DIGITAL GOVERNMENT TRANSFORMATION

US Survey Data Analysis
Public Sector Research Group
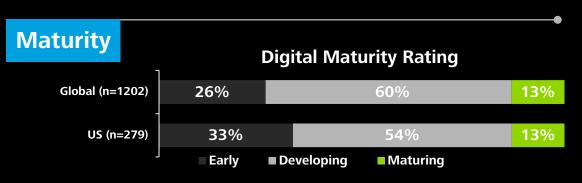
October 2015

Deloitte. Digital

OVERVIEW – UNITED STATES

Top driver
Cost + Budget pressures

Top 3 barriers
1. Security concerns
2. Too many competing priorities
3. Insufficient funding

Insights

- **Security concerns in US are a serious impediment for all organizations, irrespective of their level of maturity**
- **46% of organizations satisfied with vendors find procurement challenging; the corresponding value for organizations dissatisfied with vendors is 72 percent**

Maturity

Digital Maturity Rating

	Early	Developing	Maturing
Global (n=1202)	26%	60%	13%
US (n=279)	33%	54%	13%

"And everyone came in, oh my god, procurement's broken, procurement's broken. How are we going to fix procurement, and I was like, first you have to fix hiring."

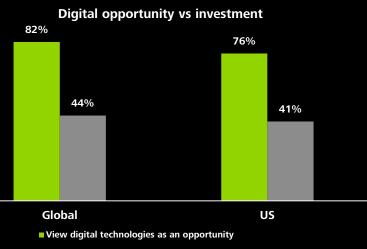— *Greg Godbout, 18F on procurement barriers*

READINESS AND RESPONSE

61 percent say that digital trends are improving their organization's ability to respond to threats and opportunities

81 percent say their digital capabilities are behind the private sector

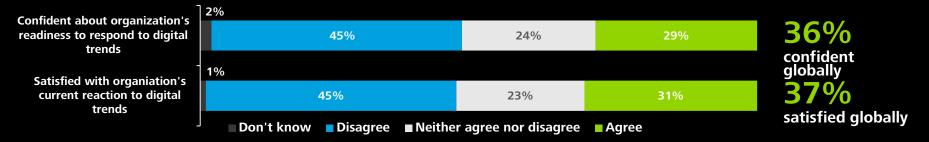| Have a clear and coherent digital strategy?	
Global	46%
US	40%

Objectives of digital strategy	% agree
1. Increase efficiency	78%
2. Create or access valuable information or insights to improve decision making	73%
3. Improve customer/citizen experience and engagement, and transparency	71%
4. Create or access valuable information or insights for innovation	63%
5. Fundamentally transform our organization processes and/or organization model	49%

Digital opportunity vs investment

	Global	US
View digital technologies as an opportunity	82%	76%
Increased investment in digital initiatives in the last fiscal	44%	41%

Confident about organization's readiness to respond to digital trends
Don't know 2% | Disagree 45% | Neither agree nor disagree 24% | Agree 29%

Satisfied with organiation's current reaction to digital trends
Don't know 1% | Disagree 45% | Neither agree nor disagree 23% | Agree 31%

■ Don't know ■ Disagree ■ Neither agree nor disagree ■ Agree

36% confident globally
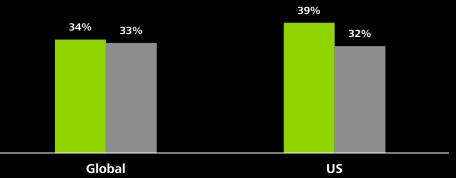
37% satisfied globally
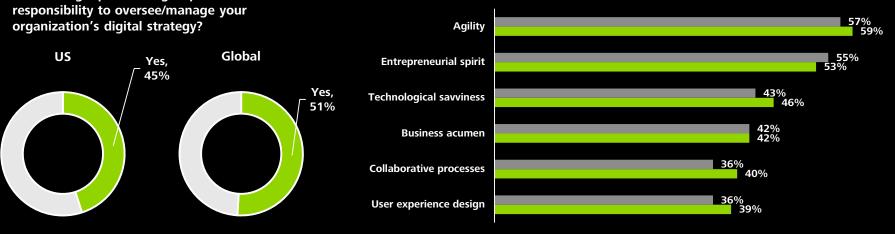
LEADERSHIP, WORKFORCE AND SKILLS

90% find workforce and skills to be a challenging area to manage in their organization's transition to digital

44% say that leadership understands digital trends and technologies

40% say that their leaders have sufficient skills to lead the organization's digital strategy

Digital skills vs investment in workforce

	Global	US
Employees have sufficient skills	34%	39%
Organization provides opportunities	33%	32%

- Empoyees have sufficient skills to execute organization's digital strategy
- Organizaion provides opportunities and resources to obtain the right skills
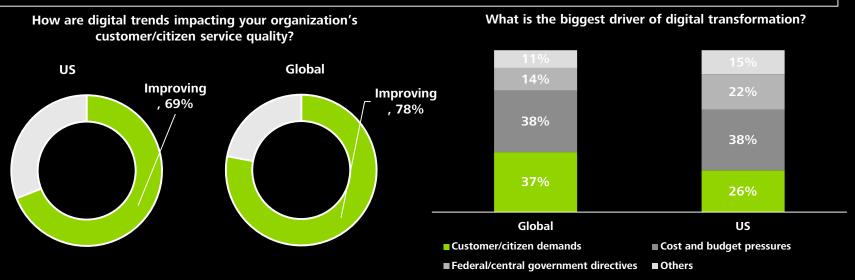
Does a single person or group have the responsibility to oversee/manage your organization's digital strategy?

US
Yes, 45%

Global
Yes, 51%

Workforce-skills lacking

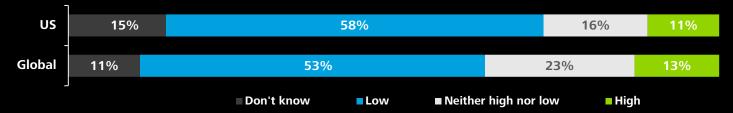|	US	Global
Agility	57%	59%
Entrepreneurial spirit	55%	53%
Technological savviness	43%	46%
Business acumen	42%	42%
Collaborative processes	36%	40%
User experience design	36%	39%

■ US ■ Global

CUSTOMER/CITIZEN-FOCUS

93% say that digital technologies and capabilities enable employees at their organization to work better with customers/citizens

71% say improving customer/citizen experience and transparency is an objective of their organization's digital strategy
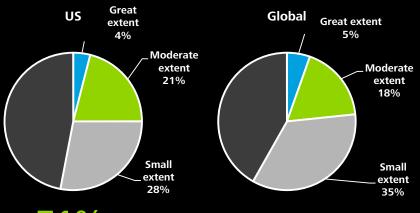
How are digital trends impacting your organization's customer/citizen service quality?

US
Improving, 69%

Global
Improving, 78%

What is the biggest driver of digital transformation?

Global	US
11%	15%
14%	22%
38%	38%
37%	26%

- ■ Customer/citizen demands
- ■ Cost and budget pressures
- ■ Federal/central government directives
- ■ Others

What is the level of customer/citizen involvement in co-creating digital services for your organization?

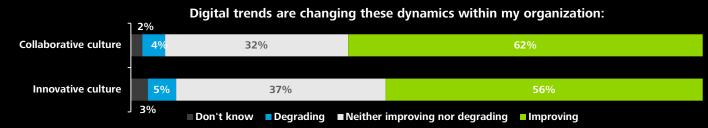|	Don't know	Low	Neither high nor low	High
US	15%	58%	16%	11%
Global	11%	53%	23%	13%

- ■ Don't know
- ■ Low
- ■ Neither high nor low
- ■ High

CULTURE - INNOVATION, COLLABORATION, OPEN SOURCE, AGILE

89% find culture to be a challenging area to manage in their organization's transition to digital
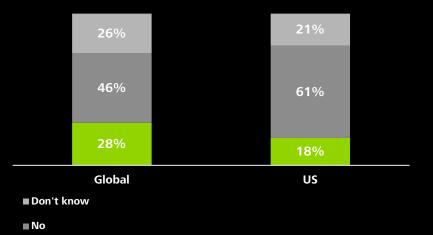
To what extent does your organization use open source technology to deliver digitally transformed services?

US
- Great extent 4%
- Moderate extent 21%
- Small extent 28%

Global
- Great extent 5%
- Moderate extent 18%
- Small extent 35%

71% say that digital technologies and capabilities enable employees at their organization to work better with other employees

Is the transition to digital altering your organization's attitude towards risk?

	Global	US
Don't know	26%	21%
No	46%	61%
	28%	18%

- ■ Don't know
- ■ No

67% globally say digital trends improve collaborative culture

65% globally say digital trends improve innovative culture

Digital trends are changing these dynamics within my organization:

Collaborative culture
- 2%
- 4%
- 32%
- 62%

Innovative culture
- 5%
- 37%
- 56%
- 3%

■ Don't know ■ Degrading ■ Neither improving nor degrading ■ Improving

PROCUREMENT

77% find procurement to be a challenging area to manage in their organization's transition to digital

77% say that government procurement needs to change significantly or very significantly to accommodate digital transformation

29% say that they are satisfied with the community of vendors that currently serves the digital government marketplace

Top 3 obstacles to better procurement practices in the digital age	
US	**Global**
1. Rules/regulations	1. Rules/regulations
2. Lack of flexibility	2. Lack of flexibility
3. Procurement skill sets	3. Procurement skill sets

Development of digital services

Outsourced 11%

Don't know 8%

In-house 9%

Mixed (in-house and contracted model) 72%

In what ways does procurement need to change to enable digital transformation?

	US	Global
Agile development process	45%	45%
Less restrictive terms and conditions	26%	31%
Modular development	18%	20%
Less control from the center	17%	21%
Shorter contract periods	9%	10%
More open to small and medium-sized companies	6%	19%

■ US ■ Global