



Integrated Public Service Delivery

Achieving Efficiency While Delivering
Exceptional Constituent Experiences

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Executive Overview

In nearly every country around the globe, governments are challenged to deliver an expanding set of services to a growing number of constituents whose expectations are increasing—with a budget that often is not. Addressing these expectations requires the achievement of savings obtained through enhanced efficiencies—and that, in turn, requires governments to integrate public service delivery.

The public sector no longer has a choice: it must revise its approach to serving constituents. Over the past 15 years, a growing focus on modernizing public service delivery to improve the efficiency and effectiveness of services has occurred. These service delivery programs are now pointing at integration as the key platform to maximize value to constituents while realizing efficiency savings at the same time.

Integrated public service delivery releases precious resources for higher priority tasks and is also proven to positively impact a country’s competitiveness, quality of life, and constituents’ trust. In this paper, the case is presented for integrated public service delivery as a way to engage constituents, heighten their satisfaction and to achieve tangible benefits for both governments and their constituents.

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In Brief

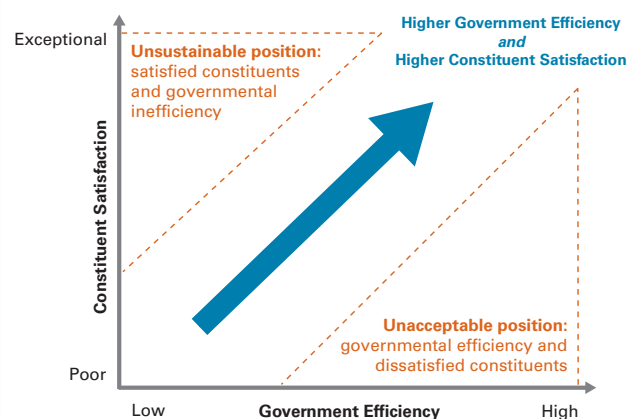
THE PROBLEM: Governments must now respond to their constituents’ demands for excellent experiences across all their agencies while simultaneously enhancing efficiency in order to realizing savings.

THE SOLUTION: Integrating public service delivery by:

- **Becoming constituent-centric.** Governments must evolve from traditional e-government programs to a holistic approach to service delivery. Government entities must cooperate and collaborate to integrate services and channels in order to offer this ‘single-window’ environment, satisfying the needs of each individual constituent.
- **Transforming operations.** Revamping traditional government operations around an understanding of (and an anticipation of) constituents’ needs provides critical insights for prioritizing service delivery programs, thereby allowing a government to customize its value proposition and its constituents’ experiences.
- **Realizing tangible benefits.** Reinforcing and sustaining continuous improvement necessitates visible advancements in constituents’ satisfaction and the efficiency savings that occur as a consequence; and achieving noticeable enhancements to the quality of constituents’ lives, to the level of trust placed in public institutions, and to the country’s competitiveness. In other words, it requires the creation of public value.

FIGURE 1: Governments’ Dilemma

The twin challenges for governments are to transform public service delivery to enhance constituents’ experiences while achieving efficiency savings.



Source: Peppers & Rogers Group

Forces Compelling Change

Three prevalent forces are coalescing and compelling governments to alter their perspectives, processes and practices.

1. Demand by Constituents

The comparison set used by consumers in evaluating the quality of a company's service has expanded. No longer do individuals compare a company solely against its direct competitors, but against the best regardless of industry. As a result, consumers of governmental services are now asking themselves: If Amazon.com can provide timely responses to product questions, why can't my government achieve such standards? If Facebook allows me to dialog with a company's experts and other users, why can't I do the same with my government? If my favorite Internet florist reminds me of the birthdays of friends and family, why can't my government notify me of upcoming relevant events?

This trend has shaped new ways of thinking for governments, and is forcing them to consider how they can reduce the burden of compliance to laws and regulations and to maximize value to their constituents. Governments are recognizing that their agencies are ultimately dealing with the same "customers" that shop online, demand exceptional customer service, and expect multi-channel integration. To meet these growing expectations, public services must be delivered within a common environment to make governmental boundaries invisible to users and to provide a consistent customer experience. As a consequence, integrating public service delivery has now become a key strategic priority in many countries.

2. Creation of Public Value

In recent years, the notion of *public value* has emerged and is increasingly being utilized by governments and academics to measure the value governments are providing to their constituents. Public value has three important sources: (1) the perception of high-quality services, (2) the perception that public policies generate positive outcomes, and (3) the level of trust placed in public institutions by constituents. Understanding and measuring public value provides the government with a framework to inform decision making that links service delivery to wider policy communities.

Public value is a multidimensional concept, based upon eleven key service delivery attributes that are perceived by constituents to drive value creation (see Figure 2). They include accessibility, affordability, availability, responsiveness and simplicity. Governments that achieve these service characteristics make it more convenient for constituents to interact with their agencies, and this reduces the compliance burden and positively impacts constituents' satisfaction.

In addition, the public value framework allows governments to more thoroughly understand and anticipate constituents' needs, allowing the tailoring of services to each segment and the offering of proactive recommendations. This incremental focus on the constituent experience and 'one-stop shop' service delivery is strongly beneficial, and creates the perception (and reality) of the government as a responsible, proactive and flexible service provider.

3. Efficiency Savings

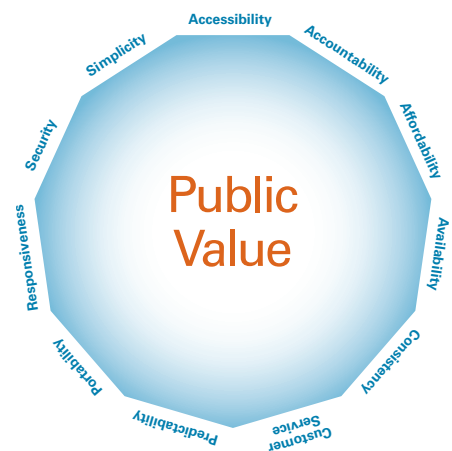
Improvements in constituents' experiences will reduce costs, by minimizing expensive service interactions; and will enhance revenue, by maximizing compliance with regulations. Together, these add up to efficiency savings that have the potential of self-funding the experiential enhancements.



A staggering 80 percent of citizens expect government to integrate service delivery.¹

FIGURE 2: The Facets of Public Value

Integrated service delivery programs address each facet of public value to ensure exceptional constituent experiences.



Source: Peppers & Rogers Group

For example, the financial benefits of integrated public service delivery include:

- Increased service efficiencies (e.g., one-stop resolution for combinations of services)
- Simplified procedures (e.g., information sharing across agencies to pre-fill application forms)
- Reduced delivery cost (e.g., migration toward online services)
- Rationalized front and back offices (e.g. simplification and reduction of redundancies)
- Increased impact of marketing and communication initiatives (e.g., customization per segment for specific life events and needs)
- Increased employee productivity through alignment of performance with training and incentives

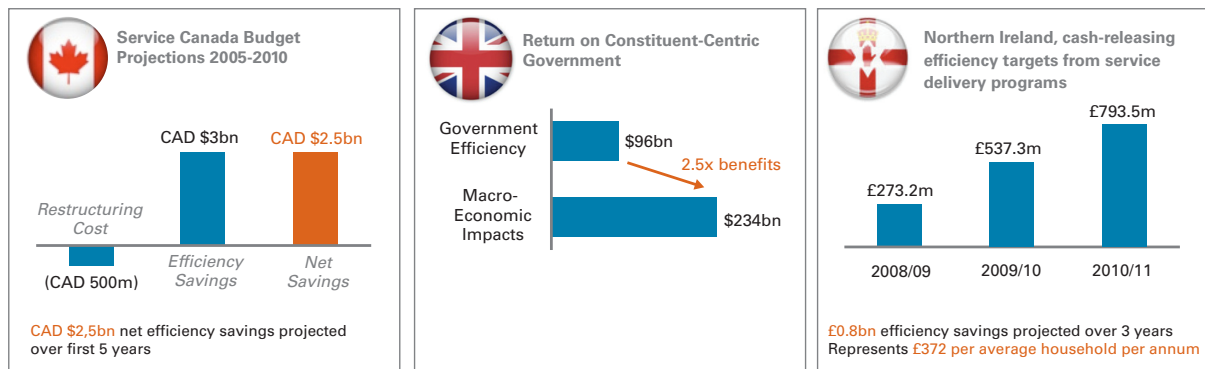
“Earning the trust of constituents will be central to running a smooth, cost-efficient operation. That’s right—it will likely cost *less* for a government agency to run a more constituent-friendly organization.”²

—Don Peppers & Martha Rogers, Ph.D., Founding Partners, Peppers & Rogers Group

Northern Ireland, for example, is projected to save £372 per household per annum by the end of 2010 through integrated public service delivery programs. Canada planned to invest CAD\$500 million over 2005-2010 to integrate service delivery that in turn would yield CAD\$3 billion of efficiency savings. In the UK, improvements in government efficiency are estimated to yield a 2.5-fold return in macroeconomic benefits, encompassing citizens’ productivity, revenue generation, improved competitiveness, and enhanced quality of life (see Figure 3.)

FIGURE 3: Cases-in-Point³

Governments around the world are beginning to realize the bottom-line benefits of integrated public service delivery.



Source: Peppers & Rogers Group

FIGURE 4: Benefits of Public Service Performance

The quality of a government’s public service⁴ is strongly correlated with competitiveness⁵ (r=0.87), quality of life⁶ (r=0.74) and constituents’ trust⁷ (r=0.94).



Source: Peppers & Rogers Group

Evolutionary Journey

Over the past fifteen years, the compelling forces of constituent demands, creation of public value, and efficiency savings have propelled governments along an evolutionary journey for integrated public service delivery consisting of three major phases.

1. Foundational Programs

From 1995 through 2000, governments around the globe began to lay the foundation for integrated public service delivery by implementing programs focused on:

- **Trust building.** The objective is to increase the awareness of modern technology and its ability to handle sensitive data securely over new channels.
- **Standardizing customer service and launching call centers.** In Australia, for example, the Centrelink network was started in 1997 to simplify and centralize the delivery of services in order to be more efficient for customers. Its core values include excellence in service delivery, respect for customers, and accountability.⁸

2. E-Government

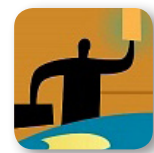
The rise of e-government occurred from 1995 through 2004, involving initiatives such as:

- **Rolling-out new channels.** Inland Revenue in the UK, for example, launched electronic services seeking to achieve a goal of “100% of services... offered electronically, wherever possible through a common Government portal” and the achievement of “annual efficiency savings of at least 2.5% a year... without detriment to accuracy or customer satisfaction.”⁹
- **Grouping of services.** The United States, for example, launched an official governmental portal whose vision is to make “it easy for the public to get U.S. government information and services on the web” and to serve “as the catalyst for a growing electronic government.”¹⁰
- **Secure Online Processing.** Denmark, following the lead of the United States, implemented e-authentication which provides “‘identity management,’ a crucial e-Government concept that arises when the provider of an online service (e.g., a government department) needs to check the identity of an online user... These processes can become barriers if they are too cumbersome, costly or insecure.”¹¹

3. I-Government

The transition from e-government to integrated government (i-government) began in 2003 and continues today. It has involved initiatives such as:

- **Cross-agency, customer-facing service delivery model.** Australia’s Centrelink, for example, redesigned offices “to make them more customer-friendly, with old-style counters making way for open-plan offices where customers can sit down and conduct their business with staff one-to-one.”¹²
- **Larger-scale, front-office integration.** For example, consider Service Canada. Created in 2005, the initiative seeks “to improve the delivery of government programs and services to Canadians, by making access to them faster, easier, and more convenient. Service Canada offers single-window access to a wide range of Government of Canada programs and services for citizens through more than 600 points of service located across the country, call centres, and the Internet.”¹³
- **Fully integrated government master-plan.** For example, “Intelligent Nation 2015 (iN2015) is Singapore’s 10-year masterplan to help us realize the potential of infocomm over the next decade. Led by the Infocomm Development Authority of Singapore (IDA), iN2015 is a multi-agency effort that is the result of private, public and people sector co-creation.”¹⁴
- **Planning back-office integration.** Achieving back-office integration has become the only way for governments to achieve further service delivery improvements and efficiency savings.



Integrated government is not e-government: it is much wider by nature, addressing multiple integration dimensions, across agencies and across channels.

To optimize service delivery and deliver tangible benefits to their constituents and to themselves, governments must shift their perspective to one that is centered on the needs of their constituents. To do so, they must establish an environment in which they can access sufficient insights to understand and anticipate constituents' needs and address these needs both responsively as well as proactively. Integrating public service delivery will impact the strategies, structures, procedures, systems, culture, and management of all levels of government.

Whether a government is still implementing foundational programs, expanding the scope of e-government, or in the early stages of i-government, it is wise to thoughtfully plan the service integration journey in order to overcome numerous obstacles:

- Ensuring **consistency of service delivery** and interactions across agencies
- Defining **service governance** and **standardizing performance targets** across all agencies
- Ensuring **collaboration** and **cooperation** to link services or requests spanning several agencies
- **Optimizing and automating processes**
- **Reducing redundancies** across government institutions
- Enhancing constituents' experiences by making **proactive recommendations** and **customizing services and interactions** based on specific needs and expectations
- Enhancing convenience by rolling-out innovative channels and integrating these channels to provide **'one-stop-shop' services** in a multi-channel environment
- **Transforming the civil-servant culture** to do the right things for constituents in structured or unstructured environments
- Building a **single view of the service delivery environment** by sharing data across agencies

Meeting these challenges can be facilitated through a focus upon those best practices that have been proven by successful government transformations from around the globe.

FIGURE 5: Achievements and Next Steps for Selected Countries

Leading governments around the world are working toward service delivery integration with their sights set on full integration.



Australia Centrelink pioneered the customer-centric, one-stop shop. Though they launched innovative cross-governmental initiatives, there is still no formal strategy for cross-governmental collaboration, due to both the political dynamics of federalism and the dynamics of multi-layered governance.



Canada has successfully implemented a front-office integration model and there has been much discussion at the federal and provincial level regarding the next steps. This includes the need for a single unique identifier for businesses and individuals to facilitate cross-jurisdiction transactional interaction.



Denmark is implementing a structure whereby data will be accessible across authorities and administrative tiers, users encouraged to use those channels that are cheapest for the public sector; while ensuring, wherever possible, settlement of their case (interaction) at first contact.



Singapore is implementing a fully integrated model (Intelligent Nation 2015) in a 10-year master plan that reaffirms the strategic role of infocomm as the technology backbone to connect the entire government.



The **USA** case is extremely complex due to the population size and complex structure of the government. Although the "one government" agenda (Office of Management and Budget) remains, no cabinet-level agencies had committed to transfer their operations to the agency-run centers. Some are also expressing doubts that the model can support their needs. USA is closer to full integration on state level rather than federal level.

Source: Peppers & Rogers Group

Best Practices

Through its involvement in some of the most successful government transformations around the globe, Peppers & Rogers Group has identified a set of six best practices that enhance the likelihood of success for integrated public service delivery.

1. Alignment and Funding

Successful implementation of a government-wide, integrated public service delivery program requires the alignment of support from senior government leadership, engagement of all stakeholders, and funding. It also requires the availability of a credible program management mechanism, coupled with a change management process to support the service delivery transformation. The absence of any of these factors will result in a siloed program that will not reach its objectives.

In particular, funding is a known stumbling block for many service delivery improvement initiatives. Revenue and cost management are the key drivers to making change actually happen, which is why entities responsible for collecting revenues often have the greatest incentive to implement major initiatives (e.g., Canada’s Revenue Agency and UK’s Her Majesty’s Revenue and Customs).

2. Holistic View of Service Delivery Environment

When shifting their focus toward a “connected government” mindset, governments need a strategic framework to evaluate modernization efforts and define the future public service delivery mechanism. To do that, they need to answer key questions:

- Who are the stakeholders and users of public services? What are their specific needs, preferences and expectations to be proactively addressed by the government?
- Which services should be offered to each segment? Which services are inter-dependent and should be joined-up?
- Through which channels should we deliver these services? Which segments are the most receptive to alternative channels to reduce delivery costs?
- What are our organization, process, and information and technology requirements to maintain this ecosystem?

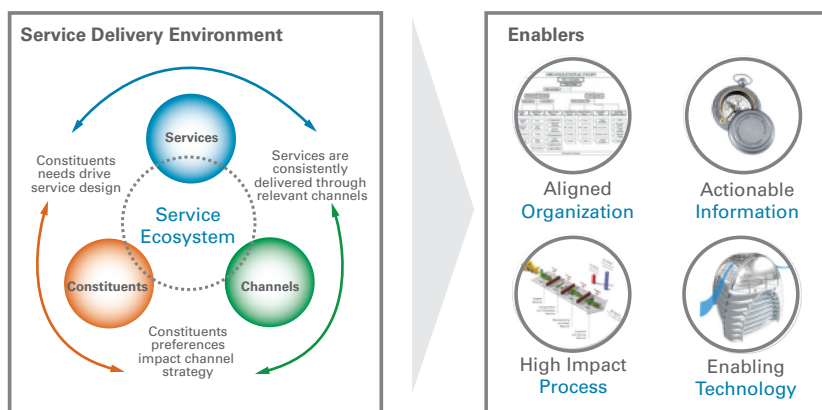
Answering these questions enables a service ecosystem in which customer insight guides the introduction of service and channel innovation while allowing the government to deliver a unique and differentiated customer experience. (See Figure 6.)



Collaboration between agencies creates new opportunities serving constituents in creative ways, freeing more resources for higher priority tasks and for improving programs and policies in a coordinated manner.

FIGURE 6: Service Ecosystem

Peppers & Rogers Group’s approach for enabling constituent-centric governments is based on the definition of a service ecosystem, balancing constituents’ needs with services and delivery channels..



Source: Peppers & Rogers Group

3. Constituent Segmentation

Being able to understand and anticipate constituents' needs and expectations is a far more critical necessity than the technical, operational and organizational challenges created by bundling and delivery options. This awareness of needs, issues and expectations is at the foundation of constituent segmentation.

In the early 2000's, governments started segmenting their constituents based on "life events," generating hypothesis about their needs and how specific behaviors can be influenced. Technology innovations are now allowing segmentations to be based on real data and to provide a 360° view of constituents across the government. As insights are becoming increasingly granular and accurate, governments can gain significant efficiencies by adopting more proactive and differentiated approaches to service delivery.



Successful service delivery programs need to be supported by organizational development and cultural change management programs for civil servants.

4. Performance Tracking

Performance tracking is critical for governments to establish their goals, to monitor progress and to make necessary adjustments to achieve these goals more effectively and efficiently. Tracking performance of service delivery transformations requires developing a standard set of service environment metrics that will be the key to effective governance and decision support. These metrics should be addressed at three levels.

- **Strategic.** Targets and associated KPIs defined to measure the success of service improvement programs and progress toward achieving the vision.
- **Operational.** These metrics are mapped to an accountability matrix and are linked to management responsibilities to help monitor and evaluate the operations of the government as a whole.
- **Tactical.** Measurements of process-level efficiency within the government to help monitor and evaluate the benefits of implemented changes.

5. Branding and Communication

Governments usually assume constituents know about the potential of available technologies and understand their uses, consequences and effects. However, not all constituents will have this knowledge. For example, many web users merely obtain information online to later complete the transaction in traditional channels, preventing e-government initiatives from meeting their objectives. Lack of communication and awareness-building activities typically played major roles in these failures. In such cases, governments often had to turn to offering incentives (e.g., financial incentives, extended deadlines) to reach the desired usage targets.

Branding is the face of public services to constituents. It should be consistent throughout the country and across all agencies in the government. Consistent branding will ensure uniformity of messaging to constituents who don't know (or don't want to know) about organizational divides within the government. Acceptance and usage of new service delivery mechanisms including online and alternative channels will only be realized if supported by nation-wide awareness campaigns, in which messaging and communications cater to specific needs of various segments and are customized accordingly.

6. Cultural Change

Governments should consider the implementation of integrated public service delivery initiatives as an opportunity to increase job satisfaction by making civil servants feel part of a "networked government." Such transformations can build deeper employee engagement if they see and understand their critical role in the overall plan. Successful service delivery programs need to be supported by organizational development and cultural change management programs for civil servants. As is the case in the private sector, responsibility for constituent satisfaction should ultimately be cascaded down to front-office employees and incorporated into performance appraisals and incentives.

Delivering increasingly efficient and integrated public services to constituents requires that a certain infrastructure be in place, and that civil servants have the motivation and training to do the right things for constituents in both structured and unstructured environments.

Another dimension of cultural change is the lateral dimension of integration and the shared values among government agencies. Civil servants should understand the importance of working together to improve outcomes for constituents. This is especially critical for the success of integrated public service delivery, because without the voluntary collaboration and willingness of the agency staff who have the know-how and the ownership of service delivery in their area, integrated public service delivery initiatives will fail to achieve their expectations.



As the world becomes more global and countries become more competitive, governments will have no choice but to become constituent-centric.

Agenda for Integrated Public Service Delivery

Achieving excellence in integrated public service delivery requires a thoughtful and sequenced approach to addressing multiple aspects of the challenge, including:

- Understanding the need for change
 - Segmenting constituents to understand perceptions and priorities for improvement
 - Developing the current and future state of integrated public service delivery
 - Prioritizing actions by benefits to both government and citizens
 - Deciding on measurements and targets
 - Developing the IT and CRM roadmaps to support the objectives
 - Ensuring governance and funding
 - Realizing consistent branding and thorough communication
 - Designing the overall constituent experience by segment
 - Packaging the constituent experience into guidelines for agencies to implement
 - Launching cultural change management programs
 - Revamping processes and workflows for priority service clusters
 - Launching new channels or upgrading infrastructure

Source: Peppers & Rogers Group

Conclusion

Successfully integrating public service delivery requires a new approach that includes upgrading technologies, improving services, enhancing processes, launching alternative delivery channels, aligning culture performance management and skills, and creating a new mindset of government officials to collaborate and move beyond the provision of services toward the engagement of constituents. This creates benefits that reach far beyond the notion of satisfaction and service excellence. It allows governments to free up more resources for higher priority tasks, and has a positive impact on constituents' trust, quality of life and on a country's overall competitiveness.

Governments all over the world are increasingly realizing that integrating public service delivery is the way forward to achieve efficiency savings and to satisfy and engage demanding constituents. So why do many governments restrict service improvement programs to individual agencies rather than beginning a government-wide service integration? Whatever the stated reason, excuses will become more and more difficult to defend. As the world becomes more global and countries become more competitive, governments will have no choice but to become constituent-centric. ■

About Peppers & Rogers Group

Peppers & Rogers Group is dedicated to helping its clients improve business performance by shifting focus from transactions to managing relationships. As products or services become commodities and globalization picks up speed, customers have become more demanding and harder to satisfy. They hold the keys to higher profit today and stronger enterprise value tomorrow. The same applies to governments. Constituents hold the keys to public institutional trust today and higher competition and quality of life tomorrow. We help clients achieve these goals by building the right relationships with the right customers over the right channels.

We earn our keep by solving the business problems of our clients. By delivering a superior 1to1 Strategy, we remove the operational and organizational barriers that stand in the way of profitable customer relationships. We show clients where to focus resources and efforts to improve the performance of their marketing, sales and service initiatives.

For more information, visit www.peppersandrogersgroup.com.

About The Authors

Ludovic Tiberghien brings Peppers & Rogers Group over 10 years of international consulting experience serving leading organizations in such industries as telecom, financial services, real estate and the public sector, and is currently heading the Government and Public Sector Practice in the Middle East. Ludovic's core expertise with governmental entities covers strategy consulting and policy design for major public service and social transformations. Ludovic has served prominent government clients, and recently led the service delivery strategy project for the Prime Minister's Office of the United Arab Emirates.

Ozan Bayulgen brings Peppers & Rogers Group his vast expertise, from e-enabled public service transformation to private sector turnaround programs, and is currently the leading partner for the Government and Public Sector Practice in Europe and in the Middle East. During his consulting career, Ozan has served prominent government clients such as the UK Cabinet Office, Efficiency Review Transactional Services Team, HM Revenue and Customs and the U.S. Postal Service on citizen-focused and e-enabled modernization initiatives. Ozan led the National e-Transformation Strategy project for the Turkish Prime Ministry's State Planning Organization, and advised the Hashemite Kingdom of Jordan's Ministry of ICT to increase e-Service delivery effectiveness.

Endnotes

¹The finding is based upon research designed and directed by Peppers & Rogers Group consisting of more than 1,600 surveys conducted in 2009 with individuals in a Middle East country, the name of which is withheld for confidentiality purposes.

²Peppers, D. and Rogers, M. (2005) *Return on Customer: Creating Maximum Value from Your Scarcest Resource*. New York: Doubleday.

³Sources: Peppers & Rogers Group analysis of the Northern Ireland Assembly executive budget (November, 2008); Service Canada implementation strategy approved by Treasury Board (May, 2005); and Cisco & UK Gershon Report 2004, NOIE 2003

⁴There is no international body publishing a comprehensive index measuring public service performance. The Economist Intelligence Unit's *Government Effectiveness 2009* has been used as the closest fit to measure this dimension. A total of 58 countries from around the globe are represented in Figure 4.

⁵Competitiveness is based on the World Economic Forum's *Global Competitiveness 2009-2010 Index*.

⁶Quality of life is based on International Living's *Quality of Life 2009 Index*, restricted to health, infrastructure and risk & safety sub-indexes.

⁷Constituents' trust has been estimated based on Transparency International's *Corruption Perception 2009 Index*.

⁸Centerlink: About Us. Retrieved June 1, 2010 from: http://www.centerlink.gov.au/internet/internet.nsf/about_us/index.htm

⁹Inland Revenue Public Service Agreements: Technical Notes 2003 - 2006. Retrieved June 1, 2010 from: http://www.hmrc.gov.uk/psa/psatn2003_06-may.htm

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¹³About Service Canada. Retrieved June 1, 2010 from: <http://www.servicecanada.gc.ca/eng/about/index.shtml>

¹⁴About iN2015. Retrieved June 1, 2010 from: <http://www.ida.gov.sg/About%20us/20070903145526.aspx>