

The 2018 state of data management:

A public sector benchmark report



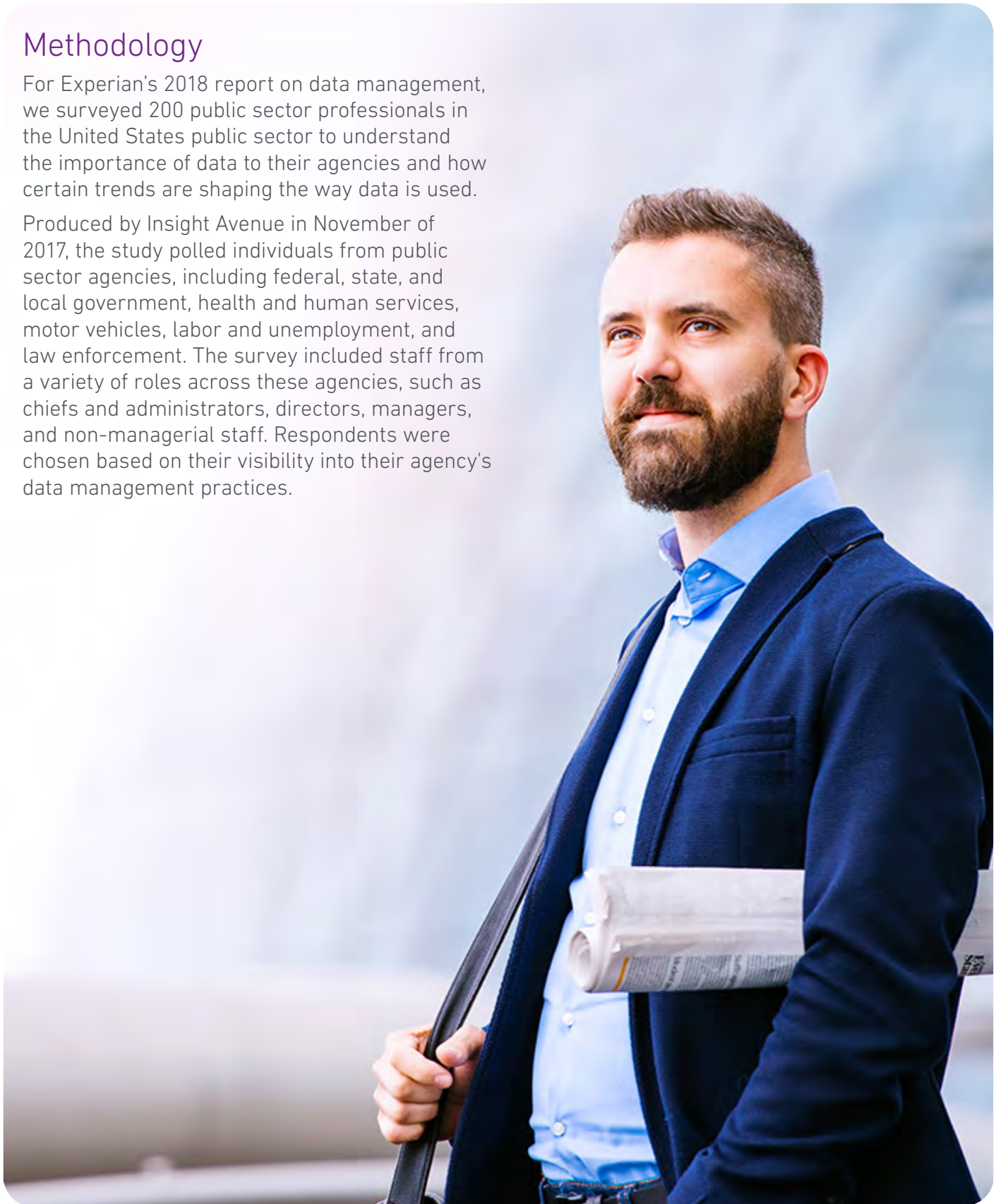
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Methodology

For Experian's 2018 report on data management, we surveyed 200 public sector professionals in the United States public sector to understand the importance of data to their agencies and how certain trends are shaping the way data is used.

Produced by Insight Avenue in November of 2017, the study polled individuals from public sector agencies, including federal, state, and local government, health and human services, motor vehicles, labor and unemployment, and law enforcement. The survey included staff from a variety of roles across these agencies, such as chiefs and administrators, directors, managers, and non-managerial staff. Respondents were chosen based on their visibility into their agency's data management practices.



Foreword

Data has never been more plentiful, or more important, to how the government operates. Agencies across the country are interested in advancing their data strategies to help improve internal operations, comply with regulations, and to fulfill their citizen's demands and expectations. With the trends like digitalization, modernization, and open data sweeping across the United States, data is powering new opportunities for the public sector.

As one of their greatest strategic assets, data is key to helping agencies do what they do better. They are increasingly interested in being more data-driven, and they recognize how improved data management can help achieve their objectives. More advanced programs and higher data quality enables gains in efficiency, eases compliance efforts, streamlines processes, simplifies access to key services, and helps keep sensitive data secure.

Data is also opening new doors to the future. With the advent of digital technology enabling unprecedented abilities to collect, store, analyze, and disseminate information, digital platforms are revolutionizing how agencies operate. Sharing data has never been easier, and it is laying the groundwork for a more connected and more transparent government.

In comparison to the private sector, public sector agencies tend to be more sophisticated in their approach to data management and tend to have lower volumes of inaccurate data. With the progress made within the past year in terms of data strategy and accuracy, it is clear that data management is a priority for many government agencies. While there are several areas where the public sector still must make

strides to optimize their strategies and achieve their data management goals, we are encouraged by the overall state of data management for the government.

Building and maintaining an effective data program is a complex and demanding undertaking—but one that promises many benefits. By and large, the public sector has shown its commitment to investing in their strategies to reap those benefits. The progress that agencies have made in only one year by working to enhance their data management programs is very promising. With more advanced approaches, agencies see better outcomes internally, which translates to greater efficacy overall.

Our 2018 report on data management in the United States public sector highlights both the challenges and the successes many government agencies face as they strive to leverage their information more effectively. Agencies across the board share many of the same objectives when it comes to optimizing their strategies. Despite limited budgets and a demand for additional staff resources, we see many agencies overcoming these obstacles and maximizing the impact of investments in their data strategy.

We hope that agencies across the public sector recognize that while there is still much to do to keep up with emerging trends and to enhance their data strategies, they have made great progress and are on the right path to keep up with the demands of data management as it evolves.



Thomas Schutz
SVP and General Manager
Experian Data Quality



Introduction

Data plays a critical role in helping public sector agencies accomplish their strategic objectives and meet their constituents' expectations. The overwhelming majority of agencies recognize how important their data is, with 87 percent considering data to be one of their greatest strategic assets and 93 percent believing data plays a key role in helping to achieve their citizen mandate. To execute their strategies and fulfill citizen demands, agencies have multiple data priorities, including digitalization, open data, analytics, data integration, and conversion. With so many interests, it's no surprise that 90 percent plan to complete at least one data management project within the next 12 months.

Data is only a truly strategic asset when it is accurate. Accurate data is the result of effective data quality, and 90 percent of agencies recognize the importance of data quality in achieving their strategic objectives. With high-quality information, public sector agencies can successfully increase efficiency, comply with regulations, and keep data secure. Trustworthy data provides the foundation for these initiatives, as well as more advanced data opportunities that government agencies are looking to accomplish.

Motivations behind data management strategies

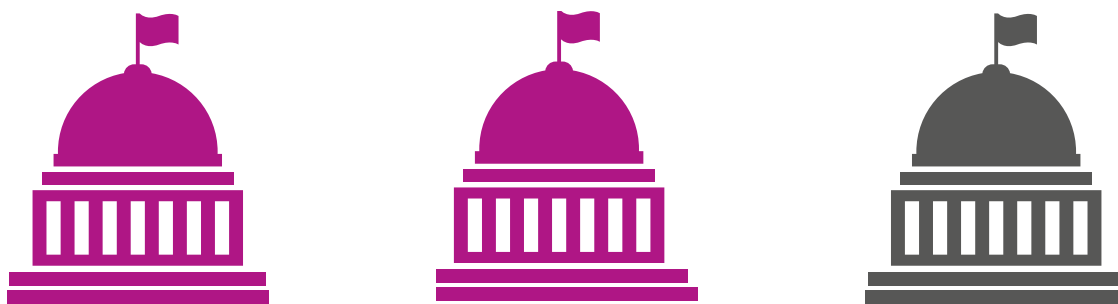
Efficiency is king

They say time is money. And since the government's money comes from taxpayers, public sector agencies place an increased emphasis on being efficient. Between limited budgets and the need to demonstrate effective use of tax dollars, it's no wonder that efficiency reigns supreme. Improving operational efficiency is the main driver behind maintaining high-quality data, with two out of three agencies citing productivity gains as their primary motivation. That is compared to 50 percent of agencies that rated it as a priority last year—an increase of 16 percent. The increase year-over-year indicates that the government is placing an even greater importance on efficiency, and therefore maintaining quality data is becoming more crucial.

A strong data strategy generally plays into increasing efficiency in the public sector. Beyond maintaining high data quality, public sector agencies also regard increasing efficiency as a primary motivation behind data modernization efforts (62%) and for granting access through open data (41%). This emphasis on improving productivity and effectiveness as a

driver for key projects demonstrates the importance public sector agencies place on efficient operations. Additionally, two out of five government agencies see increasing operational efficiency as a potential benefit of achieving a golden record; the top among all benefits. As operational gains continue to motivate new data projects, it becomes increasingly clear that effective data management is central to the effective operation of the government.

Even when compared to other sectors, government agencies place a greater premium on efficiency. In our 2018 global data management benchmark report, we found that among other industries in the United States, increasing efficiency is still the most important reason to have strategies to maintain high data quality, but for just over half of organizations (52%). As compared with two out of three agencies in the public sector, we can see that a greater proportion of government agencies rate efficiency as a top priority. This strong focus makes sense when you consider that public sector agencies strive to maximize the impact of each dollar spent.



Two out of three (66%) government agencies cite improving operational efficiency as the main driver behind maintaining high-quality data

Regulation rules

One of the primary functions of the government is to establish laws and regulations. The public sector is a highly regulated industry, and growing volumes and varieties of information have caused greater regulation around data practices. For nearly two decades, the Data Quality Act has required certain government agencies to maintain high-quality data.¹ It should come as no surprise then, that regulation plays an important role in motivating data strategies for government agencies. Currently, more than half of government agencies maintain quality information because of regulation (57%). In fact, regulation is the second most important reason why agencies are concerned with data quality, following increases in efficiency.

In recent years, these mandates have had an even stronger influence on how agencies regard the use of their data. According to last year's global management data benchmark report, 65 percent of public sector agencies agreed that increasing regulation has driven their need for better data and analytics. This year's survey confirms the significant impact that regulation has, with nearly half of agencies (47%) citing it as a major factor influencing their overall data strategy. Some of the key pieces of agencies' current and future data strategies include modernization and granting

access through open data. For both trends, regulation is one of the primary drivers, with 42 percent of agencies regarding it among the top reasons to undertake these efforts. This demonstrates that across the board, these rulings have a profound influence over how and what government agencies do with their data.

The importance of regulation in the public sector is even greater than in other highly-regulated private sector industries, such as financial services. In the 2018 global data management report, only one in four U.S. businesses cited regulation as key factor that influences how their data strategy is shaped—nearly half of the number of government agencies. And even for the financial sector, only 34 percent consider it a key factor that shapes their data strategy—13 percent lower than the public sector.

As the types and amount of data continue to grow, so do the opportunities and demands for effective data management. With new requirements emerging to keep up with these changes, we anticipate that public sector agencies in particular will continue to evolve and improve the sophistication of their data strategies to comply.



Reducing risk, increasing security

Among its many responsibilities, one of the primary functions of the government is to protect its citizens. And when it comes to data—which often includes sensitive information about the citizens they serve—public sector agencies are highly concerned with keeping it secure. Data security is the top factor influencing how government agencies shape their data strategy (71%). As they frequently deal with unique identifying pieces of information like Social Security numbers, passport numbers, license numbers, and so on, it is easy to understand why government agencies rank data security as a critical factor in how they approach data management.

Data security is the top factor influencing data strategy for 71% of agencies.

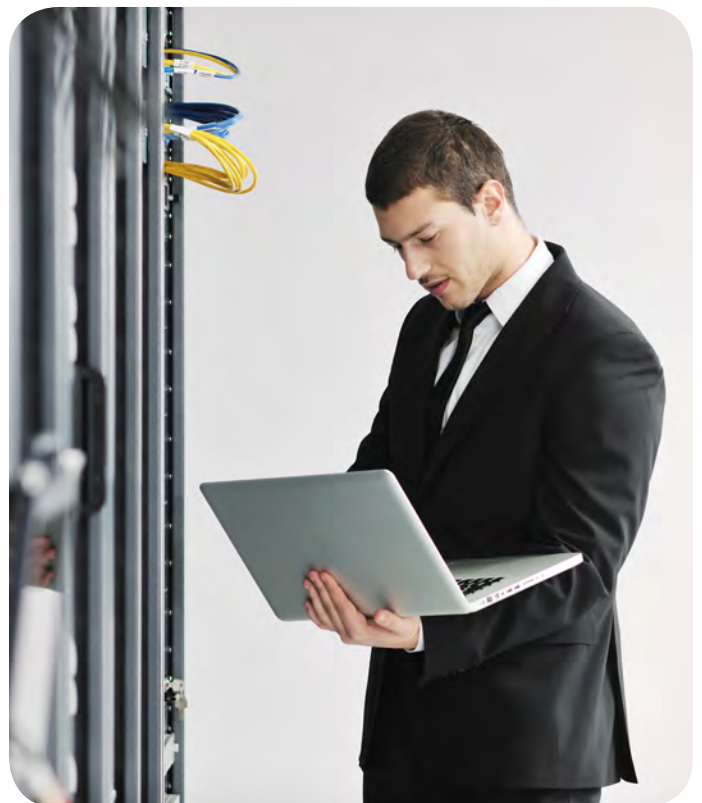
With the threat of cyberattacks, fraudulent behavior, and vulnerable information being compromised through data errors, there are many risks government agencies face from unsecured data. The more accurate their information and the better their data management strategies are, the less susceptible public sector agencies are to these risks. For more than half of government agencies (51%), reduction of risk is a primary reason why they maintain high-quality data. In last year's 2017 global data management benchmark report, two in five public sector agencies said they used data to reduce risk.

The increased emphasis year-over-year shows that government agencies are drawing a greater correlation between data and risk reduction, and are, therefore, strategizing to keep data accurate and secure. We believe that moving forward, more and more agencies will continue to see the connection between data and security, and will consider how their data management programs can help mitigate risk.

When we look at some of the current trends sweeping the public sector that will continue to shape strategies and future approaches to data management, we see that data security is consistently top of mind. The

threat of cyberattacks is seen as the biggest challenge to citizen authentication (61%), which is a concern for almost all agencies (90%). The fact that validating constituent identity is such a common concern and cyberattacks are being seen as the biggest challenge for agencies reinforces the strong influence that security has on shaping data strategies.

In regard to creating a golden record of citizens, 30 percent of agencies see heightened security and control of data as a potential benefit. Reducing risk and keeping information safe also plays an important role in shaping data strategies for those agencies undertaking data modernizations. Seventy-one percent of agencies are currently undertaking a modernization, and 77 percent of agencies are planning one in the near-distant future. This demonstrates that those agencies prioritizing system modernizations—who are more likely to have proactive data management strategies than agencies with no plans to modernize—are increasingly mindful of the risks they face and how to safeguard against them.



Data in the digital age

Public sector agencies should endeavor to keep up with technological advancements to fulfill their citizen mandate and comply with regulation. In regard to data in particular, the pace of development and change is rapid. In order to keep pace, many agencies are interested in updating their systems and their processes. In the past few years, several emerging trends—like digitalization, modernization, and open data—have merged in the public sector, and we anticipate that they will continue to shape how agencies use data moving forward.

The digital revolution

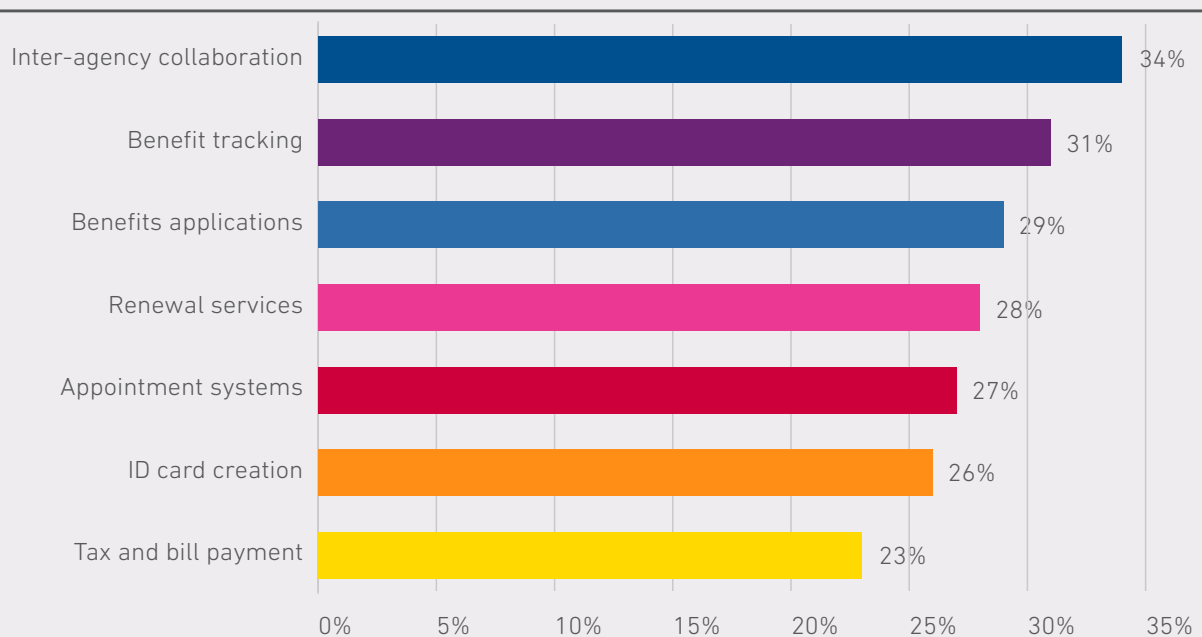
One of the most revolutionary technological innovations to disrupt the public sector has been digitalization. Digitalization is the process of moving to digital platforms to support business functions, and it is fundamentally changing the way organizations in every

82% of public sector agencies are planning digitalization projects.

sector operate. In the public sector, the majority of agencies are looking to move to digital services (82%).

There are many reasons why agencies are seeking to move to digital channels, but the challenges they face in doing so tend to be similar. If you look at **Chart 1**, you can see that collaboration with other agencies is the top reason agencies are undergoing digital transformation. It is followed closely by benefit tracking, applications for benefits, and renewal services. In these ways, it seems that the switch to digital platforms will help streamline operations and play into increasing efficiency.

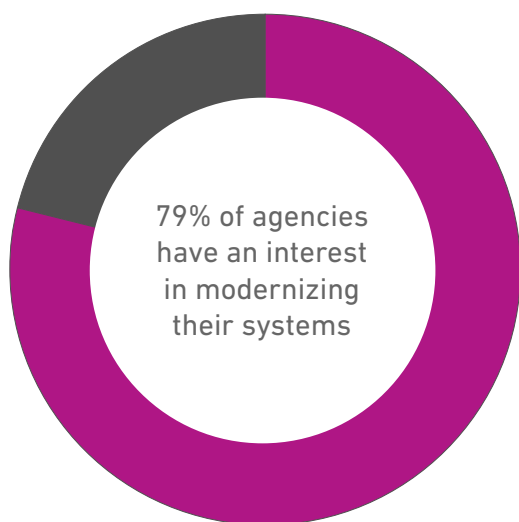
Chart 1
Key services moving to digital platforms



Experian public sector data, 2018

While agencies are digitalizing a variety of their services, they tend to run into many of the same challenges in doing so. These challenges largely relate to the lack of technology or skill to successfully implement digital strategies. For half of government agencies, the key challenge in moving to digital channels comes from streamlining systems and processes. This is not particularly surprising, because with multiple systems and data stored in many different areas, it can be tough to create the right workflows that enable digital platforms to connect effectively. When you consider that 79 percent of agencies have an interest in modernizing their systems, it becomes clear that many agencies are working with outdated, legacy technology that can create quite an obstacle when it comes to streamlining processes and implementing digital channels.

Many of the other common challenges that agencies face are related to inadequate tools or gaps in knowledge needed to enable the seamless adoption of digital platforms. After streamlining systems, the top challenges agencies cited include optimizing the web/mobile experience (45%), effectively communicating through digital channels (40%), and collecting accurate citizen data (37%).



Although they may seem relatively unrelated, an optimized data strategy can help agencies to overcome these challenges. Let's start with the most obvious way an effective data management program would help: collecting accurate citizen data. With the right data quality tools, this can easily be accomplished. With email, address, and phone verification solutions, agencies can remove the uncertainty about the accuracy of their citizen data. By implementing real-time validation at every point of capture for constituent information, agencies can be sure they are collecting only accurate data, and can therefore move to digital platforms with greater confidence.

You can't go wrong with accurate data. By capturing accurate contact data for the citizens they serve, agencies are set up to more easily overcome the common challenge of effectively communicating through digital platforms, as well as optimizing the web/mobile experience. Effectively communicating through digital channels often starts with email, as many digital forms rely on an email address for login credentials. Verifying email information from the outset helps your agency to avoid potential miscommunications.

Data quality tools can also help optimize the web and mobile experience by making it easier for constituents to enter their information. For example, rather than requiring duplicate entry of an email address to guarantee accuracy, an email verification solution helps ensure the information is correct without requiring additional effort from the user. Starting with data quality will help to minimize the most common challenges agencies face and will simplify the process of digitalizing your services.

Why modernization matters

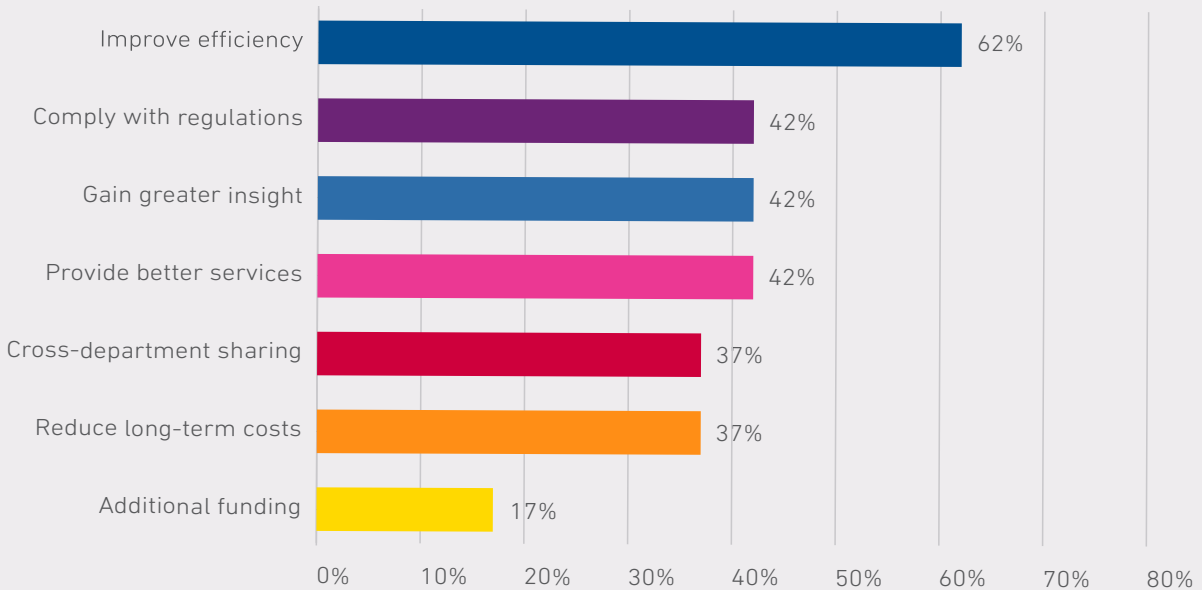
The saying “you can’t teach an old dog new tricks” might come to mind when you think of modernizations. Many legacy data systems were not built to handle the volumes of data that most agencies now collect and store, nor do they have the capabilities required to keep up with current regulations and constituent expectations. To meet current and future needs, 75 percent of agencies across the public sector are looking to modernize their systems within the next five years.

While data modernization projects are a priority for most agencies, they can also present a multitude of challenges. Despite these challenges, agencies have many compelling reasons to migrate data from legacy systems to new systems. Modernizations play a key role in effective data management, giving many agencies the opportunity to clean and update older data, consolidate information and systems, and implement new governance standards.

Although the vast majority of agencies are looking to modernize their systems, not all have immediate plans to do so. We found that one in three agencies are currently modernizing their systems, and an additional 22 percent plan to do so sometime within the next two years. This means that over half of government agencies will begin or undergo a modernization project by 2020.

The potential benefits of these efforts are made apparent by the many driving reasons for implementing updated systems. As you can see in **Chart 2**, some of the primary factors motivating modernization efforts include improving operational efficiency (62%) and complying with regulations (42%). This comes as no surprise as government agencies across the board demonstrated a distinct interest in efficiency gains and compliance. What is interesting, however, is that tied with complying with regulation, agencies cited gaining more insight from data (42%) and providing better services to constituents (42%) as important drivers for modernization projects.

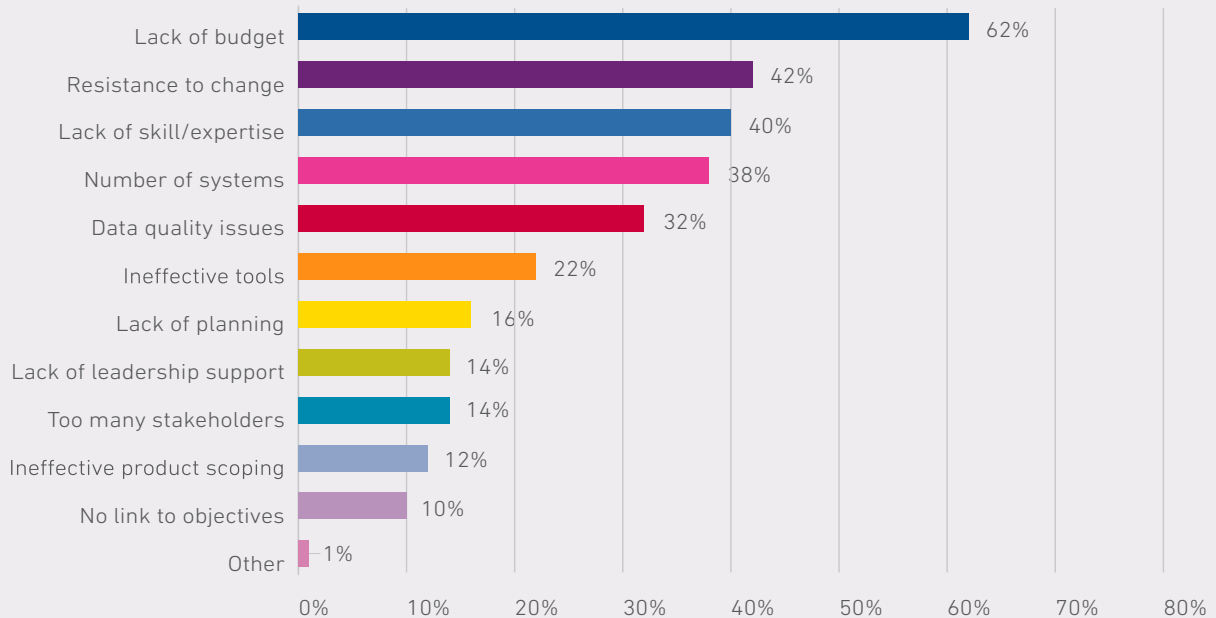
Chart 2
Drivers for data modernization



Experian public sector data, 2018

In order to capitalize on the many potential benefits that modernization can provide, agencies must first overcome the many challenges they can face when undertaking a modernization project, shown in **Chart 3**. Modernizations are expensive and complex projects. They require buy-in and input from business users around the agency, as well as specialized knowledge about preparing and migrating data. Given these factors, it makes sense that the biggest challenges agencies face in regard to data modernizations are a lack of budget (62%), resistance to change (42%), and limited staff skills and expertise (40%).

Chart 3
Biggest challenges for data modernizations



Experian public sector data, 2018

So what do these challenges mean for the modernization effort? For nearly half of agencies, the greatest consequence of these challenges is project delays (49%). Since the success of many modernization projects rides on being completed on time and on budget, a lack of budget paired with potential project delays can spell disaster. With the right planning, however, agencies can avoid these common pitfalls. Securing enough budget and involving stakeholders from across the organization right from the start, as well hiring the right talent—whether in-house or through a third-party—can help agencies achieve success with their modernization.

Is your agency planning to undergo a modernization? Learn how DMVs have overcome these common challenges to drive better data quality.

[Get started](#)

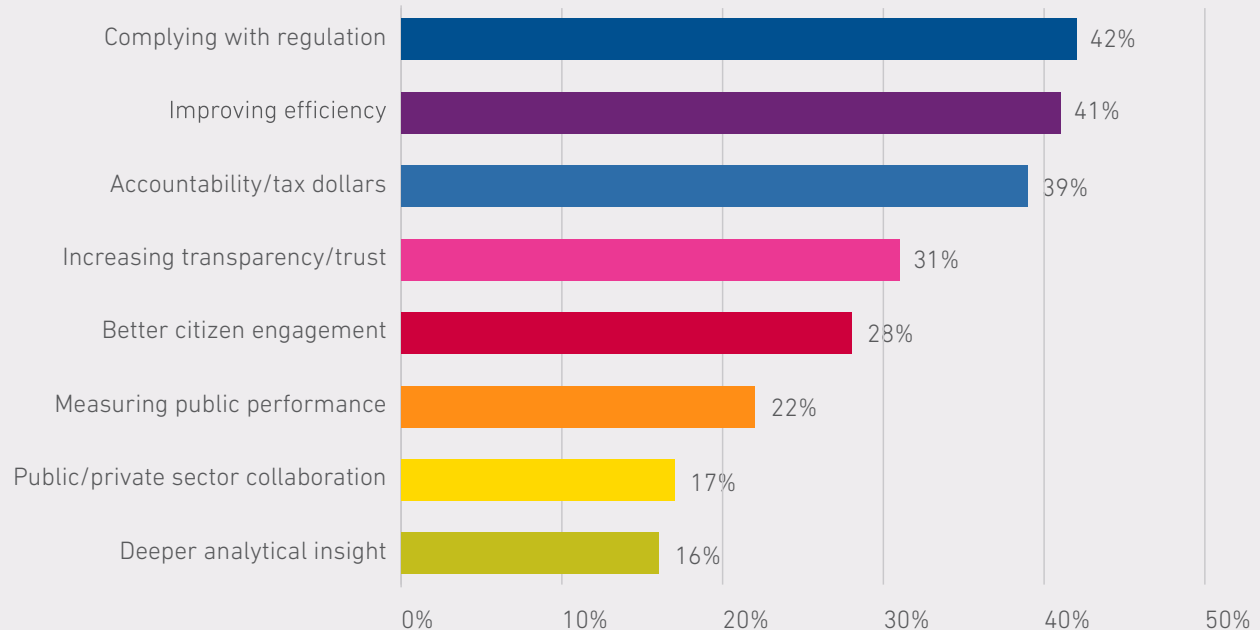
Open data opens doors

Data is the key to the future for public sector agencies. Open data has become a popular trend that continues to gain traction and open doors to new possibilities for the government. More and more agencies are looking to create a framework to provide public access to government data, as well as share data within and across agencies. In fact, 90 percent of agencies are looking to grant access through open data. But why are agencies seeking to grant access to their information?

While the majority of agencies are looking to share open data, their reasons for doing so vary, as you can see in **Chart 4**. The biggest motivations are complying with regulation and improving efficiency of agency

services—drivers shared by more than two in five agencies. Some of the other motivations, such as demonstrating the effective use of tax dollars and increasing transparency to improve trust, also provide compelling reasons to move toward open data. As it presents many possible opportunities, it's no wonder that 69 percent of agencies believe open data will transform public services in the next five years. When the government can demonstrate higher accountability and inspire increased trust by the citizenry, while complying with regulation and improving efficiency, it can get more done and have greater efficacy overall.

Chart 4
Motivations to grant access through open data



Experian public sector data, 2018

How the public sector stacks up against the private sector

With tighter budgets and higher expectations to demonstrate accountability for each dollar spent, it's easy to see how the public sector faces unique challenges when it comes to data management. Eighty-five percent of government agencies say that budgets impact the sophistication of their data management programs. Despite budgetary constraints, however, the public sector is not nearly as far behind the private sector as some may expect. In fact, in many ways, government agencies are more sophisticated in their data strategies than organizations in the private sector. While each sector has strengths and weaknesses in their approach to data management, and each could generally learn from each other, our findings suggest that the public sector is generally more advanced.

Perception can be deceiving

In some ways, comparing the public sector to the private sector is like comparing apples to oranges. In other ways, however, it makes a lot of sense to consider how they are similar and how they differ. When compared side by side in a number of areas, the public sector is just as advanced, if not more, than the private sector in terms of its data management. But that doesn't mean that government agencies realize that's the case. Nearly half of public sector agencies

consider themselves to be less advanced in their data management approach than the private sector (44%), and 69 percent think they could learn from the private sector in how they run data management programs.

There are some ways that the public sector could absolutely learn from the private sector. While human error is the biggest contributor to data inaccuracy in both sectors, it is far more of an issue in the public sector, with 75 percent of agencies citing this issue, compared with 50 percent of private sector organizations.² While 85 percent of private sector organizations in the United States see a return on investment in their data quality solutions, our study revealed that more than half of public sector agencies still rely primarily on manual processes and spreadsheets to manage their data. The dependence on manual processes and high degree of human error suggests that perhaps there is a lack of investment in data management tools within the public sector.

Human error is the top factor contributing to data inaccuracy for 75% of public sector agencies.



In several other ways, it would seem that the public sector is more sophisticated than the private sector. While only 16 percent of agencies surveyed considered themselves more advanced than the private sector, this self-assessment may be misleading. When it comes to data accuracy, the private sector believes 33 percent of customer and prospect data is inaccurate in some way. Public sector agencies believe only 18 percent of citizen data is inaccurate. This means that on average, public sector agencies estimate that their data is 15 percent more accurate than private sector agencies.

In regard to a golden record of citizens, only four percent of private sector agencies have achieved a single customer view. Seven percent of public sector agencies have achieved a golden record across both departments and agencies, and an additional eight percent have a golden record within their departmental data. Among the seven percent of agencies who have achieved the most holistic view, only 13 percent of their constituent data is inaccurate. This suggests that the advanced data practices that allow agencies to achieve a golden record correlates with higher levels of accuracy.

Data management sophistication

The way organizations in every industry manage their data is evolving. At Experian, we look at the level of sophistication of a data management strategy based on the people, processes, and technology surrounding data. We have defined four different levels of data management maturity: inactive, reactive, proactive, and optimized. These are displayed and outlined in **Figure 1**.

In both our survey to the public sector and our 2018 global data management benchmark report, we asked agencies and organizations to rate themselves on the maturity curve. Generally, 40 percent of public sector agencies believe they are equally as sophisticated as the private sector; nearly equivalent to those who believe they are less advanced. In terms of overall sophistication, based on the maturity curve, our findings would suggest this is somewhat accurate.

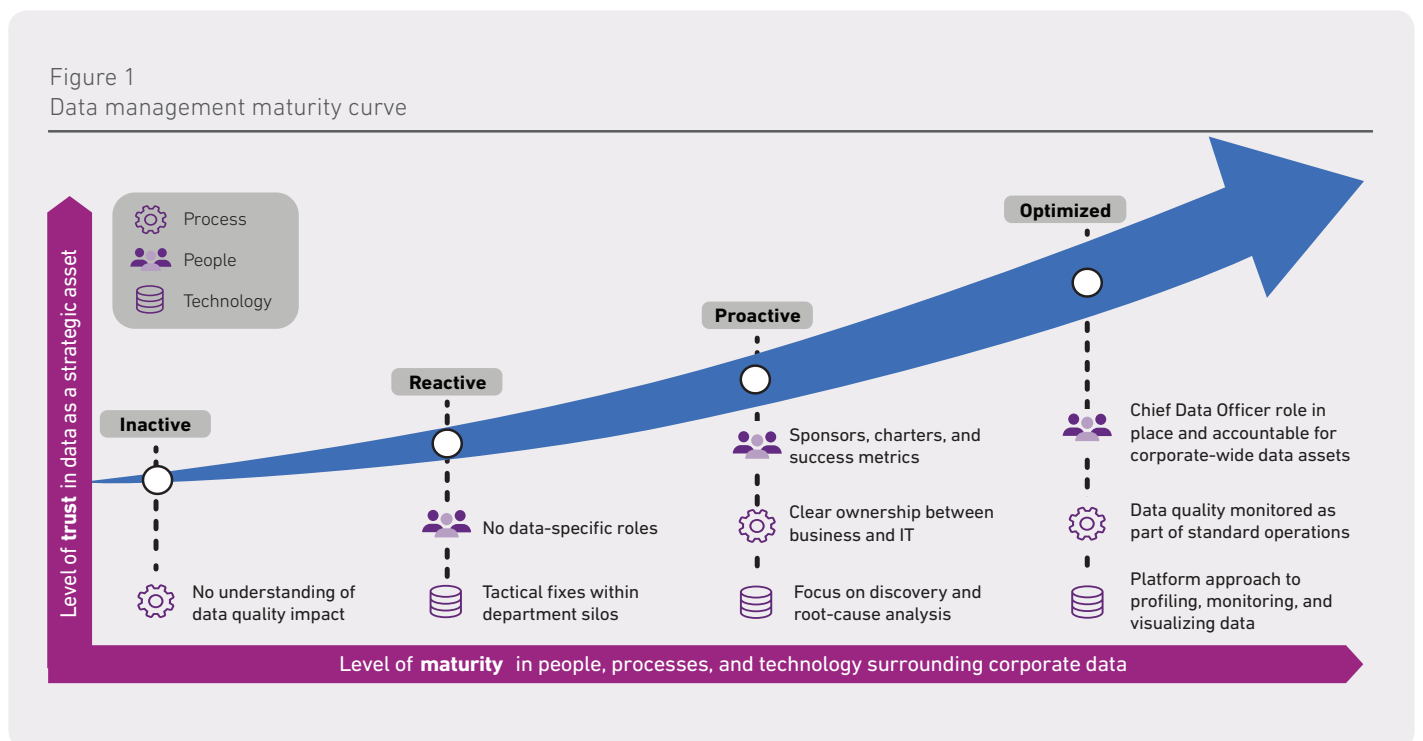
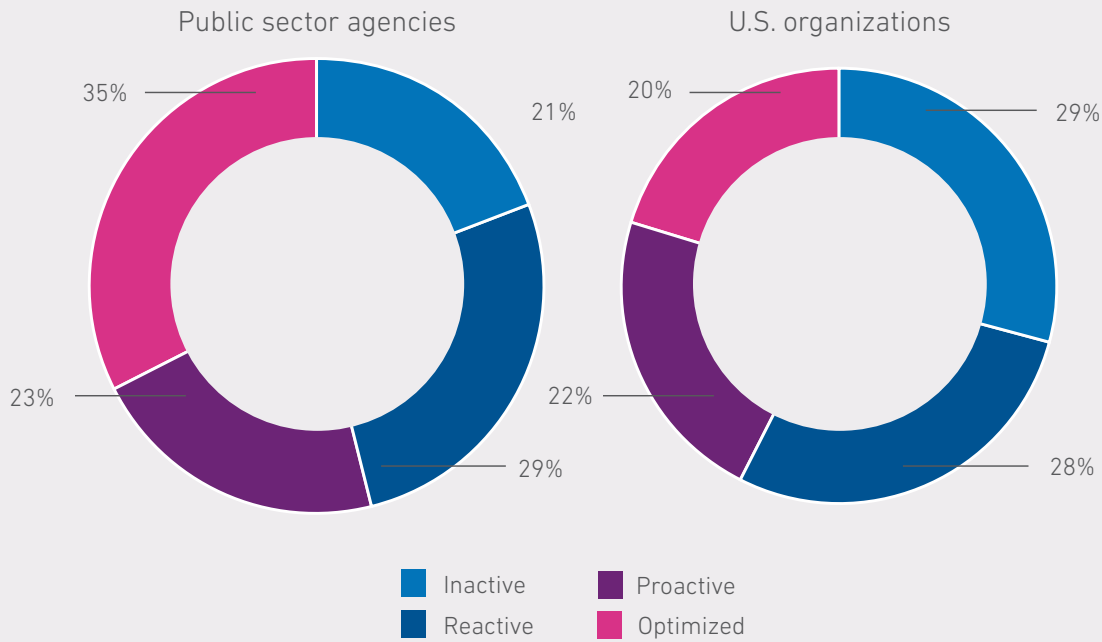


Chart 5
Data management sophistication



Experian public sector vs. U.S. data, 2018

Chart 5 shows how public sector agencies and private sector organizations rate their sophistication on the data management maturity curve. As you can see, on the less sophisticated end of the scale, we see similar self-assessments, with a larger proportion of private sector agencies rating themselves at the least advanced, or reactive state. Conversely, on the other end of the scale we see far more public sector agencies rating themselves as optimized (35%), or the most advanced, compared to 20 percent of agencies in the private sector.

When asked to specifically consider how they compare to the private sector, the public sector seems more uncertain of their own sophistication. When you look at their how they perceive the level of advancement of their data management practices in isolation, however, we see that the public sector is more confident in their levels of maturity.

Want to see how your agency's data strategy measures up? Take our data quality assessment.

[Take the quiz](#)

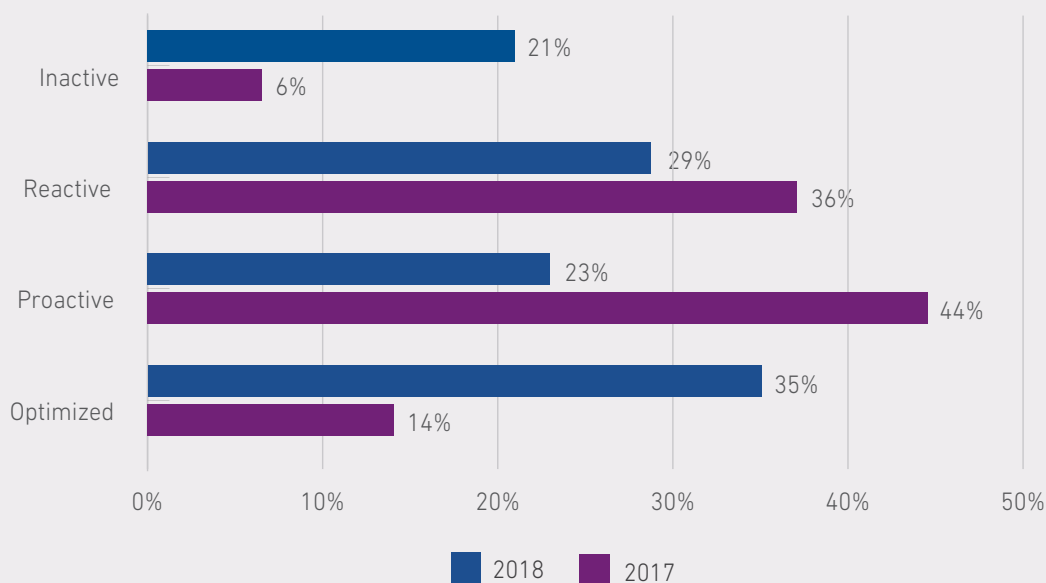
Public sector keeps outpacing the private sector

We've all heard the saying, "slow and steady wins the race." In terms of advancing their data management sophistication, this seems true of the public sector. When we consider the progress they have made year over year, we can see how the public sector continues to make gains ahead of the private sector in many regards. When we compare this year's results in **Chart 5** with the survey results from last year, displayed in **Chart 6**, we can see that the public sector has made some great strides, with a 21 percent year-over-year increase in agencies rating their data management strategies as optimized.

While the distribution of agencies across the four levels of sophistication is more evenly spread out this

year, there are larger percentages of agencies at each extreme. It also appears that many of the agencies who rated themselves as proactive last year have succeeded in moving into the optimized category this year. Last year, 44 percent of agencies said their maturity was proactive and 14 percent said optimized. This year, 23 percent view their data management strategy as proactive, and 35 percent as optimized. As data management continues to evolve, it is very promising to see so many agencies advancing from proactive to optimized. On the other end of the scale, however, some agencies are being left behind. While last year only six percent of agencies rated themselves as the least mature, 21 percent of agencies this year ranked themselves as inactive.

Chart 6
Public sector data management sophistication 2017 vs 2018



Experian public sector data, 2017 and 2018

The progress many agencies have made in terms of their data management sophistication year-over-year seems to have overshadowed the setbacks others experienced, given the progress we see in how agencies rate the overall accuracy of their data. Public sector agencies have made this progress even though the number of agencies who cite human error as the main cause of inaccuracy has doubled (from 37 percent last year to 75 percent this year). Last year, respondents estimated that around a quarter of their current customer or prospect data was inaccurate in some way.³

This year, despite the higher frequency of human error, agencies estimated that less than a fifth (18%) of citizen data was inaccurate. Both last year, and again this year, however, those estimates are still lower than the amount of data the private sector estimated to be

inaccurate. U.S. organizations suspected 27 percent of their customer or prospect data was inaccurate last year, and this year, they suspect 33 percent of their current customer data is inaccurate in some way.

The advancements that government agencies have made year over year speaks to the emphasis they have placed on data management and the progress they have made toward achieving high levels of data quality. As data management practices continue to develop and as the rate of change gains momentum, we anticipate that we will see many more agencies working toward even more mature data strategies. The increased recognition of how human error contributes to data inaccuracy signals to us that agencies will place greater importance on investing in both the tools and the talent needed to minimize the degree of human error and achieve higher levels of accuracy.



Data management in 2018

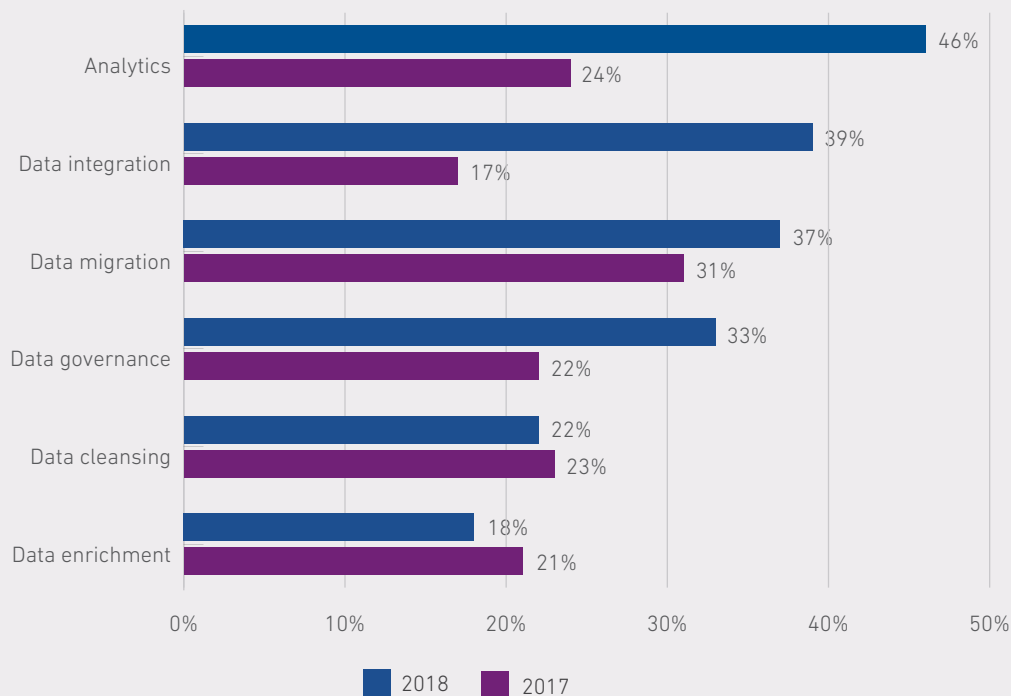
Data projects on the horizon

Data management is an ongoing process. Regardless of how sophisticated an agency's current data management practices may be, there are always projects that can help to maintain or improve the strategy. In our survey, we found that 90 percent agencies have data management projects planned for this year. To help execute these data management projects, many agencies will also be hiring new data roles within the year (64%). Agencies are having trouble, however, finding the right skills they need to effectively execute their data management strategies. In fact, more than half of agencies (58%) struggle to find the talent they need to achieve their data and analytics objectives. Despite these potential challenges in securing the expertise they need, agencies have a wide range of data projects planned for the coming year.

90% of agencies have data management projects planned for this year.

In **Chart 7**, you can see the most popular planned data management projects for this year, and how they compare to the most popular planned projects from 2017. While some projects are planned at nearly the same rates as last year, we have seen particularly noticeable shifts in how many agencies are planning analytics and data integration projects. With the number of agencies planning such projects nearly doubling since last year, we see the increased interest agencies have in deriving greater insight from their data and improving efficiency.

Chart 7
Planned data management projects over the next 12 months



Experian public sector data, 2017 and 2018

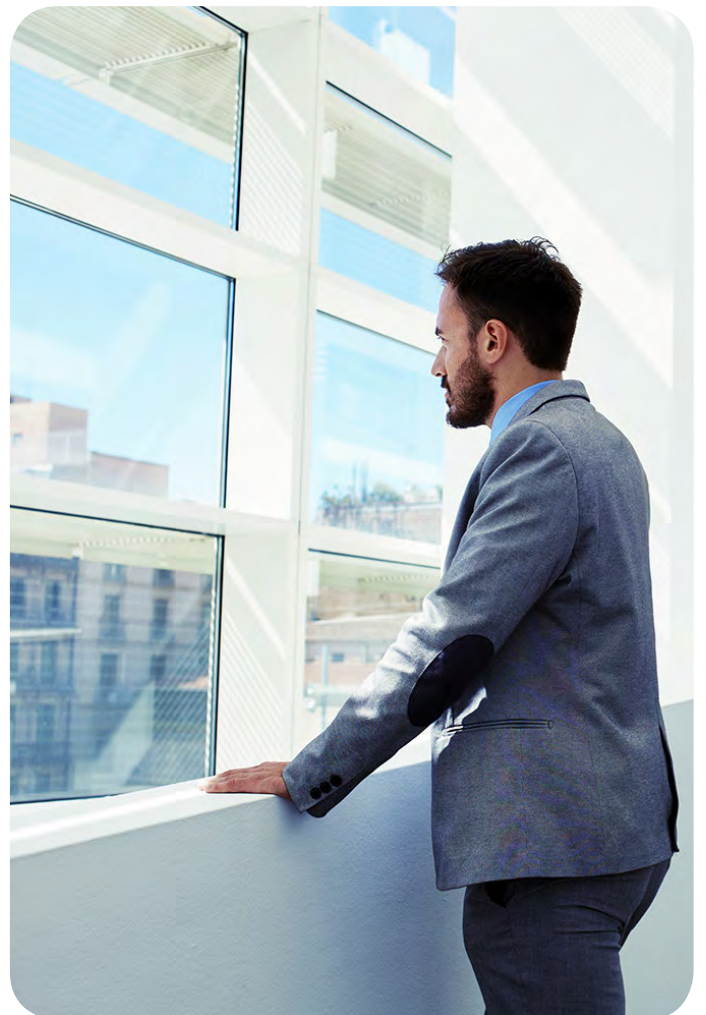
Many of the other year-over-year comparisons of most planned data projects show a relatively minor shift in the proportion of agencies planning those projects. That being said, there was a more pronounced difference in the number of agencies planning a data governance project. The increase of more than 10 percent increase over last year is particularly interesting when we compare how agencies evaluated their data governance programs. This year, 67 percent of public sector agencies believe they have a clearly defined data governance program. When compared with last year, when only 22 percent of agencies had a data governance project planned, the overall confidence in their data governance programs seems to have dramatically increased across the public sector.

In this year's survey, most agencies believe they have a clearly defined data governance program. In last year's survey, on the other hand, 91 percent of government agencies admitted that they faced data governance challenges, with nearly half of all agencies (47%) believing that their data governance program was not effective. Even with a clearly defined program, agencies may still encounter challenges, or find that their program is not necessarily effective. It does seem odd, however, that despite the relative confidence expressed in this year's survey as compared to last year's doubt, that more agencies—one in three—are planning a data governance program this year.

Are more agencies planning projects to overcome some of the past doubts and challenges? Is the increased number of projects planned a result of more clearly defined programs? Does a clearly defined program also suggest effectiveness? We believe that while government agencies have made great strides in implementing data governance strategies, there is still a long way to go before their programs operate smoothly and effectively.

From cleansing and migrating data, to implementing an effective governance program, we can help with whatever data project you have planned this year.

Improve your approach



Who's responsible for your data management?

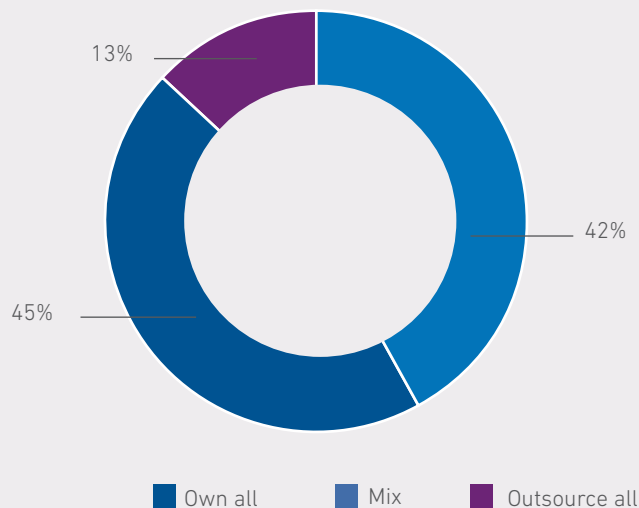
Many believe that if you want something done right, you should just do it yourself. While that may not always be true (or feasible), in order to have success with data management, it is considered best practice to take responsibility for at least some of your own data projects. According to our survey, most public sector agencies do take ownership of their data management, and as a result, they tend to see greater effectiveness in their strategies. In **Chart 8**, almost half of all agencies use a mix of owned technology and outsourced resources for data management (45%), closely followed by the 42 percent of agencies that own all data management projects, and are investing in people and technology to execute in these areas. This means that 87 percent of all public sector agencies exercise some ownership over their data management projects.

The agencies that own all or some of their own data management projects tend to be far more advanced than the agencies that outsource all projects. They are

more likely to be undertaking complex data projects and show higher degrees of confidence in their data programs. For example, 96 percent of agencies who take a mixed approach to data management have a modernization planned in the near-distant future. This compares with 86 percent of those agencies who own all projects, and a mere 10 percent of the agencies that outsource all their projects.

When it comes to data governance, the agencies that take responsibility for at least a portion of their data management projects are more likely to be confident about their data governance. While 73 percent of agencies who own all data management and 63 percent of agencies who take a mixed approach agree that they have a clearly defined data governance program, only 55 percent of agencies that outsource all projects showed such confidence. Taking responsibility for at least some portion of your data management projects allows your agency to more easily identify needs and gain greater insight into your programs.

Chart 8
Who owns data management projects



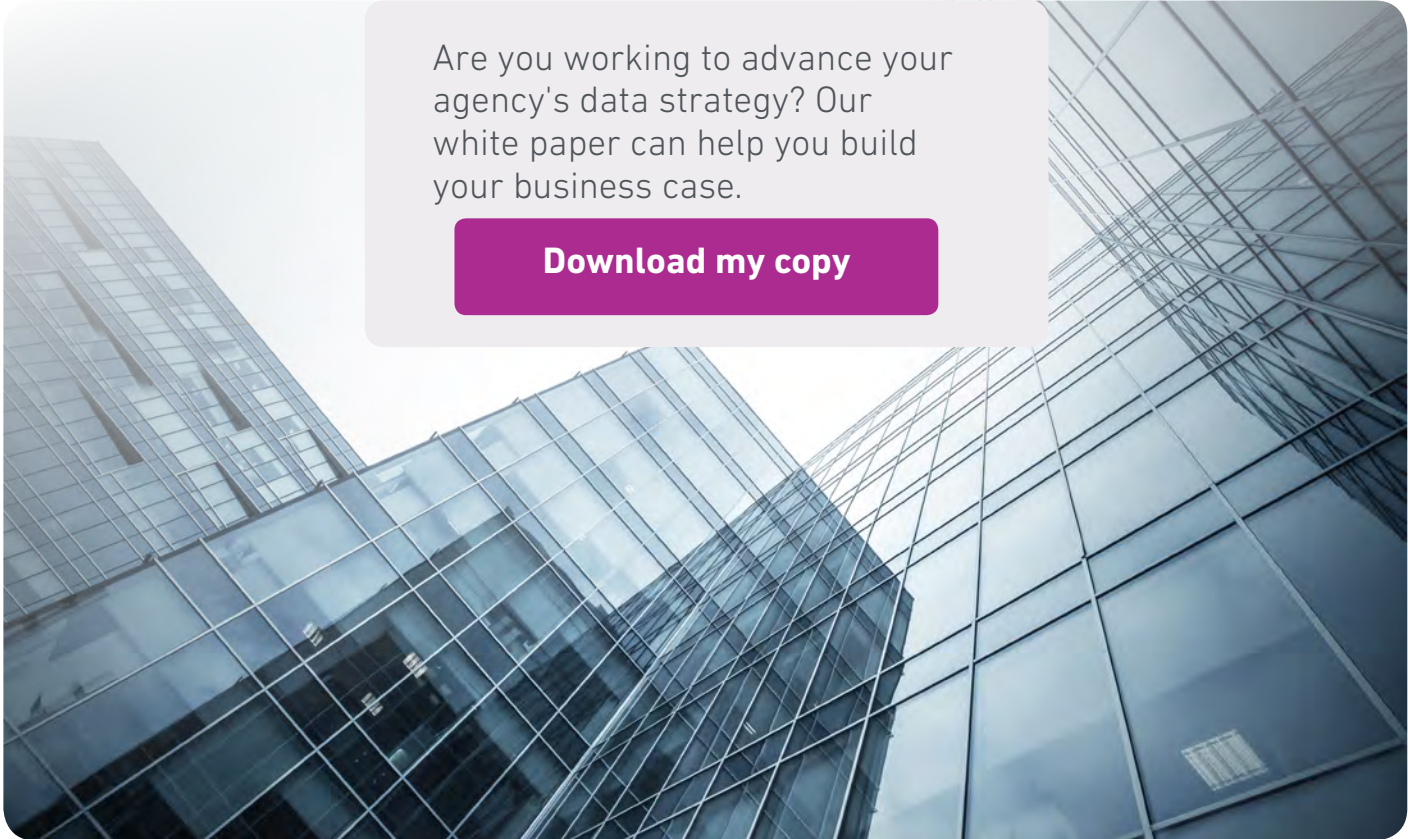
Experian public sector data, 2018

Conclusion

Public sector agencies are tasked with some of the most important responsibilities: keeping citizens safe and providing services for their general well-being. To accomplish these duties, the vast majority of agencies turn to their data. When it comes to executing their data strategies and maintaining high-quality data, government agencies are primarily driven by their desires to increase efficiency, comply with regulation, and keep their data secure. These motivations are also primary drivers behind some of the current trends and data concerns for government agencies including modernizations, moving to digital platforms, authenticating citizen identity, and granting access through open data. With so many potential advancements through new applications of data, it is no surprise that well over half of government agencies will be looking to hire additional talent to run their data management programs this year.

When we compare the results of our survey this year with last year's results, it is clear that the public sector continues to show a commitment to improving the quality of their data, advancing the sophistication of their data management programs, and successfully executing their data strategies. Even when compared to the private sector, the public sector is more advanced in many respects.

As the year plays out, we anticipate that agencies will make good progress against their data strategies, overcome many challenges, and reap the myriad benefits from those efforts. Agencies almost universally recognize the value their data provides, and as they implement new data projects and more advanced data management programs, they will likely uncover new or more effective uses for their information to improve the services they provide. We look forward to seeing how the state of data management in the United States public sector progresses throughout 2018, and what it will mean for the future.



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In perspective

Moving beyond regulation: Take a proactive approach to data

Matthew Chase
Director of Public Sector Strategy
Experian



In this year's report on data management in the public sector, we saw that more than a third of agencies rate their data management strategies as optimized. Similarly, they estimate that less than a fifth of their citizen data is inaccurate. While these are positive developments based on year-over-year data, most agencies agree that there is room for improvement. As great as it is that government agencies have made such strides to improve the quality of their data, they still tend to wait on regulations and mandates to motivate and drive this progress.

While regulation plays an important role forcing agencies to advance data management, it may be time for the public sector to start looking beyond regulation and become more innovative in their approach to data. Proactively anticipating trends, as opposed to waiting for mandates to pass, would help the public sector to make the most of their data and position themselves to be able to take advantage of some of the more advanced technologies emerging, such as artificial intelligence (AI), machine learning, and the Internet of Things.

Although the public sector may be ahead of the private sector in terms of the accuracy of their data, the private sector typically tends to do a better job keeping up with groundbreaking innovation and forward thinking. It comes as no surprise that the public sector estimates a lower proportion of their data is inaccurate; it is an expectation that agencies that provide critical services to the public would have higher data quality. Despite the higher percentage of organizations believing their data to be of higher quality and more optimized, it is interesting that most agencies still acknowledge that they could learn from the private sector. In my experience, this juxtaposition stems mostly from the fact that the private sector seems to set the bar higher in defining levels of accuracy.

When it comes to customer contact information, the private sector tends to be interested in collecting more comprehensive information so that they can reach customers through any channel: direct mail,

email, phone call, or text message. They are also more diligent in more frequently ensuring that this data is kept up to date.

Historically, the public sector has lagged in terms of collecting contact information for digital channels, and outside of the Census, many agencies have no formal practices to verify the accuracy of their contact data on a regular basis without citizen initiation. Even without a law requiring them to do so, agencies should be more proactive in regularly checking that they have correct and updated information for their constituents to drive insights, improve communications, and create better efficiencies—all while further controlling costs.

It's time to start asking, "what more can your data do for you?"

Though 35 percent of government agencies rated their own data management strategies as optimal, many agencies still have a long way to go to improve their approach to data. Even for those agencies with more sophisticated approaches, it's time to start asking, "what more can your data do for you?" and "are you utilizing it effectively?" Solidifying your data management strategy now is essential to prepare adequately for trends like AI—which is still probably at least five years down the road for most.

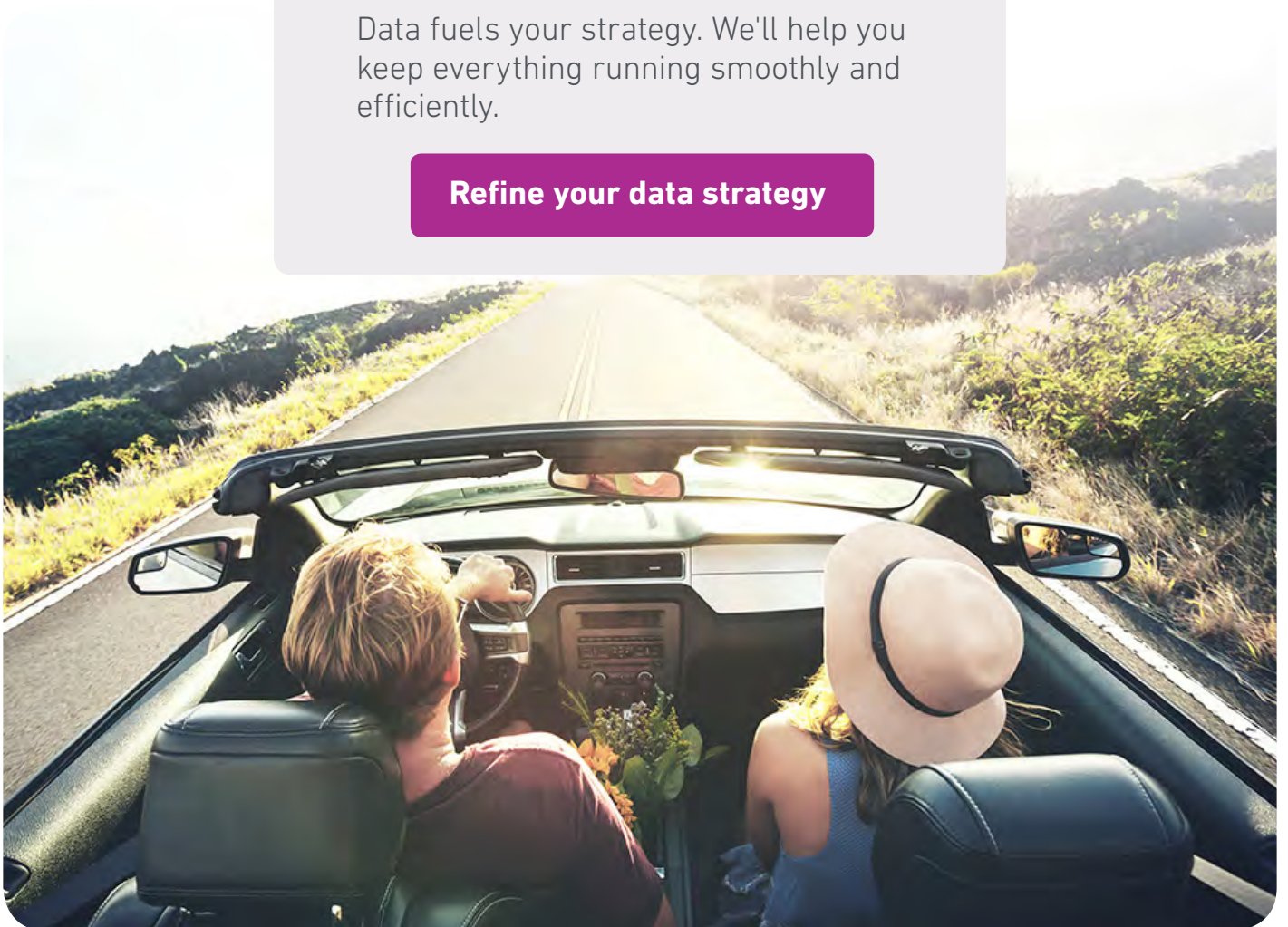
Without strong data management and high quality data, jumping into flashier projects like AI, or even more current trends like digitalization or visualization, will be nearly as impossible as trying to change a tire while driving down the highway. Cruising at highway speeds with a busted tire is a recipe for disaster, and once you are speeding along, it's typically too late to fix it without some more costly repairs. If the basics of a strong data strategy aren't in place, like ensuring data is accurate and standardized, it is highly unlikely that implementing more complex data projects will be successful. By the time they are required by law, it will also be too late to try to fix the practices that underpin these more advanced innovations.

Projects related to modern trends often overshadow data management as they typically create more buzz, have more public appeal, and appear to have a more immediate impact. Despite these draws, agencies should not overlook the importance of accurate, fit-for-purpose data. In sticking with my car analogy, data is the fuel that keeps your agency moving forward. While a leather interior or a surround sound system might be nice, what's the point of having these flashy add-ons if your car doesn't even have the gas it needs to get you anywhere? Maintaining high quality data empowers your agency to accelerate all these other projects with more ease and less investment.

In general, I would like to see a shift in mindset for leaders at public sector agencies. Recognizing that we live in the data age, it is time to start looking at data to drive decisions rather than the other way around. Adopting proactive strategies will not only help you to achieve better quality data—it will also help your agency to become more agile. Consistently analyzing your information and enhancing your approach will allow you to adapt to regulation when it arises, and even anticipate what's to come. When you have true control of your data, you can run tests in advance of new requirements passing to understand what the impact of such laws will be on your agency. With greater agility, you can keep pace with emerging trends and, when necessary, change course in response to evolving legislation.

Data fuels your strategy. We'll help you keep everything running smoothly and efficiently.

[Refine your data strategy](#)



About Experian Data Quality

Experian Data Quality enables organizations to unlock the power of data. We focus on the quality of our clients' information so they can explore the meaningful ways they can use it. Whether optimizing data for better customer experiences or preparing data for improved business intelligence, we empower our clients to manage their data with confidence.

We have the data, expertise, and proven technology to help our customers quickly turn information into insight. We're investing in new, innovative solutions to power opportunities for our people, clients, and communities. To learn more, visit www.edq.com.

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