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Can information technology transform the future of service delivery?

Information technology (IT) is a powerful tool that can be a liberating force for social security agencies historically bound by paper. Looking back, a lack of IT has shaped the current landscape in social security: siloed product delivery, regional focus, demand for paper-based evidence and a reliance on human decision-making. The result? Processes and products designed for the organization, not for those who need the help. And for the organization, a lot of redundancy and inefficiency has been built in from the start, and grown in layers over time.

Redesigning social security without the organizational, product and process constraints imposed by paper is how information technology can radically transform social security delivery. There are significant risks where this is not done correctly—opening doors for increased fraud or excluding those most in need of help. There are also huge opportunities where the risks are mitigated and the agency is able to rethink the whole delivery of social security.

Caseloads are growing as a result of the "silver tsunami." As the number of pensioners swells, so has demand on social security from those of working age as a long economic downturn has taken effect. Agencies need to drive transformation now in what they offer and how they offer it to avoid increasing strain on their limited resources. Over the next 40 years, the proportion of the world population that is over 60 will double from 11 per cent to 22 per cent. Taking into account population increases, in 2050 there will be almost 2 billion people over the age of 60.[1] In Europe, the number of people over 80 will triple in the same time period. With the baby boom at the end of World War II, more workers than ever in developed countries are now retiring and preparing to tap into the benefits of social security. And this is happening just when the economies are not well placed to support them and when other demographic trends such as unprecedented mobility of labor forces across and within country borders and between employers is challenging old ideas of how to administer social security. With such growing volume and demand, the need for integrated, client-centric services is more acute than ever.

So how can IT transform the future of service delivery? To date, administrators have not used IT to transform how they deliver social security, but to automate the paper processes. This can—and has—delivered improvements in service, but the high performers are taking IT a step further. The future of social security is marked by possibilities for agencies to collaborate with government to tear down siloes and redesign products and processes based on what is needed and effective, rather than what can be offered in a paper-constrained process.

[1] United Nations: 'World Population Ageing 2007', available at http://www.un.org/esa/ population/ publications/WPA2007/ESEnglish.pdf

Out with the paper, in with the possibilities

Social security agencies can do more, and do better for citizens, if they use IT strategically across the enterprise. These are just some of the benefits they can achieve as they build a social security system of the future.

Integration

Integrated IT provides the basis to offer a single-point-of-access service that is efficient and minimizes customers' cost to be served. Agencies that harness the full potential of IT are integrating to completely revamp the way they interact with clients, and the way clients interact with products.

Achieving integration within the social security agency system is complex and will vary greatly from place to place. Even so, most agencies will need to tackle these elements of integration in some manner:

A shared view of customers and their households

Shared information through a central IT system is the foundation of integration. While managing issues of data privacy and data sharing, social security agencies should have a clear view of the customer/household needs and, wherever possible, share that view with other government agencies and even across borders (as the ESSI initiative in Europe demonstrates). In turn, agencies will be better able to develop a clear plan to support customers in a holistic and integrated manner. At a minimum, the shared view should include a view of a household's circumstances and the services it receives. With data in one place, modifications will only need to be made in one place, opportunities for fraud and error are reduced and products can be geared around the holistic needs of the household.

Accenture worked with Norway to launch a pension portal that offers citizens a comprehensive "one-stop" tool that Norwegians will be able to use throughout their lives to plan their pension timeline and benefits. Ultimately, Norway's pension reforms aim to let citizens make informed choices about their pensions and for NAV to provide the correct benefits at the right time, with individuals' needs evaluated quickly and services offered to meet their specific needs.

Complementary—but clearly defined—services

True integration calls for services that are understandable, clearly defined and designed in full consideration of the other products and services with which they may interact. Social security agencies should have a central directory of services mapped to customer needs, along with single points of assessment that can tailor a service mix—whether delivered through online or offline channels or a combination of channels, depending on a customer's accessibility.

With the help of techniques such as intelligent questioning, clients can answer relevant, targeted inquiries that yield information about what products that person needs, and what he or she is entitled to. Through this quick, client-centric "conversation," the agency is equipped to deliver access to an entire mix of services through a single and seamless interaction with the claimant. No longer should claimants be applying for a specific product. How social security agencies define the products and services they offer should not impact the customers. Clients should get the help they genuinely need as diagnosed through an honest discussion of their circumstances, and cases should be shared across agencies to ensure consistent, integrated delivery.

Interaction and data exchange across agencies, and easy-to-use IT services for the customer can yield internal cost savings and improve data quality because information is captured once, and in one place. This integrated view of the customer is the basis for helping agencies serve clients to the best of their ability.

Making integration possible through service-oriented architecture (SOA)

There is growing consensus around the need for SOA to have services accessible to each other. SOA creates an integrated network of capabilities and common rule sets to enable efficiency and flexibility of data. For example, the Accenture Public Service Platform (APSP) is helping public agencies manage a wide array of citizen services in an integrated manner to reduce technology and management costs and improve service delivery. APSP provides a pre-built, pre-tested execution architecture and uses best-of-breed technologies to easily connect a social security agency's SOA applications to reap their benefits faster.

Customization of services

In a paper-based setting, the one-size-fits-all approach allows for minimal customization only. IT enables social security organizations to customize delivery to ensure population segments get the services they need. For example, the healthy baby boomer who simply wants his or her pensions check has very different needs than the elderly widow who wants financial assistance to pay her fuel bill or help settling funeral arrangements and costs.

The availability of data today provides a great opportunity to use analytics. As such, human services IT systems are collecting greater amounts of electronic data and human services organizations can better understand the characteristics and motivations of different client types and quickly tailor their responses. Customer profiling or segmentation enables agencies to design systems that suit the needs of different customer groups, offering automated or self-service systems to the customer groups most likely to use them.

Social security agencies face the challenge of serving the multidimensional disadvantaged—the minority of customers that represents the majority of cost. Forward-thinking agencies will minimize the cost of interaction with other groups and focus on integrating resources for those most in need. Self-service and automation can drive down the cost of routine and transactional work, including application processing, to free resource and staff capacity to focus on value-added work and to target those groups most in need of human interaction. Self-service is best implemented as part of a multi-channel delivery strategy that uses technology to identify the vulnerable as much as to drive down cost for interaction with the self-sufficient. Technology can also support the ebb and flow of customer needs, scaling to meet high demand or low-volume periods.

The UK Department for Work and Pensions (DWP) achieved better integration by working with Accenture to implement a Siebel-based customer account management (CAM) system for more than 4,000 contact center agents. Once DWP and Accenture had integrated legacy systems into the CAM and put the necessary interfaces with other departments in place, the Pension Service was able to view a comprehensive history of each customer's benefits and contributions across departments and systems. This new visibility allowed contact center staff to provide more complete and efficient customer service, with information automatically being sent to local authorities and other government departments, reducing the need to hand customers over to other organizations for different information requests.

Less fraud and waste

Fraud and error represent one of the great challenges for social security agencies. Though different in terms of the behaviors that drive them and the ways in which they manifest, fraud and error are also tightly coupled. Both undermine trust in a system and can reinforce each other. For example, some customers believe that minor deceptions are legitimate "payback" for errors they've experienced. Likewise, high rates of fraud perpetuate a culture of dishonesty where "everyone" is believed to be involved; fraud loses its social stigma and social security as a whole loses its legitimacy.

Social security agencies with an eye toward the future are implementing a holistic strategy that covers prevention, detection, measurement, compliance incentives and effective sanctions. Analytics can help agencies proactively identify patterns of behavior. Agencies can use that information not only to spot fraud, but also to identify those at risk of committing fraud or noncompliance and take appropriate preventive action.

By applying basic rules to the data the agency already holds, it can quickly identify basic inconsistencies. Take it to the next level and analytics can remove the need to manually verify evidence. Agencies will be able to use data already available, such as credit references, to determine if a client truly lives at the home address on file in the social security system. Agencies must back this intelligence system with an effective sanction regime focused on the worst offenders.

Using analytics to identify fraud

By using analytics, forward-thinking social security organizations are preventing, detecting and mitigating transactions where there is error, fraud or abuse. And they are using information gleaned from analytics to significantly reduce operating costs and drive business results. There is a virtuous circle here—the more fraud and error you detect, the better you can be at finding more.

A large social security agency in Europe is using new analytic approaches to tackle fraud and error within the benefits and contributions systems. As part of a wider strategy to combat loss from fraud and error, this agency has implemented a new antifraud model and surrounded it with a new analytics system to identify potential fraud and loss. The agency estimated it could prevent €42 million of fraud during a one-year pilot using the initial risk model defined.

A large US city used analytics to achieve a 55 per cent improvement in identification of business fraud (new, emerging and hidden). A social services agency in another North American region implemented a fraud prevention program that has yielded annual savings of 4 percent on a $2.5 billion income assistance program.

Greater flexibility and transparency

Demographic change is increasing, but legislative change remains a very slow process. There has historically been great reliance on human decision makers. By modelling policy, social security agency leaders can "test" policy changes before they implement them. For example, if we motivate against early retirement, will people truly work longer? Imagine the possibility of IT moving governments to the point where policy can keep pace with social change, or better yet, help drive it. Through more sophisticated analytics and more adaptable IT systems and processes, agencies can work to model proposed changes ahead of implementation to understand potential impacts.

For example, the Norwegian Labour and Welfare Administration (NAV) is collaborating with Accenture on its pension program—a five-year program that is helping NAV prepare for pension reform in Norway and transforming the way pensions are administered with leading public sector practices. The number of pension recipients in Norway will increase dramatically from 22 per cent of the population today to approximately 40 per cent in 2050. Accenture helped to implement a pension forecasting service that lets people see their state pension alongside a forecast of what they will get from private pension schemes (with their employer, for example). Showing people what they will have in retirement at an age when they still have time to make more, private provision is key to easing the burden on the state and incentivizing the right behaviors.

Allowing flexibility through business rules management systems

Business rules management systems (BRMS) help organizations cut through the current complexity involved in legislative change. BRMS enable dynamic policy and help move organizations away from silos. Business and IT sides of an agency must work closely on keeping rules management flexible and configurable. In this way, when legislation changes take effect, systems and services can adjust quickly and with confidence that the system rules correctly implement the legislation.

Pursuing new channels to customers

Today's digital world offers tremendous opportunity to reach social security customers in new ways. Even channels like mobile are becoming a greater focus and presenting new possibilities as the consumers of social security services are now more IT-literate as they reach older age. Some social security information can be sent via mobile services, ultimately saving agencies money, making processes more efficient and providing better customer service.

Other evolving trends include:

Social-driven IT – Social security agencies have the opportunity to capture, measure, analyze and exploit social interactions in new ways. Looking toward the future, agencies can use this social data about how their customers and other stakeholders might want to interact with their services to replicate change across many processes, many systems and many interactions.

Context-based services – Technology now enables rapid aggregation of data from multiple sources and delivers new insights that can give users much more immersive and valuable experiences. In a social security context, agencies could tailor the capabilities or services they deliver, based on where the customer is in his or her retirement journey.

PaaS-enabled agility – Platform-as-a-Service (PaaS) offerings—defined as platforms sourced from and hosted by a service provider that handles the platform's maintenance, evolution and operation—give social security agencies greater agility. By providing the organization with a technical base to design systems that permit the rapid reassembly of processes to suit new business needs, IT essentially enables the organization to launch and learn from quick, low-cost experiments. It becomes possible to quickly introduce new services to meet customers' rapidly evolving needs.

Toward a future of possibilities

The system we have today was bound by paper processes and designed in a delivery- and information-constrained environment. So how can IT liberate information to equip agencies to transform based on customer needs?

Integrated IT systems that support a holistic view of the customer can provide the basis for tailored and transparent services from agencies. Central IT systems allow for one-stop-shop services through a variety of access channels including self- service, mobile and customer service centers.

Furthermore, with the help of tools such as analytics, agencies can identify the right set of incentives or sanctions, and also the products or programs to focus on to ensure that citizens are getting all that they need.

In sum, we recognize that IT is not about simply automating current processes or just reducing cost. Social security agencies should use IT as a key enabler to rethink how social security can and should be delivered and consumed.

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About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 246,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$25.5 billion for the fiscal year ended Aug. 31, 2011. Its home page is www.accenture.com.

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