REINVENTING GOVERNMENT

Navigating Public Sector Transformation in a Hyper-Digital Era

This white paper examines the innovation challenges and opportunities inherent in public service transformation, with particular emphasis on the use of artificial intelligence, cloud computing, Zero Trust Architecture, and the overall value of service optimization.

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EXECUTIVE SUMMARY

Overall satisfaction with government services is falling—a decline that has migrated to the fields of technology and digital-focused services. Since the private sector has raised the bar on the customer experience, people expect government to keep up. For many, it's a matter of trust—citizens who are satisfied with public service are nine times more likely to have confidence in the government than those who are not. As I point out in my book "REINVENT," your customer isn't what he or she used to be—in this case, the customer as citizen. Increasingly, people see no reason why public services should be more complicated than shopping online. They want to be able to find the most relevant services easily and quickly. They want information in clear and simple language and expect to complete all transactions via digital channels—ideally, through a single digital journey rather than repetitious, scattered experiences.

In effect, the expectations and even demands of most every stakeholder involved have shifted and sharpened. To meet those expectations, governments should explore new service and interaction models that are both modern and integrated—in effect, a transformation.

This white paper examines the innovation challenges and opportunities inherent in public service transformation, with particular emphasis on the use of artificial intelligence, cloud computing, Zero Trust Architecture, and the overall value of service optimization. In particular, steps to implementing each of these components are aslo addressed based on my award winning #1 *The Wall Street Journal* best-selling book *REINVENT* (published by Fast Company Press in association with IMD - International Institute for Management Development).

THE CHALLENGE

Distrust of the Private Sector Coupled with a Lack of Understanding

As this paper will address, the benefits and potential of transformation in the public sector are enormous. And, given the current environment, the public sector will need to capitalize on every bit of that opportunity.

Some 15 years ago—in May 2009—former U.S. President Barack Obama addressed cybersecurity issues with a prescient perspective: "The vast majority of our critical information infrastructure in the U.S. is owned and operated by the private sector." And, more than once, the public's faith in the safety of that repository has been understandably shaken: the Facebook-Cambridge Analytica Scandal; Yahoo's data breach involving three billion user accounts; First American Financial Corp.'s breach exposing some 885 million records. The list grows ever longer.

Public anxiety over such mishaps has exploded, pushing concerns past issues of mishandling to outright paranoia. A 2020 study of 1,000 adults by WhistleOut found that four out of five Americans believe a tech behemoth is listening in on their conversations.[1]

Here, a convoluted situation takes hold. On the one hand, citizens fret over the private sector's handling of sensitive material, yet they'd like the government to emulate the access, efficiency, and convenience. On the other, naturally enough, they worry whether the government's ability to keep private information secure will prove any more effective.

Other factors muddy the waters even further. For one thing, the government has fallen far behind the private arena in efforts to pursue digital transformation. According to a study by Deloitte, nearly 70 percent of government officials throughout more than 70 countries said their digital capacity was far inferior to that of the private sector.[2] Subsequent research by Accenture reported that some three-quarters of public service leaders believed outdated technology was holding them back, despite overwhelming agreement that tech architecture was becoming increasingly central to organizational success.

While the reasons for lagging behind are varied, one conclusion seems reasonable—lawmakers, the ones who manage the purse strings, don't understand or appreciate the value of such technology to the function of government. As Representative Jay Obernolte, a California Republican and the sole member of Congress with a master's degree in artificial intelligence, quipped recently: "You'd be surprised how much time I spend explaining to my colleagues that the chief dangers of A.I. will not come from evil robots with red lasers coming out of their eyes."[3]

So the challenges are real, but so too is the opportunity—starting with a thoughtful and comprehensive approach to artificial intelligence.

As a starter, allow me to summarize how technology has the potential to shape the four strategic roles (regardless of the market segment or industry):

STRATEGIC ROLES FOR BUSINESS OPTIONS

STRATEGIC ROLE	DESCRIPTION	BUSINESS VALUE METRICS
Automation	Target transaction and work process automation to improve the productivity and ease with which the organization conducts its business	- Productivity (e.g., inventory turnover) - Cycle time (e.g., fulfillment cycle time) - Costs (e.g., procurement costs)
Empowerment	Provide information, decision support, and "best practice" knowledge to front-end workers in their interactions with customers, business partners, or other external stakeholders	- Partner satisfaction (e.g., customer satisfaction) - Problem resolution productivity (e.g., number of problems resolved, cycle time to resolution) - Resolution costs (e.g., cost per customer call)
Control	Facilitate efficient and real-time monitoring of business operations and business partners	- Completeness, accuracy, validity, and integrity of the firm's transactions and decision-making processes - Accuracy, speed, and economy of financial reporting - Effectiveness of financial audits and fraud detection
Transformation	Facilitate the innovation of new business models, new products and services, and new modes of organizing work	- Rate of product, process, or business model innovation - Comprehensiveness and richness of innovation portfolio (number of incremental, architectural, and radical innovations)

Four strategic roles for business options. Technology helps shape business strategy and enables business options through four strategic roles.

Source: "REINVENT" by Faisal Hoque

ARTIFICIAL INTELLIGENCE

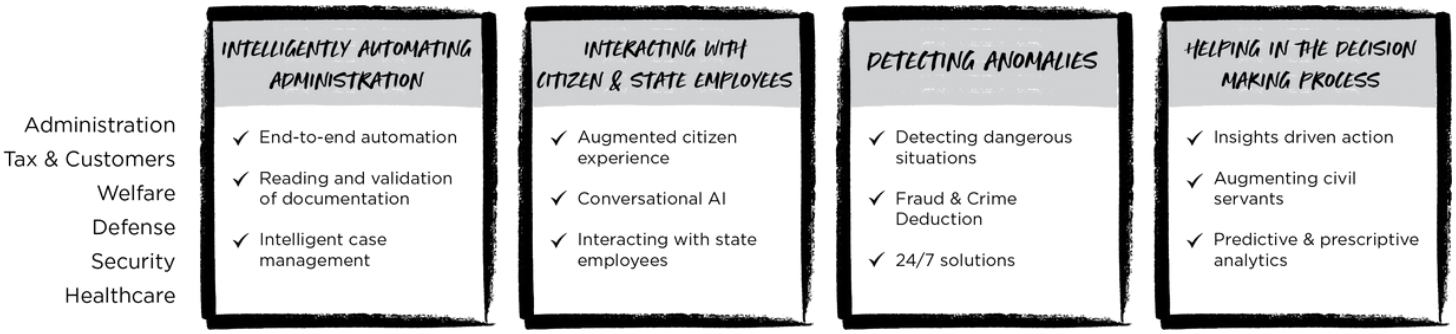
With its capacity to improve decision-making, efficiency, and policy design, AI holds enormous potential to help governments deliver in varied ways. To that end, many governmental entities have already implemented AI in some capacity—according to Deloitte's U.S. Global State of AI in the Enterprise 2022, 79 percent of surveyed leaders have introduced AI applications. But as governments move toward a more comprehensive digital presence, they should ensure that those new services are human-centered, trustworthy, transparent, ethical and accountable. By meeting those sorts of objectives, government can leverage a number ofcritical benefits:

- **Improved citizen interaction with public services.** Citizens are accustomed to complete digital self-service delivery models in the private sector—such as instant credit card and online application approvals—and they expect the same with the public sector. Use of Generative AI—which creates content such as text or images rather than simply analyzing data—can be revolutionary in digital interactions, ensuring a broader range of easily accessible services as well as customization.

- **Simplified and more efficient processes.** Governments are redefining traditional processes and ways of thinking. Rather than traditional siloed systems, AI-based process improvements are now cutting across internal government processes, integrating everything from information, people, and finance to security and access. By delivering services more efficiently, governments can provide public servants with the additional capacity to work with constituents further and address more complex, singular challenges and responsibilities. This can also serve to counter anxiety over AI supplanting human employees—rather, artificial intelligence frees up people to spend their time in more meaningful and engaging ways.

- **Data-based policymaking.** Increased use of AI and data analytics are helping policymakers across all government sectors develop more thoughtful policies, particularly with regard to impact, expense, and public perception. Data-driven policymaking can support more effective regulation of industries, a greater understanding of social and environmental policy outcomes, and better insight into how citizens view certain policies and regulations. In that sense, regulation can be interpreted as less limiting and geared instead to fact-based guidance, improving the public's view of the role of such policies.

- **Improving data sharing.** AI can also support greater interaction between government agencies, breaking down data silos and working toward policies that engender greater overall support and acceptance. This reinforces AI's capacity to boost collaboration and cooperation, particularly between seemingly unrelated entities.



Source: https://www.businessprocessincubator.com/content/perform-ai-for-public-sector-public-goes-ai/

Steps to Implementation:

- **Partner with outside experts and academia.** The best way to approach an unknown commodity such as AI is to work with those who've been there before. By collaborating with organizations that have expertise in AI, government agencies can gain access to the knowledge and resources they need to implement these technologies effectively.

- **Promote AI experience and skill development.** Public servants need to be trained and equipped with the necessary skills to work with AI and understand its impact on government policies and decision-making. This represents one of the foremost challenges of public sector transformation—lack of knowledge and experience, particularly among leadership. This can be addressed, at least in part, through cooperation with more experienced private sector partners.

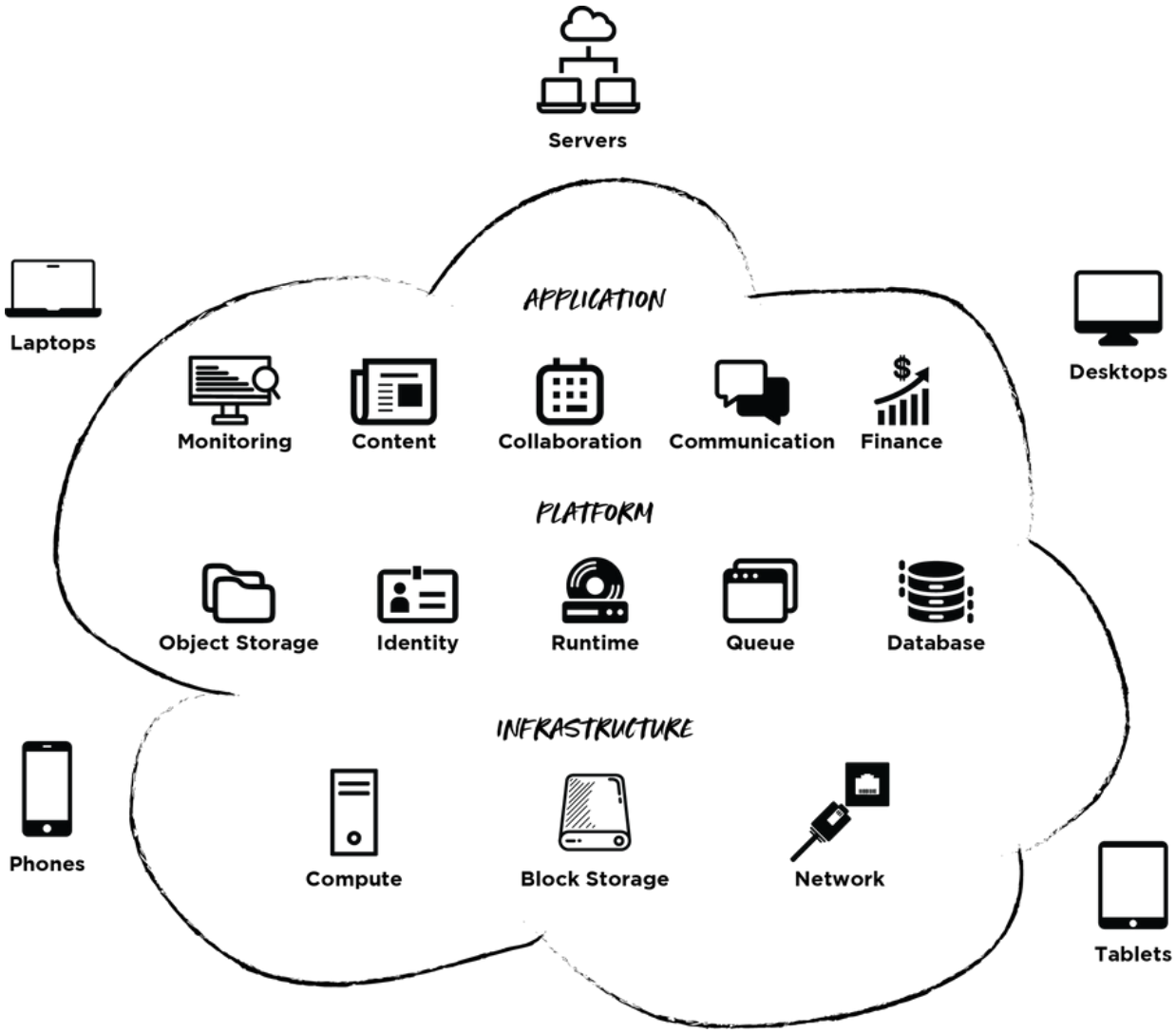
- **Strengthen and augment data governance practices.** Yet another significant challenge is security. Data governance practices should emphasize the responsible use of AI, ensuring that data is collected and used in a transparent, fair, and ethical manner while protecting citizens' privacy. One way to approach this challenge is to collect and publish a research library of available privacy policies and resources, and, from there, organize such practices into actionable "here's what to do" guidance. Supporting digital privacy educational and training materials can be developed to share this knowledge.

- **Creating a dynamic regulatory framework.** Technologies such as AI are rapidly outpacing government regulatory efforts. Governments should raise awareness about the implications of these technologies and work with private sector ecosystems to cooperatively develop up-to-date, effective regulation. One recent example of this growing effort is efforts by various lawmakers to draft legislation addressing AI—in part due to calls for such regulation from companies such as OpenAI and Microsoft.

- **Take the long view.** It's essential that government consider a long-term strategy for AI. Rather than implementing on a one-off basis, it's important for agencies to develop a comprehensive strategy for how they leverage technology over the long term.

CLOUD COMPUTING

Prior to the COVID-19 pandemic, worldwide investment in public cloud and information technology infrastructure was on track to grow 20 to 25 percent a year from 2019 to 2023. The pandemic has only boosted the momentum of such efforts. Accordingly, many public sector organizations have recently made aggressive plans for cloud migration. Governments around the world are increasingly recognizing the benefits of cloud-based technologies, among them not just lower costs but also access to innovative products from cloud vendors, greater resiliency and scalability of technology.



Source: https://www.mdpi.com/2079-9292/10/15/1811

The promise of cloud-based technologies is immense. However, public sector organizations considering migrating to the cloud often face a wide range of organizational and operational challenges. Further, many agencies have relatively small budgets and few staff members with sufficient cloud expertise—particularly expertise with managing security and remediating applications.

This suggests a systematic list of issues and strategies that public sector leadership needs to consider—without limiting the approach just to cost-benefit thinking.

Here, the core issue involves a case of tunnel vision. Understandably, public sector leadership is quick to approach this issue with regard to financial expense only. For certain uses, such as computing focused analytics and storage backup, hosting costs can indeed be trimmed—often substantially. However, a cost efficiency approach that places undue emphasis on finances can fall short of the true overall potential of the cloud. To ensure proper use of public funds, the cost-benefit case for the cloud should be particularly comprehensive, including:

- Greater agility with which to adjust to shifting public needs and priorities.
- Faster time to market for new products and features, particularly those accessed by the public.
- Innovative features from cloud providers, such as artificial intelligence and machine-learning modules.
- Cybersecurity, which is increasingly difficult for many organizations, particularly those with expanding digital footprints, to manage internally.
- Cost-effective scalability to meet increased demands.
- More resilient and reliable technology. This in particular takes on the long standing challenge of government having to get by with outdated legacy technology and tools.

Steps to Implementation:

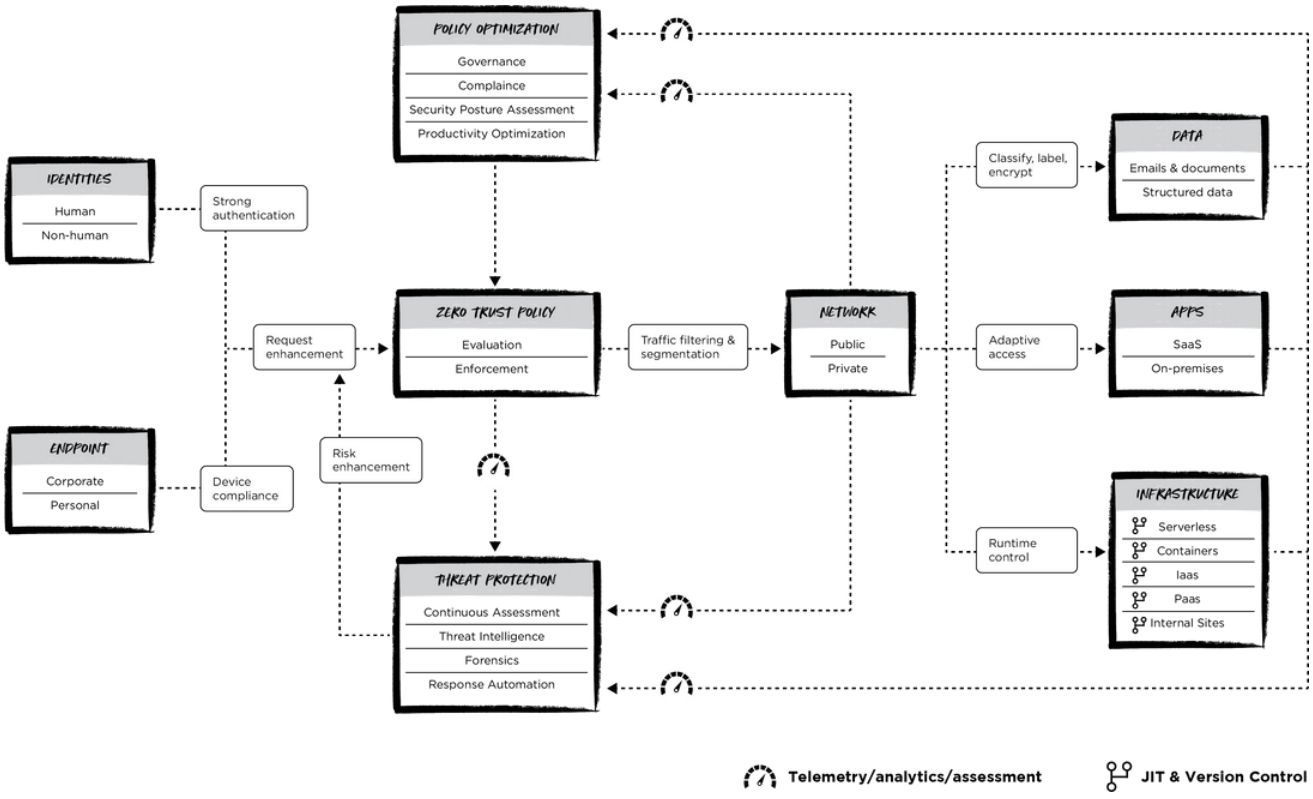
- **Specify an ultimate goal—and justify it.** When beginning any large-scale technology effort such as cloud transformation, an organization should start by defining its vision. This involves where it wants to go and why—in effect, establishing priorities; how it will get there through a systematic process of steps; and what it will need for the journey, such as expertise, funding, and time. The importance of this step is often underestimated—and, as a result, often given insufficient attention. A grounded, thoughtful understanding of organizational strengths and desired outcomes can help leadership identify areas that require more focus and investment than others and, from there, establish a reasonable timeframe in which change takes place. In particular, this can help address the frequent problem of initial missteps in the migration process and, from there, a pervasive hangover of persistent frustration and even mistrust in the migration decision itself.
- **Decide what should go in the cloud.** Prior to embarking on a cloud journey, public sector technology leaders should have an in-depth understanding of its overall technology portfolio—a comprehensive catalog of applications, platforms, security technology, data footprint, and supporting infrastructure. With this as a starting point, the organization then needs to understand the business requirements those applications command, such as high agility, resilience, or low cost. Then, it's possible to assess whether the cloud can, in fact, help achieve them. For example, an agency may already use customer-facing applications that require high agility and faster time to market; these applications might be good candidates for an initial wave of cloud migration. Other applications, such as those that are mission-critical, may be better suited for subsequent waves. This reinforces the value of identifying a suitable pace in which transformation takes place while boosting enthusiasm for and buy-in to the overall effort.

- **Change existing approaches to operating model and talent management.** Transformation in a public sector organization requires its IT-infrastructure team to change its operating model and, concomitantly, work toward a higher level of maturity and sophistication. Teams are usually organized according to technology "towers" for example, a computing team, a storage team and a network team—or according to a "plan-build-run" network in which responsibilities cross lines more often. Successful cloud transformation requires the IT-infrastructure team to be more integrated with the organization and to operate in an agile manner. For example, the team could replace its ticket-driven workflows—delineated steps in a particular project—with an automated model or one powered by microservices and application programming interfaces (APIs), which developers can use to access the services they need.

- **Decide on a partner.** Public organizations typically rely on three types of partners: communication service providers (CSPs), system integrator, or and a collection of cloud-focused providers of management tools responsible for the complete oversight of cloud programs. This includes program setup and governance, with an emphasis on value creation and business transformation. An agency can choose from multiple CSPs based on which vendor's unique offerings and strengths best fit the organization's strategic needs and goals. Criteria such as vendor support, total cost, ability to integrate with existing systems and other services can help the organization choose its primary CSP. Organizations often start with a single CSP—after gaining real-world experience and achieving a certain level of maturity, these organizations often develop relationships with additional CSPs to support growth and reduce reliance on just one supplier. System integrators also play a critical role in migration because they provide expertise and experience when needed. While these partners can help speed cloud implementation, such partnerships hinge on an understanding of the partner's incentives and contractual structures. The goal is to protect the organization and ensure that the capabilities and capacity of its workforce are built up to eventually reduce dependence on the implementation partner. It is also important for the relationship to be truly mutual symbiotic—the contracts should be are structured for the implementation partner to have skin in the game.

ZERO TRUST ARCHITECTURE

In an environment dominated by confusion and double meanings, Zero Trust Architecture is refreshingly simple—*trust no one*. As its name implies, Zero Trust Architecture is an approach that eliminates all assumed forms of trust and continuously monitors and validates every step of a digital interaction. More specifically, Zero Trust employs rigid authentication methodology, leveraged network segmentation, and comprehensive threat prevention while emphasizing "least access" policies (restricting users to the least amount of resources and permissions that are needed to for certain activities.) From a global perspective, it works ensure that any damage from security lapses is either completely avoided or if not, reduced to a bare minimum—perhaps the core concern of any transformation, particularly those in the public sector.



Source: https://www.microsoft.com/en-us/security/business/zero-trust

Specific advantages include:

- **Protection from both internal and external threats.** Since Zero Trust is uniformly stringent when it comes to activity, any deviation is automatically flagged and analyzed for potential malicious activity, regardless of the source.

- **Ongoing, ceaseless visibility.** The core of Zero Trust is ongoing data monitoring, providing complete visibility of who accesses data, when and from what location. This helps security pick up on any unwanted behaviors or entries to the data. Further, Zero Trust is effective combatting data exfiltration, where data is copied without authorization, often appearing as conventional activity.

- **A boon to remote work.** Security concerns are often a foremost concern with remote work networks, including use of cloud storage. Zero Trust Architecture can address those worries with an “assume no trust” approach to all forms of data access, regardless of location.

- **Proactively positioned to maintain regulatory compliance.** As is the case with the private sector, governments and other public entities will face a growing list of regulatory must haves to ensure proper compliance. Again, given its inherently aggressive posture, Zero Trust Architecture can make any needed adjustments to ensure regulatory compliance less extreme, if not unnecessary.

Steps to Implementation:

As is the case with every other aspect of public service REINVENTion, it's essential that leadership systematically consider what the particulars of their situation might be and, from there, devise a focused plan for implementation, including:

- **Know what's vulnerable**. To protect against an attack, it's first critical to know where such an attack might take place. To that end, consider whether data, physical assets or some other form of valuable material might be particularly inviting to aggressive interlopers.

- **Understand that zero trust isn't a one-size-fits-all proposition**. In many situations, implementation of a next gen firewall might be the first critical step. From there, most users will also want to introduce multi-factor authentication (MFA) which will ensure that all users are thoroughly screened to access a system. Be certain that any particular areas of concern are addressed.

- **Draw up a zero trust policy**. It's essential that everyone involved with the zero trust system knows and understands its use and dynamics. A written policy that delineates this information will help ensure uniform and consistent use.

- **Monitor your results**. Once it's in place, monitoring activity on your network can flag potential issues sooner and provide valuable insights for optimizing network performance. Additionally, regular reporting can also analyze how a zero trust system impacts employee or system performance.

SERVICE OPTIMIZATION

Nothing is more convincing than success. That should make the goal of service optimization a core objective of any sort of government or public sector transformation.

To that end, governments can provide a seamless user experience by consolidating varied digital channels. Rather than sorting through multiple websites or apps, people could navigate and access information and services in one place, making overall access and ease of use that much stronger. Using the same solution for recurring transactions, such as building permits or property tax payments, promotes familiarity with the process and strengthens broad adoption. Moreover, a coherent look and feel across the public services landscape can increase user trust.

The challenge in implementing this sort of vision is a tall order. For one thing, private sector organizations typically manage a modest amount of customer interactions. By contrast, governments are responsible for many more types of contact, incorporating potentially thousands of individual services. For instance, in an ongoing effort to digitize public services in Germany, the government has grouped 5,900 transactions into 575 distinct services from a user perspective, which, in turn, account for 55 user “journeys.” That’s likely much larger than comparable private sector levels.

Government services are also controlled by different departments, agencies, and geographic units, all of which maintain strong independence. Additionally, many individual units may have started on their own digitization programs, usually at significant expense. It can be difficult to lure individual entities to contribute to integrated journeys and offer their services via a common digital channel.

A further challenge is the inherent working culture of government. Civil servants are trained to adhere to formal legal procedures and defined processes—in fact, they are bound to do so. Unfortunately, that approach is less helpful when it comes to creating digital services which requires more informal collaboration and flexibility. Moreover, since workers with advanced digital skills often choose the private sector over the government, recruiting new talent can be difficult.

At a more global level, governments must do three things well to get services online fast and to foster energy for continued and sustainable change:

- Reimagine service journeys in conjunction with relevant public authorities and users.

- At the same time, they should work toward rapid implementation and simple integration with existing back-end systems.

- Lastly, they should develop a central coordination unit to bring together public authorities, shape incentives to reward outcomes for users, and drive public communication efforts to foster acceptance and support.

Steps to Implementation:

- **To achieve stakeholder alignment, organize "labs," each of which can be responsible for a specific aspect of the overall program.** With this system, civil servants from all relevant public authorities collaborate directly with users to develop tools and plan a phased release—from minimal viable product to fully automated service transaction, designed with the input of everyone who will be impacted. By condensing design and stakeholder alignment, these labs can often deliver impressive results quickly. In fact, it's already been done. In the United States, for instance, several state governments organized labs to provide critical pandemic unemployment assistance in just a few weeks. That sort of real success story supports the sense of this approach.

- **Build the channel layer with users in mind.** Often, individual public authorities or geographic units already have their own websites and apps in place, but are not necessarily in line with of how users would like such services to work. Moreover, convincing them to migrate to a single channel can be difficult. Still, public services are easiest to navigate if users can enter through a "single front door"—ideally, one that users can operate easily and feel comfortable with. Dubai, for example, is planning to fully consolidate digital interactions with the government in one mobile app. Following their lead, governments must define how different channels relate to each other and develop common user-experience guidelines.

- **Hold down expenses through modular basic components and “low code” development.** Fortunately, many public service transactions have a similar structure. Users need to fill in a form, provide supporting documentation, legally prove their identity, and occasionally pay a service fee. Replicating these processes can not only work toward a common channel, but also minimize developmental costs. For example, all public authorities in Denmark integrate the national digital ID system (known as NemID) and a secure mailbox (Digital Post) with their online services. With this "low code" approach, technology resources are less of an issue when creating digital services; public authorities can focus instead on creating a reliable user experience and more efficient internal workflows. Projects that previously took months or years and required huge budgets now take weeks and incur little incremental cost for software development. Additionally, given the large number of services that governments need to digitize, investment in modular design and low-code development capabilities pays off in reducing overall expense.

- **Create a common vision and keep it vibrant and applicable.** Transforming the digital experience for residents and companies requires input from a wide range of public authorities. To drive sustainable change, they must create genuine excitement around a common vision and continuously involve stakeholders in meaningful ways. An example is Denmark’s successful effort to provide all public services online by 2015. The Agency for Digitization championed this through the motto: “No more printed forms or letters.” Civil servants across the government identified with—and contributed to—this vision, including central government, regions, and municipalities.

- **Establish an efficient division of labor.** Digitizing hundreds or even thousands of services can feel impossible—particularly so if there are many local points of access for the same transaction. Today in Germany, most service transactions still take place in 16 federal states and more than 11,000 municipalities. The solution was to split the service landscape into 14 theme-focused fields, such as services for families and children. For each field, the most relevant national ministry and one federal state took the point. Results are now being shared with all states and municipalities and have dramatically reduced the overall volume of work required.

- **Get the most out of digital talent and provide training.** Public authorities compete with the private sector for scarce technology talent—often unsuccessfully. It is therefore crucial that governments encourage available staff on building widely replicable solutions and low-code development tools. Moreover, civil servants need to learn methods for agile service design, best achieved through a hands-on experience. By providing substantial training across the public sector, governments can quickly build skills and create advocates for these new ways of working.

- **Make user outcomes transparent and establish incentives.** The ultimate test for progress in government digitization is whether people actually use it. Often, however, information on adoption rates is scarce. Governments that collect and publish this information create a powerful incentive for public authorities to improve the user experience. For instance, the United Kingdom publishes online usage numbers for 777 individual services. Dubai's Happiness Meter collects user feedback across digital and physical channels and regularly publishes the results.

- **Communicate progress frequently in a meaningful way.** A program to digitize public services needs to manage a complex stakeholder labyrinth—including civil servants across the government, technology service providers, politicians, and the general public. It is important to find engaging formats to communicate progress and generate support for the effort, especially as a track record is being established. Germany has created a digitization demo for public events, allowing residents, journalists, and civil servants to experience the new approach. When an online service goes live, there are press events to ensure that people can learn about the new solution from the media.

MINDSET

Don't make the mistake of assuming, as many do, that once there's new technology in place, the entire transformation is complete. Not by a long shot. In a very real sense, digital transformation has relatively little to do with the technology itself. Rather it's about the organization itself—how adaptive it is, how comfortable it is with flexibility, and how ready it is to abandon habits and mindsets of the past in favor of new, more applicable ones. Lacking those attributes, all the shiny new equipment in the world will, at best, function at the very minimal of its potential. Digital transformation success relies on the right kind of culture. Leadership, planning, thoughtful execution, and a commitment to a fresh mindset are every bit as critical to success as the right technology.

Steps to Implementation:

- Start at the top. It's essential that leadership be the very face of digital transformation. Support for digital transformation must be genuine, actionable, and visible. Communicate consistently with all involved about the importance and value of digital transformation.

- Make it inclusive. Although a digital mindset begins in the C-suite, that doesn't mean that its development is restricted to the hierarchy of leadership. Work to actively include everyone in the effort by soliciting ideas, feedback, and ongoing participation. That applies to those working in the public sector as well as the broad citizenry who—hopefully—will come to embrace and use such services.

- Be candid. Obviously, public sector transformation is geared toward a successful outcome. But don't ever expect it to be a flaw-free journey. Rather, anticipate there will be missteps—further, take ownership of them and emphasize not only any corrective measures but what knowledge and insight have been gained through the experience.

- **Never forget—it's a journey**, not necessarily a destination. No matter if it's in the public or private sector, an all too common mistake is an understandable yet mistaken sense of finality. In so many words: "Okay, it's plugged in and working. Job done." As understandable and pervasive that conclusion may be, but it's also completely off the mark. Transformation of any sort is an effort without a fixed ending point. There will always be new and better tools available, new user needs and priorities will appear, and new training will be necessary to meet changing demand and opportunity. Make that a focal point of your digital mindset. The trip never ends and, approached with that understanding in mind, that's all for the best.

CREATE AN INNOVATION PORTFOLIO

Failure and innovation go hand-in-hand—there's no escaping it. Leaders need to foster a work environment where it's acceptable to mess up. You must be willing to experiment, fail, and try again.

By accepting failure as a part of the digital transformation process, you and your team will be more open to coming up with a range of ideas, what I call an "innovation portfolio".

Not all of your ideas are going to stick on the wall, so you have to come up with an innovation portfolio similar to an investment portfolio. Many of the greatest innovations in history are byproducts of a path an organization was on and then had to come up with something else. Having an innovation portfolio means you can calibrate what's working and not working based on your changing priorities and how your organization responds.

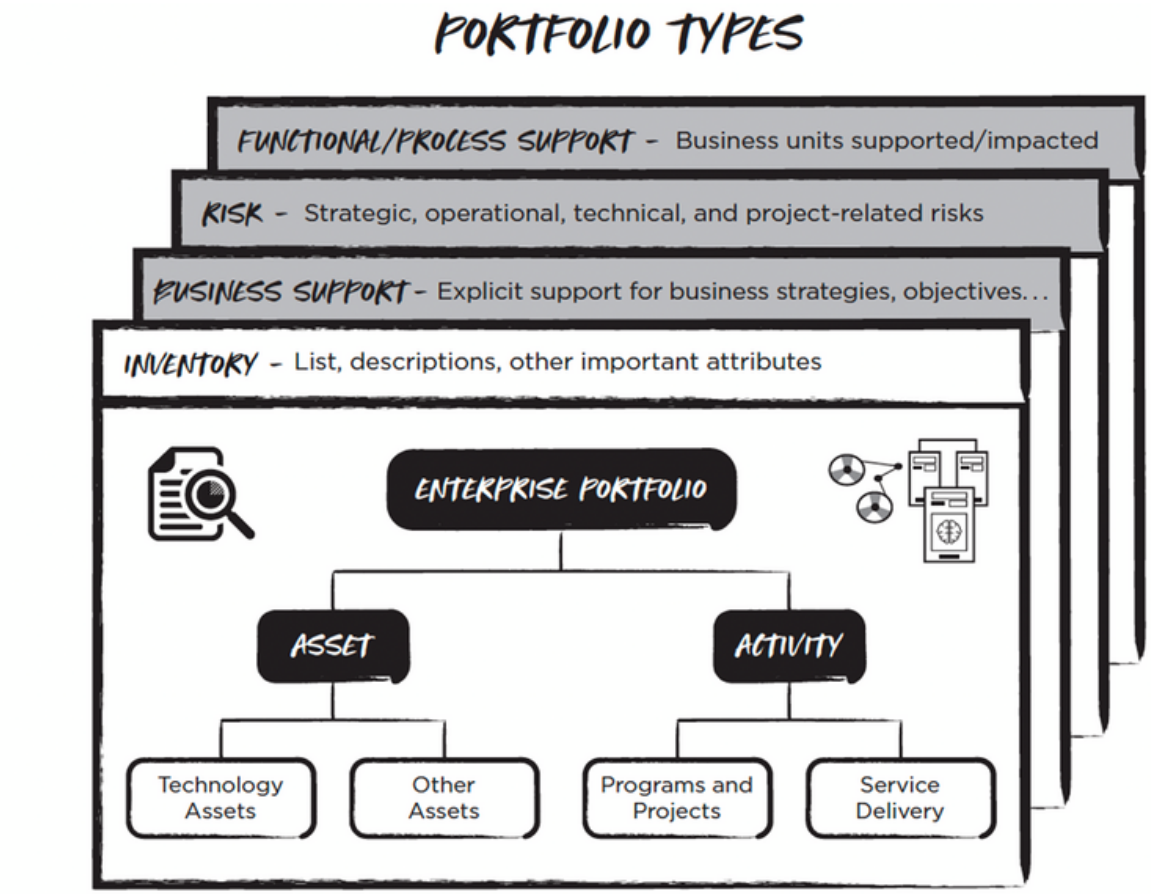
The Anatomy of a Portfolio:

Portfolios, each with different "views," should be created to support different types of activity at various levels within the organization, as depicted in Figure 10.1.

Portfolios of assets and activities provide an enterprise-wide perspective for executives and managers to ensure that the organization is deploying resources to meet its business objectives.

Asset-related portfolios, for example, include technology assets and other (nonfinancial) assets:

- *Technology asset portfolios include business applications and tools, data, and infrastructure (that is, hardware, operating systems, systems software, etc.).*
- *Other (nonfinancial) asset portfolios include an organization's human resources, the business processes it performs, and the intellectual property it owns.*



Sample portfolio types. Different portfolios should be defined for a variety of business and technology management purposes, ranging from accurately inventorying technology assets to managing strategic risk.

Source: "REINVENT" by Faisal Hoque

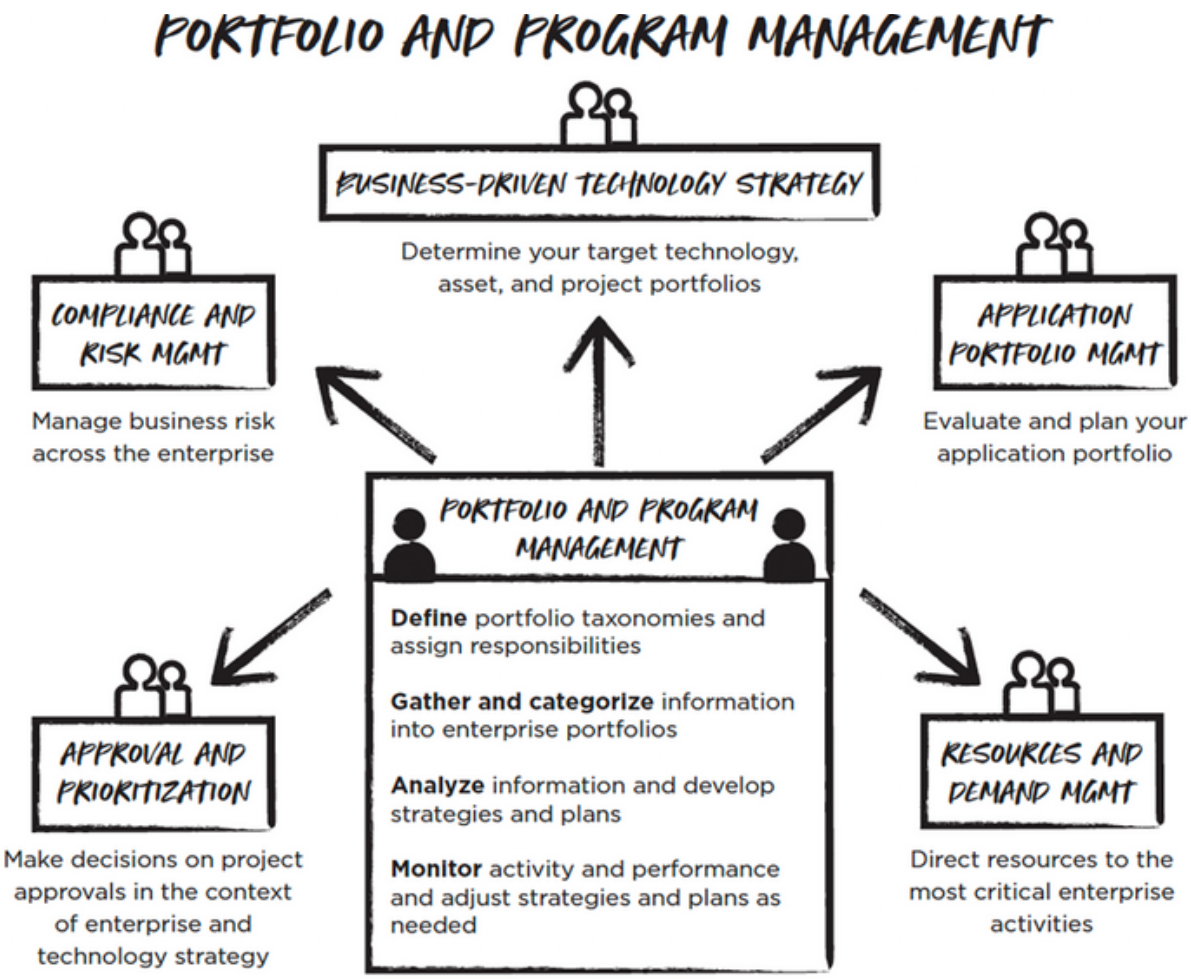
Activity-related portfolios consist of distinct projects, programs, and efforts related to continuous service delivery:

- ***Project-level portfolios*** include planned undertakings of related activities, including a beginning and conclusion, to reach an objective. Having an enterprise portfolio of projects available to executives and managers enables better monitoring and exception-based management by allowing issues to float to the top. For example, a dashboard providing project-level red/yellow/green indicators across dimensions such as schedule, cost, scope, risk, and governance allows executives to focus on the exceptions instead of spending their time gathering and reviewing reams of data on all projects.

- ***Enterprise project portfolios*** help with a variety of other activities, such as decision-making, by helping to identify synergies and redundancies in projects or requests; knowledge asset reuse through identification of opportunities to recycle intellectual property assets produced on related projects; and resource and demand management by providing accurate and timely information on project-related demand.

- ***Program-level portfolios include*** groups of related projects that all need to be completed to reach a certain level of benefits. These are managed in a coordinated way to obtain a level of benefits and control not available from individual management. For example, a program to improve customer retention via the internet might contain such projects as website redesign, implementation of a new CRM process and tool, and execution of an email marketing campaign. Program managers would ensure that the interdependencies among these projects are well understood, manage risk that cannot be addressed by individual project teams, and deal with other issues such as resource balancing across projects. Having a program view, with linkage to the underlying projects available to executives and managers, enables effective and timely oversight.

- ***Service delivery portfolios*** include the operational, non-project–related efforts required to support business operations. This is a critical piece of the overall pie when analyzing how well the organization is performing and whether the company is working on the right things based on business objectives. This information is also critical when examining the enterprise resource portfolio and planning for changes to meet demand.



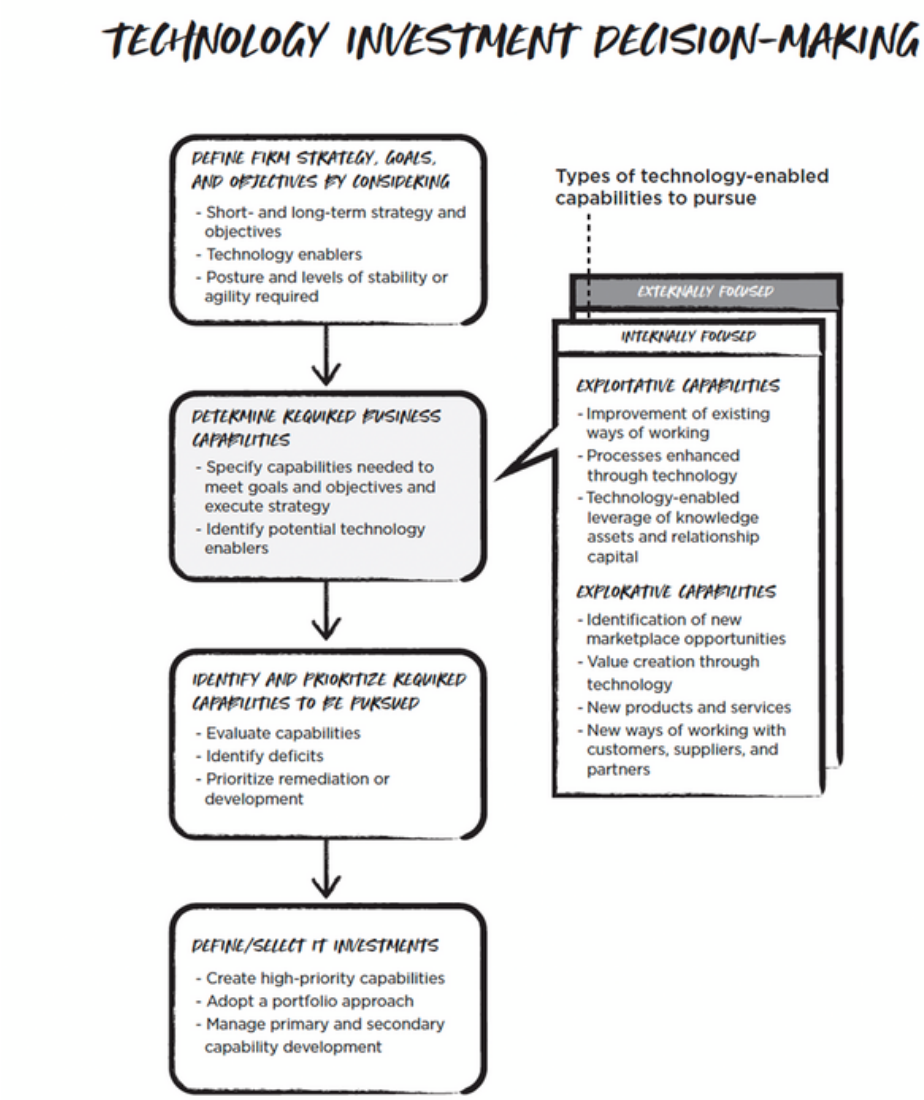
Portfolio and program management. Portfolio and program management's impact extends well beyond its core focus.

Source: "REINVENT" by Faisal Hoque

As illustrated in the above figure, the intelligence and perspectives PPM generate become an integral part of strategy creation, application management, resource and demand management, project approval and prioritization, and compliance and risk management.

NO MATTER THE ISSUE, USING THE LIFTS METHODOLOGY

As you can see, there are varied ways with which to pursue transformation in the public sector. While specific strategies are valuable, it can also be helpful to bear in mind the five step system I introduced in *REINVENT* — LIFTS.



Technology investment decision-making process. Determining investments must begin with a solid understanding of an organization's strategy, goals, and objectives.

Source: "REINVENT" by Faisal Hoque

Regardless of what particular goal you're pursuing, LIFTS can provide a basic schematic with which you can systematically consider, implement and review any component relating to reinvention. LIFTS is an acronym which includes:

- **Learn**—This step begins with defining a common definition of what transformation means to your organization. To obtain buy-in to the greatest extent possible, a clear understanding of strategy is essential—not just an understanding of how individual roles will be affected but also what the transformation means to the organization as a whole.

- **Investigate**—This focuses on an assessment of potential areas where digital transformation affords particular opportunities. This can include financial, functional, social and other areas of potential. This allows you to pinpoint areas of possible benefit that could warrant particular attention and resources.

- **Formulate**—This step covers portfolio and program management—concepts that allow you to better understand assets and activities and to ensure that every element of your transformation receives an appropriate level of support. (For a more complete examination of this, please refer to *REINVENT*.)

- Takeoff—This involves a comprehensive, ongoing process designed to develop and begin the overall digital transformation process. It's important to closely track initiative progress, considering such factors as projected costs, schedule, performance, and expected business benefits.

- Study—With this final step, you assess how everything is coming along as well as your progress toward previously identified goals. More specifically, this step includes the development and use of appropriate metrics with which such objectives can be measured.

Again, these five steps can provide a systematic prototype which can be applied to any particular element of transformation. *REINVENT* offers a comprehensive examination of LIFTS and the particular components that comprise this valuable tool.

CONCLUSION

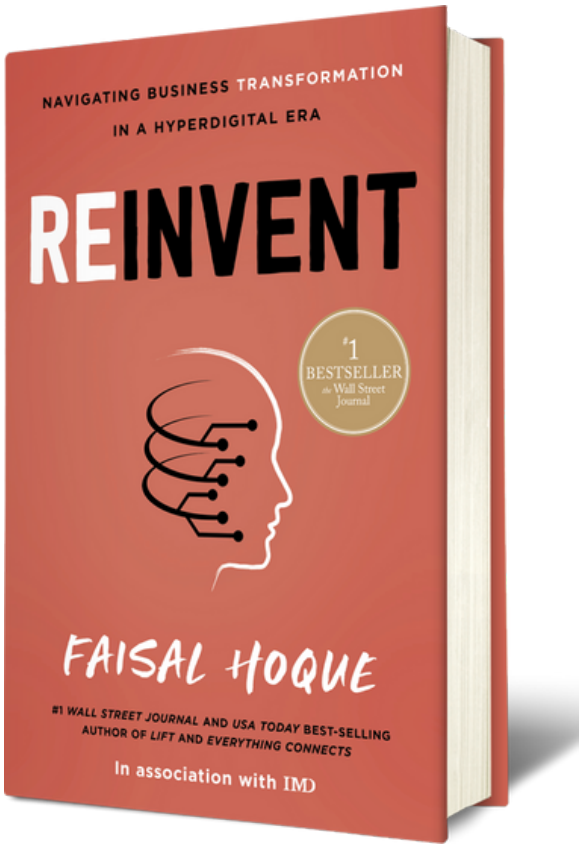
Transformation in the public sector carries a singular load of challenges—among them, disparate users, the dicey environment of public funding and logistics and stakeholders unlike that of private organizations. But, in light of flickering confidence in the efficacy and relevance of government at all levels, such transformation is imperative. Moreover, it's an attainable goal, provide public leaders approach the challenge thoughtfully, "systematically" and with a comfort level with flexibility to adapt when necessary to overcome hurdles and leverage transformation's many benefits—both for government itself as well as the public it serves.

NOTES

[1]Ilumba, Angelo, "Most Americans Think Big Tech is Spying on Them," WhistleOut, September 24, 2020.

[2]Deloitte Insights, "Digital government transformation."

[3]Kang, Cecelia, Satariano, Adam, "As A.I. booms, Lawmakers Struggle to Understand the Technology," New York Times, March 3, 2023.



AUTHOR BIO

Faisal Hoque is an accomplished entrepreneur, noted thought leader, technology innovator, advisor to CEOs, BODs, and the US federal government, and an author with more than 25 years of cross-industry success. He is the founder of SHADOKA, NextChapter, and other companies. They focus on enabling sustainable and transformational changes. He also serves as a strategic partner and an innovation leader for CACI, and works extensively with US Federal Agencies. CACI is a $6.2 billion company whose mission and enterprise technology and expertise play a vital role in U.S. national security. He is a three time winning founder and CEO of Deloitte Technology Fast 50 and Deloitte Technology Fast 500™ awards; and a three time tall Street Journal bestselling author for his books *REINVENT* (#1), *Everything Connects* (#2), and *LIFT* (#1).

Throughout his career, he has developed over 20 commercial business and technology platforms and worked with public and private sector giants such as the U.S. Department of Defense, U.S. Department of Homeland Security, GE, MasterCard, American Express, Northrop Grumman, PepsiCo, IBM, Home Depot, Gartner, and JPMorgan Chase.

As a thought leader, he has authored, and co-authored 10 award-winning books (his awards include Axiom Gold Medal, Foreword, PenCraft, BIBA, Book Excellence, American Book Fest, Globee, and others) on humanity, business, and technology, including the #1 The Wall Street Journal bestseller *REINVENT – Navigating Business Transformation in a Hyper-Digital Era* published in association with IMD (Institute for Management Development) (Fast Company Press, 2023), the #1 *The Wall Street Journal* and *USA Today* bestseller *LIFT –Fostering the Leader in You Amid Revolutionary Global Change* (Fast Company Press, 2022), and the #2 *The Wall Street Journal* and *USA Today* bestseller *Everything Connects – Cultivating Mindfulness, Creativity, and Innovation for Long-Term* Value (2nd Edition, Fast Company Press, 2022). His ground-breaking first book *e-Enterprise* was released by Cambridge University Press in 2000.

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