

# THE FUTURE OF GOVERNMENT BACK OFFICE OPERATIONS

**TRANSFORMING TO  
IMPROVE CITIZEN SERVICES**

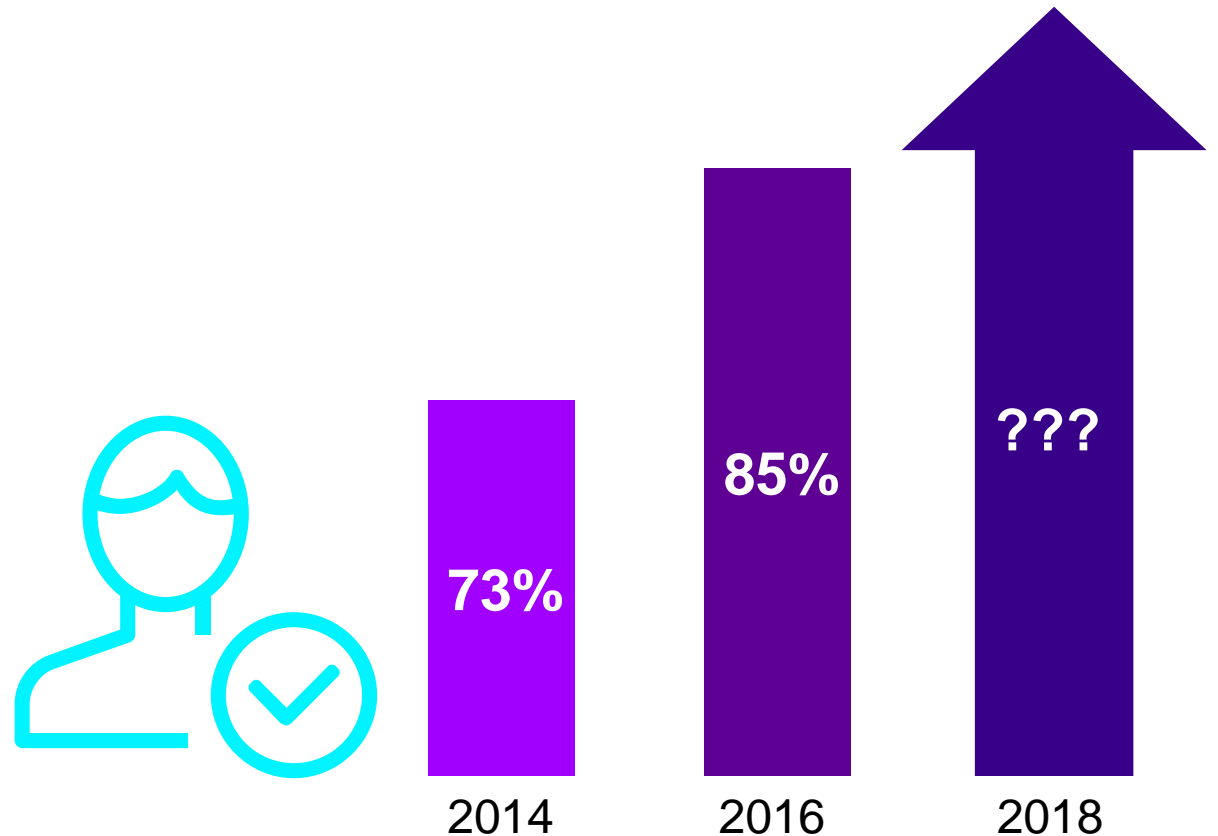
MAY 2018

**accenture**

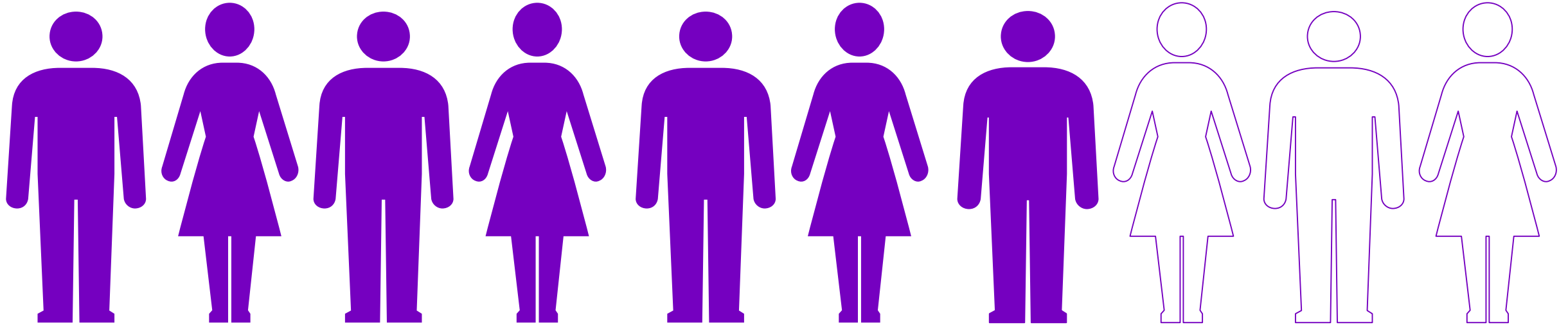


# GOOD ENOUGH FOR GOVERNMENT IS NOT GOOD ENOUGH

**% of citizens that expect the same or higher quality from government digital services as they do from commercial organizations**



# **SEVEN IN TEN** CITIZENS FEEL THAT PUBLIC AGENCIES COULD PROVIDE A BETTER CUSTOMER EXPERIENCE BY USING THE LATEST TECHNOLOGIES



Source: Accenture

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# ARE GOVERNMENT BACK OFFICES READY? CAN THEY SUPPORT DIGITAL CITIZEN SERVICES?

**By 2020, enterprises that continue to invest in heavily customized, traditional, monolithic ERP solutions will be **75% less effective** in supporting digital business strategies.**

## —Gartner

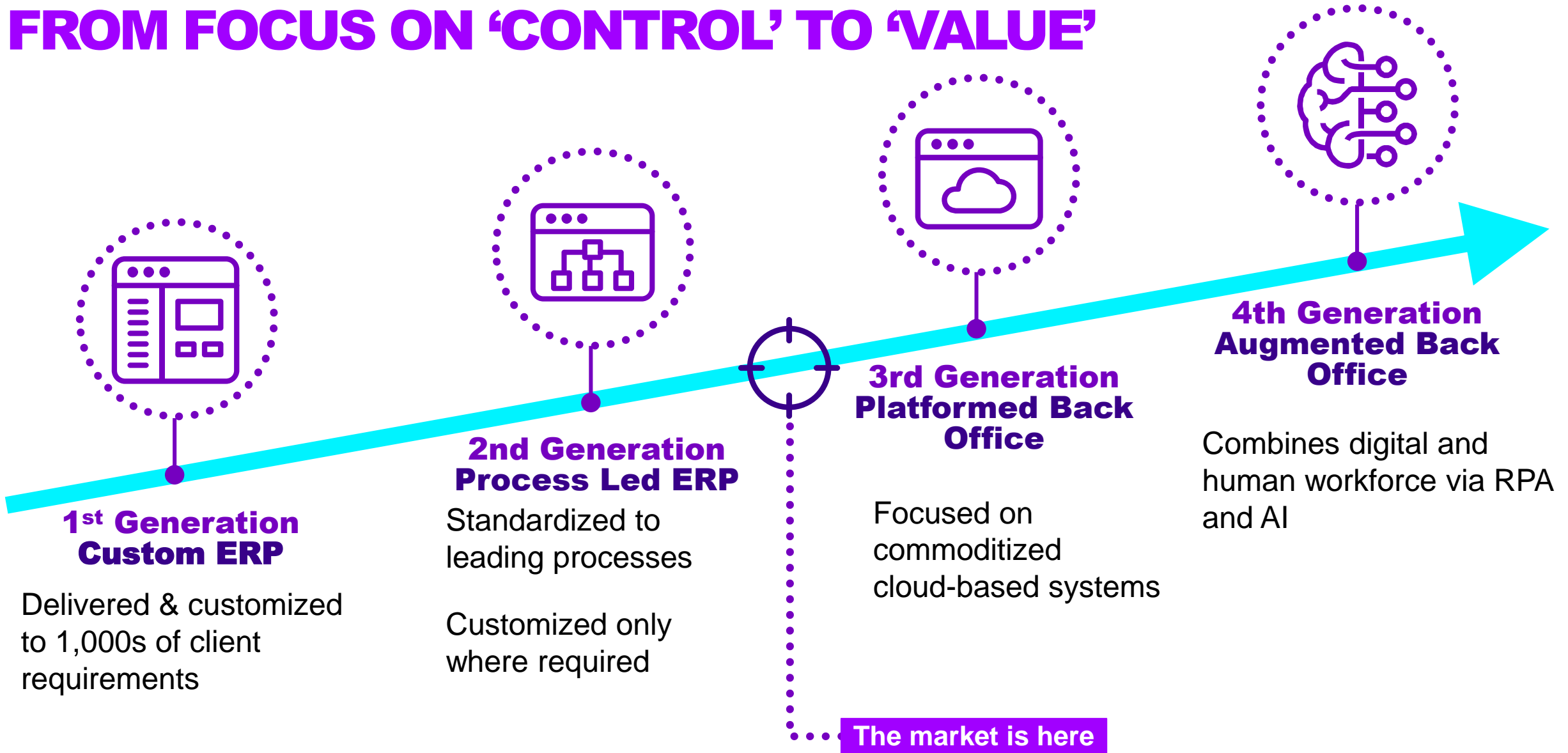
⚙️ Are you investing in large, traditional ERP solutions?

**OR**

⚙️ Are you getting ready for the future so you can support better digital citizen services?

Source: Gartner, Government CIOs Should Consider Postmodern ERP to Modernize Legacy Business Applications (pub. May 18, 2017)

# ERP IS TRANSFORMING FROM FOCUS ON 'CONTROL' TO 'VALUE'



**“It is expected that the **service-based approach** for IT will become the **preferred option over the software-based approach** over time, as end-user organizations look to **downsize the operation side of their IT portfolios.**”**

**—Gartner**



# WHY MOVE TO PLATFORMED BACK OFFICE?

## COMPELLING VALUE PROPOSITION

### Current

- Fixed Costs
- Cumbersome
- Capital Intensive
- High Maintenance and Run Costs
- Security Issues
- Business Lagging
- Out-dated

### Future

- Pay by the Drink'
- Agile
- Capital Light
- 20%+ Lower Maintenance and Run Costs
- Managed Security
- Business Leading
- New Technologies

# ERP IN TRANSFORMATION

## PLATFORMED BACK OFFICE IS GROWING

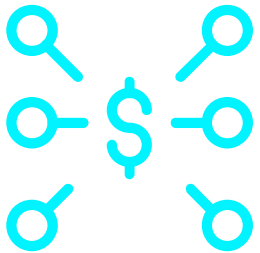


States are investing in Cloud-based systems:

**83%** implemented or deployed cloud in multiple agencies

—Center for Digital Govt<sup>1</sup>

Primary examples are content and document management, business intelligence, health applications, and GIS systems



By 2020, **50%** of ERP spending will be SaaS-based and underpinned by hybrid modernization strategies

—Gartner<sup>2</sup>

<sup>1</sup>Source: Center for Digital Government, Future of ERP Report, 2015

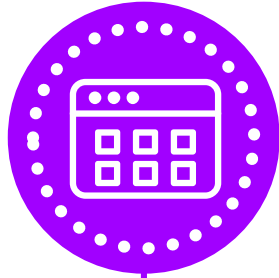
<sup>2</sup>Source: Gartner, Forecast Overview: ERP Software, Worldwide, 2016 (pub. Oct. 11, 2016)



# PLATFORMED BACK OFFICE

## WHAT IS IT?

Business services, delivered through 3 possible models:



### ON-PREMISE ERP

With Infrastructure as a Service

- Current version of ERP software
- Straightforward, periodic upgrades
- Customizations are necessary or regulated
- **Delivered through Cloud-based Infrastructure as a Service (IaaS)**



### HYBRID MODEL

Some, but not all, Cloud Components

- Core ERP processes with little change
- Maintain control over critical data/ functions
- Capital investment in On-Premise ERP
- **Adopt best-in-class cloud modules**
- **Deliver through IaaS**



### UNIFIED CLOUD PLATFORM

All in with Cloud

- **Replace multiple legacy systems or new solution**
- **Cloud is “Case for Change”**
- **Employee engagement: mobile, social, collaboration, seamless UX**
- **Recent implementation (<12 months)**

Typically chosen when:

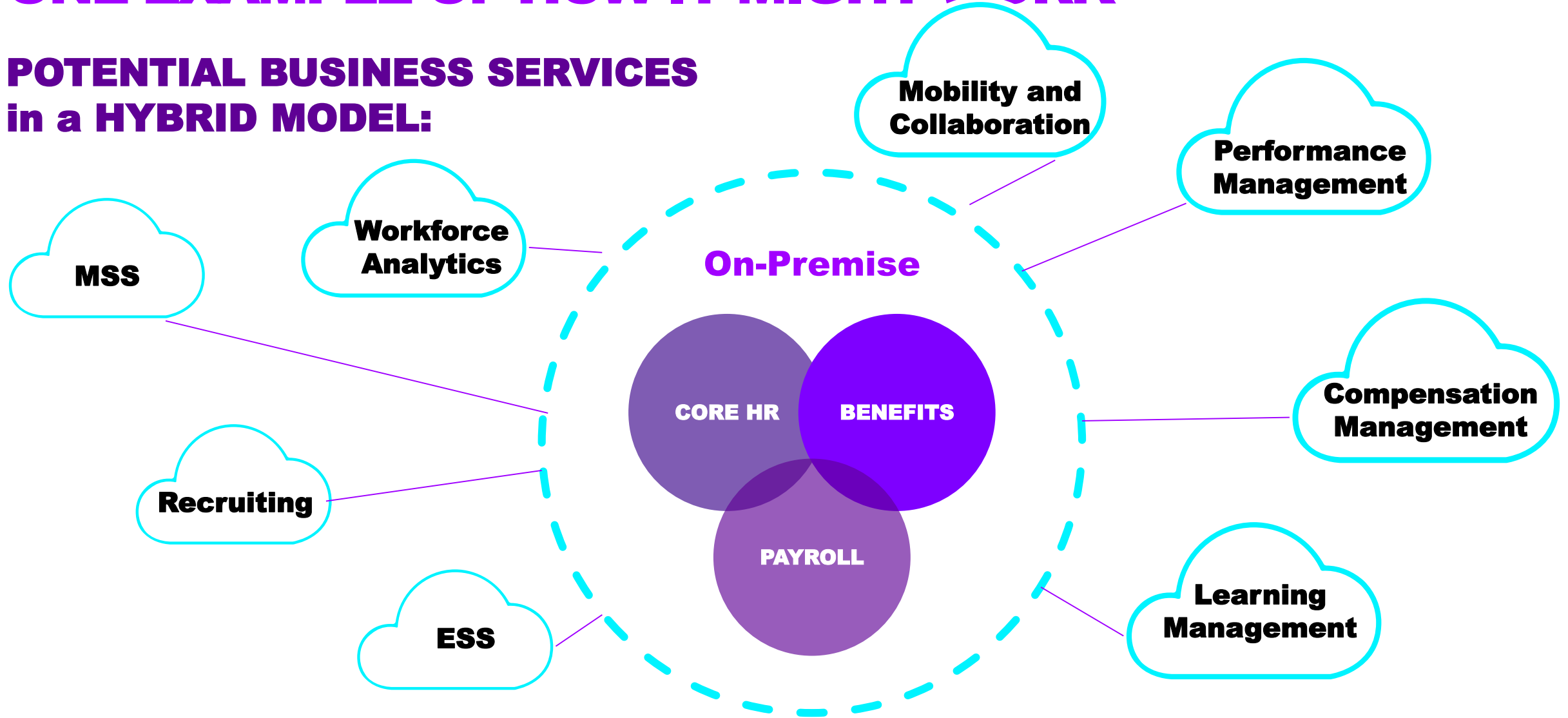
**As-a-Service**



# PLATFORMED BACK OFFICE

## ONE EXAMPLE OF HOW IT MIGHT WORK

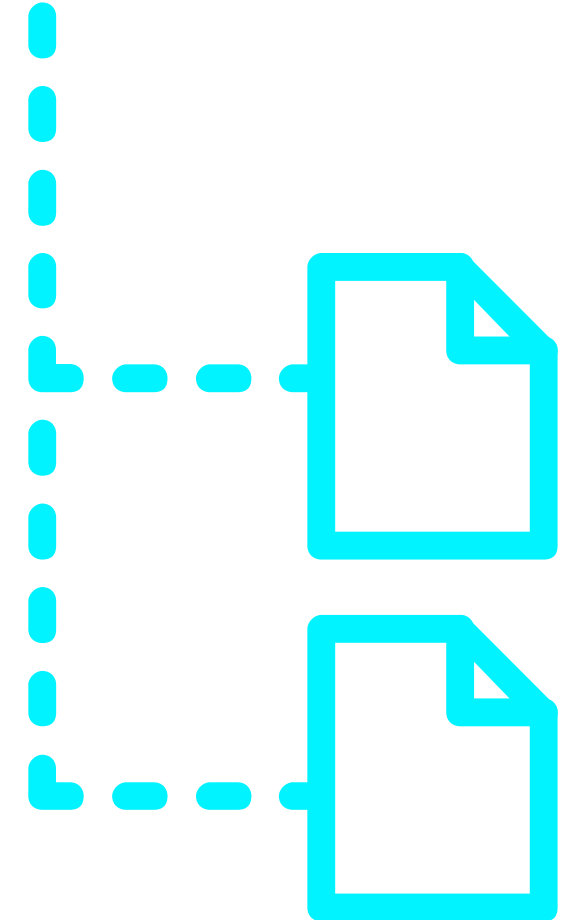
**POTENTIAL BUSINESS SERVICES**  
in a **HYBRID MODEL:**



# PLATFORMED BACK OFFICE

## HOW WOULD I DECIDE?

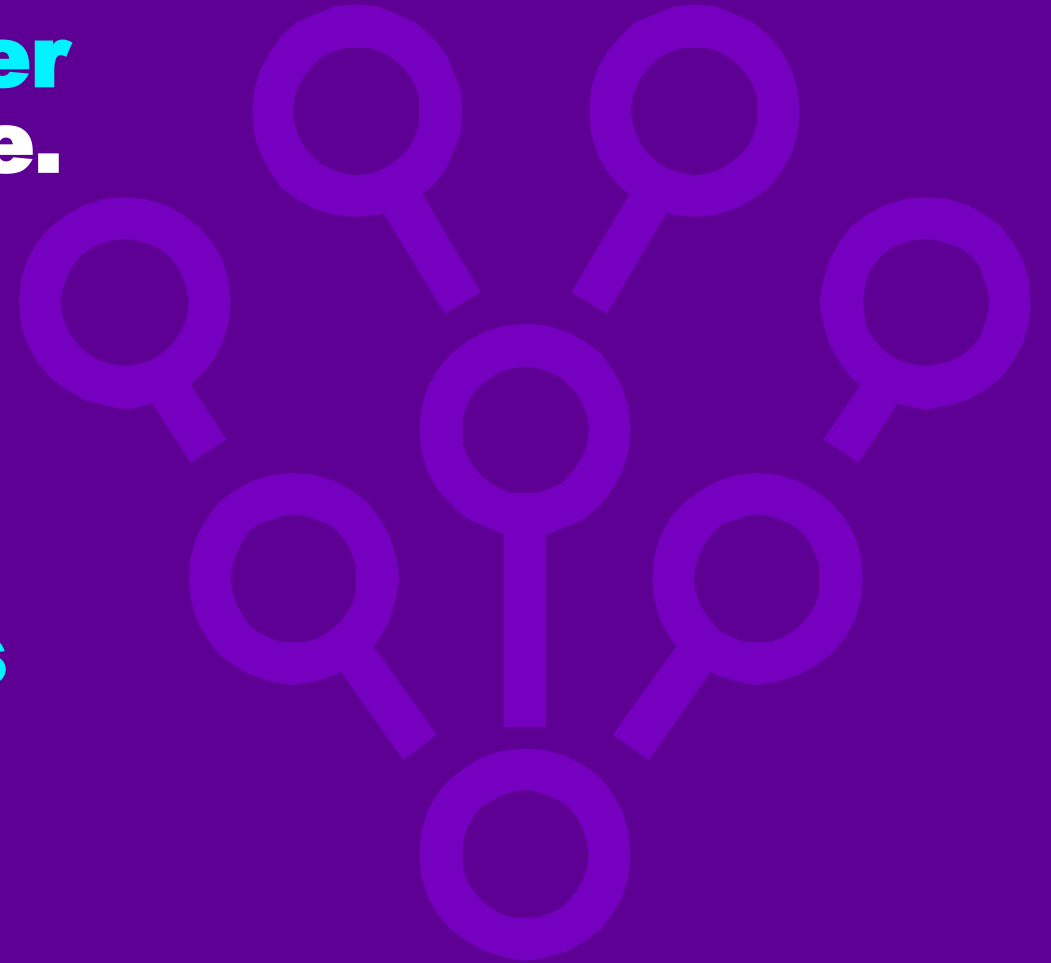
- 1 Identify business process / determine value
- 2 Keep it internal? Or external service provider?
- 3 Business process purchased 'a la carte'
- 4 Create an integration platform
- 5 Business service roll out based on need and value delivered



**“Unsexy specialties such as contract management, tax compliance and regulatory tools are getting a **fresh glitter of promise** for what’s possible.**

**That is because the future of **machine learning** for extracting new data insights and heading off corporate risks **could save corporations enormous costs.**”**

**—The Wall Street Journal**



# ERP IN TRANSFORMATION

## AI FOR BACK OFFICE IS JUST GETTING STARTED

Organizations are investing in AI and are seeing positive results:



**55%** of private sector enterprises **plan to invest in AI** in the next 12 months

**45%** of organizations are **seeing positive results** from their AI projects

**50%** of organizations who had invested in AI said that the **results** from their AI investments **met or exceeded their expectations.**<sup>1</sup>

<sup>1</sup>Source: Forrester, Artificial Intelligence: A CIOs Guide to AI's Promises and Perils, January 9, 2017

More of the IT workforce will focus on AI related functions:



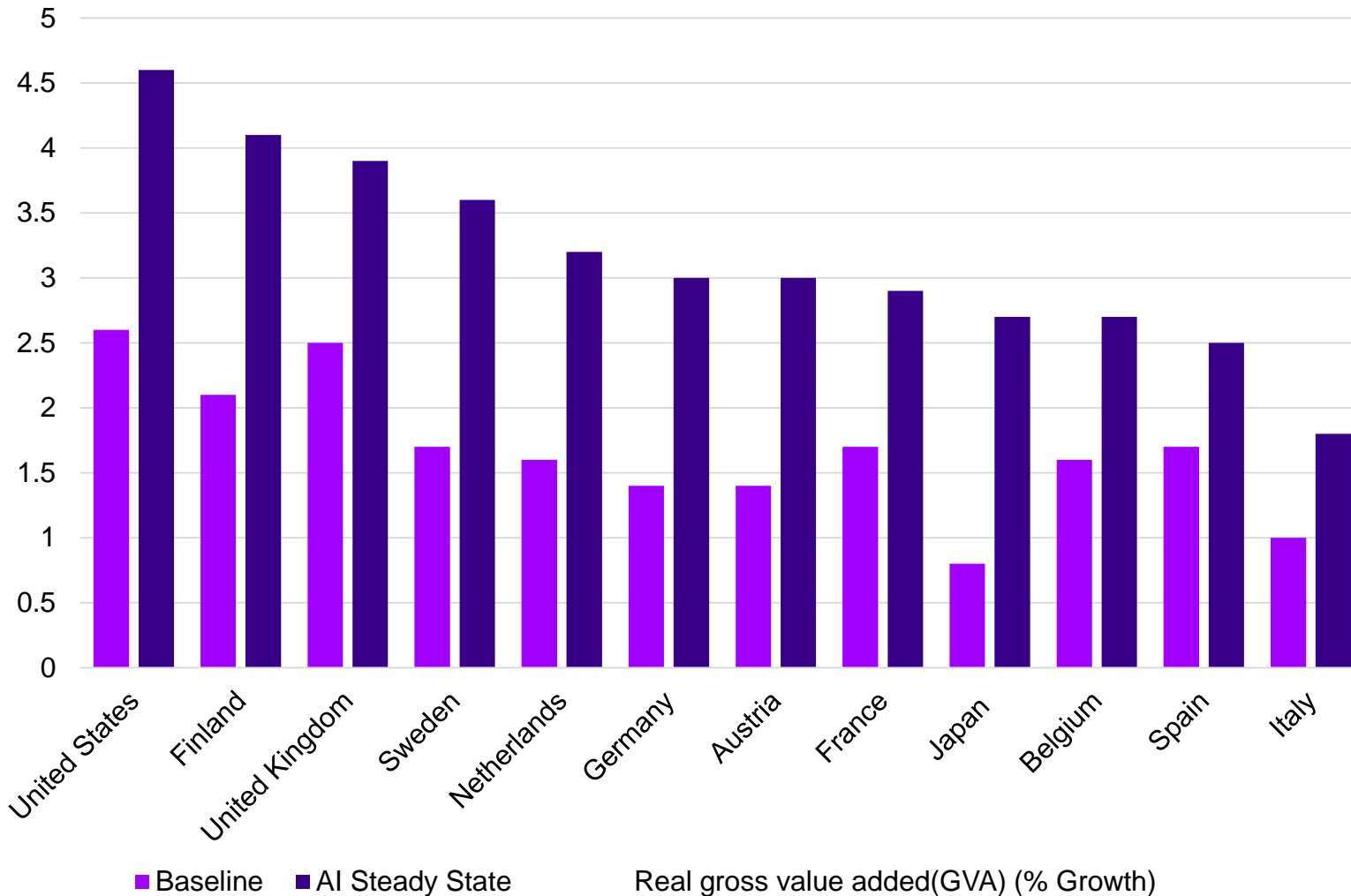
By 2019, more than **10% of IT hires** in customer service will mostly **write scripts for bot interactions.**

By 2020, **20% of companies** will dedicate workers to **monitor and guide neural networks.**<sup>2</sup>

<sup>2</sup>Source: Gartner, Predicts 2017: Artificial Intelligence, 23 November 2016

# AI IS HAVING AN IMPACT, INSIDE AND OUTSIDE OF YOUR ORGANIZATION

The Economic Impact of AI



AI's impact will be felt throughout the economy.

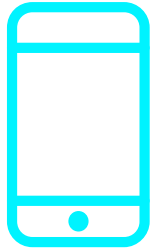
AI has the potential to **double the annual economic growth rates** by 2035 for developed economies.

In the same time frame AI can **boost labor productivity** by 40 percent.

Source: [Accenture](#) and Frontier Economics

# AND CONSUMERS ARE GROWING MORE COMFORTABLE WITH USING AI

1/3



are interested in using a **voice-enabled digital assistant** in smartphones

52%



interact through **AI-powered live chats or mobile apps** on a **monthly** basis

62%



are comfortable with an **AI responding** to their query.

82%



reported that the top benefit of AI advisors over human is they are **available anytime.**

Source: [Accenture Digital Consumer Survey 2017](#)

# AI IS A **BROAD CONCEPT** AND CAN PERFORM MANY FUNCTIONS IN THE BACK OFFICE

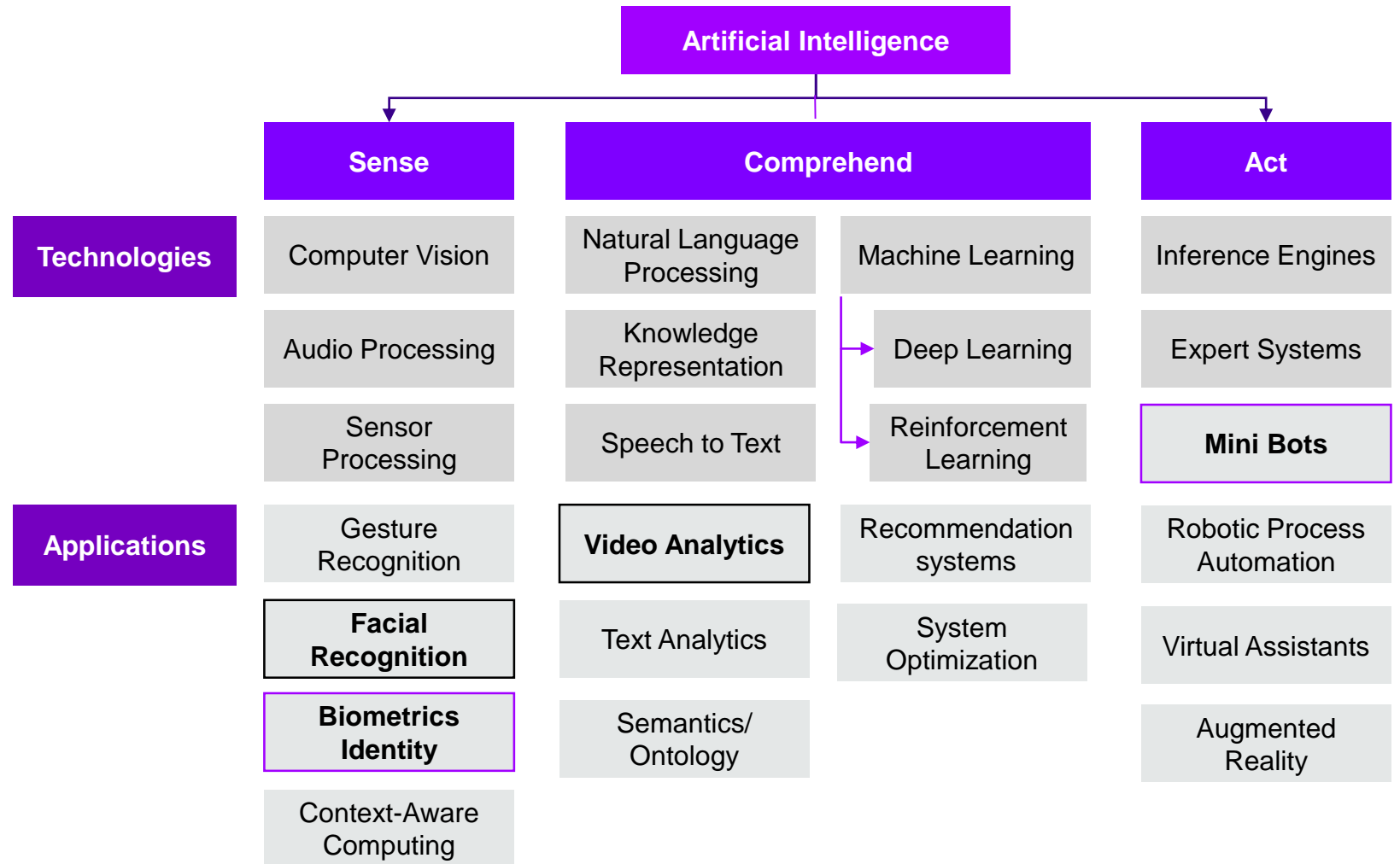
Artificial Intelligence is a:



**System** that possesses human-like intelligence and learning capabilities



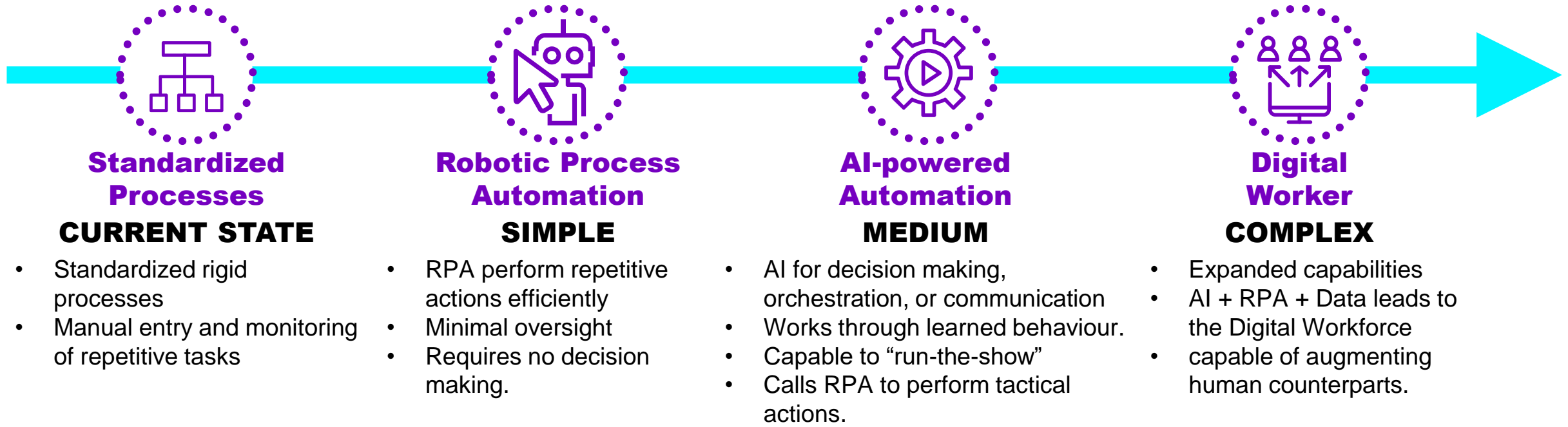
**Collection** of technologies that, together, enable human-like intelligence





# AI FOR GOVERNMENT BACK OFFICE

## A SIMPLER WAY TO THINK ABOUT APPLYING THE TECH



### BENEFITS

#### LOWER WORK TEDIUM

Remove redundant low level tasks from your workforce

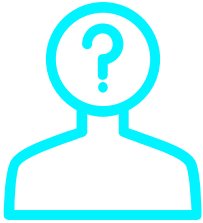
#### LABOR REALIGNMENT

Enable resources to be used much more effectively and valuably

#### INNOVATION

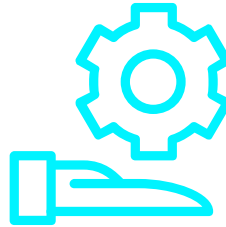
Increase engagement with your citizens and employees

# ONE GOVERNMENT IS USING AI TO TRANSFORM THEIR MODEL OF CUSTOMER SERVICE



## HELP DESK EMPLOYEES WERE SPENDING THE MAJORITY OF TIME ON ROUTINE CUSTOMER QUERIES

Client wanted to reduce the time, cost and effort of repetitive tasks so employees focused on complex tasks



## ACCENTURE PROPOSED AUTOMATING THE PROCESS WITH AI

### Virtual Agent (VA):

- Understands / process natural language
- Autonomously handles calls / webchat using cognitive-semantic analysis and machine-learning algorithms.

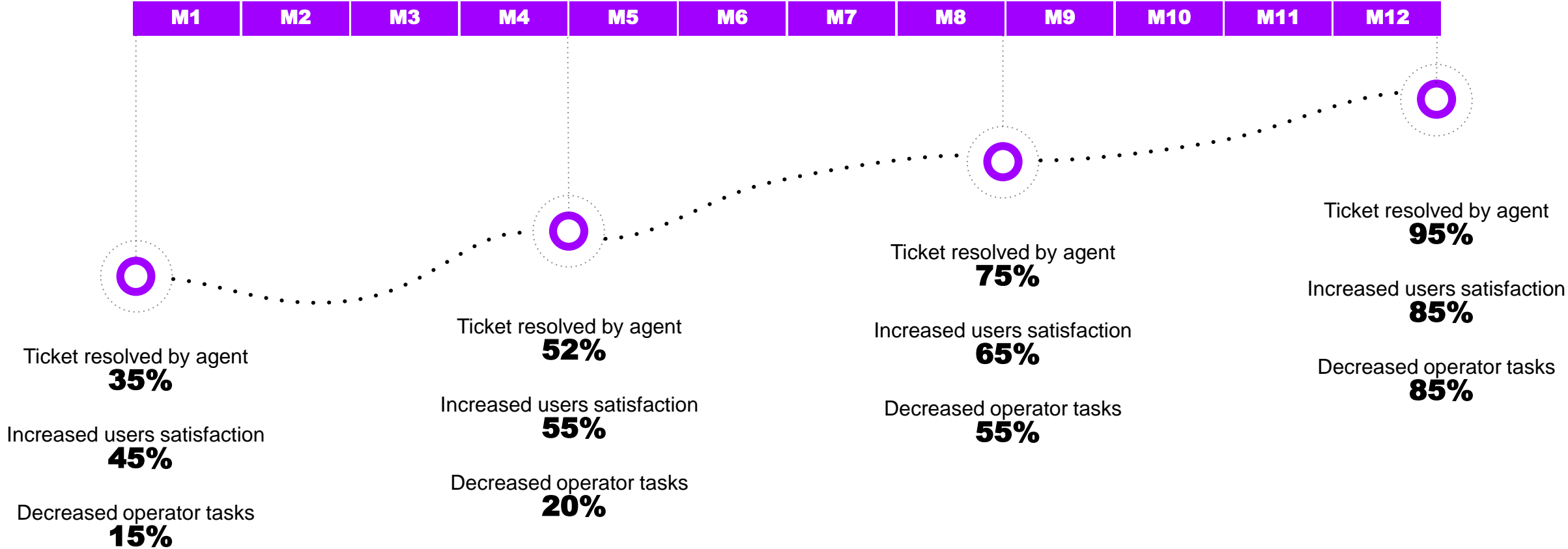


## VA IS ALSO ABLE TO UNDERSTAND THE CONTEXT IN CUSTOMER REQUESTS

### VA can:

- Extract what customers are looking for
- Support decision making process with variables
- Customers receive answers by querying data / documents in natural language or a form through voice, assisted by agent

# AI HELPED DECREASE TASKS FOR THE FIRST LEVEL OPERATOR BY ~85% WHILE INCREASING CUSTOMER SATISFACTION



## PROJECT IMPLEMENTATION

3 Months - 2 FTE to Analyze and Build the Virtual Assistant | 1 Months - 1,5 FTE to train the Virtual Assistant

# ONE WASHINGTON



# ONE WASHINGTON PROGRAM

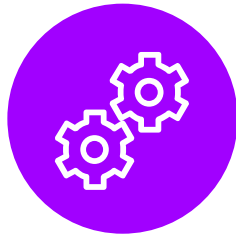


One Washington  
A Business Transformation Program

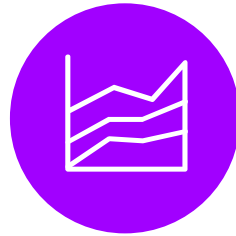
- **One Washington is a comprehensive business transformation program to modernize and improve aging administrative systems and related business processes.**
- **There are four key business areas with Change Management and Business Intelligence touching all areas**



Financials



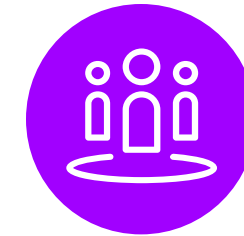
Procurement



Budgeting



Human  
Resources



Organizational  
Change

# BUILDING ONE WASHINGTON

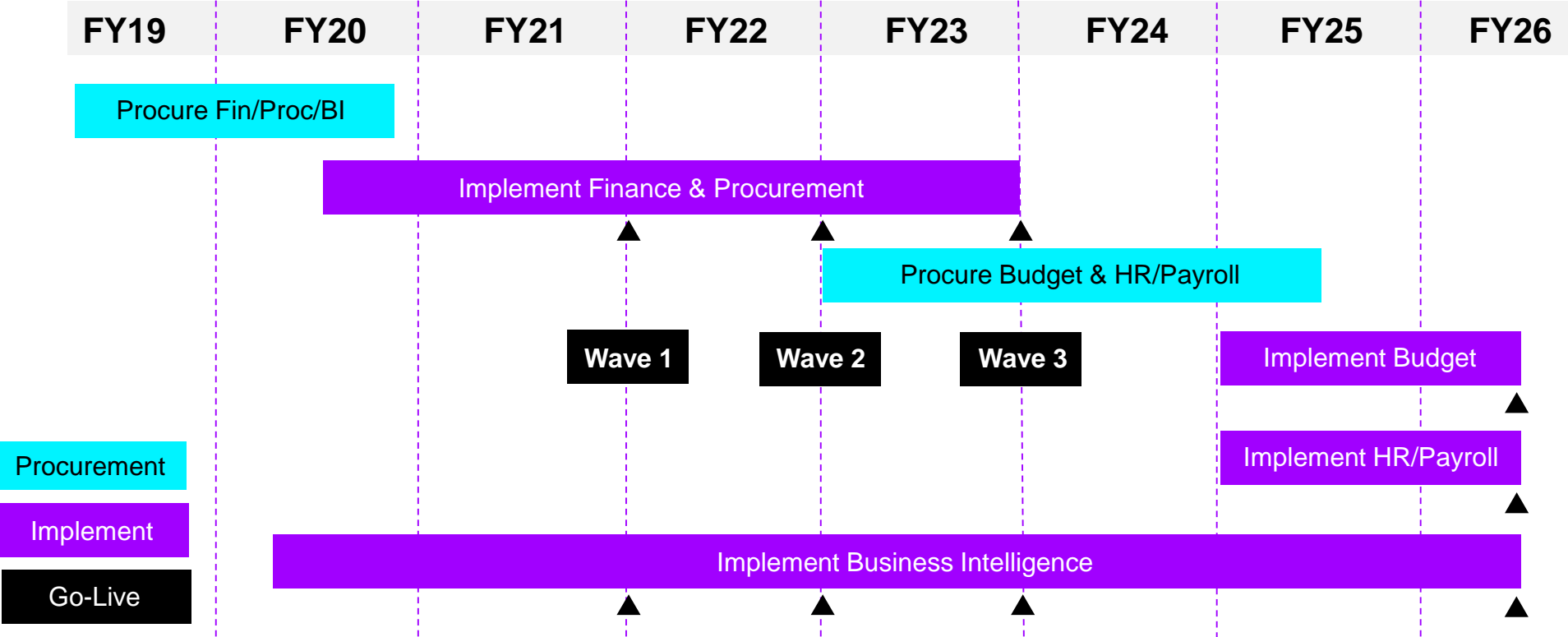
- The state has selected Accenture as the long-term strategic partner to help develop a multi-year blueprint to transform their back-office systems

## ONE WASHINGTON PROGRAM

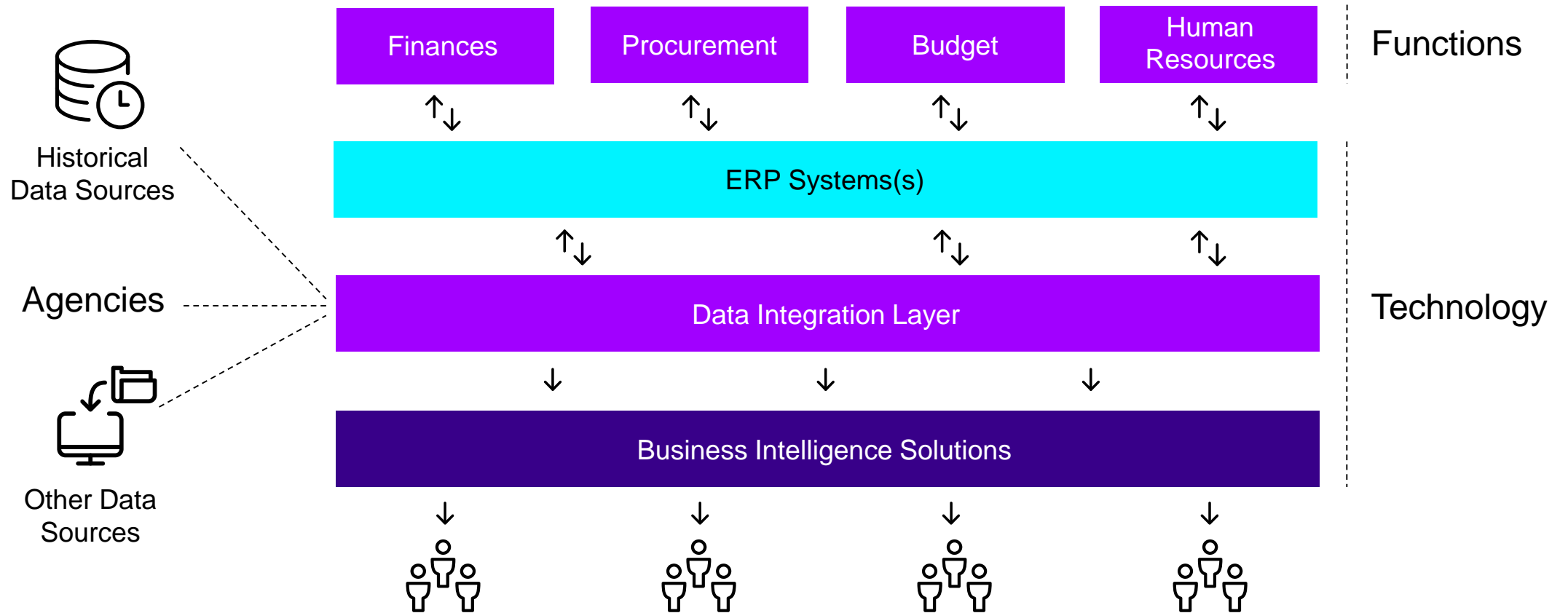


# ONE WASHINGTON TIMELINE

- The deployment approach for Finance and Procurement will be a phased functionality and agency
  - Wave 1 will be a pilot roll-out followed by a Wave 2 for the remaining agencies, Wave 3 will be reserved for agencies that require expanded functionality
- Budget and HR Payroll will be deployed in one release for all agencies



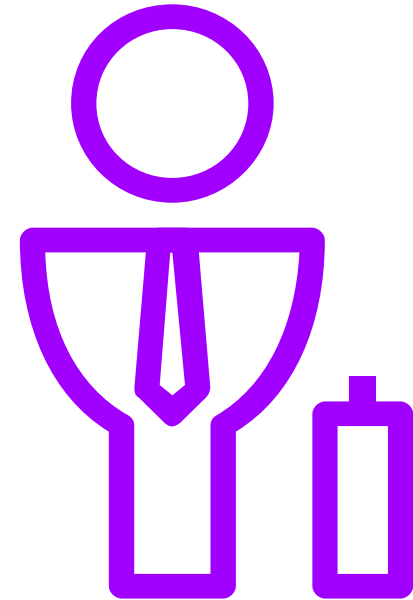
# SOLUTION OVERVIEW





# ACCENTURE AND ONE WASHINGTON WILL **HELP THE STATE**

- Deploy an integrated **SaaS solution**
- **Replace hundreds** of disparate legacy systems
- **Lower risk** of system failures and security breaches
- Provide transparent, reliable information, dashboards and analytics for **decision makers**
- **Improve data accuracy** through consistent, common business processes and common systems
- Enable **statewide** collection of critical information and consolidated business intelligence
- Provide a **platform to innovate and improve** services to citizens



# QUESTIONS



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