

UNIT4

In Business for You

A HISTORIC OPPORTUNITY FOR PUBLIC SECTOR
INDUSTRY FOCUS



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An historic opportunity

Public sector today

The public sector industry is expected to meet unprecedented demands with reduced funding, yet it also has an historic opportunity to boost productivity and improve services for citizens.

Public sector organizations are some of the largest, most complex and diverse bodies which deliver a bewildering array of services. But, with escalating expectations and dwindling budgets the quality of those services being delivered to citizens is dropping; state and federal governments, local authorities, city and municipal councils, healthcare organizations and our emergency services are all struggling.

Digital disruption is having a significant impact on governments, whose digital capabilities are far behind the private sector. Among the barriers keeping public sector organizations behind the curve of technological change are an absence of agile systems and technical skills.

Golden opportunity

To break through these barriers each organization will need to challenge its own status quo and take advantage of the opportunity in the Everything as a Service (XaaS) economy. Here, new digital technologies are driving productivity and boosting operational efficiency. Cloud computing has already come of age and spending is set to grow. Organizations that have made changes in response to the XaaS economy are already reaping the benefits.

At Unit4, we've specialized in software products for service organizations, where people make the difference. Our technology is central to the organizations we serve — it improves efficiency and productivity, and allows people to spend more time on meaningful work.

Read on to discover the reasons why and how your organization can embrace — and benefit from — a digital future.

So, is it time for you to change?



Office workers spend **one-third** of the working year completing administrative or repetitive tasks.



This lost productivity costs the service industry more than **\$5 trillion USD** annually.



Most office workers, especially young professionals believe **new technology** would improve their productivity

Let's look at the global trends
affecting public sector organizations >>>

All change

Eight industry megatrends

With pressure to reduce spending and increase service efficiencies, the need for automation and better data management is greater than ever — but are public sector organizations able to catch up with the digital curve?

1. Ageing population

The '100-year-life' is becoming a reality for more and more people; globally, there are more elderly than there ever before in the history of our species. With an elongated life expectancy comes a need for more services (specifically health and social care) which need to be provided for longer. This is only going to get worse; we're facing an ever-increasing, and extended, demand for services.

2. More with less

Along with increased demand, there's more pressure for public sector organizations to deliver an increased range and enhanced quality of services. At the same time, budgets are dwindling and pressure is mounting to control budgets, restrict spending and source new income funding. This is alongside the need to comply with ever-changing regulations and policies.

3. Rising citizen expectations

As taxes rise, citizens expect better, faster services with greater variety and convenience. In the Everything as a Service (XaaS) economy, they expect the service to be personalized, and delivered with a digital user experience (UX) which matches the UX they have with commercial service providers. And it's common knowledge, as part of XaaS, that technology can do that. Evolving technology is swiftly altering the way government organizations work in the back office and radically shifting the way they interact with citizens through the front office.

4. Governments in transition

Central government is devolving more responsibility and services to local authorities, city councils and municipal councils, while at the same time governments themselves are transitioning from service providers to brokers or commissioners. This increasing operational complexity and transformation is creating new challenges and a need for new operational capabilities on both sides. Efficiency, transparency and accountability all become more important; collaboration, agility and better data management are vital.

LGSS, the UK's largest public sector shared service provider, delivers back-office services for 80,000 customers and 60,000 suppliers across its 10 clients and has 27,000 payees on its payroll systems. Its partnership with Unit4 will deliver cost savings of £9.8m over seven years on system support and licensing alone. The organization expects to make further savings in processing efficiencies in the back office by spending less time on admin, so it can drive more resources to frontline service delivery. The system also instantly gives managers the information they need to enable better, faster decision-making.

"We chose Unit4 because we needed a solution that was easy to develop, was cost-effective to support; was flexible, and we could design once and use many times across organizations."

Peter Borley-Cox, Head of business systems and change

5. AI and data management

Data is being valued more highly and utilized with greater care to inform operational decision-making, demonstrate impact, drive efficiencies and improve service delivery. Governments have to remain publicly accountable and transparent, while constantly searching for ways to improve efficiency. The key trend here is the use of emerging technologies like artificial intelligence (AI) to leverage and protect data. In light of high-profile data breaches, and in line with the global data privacy agenda, governments are transforming personal data governance. And they are looking at ways to leverage data through AI.

6. Avoiding fraudulent payments

With so much pressure to increase efficiencies and reduce the drain on taxpayers, governments are increasingly taking measures to tackle fraud, waste and abuse (FWA). Although some of these improper payments (payments that should never have been made or that were made in an incorrect amount) are due to criminal activity, many are caused by simple paperwork error, and it's costing billions for the US federal government alone. While tackling fraudulent activity is one issue, identifying and tracking improper payments caused by human error is preventable through emerging technologies like AI and deep machine learning (ML).

7. The Great Productivity Challenge

As with citizens and governments, the relationship between staff and employer is changing as a result of technology. Public sector organizations need to compete for top talent while improving productivity. In the XaaS economy, people-centered public sector organizations are using the latest digital platforms to streamline processes, integrate back-office systems and automate manual, administrative tasks. Overcoming The Great Productivity Challenge in this way creates space for staff to add value to the business while building a more engaged workforce and lowering attrition.

8. Catching the digital curve

Overall, public sector is being held back technologically by cost and budget pressures. The majority of public sector organizations say digital is disrupting the sector and most agree their digital capabilities lag behind the private sector. But many governments are receiving funds to update legacy systems so agencies can more easily get a full and more accurate view of payments.

When the **City of Stockholm** partnered with Unit4, they saw a 20 percent reduction in support, administration and operational costs; and saved hundreds of hours every year through automation. Its former legacy financial solution was unable to support the municipality on its journey to becoming one of the smartest and most connected cities in the world. With Unit4 ERP, its 40,000 employees have a single, organization-wide version of financial truth, which instantly improved collaboration and informed decision-making. It is benefitting from more secure, simplified financial statements management and procurement efficiencies in the form of lower prices and more efficient admin.

“Unit4 helps us ensure it is easy for our people to do the right thing in our processes.”

Andreas Nordström, Unit manager

Let's see what the analysts say
about the public sector >>>

According to experts

Industry analysis

Here's what the researchers, analysts and experts are saying about the people-centered services industry and the public sector.

The Great Productivity Challenge

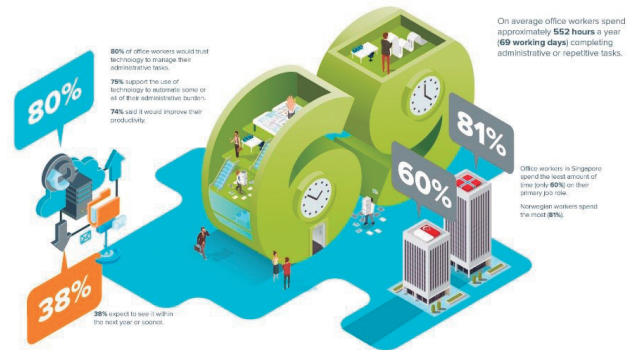
According to research, workers lose one third of time to admin. Labor productivity growth in the US and Western Europe is at "near-historic lows". Lost productivity is costing the service industry more than \$5 trillion a year, with the average worker spending one third of their working year completing administrative or repetitive tasks — time that could be better spent on their primary job duties and adding value through creativity. Yet, more than three quarters of office workers believe technology can improve their productivity, with nine out of ten workers in many countries saying they would use technology like digital assistants and software applications to manage repetitive tasks. This is The Great Productivity Challenge.

Digitalization set to drive productivity

Around 60 percent of the productivity boosting opportunities over the coming decade are set to come from digital². These include technologies that boost operational efficiency, reduce costs, streamline labor requirements and enhance innovation, as well as those that are reshaping entire business models and industries and changing barriers to entry.

Global productivity study:

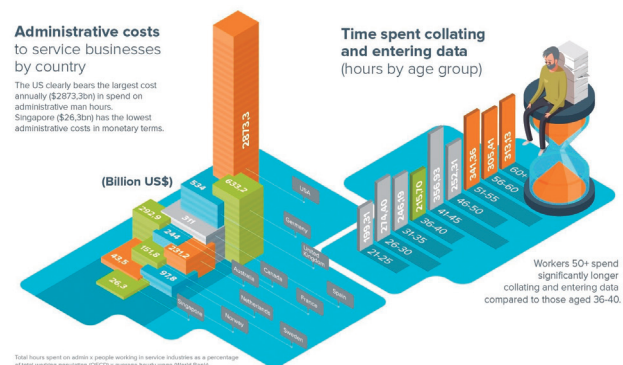
People spend 69 days on admin annually that could be spent on primary job duties.



The cost of lost productivity to the service industry

Administrative costs to service businesses by country

The US clearly bears the largest cost annually (\$2873.3bn) in spend on administrative man hours. Singapore (\$26.3bn) has the lowest administrative costs in monetary terms.



Get the infographic

To see the details behind the GLOBAL PRODUCTIVITY STUDY, please click here.

¹ McKinsey Global Institute (2018), [Solving the productivity puzzle](#)

² DJS Research (2017), [Office workers lose a third of their work time to admin](#)

Cloud comes of age as spending grows

Almost eight out of ten (77 percent) enterprises have at least one application or a portion of their enterprise computing infrastructure in the Cloud. This number was set to grow to nine out of ten by 2019, with the rest expected to follow by 2021⁴. Spending on IT infrastructure for deployment in cloud environments was forecast to grow 11 percent to \$52 billion in 2018⁵.

Digital disruption and barriers

Government officials believe digital technologies – including agile business applications – are disrupting the public sector and it is having a “significant” impact. Seven out of ten believe their digital capabilities are far behind the private sector. The barriers for governments are: competing priorities, insufficient funding, security concerns, the absence of an overall strategy, the lack of organizational agility and not enough technical skills⁶.

Tackling government fraud

The reported government-wide improper payment estimate for the 2016 fiscal year was over \$144 billion. Since 2003, cumulative estimates have totaled over \$1.2 trillion. Research shows reducing improper payments could yield “significant savings”⁷.

Investment in digital

Better managing IT could result in “billions of dollars in savings and much more efficient and effective government”⁷. Opportunities also exist to better ensure the security of federal information systems and cyber-critical infrastructure and protect the privacy of personally identifiable information. The US government was projected to invest billions of dollars on IT in 2017⁷.

⁴ IDG (2018), [2018 Cloud Computing Survey](#)

⁵ IDC (2018), [Spending on IT Infrastructure for Deployment in Cloud Environments](#)

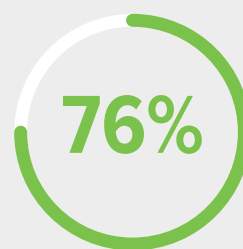
⁶ Deloitte University Press (UK, 2015), [The journey to government's digital transformation](#)

⁷ US Government Accountability Office, [Government efficiency and effectiveness: Opportunities to address pervasive management risks and challenges while reducing federal costs](#) (Testimony statement of Gene L. Dodaro, Comptroller General of the United States, 2017)

There's a pattern emerging — leading public sector organizations are responding to these changes in the same ways >>>



Proportion of government officials that say their digital capabilities lag behind the private sector⁶.



Proportion of government officials that believe digital technologies are disrupting the public sector⁶.



Cumulative estimates of government-wide improper payments between 2003 and 2016.



Projected IT investment in the 2017 fiscal year⁷.

Taking advantage of opportunity

Strategic responses

There's a pattern emerging. In response to the megatrends, the industry frontrunners have elevated the importance of digital technology within their organizations and chosen to modernize their processes through its implementation. All these organizations share a core belief: these technologies should deliver greater insight and improve productivity to enhance frontline service delivery.

Empowering employees

As part of their digital transformation journey, leading public sector organizations are implementing automated processes and equipping their staff with intuitive, XaaS-level, self-service tools. By significantly reducing low-value admin work they are creating space for their people to be more productive and creative — they can spend more time focusing on strategic or customer-facing tasks to deliver greater value to the organization as well as the citizens they serve. This also boosts job satisfaction and retention of good talent. Also, the managers in these organizations are given more autonomy and take more responsibility for financial activity so they can report and manage budgets in a slick and easy way.

Improving operational efficiency

In the XaaS economy, the best public sector organizations never give up on the search for new ways to do more with less. Underpinning this is an aligned strategy for data, digital and IT. What they've discovered is not only cloud-based software itself, but in combination with agile business applications the opportunity it provides to review and modernize organizational processes and structures for their

digital transformation. In this way, they are able to respond to fast-paced disruption and policy changes, and minimize their impact. The digital solutions they adopt use enhanced data insights to inform decision-making, streamline admin processes and restrict spending.

Delivering transparency and accountability

The frontrunners in the public sector industry are keeping pace with technology and finding smarter ways of meeting the diverse reporting demands of regulatory agencies, constituents and the public. They are investing in new systems which help them comply with new legislation and ensure robust data security while identifying, tracking and avoiding improper payments. As part of their digital transformation, these organizations have made the decision to settle for nothing less than the best Enterprise Resource Planning platform capabilities. Their belief in the value of data, and the right technology solution to help them govern it, delivers accountability and transparency across all departments, and for all stakeholders.

Improving services for citizens

The best-performing public sector organizations are guided by a non-negotiable commitment: to increase the range, quality and convenience of service delivery to citizens. They have accepted that a radical change is needed to achieve this, and that digital is necessary to devote more resources to frontline services. To this end, they are using the benefits of technology to change the way they behave and operate, internally and externally. To match the User Experience which citizens have with private sector service providers, they are personalizing services and building front-office interfaces which notify citizens, verify identities and collect payments. Internally, they are streamlining information sharing across the organization and enabling cross-agency collaboration for better, more coordinated services delivery. The result is better services which make a difference where they're needed most.

**That's how the market leaders are reacting.
But, for the majority, many barriers remain >>>**

Breaking through

Overcoming barriers to success

For the majority of public sector organizations, the barriers to success are becoming more abundant, but there is a way through.

From an ageing population and government transition to reduced funding and increasing demand, many barriers to success are out of your control. But many of the obstacles — rising citizen expectations, The Great Productivity Challenge and catching the digital curve — are partly driven by the evolution of technology. As such, these obstacles can also be overcome by embracing it.



**But there's one
non-negotiable
requirement: A
COMMITMENT
TO DIGITAL**

Legacy systems are not fit for the modern public sector economy. They were designed for the needs of the organizations of yesterday. As such, they create a barrier to effective digital transformation, improved productivity and delivery of better services to citizens. We are seeing this in organizations of all shapes and sizes — outdated technology is the biggest barrier to success for every type of public sector organization in every country on the planet.

Inflexible, outdated technology systems make it difficult and costly to:

1. integrate systems; automate and streamline processes
2. consolidate data analysis for planning, budgeting and forecasting
3. respond quickly to organizational change and increased demands
4. meet diverse reporting requirements and ensure robust data security
5. gain deeper, organization-wide data insight to inform decision-making
6. restrict funds, control budgets and manage/track all costs and expenditures
7. keep IT and back-office costs down to spend more on service delivery
8. match private sector User Experience for citizens and staff

But it needn't be that way

The solutions for finding your way through the barriers do exist, and they're already in everyday use. Hundreds of forward-looking organizations are managing change and improving productivity to improve the service for the citizens they serve. And it's done, partly, by reducing — or eradicating — low-value tasks to create space for people to do more work that really matters.

So, what is the answer? >>>



Game-changing solutions

Unit4 People Experience Suite

Unit4's next-generation enterprise software helps you deliver an exceptional People Experience for everyone your organization serves.

People Experience is a discipline applied to software development that prioritizes human impact — making work more productive, efficient and inspiring.

Our cloud-based enterprise software is easier to use and manage, since real people, not just tech experts, use it. You can manage projects and processes that deliver value across the service industries, quickly and flexibly, according to your specific needs.

Unit4 People Experience Suite:

- Unit4 Enterprise Resource Planning (ERP)
- Unit4 Human Capital Management (HCM)
- Unit4 Financial Planning & Analysis (FP&A)

What This Means for You

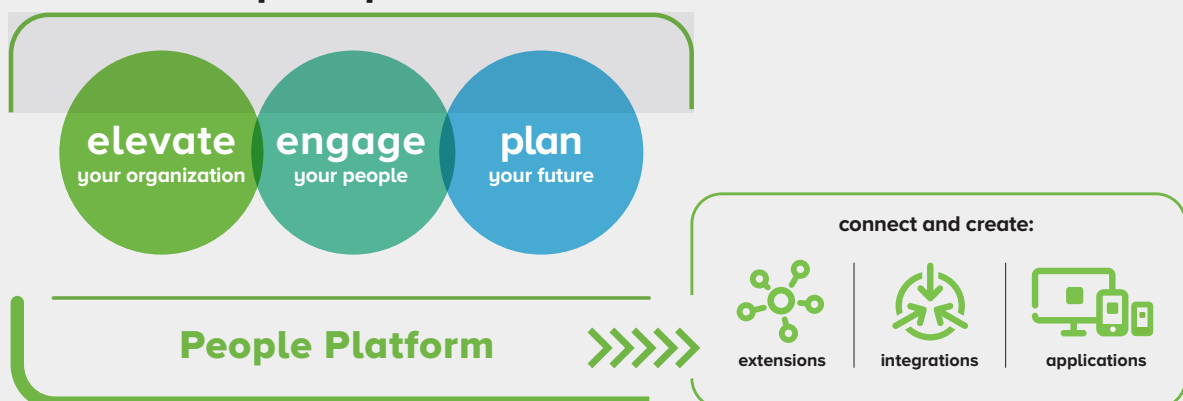
You can transform work to be more meaningful through software that's self-driving and adaptive, intelligently automating administrative tasks. This elevates engagement and helps you attract and retain the best people.

But People Experience is not only about personal motivation — it's also about managers and staff working better together to improve organizational results. In all, freeing people to focus on what matters improves how work feels, and means you can better serve your people.



Discover how Unit4
can help your
organization

Unit4 People Experience Suite



UNIT4
In business for people