An historic opportunity for public services

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An historic opportunity

Delivering citizen services in the new normal

The public sector has always worked hard to provide a vast array of community and citizen services on a tight budget. However, during COVID-19, a massive surge in service needs occurred, and the public sector had to find ways to adapt and meet this demand. They managed this with additional funding and an acceleration of technology, but there is more to do.

As we move into the 'new normal', public sector organizations can further explore and start to embrace these technologies, so they can realize some of the benefits that implementing them will have — operational efficiency, productivity, and, therefore, cost savings being the tip of the iceberg.

Benchmarks include key metrics such as speed, quantity, and cost-effectiveness that are essential for delivering successful services to the public sector. Service delivery can be improved if organizations can achieve these metrics with new skills, technology, or better planning and resource allocation. However, this is set against a backdrop of pressure from the people they serve to improve spending transparency and deliver slicker services.

The opportunity is now

To continue this trajectory, each organization must take advantage of digital technologies that can drive productivity and boost operational efficiency. Cloud computing has already come of age, and never more so than during the pandemic, but this is set to grow. Those companies that have made changes are starting to reap the benefits, but there is much more to be gained.

At Unit4, we specialize in software products for public sector organizations to help you transform how your people work, drive efficiency, build predictability, and increase citizen value. Our solutions for Finance and HR enable Public Sector organizations to boost productivity, cut costs, reduce the risk of fraud, effectively plan for the future, and do even better for the people they serve. As you scale your digital operations, Unit4 Industry Mesh builds upon our next-generation ERP platform — ERPx — with a dedicated focus on the needs of service-centric industries, allowing for ERP system integration with your ever-growing portfolio of cloud apps. And low code or no code extensibility means you can leverage all your best-in-class apps.

Read on to discover why and how your organization can embrace — and benefit from — a digital future.

So, is it time for you to change?

Changes to services/targets
95% struggling with changes, in part due to a resistant workforce[*]

Cost savings
>90% need to make cost savings[*]

Data compatability
95% believe that data compatability of applications could be improved[*]

Technology
Although 95% have some form of DX Strategy only 50% have moved to the Cloud[*]

[*]Vanson Bourne Unit4 Public Sector Research 'State of the Digital Nation'

All change

Eight industry megatrends

With pressure to reduce spending and increase service efficiencies, the need for automation and better data management is greater than ever — but are public service organizations able to catch up with the digital curve?

1. Building resilience

The COVID crisis has touched every part of the public sector, exposing just how dangerous legacy IT can actually be for effective service delivery. It highlighted the importance of having the right infrastructure and processes to make the most of data, resources, and the knowledge and expertise of people, wherever they are working – office, field, or home.

2. More with less

Along with increased demand, there's more pressure for public sector organizations to deliver an increased range and enhanced quality of services. At the same time, continued economic uncertainty means budget cuts, spending restrictions and the need to seek new sources of income. This is alongside the need to comply with ever-changing regulations and policies.

3. Rising citizen expectations

As taxes and inflation rise, citizens will rely more on public services and expect better, faster services with greater variety and convenience. In the Everything as a Service (XaaS) economy, they expect services to be personalized and delivered with a digital user experience (UX) which matches the UX they have with commercial service providers. And it's common knowledge, as part of XaaS, that technology can do that. As a result, evolving technology is swiftly altering how government organizations work in the back office and radically shifting how they interact with citizens and demonstrate greater transparency through the front office.

4. Governments in transition

Central government is devolving more responsibility and services to local authorities, city councils and municipal councils, while at the same time governments themselves are transitioning from service providers to brokers or commissioners. This increasing operational complexity and transformation is creating new challenges and a need for new operational capabilities on both sides. Efficiency, transparency and accountability all become more important; collaboration, agility and better data management are vital.

Southampton City Council operates more than 400 services for its 254,000 residents. Much of the data underpinning their services was locked in separate, fragmented silos, preventing them from delivering a joined-up value-based service. The adoption of modern digital services has streamlined service delivery, enhanced the citizen experience, and maximized efficiency. Its partnership with Unit4 is saving them £200k per annum, that is now channeled into service delivery, £250k procurement savings as well as 500 hours of annual HR time savings.

"Unit4 is making the council smarter and more agile. By automating and streamlining processes in the cloud, as well as introducing self-service, Southampton City Council can direct more resources to front-line services."
Helen Baker, ERP Support and Development Manager, Southampton City Council

5. Catching the digital curve

Overall, public services are being held back technologically by cost and budget pressures. The majority of public service organizations say digital is disrupting the sector and most agree their digital capabilities lag behind the private sector. But many governments are receiving funds to update legacy systems so agencies can more easily get a full and more accurate view of payments.

6. AI and data management

Data is being valued more highly and utilized with greater care to inform operational decision-making, demonstrate impact, drive efficiencies and improve service delivery. Governments have to remain publicly accountable and transparent, while constantly searching for ways to improve efficiency. The key trend here is the use of emerging technologies like artificial intelligence (AI) to leverage and protect data. In light of high-profile data breaches, and in line with the global data privacy agenda, governments are transforming personal data governance. And they are looking at ways to leverage data through AI.

7. Avoiding fraudulent payments

With so much pressure to increase efficiencies and reduce the drain on taxpayers, governments are increasingly taking measures to tackle fraud, waste and abuse (FWA). Although some of these improper payments (payments that should never have been made or that were made in an incorrect amount) are due to criminal activity, many are caused by simple paperwork errors, and it's costing billions for the US federal government alone. While tackling fraudulent activity is one issue, identifying and tracking improper payments caused by human error is preventable through emerging technologies like AI and deep machine learning (ML).

8. The great productivity challenge

As public sector organizations are pushed to reduce costs and re-direct time and money towards citizen services, a single source of data truth is essential. Outdated legacy systems and error-prone manual processes and spreadsheets must be eliminated. As technology changes the relationship between citizens and governments, the relationship between staff and employers must also change. Public services organizations need to compete for top talent while improving productivity. In the XaaS economy, people-centered public service organizations use the latest digital platforms to streamline processes, integrate back-office systems and automate manual administrative tasks. Overcoming The Great Productivity Challenge in this way creates space for staff to add value to the business while building a more engaged workforce and lowering attrition.

Port Moody, "City of the Arts" is home to more than 34,000 residents and is located 40 minutes from Vancouver. A satisfied Unit4 ERP Customer, the city was still relying on manual, fragmented, and complex spreadsheets to manage financial planning and analysis. This slow process delayed decisions and inhibited accurate, agile financial planning. By deploying Unit4 FP&A, they are now able to pull data straight from ERP and customize their budget management and business processes. This has meant 100% budget alignment in real-time, which previously took 2 weeks, and the opportunity to review budgets monthly rather than annually.

"The value of Unit4 FP&A is straightforward: It's all about speed and immediacy. People see the financial insights faster. We can draft the budgets collaboratively and quickly. We are all on the same page."
Tyson Ganske, Finance Planning Manager, City of Port Moody

According to experts

Industry analysis

Here's what the researchers, analysts, and experts are saying about the people-centered services industry and the public sector.

Embracing change

Almost all public sector organizations have faced changes to services and targets over the past two years, and according to Vanson Bourne, 95% are looking to make cost savings. However, the combination of reluctance to change, progress in digital strategies and real-time connected data, and getting the right skills in place is holding many back. For those that have transformed their back-office systems, 85% agree it has made their roles easier despite the backdrop of 69% that report leadership or a workforce that is resistant to change.

Closing the skills gap

'The advance of digital technologies has raised European businesses' and citizens' expectations regarding improvements in smart regulation and citizen experience — for instance, through the digital delivery of public services — as well as increased funding for technological development'.[***]
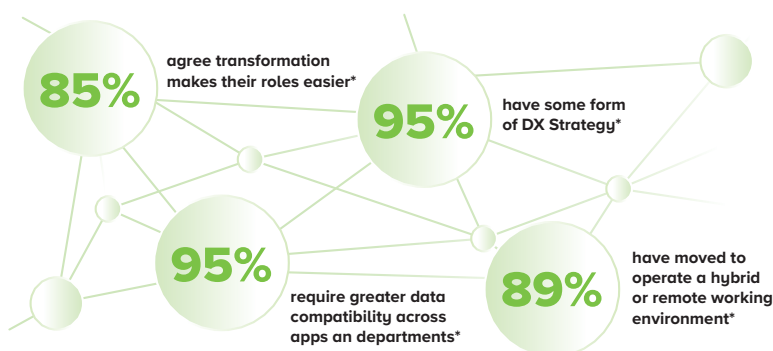
Closing a future skills gap of this magnitude will require various approaches, from improving recruiting practices to upskilling and reskilling. It is crucial that governments measure the skills gap of their existing workforce and then invest heavily in closing it. Government-sponsored educational programs for current and new employees should be expanded to include technological and digital citizenship skills. New qualification concepts need to be developed to better prepare the workforce. Upskilling to further develop employees with existing basic skills or reskilling them can equip employees currently conducting tasks at high risk of being automated, such as data entry, so that they can fill new roles. For example, Germany's Ministry of the Interior, Building, and Community is coordinating an interagency network to identify future skill needs, up- and reskill current employees, and hire new specialists in the public sector.

Cloud infrastructure is expected to grow by 21.7% in 2022 to $90bn[**]

21.7%

0.3%

Yet non-cloud infrastructure is expected to decline slightly, by 0.3% to $59.4 billion[**]

85% agree transformation makes their roles easier[*]

95% have some form of DX Strategy[*]

95% require greater data compatibility across apps an departments[*]

89% have moved to operate a hybrid or remote working environment[*]

Building resilience

Gartner has recently unveiled the Top 10 Government Technology Trends for 2022, stating: 'When the pandemic began, core legacy business systems failed to handle the surge in demand for these services. CIOs need to make modernization a continuous activity, not look at it as a one-time investment.' However, building resilience is a long-term exercise. The pandemic isn't the only disruption challenging government—technology shifts, climate change, economic disruption, and supply chain issues are just some areas in which governments strive for greater resilience.

Low Code/No Code addresses Shadow IT

The demand for digital services has only grown with the COVID-19 pandemic and the increase in remote work. Since IT departments can't keep up with their growing backlog, departments and functions have routinely taken matters into their own hands to support their own needs. IT's existing technical debt also plays a role. Some shadow IT applications are built to be the glue between various siloed applications that lack features, enabling business departments to access them to support processes and decision-making. However, shadow IT can also increase an organization's risk. Applications are frequently developed without proper IT oversight, so a security breach or non-compliant solution can cause significant damage. A new and exciting world can exist when an organization's IT function extends its software-development know-how to provide LC/NC platforms and embrace business developers. In this way, the IT department plays a significant role in building the organization's IT ecosystem, and low code or no code extensibility means there is no need to replace all your best-in-class apps.

Cloud comes of age as spending grows

A Gartner survey found that CEOs believe the cloud is one of the top technologies that will significantly impact their industry in the coming three years. The analyst firm has forecast that organizations are 17 times more likely to increase their cloud spending than decrease it over the next 12 months[1]. As a result, cloud infrastructure spending is expected to grow 21.7% in 2022 compared to 2021 to $90.0 billion, while non-cloud infrastructure is expected to decline slightly, down 0.3% to $59.4 billion.[2]

Tipping Point for Digital Transformation

From telehealth to telework, virtual courts to virtual education, large-scale experiments were rolled out quickly and at scale during COVID-19. According to Deloitte, digital helped 74% of agencies cope with the pandemic, and 77% already see a positive impact from the digital initiatives introduced. However, 80% believe that their organization's digital efforts haven't gone far enough. Governments must take advantage of the current momentum to push forward on the path to becoming a truly digital enterprise, to thrive in a fast-changing and uncertain world.[3]

77%

have seen a proportion of government officials that have seen a positive impact from digital initiatives introduced during COVID-19.[7]

80%

proportion of government officials that believe their digital efforts haven't gone far enough.[7]

69%

report a workforce that is resistant to change.[6]

[1] IDG Connect - Cloud Computing Trends for 2022 - Dec 2021
[2] IDC - Cloud Infrastructure Spending - March 2022
[3] Deloitte - Government Digital Transformation Strategy - May 2021

Investment in digital and tacking fraud

PWC[4] recently stated: The (UK) pre-pandemic public sector fraud bill was estimated to be up to £51.8bn, with a further estimated £25bn going undetected. This is set to rise dramatically with rising fraud rates and significant pandemic-related spending. Fighting fraud in the public sector is more important than ever, and the best defense against this threat is strong and proactive risk management. Organizations with a dedicated fraud program spend up to 42% less on fraud response and 17%[5] less on remediation than their peers. We see a direct correlation between investment in fraud prevention upfront and reduced cost when fraud strikes.

Scaling Digital Services

As public sector organizations look to scale their digital services, developing a 'connected' approach to their applications will become paramount. Bringing together multiple sector-specific applications with low/no code under one umbrella and connecting to their ERP system will enable them to share and optimize data to gain crucial insights. In addition, encouraging innovation and providing an aligned technology ecosystem will help public sector organizations survive.

Taking advantage of opportunity

Strategic responses

There's a pattern emerging. In response to the megatrends, the industry frontrunners have elevated the importance of digital technology within their organizations and chosen to modernize their processes through its implementation. All these organizations share a core belief: these technologies should deliver greater insight and improve productivity to enhance frontline service delivery.

Empowering employees

As part of their digital transformation journey, leading public service organizations are implementing automated processes and equipping their staff with intuitive, XaaS- level, self-service tools. By significantly reducing low- value admin work they are creating space for their people to be more productive and creative — they can spend more time focusing on strategic or customer-facing tasks to deliver greater value to the organization as well as the citizens they serve. This also boosts job satisfaction and retention of good talent. Also, the managers in these organizations are given more autonomy and take more responsibility for financial activity so they can report and manage budgets in a slick and easy way.

Improving operational efficiency

In the XaaS economy, the best public service organizations never give up on the search for new ways to do more with less. Underpinning this is an aligned strategy for data, digital and IT. What they've discovered is not only cloud- based software itself, but in combination with agile business applications the opportunity it provides to review and modernize organizational processes and structures for their digital transformation. In this way, they are able to respond to fast-paced disruption and policy changes, and minimize their impact. The digital solutions they adopt use enhanced data insights to inform decision-making, streamline admin processes and restrict spending. To achieve this vision faster and more cost effectively Vanson Bourne also found that 36% were considering joining a shared service'.[6]

[4] PWC - Public Sector Matters - July 2021
[5] PWC - Global Economic Crime and Fraud Survey 2022
[6] Vanson Bourne Unit4 Public Sector Research 'State of the Digital Nation'
[7] Government digital transformation strategy | Deloitte Insights

Delivering transparency and accountability

The frontrunners in the public services industry are keeping pace with technology and finding smarter ways of meeting the diverse reporting demands of regulatory agencies, constituents and the public. They are investing in new systems which help them comply with new legislation and ensure robust data security while identifying, tracking and avoiding improper payments. As part of their digital transformation, these organizations have made the decision to settle for nothing less than the best Enterprise Resource Planning platform capabilities. Their belief in the value of data, and the right technology solution to help them govern it, delivers accountability and transparency across all departments, and for all stakeholders.

Improving services for citizens

The best-performing public service organizations are guided by a non-negotiable commitment: to increase the range, quality and convenience of service delivery to citizens. They have accepted that a radical change is needed to achieve this, and that digital is necessary to devote more resources to frontline services. To this end, they are using the benefits of technology to change the way they behave and operate, internally and externally. To match the User Experience which citizens have with private sector service providers, they are personalizing services and building front-office interfaces which notify citizens, verify identities and collect payments. Internally, they are streamlining information sharing across the organization and enabling cross-agency collaboration for better, more coordinated services delivery. The result is better services which make a difference where they're needed most.

Breaking through

Overcoming barriers to success

For the majority of public services organizations, the barriers to success are becoming more abundant, but there is a way through.

From an ageing population and government transition to reduced funding and increasing demand, many barriers to success are out of your control. But many of the obstacles — rising citizen expectations, The Great Productivity Challenge and catching the digital curve — are partly driven by the evolution of technology. As such, these obstacles can also be overcome by embracing it.

Legacy systems are not fit for the modern public services economy. They were designed for the needs of the organizations of yesterday. As such, they create a barrier to effective digital transformation, improved productivity and delivery of better services to citizens. We are seeing this in organizations of all shapes and sizes — outdated technology is the biggest barrier to success for every type of public services organization in every planet.

Inflexible, outdated technology systems make it difficult and costly to:

- Integrate systems; automate and streamline processes
- Consolidate data analysis for planning, budgeting and forecasting
- Respond quickly to organizational change and increased demands
- Meet diverse reporting requirements and ensure robust data security
- Gain deeper, organization-wide data insight to inform decision-making
- Restrict funds, control budgets and manage/track all costs and expenditures
- Keep IT and back-office costs down to spend more on service delivery
- Match private sector User Experience for citizens and staff

But it needn't be that way

The solutions for finding your way through the barriers do exist, and they're already in everyday use. Hundreds of forward-looking organizations are managing change and improving productivity to improve the service for the citizens they serve. And it's done, partly, by reducing — or eradicating — low-value tasks to create space for people to do more work that really matters.

But there's one non-negotiable requirement:
A commitment to digital

42%

Organizations with a dedicated fraud program spend up to 42% less on fraud response.[5]

Game-changing solutions

Unit4 People Experience Suite

Unit4's next-generation enterprise software helps you deliver an exceptional People Experience for everyone your organization serves.

People Experience is a discipline applied to software development that prioritizes human impact — making work more productive, efficient, and inspiring.

Our cloud-based enterprise software is easier to use and manage since real people, not just tech experts, use it. You can manage projects and processes that deliver value across the service industries quickly and flexibly, according to your specific needs.

We help public sector organizations boost productivity, reduce costs, effectively plan for the future, and improve citizen value. Our industry model provides finance and HR teams with solutions that transform how people work, freeing your people to spend more time focusing on the work that matters — serving citizens.
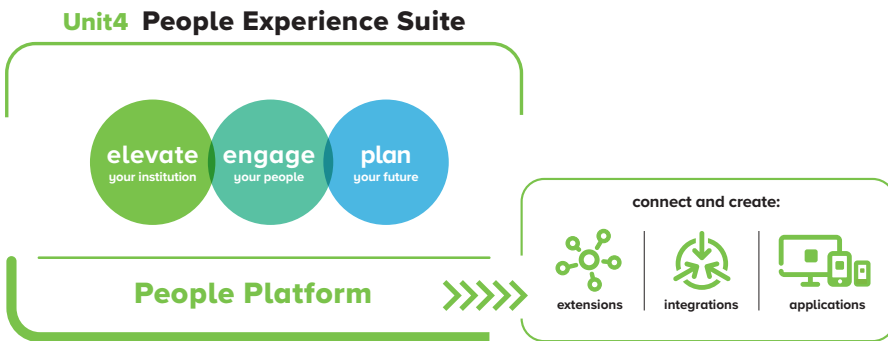
Unit4 People Experience Suite:
- Unit4 Enterprise Resource Planning (ERP)
- Unit4 Human Capital Management (HCM)
- Unit4 Financial Planning & Analysis (FP&A)

Unit4 **People Experience Suite**

elevate your institution · engage your people · plan your future · **People Platform** · connect and create: extensions | integrations | applications

What this means for you

We provide public sector-specific capabilities that help you deliver more responsive services, increase efficiency, achieve regulatory compliance, transform public services delivery, and empower the people who make it all happen using an intuitive and flexible cloud-based platform.

You can transform work to be more meaningful through self-driving and adaptive software, intelligently automating administrative tasks. This elevates engagement and helps you attract and retain the best people.

But People Experience is not only about personal motivation — it's also about managers and staff working better together to improve organizational results. In all, freeing people to focus on what matters improves how work feels and means you can better serve your people.

Discover how Unit4 can help your organization

For more information go to:

unit4.com

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