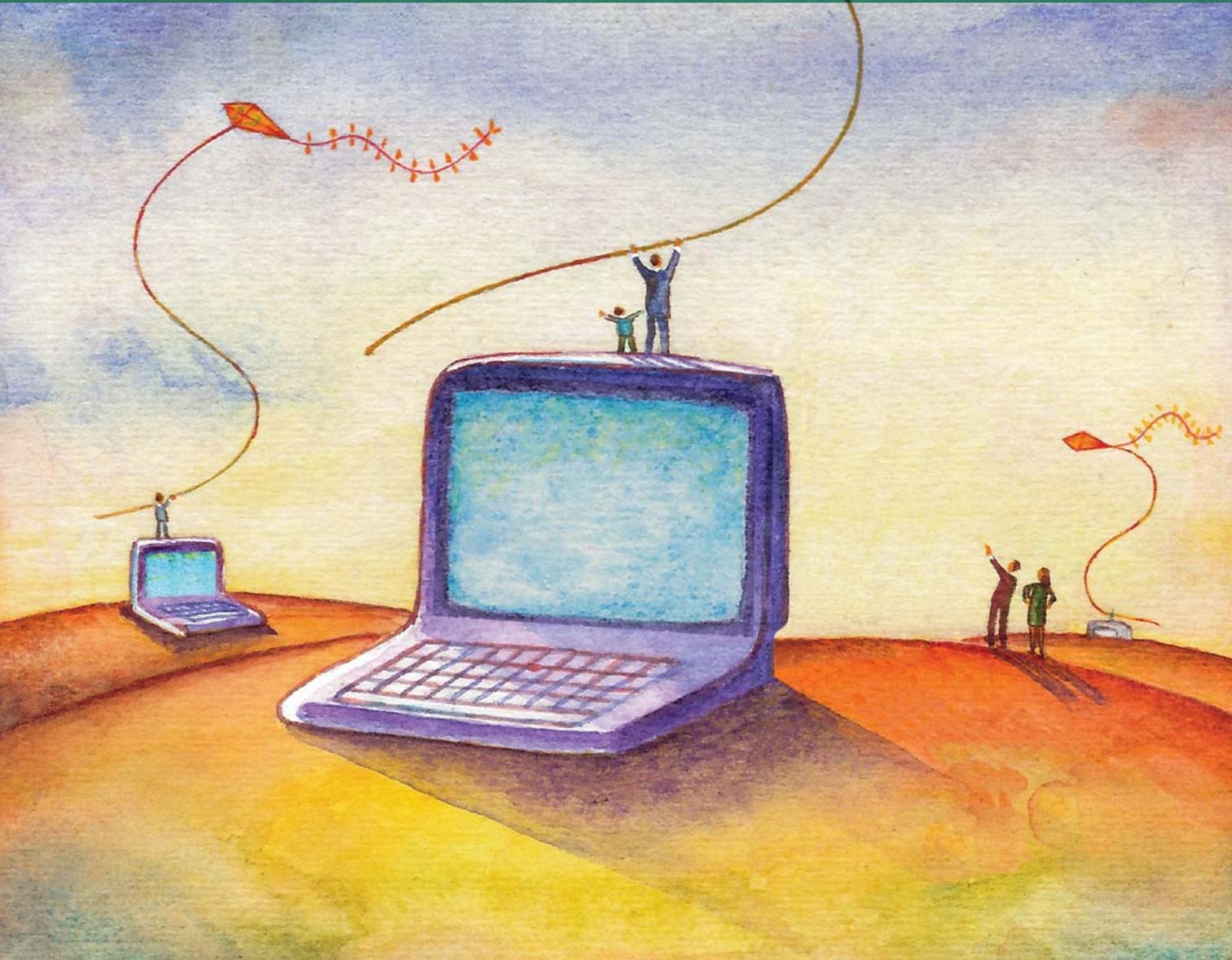


# BCG

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## Citizens, Are You Being Served?

*A People-First Approach to Transforming Government Services*



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## Citizens, Are You Being Served?

*A People-First Approach to Transforming Government Services*

**Miguel Carrasco and Julia Fetherston**

November 2011

## AT A GLANCE

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With people increasingly accustomed to a range of personalized mobile and digital channels, the traditional one-size-fits-all approach to delivering public services looks increasingly outdated and cumbersome. Indeed, a recent BCG survey of citizens around the globe showed relatively low satisfaction with such services. It's time for governments to fundamentally rethink how they serve their citizens.

### **FIVE PRINCIPLES OF EXCELLENCE IN CITIZEN-CENTRIC SERVICE DELIVERY**

Some forward-looking governments have started to deliver on the promise of more citizen-centric services. From those examples, our research, and our work with governments, BCG has distilled five key principles that raise the odds of developing a high-performing strategy. These include aligning delivery models around clearly defined customer segments, adopting an open-systems mindset, and tackling the underlying drivers of complexity.

### **PROMISING EFFORTS TO WATCH**

Examples from Australia, Canada, Denmark, New Zealand, and the U.K. show how some governments are implementing bold, innovative approaches to service delivery. In particular, the Australian Department of Human Services provides a case study for transformational reform of service delivery to citizens.

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**T**HESE ARE CHALLENGING TIMES for government. On the demand side, citizens' experiences with innovative private companies, from Apple to Zappos, are raising expectations of how all organizations should be able to perform. Population changes are driving growth in demand for health, education, welfare programs, and a range of other services that existing service models cannot adequately address. Meanwhile, on the supply side, public officials face outdated processes and systems and tight fiscal constraints that seem to give them little leeway for change. It all points to a tougher environment in the years ahead.

Public agencies that deliver payments, services, and information in such areas as social security, revenue collection, passports, visas, licenses, permits, and registrations are often the only real touch point that individuals and businesses have with their government. In fact, for many people, these agencies *are* the government, and their service experiences can influence public perceptions and confidence in government more generally. In fact, no matter how good a government's social and economic policies may be, they will only be as effective as the quality and timeliness of their service delivery.

Governments are not ignorant of the growing expectations of citizens or the opportunities afforded by new technologies. Many have long aspired to offer citizens and businesses "customer centric" or "joined up" services that are more accessible, convenient, and effective. But how well are they delivering on this promise?

New online portals have been launched and one-stop shops rolled out to help citizens navigate the myriad programs, services, and payment protocols available. However, the usage and take-up of online services in government remain low compared with in the private sector. Citizens still have to provide the same basic information multiple times, or submit to government agencies copies of documents that the government itself has issued. Meanwhile, long wait times on the phone and in office queues are still the most common complaints. (See the sidebar "Citizens' Satisfaction and Preferences Regarding Government Services" on page 4.)

Worse, the traditional, undifferentiated approach means that citizens who would be happy with fast, convenient online channels are being overserved through high-cost call centers and walk-in locations. This diverts precious resources away from citizens who have more complex needs and could be getting better support and attention, which would result in better outcomes for them and lower life-cycle costs to serve them. While individual agencies may have become a bit more streamlined and citizen centric, progress at the system level has been minimal.

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The traditional, undifferentiated approach to service delivery means that many citizens are being overserved through high-cost call centers and walk-in locations.

Citizens expect and deserve better. Many have grown accustomed to researching products and services and conducting transactions online. Barriers to collecting basic personal information and to sharing it with trusted third parties are evaporating, particularly among younger generations. More people expect services to be accessible anytime, anywhere, and they want government to keep up with technologies being deployed in the private sector. Advances in smartphones, tablets, and wireless networks create opportunities for innovation in government services by opening up new digital channels and enabling greater customization and localization on the basis of a citizen's unique circumstances.

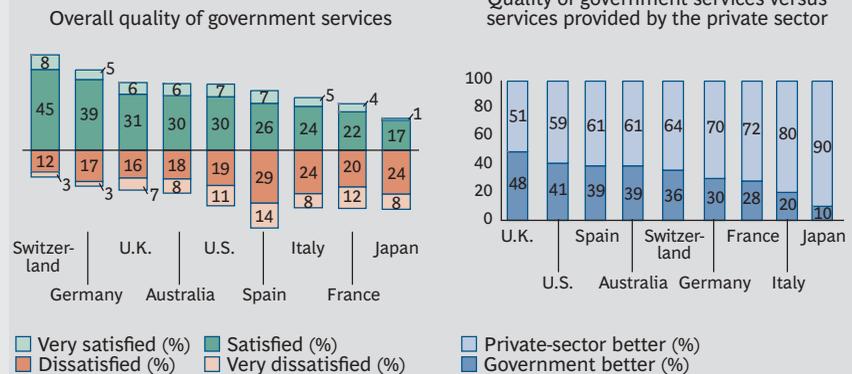
## CITIZENS' SATISFACTION AND PREFERENCES REGARDING GOVERNMENT SERVICES

If government agencies had to compete in the marketplace, most would barely survive at current levels of customer satisfaction. Only one in three citizens is satisfied with government services and roughly one in four is dissatisfied or very dissatisfied, according to BCG's 2011 survey of 9,000 individuals in nine countries. The survey, part of our broader Consumer Sentiment survey, covered residents of Australia, France, Germany, Italy, Japan, Spain, Switzerland, the U.K., and the U.S. Satisfaction varies across countries, but

overall levels are low, and most respondents said that the quality of service provided by the private sector is higher than that provided by the public sector. (See the exhibit below.)

The two main drivers of low satisfaction levels are usually lack of timeliness—whether it's the time spent waiting in line or on the phone, or the time it takes to receive an answer, a payment, or approval of an application—and failure to address the client's request or need appropriately.

### Overall Satisfaction with Government Services Is Relatively Low



Source: BCG survey.

Note: n = 9,000. In the left-hand graph, respondents who were neither satisfied nor dissatisfied were excluded; in the right-hand graph, because of rounding, not all percentages add up to 100.

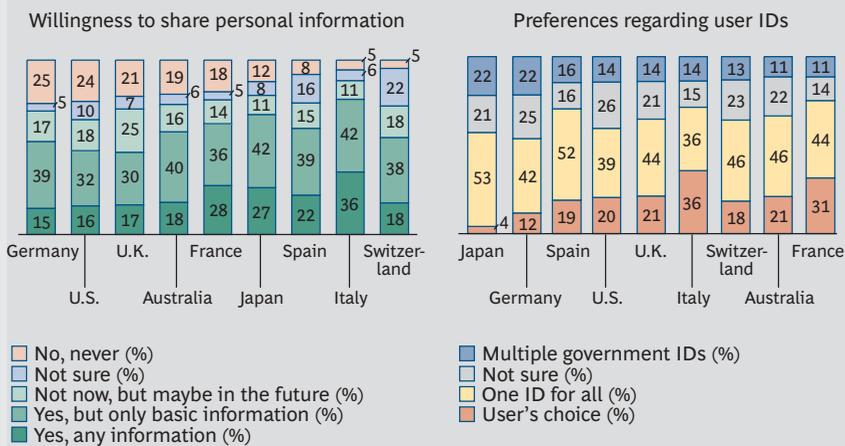
## The Compelling Case for Change

Public officials can't afford to ignore these trends. The pressure to deliver better services to more people—with the same or perhaps even less funding—will only intensify. In the U.K., Europe, and the U.S., governments are being forced to make deep spending cuts to deal with rising debt and widening deficits. And in Australia and Canada, aging populations and a declining workforce are driving up demand for health care services and pensions despite a smaller revenue base. The labor-intensive, paper-based service-delivery systems of many government agencies are simply not equipped to cope.

Another key reason for low satisfaction is a mismatch between channel usage and preferences. Although citizens usually prefer to interact with government online or via e-mail, they are often required to use “shop fronts” (where they can walk in and meet with staff) and traditional mail instead. For instance, one in five people who use a brick-and-mortar service center would prefer to do their business online. Moreover, roughly half the respondents said they would

favor a single user name and password across all government agencies—the most popular of all the options presented. By the same token, a majority of respondents said they would be willing to allow government agencies to share a citizen's basic personal information with one another for the sake of convenience and efficiency. (See the exhibit below.)

### Most Citizens Are Willing to Share Personal Data for the Sake of Convenience



Yet government service delivery can change for the better—not just incrementally, but through a fundamentally different approach to service design. This does not necessarily require more funding. Strategic initial investments in people and technology can usually be more than offset by internal efficiencies and avoided costs, as well as by earlier, more effective policy interventions and better citizen outcomes.

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Strategic initial investments can usually be more than offset by internal efficiencies and avoided costs.

What's required is a deeper, more nuanced understanding of citizens' needs, preferences, and capabilities; a realignment of resources to meet these priorities more effectively and efficiently; and the courage and persistence to overcome the resistance and constraints that agencies typically face when pursuing reform. Many governments have struggled with their major change efforts, mostly because of flawed program execution and management. Part of the challenge lies in effecting major change over periods longer than the usual election cycle. Yet reform remains the only option for many governments under pressure to rein in costs and deliver services more effectively. Inaction risks swelling the ranks of dissatisfied citizens, missing efficiency opportunities for taxpayers, and watching good policy intentions go unfulfilled.

## Lessons from the Field: Five Principles for Transforming Delivery

While the scope of government services varies from country to country, all governments typically deliver (or at least fund) a wide variety of transactional and specialized services. This paper focuses mainly on transactional services, information, and payments, but the principles can be applied to other types of services as well, like policing, education, and health care. And while we focus mainly on services to citizens, these lessons also apply to other stakeholders, such as businesses.

BCG's recent work helping governments deliver on the promise of more citizen-centric services has identified innovative and transformational improvements in service delivery around the world. Private-sector organizations have been grappling with similar issues for many years, and the experiences of retail banks, insurance companies, utilities, telecommunications providers, and airlines can be quite relevant for public-sector payment and information services. From these cases and our global research, we have distilled five principles that have proven effective in developing a citizen-centric service-delivery model:

- *Recognize that one size does not fit all.* Segment delivery according to the specific citizen's needs and capabilities, with clearly defined value propositions for each segment.
- *Realign the operating model.* Realign the products and services, channels, organization and governance, processes, and technology to deliver on the vision.
- *Apply an open-systems mindset.* Leverage the power and network of customers and well-placed third parties to codesign and coproduce services.
- *Self-fund the journey.* Use targeted up-front investments to generate momentum, and drive internal efficiencies to self-fund service improvements, rather than relying on high-risk, big-bang investments.

- *Tackle the root causes of complexity.* The root causes of complexity in service delivery often lie in other parts of the value chain—in the design and proliferation of policies, programs, and legislation.

The relative importance of each principle and the right sequence of actions may vary across jurisdictions, but we have found that these principles constitute a winning formula for service delivery transformation. Let's take a closer look at how each one raises the odds of success.

### ONE SIZE DOES NOT FIT ALL

Most governments have a good deal of staff, real estate, equipment, and information technology tied up in their service-delivery networks. But in many cases, these precious resources are not being used as efficiently or effectively as they could be. For example, citizens with simple needs who would prefer to do business online are forced to use high-touch, high-cost channels like call centers and shop fronts, which take resources away from people who need more intensive and customized support. The result is that some citizens are being overserved while others are vastly underserved. Similarly, the risk of noncompliance with rules and regulations can be much greater for some people than for others, yet agencies rarely use risk profiling and differential treatment in data collection or processing.

The principle of universal access to services that underpins many government systems has led to the dominant assumption that all citizens have the same needs and want identical experiences. In reality, citizens today have quite varied needs, preferences, behaviors, attitudes, and capabilities, so agencies must develop a more sophisticated understanding of who their customers are and redesign their service-delivery infrastructure to serve each customer segment differently. (See the exhibit on page 8.)

In our experience across a range of public and private service types, we find that citizens generally fall into one of three categories:

- *Simple Transactors.* These are people or businesses that generally are capable of managing their own affairs and conducting a straightforward transaction, such as renewing a car registration, paying a fine, or changing contact information. Their priorities are convenience, speed, and ease of access. For them, the most common and simple high-volume transactions should be automated or available online using prepopulated forms. This doesn't mean that shop fronts and call centers are redundant. Even simple transactors want to know that if they have a problem or need help, they can call or meet with an agency representative. As in retail banking, the role of traditional channels may change, but it is unlikely that they will disappear altogether.
- *Life Event Navigators.* These citizens need advice or support in special circumstances, such as transitioning into retirement, having a child, coping with the death of a family member, or losing a job. These events often involve interactions with many services or agencies, and people sometimes need help navigating the system and understanding their entitlements and obligations. Addressing this need requires effective bundling of services according to demographics or

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Government agencies must develop a more sophisticated understanding of who their customers are and redesign their service-delivery infrastructure to serve each customer segment differently.

the specific life event. For people in this category, face-to-face or phone support remains important.

- **Complex Cases.** These are people with multiple or severe disadvantages, or people who don't comply with rules and regulations. They usually require specialized responses and ongoing attention. In these cases, place-based approaches, case management, case coordination, wraparound services, outreach, and colocation of services across all levels of government and nongovernmental organizations (NGOs) can play a useful role. An example of this more intensive service model is the New Zealand Ministry of Social Development's (MSD) Integrated Service Response (ISR) initiative. MSD provides a range of employment assistance and income support for the unemployed and for people who qualify for disability pensions, child protection, education allowances, and other services. Once clients are assessed, those with the greatest needs—around 5 percent of the total caseload—are offered the ISR program and assigned a dedicated case manager.

While delivery models for complex cases tend to have high unit costs, investments in early, more effective interventions are usually more than offset by the longer-term benefits of increased compliance, social inclusion, and economic participation; cost savings also accrue because fewer clients need to return for government services in the future. Such investment-based approaches to minimizing future liabilities have been used effectively in workers' compensation schemes, and building the business case to support these strategies should be a high priority for agency executives. MSD, for instance, has seen average improvements in employment and pension outcomes of between 15 and 40 percent, with

### The Service Delivery Model Should Align with the Client Segment

Client segment	Service model	Specific offerings
<p><b>Simple transactors</b> require convenience, speed, and ease of use</p>	<p><b>Self-service</b></p> <ul style="list-style-type: none"> <li>• Automated transactions wherever possible, linked to natural systems</li> <li>• Easy-to-use self-service channels (mobile apps, online, interactive voice, kiosks)</li> <li>• Single user name/password or third-party authentication</li> <li>• Single, integrated view of the citizen client across agencies</li> <li>• "Tell us once" exchange of information across agencies and third parties</li> <li>• Complete transaction at first point of contact</li> </ul>	<ul style="list-style-type: none"> <li>• Registrations</li> <li>• Claims</li> <li>• Update/change information</li> <li>• Renewals</li> <li>• Payments</li> </ul>
<p><b>Live event navigators</b> require assistance and relevant information</p>	<p><b>Assisted service</b></p> <ul style="list-style-type: none"> <li>• Assisted channels: phone (call centers), over-the-counter (one-stop shops); mobile service officers (field workers)</li> <li>• One-stop shops with tiered services: generalist staff who cover a broad range of services, pulling in specialists as required</li> <li>• Third-party service points and agents (postal-service outlets, local government and trusted community representatives)</li> </ul>	<ul style="list-style-type: none"> <li>• Birth of a child</li> <li>• Death in the family</li> <li>• Separating parents</li> <li>• Becoming an adult</li> <li>• New migrants</li> <li>• Transition to aged care</li> </ul>
<p><b>Complex cases</b> require advice, access, and personalized service</p>	<p><b>Orchestrated service</b></p> <ul style="list-style-type: none"> <li>• Dedicated and trained case managers and social workers assigned to individual citizens and families</li> <li>• Work intensively to orchestrate the delivery of needed services from all levels of government and third-party providers</li> <li>• Case management systems, processes, and tools</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term unemployed</li> <li>• Families in crisis</li> <li>• Multiple disadvantages (homelessness, disability, mental illness, etc.)</li> </ul>

Source: BCG client experience.

little or no incremental investment, through the use of integrated approaches to case management.

### REALIGN THE OPERATING MODEL

A new segmentation framework is a good starting point, but it must be supported by a clearly defined operating model covering products and services, channels, processes, technology, organization, and governance. Each of these elements requires various design decisions and tradeoffs among a range of options and should be integrated into a coherent blueprint for the future. Relevant questions include the following:

- What is the optimal channel mix? Which services and transactions should be conducted through which channels? What is the right balance between a welcoming “anytime, anywhere, any device” stance and the imperative for efficiency and high quality?
- What is the role of the center relative to the dispersed network? Which decision rights should be centralized and which decentralized? How much autonomy should regional managers and frontline workers have? What is the appropriate balance between economies of scale and consistent service levels, on the one hand, and localization and innovation, on the other?
- What are the core business processes or value-chain activities? Which processes and capabilities should be standardized and which should be customized?
- What is the future technology architecture? What capabilities are required to build it—and should these capabilities be developed in-house or be outsourced?

These are tough decisions with long-term implications that should not be made in isolation. In each case, the right course of action will depend on the agency’s starting point and priorities at the time. But the design of the operating model will always be central to improving service delivery. Meeting the needs and expectations of simple transactors, for instance, requires technologies and processes that provide accessible, easy-to-use, seamless end-to-end online services.

Again, New Zealand’s MSD provides a useful example. Key features of its operating model include the following:

- Online services targeted at specific segments, such as young people and pensioners, allow clients to start and finish applications, run scenarios, and make informed decisions. Centralized call centers and processing centers handle the majority of simple bulk transactions and inquiries.
- At Community Link centers, MSD staff colocate with NGOs, service partners, and other government agencies to provide wraparound services for clients. Facilities and resources are provided free of charge to service partners that agree to collaborate; a governance group meets regularly to coordinate activities. This model has been extended to Community Link in Courts, which provides intensive support to family violence offenders as part of their sentencing obligations.

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The design of the operating model will always be central to improving service delivery.

- A “loose tight” accountability framework gives all staff a bottom-line mandate to apply the rules and process entitlements accurately and at an acceptable level of service, as well as a top-line mandate to consider what the client really needs and how to achieve a better outcome. Service center managers and frontline staff have substantial discretion to try new approaches. The best ideas get transferred to the core delivery model and are rolled out nationally.

### APPLY AN OPEN-SYSTEMS MINDSET

Government’s traditional approach to the design of service and operating models is to control all aspects of a service. But that view is changing because of several trends: coproduction of service delivery, a whole-system approach that incorporates external partners and linkages with the private sector and NGOs, and the ability to connect data dispersed across many organizations, both public and private.

More and more agency and departmental executives are recognizing the value of involving clients, staff, and other stakeholders in the design and delivery of services. Consider MindLab, in Denmark, a government center of excellence that works with the ministries of taxation, employment, economics, and business. MindLab deploys a range of techniques such as ethnographic research, service journey mapping, and role playing to design new public services or to analyze and reengineer existing ones. It allows government employees to see the service experience through the eyes of the customer and to identify linkages, redundancies, and “pain points”—all with the goal of redesigning service delivery.

Codesign goes beyond surveys, user-centered design, and other forms of consultation and engagement that have been widely used in government. Genuine codesign requires public servants and politicians to cede some degree of control to citizens. This can be challenging for senior and midlevel public servants who are not used to sharing their design and decision-making authority with customers or third parties.

Codesign will not be appropriate or even possible in all circumstances. In some cases, there will be neither the time nor the need for it. Where it can add value, executives need to factor the process into implementation timelines and budgets, so that there’s ample time to act on the results.

Codesign is but one element of a broader whole-system approach—sometimes known as coproduction—in which government, rather than being at the center of service delivery, is a player in or an orchestrator of a broader service-delivery ecosystem that includes individuals, the private sector, and NGOs. In many cases, government would be more effective leveraging infrastructure, competencies, and capabilities that already exist in the market than trying to build or create new capabilities in-house. Government should ideally approach service delivery design by considering the most effective and efficient way for the system as a whole to achieve an outcome, rather than the best way for government to deliver a service. In some cases, the best way to deliver a service may not be through the government at all, but through a combination of external intermediaries and agents. For example, government might enable citizens to connect electronically through the secure and trusted online identities and websites that they already use, such as their

More and more executives are recognizing the value of involving clients, staff, and other stakeholders in the design and delivery of services.

banking or social-networking sites, rather than forcing them to use separate, proprietary government channels.

What makes this approach possible is the greater willingness of citizens to share data, which is opening up a range of new service-delivery opportunities. Many government agencies already use data from third parties such as banks, employers, schools, and hospitals to monitor compliance and match data; with appropriate consent, the same data could in many cases be used to deliver services. Our research shows that across the board, the more satisfied people are with services, the more willing they are to have their information shared across agencies.

Data sharing could substantially improve customer satisfaction by allowing applications for entitlements to be made using information the government already has. The client's name, address, contact numbers, income, education, and other details would be used to automatically assess the application, process it straight through, and make the payment. Clients would have to tell their story only once and would be more certain of receiving what they are entitled to. Such approaches have been successful in the Tell Us Once initiative of the U.K. Department for Work and Pensions and in France's [mon.service-public.fr](http://mon.service-public.fr); New Zealand is considering them for its proposed ServiceLink model. Governments benefit through reduced duplication and more accurate information, which help reduce fraud and improve compliance.

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### **SELF-FUND THE JOURNEY**

It is possible to carry out these reforms without dedicating a lot of new funding over the long run. Indeed, there are opportunities to generate significant savings through business process redesign, automation, and elimination of duplicate efforts.

In the core business, start by examining the service value chain, identifying the value-adding steps and activities and eliminating those that are unnecessary. Lean Six Sigma and similar approaches can be used to simplify processes that have grown complex over time, such as redundant letters or forms and information that's requested but rarely used or that can be sourced reliably elsewhere with citizens' consent.

Two important goals should be, first, to identify the top dozen or so processes that account for most of the infrastructure, people, and costs, and second, to redesign those processes from end to end, taking a customer perspective rather than trying to make piecemeal improvements. In back-office and corporate functions, shared services can reduce duplication and generate economies of scale and expertise.

Service Canada illustrates how to achieve a higher level of quality at lower cost. Canada delivers services through three levels of government to a mix of urban and rural populations spread over a huge area. The federal government has redesigned services around key life events and integrated its access points across the relevant agencies, relying on three major channels: a single website containing the most popular information and forms; a free phone number staffed 12 hours each weekday; and more than 600 shop fronts located within 50 kilometers of 95 percent of Canadians. The results of this transformation have been encouraging. Citizen satisfaction with services has risen from 64 percent to 72 percent over the past ten years, as measured by the widely used Common Measurements Tool. Citizens now

view government services on a par with those provided by the private sector. And net savings have totaled Canadian \$2.5 billion over five years.

Efficiencies can also be found by bringing together small, fragmented service-improvement initiatives into a coordinated and coherent agenda. Many departments use pilot projects and trials that individually cost little and send a signal to the public that something is being done. But such pilots tend to be created randomly, to operate independently, and to be politically difficult to terminate. The proliferation of sub-scale pilots ends up consuming a large amount of resources and management attention, but the impact is small and does not represent the best value for the money. Although pilots are certainly useful in testing the validity of a concept or refining its implementation, they should be used judiciously, with clear criteria for evaluation and a definite date either for termination or for rolling out the concept more broadly.

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Optimizing service delivery ultimately involves consolidating and standardizing the underlying policies, programs, payments, and IT systems.

### **TACKLE THE ROOT CAUSES OF COMPLEXITY**

A proliferation of agencies, policies, and programs is common to governments throughout the world. Because each new policy or program tends to add more rules, staff, IT systems, and processes on top of existing ones, the government's service portfolio becomes more complex and unwieldy over time.

Optimizing service delivery ultimately requires another level of reform, involving the rationalizing, consolidating, and standardizing of the underlying policies, programs, payments, and IT systems. Much of the information and many of the services that government provides could be shared using standardized, modular components. The Australian Taxation Office, for example, has developed a service catalogue of design patterns, which allow new policies and programs to be developed and implemented much more quickly, ultimately making the office more responsive and agile. And the U.K. government plans to replace, by 2013, its complex array of benefits for unemployment, disability, housing, and other areas with a single "universal credit."

## **Keeping Ahead of the Risks**

Initiatives in service delivery transformation carry real risks, but it is possible to anticipate and mitigate them.

One risk is the loss of momentum over time. Major reform takes years, and the vision can be forgotten or enthusiasm can dampen after the initial fanfare if the program's champions move to other jobs or the troops lose sight of their goals under the crush of daily work. New commitments and policies will emerge that need to be implemented. Leaders must find ways to adjust their plans and incorporate these demands—bringing some changes forward, moving others back—and to refresh the initiative every couple of years, reminding employees of their progress toward the end state.

Another risk concerns the need to keep ordinary operations running smoothly while the organization undergoes change. Agencies usually cannot afford to let existing services slip during the transformation. To address this risk, senior executives must be comfortable wearing two hats—overseeing both transformational change and

business as usual. But at lower levels of the organization, it is vital that staff be dedicated to one or the other, with clear responsibilities and metrics for each.

A third risk is that the transformation will not yield the expected benefits or savings as early as expected. The program's design should therefore explicitly map out when and how benefits will materialize as service delivery is improved, and build in adequate checkpoints to allow any potential shortfalls to be identified and corrected early on. (See the sidebar "Service Delivery Reform at Australia's Department of Human Services.") The program budget, too, should include adequate contingencies or reserves to accommodate the shortfalls that will inevitably occur.

True reform of service delivery requires that government leaders rise above traditional structures and ways of working. They also need to challenge assumptions—about citizen preferences or legislative barriers—that might seem to restrict the range of options. Reform may even lead to important discussions about the broader role of government and raise fundamental questions about which functions the state should perform and which ones citizens or private companies could perform instead.

While transforming service delivery may seem a daunting task, the size of the prize is enormous. Government leaders can significantly improve the experience for citizens in a way that is cost neutral and that delivers better outcomes for individuals and society. The principles outlined here provide a winning formula for leaders who are prepared to take the leap.

## SERVICE DELIVERY REFORM AT AUSTRALIA'S DEPARTMENT OF HUMAN SERVICES

For more than a decade, the Australian government has been innovating in response to citizens' demand for services in a tight fiscal environment. It began with the creation of Centrelink in 1997, a customer-focused service-delivery agency whose functions were carved out of the former Department of Social Security. Centrelink contracted with more than 25 policy departments to deliver services under purchaser-provider arrangements through a network of more than 320 rebranded one-stop shops and a single virtual call center.

In 2004, Centrelink joined with Medicare Australia and the Child Support Agency to become the

Department of Human Services (DHS), with more than 40,000 employees delivering more than 200 services to 99 percent of Australia's 22 million people. DHS now operates a network of 550 service centers and also works through hundreds of self-service kiosks and agents.

There was potential for greater efficiency, though, as the formerly separate agencies continued to operate largely as distinct entities while coming under growing public pressure to deliver more joined-up services, to address rising citizen expectations, and to keep up with international best practices. Take-up of online services remained stub-

## SERVICE DELIVERY REFORM AT DHS (CONT.)

bornly low, and trials of place-based services showed the clear advantages of more intensive, coordinated service delivery. In 2009, DHS engaged BCG to help develop a ten-year vision and road map for the next wave of reform. Together, we developed an overarching business plan that was endorsed by the cabinet in December 2009.

DHS is now fundamentally reshaping how it delivers health and social services to citizens. The reform has three broad objectives: to make it easier and more convenient to access services; to deliver services more effectively with better outcomes for customers; and to deliver services more efficiently for taxpayers. The road map spans three phases, with the first phase of quick wins and detailed planning now completed. Phase two covers 2014 to 2015, and phase three extends to 2020.

The core of the reform consists of a service segmentation model that streamlines and simplifies service delivery for simple transactions, migrating services online and freeing up capacity to work with complex cases. Fiscal pressures in the wake of the global financial crisis meant that any reform proposal had to be largely self-funding; this has been achieved mainly through integration efficiencies resulting from combining corporate and back-office functions and productivity improvements resulting from lean-process initiatives.

DHS has articulated very clear benefits and measures of success for

its program. These include improved customer satisfaction in terms of the accessibility and quality of service, increased online take-up and first-contact resolution rates, increased support for citizens who need extra help, higher levels of codesign in the design and delivery of services, a more agile and responsive service-delivery system, and overall lower costs to serve.

DHS can point to many early achievements, such as the colocation of Centrelink and Medicare services into integrated one-stop shops; a single phone number that clients can call to help them navigate to the right service point; a single, easily searchable integrated website—with navigation related to specific life events—that provides information about programs and services; and an integrated geographic-zone structure that allows newly defined service leaders in each zone to take on responsibility for engagement and partnering with local service providers and community organizations in order to ensure coordinated services and effective referrals. Work is under way to build platforms allowing citizens to have a single user name and password based on the australia.gov.au platform and “tell us once” functionality.

The ten-year road map illustrates an exciting, long-term vision that is ambitious enough to mobilize stakeholders and that also lays out a pragmatic approach and timetable for realizing it.

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