Predicts 2022: Governments Scaling Gains From Disruption

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Initiatives: Government Digital Transformation and Innovation; Government Technology Optimization and Modernization

In 2020 and 2021, governments accelerated digital initiatives to respond to pandemic-induced operational disruptions. Now, they must challenge themselves to sustain and scale these initiatives. This research highlights key actions for government CIOs to amplify digital gains and resilience.

Overview

Key Findings

- Governments have seen, firsthand, the power and benefits of digital technologies and the fragility of legacy technology during massive disruptive events.
- Innovation, unexpected and sometimes unwilling, not only has changed operational services, but also is continuing to introduce new requirements for those services.
- Imperatives for economic renewal have resulted in the creation of many national funds for recovery grants and investments, much of which are aimed at digital transformation.

Recommendations

Government leaders responsible for transformation and innovation must:

- Design the future government model and roadmaps that address disruptions and their impact and current digital maturity by building a framework that assesses impact, maturity, dynamics of risk factors, urgency and readiness.
- Assess the technology implementation strategy and time to value by evaluating the direct impact that they have on the citizens and government stakeholders.

- Develop the skills and capabilities and manage resources by creating digital ecosystems and partnerships and developing metrics showcasing the ROI and impact through the broader network.

Strategic Planning Assumptions

By 2025, over 75% of governments will operate more than half of workloads using hyperscale cloud service providers.

By 2023, at least 85% of governments without a total experience (TX) strategy will fail to successfully transform government services.

By 2024, 75% of governments will have at least three enterprisewide hyperautomation initiatives launched or underway.

By 2024, at least 60% of government AI and data analytics investments will directly impact real-time operational decisions and outcomes.

Analysis

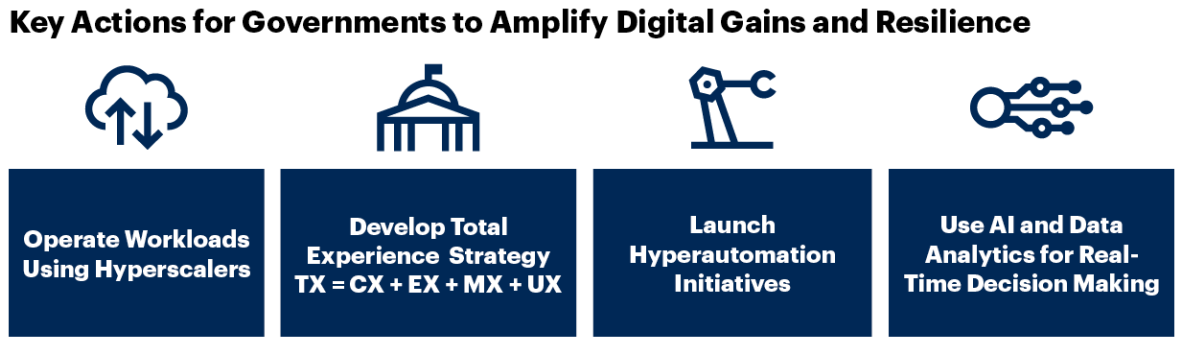
What You Need to Know

The disruption brought by shifts during COVID-19 severely exposed and challenged traditional government models to stand resilient by taking quick actions to continue the operations with the government workforce and deliver services to the citizens. 2022 will be more about solidifying the foundations of the investments made in the past year and yielding returns. With the citizens at the top of the priority list, government organizations must also focus on helping its employees to make evidence-based informed decisions and advance government strategies and policies.

Investments in emerging technologies potentially offer a huge opportunity for the government's operational transformation and widen the vast arena of opportunities to impact public services.

Replacing a siloed approach with a cohesive strategy to experiences of citizens and employees will lead to increased outcomes, enhanced impact and adoption of digital, and lower employee turnover (see Figure 1).

Figure 1: Key Actions for Governments to Amplify Digital Gains and Resilience



The recent disruptions have, in many respects, destabilized governments' operations and many of their assumptions:

- Supply chain challenges and shortages have driven much debate about the need to develop more sovereignty over critical goods and services. The flow of public health data caused many to be concerned about their privacy. At the same time, cloud services proved their worth, delivering the fast-response solutions and scaling enormously to deal with the growing crisis. There is little doubt that the world wants mature offerings from the hyperscalers and is working on the solutions necessary to make this continued trend a reality.
- Many government employees being furloughed provided an opportune lesson to government service delivery agencies. Staff members are also citizens. By designing and delivering a total experience (TX) concept, governments can provide a more holistic experience that encompasses all users and stakeholders, making digital services more efficient and more interoperable.
- The collection of public health data, data associated with citizens' whereabouts (including travel histories), and of course, vaccination development and supplies, meant that analytics suddenly rose to the top of most agendas. All of a sudden, decisions had very real-world consequences. They needed to be both right and timely.
- The availability of staff could not be relied on. Expenditure rocketed to support citizens and businesses in trouble, and uncertainties continue. This provided the bedrock for increased understanding of the need for agile architectures and automation. The use of chatbots eased the unprecedented demand on call centers, and new collaborations and data sharing through APIs were established. Hyperautomation provides the opportunity to maximize the benefits from extending this approach.

These government predictions for 2022 recognize that the continuing pressures on governments will demand further deep changes that will impact the areas of cost optimization, efficiency and effectiveness, service delivery, and security or national sovereignty.

Strategic Planning Assumptions

Strategic Planning Assumption: By 2025, over 75% of governments will operate more than half of workloads, using hyperscale cloud service providers.

Analysis by: Neville Cannon

Key Findings:

- Governments that foster strategic reservations about the use of hyperscale vendors either have to come to terms with the value that they offer, find mechanisms to address their specific concerns and reconcile their use, or propose a credible alternative.
- Hyperscale vendors are continuing to address market concerns and developing solutions to provide additional privacy and protect against potential legislative overreach.
- End-user pressure for access to features, functionality, security and scalability counterbalances political fears and drives toward a more balanced, pragmatic use of hyperscale cloud services.

Market Implications:

Hyperscale cloud service providers are using their significant investment capabilities to drive forward product innovation and improved security at a pace that others simply cannot compete with. Thus, an ever-widening gap opens up between the market leaders and the rest. Digital sovereignty must balance out the desire for privacy and the efficient delivery of government services. Drivers for doing so include:

- **Scalability with security become must-haves for government agencies.** Governments are collecting and analyzing increasing volumes of data to deliver core government functions, like taxation, healthcare, education and defense. Governments must choose to either use the best and latest technologies to deliver exceptional services, or risk underdelivering on their mission.
- **Talent shortages dominate adoption efforts.** Competing in a global marketplace for talent leaves many governments struggling to recruit the skilled talent needed to adopt and operate cloud services. The more complex the technology mix, and the more that agencies have to deliver themselves, the more acute that shortage will be.

- **Sustainability policy targets make for tougher choices.** Decarbonization actions to meet the drive to net zero climate change targets will shift investment priorities for vendors. Those without access to sufficient capital funds may find themselves having to choose to keep pace with hyperscale innovation on either the functionality or sustainability front. Government CIOs are more likely to achieve tough carbon emissions savings with efficient hyperscalers than with local or even on-premises deployments. Massive aggregation of processing and storage, as hyperscalers do, is inherently a more efficient use of power. This may make the decision to remain local tougher.

Recommendations:

- Don't debate hyperscaler security. Instead, take action, such as controlling encryption, to address security needs to reduce potential threats, be that inside or external to the organization.
- Without being able to offer competitive salaries, seek alternative recruitment or development plans. Simplifying the architectural landscape will be vital to easing this requirement.
- The need for governments to be leading from the front on climate change will force the close examination of service delivery and supply chains. If suppliers cannot decarbonize quickly enough, governments will have to recompete on cloud services and manage the risk of migrating workloads.

Related Research:

Should CSPs View Hyperscale Cloud Providers as Partners or Competitors?

Top Four Trends Are Shaping the Future of Public Cloud

Tech Providers 2025: Competing in the Age of Climate Change and Radical Decarbonization

Strategic Planning Assumption: By 2023, at least 85% of governments without a total experience (TX) strategy will fail to successfully transform government services.

Analysis by: Apeksha Kaushik, Alia Mendonsa, Arthur Mickoleit

Key Findings:

- As governments progress toward postpandemic scenarios, they might lose focus on digital services as the primary means of delivering value to citizens.
- Governments that continue to focus on improving citizen and employee experiences separately will miss out on synergies between the two that can lead to substantial improvements in both areas.
- Many governments are leveraging journey mapping, experience management, human-centered design, user feedback and surveys for both employees and citizens to design services across multiple channels, but are doing so independently with each group.
- Governments are missing opportunities to identify employees who could be trained as TX specialists with other interpersonal skills, such as conflict management, negotiation skills and problem-solving techniques.

Market Implications:

A total experience approach combines the disciplines of user experience (UX), citizen experience (CX), employee experience (EX) and multiexperience (MX) into one holistic approach toward service design and delivery. It represents a logical evolution in maturity away from CX management in isolation toward designing workflows, systems and interfaces that have both citizen and employee experiences in mind.

A TX strategy ensures that resources across CX, EX, UX and MX disciplines collaborate to uncover new opportunities for improved service delivery that increase both citizen and employee satisfaction and improve the organization's outcomes. Near-term opportunities consist of:

- **Getting a better picture of factors impacting government effectiveness.** Organizations that interconnect and enhance experiences for everyone's benefit can achieve higher citizen satisfaction and better business outcomes. Failing to do this increases service friction, leading to risk of service delays and underwhelming service experiences. Governments can improve outcomes for all constituents by reimagining user journeys for both citizens and employees, and by developing and tracking key metrics for both groups.

- **Becoming a more attractive employer.** Employees with a high-quality UX report higher levels of effectiveness and productivity, which in turn impact organizational operations and citizen experience. But government employees are too often battling with friction in antiquated citizen-facing and back-office systems, increasing cycle completion times, and leaving employees frustrated and sometimes cynical. Moving to TX helps governments attract, retain and cultivate skills in their workforce, by providing modern tools and approaches to complete the important work of government with less friction.
- **Better guiding and leveraging vendor offers.** Vendors are starting to package emerging technology applications (for example, artificial intelligence [AI] or machine learning [ML]) into offers that represent core business applications and capabilities (for example, case management and experience management). This outcome focus can drive higher value for both citizens and employees, while also rationalizing government IT investments.

Recommendations:

- Develop TX roadmaps that reflect investments across CX, EX, UX and MX, based on team input. Include emerging technologies like AI and ML to automate and improve decision support to the greatest degree feasible.
- In addition to CX, collect and act on EX metrics by determining which CX metrics also apply to employees. Then identify additional pain points for employees that represent reengineering and measurement opportunities.
- Improve TX outcomes by establishing multidisciplinary fusion teams and combining UX and MX expertise with citizen and employee input and stakeholders to rearchitect processes and experiences end to end.
- Prioritize investments in capabilities that can be leveraged by both employees and citizens. Use “voice of the citizen” and “voice of the employee” input to identify common pain points and, therefore, potential to refine the experiences for both through one initiative.

Related Research:

Human-Centered Design Essential to Digital Government

Top Technology Trends in Government for 2021: Composable Government Enterprise

Hype Cycle for Digital Government Technology, 2021

Survey Analysis: Government Workforce Remain Apprehensive About AI and Automation

Digital Government in Action: Ecosystem-Driven Co-creation

Replay Prediction

The replay prediction is a prediction from a previously published report that is so significant that it is being republished here.

Strategic Planning Assumption: By 2024, 75% of governments will have at least three enterprisewide hyperautomation initiatives launched or underway.

Analysis by: Irma Fabular

Key Findings:

- Continued uncertainties in public health and safety across the globe highlight the urgency for government organizations to digitalize public services and automate support for business and IT processes.
- As foundation for further automation, many government organizations are leveraging digital solutions, such as chatbots, identity proofing and low-code platforms, that were quickly deployed to respond to emergency measures in 2020.
- Large, global vendors are establishing partner ecosystems that will address the need of government organizations to accelerate enterprisewide, end-to-end automation solutions.

Market Implications:

Hyperautomation enables proactive and almost “contactless” access to government resources by automating as many business and IT processes as possible (see the Gartner Glossary definition). Given the complexity and diversity of internal and external business and IT process workflows involved in public services, following are key implications:

- **Business-driven outcomes require breaking down silos and strong leadership collaboration.** Hyperautomation initiatives are tough, business-driven undertakings requiring unified vision on constituent needs and service outcomes. Success will depend on collaboration and effective governance among an ecosystem of stakeholders across multiple government agencies and, potentially, tiers of government.
- **Ongoing iterative processes and sustained momentum.** Government organizations have various and often conflicting priorities that might derail efforts and resources to act quickly. Hyperautomation initiatives need to be sustained. While COVID-19 has highlighted the need for hyperautomation, there are many other examples where the benefits of remote, automated access to critical government resources can be justified.
- **Investments in digital solutions and partnerships with technology service providers.** Existing commercial technology products and services need to be woven together. Current market offerings are unlikely to provide a complete end-to-end solution. Digital government technology platforms are essential to deliver public services in more efficient and effective ways by making it easier to reuse data, services and capabilities across different organizations.

Justification:

Building scale and resilience in digital government services requires continued momentum and investments in automation. This replay highlights the ongoing need and challenges for enterprisewide hyperautomation initiatives, especially as whole-of-government organizations need to pivot from “response and recovery” to “living with the virus” strategies.

Recommendations:

- Sustain momentum by championing enterprisewide hyperautomation initiatives, including ensuring proactive engagement by senior executives.
- Develop initiatives with a “whole of government” and composable business principles by engaging business and IT stakeholders. Ongoing execution includes iterating on business and IT automation needs, based on human-centered needs that encompass constituents and employees (that is, total experience).

- Scale hyperautomation enterprisewide by embracing digital government technology platform (DGTP) concepts (such as interoperability) and demanding adherence from vendors. DGTP is essential to deliver hyperautomated public services by making it easier to reuse data, services and capabilities across different organizations.

Related Research:

Hyperautomation Strategic Sourcing Guide

Use Adaptive Program Management to Scale Hyperautomation Investments

Three Steps to Hyperautomation

Strategic Planning Assumption: By 2024, at least 60% of government AI and data analytics investments will directly impact real-time operational decisions and outcomes.

Analysis by: Ben Kaner

Key Findings:

- Continued pressure on remote decision making, dealing with backlogs of work, the need for speed and accuracy, and the continuing deployment of robotic process automation (RPA) all require decision support at the first point of interaction.
- Analytics, visualization and decision support became a mainstream concept for government at all levels from policymakers through to frontline staff during COVID-19, removing barriers to adoption.
- The advancing capabilities in areas such as natural language processing and machine learning are being embedded in mainstream products, making them available at scale across the organization.

Market Implications:

Processes and controls have long been used to try to ensure decisions are consistent and in line with policy. Unfortunately, any error drives the creation of additional processes and controls, which continue to accumulate as bureaucracy grows. Recovery of economies and services from the backlog of the past two years requires accelerating decisions and improving first-time accuracy: This requires the flexibility and speed of operational analytics. This implies that:

- **The information required to make an appropriate decision will need to be identified and assembled as early as possible in the process.** This affects the design of government processes, from social assistance, to regulation, to public safety and taxation.
- **Effective systems will require either embedded analytics or being open to external tooling.** The ability to support evidence-driven but flexible decisions at the scale of the front line will be critical to achieving the acceleration and accuracy required by policymakers.
- **The acceptance of operational analytics is critically dependent on transparency in the algorithms and understanding about the learning used.** Citizens and policymakers need to understand the basis of any decision made, even though it is supported by dynamic systems.

Justification:

The trends around operational analytics to deliver operational speed and accuracy, and those discussed in Top Strategic Technology Trends for 2022: Decision Intelligence, continue to accelerate. They are driven by a combination of increased capability of tooling, a major need to address backlogs of work in a fluid political and economic environment, and the availability of funding from interventions such as the 2021 American Rescue Plan Act and NextGenerationEU.

Recommendations:

- Prepare your organization for operational analytics by identifying the sources and provenance of data that is required for government decisions in your field.
- Pilot projects that have a clear line of sight to operational benefits, such as productivity, accuracy, reduced failure and reduced demand.
- Roadmap the capabilities needed to scale benefits: This includes internal digital literacy both in governance and operations, as well as the underlying tooling and technical capabilities.

Related Research:

Top Trends in Government for 2021: Operationalized Analytics

Effective Data Governance for Government AI Projects — What CIOs Need to Know

Use Data and Analytics to Lead Your Business During and After the COVID-19 Crisis

Data and Analytics Essentials: Data Fabric

A Look Back

In response to your requests, we are taking a look back at some key predictions from previous years. We have intentionally selected predictions from opposite ends of the scale — one where we were wholly or largely on target, as well as one we missed.

On Target: 2016 Prediction — By 2021, at least 5% of government entities will adopt blockchain as a transparent, authoritative ledger for some official records.

Analysis by: Arthur Mickoleit

This prediction is largely on track:

- Official record keeping is one of the few areas where blockchain or other distributed ledger solutions have proven they can add value in government contexts *today*.
- Added value is provided by creating a single system of record (a single source of truth) across multiple entities, based on immutable data and transparent audit trails. See Quick Answer: What Is Blockchain?

Some government entities use distributed ledgers for official registers in large-scale pilots or even production environments. Examples span geographies, sectors and tiers:

- The Verifiable Organizations Network (VON) in Canada includes business and organization registers developed in collaboration between federal and provincial tiers of government.
- Registries for land titles and real estate transactions are advancing in the country of Georgia (Land Registries on a Distributed Ledger, GIZ) and India's state of Telangana (see Case Study: Using Blockchain to Assure Property).
- Pilots are advancing for asylum seeker registration and processing across tiers of Germany's administration (Digitalisierungsagenda 2022, Federal Office for Migration and Refugees).

But government CIOs should take note of persistent uncertainties and risks around blockchain initiatives:

- Not every initiative will be successful. Some often-cited blockchain initiatives for official records have also been halted or retired altogether (see Blockchain in Government Requires Setting the Right Scope and Expectations).
- Maturity levels of public blockchain technologies are very diverse. Seventy percent of technologies on the Hype Cycle for Blockchain, 2021 are still at or before the peak of hype.
- Public-sector interest for blockchain in itself is moot. According to a Gartner survey, 66% of government CIOs report no interest in blockchain and distributed ledger technologies at this point (see Blockchain in Government Requires Setting the Right Scope and Expectations).
- Governments are shifting focus away from singular "blockchain projects" toward assessing blockchain technologies among a range of options in the development of a new service or platform. Partnerships and consortia are essential to extracting long-term value from those initiatives.

Missed: 2021 Prediction — By 2022, 40% of public-sector organizations will be using document-centric identity proofing (DCIP) as part of their onboarding workflows.

Analysis by: Arthur Mickoleit

This prediction was too optimistic in terms of the scale of adoption, but it remains valid on direction:

- DCIP (informally also "ID plus selfie") is a set of technologies to establish an individual's identity and presence with acceptable assurance during remote interactions (see the innovation profile in Hype Cycle for Digital Government Technology, 2021).
- Many governments turned to DCIP during the pandemic to tackle identity fraud and to raise trust in public service delivery to citizens.

DCIP is already being adopted in citizen interactions across government tiers and sectors:

- There are 27 U.S. states deploying ID.me to remotely verify the identity of an unemployment insurance claimant (Factbox: States Using ID.me, Rival Identity Check Tools for Jobless Claims, Reuters). Other vendors and states are active in this space, too.
- European government agencies deploying DCIP include (vendors are in brackets): Norway's Labour and Welfare Administration (Nets), Germany's national employment agency (Nect), Spanish region Navarra's education department (Veridas), U.K.'s Home Office "EU Exit" app (WorldReach, InnoValor, iProov).
- In Asia/Pacific, Australia's myGovID and Singapore's Singpass are deploying iProov's solution for remote identity proofing. However, they are not in all cases leveraging physical identity documents as part of the process (thus, they are not complete DCIP by definition).

Going forward, government agencies should:

- Consider DCIP as a proven tool for use cases that include remote onboarding of new service users or citizen authentication in high-risk transactions.
- Address citizen concerns about use cases where DCIP is deployed and the handling of biometric data captured during the proofing process.
- Use Gartner research (see Top Trends in Government for 2021: Citizen Digital Identity) and decision-making tools (see Market Guide for Identity Proofing and Affirmation) to embed remote identity proofing into digital identity roadmaps that also explore identity wallets and decentralized identity.

Acronym Key and Glossary Terms

CX	citizen experience
EX	employee experience
MX	multiexperience
UX	user experience

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Infographic: Transitioning to Digital Government in 2022

Hype Cycle for Digital Government Technology, 2021

Top Business Trends in Government for 2021

Top Technology Trends in Government for 2021

Postpandemic Scenarios: The Future of Digital Government Transformation

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