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# Government 2020 and the perpetual collaboration mandate

Six worldwide drivers demand  
customized strategies

Government



## **IBM Institute for Business Value**

IBM Global Business Services, through the IBM Institute for Business Value, develops fact-based strategic insights for senior executives around critical public and private sector issues. This executive brief is based on an in-depth study by the Institute's research team. It is part of an ongoing commitment by IBM Global Business Services to provide analysis and viewpoints that help companies realize business value. You may contact the authors or send an e-mail to [iibv@us.ibm.com](mailto:iibv@us.ibm.com) for more information.



# *Government 2020 and the perpetual collaboration mandate*

## **Six worldwide drivers demand customized strategies**

*By James W. Cortada, Sietze Dijkstra, Gerry M. Mooney and Todd Ramsey*

*The future of societies around the world is being shaped by six drivers outside the realm of government control. Powerful changes related to demographics, globalization, environmental concerns, societal relationships, social stability and technology will affect virtually every government, demanding individualized responses suited to each nation, region or locality. These nearly universal drivers will require “perpetual collaboration” that starts with intensified, multi-directional communications, and shared operational and technical standards. Beyond those core essentials, effective strategies also hinge on government commitments to facilitate efforts involving multiple agencies (within and across borders), and improve partnering with transnational organizations.*

Six inescapable forces are simultaneously now underway, over which governments and societies have limited control. Because of their virulent and simultaneous nature, we describe them here not just as forces, but as *drivers*. These six drivers share a striking commonality, in that each will touch virtually all nations in one way or another:

1. *Changing demographics*: Long-term changes are occurring in the composition of populations which vary by country and region. Examples include a rising average age in many developed countries, such as Japan; falling average age in many developing countries, such as India; and a shift in the male/female ratio in China.

2. *Accelerating globalization*: Countries and societies are becoming more economically interdependent across social, political and cultural boundaries. There is greater global movement of capital, raw materials, finished goods, work and labor among previously independent and sovereign entities as the recent financial credit crisis demonstrated. Even public policies are becoming increasingly globalized. Public trust in financial institutions are shaken as some pension funds and banks face insolvency, adding to social unrest – all calling for innovative government attention.

3. *Rising environmental concerns:* Societies and governments are becoming more attuned to what the earth can provide and what it can tolerate. These issues cross domains as diverse as politics (for example, the growing importance of the “green vote”), economic development, public works, civil infrastructure development and education.

4. *Evolving societal relationships:* The drivers that are reshaping relationships among individuals, and between customers and businesses are changing the expectations that citizen and business constituents have of their governments (for example, the rise of international Web-based social movements and networks, and the need for government services to be conveniently provided on a 24x7 basis, as occurs with merchants).

5. *Growing threats to social stability and order:* Societies face challenges from terrorism and armed conflict – including intercultural friction – to pandemics and natural disasters. The nature of these threats is changing and the potential consequences of inadequate mitigation, preparation and response demand attention.

6. *Expanding impact of technology:* As businesses, individuals and public institutions are adopting a wide variety of technology (for example, IT, medical, communications, nano-

technology), to such an extent that they are changing the way each entity functions and redefining the relationships among them.

No two nations are the same and so, each driver will play itself out uniquely in any given society. There are wide variations among nations as far as historical experiences, social values, aspirations and constraints. Addressing the challenges ahead will require a shift from the traditional government approach of slow, measured actions in the face of change.

Instead, governments must first anticipate change by determining which drivers are most critical in light of their own unique set of circumstances. Second, based on those priorities, nations must be proactive, designing and then implementing customized strategies and solutions.

Unquestionably, many types of challenges are underway and governments must respond in a more comprehensive manner than ever before. In developing tailored responses, a new dimension of greatly enhanced collaboration is the ultimate capability governments need, as it will form the foundation of strategies necessary for coping with these drivers. More connectedness and cooperation is needed than ever before: across agencies, across societies, across governments, and with more constituencies. This paper offers an approach for government action to achieve this intensified, multilayered, multidirectional capability that we call *perpetual collaboration*.

# Government 2020 and the perpetual collaboration mandate

## Six worldwide drivers demand customized strategies

### Exploring the six drivers

These powerful forces – changing demographics, accelerating globalization, rising environmental concerns, evolving societal relationships, growing threats to social stability and order, and the expanding impact of technology – present a mix of opportunities and threats. To varying degrees, each country and each government entity faces each of these drivers (see Figure 1).

#### Changing demographics

Long-term changes are occurring in the composition of populations, which vary by country and region. The average age is rising in many developed countries and decreasing in many developing countries. Demographics and migration are affecting each other, for example, as young, well-educated workers move from their home countries for better job opportunities.

In addition, demand is rising for greater inclusion of citizens (such as minorities and those with some type of handicap) in society and the economy. Government accessibility has

FIGURE 1.

**Six significant forces are simultaneously reshaping societies and governments around the world.**



Source: IBM Institute for Business Value.

increased, but improvements are needed (see sidebar near end of this paper, Accessibility – Increasingly important around the globe).

As a result of these demographic changes, many national cultures are in transition. For example, changes in the worker/pensioner youth balance is upsetting budget plans: as populations age, societal health and pension costs are climbing.

#### About this study

The IBM Institute for Business Value sought to better understand the major drivers affecting governments today, including how these drivers will manifest themselves. In May 2007, we assembled 35 IBM public sector experts representing Canada, China, Germany, India, Japan, the UK and the United States. Follow-up conversations were held with additional IBM public sector experts in Australia, Austria, Belgium and Sweden.

Analysis of these discussions, secondary research, and the findings from over two dozen other studies conducted by IBM on the evolving role of government led to the identification of six major drivers, as well as our perpetual collaboration framework and corresponding recommendations designed to help the wide array of government entities develop strategies to address these ubiquitous drivers.

**The substantial interplay among these six drivers requires governments to deal with each individually, as well as the potential compounding effect that can add complexity to the task of developing solutions.**

### **Sample manifestation of changing demographics**

Italy faces a combination of emigration, relatively flat population growth and low birth rates. Its citizens have high expectations of their government and the government budget in 2007 was 50 percent of the GDP.<sup>1</sup>

### ***Accelerating globalization***

Perhaps the most far-reaching driver of all, examples of accelerating globalization are plentiful. Countries and societies are becoming more economically interdependent across social, political and cultural boundaries. Emerging economies are modernizing rapidly as complex supply chains increase demand for global transportation networks and other infrastructure. Distribution and communication networks are becoming critical to global economy and stability. These trends are evident, for example, across Central Europe, in many parts of Asia, and increasingly in Africa.

National economic profiles, job availability and skill requirements are also in flux. Millions of workers in China, India and other developing markets are entering the global labor market to compete – as a result, developed countries are generally losing manufacturing jobs while adding services jobs.

Economic interdependence is growing as well, for example, among financial markets. And, the losses resulting from the 2007 U.S. credit crisis have cascaded well beyond its national borders, with the global fallout extending to banks around the world.

### **Sample manifestation of accelerating globalization**

Brazil enjoys moderate labor costs and a relatively low threat of global terrorism, along with immigration and diversity. One downside to its greater participation in the global marketplace is a rising rate of resource consumption.

### ***Rising environmental concerns***

Natural resource availability can reshape nations, societies and peoples' daily lives. Governments are realizing that individual and national behavior will ultimately impact all humanity. This issue is gaining political and scientific attention and the consideration of environmental impacts is increasingly critical to public and private economic discussion. As a result, the "greening" of government policies is taking place around the world.

In varying degrees, governments face pressure to deal with the effects of global warming, a foreseeable decline in fossil fuel and gas supplies, steeply rising energy costs and the scarcity of fresh water. Often, the cycle times from action to impact to remediation are quite long. These and related concerns have led to the rise of new green industries, including a push toward the use of alternative and renewable energy sources. Among recent responses to environmental challenges, some cities have begun implementing creative strategies to reduce road traffic and its pollution.

### **Sample manifestation of rising environmental concerns**

India has a growing service economy and low median age. As its resource consumption increases rapidly, the related environmental impacts will need to be addressed.

### ***Evolving societal relationships***

The expectations that citizen and business constituents have of their governments are changing. Historical models of society based on proximity, common language and culture are losing importance and the concept of nationality for individuals and businesses is beginning to erode.

More than ever before, flexible, spontaneous, worldwide collaboration is replacing fixed management structures in industry. Today, governments are expected to deliver results and value through secure, private services that are available anywhere and anytime to businesses, individuals, employees and other governments. Traditional government processes, for example, policy setting and regulation, will have to adapt faster or risk becoming irrelevant.

#### **Sample manifestation of evolving societal relationships**

In the United States, citizens have access to many services, forms, and information from city, state, and federal agencies over the Internet at any time, and increasingly are conducting transactions that way, such as with filing electronically their tax returns and paying fees over the Internet.

### ***Growing threats to social stability and order***

An increasingly global economy is creating suspicions among previously isolated and disconnected groups of people. Intercultural and international tensions, and civil disobedience are rising, stemming in part from changing demographics and immigration among countries and regions, and other local long-standing issues.

Along with stability threats arising from pandemics and natural disasters, pockets of new isolationism and tolerant coexistence are appearing. Governments and societies will need to respond to protect lives and property, and to help ensure stability.

#### **Sample manifestation of threats to social stability and order**

In recent years, the U.S., Britain and Spain have been targets of global terrorism, both within their borders and abroad. Maintaining the safety and security of their citizens and institutions remains an ongoing, high-priority challenge. Simultaneously, public mistrust of financial institutions increased during the credit crisis that led to the insolvency of some pension funds and banks.

### ***Expanding impact of technology***

Emerging capabilities in medicine, energy and information are vitally important to humanity and new ones are coming more rapidly. New technologies are arriving at an increasing rate, with each bringing new costs and new expectations. However, the anticipation, planning and reaction times to harness technologies are decreasing. Citizens are becoming increasingly comfortable with technologies; therefore, governments have opportunities to use these to leap forward in improving services.

Typically, the traditional mechanisms to regulate and tax activity are not adapting as quickly as new technology arrives, and intellectual property laws are more difficult to enforce in the global economy. While some technologies improve productivity (such as IT), others can increase costs (such as those related to healthcare). At the same time, governments will face the problem of protecting the security and privacy of information, while relying more on the use of such data to provide services, calling for a delicate balancing act.

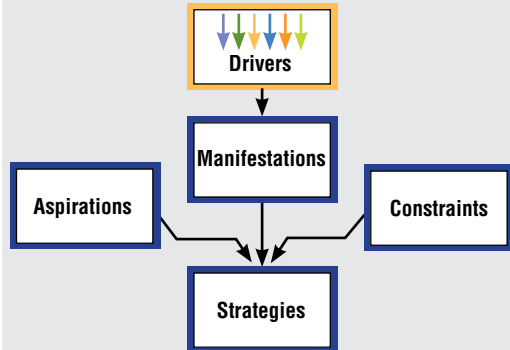
### Sample manifestation of expanding impact of technology

China is one example of a country dealing with the effects of new and widespread technology. Rapid industrialization and urbanization are adding pressure to adopt new technologies, all while its citizens become increasingly Internet-savvy and embrace the Web's inherent communication capabilities.

### Why each government must craft a customized strategy

Each of these drivers is expected to impact all countries in the coming years, while the urgency of dealing with any particular trend will differ by country. These differences will stem from the unique set of aspirations and constraints each country faces as it develops local responses to these drivers (see Figure 2).

FIGURE 2.  
**While the six drivers of change are the same worldwide, these trends are manifested in different ways – flavored by variances in aspirations and constraints.**



Source: IBM Institute for Business Value.

Governments must recognize and hone their aspirations to guide decisions in the face of global change. Aspirations include goals like managing the national defense and public safety, improving the standard of living, offering social support for citizens, protecting cultural and religious heritage, perpetuating the established government and making government services easily accessible.

As a counterbalance to its aspirations, each country must deal with a host of political, economic and social constraints. Constraints temper the rate at which any society and its government can progress toward realization of its aspirations. The speed and efficiency of government processes is one example of a political constraint, the availability of capital is an economic constraint, and citizens' expectations about working conditions, government services and living standards are social constraints.

### Perpetual collaboration: What it will take

#### Understand the components of perpetual collaboration

How well governments can respond to the positive and negative effects of the six global drivers will greatly influence the ability of citizens to prosper in the coming years. As governments evolve into forms that foster perpetual collaboration, public officials can also engage their citizens and collaborators in the implementation of bigger goals for society, such as the elimination of an entire disease and educating all children with a targeted number of years of schooling.



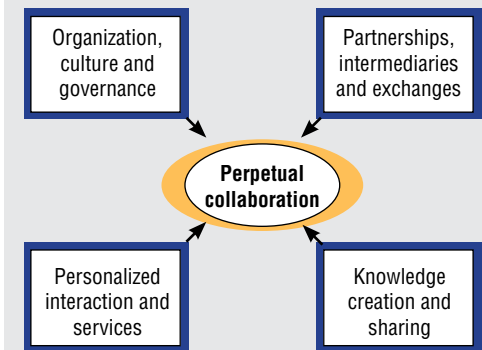
**First, governments need to understand the major components of perpetual collaboration; second, this core capability can be developed and used to tailor solutions that best meet constituents' needs.**

This type of comprehensive approach can lay the groundwork to achieve such bold objectives through myriad collaborative initiatives. Each nation must begin to tailor perpetual collaboration strategies that address the impacts of the six global drivers – all within the context of its own unique mix of aspirations and constraints.

Every approach to strategy design must be related to improved collaboration. This is because the issues involved require enhanced communication and connectedness among growing numbers and types of organizations, governments, agencies or other private sector entities across multiple dimensions (see Figure 3).

Establishing and maintaining a framework of perpetual collaboration supports the objective of exchanging information in any form, for any channel, between any type of sender and receiver. It is intended to leverage available capabilities across all facets of a society, not just within the governmental environment. As organizations become more virtual, and shift from “hierarchical and vertical” to “diffuse and horizontal,” perpetual collaboration can enable greater teamwork and interconnectedness. The idea of “virtual organizations” will increasingly shift from being a concept to becoming the way successful governments function.

FIGURE 3.  
**Perpetual collaboration – the core capability governments will need.**



Source: IBM Institute for Business Value.

### **Component 1 – Organization, culture and governance**

Successful governments will have a clearer understanding of the ways in which they provide value to their constituencies. This will change how they organize and how they operate, both internally and externally.

Organizational transformations will occur in human capital management, institutional structures and financial management, with stronger emphasis on leveraging networks and partnerships to achieve objectives. When it comes to culture, governments will adopt more elements of competition, choice and incentives – such as striving to engage citizens, increase “green practices” and perform services on demand. And, new approaches to governance will evolve, including the adoption of new metrics for measuring government outcomes and performance.

A key element will be increased transparency about the effectiveness of public initiatives that measure results, communicate lessons learned and value experimentation. That also leads to mutual dependences for success among governments, businesses, and other institutions and citizens.

#### **Sweden: Tackles traffic congestion and air pollution with RFID technology**

Like other cities, Stockholm, Sweden faces traffic congestion and pollution that adversely affects citizens' quality of life. Their solution: between 6:30 a.m. and 6:30 p.m. Monday through Friday, a "congestion charging system" taxes vehicles entering or leaving congestion zones. Fares are highest during peak rush hours. Radio frequency (RFID) technologies and cameras are linked to license plate and financial databases to identify vehicles and process billing.

Results so far:

- After a 7-month pilot, traffic dropped by 25 percent, which equates to 100,000 fewer vehicle passages per day; train and transit passengers increased by 40,000 per day; and greenhouse gases fell 40 percent.
- Voters approved permanent implementation after the Swedish Parliament had done so in 2007.<sup>2</sup>

### **Component 2 – Partnerships, intermediaries and exchanges**

Despite the challenges, governments know they need to collaborate with one another and with the private sector.<sup>3</sup> Yet, direct collaboration is often not a good option – there are simply too many "one-to-one" connections to manage and statutory limitations may also present hurdles.

The need to collaborate globally and keep pace with changes in the global society will drive new alliances and force new modes of interaction. Increasingly, we expect governments to join or form a growing number of collaborative ventures. International and supranational organizations and exchanges, such as the European Union, World Health Organization and the International Civil Aviation Organization are examples of how governments can deal with constitutional limitations to powers they can exercise directly.

#### **China: E-Port tool improves collaboration within and outside government**

The lack of flexible integration of its applications and systems was adversely impacting effective collaboration and information sharing. China E-Port was charged with the responsibility to develop and maintain the technology platform to improve the flow of data relating to foreign trade within government, and with important industry and economic players.

China E-Port implemented a collaboration software tool and end-to-end solutions to provide an enterprise environment to more effectively support its mission. Benefits include:

- A tightly integrated, secure environment
- Improved information sharing
- Improved operational efficiency.<sup>4</sup>

### **Component 3 – Personalized interaction and services**

Governments are realizing that one-size-fits-all programs fall short in meeting citizens' needs. Demands for efficiency, effectiveness, security and privacy are raising the emphasis on individualizing government actions. In areas like social services, a blend of programs tailored to individuals is especially desirable.

However, such personalized services can be difficult to deploy, administer and audit—concerns range from the transparency and accountability of individual government administrators, to the security and privacy of processes used to collect and protect citizens’ personal information. More and more, governments are turning to technologies in the areas of IT, networking and healthcare to support such personalization. The increasing use of automation reduces the influence of human judgment and slow deliberation used in traditional transactions and information dissemination. Better tools can also help precisely identify individuals, which can lead to greater security and program effectiveness.

#### **Canada: Serving citizens via the Web**

As with most central governments, Canada has a vast array of programs and service for its citizens, but identifying and accessing those services can be challenging. Service Canada was established as a “one-stop,” integrated multichannel service center for a broad range of federal programs and services. Service can be accessed through 300+ offices throughout Canada, by phone (over 50 million calls annually) or through the Web (over 14 million Web visits per year).

As a result, this solution has:

- Created a “citizen-focused” delivery network
- Expanded points of service throughout the country, especially in northern and remote communities
- Built partnerships with other levels of government and community service providers to better integrate services for Canadians
- Established an organization that can continue to enhance and introduce new services – in a one-stop environment.<sup>5</sup>

#### **Component 4 – Knowledge creation and sharing**

The “survival of the wisest” will be among the most important challenges in the next decades. Creating and sharing knowledge are critical for promoting interdisciplinary and cross-disciplinary research, as well as stimulating product and service innovation. Aging workforces necessitate new models of knowledge sharing which can also help educate younger generations on how to play a role in modern workforces.

#### **Pennsylvania: Gaining better insights to guide future investments**

Pennsylvania faced global competitive pressures and needed to identify future opportunities for economic growth. The state sought better insights about the current environment and importantly, where to focus and invest for its future.

State officials implemented a process of collaboration and knowledge sharing to help them evaluate the competitive strengths of a select group of industry clusters and sub-sectors located within Pennsylvania, relative to 22 competitor locations in the U.S. and around the world.

Insights from the competitive analysis provide the state’s political and business leaders with a clearer understanding of the competitive landscape and a framework for formulating effective strategies and making investments.

#### ***Revisit existing programs with perpetual collaboration in mind***

Many public sector programs will need to be refurbished as strategies are aligned with existing realities. The trends underway create possibilities to make important strategy improvements. As governments collaborate with various stakeholders to enhance current programs, they must remember to consider

**Not only are new government solutions required – the six drivers are also creating possibilities for important improvements to existing strategies.**

the combined influences of aspirations and constraints, and how each relates to multiple, concurrent drivers.

### **Changing demographics**

The aging government workforce, for example, will force the broader use of telecommuting, knowledge sharing and knowledge creation. This can keep knowledge in the organization as many baby boomers leave within a short time of period (retiree numbers are expected to climb up to 30 percent in 5 years).<sup>6</sup>

Sample programs within this category are economic vitality for aging citizens, social and financial programs for pensioners, outcomes and values-based healthcare. Strategy modifications should include:

- Increasing focus on wellness to complement health care
- Strengthening entitlement management to avoid misspending
- Improving administrative efficiency to divert resources to service delivery

These possibilities are already leading to ethical debates in many societies regarding issues such as how to ration existing medical services and how to keep healthcare affordable for various age groups.

### **Accelerating globalization**

The pace of globalization will influence economic policies and the need for higher education to compete on a worldwide stage. Communication and cultural compatibility will also be critical to success. Sample programs within this category are primary education for children, immigration control, workforce development, citizenship initiatives, trusted identification systems, privacy of one's personal information and stable financial institutions.

Strategy modifications could include:

- Assessing skills and capabilities versus worldwide peers
- Establishing plans that strengthen the links between industrial and education strategies
- Creating global networks with complementary alliance partners.

### **Rising environmental concerns**

Governments can be leading examples in green IT and create new procurement models and strategic sourcing strategies. Sample programs within this category: a "green agenda," safety of water and food supplies, transportation and congestion management, energy supply and consumption. They will have to lead by example; otherwise, governments will lose credibility fast in this growing area of concern for citizens and corporations all over the world.

Regional economic development and clustering of big cities can lead to the creation and implementation of innovative policy developments within reasonable periods of time and cost. Note the example of the mayors of Stockholm and London, who took the initiative to implement road charging as a way of lowering pollution and congestion, despite resistance from some national government agencies. Local citizens exercised their power on local government, and that success is catching the attention of national governments.

Strategy modifications could include:

- Creating local, regional, national or global objectives and use market forces (for example, exchanges) to achieve them
- Monetizing the cost of environmental impact for inclusion in public and private financial evaluations.

### **Evolving societal relationships**

The interactive nature of today's Internet is a huge leap beyond what previously consisted of passive "surfing" to gain information. The Web has become easier to use as it evolved into what is now broadly described as "Web 2.0." It offers richer user experiences that include the opportunity to collaborate online through the creation of new content and vast opportunities for multi-directional information sharing. In a natural progression, citizens and other constituents increasingly expect this same sort of connectedness when they interact with government.

As a way of enabling government/constituent collaboration using Web 2.0 characteristics, we envision the evolution of "e-government" – which describes governments' successful use of information and communications technologies – into "Government 2.0."<sup>7</sup> Rather than citizen interaction and business transactions based on one-way information transfer, Government 2.0 can better address demands for personalization and connectedness through features that rely on various communication tools including online communities, blogs and other types of social networking.

Sample programs within this category include citizen interactions, self-service and citizen self-responsibility. Strategy modifications are expected to include:

- Evolving government strategies – especially in procurement – to exploit value from engaging or creating networks
- Devoting a measured, protected amount of resource – both people and budget – to foster innovation.

### **Growing threats to social stability and order**

Continuing security breaches will drive investment in secure content management. Sample programs within this category are defense and security, emergency preparedness and response, and strategic intelligence. Since there is no perfect security, governments will need to assess calculated risks to society, such as balancing the need for information with the need to protect privacy, collecting strategic intelligence and sharing it with agencies collaborating on security. The whole issue of privacy versus safety will continue to require thoughtful, vigilant attention.

Strategy modifications will need to include:

- Collaborating with peer organizations to share resources and knowledge at any level of government (departmental, local, regional or national).
- Directing social programs and communication efforts at interdicting the human conditions that can spawn disorder.

### **Expanding impact of technology**

Suitable, responsive policies and strategies to new technologies are vital. Successful economic and political strategies must acknowledge and channel technology. Sample programs include public technology infrastructures and access, the adoption of open standards, government outsourcing and out-tasking, and direct two-way exchange of information between government and the public.

Strategy modifications will need to include:

- Using shared infrastructures and assets (for example, networks or medical equipment) where possible to reduce costs.
- Balancing application of cost-justified technology (such as social program fraud detection) with life-enhancing technology (such as new medical diagnostics) to gain benefit at constant budget.

### **Accessibility – Increasingly important around the globe**

*“A democratic society cannot live peacefully amid systemic exclusion....Courageous policies linking technological change and social reform are necessary.”*  
– Jean-Claude Frajmund, CEO, FreeVergence (Brazil)<sup>8</sup>

Accessibility is growing in importance worldwide, and it has many aspects. Demand is growing for greater inclusion of minorities and the disabled into societies and economies, yet enabling accessibility extends to preventing other types of disenfranchisement as well:

- *Inclusion.* As the number of multicultural communities and non-native language speakers continue to rise, globalized standards are opening the global marketplace. Inclusion is also necessary to provide emergency preparedness and response to all citizens, residents and visitors.
- *Personalization.* This form of accessibility addresses the growing preference for Web-based services, as well as the demand for government services that are available virtually anywhere and anytime.
- *Ease of use.* As the workforce stays on the job longer and becomes increasingly diverse, ease of use remains a key requirement.
- *Productivity.* As technology use expands, it can help address many of governments’ rising costs, create empowered and enabled citizens, and fuel the consumerism of government information and services.

## **Where to start – begin with a self-assessment**

Several critical success factors influence how well a government can innovate to meet the challenges ahead, including:

- Proactive and committed senior leadership
- Citizen-centric, outcome-based objectives
- Effective governance models, including intra-, inter- and extra-organizational perspectives
- Focused, deliberate use of innovation, integration and collaboration
- A dynamic and integrated infrastructure
- Continuing assessment as an ongoing, high-priority role of government
- Governments leading by example.

As part of completing the groundwork to move governments toward achievement of these success factors, the following questions can help:

- How are the six drivers manifesting themselves in your society, and what are the implications for your constituents?
- How will you align your organization and your methods of conducting business to an aging workforce, to mitigate the impact of large numbers of personnel who expect to retire or may seek alternate ways to get work done?
- How satisfied are you with your existing plan to evaluate the options of sharing or outsourcing services in collaboration with other national governments, agencies or private sector entities? Where are the qualified employees today and how can you measure the economic attractiveness of a shared infrastructure?

**Establishing a perpetual collaboration approach is the first step toward helping the public sector meet its wide range of constituent needs.**

- What kinds of security measures will you establish to maintain the privacy of information that is collected as part of providing personalized government services?
- How will you prioritize knowledge sharing as you determine the optimal processes and tools for developing and enacting government strategies? How will you reap the most benefit from reusing intellectual capital, including applying lessons learned to create innovative new products and services?

Starting now, governments must work to simultaneously deal with the effects of the six nearly universal drivers that are reshaping the world. Balancing the impact of these drivers with their own nations' particular aspirations and constraints, each government and society will need to develop suitable strategies. Establishing a framework of perpetual collaboration – multilayered communication in many forms, connecting with entities both within and across country and organizational boundaries – is the best first step to help the public sector meet its wide range of constituent needs.

### **How an effective government will operate in 2020**

Ultimately, one can ask the simple question, "How will we know that governments have implemented the kinds of changes needed to address the consequences of the drivers and public responses?" We believe successful governments will be those that:

- Focus on three core missions: economic prosperity, environmental wellness and a safe world<sup>9</sup>
- Collaborate through transparent approaches that cause governments to gain and retain public trust and, thus, lead to accelerating best practices and collaborative changes<sup>10</sup>

- Lead by example to gain and retain influence, while driving necessary changes in their societies
- Prioritize and execute plans, making choices clear, engaging local political groups to make the choices, with a strong inclination toward protecting human and property rights<sup>11</sup>
- Evaluate and improve actions taken in response to the drivers, implemented at a pace that gives new initiatives a chance to succeed
- Find ways to mix top-down and bottom-up development, and implementation of solutions for problems and desires as a continuous process of collaboration
- Set standards and encourage trends in chosen areas
- Prove they can be accountable, yet hold others to personal responsibility as well.<sup>12</sup>

We live in uncertain times of threats and great opportunities, when mega-drivers are profoundly starting to affect how governments function. There is no second chance for addressing these in a correct way – officials, their constituents and allies together must "get it right" the first time. Engaging large sectors of society in an effective process of perpetual collaboration holds out the greatest hope for success. That calls for facing facts, deciding what to do, and acting now.

To learn more about this IBM Institute for Business Value study, please contact us at [ibv@us.ibm.com](mailto:ibv@us.ibm.com). For a full catalog of our research, visit:

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