



ALVAREZ & MARSAL
FEDERAL

Customer Experience in Federal Government: What Drives Enhanced Public Service Delivery?

The government's focus on CX is a strategic investment aimed at improving services and fostering trust. It recognizes that citizens should be treated as valued customers.

In today's digital age, the federal government has made customer experience (CX) an essential element of public service delivery. CX comprises the entire customer journey from customer acquisition to provisioning and retention. This includes creating a 360-degree view of the customer across multiple channels and platforms, with knowledge management, predictive and real-time insights, and a feedback loop to enhance CX. The government's focus on CX (and associated technologies) is a strategic investment. It reflects a broader shift toward **citizen-centric governance**, aimed at **improving services, fostering trust** and creating a cohesive strategy that uses best practices to integrate digital design, technology and customer support functions. The current administration has built upon previous progress by adopting CX practices and making a strong commitment to creating a more responsive, accountable, and citizen-centric government by encouraging agencies to listen to and address the needs and expectations of the American people. Federal agencies understand the importance of CX and are actively transforming their approaches, particularly to reach historically underserved individuals and communities. This shift in focus is not merely cosmetic; it represents **a fundamental change in the way agencies operate, placing the citizens at the center.**

The shift to focusing on CX—placing citizens at the center—represents a fundamental change in the way federal agencies operate.

The significance of CX in government operations has grown significantly, driven by the recognition that **citizens should be treated as valued customers**, not just recipients of services. In an era where people expect seamless, user-friendly digital experiences, these same expectations extend to interactions with government agencies, ensuring inclusivity and accessibility for everyone. Strong technology enablement is critical for creating customer experiences that drive value for the government. IT leaders need to take a proactive approach to developing a strong portfolio of customer interaction applications that are in lockstep with the needs of their users, incorporating the **voice of the customer** into this strategy. When developing a digital CX strategy, government agencies have been trying to move the needle forward by providing capabilities for customer intelligence, omnichannel interactions and predictive analytics while rationalizing spending on key contracts and initiatives to achieve the expected CX goals and outcomes.

Strong technology enablement incorporating the voice of the customer is critical for creating customer experiences that drive value for the government.

Driving Change in Government Through CX

Taking the lead from the **President's Management Agenda**, most agencies have made CX a key part of their strategic plans and have begun to integrate these plans into their operations. One of the driving forces behind this is Executive Order 14058 on Improving the Federal Customer Experience, issued by President Biden in late 2021.

Executive Order 14058 (E.O.) directs federal agencies to take comprehensive steps to improve customer experiences and service delivery. Agencies must use **human-centered design principles, infuse CX practices into internal processes, establish customer feedback mechanisms and use data-driven decision-making** to eliminate inefficiencies, increase accessibility for hard-to-reach communities and enhance the overall customer experience.

Executive Order 14058 directs federal agencies to take comprehensive steps to improve CX and service delivery, approached through the life events of citizens.

The Executive Branch has also designated 17 federal agencies as High Impact Service Providers (HISP), including the Departments of Education, Veterans Affairs and the Social Security Administration. These HISPs provide the most high-impact customer services and must aim to modernize programs, reduce administrative burdens and pilot new online tools and technologies.

17 federal agencies designated as High Impact Service Providers, including Depts. of Ed., VA and SSA, must modernize programs, reduce administrative burdens and pilot new online tools and technologies.

Importantly, the government is on the cusp of a more subtle structural change as a result of this E.O. By categorizing its approach based on life events experienced by Americans rather than agency statutory boundaries, this E.O. places citizens at the center and encourages agencies to **collaborate, share data and design new tools and technologies from the customer's perspective, not their own**. This is one of the most significant shifts in decades in how the federal government works to meet the needs of Americans.

Key Components of the Current Federal CX Initiative

The federal CX initiative includes several key themes designed to create a citizen-centric government:



1. Soliciting and Utilizing Customer Feedback: Agencies are encouraged to actively seek and use feedback from citizens to identify areas for improvement. The goal is to listen to the voices of those interacting with government services and tailor offerings accordingly.



2. Embracing Data-Driven Decision-Making: The CX initiative places a strong focus on data analytics to understand how citizens engage with government services. By leveraging data, agencies can make informed decisions and optimize service delivery.



3. Creating Service Standards and Metrics: Setting specific service standards, Key Performance Indicators (KPI's) and metrics ensure accountability. Federal agencies must establish clear expectations for service delivery and communicate those expectations openly, making it easier for citizens to gauge the quality of services.



4. Encouraging Collaboration and Sharing Best Practices: The federal administration encourages collaboration among agencies to share best practices of successful CX strategies, and the current CX effort is no exception. This cooperative approach should accelerate the adoption of a holistic, government-wide effort to prioritize CX.

An Example of Progress on Federal CX

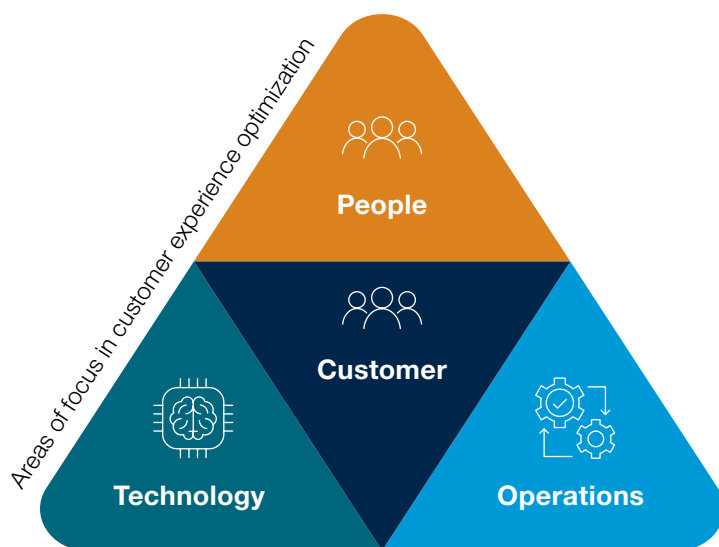
As one of the designated HISPs, the Department of Veterans Affairs (VA) has already taken steps towards adopting and applying the best practices of customer experience (CX) from government and industry to the delivery of quality care, benefits and services for Veterans and their families by creating the **Veterans Experience Office (VEO)**. The VEO applies best practices of data, tools, technology, and engagement to provide CX insights and services and embed the “voice of the Veteran” into all policy, planning, programs, and practices to improve the Veteran experience. The VEO continues to be instrumental in streamlining services and implementing tailored programs by **engaging Veterans directly in the decision-making process** to earn their trust, and give them every reason to choose the VA.

With CX data grounded in **human-centered design, customer journey maps and real-time customer feedback via a digital survey platform**, the VEO is prioritizing the end-user to build and deliver tools and products that increase targeted, accessible services. These efforts, along with the use of technology solutions and engagement strategies, will create **a more unified customer experience for the Veterans**.

Alvarez & Marsal's Approach to CX in Government

At A&M, we focus on **fast-acting, results-driven implementation** to support our clients. This approach, along with the capabilities of our Federal and A&MPLIFY practice, shapes how A&M tackles the challenges of incorporating CX into public service delivery. We believe it is critical to engage with end-users to understand their needs for digital CX.

A&M Federal assists both civilian and defense agencies with transformation to **improve readiness and operations, and to optimize the capability of organizational assets**. Our professionals have extensive experience in strategic planning, organizational redesign and technology modernization. The solutions we provide to federal agencies are influenced by our understanding of the **importance of a people-centric approach** and the nuances of working with and for the government.



Solution Areas

- Customer Strategy
- Channel Strategy
- Organizational Transformation
- Customer Satisfaction Management
- Organizational Structure
- Change Management
- Staffing and Workforce Management
- Training Optimization
- Performance Management
- Technology Optimization and Modernization
- Reporting
- Contact Center Strategy
- Supply Chain

Figure 1 – Key CX Solution Areas for Federal Government

A&MPLIFY, which leads A&M's CX and Digital Transformation unit, combines the power of experience design, artificial intelligence, and technology to create digital solutions for clients across industries. The team utilizes a **data-driven approach** to establish tailored accelerators and programs to help organizations **achieve sustainable value at speed and scale**. One of A&MPLIFY's key CX offerings, experience optimization, helps organizations to identify pain points and create **actionable solutions to improve the digital experience**.

A&MPLIFY Experience Optimization Process



1. Experience Model

Perform high-level outside-in assessment against our **digital experience model** to **identify opportunity spaces**



2. Data Deep Dive

Dive into real user data for an inside-out view that informs **hypotheses, drives insights and validates opportunity spaces**



3. Experience Opportunities

Design **actionable experiences and high-yield recommendations** pinpointed across the digital conversion funnel



4. Backlog Prioritization

Prioritize opportunities in a roadmap with **business cases, ROI estimates, user stories, acceptance criteria and KPIs**



5. Deliverables

- ✓ Experience Optimization Opportunities and Economic Impact
- ✓ Experience Optimization Roadmap
- ✓ UX Competitive Insights and Benchmarks

Figure 2 – How Government Agencies can improve their CX strategy

At a high level, our CX offering helps organizations embrace digital CX by:

- Mapping **customer journeys**, needs and pain points for key departments
- Defining **customer value proposition**, competitive differentiation and competitive positioning
- Developing strategies and investment plans for **modern data platforms**
- Establishing formal **CX metrics and reporting tools**
- Creating **CX functions and centralized capabilities** within organizations
- Developing strategies to **organize customer operations in line with customer journey**
- Establishing **CX standards** across governance touchpoints within organizations and personnel
- Implementing **experience-oriented delivery models** with cross-functional teams to improve overall processes
- Gathering data to validate value and shape future **digital roadmaps**
- Creating **innovation blueprints** for organization wide operations

Together, the Federal and A&MPLIFY practice is helping the government with solutions to improve technology so that it can be leveraged to streamline both public-facing and internal processes using service design and the delivery of digital products. The **close integration of capabilities** is needed to **innovate, automate and create the superior digital customer experience** that the federal government desires.



Looking Ahead

New executive leaders are expected to “hit the ground running.” In doing so, they often will make assumptions about the agency, its customer and the business need. Innovation-led organizations are quickly adopting agile approaches to managing their business based on hypotheses built from end-user feedback to drive results. Agile is based on the idea in which informed hypotheses are created, user input is captured, ideas are prototyped and tested, and solutions are evolved based on key outcomes and impact.

A&M’s approach to CX is Agile, creating informed hypotheses, capturing user input, prototyping and testing ideas, and producing solutions based on key outcomes and impact.

As the government looks to continuously ramp up the digital CX experience, it will require experts who can innovate, incorporate integrated technologies, and prioritize agile implementation. While progress has been made toward integrating CX into the federal government’s service delivery, **support from the private sector is essential to making enhanced CX a reality** across agencies and citizen experiences.

Key Contacts:



Aptta Bhutto

Senior Director

abhutto@alvarezandmarsal.com



David Shulkin

Senior Advisor

dshulkin@alvarezandmarsal.com



Stephanie Garcia

Managing Director

stephanie.garcia@alvarezandmarsal.com

ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) for leadership, action and results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services. When conventional approaches are not enough to create transformation and drive change, clients seek our deep expertise and ability to deliver practical solutions to their unique problems.

With over 9,000 people providing services across six continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, leverage A&M’s restructuring heritage to help companies act decisively, catapult growth and accelerate results. We are experienced operators, world-class consultants, former regulators and industry authorities with a shared commitment to telling clients what’s really needed for turning change into a strategic business asset, managing risk and unlocking value at every stage of growth.

Follow A&M on:



© 2024 Alvarez & Marsal Holdings, LLC.
All Rights Reserved. 436120

To learn more, visit: [AlvarezandMarsal.com](https://www.alvarezandmarsal.com)