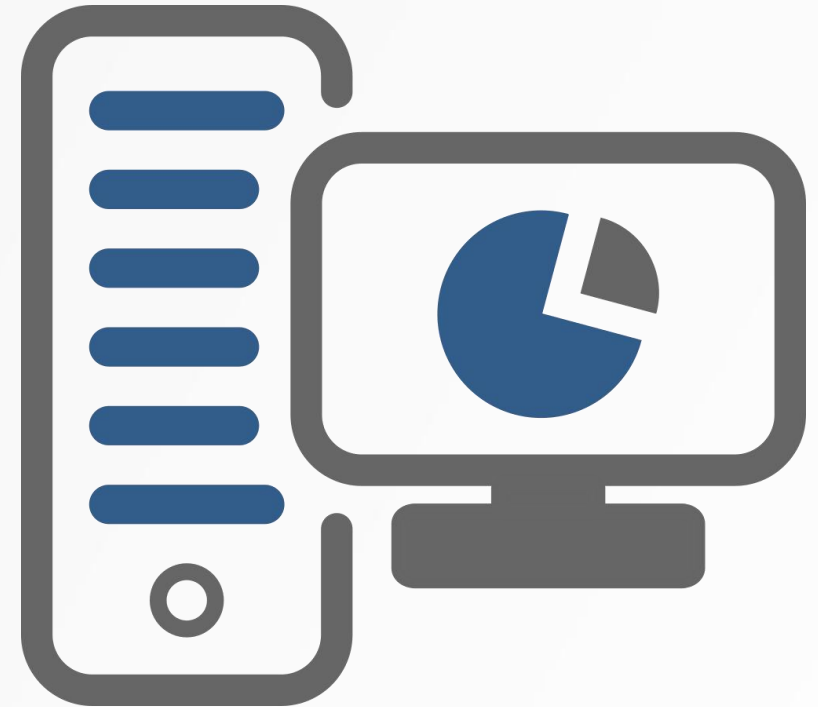


The challenges and obstacles towards PES digitalisation and differentiation

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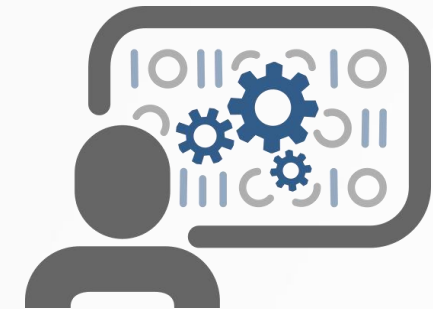
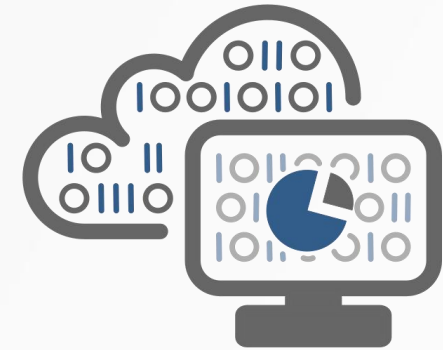
Content

- Digitalisation in the Context of PES
 - Technological Developments
 - Adoption & Usage
 - PES & Digitalisation
- Differentiation
 - Profiling
- Challenges & Obstacles



Digitalisation | Technological Developments

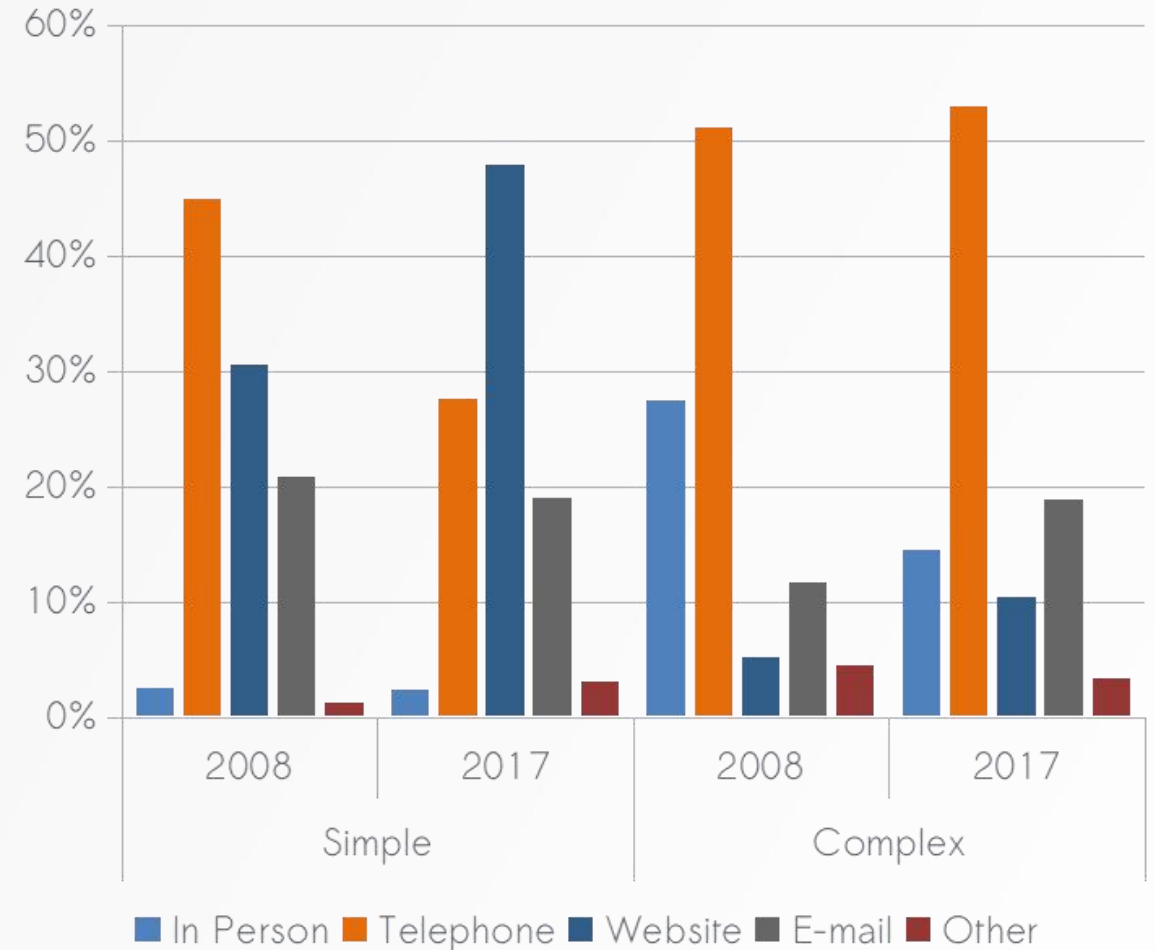
- Big Data driven advanced analytics
 - Realisation that available data can be used to a) improve customer satisfaction, b) improve efficiency, c) increase effectiveness.
- Automation of processes and services
 - Processes: automated profiling & matching,
 - Services: 'bots' (chat & conversational)
- New channels
 - E.g. virtual & augmented reality



Digitalisation | Adoption

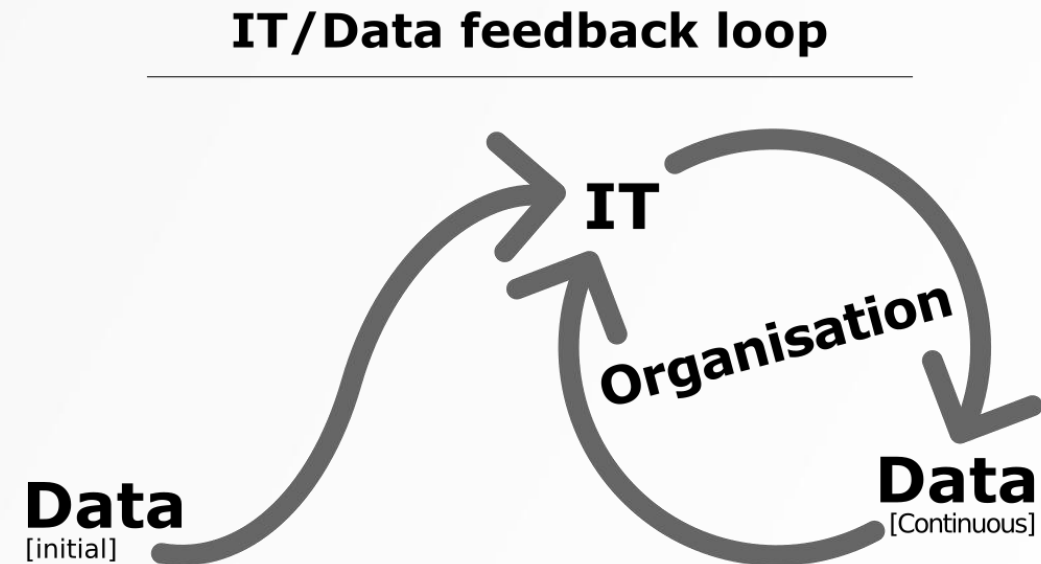
- Internet (& smart phone) adoption is nearing saturation levels (in digitally advanced countries)
- Most citizens use and prefer digital channels.
- However:
 - Substantial fraction of people without internet access.
 - Substantial fraction of people with internet access lack digital skills.
 - Even 'digital users' use multiple channels.

Digitalisation from the customer perspective remains limited and calls for integrated multi/omni channel approaches.



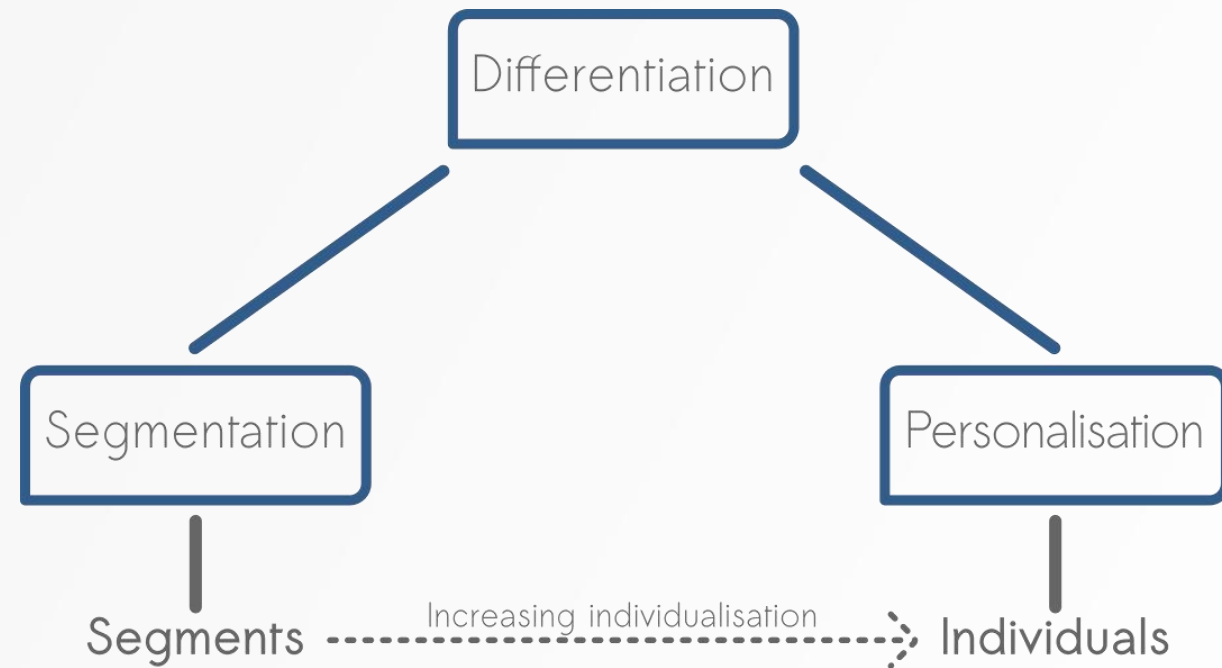
Digitalisation | PES Developments

- In general: digitalisation of services, 4 broader 'trends'
 1. Service/data integration with other (gov't) organisations:
 - ✓ Shared service infrastructures (e.g. portals)
 - ✓ IT infrastructures (e.g. e-ids)
 - ✓ Data infrastructures (e.g. "X-roads")
 2. Vertical integration of processes and services
 3. Mobile & Social
 4. Growing importance of data (e.g. as driver of innovation)



Differentiation

- The combination of:
 1. realisation that customers are different
 2. growing availability of data as a basis for differentiation
 3. increasing sophistication of analytics/technologies
 create new opportunities for differentiated approaches.



Differentiation | Profiling

- Most common applications:
 - Profiling → Individual Action Plan (IAP)
 - Often resulting in different groups
 - Often in conjunction with caseworker
 - Vacancy Matching
 - In conjunction with profiling
 - Based on differences on key variables

Challenges & Obstacles

- Integration:
 - Data integration
 - IT integration
 - Process integration
 - Organisational integration (silos)
- Change (and resistance)
 - Impetus for change
 - Resistance mitigation through involvement & training

Key Considerations

- Role of technology increases, developments going fast(er)
 - How to deal with this (e.g. create a flexible organisation)?
 - Which technologies to choose and how (e.g. role of experimentation)?
- While most customers embrace new technologies, substantial groups are (increasingly) lagging
 - Need for sophisticated channel strategies and strategies of dealing with fragmented customer groups.
- Differentiation creates opportunities, but current applications are limited
 - More integrated approaches are needed
 - Differentiation should be targeting entire customer journey

Key Considerations

- Technical advances potentially make differentiation better and easier, but are not widely deployed (yet)
 - Focus on data & newer technologies
- Integration is a key challenge
 - PES should start planning for changes in the organisation to tackle the obstacles resulting from the need for integration.
 - Clear incentives for changes and strong leadership are needed in order for these changes to be successful.
- Staff roles change, involvement key to reduce resistance
 - PES need to be constantly aware of the (evolving) role of their employees
 - Involvement key to reducing resistance

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