Using GenAI as a transformation accelerator

Thinking beyond the tool chain

Unlike any other technology in recent memory, generative artificial intelligence (GenAI) seemingly appeared out of the blue, going from obscurity to media sensation in the blink of an eye.

Many CIOs or agency leaders within government or institutions of higher learning now find themselves under pressure from every corner of the organization, from below and from above, to implement this amazing new technology. It's not unusual, therefore, for us to encounter a CIO or agency leader who's already overwhelmed with multiple multiyear transformation projects whose reaction to GenAI is, "oh boy, yet another thing to add to the already too-long list of things we've got to do."

It's an understandable reaction. But we'd argue that this technology is different. GenAI is a transformation accelerator. Instead of yet another thing to add to your to-do list, GenAI can help you get the things on that list done better, faster, cheaper, or more effectively.

GenAI is not merely an incremental upgrade, but a major leap forward in approaches to problem-solving, decision-making, and service delivery, especially in the realm of government, where the stakes are high and the challenges complex. It's a profoundly impactful technology that can help accelerate your organization's journey towards its goals and revolutionize the way you serve your constituents.

We don't want to get caught up in GenAI hype and oversell its capabilities, but we don't want to undersell it, either. GenAI won't replace your existing employees, systems, or processes, but it can augment and enhance them in remarkable ways. It may not be the sole driver of your organization's transformation, but it should at least be in the car.

Why modern government is important

Government agencies in the US must modernize in order to keep up with changing user needs, regulations, and health and public safety requirements. Leaders of modern governments rethink business processes and service delivery models to more effectively achieve their mission. This article is one of a series that features how modernizing affects the government workforce and the user experience, improves security and public trust, and accelerates the digital journey. KPMG team members offer insights intended to help guide governments in their modernization efforts to encompass all processes, technologies, policies, and the workforce so each works together to create connected, powered, and trusted organizations.

Where GenAI can help

There are numerous examples of how GenAI can help to accelerate your transformation efforts.

GenAI can help at the initial phases of a project, to identify stakeholders, gather input, and make that input readily accessible to decision-makers, designers, and developers. It can help developers not only speed code development but also more readily access code specifications and design requirements that otherwise may be buried in volumes of documents. A significant portion—perhaps 25 to 30 percent—of reimagining a user interface can be automated using GenAI.

GenAI can play a crucial role in gathering and analyzing constituent feedback and sentiment data from various sources, such as social media, online forums, surveys, and customer service interactions. By leveraging natural language processing, sentiment analysis, and data synthesis capabilities, GenAI can automatically extract insights and identify patterns that would be difficult or time-consuming for humans to uncover manually. It can effectively help gather, understand, and act upon constituent feedback, ultimately leading to improved service quality, increased constituent satisfaction, and more efficient use of resources in the service transformation process.

GenAI can help synthesize extensive research and data swiftly, providing government officials with more precise, actionable insights for informed policy-making. This capability can significantly enhance policy formulation efficiency, leading to more effective governance and innovative solutions for complex societal challenges. By integrating and contextualizing information from various sources, GenAI may offer nuanced and comprehensive analyses, enabling timely and evidence-based decisions.

GenAI can be leveraged to customize comprehensive training programs and curricula to address specific workforce needs, promoting effective reskilling. This targeted approach can help to accelerate workforce development, equipping employees with essential skills to meet evolving demands, thereby enhancing overall productivity and competitive capability of government agencies. By analyzing labor market trends and skill gaps, GenAI can deliver more tailored learning experiences, helping to ensure that the workforce remains adaptive and future-ready.

GenAI is not a replacement for your workforce but a powerful tool to complement and enhance human capabilities. It can help address skill gaps, allowing your personnel to focus their time and attention on critical tasks that require human expertise, creativity, and judgment. For agencies managing an aging workforce and the challenge of maintaining legacy systems, GenAI can significantly broaden the spectrum of employees who can contribute to these essential functions.

Consider, too, that one of the more powerful aspects of GenAI is its ability to democratize AI, to move AI out of the realm of data scientists and technical experts and into the hands of "regular" people. That means that it's never been so easy for so many people to work on transformation. Engaging people with domain-specific expertise and "spreading the load" away from IT alone can be of tremendous value. Simply using GenAI to take minutes of a meeting, for example, might save time for project managers or scrum masters, enabling them to focus more on execution and address blockers and dependencies.

By automating routine tasks and generating valuable insights, GenAI can make technical knowledge accessible to a wider range of staff. This, in turn, can help improve operational continuity, resilience, and efficiency, while empowering employees to engage in more meaningful and impactful work. Ultimately, GenAI can help support a more adaptive, skilled, and effective workforce, enhancing the overall productivity and service delivery of government organizations.

Misplaced goals: Abandoning a technology-solution mindset

If you're suspicious that this technology can have such a profound impact, you may not be alone. In our 2024 KPMG US government digital pulse survey[1] of 200 federal and state government decision-makers and influencers, a substantial majority of respondents—57 percent overall and nearly two-thirds of those in federal government—said that new technologies in their agencies have had no impact on their daily work and productivity. Only six percent said new technologies have significantly improved productivity.

It may be that this is simply an inability to recognize gradual improvements—the proverbial frog in the slowly boiling water. However, it can also be due to a misplaced goal. Often, we see agency heads or their technology leaders viewing successful deployment of a technology as the desired outcome—the launch of a new cloud-based enterprise resource planning (ERP) solution, for example. Anything that might interfere with that goal—including distraction caused by GenAI—may be seen as a threat to the effort's success. Similarly, we are now seeing implementing GenAI as the goal unto itself.

It's essential for agency leaders to understand their goal must be a business transformation and not the implementation of a technology. For example, the goal may be improved customer satisfaction with reduced wait times. There may be multiple avenues to achieve this goal, and it almost surely will involve more than simply dropping a new technology into the existing process, even if a new technology is required. The actual technology upgrade is usually the easy part.

Business transformation is a more complex and involved journey. As realities change in the course of the journey, it's important to have the flexibility and agility to reconsider the best way to achieve the real goal, and the fundamental framework in place to support such flexibility and agility. With that mindset, it's easy to see that GenAI offers tremendous potential in many areas to accelerate transformation efforts.

Agency decision-makers and influencers appear to be open to the idea. Sixty-seven percent of respondents to our 2024 KPMG US government digital pulse survey listed GenAI among the top three technologies they believed could help overcome their agency's technology challenges in the next three-to-five years[2].

---
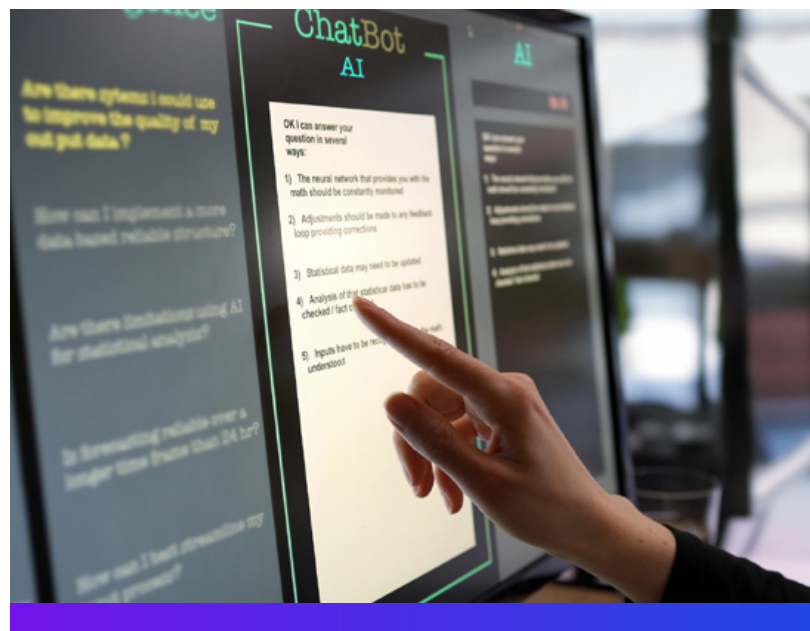
[1] Source: "Technology in government today: Insights from the KPMG government digital pulse survey report 2024," KPMG, October 2024
[2] Source: Ibid

Walking the walk

We believe the true value of KPMG isn't our ability to help clients implement tools; it's our ability to help them successfully make transformations that achieve broader business goals. It's our ability to help our clients choose the right destination, make the journey be as smooth as possible, and be well prepared for when they arrive.

To that end, we have embraced GenAI as a valuable transformation enabler ourselves. It has greatly changed how we deliver services to our clients, even in just the last several months.

Our cloud teams, for example, are using GenAI and other AI technologies to help automate much of the modernization and migration process—including identifying opportunities where modernization could create value. These tools can help us examine legacy applications, determine how best to migrate them, how to design and build a modern digital architecture with configurations and integrations optimized for the specific circumstances. These are aspects work we used to provide manually not very long ago, and our clients benefit from the reduced cost, faster migrations, and greater efficiency.

Our change management teams are using GenAI to help identify not only who's impacted by technology or process changes but also the extent to which they're impacted. The impact may be different over time, too, with some experiencing greater impact earlier in the process and others later. Using modern AI tools, they can generate real-time visualizations of the impacts at any point in the transformation. These tools can automate and continuously update the visualizations, replacing manual tools such as PowerPoint or Excel. The ability to account for this dynamism rather than assuming all impacts are equal in time and extent can significantly improve the chances of overall project success.

We use GenAI and other AI technologies to help automate much of the preparation and response process for hurricane season. This included identifying fraudulent activities in applicant's documents, speeding up the claims process, and flagging data for abnormalities with enhanced scrutiny. These tools have allowed us to design and build an AI system for one southern state's Division of Emergency Management, automating tasks that were previously manual, expediting payments for claims that do not have issues, and ultimately benefiting the state by reducing the workload of reviewers, reducing processing times, enhancing fraud detection, and promoting greater overall efficiency.

Eyes forward

There may be a temptation to think that you need to reexamine everything you've already done—to redo things you thought you had already crossed off the list to help ensure you're not building a dinosaur—a solution that may be obsolete before it's even been fully deployed. Such reexamination can undoubtedly be valuable, and in the case of multi-year transformative efforts, may even be a necessary part of the process.

But simply looking forward from wherever you are in your journey for opportunities to leverage GenAI can often prove to be exceedingly valuable—provided you're open to change. For example, a state government was in the middle of a multi-year effort to reexamine more than 88,000 job descriptions. We were able to help introduce GenAI into the process, reducing the timeline from years to months, with better outcomes and new capabilities not envisioned in the original project scope.

Regardless of where you are in your transformation journey, it is worth reexamining how GenAI could help you reach your destination faster, more cost-effectively, and with greater precision. This technology has the potential to help accelerate your progress, augment your capabilities, and unlock new avenues for innovation that were previously unattainable.

The time to embrace this transformative technology is now—but you must do so with care and consideration. GenAI implementation requires a steady hand and a keen eye towards ethics, safety, and responsible use. This is not a technology to be wielded recklessly, but one that requires thoughtful planning, robust safeguards, and a deep understanding of its capabilities and limitations.

When implemented responsibly, GenAI can help propel your organization forward with remarkable speed and agility. But you must always prioritize the well-being of your constituents, the integrity of your processes, and the broader societal implications of this powerful technology.

As you move forward, it's important to build a framework that will help make future GenAI implementations simpler to execute, more secure, and more successful. This includes developing policies focused on AI use. It includes establishing a governance structure for AI, providing robust change management and training services, modifications to your existing architecture to account for GenAI and provide guardrails for its use, and implementing AI-specific test methodologies and other release requirements.
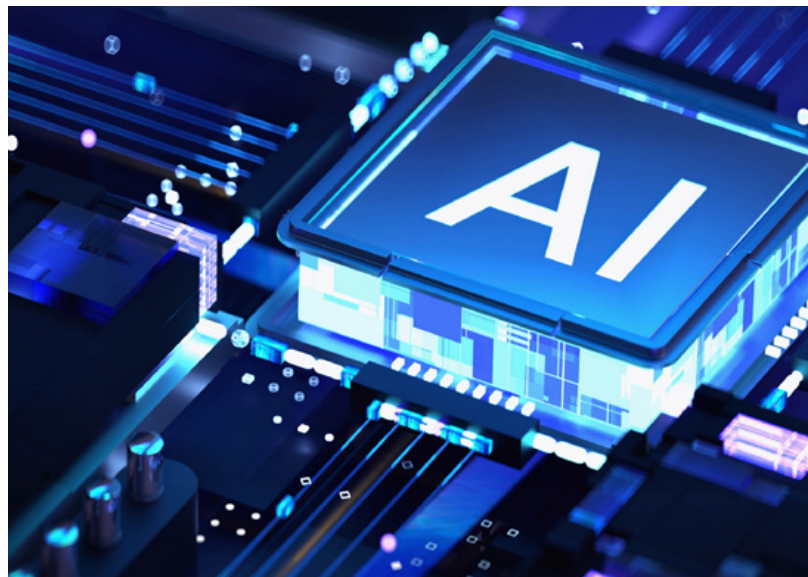
How KPMG can help

KPMG has worked with federal, state, and local governments for more than a century, so we know how public sector agencies, education institutions, and healthcare organizations work—and we're helping them design and implement real AI use cases today.

We're experienced, nimble, and flexible. We understand the unique issues, pressures, and challenges government organizations face on the journey to AI adoption. We'll meet you where you are on that journey and help advance your progress with no agenda other than to see you succeed. We'll help you leverage the investments you've already made to help maximize their value—not try to sell you something new.

We offer clarity and insight. As a trusted advisor, we can help you make sense of everything going on in the highly dynamic world of AI that can impact your mission, from regulatory mandates to emerging technologies. We can help align your efforts with leading practices from both the private and public sectors, and help keep you moving forward quickly with confidence and conviction.

We see the big picture. We can help you anticipate and adapt to the wide-ranging impacts AI can have on your organization, including budgets and financial controls, business processes and operating models, and employee growth and retention. We can help you understand your data—where it comes from, what controls are required, how to help maximize value locked in it, and how to share that value across organizations. We can help you harness the power of AI ethically and responsibly with trusted AI principles and governance models for managing risk.

We can help you from strategy through implementation. Unlike business-only consultancies, our more than 15,000 technology professionals have the resources, the skills and experience, the battle-tested tools and methodologies, and the close alignment with leading AI technology providers to help achieve your vision quickly, efficiently, and reliably. And unlike technology-only firms, we have the business credentials, subject matter professionals, and public sector experience to help you deliver measurable results, not just blinking lights.

Contact us

Rob Breakiron
Managing Director, Advisory
KPMG LLP
773-710-4521
rbreakiron@kpmg.com

Saravanan Subbarayan
Managing Director, Advisory
KPMG LLP
210-232-9993
ssubbarayan@kpmg.com

David Pondillo
Principal, Advisory
KPMG LLP
518-427-4705
dpondillo@kpmg.com

Yash Acharya
Principal, Advisory
KPMG LLP
212-954-2125
yacharya@kpmg.com

Tom Frame
Principal, Advisory
KPMG LLP
703-286-6888
tframe@kpmg.com

Ishan Kaul
Principal, Advisory
KPMG LLP
703-286-6753
ikaul@kpmg.com

read.kpmg.us/modgov