

THE STATE OF PUBLIC SECTOR DIGITAL TRANSFORMATION 2019

Summary findings from the
Public Sector Digital Leaders Forum,
1st November 2018

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 **bridgeall**

 **Redspire**

Exactive

Executive Summary

While there is growing acceptance of the need for Scotland's public sector to transform digitally, only limited progress has been made in leveraging the full potential of emerging technologies for enhancing the citizen experience; building efficient, agile digital workplaces; and reimagining service delivery.

Most public sector organisations remain at an early experimental stage on their transformation journey. Few have yet fully embedded digital technology at the core of everything they do.

This report provides a short overview of the key findings emerging from our Public Sector Digital Leaders Forum held on the 1st November 2018. Based on a survey of 65 participants, representing 35 public sector organisations, the findings provide a useful snapshot of the state of public sector digital transformation in Scotland year end 2018.

Key Findings:

- Despite wide acceptance that digital can deliver more cost efficient, agile and citizen focused public services, digital supported transformation is viewed as being 'mission critical' in fewer than half of public sector organisations in Scotland (49%).
- Only 26 per cent of Scottish public sector organisations have an agreed digital transformation strategy in place providing a roadmap for change.
- Progress in transforming service delivery has been slow with 81 per cent of respondents stating that 'little or only limited' progress has been made. Only 15 per cent stated that 'good progress' was being made in digitally transforming service delivery.
- The absence of digital leadership, organisational culture issues and digital skills shortages were identified as the three most important barriers to transformational change in Scotland's public sector. Seventy-three per cent of respondents stated that their organisation lacked digital leadership. Other barriers to progress included fear, funding, resources and perceived risk.
- Externally, few public sector organisations are leveraging the full potential of digital for delivering exceptional customer experiences at Key Moments of Truth in the customer journey. Only 15 per cent of respondents stated that they were making good progress in this area.
- Internally, many public sector organisations in Scotland continue to exhibit the classic symptoms of pre-digital workplaces - hierarchical, bureaucratic and controlling organisational structures; silos; 'productivity busters' such as excessive use of e-mail and too many meetings; legacy technology and legacy management thinking; lack of innovation and staff engagement; poor communications; decision-making based on hunch rather than analytics.
- Less than a third of respondents agreed that digital natives would find their organisation an attractive place to work.

The core findings from our Forum raise an important question – how can we accelerate the digital transformation of public service delivery in Scotland?

'Experimentation is easy: transformation is hard'
([World Economic Forum, 2018](#))

Introduction

Published in March 2017, the Scottish Government's updated digital strategy - '[Realising Scotland's full potential in a digital world](#)' - set out a vision for Scotland as a 'vibrant, inclusive, open and outward looking digital nation'. A range of measures were announced to 'ensure that Scotland continues to prosper in an increasingly connected and competitive world'.

Digital transformation of Scotland's public sector and services was a key element of the updated national strategy.

Digital transformation is about far more than merely providing public services online. These services form an infrastructure that is critical to the economic success of this country and must be provided in ways that makes sense to our users, rather than the ways in which we have chosen to organize ourselves. We will therefore match the expansion of digital public services with reform of the structure and ways of working of the organisations that deliver them.

Source: [A Digital Strategy for Scotland](#)

Almost two years on, what progress has been made?

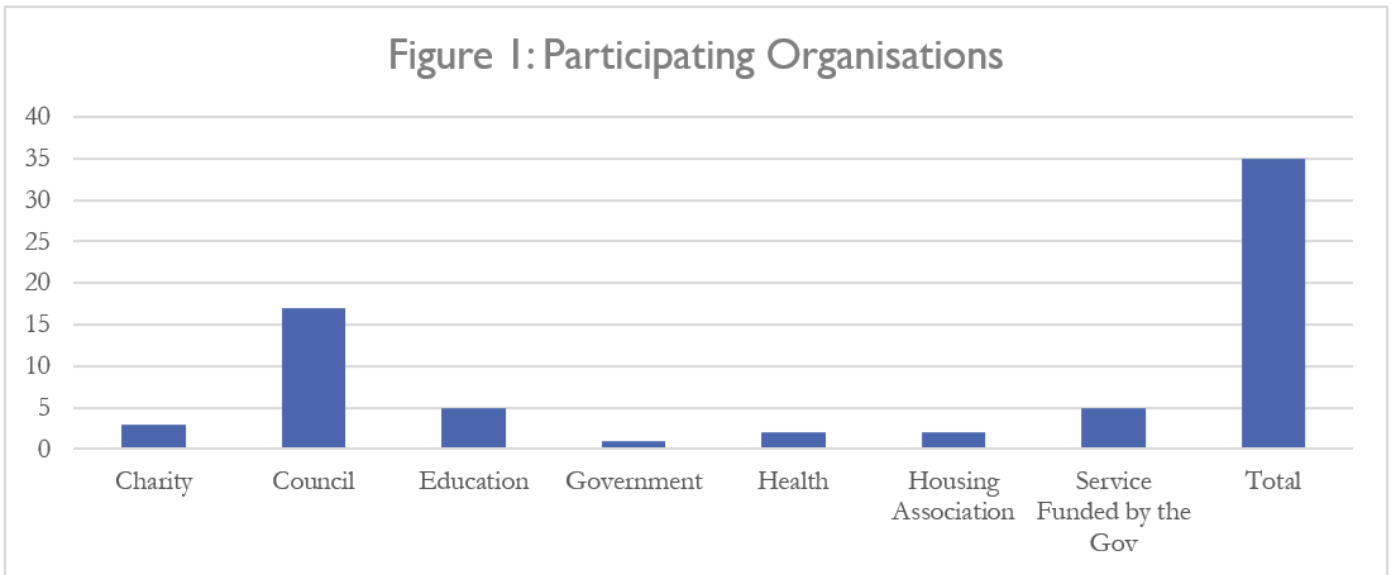
This question was addressed at a recent Public Sector Digital Transformation Forum organised by three Microsoft Accredited Gold Partners ([Bridgeall](#), [Redspire](#) and [Exactive](#)) and facilitated by [Dr. Jim Hamill](#).

Held on the 1st November 2018, the Forum used a live interactive audience polling tool to survey participants' thoughts and experiences regarding progress being made.

The results provide a useful snapshot covering the state of public sector digital transformation in Scotland as we move into 2019.

Participating Organisations

Sixty-five public sector digital leaders attended the Forum representing 35 different organisations as shown in Figure 1 below. A broad range of organisations were represented including local authorities (17), education (5), central government (1), health (2), housing (2), government funded organisations (5) and charities (3).



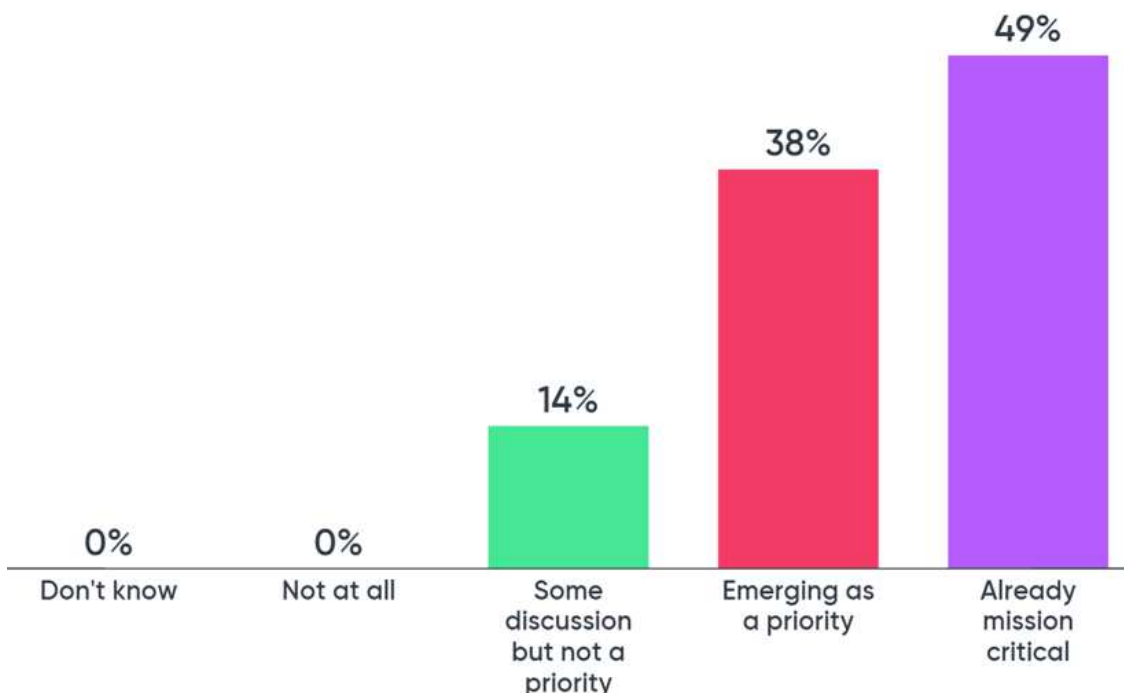
Survey Results

The majority of public sector organisations in Scotland do not view digital transformation as being a 'mission critical' priority.

Despite the strong focus on public sector reform in the '[Realising Scotland's full potential](#)' document, digital transformation is viewed as being 'mission critical' in fewer than half (49%) of public sector organisations in Scotland. It is 'emerging as a priority' in 38 per cent of the organisations taking part in the Interactive Poll. In 14 per cent of participant organisations, 'some discussions are taking place' but transformation is still some way from being considered a priority.

Two years on from the re-launch of the National Digital Strategy for Scotland, considerable progress still needs to be made to ensure that digital transformation becomes a top agenda item for Scotland's public sector.

Figure 2: Has digital transformation become a priority for your organisation?



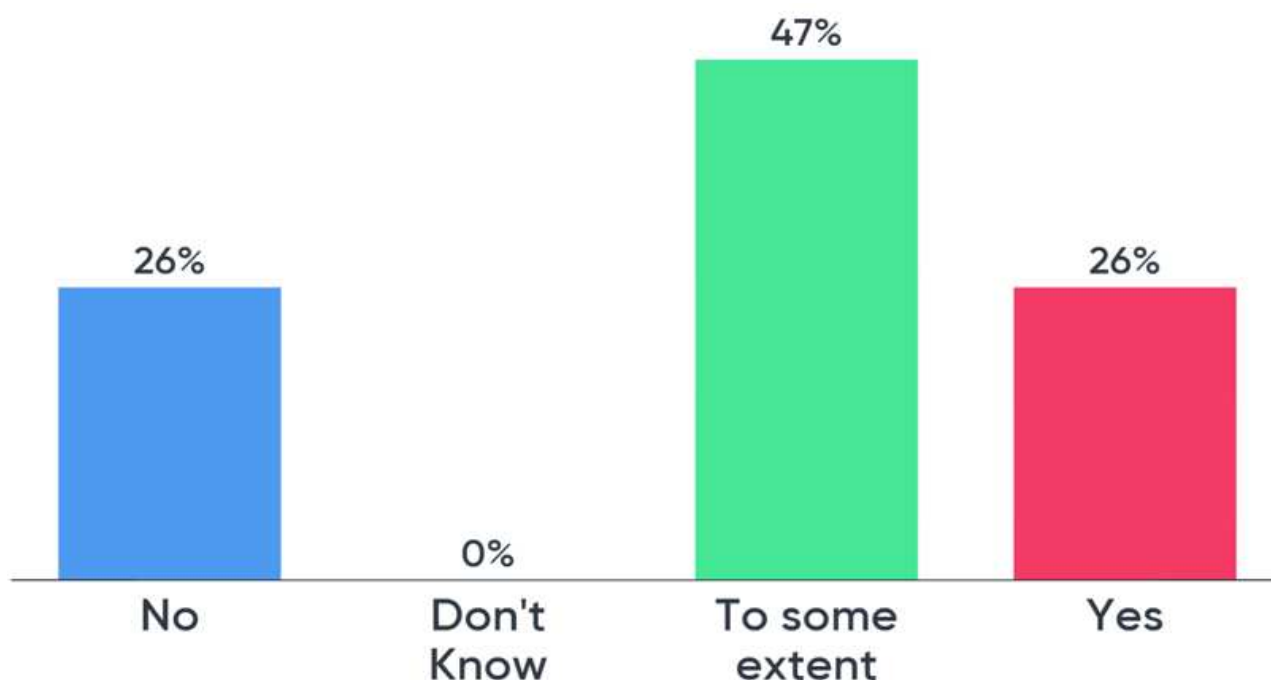
Only 26 per cent of public sector organisations have an agreed digital transformation strategy.

Successful digital transformation requires a clear vision and strategy, supported by a digital roadmap for 'getting there'. Organisations who plan their transformations well tend to outperform those that 'muddle through'.

Reflecting the findings reported above, only a quarter (26%) of the public sector organisations participating in the Forum claimed to have an agreed digital transformation strategy in place with half (47%) claiming to have a digital transformation strategy to 'some extent' (Figure 3).

Two years after the launch of the updated National Digital Strategy for Scotland, over a quarter of public sector organisations (26%) still do not yet have an agreed strategy in place to support digital change.

Figure 3: % of organisations having an agreed digital transformation strategy



Public sector organisations in Scotland have made only limited progress in implementing digital transformation.

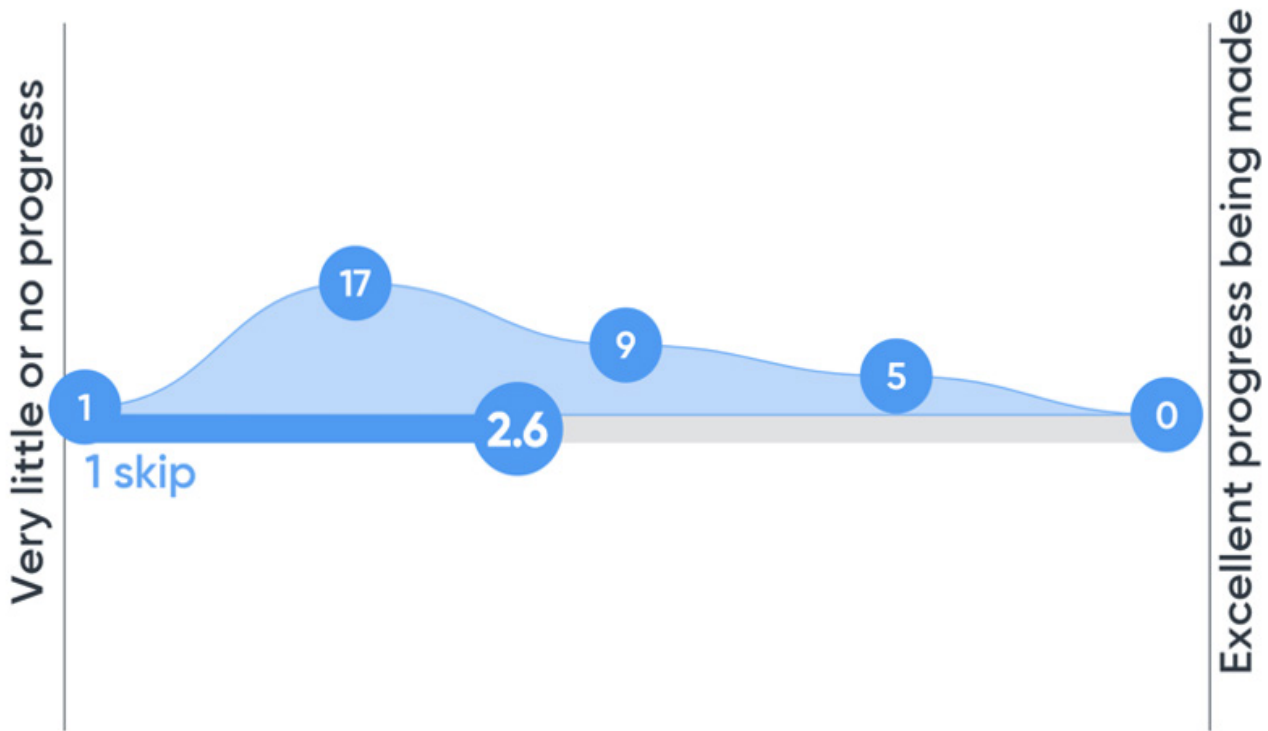
Not surprisingly given the findings reported above, Forum participants stated that very little progress has been made in implementing digital transformation.

Based on the question shown in Figure 4 below, a weighted average of 2.6 was recorded highlighting slow progress being made.

Twenty-seven out of the 33 organisations answering this question (81%) reported 'little or no progress' being made in transforming digitally.

Two years after the re-launch of the National Digital Strategy for Scotland, only 5 out of the 33 public sector organisations attending the Forum (15%) reported 'good progress being made'.

Figure 4: What progress has been made in implementing digital transformation?



A wide range of barriers and obstacles need to be overcome.

As shown in the word cloud below (Figure 5), respondents identified a wide range of barriers and obstacles preventing the more rapid digital transformation of Scotland's public sector.

The three most important barriers mentioned were the lack of digital leadership, organisational culture issues and digital skills shortages. Seventy-three per cent of respondents stated that their organisation lacked digital leadership. Other barriers to progress included fear, funding, resources and perceived risk.

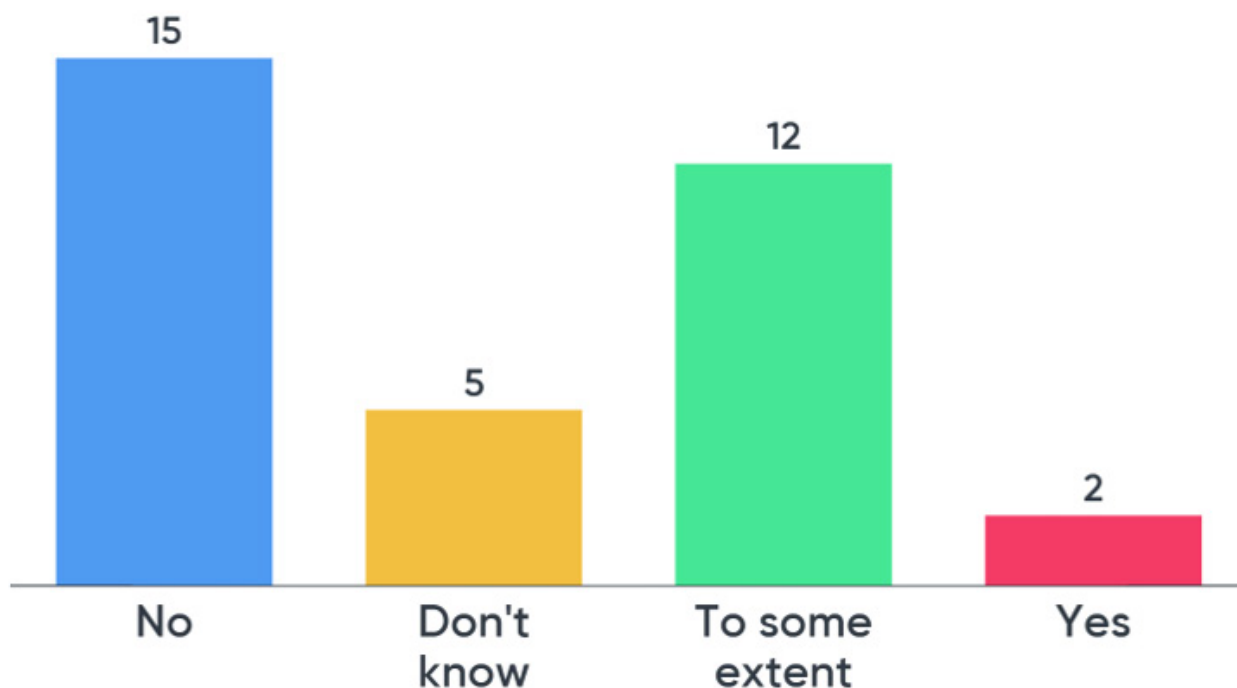
Figure 5: The main barriers and obstacles to transformational change



Few organisations have an implementation plan to overcome barriers and obstacles.

Only 2 of the 34 public sector organisations responding to this question (6%) stated that they had a well-developed implementation plan for overcoming organisational barriers to change. Twelve (35%) reported having an implementation plan 'to some extent'. A full 59 per cent stated that no implementation plan was in place or 'not known'.

Figure 6: Do you have an implementation plan to overcome barriers?



Externally, few public sector organisations in Scotland are leveraging the full potential of digital technologies for delivering exceptional customer (citizen) experiences at Key Moments of Truth (KMOT) in the customer journey.

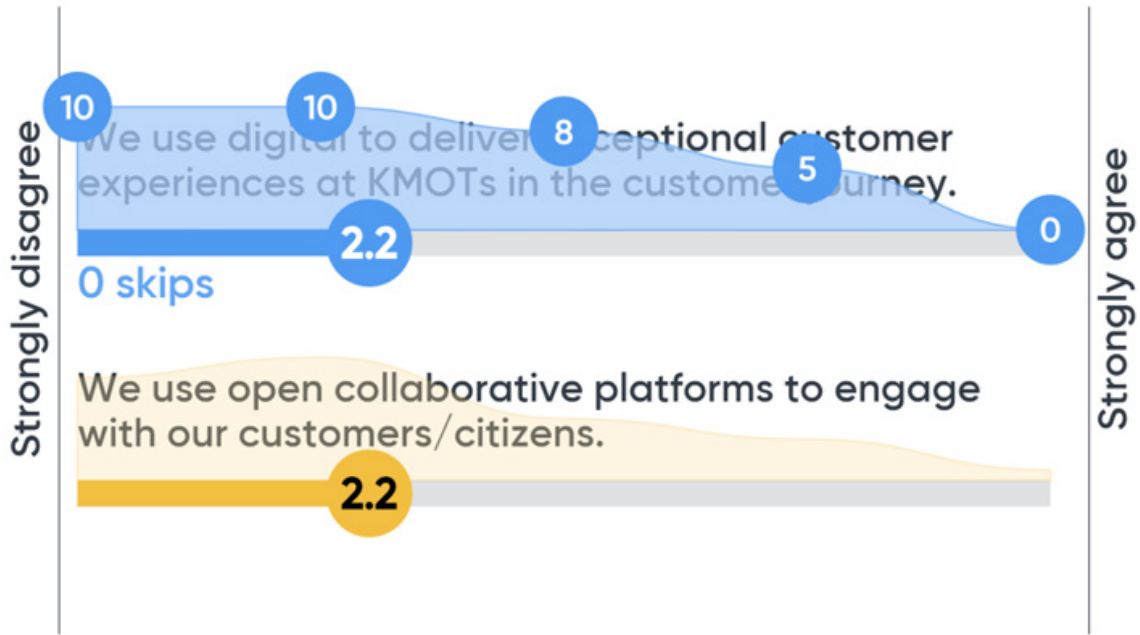
Especially in an era of tight budgets, the effective use of digital technology can provide public sector organisations with a major opportunity for delivering enhanced levels of customer (citizen) service in a more cost efficient and effective way.

With citizen touchpoints becoming increasingly digital, the implementation of a digital supported Customer Experience Management Strategy can significantly enhance the citizen experience at Key Moments of Truth in the customer journey.

As shown in Figure 7 below, considerable progress still needs to be made before public sector organisations in Scotland are leveraging the full potential of digital technology in this area.

Twenty of the 33 organisations answering this question (61%) 'strongly disagreed or disagreed' when asked if they were leveraging the full potential of digital technologies for delivering exceptional citizen experiences at KMOT in the customer relationship. Only 5 organisations (15%) stated that they were making good progress in this area.

Figure 7: To what extent do you agree/disagree with the following statements?



Internally, many public sector organisations in Scotland continue to exhibit the classic symptoms of pre-digital workplaces.

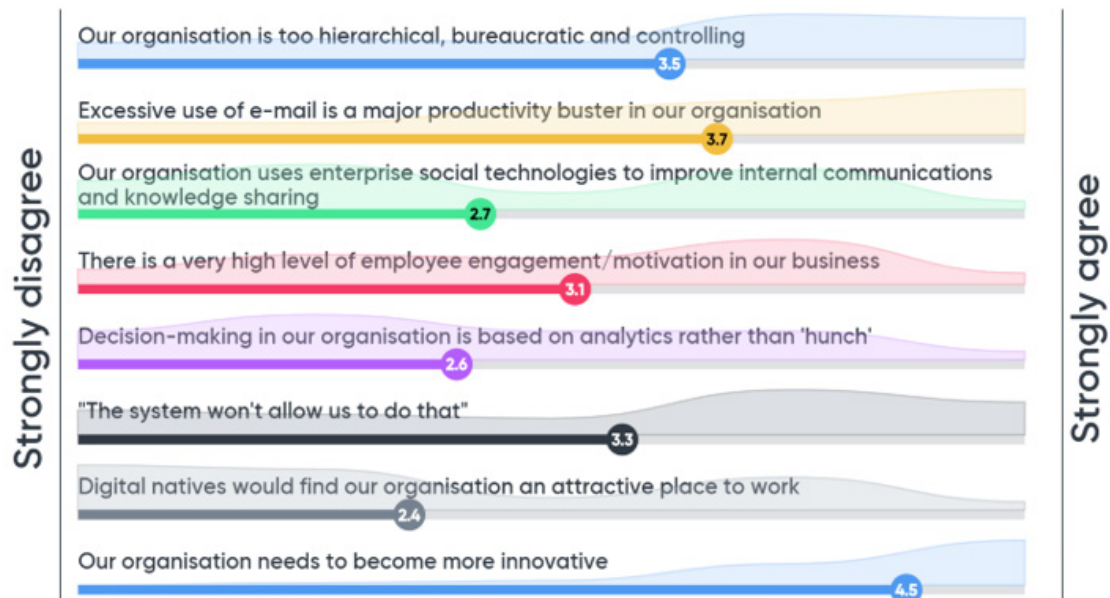
With an average score of 3.5 out of 5, twenty-one of the public sector organisations answering this question (62%) agreed that their organisational structure was too hierarchical, bureaucratic and controlling (Figure 8).

Excessive reliance on e-mail was viewed as a major 'productivity buster' by 61 per cent of respondents with a further 59 per cent strongly agreeing with the statement 'our system won't allow us to do that'. Fifty-three per cent 'strongly agreed' that decision-making in their organisation was based on 'hunch rather than analytics'.

Fewer than a third (29%) of public sector organisations in Scotland agreed that digital natives would find their organisation an attractive place to work.

Almost all participants (91%) strongly agreed that their organisation needed to become more innovative.

Figure 8: To what extent do you agree/disagree with the following statements?



Inefficiencies and 'productivity busters' remain major challenges for public sector organisations in Scotland.

A wide range of inefficiencies and frustrations were listed in the answer to this question including excessive time spent in meetings, answering e-mails, people and cultural challenges, organisational silos, administration, negativity and connectivity issues, procurement processes, ineffective decisions, blinkered mindsets, poor communications, leadership, poor technology, lack of engagement, information availability, unwillingness to change and many others as shown in Figure 9 below.

Figure 9: List the main operational barriers in your organisation



Considerable progress still needs to be made before Scotland's public sector is leveraging the full potential of digital technologies internally to improve efficiency and productivity, becoming more agile, flexible and responsive organisations 'fit-for-purpose' in a digital era.

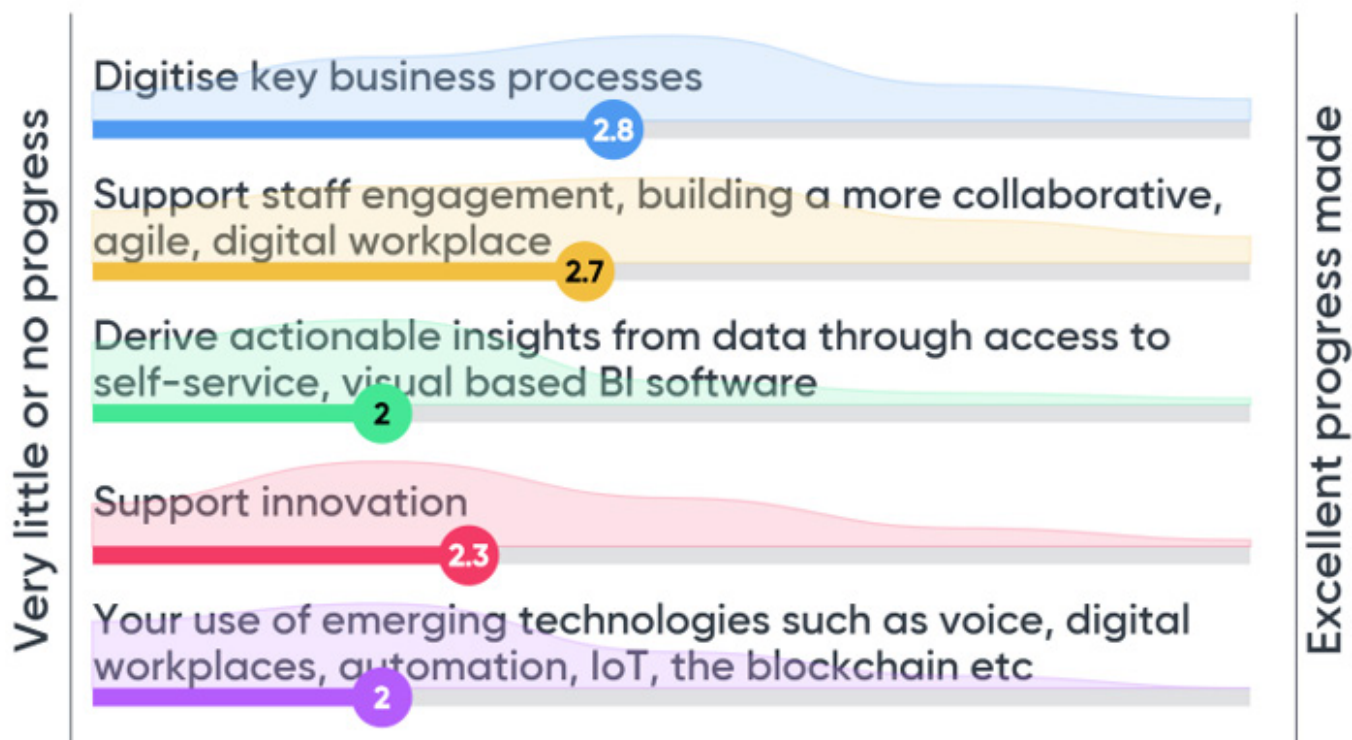
The results for this question are especially worrying (Figure 10).v

Only 8 out of the 33 organisations responding to this question (24%) stated that they were making 'good or very good progress' in digitising key business processes. Over three-quarters (76%) stated that 'little or only limited progress' had been made in using digital technology to support staff engagement building more collaborative, agile, digital workplaces.

Only 9% of respondents stated that 'good or very good' progress was being made in deriving actionable insight from data through providing staff with access to self-service, visual based BI software. Over 80 per cent of respondents stated that 'limited or no' progress was being made in using digital to support innovation.

In terms of their use of emerging technologies such as voice, digital workplaces, automation, IoT and the blockchain, only two organisations stated that good progress was being made.

Figure 10: What progress has been made by your organisation in using technology to:



Conclusions

The findings reported here, covering the public sector in Scotland, are broadly in line with other recent studies adopting a more globally focused approach, evaluating digital transformation progress across a wider range of industries and countries. Please see the reference section below for a short list of relevant reports.

Based on this research, the 'so what' question becomes – how can we accelerate the digital transformation of Scotland's public sector?

As a next step, we will be organising a follow-up Forum and Expert Panel Session on 'Accelerating Public Sector Digital Transformation' in the Spring of this year. Details to follow.

References

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