WHITE PAPER

How Smart Governments Are Cutting Costs While Better Engaging Residents

Abstract

What Is Digital Government?

Digital government is the use of information and communication technologies (ICT) to improve the activities of public sector organizations. Some definitions restrict digital government to Internet-enabled applications or only to interactions between government and outside groups. Regardless of the technology, the internet, enterprise mobility, and social media have changed how local governments interact with residents. Municipalities need to learn to harness the power of digital government and its digital channels to engage residents better and reduce bottom-line expenses.

> When asked about preferences in conducting business online vs. offline, a resident of Merriam, KS said, "**Anything that can be done online — do it!**"

Introduction

The ways that residents interact with their local governments are changing. Gone are the days of arriving at city hall between 8 a.m. and 4 p.m. to take a number and wait in line. Much like the business sector embraced technology to change how it interacts with customers, local governments are finding ways to better the resident experience using digital technology solutions.

The key to this challenge is digital government, the process of delivering information and processing government transactions digitally through web and mobile applications.

Digital government services make it easier for residents and businesses to conduct transactions at any time of the day or night. The use of digital government services continues to increase, as does the demand for new digital self-service options. Residents have come to expect online transactions to be user-friendly. Residents want to help themselves, so local governments must make it possible.

Opportunities to Achieve Greater Satisfaction Levels

In 2022, CivicPlus®, a leading provider of integrated technology solutions for local governments, surveyed more than 10,000 residents over four months. The survey aimed to determine what factors most impact community members in fostering feelings of trust in their local government. The data revealed that digital self-service technology solutions are vital to empowering resident self-service, creating transparent communication channels, and validating to residents that local leaders are responsibly using taxpayer dollars to address quality-of-life issues.

Economic Advantages of Digital Government

According to Oberlo, in 2023, the number of digital buyers is at 2.64 billion, accounting for 33.3 percent of the population worldwide. In other words, one of every three people you see around you is an online shopper, and this number has been growing over the past few years. In 2023, there are 80 million more digital buyers than in 2022 — a 3.1 percent year-over-year increase.

Online services have several potential benefits for consumers, businesses, and government. The benefits of online services include financial advantages to administrations and consumers (both real and perceived) social benefits, and the contribution to broader government objectives. Let's take a closer look at those benefits.

Benefits to Government

Cost avoidance is the cumulative difference between the costs of providing a service online and the costs of providing the same service offline (e.g., in person at a government office, by phone, or by mail). Calculating cost avoidance from converting services to an online format is no easy task. There are differences in perception of perceived quality (e.g., level of service, efficiency) and price (e.g., actual cost, reduced time) that one cannot include in a simple calculator.

Still, a quick example can show you the potential cost savings available when local governments move more common tasks online. For example, if a staff member performs Service A 2,000 times over five years and the cost avoidance for this online service is $10 per transaction, the total cost avoidance for this service is $20,000. In addition to the cost avoidance savings, moving services online can lead to other valuable benefits at the local government level.

Additional Benefits

- Decreased phone and foot traffic

- Improved and streamlined workflow

- Maximized employee accountability

- Improved staff efficiency

- Increased transparency

Benefits to Residents

The primary benefit of digital services that online consumers enjoy is self-service 24/7/365. This convenience avoids waiting on hold or taking time away from busy schedules to visit city hall. For example, one can calculate the savings to the resident in time, transportation expenses, and loss of work productivity.

The less obvious benefits include resident involvement, a sense of community, and the opportunity to offer feedback and interact on a digital forum. These benefits can be incalculable for both the resident and the government. In its most basic form, resident input requires a resident to act — to give some information or energy to their government. Simple transactions are a natural place to start.

CivicPlus' resident survey data uncovered that residents in communities with digital self-service technology are more satisfied with their local government than those still dependent on analog interactions to obtain government services. The correlation between technology and satisfaction is driven by the ease of access to resident services that technology affords. In other words, when handled well — with trustworthy digital applications, seamless interfaces, and timely, reliable responses — these online exchanges engender trust in local government.

Residents see that they can turn to their city or county to accomplish required tasks, such as easily paying bills, purchasing permits, and submitting service requests.
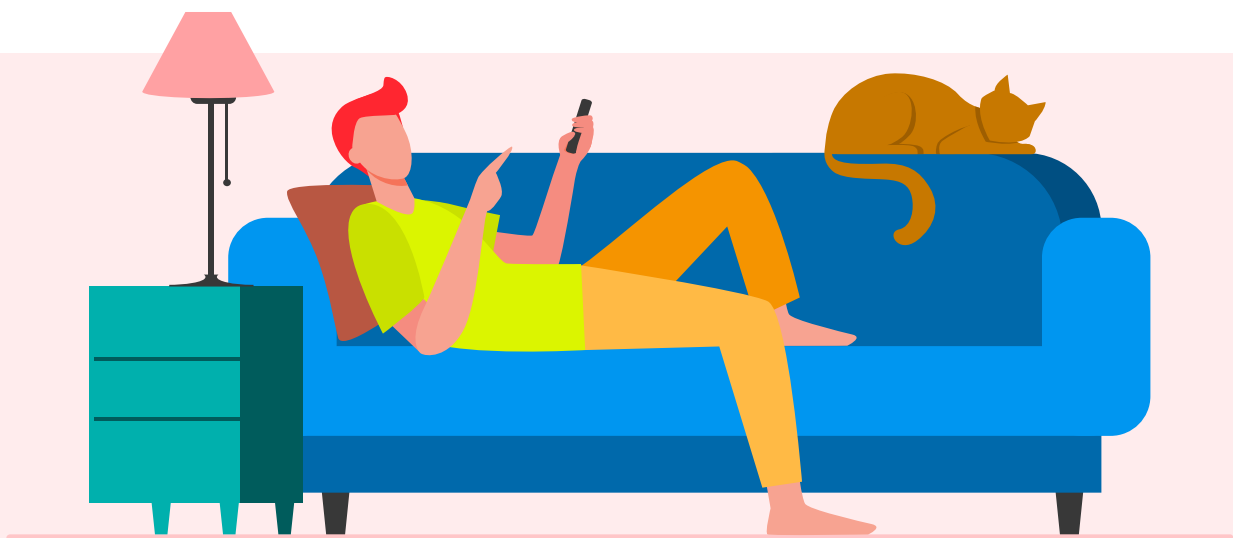
Digital Government and Connecting to Residents via Social Media

If digital government is about using digital technology to engage residents better, no discussion regarding engagement is complete without mentioning the impact of social media. Today, local governments use social media platforms like Facebook, Twitter, LinkedIn, and YouTube to connect with residents and advertise their local government initiatives.

Why switch to social media and replace traditional marketing dollars with digital? Social media marketing offers direct targeting, little waste, and better visibility than traditional formats such as television, radio, and outdoor advertising. In other words, social media provides a higher return on investment for public sector communications managers that need to validate the spending of every taxpayer dollar.

Environmental Benefits

There are many societal benefits to engaging residents online. First, let's focus on one we hear more about daily in the news — going green. Energy efficiency and our carbon footprint are on everyone's minds. People ask, "What can we do to help the environment, or at least to have a less negative impact on the earth?"

One thing everyone can do to help is to use less paper. For businesses and government entities, an effective way to start is by using digital rather than printed communications. Consider these startling facts:

Business waste accounts for approximately 20% of the world's waste.

Paper and paperboard products account for the most significant amount, 23.1% of all the materials in municipal solid waste.

Paperless offices are trending, yet the average office employees produce around two pounds of paper and paperboard waste daily.
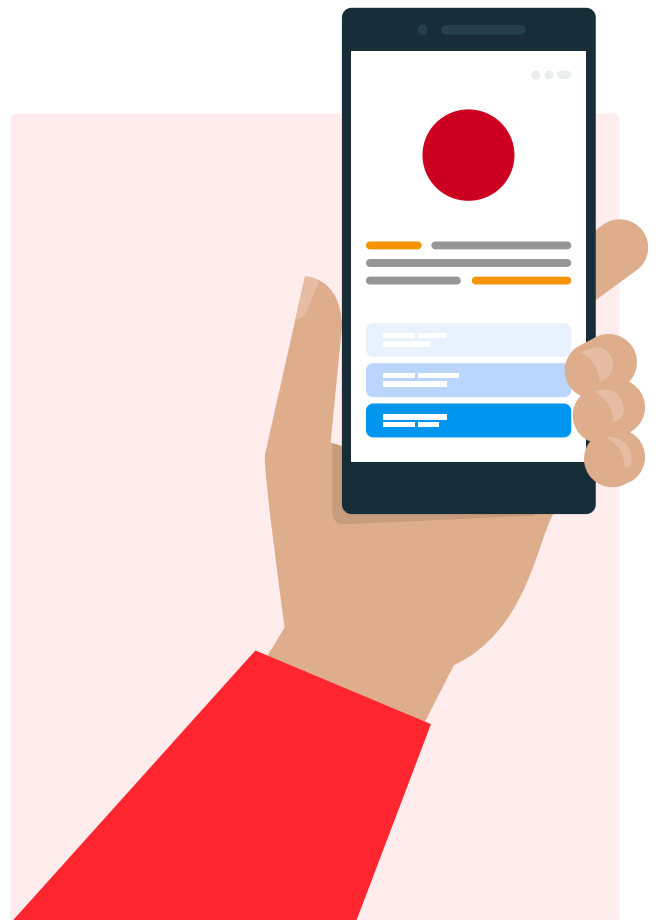
Enterprise Mobility

Today, thanks to the ubiquity of mobile technology and advances in enterprise applications, private and public sector employees can work better and faster, no matter where they are or what computing device they use. 2014 was the first year when digital time spent on a mobile device surpassed time spent on a desktop computer. In 2023, just over 60% of all web traffic came through mobile phones.

Local governments can increase employee productivity by enabling employees to access valuable software systems and collaboration tools through mobile devices. What is the result of such process efficiencies? Reduced labor costs, decreased total management costs, increased worker productivity, and higher profit margins.

Consider these enterprise mobility statistics:

- The global bring-your-own-device and enterprise mobility market size is expected to grow from $35.10 billion in 2020 to $86.80 billion by 2026, at a CAGR of 15.87% during the forecast period.

- The most common mobile devices used for work are smartphones (95%), laptops (77%), and tablets (63%).

- The COVID-19 pandemic accelerated enterprise mobility management adoption as organizations increasingly rely on remote work and mobile devices.

- The rise of 5G networks is expected to drive the adoption of enterprise mobility management as it enables faster and more reliable connectivity for mobile devices.

- The adoption of enterprise mobility management is highest in the healthcare, financial services, and government sectors.

A Note About Security and Financial Implications

A fear for many local government leaders is that the more reliant their administrative operations are on digital solutions, the more at risk their data is from hackers and cyber extortionists. Such attacks are not without their financial consequences.

While cybercriminals are attacking an increasing number of local government websites, a fear of an attack should not be why a community fails to take advantage of all the benefits of digital government services.

Know that choosing a reliable third-party website hosting service that creates a barrier between the threat of attack and your local network can help to minimize the risk of a data security breach.

Do the Math Exercise. What cost savings could your community realize?

1   In 8 hours, how many phone calls did staff members answer that you could have eliminated if the resident could self-serviced their needs?

2   In 8 hours, how many in-person visits did staff address that you could have eliminated if residents could have self-serviced their needs online?

3   Add lines 1 and 2. This sum is the total number of offline transactions conducted in eight hours.

4   Multiply line 3 by $13.20 to calculate the total amount saved in eight hours if your administration moved these tasks online.

5   Multiply line 4 by 250 business days to calculate your total potential savings in one year if you moved the tasks online.

Do the Numbers Add Up?

As technology changes and the digital divide disappears, residents are numerous, such as saving time and money, ease of use, and convenience of accessing services 24 -hours a day; governments nationwide are finding more reasons to provide services online. The potential benefits of digital government for residents are numerous, such as saving time and money, ease of use, and convenience of accessing services 24-hour-a-day, seven days a week. Beyond these benefits, digital government produces significant cost savings for state agencies.

About the Author

CivicPlus is a technology company focused on building trust in government by fostering consistently positive digital experiences for residents and staff. With over 12,000 global customers, CivicPlus solutions are used daily by over 100,000 administrative staff members and over 340 million people in the U.S. and Canada alone. For more information, visit civicplus.com.