A federal leader's guide to reinvention

Delivering value faster for America

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For leaders of US federal agencies, a pivotal moment has arrived.

The availability of new technologies, heightened demands for performance, and the need to achieve results with speed and certainty in the federal industry is accelerating at a breathtaking pace.

In this evolving government landscape, federal leaders must pursue agility, efficiency, and effectiveness to unprecedented levels not seen before.

Doing so requires embracing a strategy of continuous reinvention. Like their commercial counterparts, these federal leaders recognize that reinvention is not a destination but is, instead, a dynamic process that prompts regular reexamination of what is working and why, and quick pivots to achieve success.

By adopting the reinvention imperatives of leading commercial organizations and empowering the workforce around their vision, federal agencies will more readily adapt to change, deliver results faster, and fundamentally reinvent how government serves America.

The urgency to act

In the commercial sector, relentless competition has pushed private sector organizations to achieve ever-higher standards of innovation, service quality, and efficiency. This urgency has intensified in recent years. Between 2017 to 2022, disruptions–economic, social, geopolitical, climate, consumer and technological–increased by 200%.[1] Leading businesses have responded quickly by deploying new technologies to reinvent all corners of their organizations and drive greater outcomes for their customers, shareholders, and employees.

Accenture research shows that leading commercial organizations that proactively choose reinvention consistently outperform their peers and develop a capacity for greater resilience.[2] They rebound faster from crises and emerge stronger.

Our research also reveals that a simultaneous focus on technology adoption and talent delivers greater gains and is a competitive advantage for these leading organizations. We found it quadruples an organization's resilience.[3]

While federal agencies have made strides to modernize, this moment is different. The stakes are higher. And the American public wants to see the impact of change faster and more efficiently.

200%

Increase in global disruptions – economic, social, geopolitical, climate, consumer and technological – between 2017 to 2022.

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[1] Global Disruption Index
[2] Reinventing for Resilience: A CEO's Guide | Report
[3] Reinventing for Resilience: A CEO's Guide | Report

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Opportunity at the outset

Federal leaders face additional disruptions unique to the federal industry, such as security requirements and an increasingly complex regulatory landscape.

These factors create uncertainty that affects how agencies procure and manage projects. And with many risks to manage across the federal procurement process, and fear of missteps in managing contracts, agencies increase their focus on compliance and documentation requirements which create delays and excessive caution, and administrative burdens. The confluence of these factors diminish outcomes, reduce productivity, stifle innovation, and inflate costs.

Recent analysis leveraging AI-based simulations incorporating economic modeling and statistical analysis of federal budgets conducted by Accenture Federal Services found uncertainty and risk aversion to be the underlying driver of higher costs and lower performance.[4]

With the federal government spending $750 billion annually on procurement, a more effective approach would directly improve the services that the American public relies on.[5]

The simulations found that integrating the principles of agility—streamlined processes, cost controls, and performance-based contracts—can significantly improve

procurement outcomes. Together these principles led to substantial cost savings and better resource utilization, even in the most uncertain environments.

With these practices in place, agencies can realize as much as 30% in cost savings for procurements valued at $20 million to $100 million.[6]

The simulations demonstrate a highly achievable way to apply these principles in several ways.

- **Shift from cost-plus contracting to fixed price procurements** that are performance- and outcomes-based.

- **Increase strategic sourcing** to leverage economies of scale and commercially available solutions to reduce reliance on expensive custom options.

- **Drive accountability with a single, trusted integrator** to reduce complexities and interdependencies.

These practices go beyond a conventional cost-saving exercise and provide an opportunity to reinvent how public resources deliver results.

[4] Optimizing Federal Procurement, Agentic AI and Game Theory Modeling for Strategies on Cost Reduction and Efficiency, Accenture Federal Services, December 2024.

[5] Federal Contracting | U.S. GAO

[6] Optimizing Federal Procurement, Agentic AI and Game Theory Modeling for Strategies on Cost Reduction and Efficiency, Accenture Federal Services, December 2024.
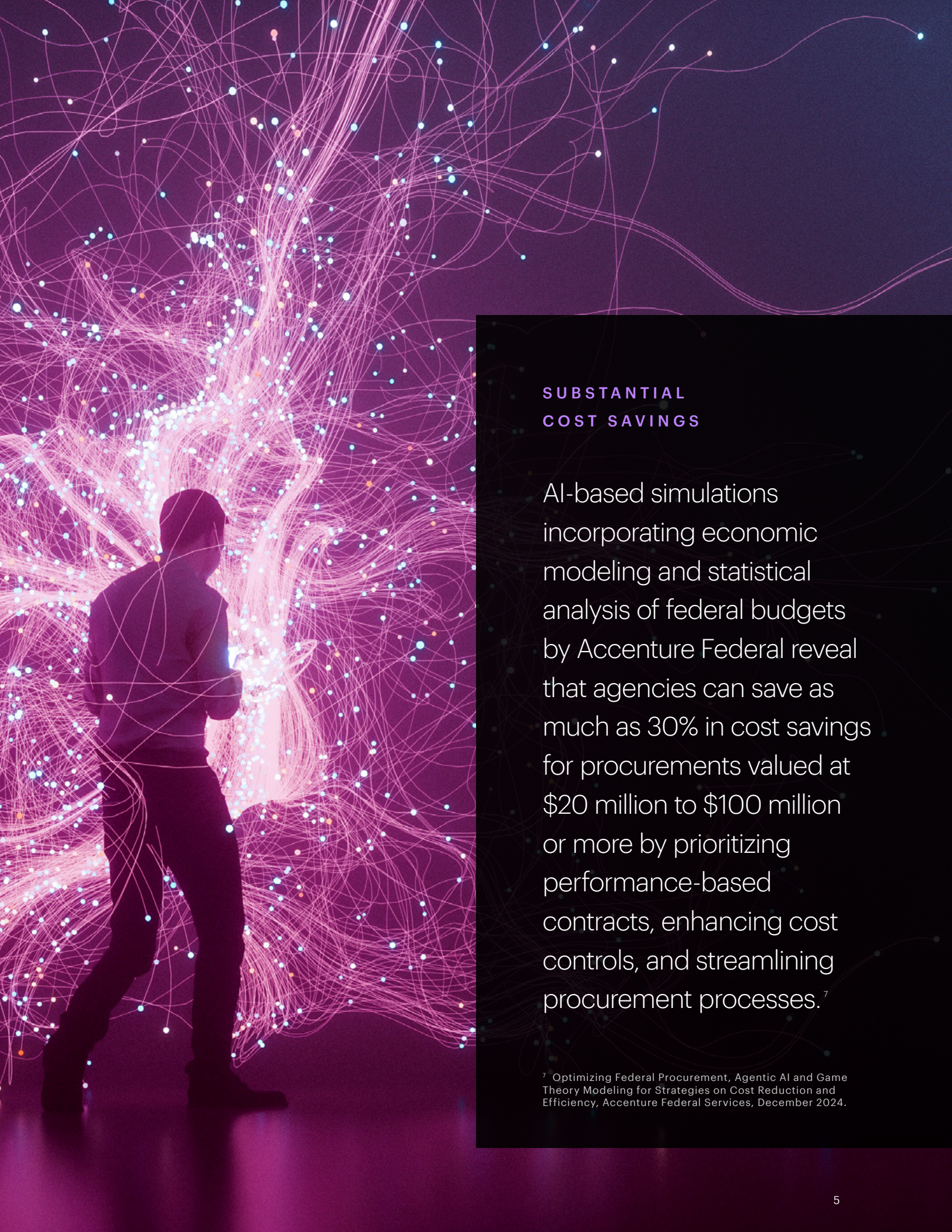
SUBSTANTIAL COST SAVINGS

AI-based simulations incorporating economic modeling and statistical analysis of federal budgets by Accenture Federal reveal that agencies can save as much as 30% in cost savings for procurements valued at $20 million to $100 million or more by prioritizing performance-based contracts, enhancing cost controls, and streamlining procurement processes.[7]

[7] Optimizing Federal Procurement, Agentic AI and Game Theory Modeling for Strategies on Cost Reduction and Efficiency, Accenture Federal Services, December 2024.

Activating reinvention

Reinvention is an equally vital strategy for the public and private sectors. Federal leaders are eager to reinvent and embrace new ways of working. They know that investing in technology, and in particular data, AI, and automation are the key to doing this. But many lack the resources to do it, the comfort with taking necessary risks, the cultural momentum to embrace change, or the velocity to achieve it.

Our research found that only 29% of federal leaders surveyed view their organizations as highly capable of executing new strategies and achieving performance goals.[8] And of the 44% of organizations that implemented some reinvention strategies, their efforts are concentrated in single areas, rather than holistically across all functions.[9]

This guidance for federal leaders is based on our research and experience in helping commercial organizations reinvent and adapt those proven practices for federal organizations.[10] By mobilizing around five imperatives, federal leaders will deliver a transformational return on that investment.

Five imperatives of reinvention in government

1 **Lead with value and outcomes**

2 **Innovate faster with data, AI and automation**

3 **Empower talent with new ways of working**

4 **Simplify and streamline operations**

5 **Drive continuous reinvention**

[8] Reinvention in the Age of Gen AI, federal survey, June-July 2024.

[9] Reinvention in the Age of Gen AI, federal survey, June-July 2024.

[10] Total Enterprise Reinvention | Accenture

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1 Lead with value and outcomes

Reinvention is leader-led, and one lesson government leaders can take from the highly competitive commercial environment is to continuously challenge their thinking to solve problems in new ways. Step out of old ways of working that pre-date the latest technologies and redefine how to operate in the future with a tech-centric, AI-led mindset. By using these techniques and inherent benefits, agencies can radically rewrite the parameters of what technology and AI can do to solve problems, drive efficiency and productivity breakthroughs, and reinvent systems and processes.

Lead with an outcomes-based approach:

- **Define measurable outcomes and benchmarks for progress** and clarify the work needed across all stakeholders. Trace the gains across the organization and report progress regularly and transparently.

- **Embed reinvention initiatives** across the organization to build momentum and new muscle around successes. Amplify early wins and recognize or reward people for being bold and delivering near-term results.

- **Adopt outcome-based contract models** that measure vendors on key outcomes including resolution, customer satisfaction, and cost reduction, and motivate partners to keep reinvention efforts moving at pace.

- **Share risk with partners** by creating incentives to invest in technology and process innovations that drive efficiency and cost-savings.

2 Innovate faster with data, AI and automation

The federal government has made great strides in shifting to cloud-based, flexible, secure platforms. Yet few federal agencies are actively innovating in the cloud to reinvent how their programs operate.

This next frontier is integrating the power of cloud, data, AI, and automation to quickly incorporate new technologies and keep pace with change. To do this, agencies must have their data in the cloud and enable access to cloud-based AI services. In doing so, agencies can make decisions faster, eliminate burdensome manual tasks, and create more productive experiences for customers and employees.

Look to agentic AI to further accelerate innovation and productivity in government. These systems can perform complex tasks, orchestrate the automation of workflows, and use AI to evaluate and predict the best course of action to achieve a desired outcome. Access to high quality data, compute, and advance algorithms will be even more urgent to fuel agentic systems.

Enable the digital agency with AI and agentic systems:

- **Experiment rapidly with AI across the enterprise** to drive pilots and then scale impactful AI and automation solutions across business functions.

- **Invest in a robust data infrastructure** to ensure that data, the fuel for AI, is high quality, accessible, interoperable, and secure. Cloud-based solutions are key to accelerating AI adoption.

- **Become an early adopter of agentic AI**, creating an environment where AI can augment and automate complex tasks to increase workplace productivity and better decision-making.

- **Increase the speed of digitizing processes** with process automation and low-code/no-code platforms together with as-a-service offerings.

- **Accelerate application modernization using large language models** to update old legacy code from home-grown solutions into the latest technologies with a more secure code base. Savings are estimated to generate 25 percent or more in code assist accelerators.

Agentic AI is an AI architecture and approach that employs AI agents to help enhance productivity, decision-making, and operational efficiency.

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Accelerating automation, enhancing readiness

A defense organization used robotic process automation and intelligent automation to reinvent its global supply chain operations and enhance its readiness. **With nearly 40 enterprise automations in production–29 of which are fully unattended–and more than 350 automation enhancements, the organization generated potential value to mission of 50,000+ labor hours in 2024.** The organization introduced an automation portal which provides easy access to a common library of modular automation components, fostering collaboration and accelerating the adoption of automation capabilities across the enterprise.

Strengthening critical infrastructure security

A federal agency charged with protecting and strengthening the security of the nation's critical infrastructure against increasingly sophisticated cyber-attacks is partnering with Accenture Federal to **use machine learning and AI to provide thousands of public and private agency partners with actionable data to strengthen cyber resilience and mitigate risk**. This reduces the likelihood and impact of security breaches or incidents. The agency is also automating manual processes, consolidating disparate data environments, and delivering innovative public-facing, self-service dashboards to drive security actions. **These innovations help governments, companies and other stakeholders quickly identify trends, share information with decisionmakers, and reduce cyber risks that could threaten national security.**

Fostering American innovation

As part of its modernization journey to move applications to the cloud and implement a data and analytics strategy, the U.S. Patent and Trademark Office contracted with Accenture Federal to establish a scaled AI solution to foster and protect American innovation. By augmenting the traditional examiner search process with AI capabilities, **patent examiners can perform searches more efficiently and confidently to identify more relevant search results**. These successes demonstrate the value of applying AI to drive efficiency in USPTO's operations to serve the public and help strengthen America's intellectual property system.

# 3 Empower talent with new ways of working

An agile, skilled, engaged workforce is key to accelerating reinvention.

Empowering employees with rapidly developing tools, such as AI, allows organizations to rethink workflows and define process-level opportunities. This helps agencies redistribute work and focus energy where it should be—on the changes that will better serve the public, support the workforce, and achieve better outcomes. AI-enabled bots can be used to execute simpler rote tasks, prepare information, and generate initial content, enabling agencies to focus on higher-value mission-focused outcomes.

Making these shifts possible and creating staying power requires a workforce that is skilled and embraces them. In our experience, successful technology modernization programs invest significant time providing the workforce with opportunities to actively participate in the process of change. This can be through an open invitation to share new ideas and help implement them, or by taking advantage of AI-based opportunities to upskill or reskill. By enhancing the employee experience, a more agile and engaged workforce emerges, which bolsters an agency's reinvention strategy.

Power up productivity:

- **Communicate a clear vision** for why change is necessary and integrate into everyday work.

- **Engage employees as active participants** to generate new ideas, spark innovation, improve outcomes, and boost buy-in across the workforce.

- **Baseline skills across the organization** to understand which segments have the skill sets and experience to more readily be reskilled to embrace AI.

- **Prioritize critical roles in the organization** and develop learning paths for hard-to-find skills.

- **Incentivize continuous learning** and take advantage of new personalized AI-driven learning tools to enhance employee skills—from understanding the cloud and data to cyber awareness.
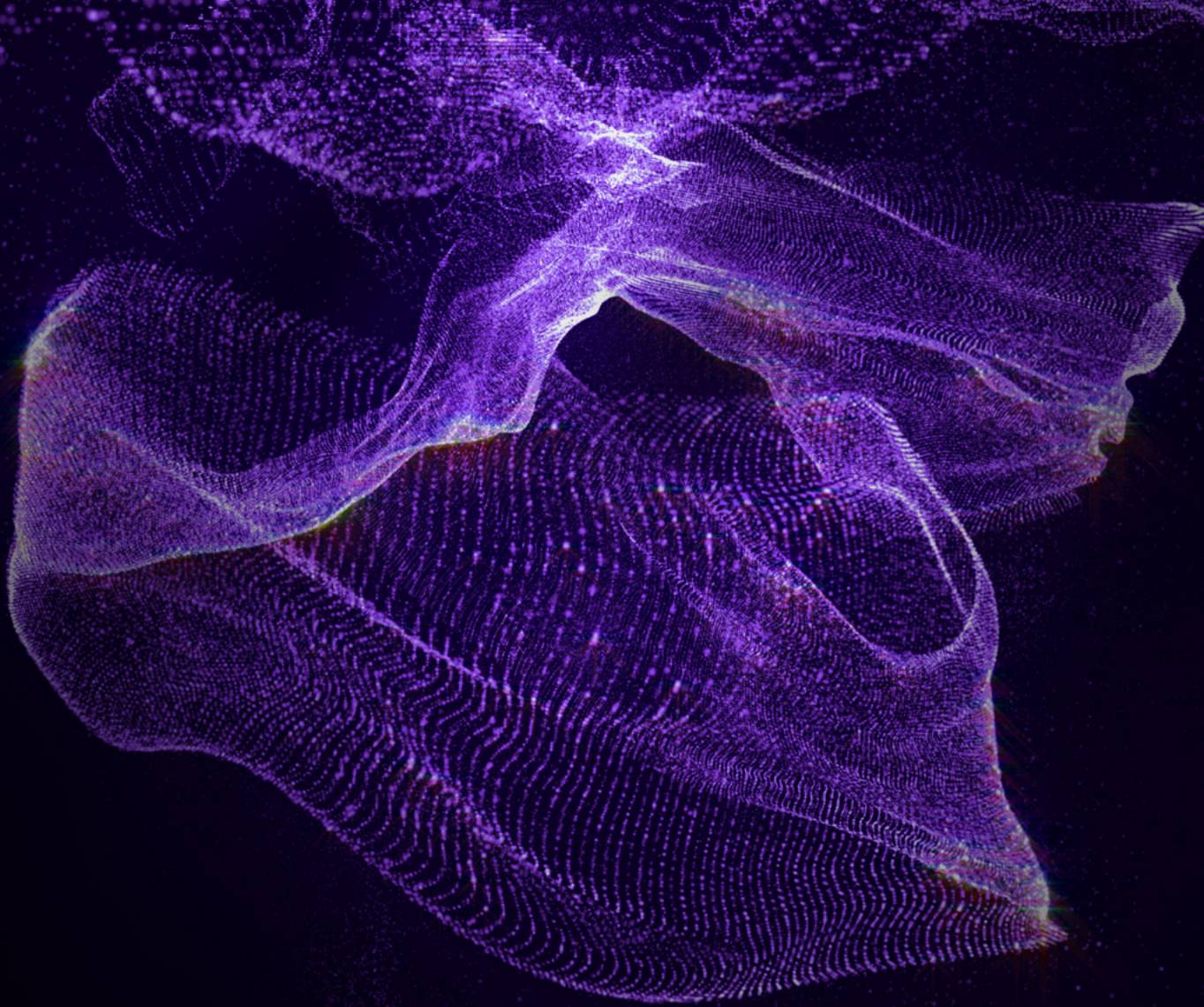
42%

of public service
working hours will
be automated or
augmented by
generative AI.[11]

72%

of workers' tasks
could be reinvented
by technology,
augmentation, or
automation.[12]

[11] Work, Workforce, Workers Age of Generative AI Report | Accenture

[12] Total Enterprise Reinvention | Accenture

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Learning to succeed in the cloud

The Municipal Securities Rulemaking Board partnered with Accenture Federal on a workforce learning strategy to build the skills necessary to succeed in the cloud and foster new ways of working. **The initiative defined and mapped new IT and cloud roles and designed a learning journey across six tracks with cloud skills mapping. This approach engaged the workforce and shifted how they worked–enabling cloud engineers to focus on mission-critical, value-add functions.** It also rallied the workforce around a shared vision and strategy for the future.

4 Simplify and streamline operations

Reinvention allows organizations to reduce the fragmentation and misalignment that often undermines their best efforts to drive greater efficiency and effectiveness.

By consolidating operations and optimizing costs across functional areas, federal organizations can reduce the friction that undermines mission delivery and help achieve the high levels of service that commercial organizations have been refining for the last decade.

Agencies can apply many of the modern commercial management practices that strengthen operational effectiveness, such as updating outdated financial systems, modernizing contracting and procurement mechanisms, and establishing shared risk management programs.

Additionally, investing in new AI-based tools to automate repetitive and administrative tasks enables employees to focus on higher-value activities and agencies to do more with less as well as reduce fraud and waste.

One federal agency used an Accenture Federal bot manager which prevented $1 billion in fraud annually and increased its speed to identify fraud by 70%.

Break down barriers and silos:

- **Increase automation capabilities** to streamline administrative processes, speed decision-making, and improve workflow management.

- **Unlock process efficiencies using new technologies** to capture the process and augment legacy business process mapping and lean six sigma techniques.

- **Capitalize on AI-powered anomaly detection** to identify and recover improper payments and reduce fraud, waste, and abuse and make vulnerable systems more secure against cyber-attacks.

- **Accelerate the migration from mainframe** to a modern technology stack with Gen AI to improve operations and management efficiency and application monitoring.

- **Reduce IT sprawl and inefficiencies** by rationalizing vendors, optimizing cloud costs and operationalizing automation.

- **Seize the opportunity to evolve (or delete) dated policies and processes** and maximize the potential that new technologies offer.

Streamlining global processes

A Department of Defense agency used advanced process mining technologies to analyze and optimize its business processes. **A "digital twin" of the operation was created with Accenture Federal to assess more than 13 million sales order transactions, uncovering more than 40,000 different variations in how the process is performed globally.** This approach streamlined improvements in process changes, automated technologies, and system logic and improved the agency's decision making, adaptability, and strategic modernization efforts.

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5 Drive continuous reinvention

Reinvention is agile. It is a commitment to constant iteration where teams quickly move from proof of concept to proof of value and rapidly scale solutions. When organizations adopt a continuous experimentation approach, it creates a capability that can be tapped by the entire organization and drives continuous improvement. Early successes fuel the energy needed to begin anew and sustain iterations in the future.

This willingness to engage in end-to-end experimentation across the enterprise introduces new perspectives that open new avenues to operate differently and uncover previously unseen opportunities.

Make reinvention an ongoing activity:

- **Make space for piloting and experimentation**, enabling the organization to change how tasks are performed with Gen AI and other emerging technologies. Define a plan for moving pilots to full-scale deployment.

- **Track, measure, and realize value**, enabled with a supporting infrastructure, tools to speed the process like Gen AI, value tracking practices, and a strong change management capability.

- **Increase risk tolerance** for agency and vendor teams, putting failure in the right perspective and learning from the experience.

- **Cultivate a culture** that embraces the journey, shares the focus on overcoming barriers, and prioritizes getting access to the best and most innovative thinking across the organization.

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Reinventing global logistics innovation

A large federal agency with a global logistics operation partnered with Accenture Federal to create an innovation hub to ideate, design and test ideas. The continuous flow of pilots from the innovation hub is vastly improving the logistics operations and supporting applications, which in turn improves the lives of people doing critical work around the globe and the network of businesses and organizations that work with the agency. **These minimally viable products provide immediate value to customers and partners while being continually refined with minimal financial investment. In the first year, more than 10 prototypes led to multiple new mission-ready applications in less than 12 months.**

Accelerating action

Across the U.S. government today, federal leaders are shaping a bold future and guiding their organization and workforce to achieve it. Guided by these five imperatives, federal leaders can accelerate change and deliver greater value for their mission and the American people, whose security and well-being depend on its success.

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