

Karan Bhavnani
MBA,
Banking and Finance Expert,
International Business Institute,
France/India
kbhavnani1985@yahoo.com

DIGITALIZATION IN INDIAN PUBLIC SECTOR

The Digital Age has only just begun to change how we work and play. The 21st century ushered in a new era of technology that, as the digital transformation redefines business, has been reshaping everyday life, facilitating updated processes, and even giving rise to entirely new business sectors

As digital technologies continue to permeate our daily lives, the challenges and opportunities presented by such technologies are forcing local and national bodies to adapt to this digital transformation trend. Today, locals are not only tasked with doing more with less money, they must also meet increasing digital demands from technology savvy constituents. Indeed, the era of digital transformation offers public sector organizations the unique opportunity to implement new technologies to move services online, which will help to deliver greater operating efficiencies while meeting the demands placed upon them.

However, there are many challenges that public sector organizations face when embarking on digital transformation. These include:

Knowledge Transfer Initiatives (KTIs): A majority of the public-sector enterprises are simply oblivious to the need and advantages of enabling their businesses further by adapting to digitalization. It's all about the transfer of tangible and intellectual property, expertise, learning and skills between academia and the non-academic community. KTIs also need to be well recognized by government and funders, since they provide a significant driving force for enhancing economic growth and societal wellbeing. For academics, KTIs can be a way of gaining new perspectives on possible directions and approaches for research. This two-way exchange element of KTIs is at the heart of successful and sustainable collaboration.

Finance: Finding the necessary funding to start a new project is always a challenge. Currently, public sector organizations face a dilemma: They must do more with less while trying to meet new customer demands. That said, when budget allocations are invested in new, more efficient digital technologies, long-term costs are reduced for manual processes. While public sector budgets are challenged by numerous complications, the opportunity to innovate is game changing if they can get the funding to work on new digital initiatives.

Time Limits: Public sector budgets are tied with political cycles, which means that new projects must show results quickly for citizens. Gathering political support to invest in digital technologies is a way for public sector organizations to achieve lasting impact.

Technical System Issues: Many public-sector organizations operate a range of outdated systems that need replacement. Digital upgradation should be a priority if a public sector organization is preparing to reinvent their business. Organizations need to take a systematic approach that starts with internal approval and ends with a long-term outlook. This can be done in incremental steps within a larger digital transformation initiative to gain support and buy-in from other stakeholders around the organization. In addition, the support and active involvement of department heads are needed to make the goals of the digital initiative and effectively migrate away from old systems and processes.

Coordination and Cooperation: Digital transformation requires a top-down approach. It starts with the top management and must be embraced by all the internal stakeholders. If public sector organizations can obtain the required internal support, as well as gain the much needed funding and showcase a positive ROI, then they will be able to readily make improvements that will yield short-term operating efficiencies and lay the groundwork for long-term success.

Although there are inherent challenges in digital transformation, public sector organizations can begin to make lasting changes; and this doesn't have to be an extensive approach. This can be done in incremental steps within a larger digital transformation initiative to gain support and buy-in from other stakeholders around the organization.

The Government of India understands that millions of Indians are looking to it to deliver on its promises and meet the expectations for India to take a position as one of the fastest-growing global economies. With the spotlight on India, there is a national sense of urgency for action, and strategic investments in technology will be critical to creating a new path for the future.

The government can truly deliver on the promises of Digital India through the following:

- **Supporting the startup ecosystem:** The startup ecosystem will be a significant growth driver for India. With the government's support, the country is creating an environment conducive to innovation, which will also create jobs. With over 3,100 startups, India is currently the fourth-largest startup community in the world, and these numbers will only increase. By 2020, India will have more than 10,000 startups, which, in turn, will create 250,000 to 300,000 jobs. With continued support and investment, this flourishing ecosystem has the potential to bring about many more opportunities for India to compete on the global stage.
- **Transforming industries:** Companies across every industry and geography are realising the value that comes with going digital, and in India, there is tremendous value that has yet to be unlocked. By using the Internet to connect, businesses can increase efficiency, productivity and quality, in turn boosting GDP growth. Across industries in India's private sector, digitisation has the potential to create \$394.4 billion in value over the next decade. Enabling manufacturers to do business better and faster will drive new opportunities for India and help manufacturers to increase competitiveness and achieve their growth goals.
- **Creating smart cities:** The UN expects India's urban population to grow to 404 million people by 2050 and the government must prepare for this influx. Technology will be essential to providing the urban services that citizens need and improving quality of life, while also creating an environment that is more favourable for business investments. The government in India has announced a budget for the development of 100 smart cities, which, if invested in the right ways, could have a tremendous impact.