



Overview

In the face of mounting complexity, smarter, collaborative, fact-based decisions are more important than ever to drive results. Today's unprecedented "information explosion" can paralyze government and other public sector organizations as they address increasingly intertwined public issues. Yet, a historic opportunity exists to accelerate desired outcomes by embracing analytics as a core management competency. It's time to demonstrate greater value to the public sector's ever-watchful constituents.

IBM Institute for Business Value

The power of analytics for public sector

Building analytics competency to accelerate outcomes

Complex societal, economic, political and environmental pressures are placing intense demands on public sector organizations to make smarter decisions, deliver results and demonstrate accountability.

An unprecedented "information explosion" both facilitates and complicates the ability of governments and institutions to achieve and influence desirable outcomes. A tremendous opportunity exists to use the growing mountain of data to make better, fact-based decisions. Yet, the volume of data and its increasingly diverse and interactive nature can also paralyze organizations as they try to separate the noteworthy from the not-worthy.

Analytics goes beyond reporting and provides the mechanism to sort through this maelstrom of information and help governments respond with informed decisions.

How are governments and public institutions applying analytics today, and how might they need to think about its future use? What are the implications for public sector organizations? How should agencies advance their analytics competency in today's complex environment?

To answer these questions, we interviewed more than 100 public sector leaders from around the world and conducted extensive secondary research. This study is intended as a first step in identifying how analytics can help address a broad range of public issues.



What our research uncovered

Governments are increasingly using analytics to consume, unlock and apply new insights from information, despite challenges with data. Executives told us the “data paradox” – the dilemma presented by too much data, too little insight – is the biggest barrier to analytics adoption and use. They also expressed concerns about data reliability. The more qualitative the information, the less confident they are in the dependability of their data.

Our research shows most public sector organizations are just starting to explore ways to leverage analytics to manage for results. A select number of organizations are “going pro” and developing analytics leadership. These leaders are looking for analytics capabilities that help them optimize choices and inform decisions with new and predictive insights.

Today, however, most organizations spend more time collecting and organizing data than analyzing it. Analytics talent also tends to be more concentrated within organizations, rather than pervasive across them. This can make it more difficult to discover useful insights that can only be obtained by looking at information across multiple agencies and databases.

To capitalize on its potential power in the public sector, analytics must become a core management competency. Building competency will require organizations to focus on four strategic imperatives:

1. Focus on outcomes to move beyond issues
2. Orient the management of information around its use
3. Use analytics-enabled insights to meet specific objectives
4. Model and embed analytics discipline in management practices.

Our research also shows that organizations fall within four categories of analytics competence, depending upon the extent of their analytics vision and practice: Starters, Foundation Builders, Practitioners and Virtuosos.

Analytics competency is the next managerial innovation in the public sector. Multiple paths lead to progress. For more information, download the complete IBM Institute for Business Value executive report at www.ibm.com/gbs/psanalytics.

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How can IBM help?

- **Business Analytics and Optimization:** BAO Strategy, Business Intelligence and Performance Management, Advanced Analytics and Optimization.
- **Strategy and Transformation:** Innovation and Growth; Operations and Finance; Organization and People
- **Selected Public Sector Solutions:** Social program integrity framework; smarter social services client value narrative and ROI model; single view of the citizen; tax audit and compliance system; integrated transportation systems multi-modal mobility; improper payments reduction; fraud and abuse management system; city operations center; actionable business architecture for smarter cities; Government Accountability and Cost Efficiency (GovACE) solutions.

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