

WHITE PAPER

Meeting the Moment

Reimagining Government for the Digital Future

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Executive Summary

Constituent expectations for digital government now mirror private-sector experiences, from online banking and instant airline check-ins to self-service healthcare portals. Yet only **65% of Americans report satisfaction with digital government services**.

Modern platforms for CRM, integration, analytics, and engagement provide strong foundations, but technology alone cannot deliver transformation.

Sustainable modernization requires coordinated accountability and execution across four key players: the state or agency, software vendors, system integrators (SIs), and a business integrator (BI) that connects them all.

When these players are orchestrated effectively, governments can maximize technology investments, reduce risk, and accelerate constituent impact.

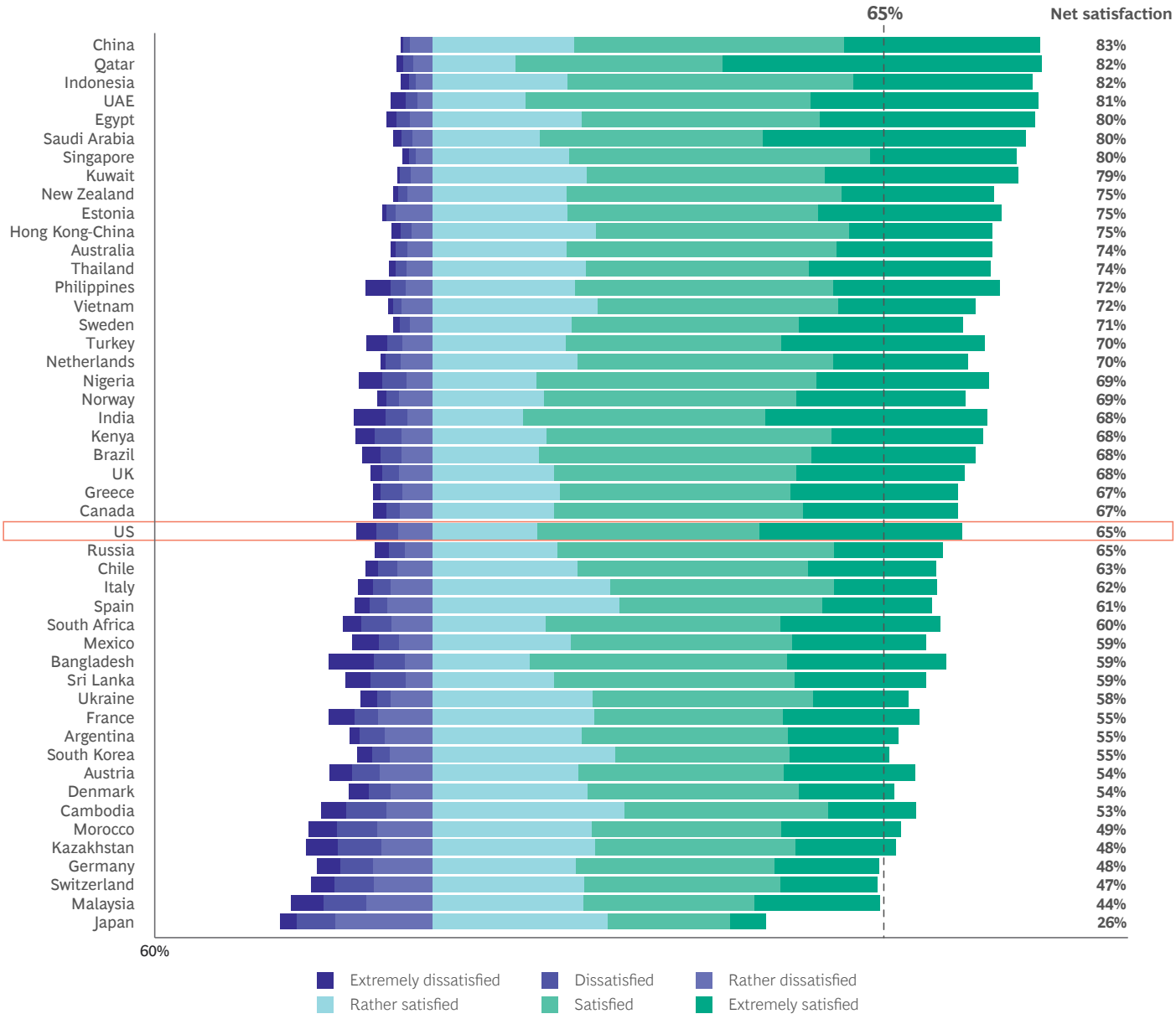
A New Era of Constituent Expectations

Across the country, renewing a license or applying for benefits can still take weeks — an experience that feels increasingly outdated in a world of one-click checkouts and same-day delivery.

Meanwhile, the private sector has set a much higher bar. Speed, convenience, and personalization have become the norm, and constituents now expect government to deliver at that same standard.

According to **BCG and Salesforce's 2024 Digital Government Citizen Survey**, only **65% of Americans are satisfied** with digital government services, placing the U.S. behind leaders such as Estonia, Singapore, and the UAE **(see Exhibit)**. Whether renewing a license, applying for childcare, or accessing health benefits, people now expect government to deliver services that are as seamless as ordering groceries or booking a flight.

Quality of digital government services compared to the private sector



Source: BCG 2024 Digital Government Citizen Survey.
Survey question: How satisfied are you with the use of the internet in delivering each kind of government service?. Response options range from 1–7, where 1 = Extremely dissatisfied, and 7 = Extremely Satisfied. Respondents who selected "5", "6" or "7" have been included as satisfied. Respondents who selected "1", "2" or "3" have been included as dissatisfied. Net satisfaction reflects total satisfied less total dissatisfied.

Meeting this demand takes more than new technology. It requires **leadership alignment, workforce reskilling, and synchronized execution across all partners**.

> **"The ultimate measure of modernization is whether it improves the daily lives of constituents. Too often, government technology projects get caught up in systems and processes. But what matters is the parent trying to renew childcare benefits after a long day of work, or the senior navigating healthcare forms. If we start with those human experiences as the north star, we make very different choices about where to invest and how to design change."**
> **— Neveen Awad, Managing Director & Senior Partner, BCG**

Why Urgency Matters: The Convergence of Pressures

Governments could modernize not out of aspiration, but necessity. Four converging forces now make inaction the greater risk:

1. Demographic shifts

In many states, over **30% of IT employees** will be eligible to retire within five years — in Delaware's Department of Technology and Information, the figure is 44%[1]. Without modernization, institutional knowledge will vanish faster than it can be replaced.

2. Legacy technology

Many systems still run on 50-year-old COBOL code, several of which failed under the surge of pandemic demand. And according to BCG analysis, these fragile systems consume **70–80% of IT budgets**. Each year of delay compounds cost and risk, while early modernization unlocks faster service, lower costs, and greater trust.

3. Policy momentum

States are finally funding modernization at scale (e.g., **$1.3B in Texas, $500M in New York**), and rising RFP volumes across the country according to BCG analysis. Federal and state governments are investing heavily to bring systems into the current century, offering a rare window to channel funding toward measurable improvements in constituent experience.

4. Rising expectations

Public expectations are accelerating: BCG analysis shows **43% of Americans** believe government services can meet the standard of the best private-sector institutions, and **33% expect parity** with the world's digital leaders. Constituents don't compare states — they compare with airlines, retailers, and streaming platforms. Speed and user experience are now non-negotiable.

> **"We are at a moment where technology modernization is dependent on the workforce delivering it. Digital tools alone cannot transform government; it's the people who make systems come to life. Reskilling gives employees the confidence and capability to deliver services in new ways. And when governments invest in their workforce, they not only modernize operations — they strengthen the bond between public servants and the communities they serve."**
> **— Lina Bankert, Managing Director & Partner, BCG**

1. Delaware Department of Human Resources, State of Delaware Retirement Eligibility Report: Fiscal Year 2022 (Delaware Department of Human Resources, June 2023), https://dhr.delaware.gov/personnel/pdfs/retirement-eligibility-report-fy2022.pdf.

The Architecture of Successful Modernization

Platforms like Salesforce, MuleSoft, Tableau, FAST, and Adobe bring scalability, flexibility, and omnichannel potential — but **procurement is not a strategy**. Too often, governments assume that purchasing software equals transformation.

The result: only **35% of large public-sector transformations** succeed on time and on budget, and **98% face scope creep**, cost overruns, or years-long delays.

True modernization demands more — it requires that it be anchored in a clear operating model and integrated business execution.

Orchestrating People, Platforms, and Partners

A **business integrator (BI)** like BCG brings structure and speed to complex transformations. By combining platform acceleration with operating model redesign and coordinated vendor and SI governance, a BI ensures every partner moves in the same direction.

The result is disciplined execution that reduces risk, maximizes ROI, and delivers a positive impact on constituents. When governments engage a BI, they can turn high-visibility, high-dollar programs into fast, coordinated outcomes.

Modernization succeeds only when all four players move in sync:

Business Integrators Orchestrates partners, aligns IT spend to value, enforces decision discipline, and integrates technology with workforce and operating model changes		
State/Agency Sets priorities, owns outcomes, and provides institutional knowledge	**Software Vendors** Delivers scalable platforms (e.g., Salesforce, MuleSoft, Adobe) that enable flexibility and reuse	**System Integrator** Configures and deploys those platforms effectively

Without a BI, vendors deliver in silos, SIs chase technical specs, and agencies struggle to translate investment into outcomes. A BI closes that gap, driving speed, accountability, and adoption across all partners.

In the first year, a BI typically delivers:

- A unified portfolio view that cuts duplicate vendor spend
- A sequenced SI workplan tied to high-value outcomes
- Six- to eight-week release cadences showing visible progress
- Upskilling and change management aligned to each release

Governing for Scale and Agility

To sustain progress, governments need an operating model that connects strategy, technology, and people through clear governance and accountability.

A modern operating model rests on four principles:

1. **Balanced governance with clear standards.** Centralized IT sets guardrails, while federated models provide agencies with flexibility. The BI coordinates both to ensure scale in security, vendor management, and negotiating power.

2. **Cross-agency collaboration.** Constituents want journeys, not silos. The BI maps these journeys and integrates technology, operations, and delivery partners.

3. **Agile, iterative delivery.** Short releases build trust and maintain momentum. The BI enforces cadence and prevents scope creep.

4. **Workforce renewal.** Modernization succeeds only when people are ready. A BI helps define and sequence upskilling across roles and functions.

Establishing a Unified Data Foundation

True modernization occurs when technology and operating models work together. Success depends on a **secure cloud foundation** and a **unified Constituent 360 (C360)** record that connects data across programs and agencies.

Modern customer data platforms — such as Salesforce Data Cloud and Adobe CDP — make this possible by providing a governed, reusable view of each constituent with built-in security, audit controls, and role-based access.

When a constituent updates their address in a licensing system, for example, that change can sync automatically across health, childcare, and benefits programs — reducing errors, cutting processing time, and improving satisfaction.

Embedding AI to Accelerate Impact

Agentic AI can accelerate modernization by automating routine work, freeing staff for complex tasks, and providing real-time insights. When built on modern platforms and strong data foundations, it can dramatically increase the speed and quality of public service delivery.

Platform-centric AI (e.g., Salesforce's Agentforce) makes this vision practical by unifying constituent and agency data. It offers controllable, low-barrier access to AI capabilities that reduce maintenance costs and enable reuse across systems. Governments don't need armies of engineers — they need a strong data foundation and strategic, upfront investment to scale reusable AI components.

Governments can begin adopting AI where the benefits are clear and the risk is low:

- **Automate routine tasks** to free staff for complex cases
- **Upskill employees** with AI-enabled tools
- **Guide constituents** with step-by-step digital assistance
- **Enable 24/7 access** through chatbots and self-service options

Used this way, agentic AI becomes a force multiplier — boosting productivity, improving service quality, and strengthening public trust in modernization efforts.

BCG analysis shows that today, **33% of Americans believe AI's benefits outweigh its risks**, while another 25% see them as roughly equal. Comfort levels are highest for basic services — **61% support 24/7 chatbots and 59% favor automating routine tasks** — but drop to 23% when AI is used for decision-making. Top concerns include job loss (35%), accuracy of results (29%), and the potential for bias or discrimination (20%).

The takeaway: AI is not a standalone solution. Governments can embed AI into modern platforms and data foundations, start with high-trust, low-risk use cases, and communicate transparently. With the right foundation, AI can move from hype to impact.

> **"AI holds enormous potential to transform how governments serve constituents — reducing wait times, tailoring services, and freeing employees to focus on complex human needs. When governments pair stable systems with safe, transparent AI, they don't just automate tasks — they reimagine how services can be delivered in ways that are more personal, responsive, and fair."**
> **— Ben Quirt, Vice President, BCG X**

Unlocking the Dual Benefit: Efficiency and Enhanced Service

For decades, governments believed that efficiency and service quality were mutually exclusive. Modern digital tools — especially when orchestrated by a BI — prove both are possible.

Here's how two government agencies turned high-visibility modernization efforts into real-world impact:

Case Example 1: Federal Workforce Automation

A federal entity replaced spreadsheets, email submissions, and disconnected portals with a secure cloud-based system of record built on Salesforce Government Cloud. The purpose was to introduce guided workflows, role-based access, and standardized reporting across dozens of programs.

The value proposition was clear:

- Consolidate multiple manual tools into a single, governed system of record
- Improve data quality and consistency through KPI libraries, validation rules, and exception workflows
- Deliver dashboards and exports that give leadership real-time visibility into risks, trends, and outcomes
- Reduce reporting burden for award recipients, enabling them to focus on delivery instead of administration

As the BI, BCG orchestrated vendors, awardees, and agency teams to ensure adoption and scalability, building a lasting infrastructure for accountability and evidence-based policymaking.

Case Example 2: U.S. State Government Digital Modernization

A U.S. state government partnered with BCG as its BI to deliver a high-visibility digital modernization program under a tight, publicly committed deadline. The project required replacing legacy systems, enhancing cybersecurity, and implementing a scalable architecture.

BCG coordinated vendors such as MuleSoft, embedded a business product owner function to ensure solutions met business expectations and process change needs, and drove on-time delivery while planning for long-term expansion.

The results were compelling:

- Delivered one of the most efficient large-scale testing programs among peer states, achieving **2x the performance** of comparable implementations
- Compressed project timelines from up to two years in other states to just **10 months**
- Strengthened collaboration across technical and non-technical teams, reducing duplication and ensuring long-term scalability

These examples show how **disciplined orchestration — not just new technology — drives speed, quality, and cost efficiency**.

Avoiding Common Pitfalls and the Keys to Success

Even proven playbooks can falter without orchestration. The difference between progress and stagnation often lies in how governments connect **strategy, technology, and accountability.**

Common pitfalls that undermine modernization include:

- **Misaligned incentives.** Accountability structures often reward process over progress. Programs stretch over years, minimizing risk but delaying outcomes. Without proper checks and balances, a single point of accountability can mask delivery risks, with progress reported but not realized. Real improvement requires incentives tied to speed, delivery, and constituent impact.
- **Strained talent pipelines.** Recruiting digital talent is challenging, as governments often struggle to match the pay and career paths of the private sector. Without skilled staff in cybersecurity, data, and AI, even the best technology struggles to deliver results.
- **Vendor fragmentation.** Multiple contractors increase costs, slow delivery, and blur accountability. Aligning vendors to a shared roadmap ensures platforms like Salesforce, MuleSoft, and Tableau are implemented consistently across programs, maximizing value.
- **Short-term funding cycles.** Short-term budgets often clash with multi-year transformation goals. This stop-and-start rhythm forces piecemeal fixes, undermines momentum, and increases the risk of stalled or abandoned projects.
- **Lack of strategic vision.** Programs often fail not because of technology limits, but because vendors, agencies, and integrators aren't aligned on a shared destination. Up to **35% of IT spend is lost** to duplicated effort or uncoordinated vendors.

BCG's experience shows that **these challenges share a common root cause: weak orchestration**. The same issues that derail modernization — fragmented partners, unclear accountability, and skill gaps — are precisely what the business integrator (BI) model is designed to solve.

To overcome these challenges, governments can focus on:

- **Building the right skills and capacity.** Pair institutional knowledge with new expertise by reskilling existing employees and bringing in specialized partners. This balance enables governments to scale digital delivery without losing continuity or mission focus.
- **Managing across partners.** Move beyond traditional vendor management by orchestrating BIs, SIs, SaaS providers, and agencies with clear roles, shared roadmaps, and consistent standards to ensure accountability and prevent duplication.
- **Aligning to a shared strategic vision.** Treat modernization as a unified journey rather than a set of discrete projects. Shared roadmaps should connect strategy, workforce, and technology to measurable outcomes, ensuring every dollar spent advances constituent value.
- **Embedding constituent-centered governance.** Design governance models that enable delivery, not bureaucracy. The most effective models balance three imperatives: constituent value, cost efficiency, and disciplined execution.
- **Securing future-proof platforms.** Platforms are the backbone of modernization. Success comes from treating tools like Salesforce, FAST, or Adobe as strategic assets — integrated into a coherent architecture that drives agility and scale.

> **"Large-scale change requires discipline. Without clear ownership, modernization efforts can lose momentum and drift. The governments that succeed are those that establish strong governance, align investments with long-term goals, and hold themselves accountable for outcomes that constituents can see and feel. Governance may sound technical, but it is in fact the mechanism that ensures transformation delivers real impact."**
> **— Heidi Kim, Managing Director & Partner, BCG X**

Seizing the Moment for Transformation

Governments now have a once-in-a-generation opportunity to modernize. By integrating systems, adopting agile operating models, and empowering their workforces, they can deliver services that are faster, fairer, and more efficient.

Modernization is about more than technology — it's about **redefining how government serves**. Platforms and data integration lay the foundation, while emerging capabilities like agentic AI open the door to the next era of public value.

But the stakes are high. Projects that take years to launch or fail to show measurable results risk wasting resources and eroding public confidence. In a world where private-sector organizations deliver digital experiences in months, every delay widens the gap between constituent expectations and government performance.

The governments that move first won't just modernize systems — they'll set the new standard for what digital government can achieve.

> **"This is a once-in-a-generation chance to reimagine government for the digital age. With the right combination of technology, talent, and leadership, governments can build services that restore trust, expand opportunity, and set a new standard for what constituents could expect. The future of public service can be one where government is not a source of frustration, but a source of confidence and pride."**
> **— Bryan Gauch, Managing Director and Partner, BCG**

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