GRANICUS

THE STATE OF DIGITAL
IN GOVERNMENT

A Granicus Report

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A NOTE FROM CEO MARK HYNES

For far too long, there's been a false perception that public servants don't embrace innovation. In truth, government is made up some of the most sophisticated technologists who tackle the unique challenges and scope innate in their jobs to drive progress.

If innovation was based on appetite and will alone, I'm confident that government would keep pace with the world's top innovators in the private sector. In this year's State of Digital survey including participation by over 500 public sector leaders, nearly 100 percent of respondents told us they believe that government has a responsibility to keep pace with the latest in digital. Yet, government faces obstacles unlike any other sector - inflexible budgeting cycles, complex procurement processes, and enhanced security requirements, to name a few.

In this year's State of Digital report, you'll see that government is far from complacent in its approach to embracing digital solutions to align with citizen expectations. The goal of this report is to give a voice to public servants across local, state and federal organizations that are addressing government's greatest technology challenges head on and elevate the ways innovators are using digital tools to accomplish more.

I'm confident that by working together and showcasing examples of excellence, we'll continue to see great things from the public sector.

Mark Hynes - CEO, Granicus
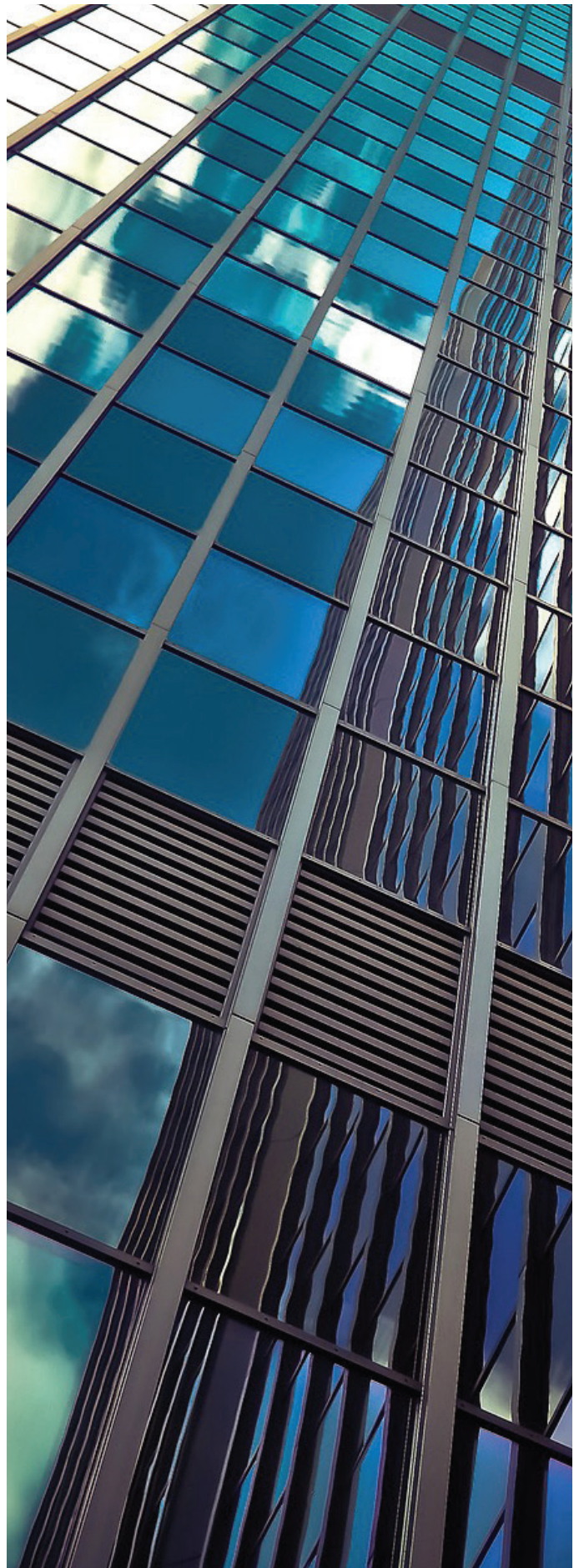
EXECUTIVE SUMMARY

In a wildly changing technology landscape, if you're not looking ahead, you're already behind. The public sector realizes this, and the most-effective agencies are focused on using technology to solve their greatest challenges with a priority of reaching and engaging more people.

KEY FINDINGS

WHAT IS DRIVING INNOVATION?

79 percent of respondents said that pressure to modernize is coming from evolving citizen behavior and interest in performing basic tasks

WHAT IS THE TOP TECHNOLOGY PRIORITY?

The No. 1 technology-priority, identified by an overwhelming 45 percent of survey respondents, is the ability to reach people and drive them to action.
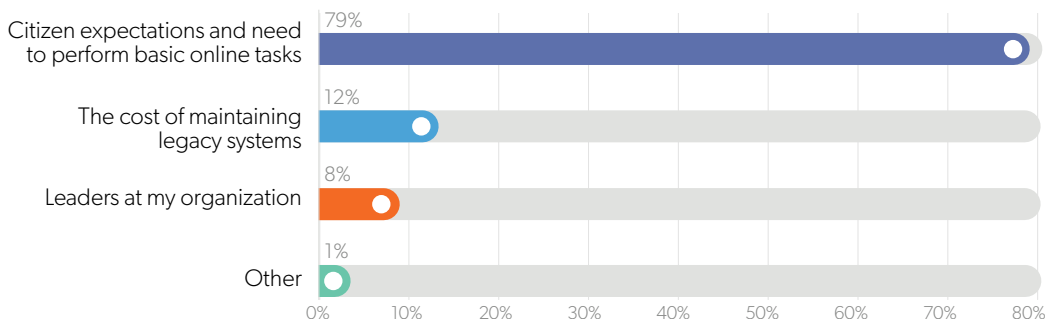
WHAT ARE THE MOST PRESSING CHALLENGES?

Federal agency respondents indicated limitations of legacy systems as their greatest challenge while state and local agencies described paper-based processes as their leading problem to solve through digital modernization
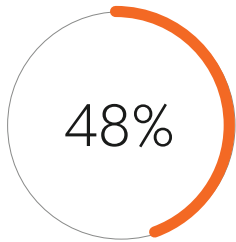
WHAT'S HOLDING GOVERNMENT BACK?

Complex budgeting and procurement processes are holding public sector organizations back from adopting cloud technologies
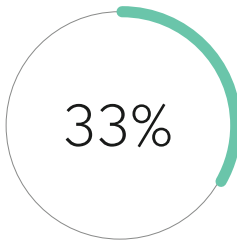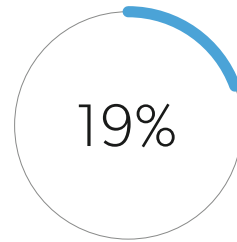
WHAT'S THE PRIMARY PRESSURE TO MODERNIZE?

Citizen expectations and need to perform basic online tasks	79%
The cost of maintaining legacy systems	12%
Leaders at my organization	8%
Other	1%

WHAT IS YOUR TOP CHALLENGE?

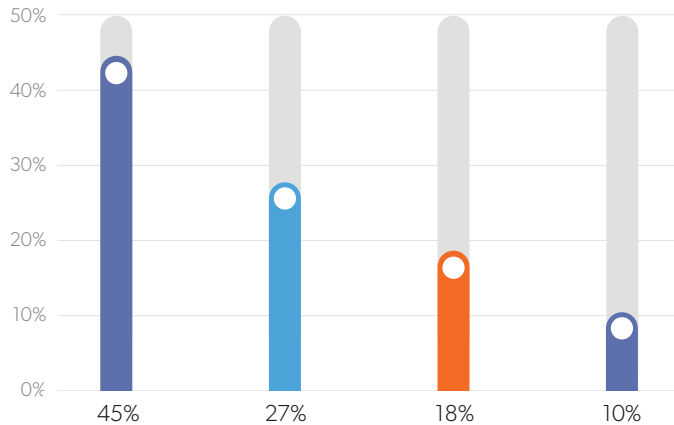**48%** — Our Strategy for engaging citizens isn't effective

33% — We are overrun with paper-based processes

19% — We are weighed down by legacy systems

WHAT IS YOUR PRIMARY TECHNOLOGY GOAL?

45%	27%	18%	10%

45% Reach more people and drive more people to action

27% Improve internal governance

18% Enhance basic service delivery

10% Other

WILL YOU NEED ADDITIONAL BUDGET?
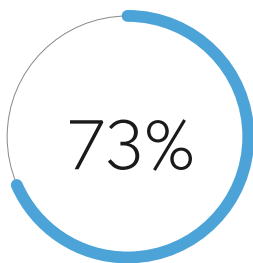
73% said they would need at least some budget increase to accomplish their technology goals for the year
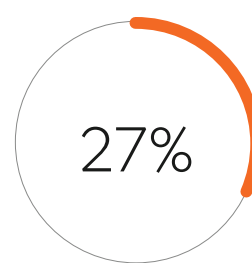
27% said they would not need an increase to their budget to accomplish their technology goals for the year

DO YOU MEASURE METRICS?

56 percent of respondents said they don't monitor metrics or data relating to the citizen experience within their organization

44 percent of respondents said they do monitor metrics or data relating to the citizen experience within their organization

CHALLENGES IN TODAY'S DIGITAL ENVIRONMENT

1

Keeping Citizens Engaged and Active

Across all levels of government, the primary source of pressure to modernize is coming directly from the citizens they serve. Indeed, 48 percent of survey takers identified the lack of digital strategy and tools for reaching and engaging citizens as their top technology challenge.

People can chat with a customer service rep and get information from news organizations around the globe with a few taps on their smartphone and have items they ordered on Amazon arrive at their

doorstep within the hour. The primary tools for communicating, engaging and connecting between the private sector and people have moved to digital. Interactions and relationships have moved online, and your citizens expect their government to meet them there.

48%
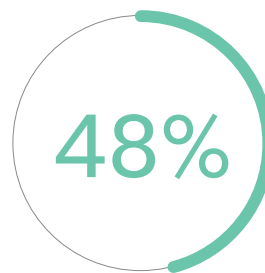
identified the
lack of **DIGITAL
STRATEGY
AND TOOLS**

"We can't keep up with the increased citizen demand for effective and powerful online tools."

— *Survey response*

2 Being Overrun with Paper-Based Processes

Government organizations must often go to great lengths to accomplish tasks that could be done quickly and easily with digital tools. Of our respondents, 33 percent said that they are overrun with paper-based processes.

While paper was once the only way to communicate, modern government no longer relies on it. Paper takes an exorbitant amount of time to organize, is bad for the environment and costs money…and then it usually gets thrown away or put into a filing cabinet where nobody will see it.

This was a problem for Pinellas County, Florida, which previously utilized a paper process to manage its meetings and agendas. Huge stacks of paper had to be shuffled between offices for approval with with no tracking and lengthy delays. where they were. This meant getting an item on the agenda could take three or four months. When they modernized with digital agenda management software, they were able to slash approval times by 75 percent and virtually eliminate paper.

"We went from paper to online agendas and now we can update our agenda in minutes."

— Survey response

3

Constrained by Legacy Systems

Historically it's been a long and arduous process for government organizations to update technology.

Given the unique budgeting, accounting and procurement processes in government, public sector organizations are at a distinct disadvantage when it comes to making large investments in technology deployments.

Perhaps that's why government is aggressively adopting cloud-delivered services – now with about 50 percent of government organizations using this software delivery method in some form.

Cloud or Software as a Service solutions provide a more bite-sized approach that's less upfront capital intensive, while offering significant security, cost and innovation benefits.

Of note, while 19 percent of respondents overall said that legacy systems represented their most significant challenge, the results varied considerably between federal agency respondents and those from state and local government. Federal respondents rated this factor as their biggest challenge considerably more frequently.

"Technology develops fast so we need a strategy to stay current without major budget spend & approvals."
— Survey response

19%
said they are
WEIGHED DOWN
by legacy systems

4 Need to Accomplish More with Less

While more government organizations are transitioning to digital tools to replace outdated systems and improve their ability to execute, it's clear from this year's survey that public sector leaders continue to lack the resources they need to accomplish their goals.

For some, this could mean the inability to hire for needed positions or gain expertise in critical areas. Particularly for CIOs and CTOs, budget is of great concern.

In this year's survey, a vast majority (73 percent) said they need at least some increase in their budget in the next budget cycle. Most (63 percent) said it would require increases between 1 percent to 50 percent. But one in 10 said they need a 50 percent to 75 percent increase in their budget to do so.

Transitioning to cloud-based solutions drives costs down and frees up more time of the already-limited staff to focus on other key priorities for their communities. As more organizations implement digital solutions the need for additional funding will decreases as productivity increases.

73%

said they need at least some
INCREASE IN THEIR BUDGET
to overcome challenges in their organization

"With fewer staff I have more urgent needs for the budget to buy technology to make us productive."
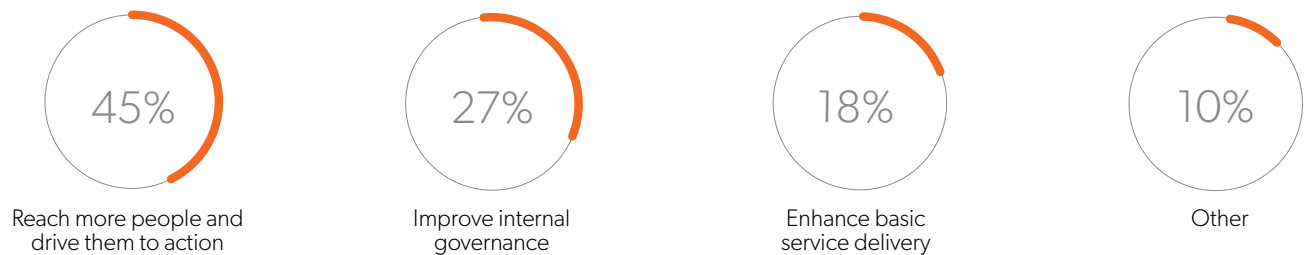
— Survey response

THE TOP TECH PRIORITIES IN GOVERNMENT

Citizens expect seamless digital experiences in their daily lives, and government leaders want to offer more modern technology to meet their rising expectations. When asked about priorities for implementing digital solutions, most people cited the need to reach and engage more people (45 percent). Online tools offer the ability to reach and engage more people than traditional methods of advertising (billboards, radio advertisements, etc) at a drastically reduced price. There is also a special focus this year on using technology to improve internal governance (27 percent) – from seeking approvals to improving decision making.

While leaders know that a multi-channel communication approach is necessary, websites and social media reign supreme as the tools that organizations are prioritizing this year. But federal agencies rank email as their third-preferred tool, while state and local organizations are more focused on forms and records management systems.

2018 TECHNOLOGY GOALS

45%
Reach more people and drive them to action

27%
Improve internal governance

18%
Enhance basic service delivery

10%
Other

TOOLS USED TO ACCOMPLISH GOALS

Website	70%
Social Media	52%
Email Messages	48%

Records Management	32%
Online Forms	30%
Video	27%

THREE TIPS FOR MODERN DIGITAL GOVERNMENT

Technology is transforming the world around us - from online transactions to social connections. And in government, the pressure is mounting to adopt online options for citizens. It's not simply a convenience – digital interactions can improve lives and make a real difference for millions of people around the world.

Transitioning to a truly modern digital government also takes time and practice. By themselves, having the right tools don't make the difference – it's about having the right people at the helm that turns the ship.

Where do you start? Here are three tips that are used by the most advanced government organizations (with a brief description of Granicus solutions below):

GRANICUS SOLUTIONS

govMeetings - Agenda, video & minutes management

govAccess - Mobile, self-service websites

govRecords - Digital records management

govDelivery - Email, social and text communications

Digital Engagement Services - Communications and marketing consultants

1 Analyze the Data

In today's metric-heavy environment, there's no reason to guess what's working and what's not. The truth is in the numbers. Start by regularly monitoring your website – a central source of information for citizens.

Only about 32 percent of communicators measured in another recent survey monitor the performance of their website on a monthly basis. The remainder, 68 percent, look at website performance quarterly, annually or not at all. Regularly monitoring your website metrics gives you more information about your audience – where they're coming from, what they're interested in and how they found you. It's a dream come true for metrics-based marketers. Use this data to plan your outbound communications through email, social and text. Remember that people of various ages respond differently to different mediums, so you have to consistently use them all.

Analyzing data can also tell you how you can proactively support the needs of your audience by providing self-service options for what they search for most. Proactively reaching out to citizens and empowering them to find what they need quickly can lead to significant cost savings. A recent study indicated the average cost of a customer support call is around $11 per call. If your organization only has about 100 calls per week, that's nearly $60,000 a year spent on citizen support. In an era of needing to accomplish more with less in government, this could be a way to tackle one of your greatest challenges.

Primary Website Metrics to Monitor:

- *Total Pageviews*
- *Referral Traffic*
- *Organic Search*
- *Average Time on a Page*
- *Website Conversion Rate*

32%
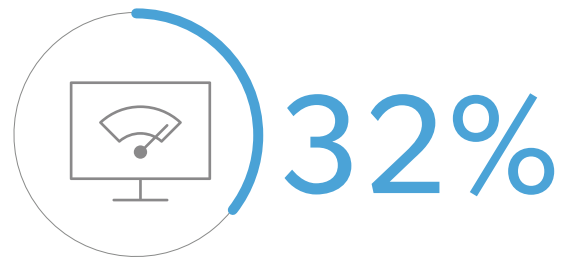
are analyzing their **WEBSITE PERFORMANCE**

2 Start Mapping Customer Journeys

Building a customer journey map helps tell the full story of the customer experience and answers important questions about the customer motivations and needs. Identifying your audience interacts with your organization will help you pinpoint opportunities to enhance the experience, thereby increasing loyalty and satisfaction.

You can start by gathering an internal team (made up of people who connect directly with citizens in some way) to begin a mapping exercise. Then, gather important data on where customers are interacting with your organization and how. This could include website analytics, social mentions, summaries of focus group discussions, etc. Enlist the internal team to all accomplish a top citizen request (maybe it's filing for a license or submitting paperwork for a program) and note each step from beginning to end.

This exercise will identify pain points and opportunities for improvement and can improve service delivery at your organization.

32%
of public sector organizations are actively using **CUSTOMER JOURNEY MAPPING** compared to 63% of private sector organizations — *Forrester*

3 Embrace the Cloud

Only half of all government agencies are using cloud technologies, according to Gartner. For a long time, it was difficult for government to embrace new technologies because of high capital costs associated with hardware acquisition and maintenance. Cloud technologies have changed the equation, making it easier and more affordable than ever to modernize the public sector.

How so? By eliminating hardware purchases, government can simply pay for access to tools that are maintained by reputable organizations. Security and downtime issues can be offloaded from already strained public sector employees to teams focused on empowering government to do what it does best: serve citizens. And innovation happens regularily without the need for "big bang" updates.

When government embraces the cloud, it opens up new, collaborative ways to govern. For instance, agenda creation tools that eliminate paper processes and allow multiple people to quickly provide input and track progress can make reduce the amount of time necessary to prep for a city council meeting. Recording and indexing government meetings provide your constituents with the opportunity to get involved and make their voices heard, productively. Technology can also put information quickly into the hands of citizens , for example by connecting traffic lights and cameras with communications software that can send out alerts about road conditions for commuters.

The possibilities of the cloud are boundless and embracing it would give the public sector a giant leap toward digital modernization.

More and more government agencies are **MOVING TO THE CLOUD** because it saves money and is secure (when combined with FedRAMP)
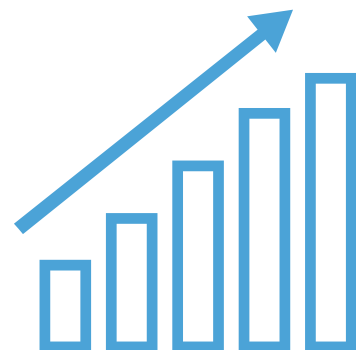
LOOKING TO THE FUTURE
ONWARD IN 2018 (AND BEYOND)

Thanks to the explosion and availability of affordable digital technologies, proactive agencies are poised to drive significant change in the way they interact with their communities. As the pressure is mounting from citizens to use more digital tools, governments are at a tipping point to adopt a strategic approach to providing information and services.

While so many identified budgets as a concern in 2018, the digital landscape has never been better to accomplish more with less resources. The model for use of cloud technologies is perfect for government's funding structure because it doesn't require large up-front costs.

Thankfully, government isn't sitting still. It's rising to the challenge of delivering citizen services in new and unique ways using technology. No matter where the pressure to innovate is coming from, this year is bound to be critical to future success. Despite the challenges, we are happy to report that the future looks bright.

What is the area of highest demand for digital innovation at your organization?


ARE YOU READY?

Ready to build a modern digital government that's empowered to meet the needs of citizens? Granicus is your partner in the digital transformation. Email us at info@granicus.com to talk about what solutions would best benefit your organization.

ABOUT THIS REPORT
METHODOLOGY

Findings for the 2018 State of Digital report were compiled from an online survey conducted from May 15 – June 15, 2018. A total of 521 participants completed the survey, with the highest participation from city-level government with 31 percent, then state-level with 23 percent, county-level with 19 percent, federal-level with 11 percent and special district with 3 percent.

What level of government do you work for?

- 31% City
- 23% State
- 20% County
- 13% Other
- 11% Federal
- 3% Special District
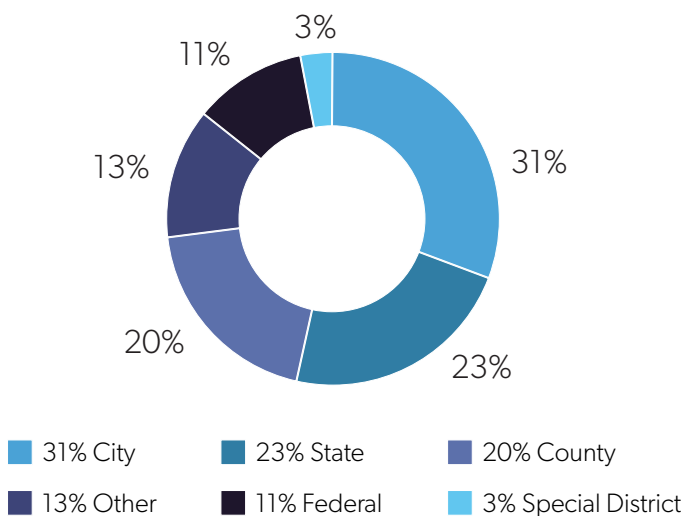
The State of Digital proportionally represents a variety of positions in all levels of government. The top position titles represented were:

1. Communications Manager
2. City, County or Town Clerk
3. Mayor
4. Public Information Officer
5. Chief Information Officer

ABOUT GRANICUS

Granicus enables government do more with less while focusing on missions and outcomes for the people they serve.

Granicus technology and services empower government organizations to create seamless digital experiences. With the worlds most robust citizen database of 185 million subscribers and

leading cloud-based solutions purpose-built for government, Granicus creates award winning websites, reaches more citizen through digital communication, powers efficient public meetings, and automates record management. Serving over 4,000 public sector organizations, Granicus is your trusted partner for complete government automation.

GRANICUS BY THE NUMBERS

185M
citizens in the GovDeliery Network: subscribed to receive Government communications

40 of 50
most populous U.S. cities use Granicus tools including New York, Chicago & Los Angeles

400TB
of legislative data stored in secure and redundant data centers

4,000 ORGS
across the globe use Granicus' solutions to improve government transparency and engage citizens

50 STATES
and locales in Canada, UK & Europe are part of the Granicus community

12B+
annually via the GovDelivery Communications Cloud's 4,000 users

ARE YOU READY?

Ready to build a modern digital government that's empowered to meet the needs of citizens? Granicus is your partner in the digital transformation. Email us at info@granicus.com to talk about what solutions would best benefit your organization.