

### **Millenials: The Digital Generation**

### Percent of American 14-21 year olds who use \_\_\_\_ almost every day or several times a day

Internet	86
Personal computer/laptop	77
E-mail	78
Instant messaging service	58
Cell phone	51
Cell phone text messaging	19
Online multiplayer games	18

Source: IFTF/Deloitte Youth Survey, 2003

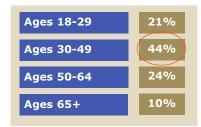
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### **Younger VS Older**

ONLINE ACTIVITIES	YOUNG (AGES 18-29) INTERNET USERS	30 +
Research for school or job training	76%	48%
Use instant messaging	59%	33%
Listen to music online	53%	27%
Look up sports information	51%	37%
Look for information about a place to live	43%	27%
Download music files	28%	11%
Share files from my computer	27%	17%
Log on using a wireless device	26%	13%
Using dating Web sites	16%	5%

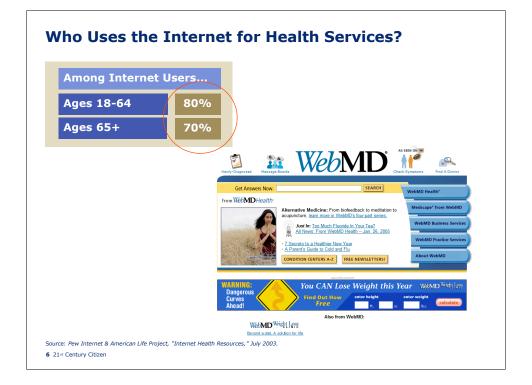
Source: Pew Internet & American Life Project, "Internet: The Mainstreaming of Online Life," January 2005.

#### **Who Contacts Government?**





Source: Pew Internet & American Life Project, "How American Get in Touch with Government", May 2004.



### Tax Agencies: Off to a Good Start...

In 2005, for the first time, more than half of all taxpayers filed electronically with the IRS.





	2004	2005	% Change
E-filing receipts			
TOTAL	59,576,000	65,961,000	10.7
TeleFile	3,755,000	3,280,000	-12.6
Computer	55,829,000	62,681,000	12.3
Tax Professionals	41,612,000	46,013,000	10.6
Self-prepared	14,209,000	16,668,000	17.3

Source: IRS News, "2005 Tax Filing Season Sets Records," April 28, 2005. **7** 21: Century Citizen

### **But a More Fundamental Transformation is Required...**



### From Industrial Age to Information Age Government

Era	Government 1.0	• Government 2.0
Structure	Hierarchical (Vertical)	<ul><li>Networked (Horizontal)</li></ul>
Operating Model	Siloed	• Joined-up
	Agency-Centered	Citizen-Centered
Service Delivery	One-size-fits-all	<ul> <li>Personalized</li> </ul>
	<ul> <li>Monopoly</li> </ul>	• Choice-Based
	• Mon-Fri, 9-5	• 24/7/365
Visibility	• Closed	Transparent
Involvement	Spectator	Participatory

### What do all these organizations have in common?



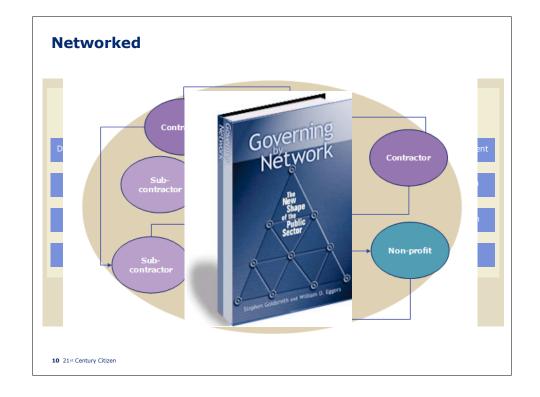


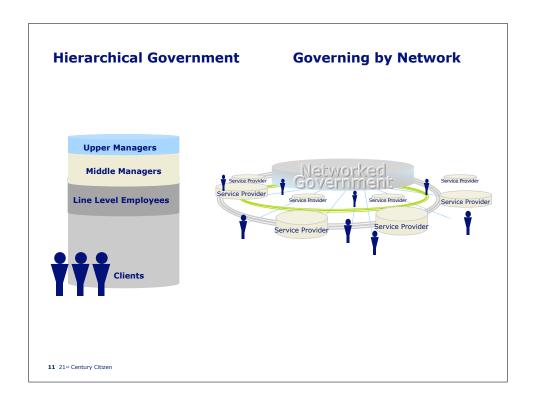










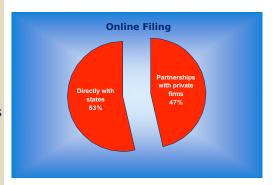


### Trends driving government by network

- 1 Outsourcing/Public-Private Partnerships
- 2 Joined Up Government
  - Dismantling the stovepipes, sharing information and integrating service delivery
- 3 Technological Advances
  - Modern technologies have dramatically reduced the costs of collaboration and partnering
- 4 Consumer Demand
  - Increased citizen demand for more control over their own lives and more choices from government services

## Functions commonly contracted out by revenue agencies

- Electronic filing
- Collections activities
- Processing
- Tax discovery systems
- IT implementation projects

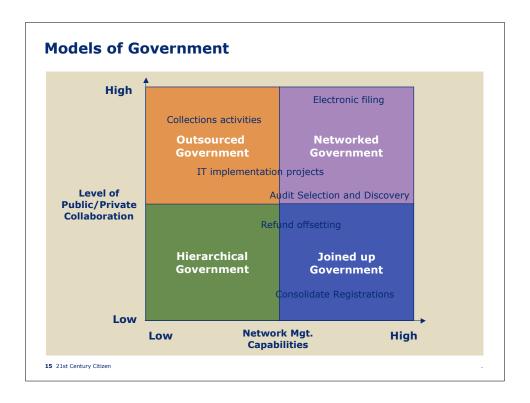


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### Joined up government

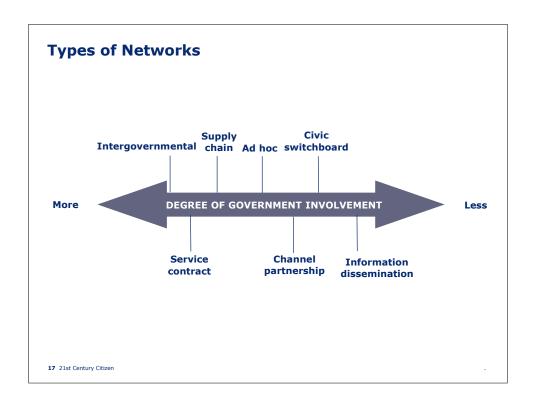
- Australia's "Centrelink" program draws together under one roof a variety of social services from eight different federal departments to offer "one-stop shopping" of services for citizens.
- Oregon's "No Wrong Door" initiative operates on the principle that citizens seeking state-level human services should be able to access help from the first point of government contact – regardless of which agency they contact.
- New Brunswick's Service New Brunswick joins together dozens of agencies to provide multi-channel, one stop shopping for a variety of government transactions.

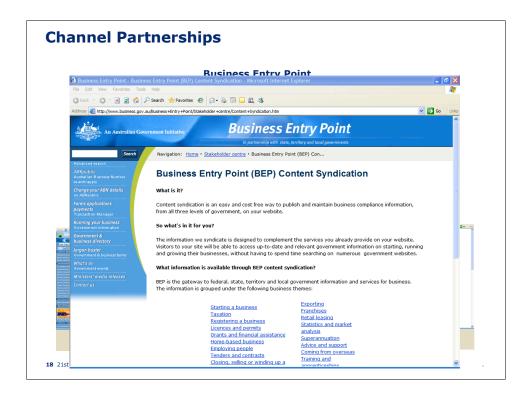




# Factors Determining Government's Choice of a Governance Model

Factors Favoring Network Model	Factors Favoring Hierarchical model
Flexibility required	Stability preferred
Differentiated response needed	Uniform, rule-driven, response needed
Diverse skills required	Single professional skill utilized
Many applicable private players	Government predominant provider
Outcome or outputs clear	Outcome ambiguous
Private sector fills skill gap	Government has necessary experience
Leveraging private assets critical	Outside capacity not important
Partners have greater reach or credibility	Government experienced with citizens in this area
Multiple services touch same customer	Service is relatively stand alone
Third parties can deliver service/achieve goal at lower cost than government	In-house delivery is more economical
Rapidly changing technology	Service not effected by changing technology
Multiple levels of service provision	Single level of service provision
Multiple agencies use/need similar functions	Single agency uses/needs similar functions





### **Networked Governance isn't easy to get right**



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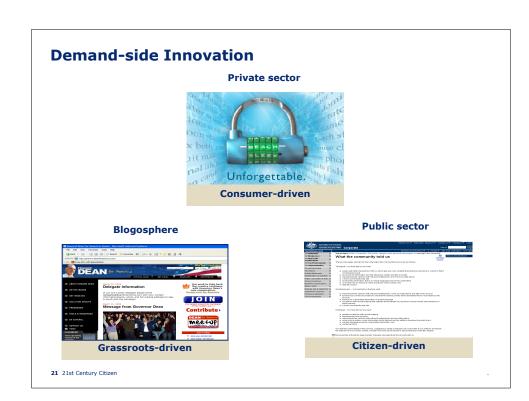
### **Implementing Managing by Network**

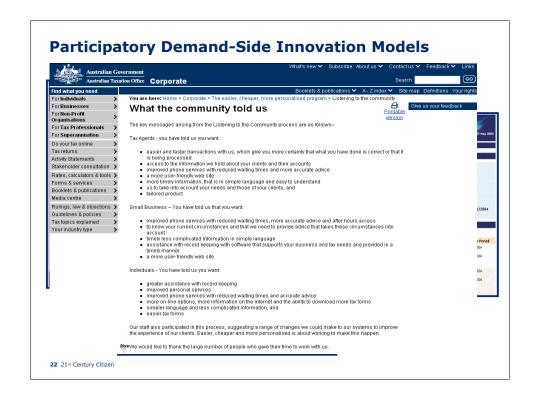
Designing the Network

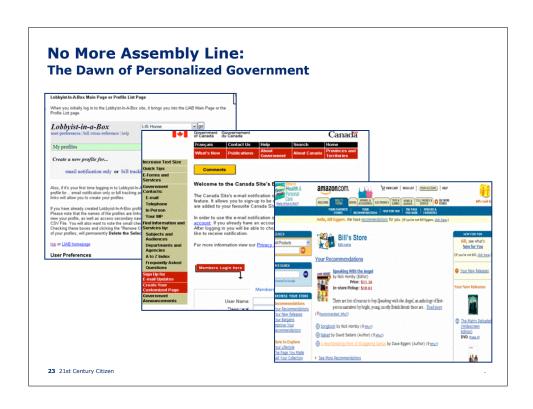
**Integrating the Network** 

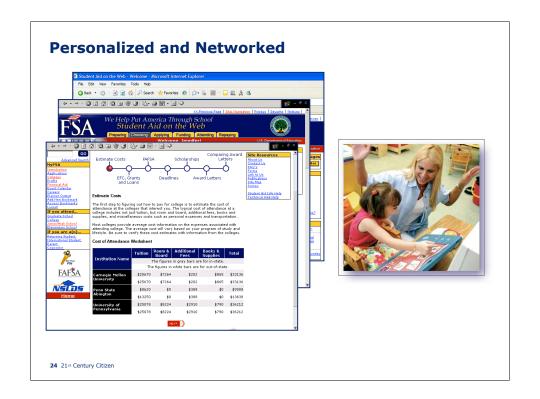
Getting Results/Ensuring Accountability

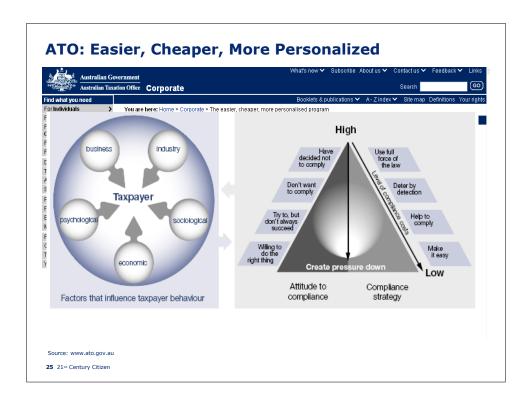
Building Capacity for Network Governance (Human Capital

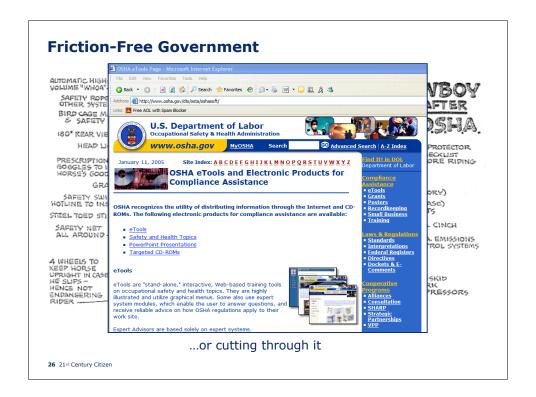












# **Human Capital Capabilities Needed for 21<sup>st</sup> Century Governance**

Position	Hierarchical Responsibilities	Network Governance Responsibilities
CEO/Elected/ Cabinet Official	Allocate Resources     Explain to External     Stakeholders	Maximize public value     Identify core government values and talents
COO/ Director	Protect boss     Limit downstream discretion and mistakes	<ul><li>Develop and manage relationships and strategy</li><li>Understand customer needs</li></ul>
Manager	• Enforce Rules • Monitor Inputs	<ul><li>Relationship Manager</li><li>Project Manager</li></ul>
Line Worker	Follow rules	Solve customer problems
Procurement Officer	Prescribe rules     Enforce impersonal tight processes	<ul><li>Negotiate</li><li>Solicit and incorporate best ideas</li><li>Contract for outside advice</li></ul>

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### Transformation will require a change in thinking...

"People are very open minded about new things. As long as they are exactly like the old ones."

- Charles Kettering



# For Further Information...

Bill Eggers
weggers@deloitte.com 202-378-5292

www.governingbynetwork.com

www. http://www.manhattan-institute.org/government2.0