost tax and license funds.

> **Digital processing services**
Digitizing land, court and other vital records in a single, secure database safeguards historical documents, and it keeps critical data up-to-date and available for staff and the public.

> **Records management solutions**
Data is at the core of records management technology and its automated workflows, electronic certification capabilities and advanced search functions. These capabilities make staff more productive and deliver a better experience to citizens.

> **Justice solutions**
Automating and streamlining court case and jury management creates a more effective jury and justice process for constituents and staff. These solutions also provide advanced application security to protect citizens' personal information.

> **Finance, human resources and property tax management**
Modern solutions bring a new level of insight, automation and security to payroll and onboarding. And for your jurisdiction's property tax base, they offer the ability to view and quickly search data such as property valuations, billing and collections.

> **Pension administration**
Managing and delivering comprehensive services to pension plan administrators, employers, employees and retirees in a single system can deliver great value for agencies and pension plan members. Agencies gain a holistic view of member records, and they can provide members with user-friendly self-service portals and tools for benefits calculation and retirement planning.

Combine Technology and Skills

Acquiring the right data analytics tools typically requires a sizable upfront investment to cover the research, development and other costs of software development. But local governments can use partnerships to gain access to analytical tools and services without the need for large capital expenditures.

Partnerships also can add skills that governments lack. Having the right skill set is essential — both for getting the

necessary detail from data analytics and guiding government transformation efforts. These skills are getting harder to find, especially in IT, which touches every agency and many points of delivery. There are fewer IT specialists entering government employment at a time when the needs are high.

In the federal space last year, only three percent of technology specialists were less than 30 years old, while some 14 percent of IT employees were over the age of 60.[2] The numbers for state and local government are similar. And even if agencies can appeal to younger workers, entry-level staff don't have the knowledge of retiring senior employees, and they're unlikely to be trained on mainframe computing and other legacy technologies that are common in the public sector.

Partnerships that combine technology and services can help agencies avoid the capital expenditure trap and gain access to much-needed skills to manage disruption, maintain service delivery and meet citizens' expectations.

Identify the Right Partner

Managing change, whether it's for one agency or across a government, requires a partner that understands modern technologies and processes, as well as the unique

requirements and constraints of public agencies. Qualities to look for include:

> **Long-term support**
Evaluate what types and levels of support the provider offers, including whether the company can embed teams within your agency, whether it will provide long-term support and how willing it is to take on risk.

> **Extensive expertise**
Look for a provider with experience specific to the issue you're trying to solve. Also, consider whether the company has the capability to customize a solution.

> **Willingness to find a solution despite constraints**
Seek a resource that will help you overcome budget constraints. The partner should be open to funding projects through grants, self-funding models or other innovative methods.

> **Proactive outlook**
The right partner will take a proactive approach to solving your IT and operational issues, including identifying cost and resource efficiencies you may not be aware of.

> **Change management expertise**
Change management can be one of the most challenging aspects of any digital transformation effort. Choose partners that understand change-management issues and have a proven record of helping agencies overcome these hurdles.

Change is continuous, so agencies ultimately need partners that can help them transform their organization. New technology and processes are only as good as the teams that use them. Thus, it's important for team members to have the attitude, training, accountability and willingness to fulfill the mission of government. Continuous feedback reinforces a culture of success.

Also critical is developing a shared vision among stakeholders and end-users. Understanding the end goal, the role of data analytics and technology in accomplishing it, and how it meets community expectations is what makes a transformation initiative successful. For example, a data and analytics solution for tax and license administration will help an agency identify new or misallocated tax revenue. However, its real value is ensuring tax fairness and increasing revenue collection, which increases transparency and lets the government spend on priority projects without raising taxes.

A Strategy for Managing Change

Citizens' expectations for their government continue to grow. Technology is an enabler for meeting this challenge, but older systems, tight budgets and workforce skills gaps make it difficult for agencies to keep pace. For governments to retain the trust of their residents, they need a pathway that leads to continued delivery of services in a convenient, cost-effective way that adapts to ongoing change. By forming the right partnerships, local jurisdictions will elevate the position of government in our society and increase the respect of peers.

How will your jurisdiction manage disruption?

Endnotes:

1. Bernard Marr, "How Much Data Do We Create Every Day? The Mind-Blowing Stats Everyone Should Read," Forbes, May 21, 2018, https://www.forbes.com/sites/bernardmarr/2018/05/21/how-much-data-do-we-create-every-day-the-mind-blowing-stats-everyone-should-read/#7c79b3d260ba

2. Jack Corrigan, "By the numbers: federal agencies face uneven struggle hiring tech talent, "Nextgov, Oct. 1, 2018, https://www.nextgov.com/cio-briefing/2018/10/numbers-federal-agencies-struggle-hiring-young-techies/151669/.

3. "Citizens seek modernized digital interactions with state government says report from Conduent and Center for Digital Government," Cision PR Newswire, Sept. 10, 2018, https://www.prnewswire.com/news-releases/citizens-seek-modernized-digital-interactions-with-state-governments-says-report-from-conduent-and-center-for-digital-government-300709186.html..

4. Ibid.

5. "2019 Public CIO Survey," Center for Digital Government.