

DIGITAL TRANSFORMATION FOR LOCAL GOVERNMENTS

Revolutionizing the customer experience for your residents



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Foreword

What do you think when you hear “digital transformation?” Do you say “yes!” Do you think “what will it cost?” Do you think “can it help?” These are fair and important questions for city and county managers as they work to balance the needs, demands, and initiatives that will serve their communities. With the almost constant drumbeat of new technology trends, city and county managers should ask questions and pick the trends that have the most potential for better government and better government service. Digital transformation is that trend, and this white paper explains why and how you might move forward to consider digital transformation for your efforts to serve your community.

— Terri Jones, Industry Marketing Manager for Government, Hyland Software

Introduction

Struggling with continued pressure to provide more services with fewer resources, local governments across the globe are grappling with how technology and data can serve as drivers of efficiency and cost savings, while increasing resident satisfaction with local government services. Options for technology solutions can appear to be an endless wish list of gadgets and upgrades promising solutions to problems that don't exist or that are rooted in people or process-related challenges. This is where digital transformation differs. At its core, digital transformation is a way to transform management in a way that empowers local government staff to provide high-quality services to residents.

Digital transformation for local governments begins with the transformation of processes by providing digital entry points for residents and customers and an online platform for process flow, and ends with a secure, digital record of the entire event. This complete process transformation, away from paper and email, ensures a complete and secure record of transactions and interactions between staff, residents, and customers. Recognizing that transformation across an entire organization doesn't happen overnight, this paper will help local government leaders advocate for digitization as well as provide insights into choosing the right systems, preparing staff, and understanding systems that lay the groundwork for successful technology implementation.

If It Isn't Broke . . . Why Digital Transformation Matters

Expectation Management

Because communities are competing for residents of the future, it is critical for local governments to consider the expectations of those future residents as well as their current ones. Today, 89 percent of adults use the internet. Expectations about what can be accomplished online are changing dramatically. Residents and customers are coming to expect their local governments to provide the same level of self-service options that the business community provides. These options include online payment, digital form submission, online acceptance and approvals, and easy record retrieval—to name just a few examples. Taking it one step further, digital records provide analytic capabilities that can make infor-

mation available to people before they need or ask for it. This level of proactive service is what the next generation of residents will expect as commonplace—and it cannot be accomplished without digital transformation.

Equipping Local Government Staff

Local government staff are often saddled with legacy processes and information technology systems that require immense amounts of manual entry and paper filing. Typical processes can include some combination of online and printed forms that are emailed or even physically handed from staff to staff until a transaction is concluded—at which point a paper record is often filed away. This common method creates a wide range of problems, but for staff in particular, it makes collaboration difficult if not impossible, creates a completely linear system in which every step depends on the previous ones, forces time-consuming communication for basic status updates, and creates a challenging environment for staff to respond to resident and consumer concerns in a timely manner. Moreover, local governments across the United States are losing experienced employees to retirement. Having a digital platform that can record an entire transaction from beginning to end ensures that institutional knowledge is not built around specific individuals. It also allows staff to easily collaborate across teams, work on items simultaneously, and provide real-time status updates to leadership and residents.

Five Reasons to Make Digital Transformation a Priority

- 1. Increase speed and efficiency of processes.** This applies to both the time it takes a customer to initiate a process and the time it takes staff to route a request through the steps in the process. Digital platforms allow for collaboration, automation, and prioritization without the time it takes for routing through email, fax, or hand delivery.
- 2. Create transparency in a process that can better inform management decisions.** An ideal digital platform can leverage data throughout an organization to track progress and aggregate and automate responses, both internally and externally. Rolling up information from across departments allows management to make more timely decisions and creates transparency for all users.

- 3. Contribute to resilience and continuity of operations.** Local governments recognize the importance of preparedness as it relates to community resilience in the face of manmade and natural disasters. Digitizing processes and going paperless provides superior security during natural disasters and allows for continuity of operations through the use of mobile devices and cloud technology.
- 4. Increase security.** Creating a digital process provides increased security on several fronts. Working through paper and email creates significant challenges relating to version control and data integrity. Interfacing with a secure cloud-based system reduces the threats of hardware and email hacking that have become ongoing concerns for local governments. While a digital process will not solve all your security problems, it is an important step to reducing risk.
- 5. Reduce cost.** When moving to a digital solution, it is worth measuring both operational and opportunity costs. Operational costs include the significant amounts of money local governments spend on record retention and storage of paper files. The opportunity cost is the time that staff spend on administrative tasks like faxing, mailing, and scanning. Both types of cost can be reduced.

It might be natural to think, “spend nothing, wait for better times,” but we’ve lived through more than 10 years of volatility... We don’t know if, or when, it will get better, but we do know that digital transformation offers continuous improvements in staff efficiency and reductions in cost. This means driving savings and efficiency gains that government needs to offset uncertainties about revenue.

—Terri Jones, Industry Marketing Manager for Government, Hyland Software

Getting Started: What You Need to Know

Enterprise systems can seem overwhelming and expensive for communities that are just getting started on digital transformation. Some local governments with successful digital transformation models may find that they “transformed by accident,” but seeing the success of digitizing one process, they moved toward expansion. For each success story, however, there are just as many if not more technology implementation failures. Local governments can skip the accidental transformation by taking some intentional steps toward testing and piloting a solution.

Choose a Test Case

Deciding where to start can often be the most difficult part of any change management undertaking. To get your staff excited and on board with change, choose a process that will easily allow you to quantify results. Here are factors worth considering:

- Which departments have the highest volume of transactions?
- Which processes are the most time-consuming from beginning to end and/or could significantly benefit from a shorter timeframe?
- Which processes directly affect revenue?
- Which departments have the largest backlogs?
- Which service areas have the highest volume of complaints?

Staff attitude and morale are other important considerations. Since digital transformation is ultimately a management challenge, selecting an energized department head for a “pilot” case will help ensure that the transformation maintains momentum. Identifying potential champions within a department can also help create energy and excitement around change, often leading to enthusiasm for change in other departments as well.

Know Your Challenge

Invite people with “fresh eyes” to assess the current process from different angles. Consider going so far as to ask different employees to map the process as they understand it. Bringing people back together to compare the results will often identify varying levels of understanding or knowledge of detail. Working

collaboratively to understand each step is critical to accurately mapping the work flow. Once the process is mapped, consider who the users and customers are. Walk through the process as each different kind of user or customer would. Taking these steps will help staff understand the challenges faced from diverse perspectives, ultimately creating the foundation for successful transformation.

People, Processes, or Technology?

We’ve noted that digital transformation is management transformation first and foremost. Without understanding people and processes, technology becomes a band-aid at best and an investment with negative return at worst. Mapping a process and knowing every angle of the challenge will help you identify different pain points and areas for improvement. Working as a team to recognize which problems are related to people and/or processes will create realistic expectations of the technology, as well as provide staff with confidence that they are part of substantive and fundamental change. Working to remedy management issues in the process before layering on digital tools will also help ensure that the technology supports efficiency, collaboration, and ultimately transformation.

Choosing a Solution

Recognizing that many communities face a seemingly endless stream of vendors with products that promise a wide range of results, we’ve identified some key factors to consider when choosing a technology solution.

End-to-End

Simply put, end-to-end solutions facilitate every stage and component of a process from one end to the other. In the context of a local government service, an end-to-end solution should provide a digital entry point, a collaborative digital work space, real-time status updates, and a record of the transaction from beginning to end.

Integration

While we spoke earlier about choosing a pilot case to get started, purchasing a solution that can’t easily connect to your other investments is unlikely to be sustainable, scalable, or replicable. Having an inventory of

6 Process Points to Consider



Work Assignment

Workflow tool, dashboard for assignment, email notifications and timers to keep the process on track



Collaboration

Single repository, simultaneous access



Decision - Process Completion

Automate the notification process, emails, texts, portal for constituents automate correspondence creation and delivery



Process Start

Start the process on your website, replace paper forms with electronic forms, design the forms with mobile in mind



Progress Tracking

Dashboard, paperless routing through workflow, central repository



Status Updates

Automate the notification process, emails, texts, portal for constituents



In 2017 ICMA partnered with OnBase by Hyland on a Government Technology Solutions Survey. Of those who responded, 93 percent noted that their local government provided the ability to download forms for manual completion. This commonplace online “solution” is often the first breakdown in a transformative digital “solution” because it offers no improvement for staff behind the scenes, nor does it digitize or automate the submission of the form. In that same survey, only 38 percent of respondents noted that they have the capacity for completion and submission of business license applications and renewals.ⁱ This percentage is likely much lower because it requires a completely digital path. The creation of the digital path from beginning to end for this type of process helps to “futureproof” systems by creating a paperless process with a secure digital record.

current major software investments related to finance, procurement, and database management will help local government staff think through which systems they’d like to have work together and determine whether a vendor’s proposed solution can be integrated into those systems. Thinking through the potential for integration will also help to ensure collaboration across departments on one system. Overlapping systems or disparate solutions can create issues with version control, putting security, accuracy, and reliability of data at risk.

Configuration vs. Customization

Through the process of mapping a project, staff can begin to build a list of technology requirements. Solutions on the market may not meet every requirement, but a solution whose design allows it to be configured to meet the majority of the requirements will be far more sustainable in the long run than one that requires

custom coding. Technology upgrades are occurring faster than ever. Look at how often you’re asked to download an update on your smart phone alone. A configured application is less likely to break with upgrades or changes, since it is designed to adapt. Designing a custom solution or adding custom code to a software system can saddle local governments with unanticipated ongoing costs and make integration more difficult, resulting in frustration on the part of users and customers.

What Success Looks Like

Communities of different shapes and sizes have successfully gone from time-consuming, manual processes to digital management of records and transactions that have created efficiencies, saved money, and ensured continuity of services during disasters. Sonoma County, California, for example, has been committed to digital transformation. In 2017, this commitment paid off during devastating wildfires. Through earlier investments in digital transformation, Sonoma County staff, many of whom were experiencing the emergency themselves, were able to continuously provide services via mobile devices. Because of the county’s investment in digital platforms, staff were able to provide timely and comprehensive information regarding recovery services, field requests for assistance, and provide online forms to authorize fire debris removal.ⁱⁱ

Paper records may not survive natural disasters. Like Sonoma County, Cincinnati’s Metropolitan Housing Authority found staff copying paper files and shipping them to offsite storage locations as part of its disaster protocol. This was both expensive and time-consuming. By securing paper files electronically, the Housing Authority addressed security and data integrity on several fronts. With online, offsite storage solutions, the Housing Authority can ensure resilience and continuity of operations. With single-source, automatically archived digital records, the process of verifying records and confirming the completion of steps dramatically reduced application times and provided a superior customer experience.ⁱⁱⁱ

In Westlake, Ohio, computers were being utilized to manage finances and other numerical data, but records were still in paper formats stored in folders in file cabinets. This required manual management of public records, which hindered efficient response to

Ideal Government Workflow

Submit

Create an electronic submission process



Start the transaction from your website

Accept documents and forms electronically

Use an online forms tool to validate data

Assign

Deploy digital tools to support staff



Seek a solution that reduces lag time between submission and assignment by answering:

Who needs to do the work?

How do they know about new work?

How do they know what to tackle first?

Track

Use paperless process for visibility



Monitor transaction progress

Check approaching deadlines

Escalate notifications for missed deadlines

Collaborate

Foster internal and external collaboration



Create paperless, simultaneous access to digital documents and workflow that allows users to:

View peers' work and comments

Aggregate results for response

Manage versions and revisions

Connect content and data systems to leverage system-wide data for decisions

Update

Display progress to constituents through electronic communication



Indicate progress through each step

Provide better communication without adding to staff workload

Notify

Communicate efficiently and conveniently at a lower cost



Use electronic communication paired with tools to automate correspondence creation

public records requests, as well as cross-departmental information sharing. The city started with the planning department to test a comprehensive records management system. By creating electronic files of all documents, the city was able to substantially reduce the time it took to find records. Through a shared platform, multiple departments could work with the same information simultaneously, a process not possible with paper. Purchasing a system that integrated with previous investments allowed Westlake to build on this success. Planning data was able to integrate into GIS systems, creating both internal and external facing portals allowing for self-serve access to data.^{iv}

Even council meetings and agenda management can be made far more efficient through digital transformation. In Sussex County, New Jersey, the clerk's office utilizes an agenda management toolbox that allows the office to manage documentation from official county meetings. This provides a record from the time a resolution is generated through the approval process, documenting each step along the way. This enables city and county officials to see the status of resolutions and ordinances as well as the supporting documents on a mobile device, a feature particularly useful for mayors and council members who are often outside the office as part of their work.

These examples are different, but they share a common thread. Looking back at the Ideal Government Workflow, each community took a process and created a digital solution that went from submission to decision. In case after case, these successes were infectious, creating momentum across the whole organization to move toward digital transformation. By seeing the pressure to provide more with less as an

opportunity, city leaders—through digital transformation—can begin to automate processes, reduce labor hours for process-based tasks, increase transparency, and ultimately revolutionize the resident and customer experience.

About the Authors

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Endnotes

- i <https://icma.org/documents/icma-survey-research-2017-government-technology-solutions-survey>
- ii <https://sonomacounty.ca.gov/Board-of-Supervisors/Press-Releases/2018/Sonoma-County-Receives-Award-for-Digital-Response-to-Wildfires/>
- iii <https://www.onbase.com/-/media/Files/hyland/casestudy/cs-cincinnati-metro-housing-takes-wait-out-2012.pdf?la=en&hash=85D8408FD346683E325A60272537AE763E46B15D>
- iv <https://www.onbase.com/-/media/Files/hyland/casestudy/cs-westlake-city-uses-web-portal-2010.pdf?la=en&hash=F5267631254DA75D599F50FFFFE0B545D218D1282>

ON THE ROAD TO DIGITAL TRANSFORMATION

TRANSFORMING THE CONSTITUENT EXPERIENCE

Today 89% of adults use the Internet. Technology is no longer about reaching the constituent of the future, it's about accommodating them now. Downloading forms is no longer considered an acceptable online solution. Users of local government services want to be able to track their requests and services from end to end. Digitally transforming the constituent experience from start to finish has the power to increase efficiency, improve transparency, reduce security threats, lower cost, and ensure the resilience and continuity of operations.

GET TO YOUR DESTINATION FASTER BY FOLLOWING OUR DIGITAL TRANSFORMATION ROADMAP



Choose a test case

Analyze data across departments to look for services with the highest volume of transactions, processes with revenue implications, or areas with high levels of resident dissatisfaction.



Know your challenge inside and out

Assess the process as it currently functions. Be the user and map the course from beginning to end. Throughout the process, ask yourself: At any given moment, do I know where and when the work is getting done and who is responsible for it?



People, process, or technology?

Ask yourself: Are the pain points in your current process driven by people, process, or technology? Digital transformation is management transformation first and technology second.



Abandon paper!

Begin the transaction digitally and track data and progress across departments. Transform the final decision into a digital repository that keeps a record of the entire process



Choose a technology provider

Invest in technology that can integrate into what already exists and beware of products that require extensive customization. A technology solution should address the entire process, end to end.



Know your ROI

Success! You've transformed a process and enhanced the experience of your constituents. Now it's time to grow. Compare the former process with the transformation. Measure reductions in time, backlogs of work, constituent satisfaction, and quality of record retention.



Learn. Act. Repeat.

After celebrating the successful transformation of one process, take what you learned, prioritize other processes, and consider how your organization could benefit from an enterprise-wide solution.



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