Public Services in the cloud:
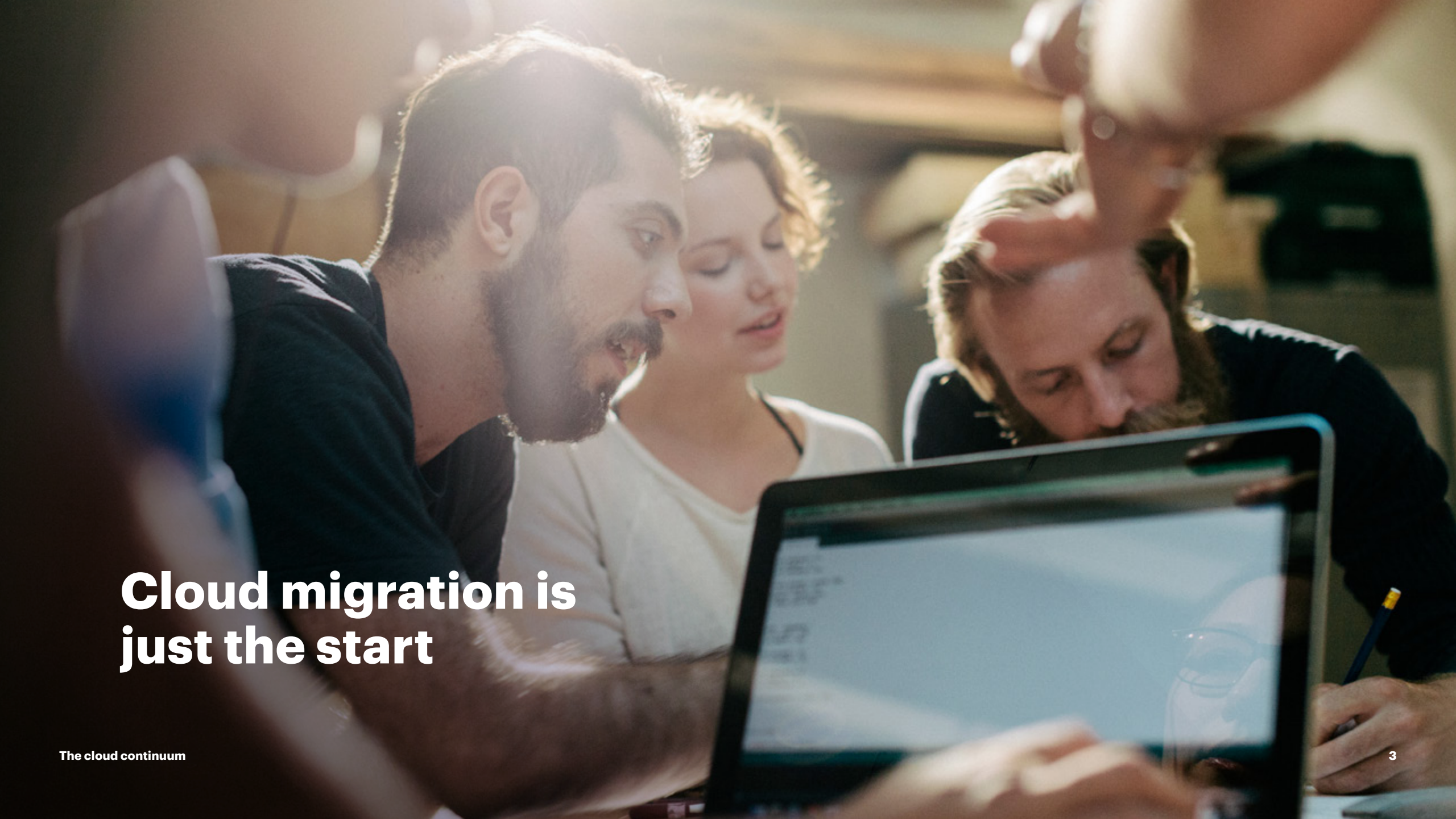
A continuum of opportunity

accenture

Contents

Cloud migration is just the start

Overview

During the pandemic, cloud adoption and digital transformation dramatically accelerated within public service for many countries around the world. From announcements of a sovereign cloud in some to cloud migration of government services in others, the global momentum toward cloud is strong – and growing. However, barriers to further progress still remain – including resource constraints, costs arising from legacy technical debt, security concerns, hesitancy to move mission-critical systems off legacy environments, resistance to change and the need to upgrade the legacy skills base. To overcome these challenges, increase the momentum and secure the long-term benefits of cloud modernization, public service organizations must now refocus their attention on people and outcomes.

Why? With cloud, the reality is that migration is just the start. Instead of seeing adopting cloud as the culmination of the journey, organizations must recognize that cloud is actually a future-proofing continuum: flexible access to a collection of dynamic, ever-improving technologies and services including artificial intelligence (AI) and robotics, adaptive privacy infrastructures, internet of things (IoT) and edge capabilities.

By harnessing expert perspectives and advanced tools through partnerships, taking an outcomes-focused approach to migration and putting people at the heart of execution, public service agencies can get the most from their adoption of cloud while avoiding unnecessary costs, unwanted risks and legacy headaches.

Organizations must recognize that cloud is actually a future-proofing continuum.

The ultimate outcome? The ability to deliver the next generation of personalized and responsive services across the broad public sector.

The cloud imperative in public service

Public service leaders know that scaling their system capabilities is imperative – and they're increasingly using cloud to achieve this. But how will they unlock the full value it offers?

To gain deeper insights into cloud adoption, strategy and benefits in public agencies, Accenture has surveyed 364 public service executives – made up of a balanced mix of business and IT leaders – across 10 segments at both local and federal levels in six countries: Australia, Canada, Germany, Singapore, the United Kingdom and the United States.

This study was part of **Accenture's wider Cloud Continuum research** analyzing cloud and artificial intelligence adoption across all industries and countries, involving a total of almost 4,000 respondents.

57%
of public service executives believe that accelerating cloud is business-critical.

41%
of public service executives expect artificial intelligence and machine learning to be the biggest drivers for compute resources in the next few years.

83%
of public service agency leaders agree or strongly agree that cloud is essential to fuel innovation and new business models.

The findings from our public service respondents confirm that the enhanced flexibility, resilience, scalability and speed provided by cloud are non-negotiable for future capabilities.

Some 72% of public service leaders expect their need for computing capacity to more than double in the next two to three years. Already, during the pandemic, many public service organizations have been forced to enhance their systems and adopted cloud faster than they previously believed possible.

For example, the New Mexico Department of Workforce (DWS) solutions received a dramatic increase in call volumes due to the social and economic impact of COVID-19. The increased calls overwhelmed DWS's resources and technologies until it rapidly deployed a cloud-based call management platform.

There are many similar stories elsewhere: 45% of the public service leaders in our study indicate that their organization has established a cloud center of excellence in the past year, and 20% say they've started using multi-cloud technology for the first time. What's more, a majority report that their organization now has between 30% and 75% of its data on the public cloud – and 57% say they have scaled cloud across at least most of their organization.

These findings point to significant progress to date. The opportunity now is to build on this momentum and continue transforming at this new pace.

72%
of public service leaders expect their need for computing capacity to more than double in the next two to three years.

Translating migration into mission outcomes

Some government agency leaders are less confident that these cloud initiatives are translating into new value for employees and citizens.

Almost a quarter – 24% – of public service executives say they're unsure whether they've been able to use multi-cloud deployments to their fullest potential. And many have yet to see the measurable outcomes that they expected. While 73% of agencies have succeeded in cutting costs by moving to the cloud, less than a third have seen cost reductions that exceed 10%.

In addition, only 37% of public service leaders strongly agree that cloud has been used to manage their IT estate more efficiently. With major investment and effort pouring into cloud modernization, there is concern that organizations will be unable to realize the returns they're seeking.

All of this gives rise to one overarching question:

Only **33%** of agency executives strongly agree that their organization has significantly reduced its cost of operations with cloud.

In the post-pandemic era of accelerated digital transformation, how can organizations ensure their cloud modernization will measurably improve outcomes and services?
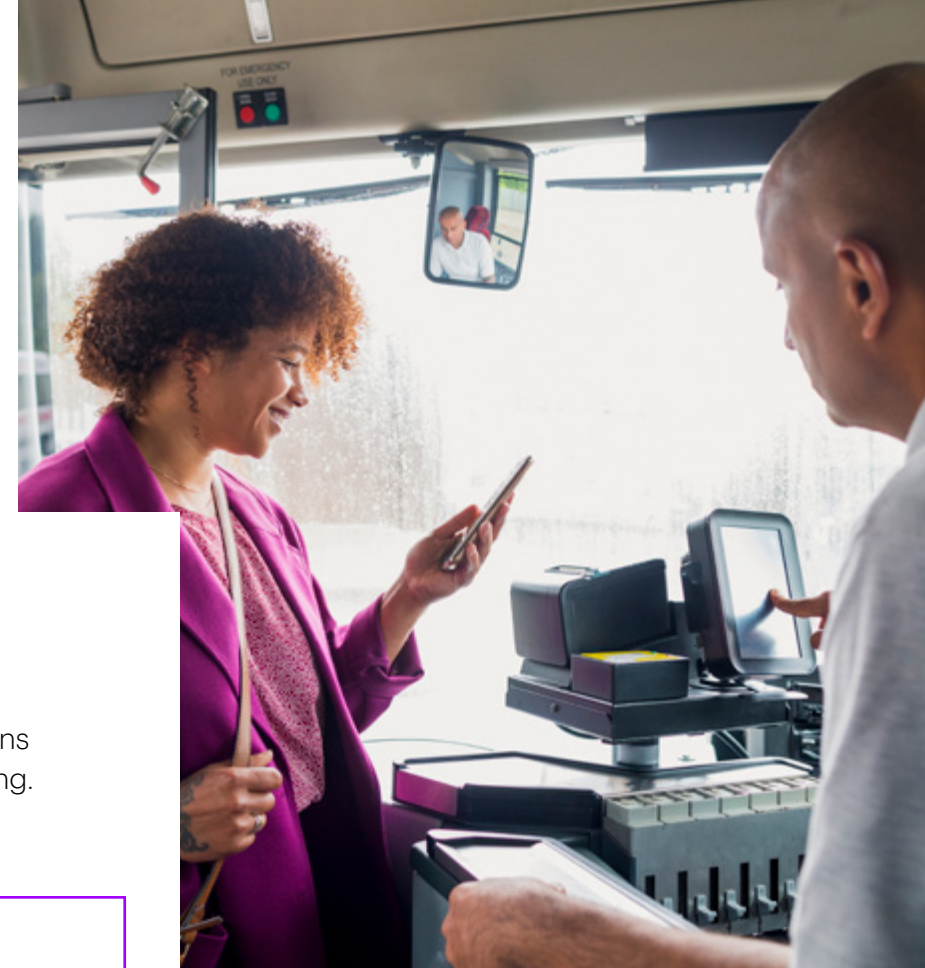
Pillars of success:
Traversing the cloud continuum

For many organizations, continuing their cloud journey beyond migration to address higher-value activities may appear intimidating. However, if cloud modernization is undertaken without a continually evolving vision, there is risk of missing out on the potential benefits.

With cloud today, there are countless approaches and solutions to choose from – but our research points to four key practices that can help organizations develop a cloud strategy that's most appropriate to their needs, holistic and human-centric.

These four practices are:

1. **Deeply understand the power of the cloud continuum and what it can do for your organization and the environment:** Define a clear, outcomes-based vision and ensure that new IT structures serve business goals at everystage of the cloud journey.

2. **Establish standard practices to support constant ongoing adoption of new technologies and operating models:** Set up and embed practices to access the world of ecosystems partners and experts to take advantage of new developments.

3. **Prioritize experiences for citizens and the workforce:** Reimagine and transform how your agency operates, supports the workforce and serves citizens to unlock long-term value.

4. **Recognize that the cloud continuum requires continuous commitment from leadership:** Leadership must establish and evangelize the agency's objectives so all team members   understand the vision, cloud best practices and desired outcomes.

24%

of public service leaders are unsure they've been able to use multi-cloud deployments to their fullest potential.

01

Deeply understand the power of the cloud continuum

and what it can do for your organization and the environment

While our research shows that public service agencies employ a wide variety of cloud migration strategies, only 37% say they're strongly confident in their cloud strategy for delivering and measuring value to citizens and their workforce continuously. Close alignment between IT initiatives and business goals is essential – with environmental initiatives and targets also now a key part of the mix. But while agencies know that secure cloud migration is a critical priority, challenges with execution are all too common.
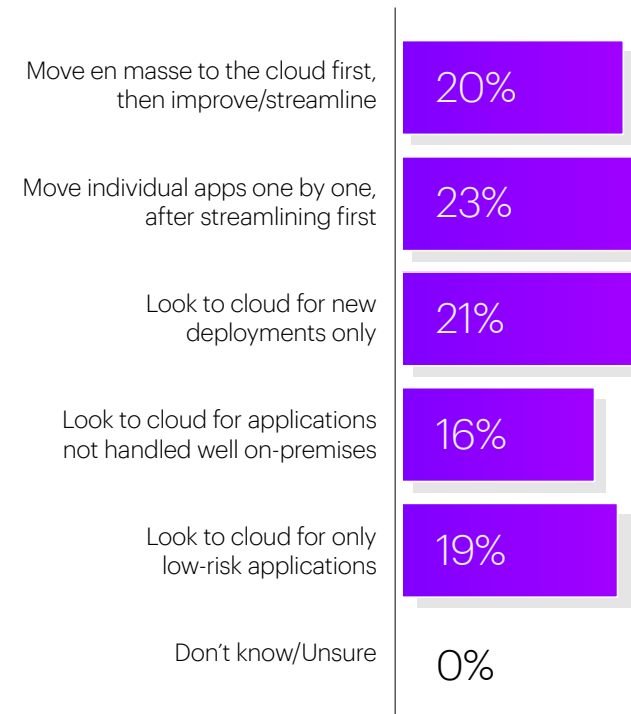
The key to overcoming these challenges is to migrate with purpose. The journey must be planned with a clear vision of the desired outcomes: there's no "one size fits all" solution – and the organization's journey to cloud and continuous adoption of new cloud offerings will be shaped by its specific functions, capabilities and maturity. For example, a digitally-enabled justice department looking to use cloud-based tools to achieve swifter processing of cases and greater transparency for the public would focus on cloud platforms that cater to process automation.

By contrast, an agency in a different sector may have a different set of priorities and therefore require a different cloud solution. A case in point is Indiana's Child Services Department, which needed to reduce employee turnover and improve case workers' ability to assess child safety rapidly. The department worked with Accenture to develop and deploy cloud-based virtual reality (VR) tools to enhance employee engagement and training, resulting in an 18% reduction in employee turnover.

Only **37%** of public service leaders are confident in their cloud strategy for delivering and measuring value to citizens and their workforce continuously.

Public service organizations employ a wide variety of migration strategies

Strategy	%
Move en masse to the cloud first, then improve/streamline	20%
Move individual apps one by one, after streamlining first	23%
Look to cloud for new deployments only	21%
Look to cloud for applications not handled well on-premises	16%
Look to cloud for only low-risk applications	19%
Don't know/Unsure	0%

To harness the full potential of the cloud continuum, agency leaders must develop an evolving roadmap with the following components:

- a tangible vision that clearly states the core values and future

- an identification of critical vulnerabilities

- a clear classification of capabilities, today and in the future, leveraging the full extent of the continuum

- a strong focus on employee engagement and training

Given the countless possibilities the continuum has to offer, creating such a roadmap is vital to act as guardrails keeping different parts of an agency moving in a unified way toward the same, desired outcomes.

02
Establish standard practices

to support ongoing adoption of new technologies and operating models

In our research, 59% of agency leaders say they expect to increase their total cloud spending by more than 6% between 2020 and 2024. Given this increasing level of investment, it's important to be confident that the organization is selecting and implementing the right cloud solutions.

It's equally vital to establish strong data governance for security and citizen trust, including compliance with applicable privacy laws such as Europe's General Data Protection Regulation (GDPR). By tapping into a network of ecosystem partners, agencies can realize the benefits of cloud adoption without incurring unnecessary overhead costs, unwanted business risks or unresolved legacy issues.

Our survey finds that 79% of public service executives agree or strongly agree that their organization relies heavily on the enterprise-grade security provided by the cloud hyperscalers – the global cloud service providers (CSPs) like Amazon, Microsoft and Google – to secure their organizational activities.

For example, when COVID-19 hit, Australia's Department of Defence needed to enable tens of thousands of office-based personnel from the Australian Defence Force (ADF) to work remotely for the first time.

This required the personnel to have Protected-level security controls when working from home. Collaborating closely with Microsoft, Accenture helped the Defence Department's Chief Information Office Group (CIOG) deploy a Defence-secure Microsoft 365 collaboration capability within just eight weeks – and roll it out to more than 30,000 users within 11 weeks. Codenamed "VERA", the project enabled Australian Defence to continue operations even during the peak of the pandemic.

To take full advantage of the speed, security and savings that the hyperscalers offer, agencies must establish standard practices for data governance and ensure that their operating model is conducive to effective external partnerships.


73%
of public service leaders agree or strongly agree that partnership on cloud with hyperscalers has led/is leading to developing other strategic partnerships with hyperscalers (to boost digital transformation, new businesses/products and technologies).

03
Prioritize experiences for citizens and the workforce

In order to unlock long-term value of cloud initiatives, organizations must put people at the heart of their digital transformation strategy. This is already happening. During the early stages of the pandemic, new digital and virtual services were implemented quickly to serve people – both citizens and employees – remotely. And in the past year, 48% of public service executives have pursued increased citizen value as a key organizational goal, while 45% have pursued faster time-to-market for new services.
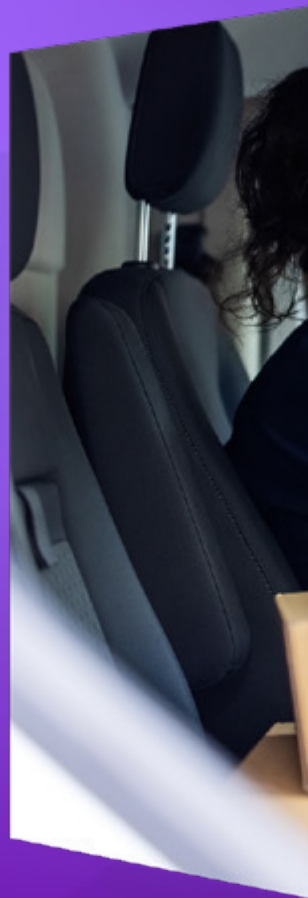
Going forward, citizens will continue to expect more and better digital services on par with the experiences they receive from the private sector. Cloud solutions can help agencies meet these expectations in two ways. Firstly, by making services more accessible. And secondly, by enabling entirely new services and citizen experiences through the ability to manage enormous amounts of data in a scalable way. In public safety, for example, citizens are increasingly demanding greater transparency on the use of force by officers. Cloud solutions can enable sharing of body-cam footage in ways that traditional data centers are unable to achieve.

Improving the experience for employees is equally important. To add more value for their people, public service organizations

must reimagine the way their employees interact with technology and think through how cloud-enabled tools can improve their everyday experience at work. An overwhelming 82% of agency leaders agree or strongly agree that cloud-based tools have made technology approachable, by giving employees human-centric experiences natively and aggregating across different applications to reduce cognitive load.

In addition, 79% agree or strongly agree that cloud has enhanced collaboration among employees and encouraged ambitious projects that cut across business function and geographies.

Nearly Half

of public service leaders have pursued increased citizen value as a key organizational goal in the past year.

82%

of agency executives agree or strongly agree that cloud-based tools have made technology approachable, by giving employees human-centric experiences natively and aggregating across different applications to reduce cognitive load

These positive impacts reflect the fact that cloud computing is an enabler of technology democratization, one of the five key trends called out in **Accenture's Technology Vision 2021**. The Technology Vision research finds that 87% of public service executives believe technology democratization is becoming critical in their ability to ignite innovation across their organization, and that 61% have invested in SaaS as a tool for technology democratization. However, adapting skills for this new technology landscape remains a challenge: a lack of cloud skills is a key pain point for 43% of government agencies, and training is an important part of any cloud strategy. Hardly surprising then that 86% of public service organizations are re-skilling their people and modernizing their governance frameworks as part of their technology transformation.

Agencies that focus on this "human" component of cloud adoption will see sustained benefits including improved employee retention and increased innovation, in turn leading to better services for citizens.

In Spain, for example, Accenture has generated such outcomes by developing several Virtual Judicial Headquarters for clients including the Government of the Canary Islands and the Government of Galicia.

80%
of public service leaders agree or strongly agree that cloud has made work interesting and analytical by reducing rote tasks and maintenance work.

04

Recognize that the cloud continuum requires continuous commitment from leadership

Today's cloud solutions offer public service agencies the chance to shift their focus away from bearing down on costs and toward a mindset of abundance where experimentation, innovation, and growth flourish. Close engagement by all leaders in fostering this mindset can take them a long way toward capitalizing on the cloud continuum.

To create and embed a mindset of abundance, leaders must establish the agency's objectives and evangelize for agility and innovation. While this is easy to say, it's much more complex in practice.

The call-to-action has to come from the top: leadership should intentionally go through the organization asking, "How well do employees at all levels understand the goals and the potential of the cloud continuum?"

Everyone across the organization needs to be aware of the desired outcomes for cloud initiatives as well as the best practices for delivering them.

When Kevin Jones became CIO of Indiana's Department of Child Services, he focused on the agency's specific challenges and objectives rather than the available technologies. Jones said "don't look at your circumstance and let that define what you do as a solution. Look at the need and provide the right solution regardless of what your environment, industry or business process is." A strong vision communicated across leadership allowed DCS to put structures in place from the start that serve its goals.

39%
of public service leaders strongly agree that their entire enterprise, IT and non-IT leadership and parts, are aligned to getting to cloud.

Conclusion: Committing to continuous cloud reinvention

During the past year, public service agencies have demonstrated how fast they can pivot in the face of a crisis. Now they have a golden opportunity to maintain the momentum and continue to transform, powered by the needs of their own organizations and the citizens they serve.

After migrating legacy systems and applications to the cloud, the world's leading agencies will continue to execute on their visions by leveraging next-generation, cloud-based technologies such as AI, IoT, edge and others to retain top talent, service communities more effectively, and surpass citizens' rising expectations.

The message?

For public service agencies, the cloud journey has only just begun. But the way forward is clear.

It's time to press ahead – fueled by a commitment to continuous reinvention in the cloud, enabling the delivery of next-generation experiences for citizens and workforce alike.
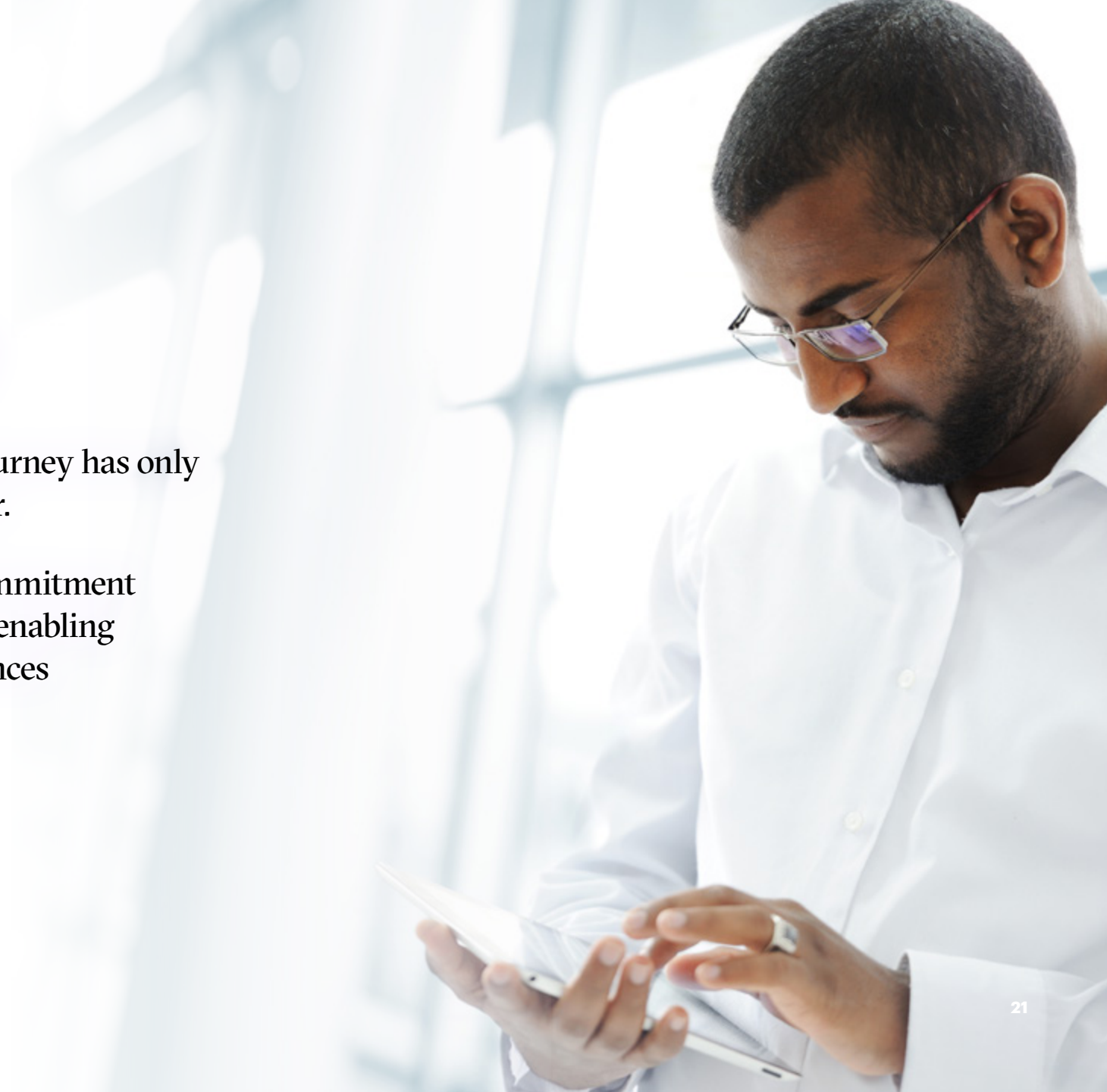
About the research

We employed a multi-method research approach. Specifically, the research program included surveys, interviews and case study research, and economic modelling. Our research, and that of our partners in our ecosystem, employs ethical and responsible research methods. Respondents reveal their identities voluntarily, we anonymize all data from organizations in our data set, and report results in aggregate. We commit to not using the data collected to personally identify the respondents and/or contact the respondents.
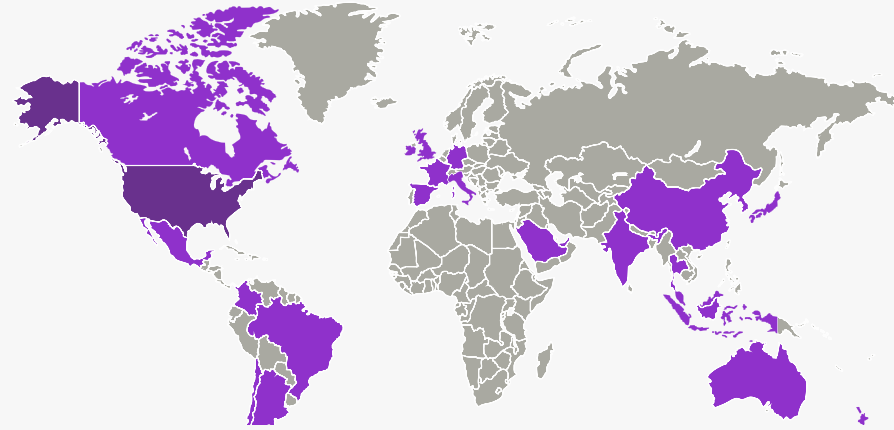
25 Countries

Argentina (67)	India (100)	Nordics (100)
Australia (100)	Indonesia (50)	Saudi Arabia (37)
Brazil (67)	Ireland (51)	Singapore (50)
Canada (200)	Italy (201)	Spain (201)
Chile (66)	Japan (200)	Thailand (50)
China (200)	Malaysia (50)	United Arab Emirates (38)
Colombia (25)	Mexico (50)	United Kingdom (200)
France (200)	New Zealand (100)	United States (1260)
Germany (200)		

About the authors

Valerie Armbrust
Managing Director - Consulting,
Public Service

Timo Levo
Managing Director - Consulting,
Public Service, Europe

Todd Kimbriel
Managing Director - Consulting,
Public Service, North America

Ahmed Hassan
Managing Director - Consulting,
Public Service, Growth Markets

Alexa Jaeger
Senior Analyst, Public Service,
Accenture Research

About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services — all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 569,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities.

Visit us at **www.accenture.com**

About Accenture Research

Accenture Research shapes trends and creates data-driven insights about the most pressing issues global organizations face. Combining the power of innovative research techniques with a deep understanding of our clients' industries, our team of 300 researchers and analysts spans 20 countries and publishes hundreds of reports, articles and points of view every year. Our thought-provoking research—supported by proprietary data and partnerships with leading organizations, such as MIT and Harvard—guides our innovations and allows us to transform theories and fresh ideas into real-world solutions for our clients. For more information,

visit **www.accenture.com/research**