



# Governments need to innovate to deliver relevant services

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**Citizens expect tax-funded services to be as easy and useful as the best consumer experiences. To make this possible, government agencies need to transform their mindset, as well as their technology, according to experts in entrepreneurship and psychology, who share steps for success.**

Consumers expect remarkable service. For example, even coffee shops provide a full experience around the purchase. Governments who want to stay relevant and accessible need to innovate their operations to provide a more seamless citizen experience. Most agencies are at different stages of leveraging technology that can help them modernize.

***“An experience is not just a buzzword that we all like to use,”*** says [Dr Liraz Margalit](#), a digital behavior psychologist based in Israel, ***“The rules of the game have changed, and we must understand what it means to play in a world of digital experiences.”***

Israel is home to technologically advanced startups in the private sector. Now, through an initiative known as [Nimbus](#), the government aims to modernize services by establishing the same technology that private enterprises use to deliver best-in-class enterprises. Amazon Web Services (AWS) and Google won the contract in April 2021.

Governments like Israel’s can learn from private sector innovations. For example, Margalit’s research into customer satisfaction found that the experience is also important—not technological improvement alone. She found that innovations such as a new entertainment system at British Airways did not create a wow response from customers. However, they did notice when flight attendants did not smile at them when they boarded the plane. The attendant who held a mother’s baby so she could rest for two hours won the mother’s lifetime loyalty.

One of the best ways to get a wow from customers is to think about them with empathy, according to Margalit. ***“People don’t buy products, people don’t buy services, and they sure don’t buy technologies. People buy one thing: experiences. Customers will remember the good or bad encounters, not the average ones. Although this is hard, don’t give your customers anything less than the best and most memorable experience you can.”***

Governments like Singapore’s have re-imagined their approach to citizens. There, the government is reforming citizen services using what it calls a [Moments of Life](#) approach. Chief digital officer Chan Cheow Hoe describes how their goal is to make interactions with government services frictionless, and even enjoyable, in this AWS Institute *Transformation Essentials* short film, [User First](#). He says that this is only possible because of the government’s adoption of cloud technology. Singapore has committed to move 70 percent of its operations to the cloud. In Australia, the Queensland state government is realizing the benefits of designing modernization programs with the user need at the center. Chief digital officer Chris Goh explains how in this short film, [Design Thinking](#). In Argentina, the government’s goal is to give its citizens the same sort of experience through the national digital identity platform, [miArgentina](#), as they would get with commercial banks, and in India the government’s national digital identity scheme, [Aadhaar](#), has more than 1bn citizens accessing a range of public services through their mobile phones. Digital identity schemes all over the world are accelerating government transformation, as reported in [Digital Identity: The opportunity for government](#).

[Dr Yossi Maaravi](#), dean of the Adelson School of Entrepreneurship at Reichman University, also linked customer experience to success. For example, McDonald’s, the global fast-food chain, reimagined waiting times. Waiting is a customer pain point, and cutting it is part of the reason for taxi firms Uber and Lyft’s disruptive impact. Maaravi argues that these enterprises succeed because they switch out of a “restrictive mindset...when managers prevent innovation perhaps because they are used to relying on what has worked before.” His list of barriers that government leaders can look out for also features:

1. Lack of strategy—innovation as a “lip service.” Sometimes companies have a hackathon or a lecture about innovation, but it is not implemented strategically

2. Lack of supporting structures, processes, or budget to support innovation
3. Lack of customer and market understanding—the organizations do not focus on the customer, unlike startups, which are typically focused on putting the customer first
4. Over focus on technology—thinking that all the innovation will come from that, often under-estimating the impact of organizational culture or the right leadership
5. Over-focus on innovation from within (NIH—the Not Invented Here syndrome)—thinking innovation will come from within, preventing innovation from the outside

***“Allow outside innovation to enter your organization, which will help you cure Not Invented Here Syndrome”***

Maaravi explains.

He offers five pieces of advice.

1. Prepare the ground for innovation at the individual and group levels. Remember that it must originate at the top, and that all managers should speak the language and adjust their management methods to support it. It may seem unnatural to them, since most managers are used to providing their employees with a familiar and safe environment, and innovation is challenging because a new territory is being explored. To overcome this, managers must provide certainty within the innovation process.
2. Bureaucracy is a barrier to innovation, and even though you can't get rid of it completely, you should reduce it and make it serve innovation, not the other way around.
3. At the organization level, you might need to change its strategy and include innovation in its DNA, even by adding it to the mission statement.
4. You must also develop organizational structures to bring innovation to your organization. To lead this strategy, you can create a venture board that includes every key player—the CEO, VPs, and people from outside of the company with different perspectives (possibly preventing the company from repeating past mistakes).
5. Use what works for others—borrow from the startup organizations who identify the problem; generate ideas; develop a prototype to deliver the best ideas; take it to market.

A good example of this last point is the [UK Digital Marketplace](#). This took about two years to set up, and it provided a blueprint for other governments, such as Australia and Canada who adapted and established their versions in a matter of weeks. This AWS Institute blog explains how [governments can use open source solutions to accelerate modernization programs](#).

**Dr. Maaravi and Dr. Margalit shared their insights with senior leaders at a Reichman University and [AWS Institute Executive Education program](#). Public sector senior executives and operational leaders can find out how governments around the world are transforming services by [visiting The AWS Institute](#).**