Government executive response to COVID-19
An approach to sustained recovery and resilience beyond the crisis

COVID-19 is impacting our society at every level and state, county, and city governments are at the front lines of keeping the public safe. While government executives are in the business of managing crisis, from natural to man-made including biological, the speed and impact of COVID-19 places even greater strain between responding to crisis while sustaining essential services to communities.

We see executive leaders putting people first in this crisis, both their workforce and the constituents they serve. While states and localities manage public health, public safety, and public infrastructure during this period of crisis, we offer a roadmap to guide executive thought and action beyond the immediate crisis as further fiscal and operational challenges accelerate.

In a time of crisis, government executives at all levels must portray a calm yet forthright style of leadership – acting decisively at speed, staying rational about the near term, and thinking ahead to those challenges that lay on the horizon and into a period of ‘new normal’ – Ian McPherson, Performance & Operations Leader for Government & Infrastructure

A roadmap for executive action

Our guide to navigating the crisis in both near and medium term consists of four dimensions, all centered around your People – your constituents, your consumers, and your workforce. While the “tunnel-vision” effect of a crisis can be all-consuming, we know government executives must challenge their senior teams to think beyond tactical responses to plan for recovery, rebalancing, and restoration of both essential and discretionary services that make a state, region, or locality a great place to live, work, play and grow.

1. Community
Engage communities virtually to convey the challenge of the crisis, the rebalancing of operational capacity, and the necessary trade-offs in level of service they will experience. Disseminate clear indicators of success or challenge, and ask well-informed/engaged constituencies to be part of the recovery.

2. Capacity
Balance available/remaining resource capacity and service level expectations over 6/12-month and 12/18-month horizons, maximizing alternative models of response. Virtual/online service and triaging/grading of requests will be critical in all functions, as will flexing staff, contracts, partners, and resources across functions to meet shifting community needs.

3. Cash
Develop a 30/60/90-day crisis cash flow plan, accounting for existing reserves, working capital facilities, timing of federal or state infusions, and sensitivity stress-tests by revenue source. Identify quick ways to pause purchases and delay cash outflows to third-parties where contractually feasible and appropriate.

4. Cost
Develop a 6/12-month cost containment plan around aligning hiring/staffing and capital/operational spending to cash on a rolling-forecast basis. Optimize services/assets to rapidly generate tangible savings and revenues, operating efficiencies, and exploit automation to increase the impact of your workforce on your Community.
The journey from crisis to stabilization to strength in a “new normal”

As uncertain Cash and increased Cost put further strain on Capacity to serve your Community, a journey through the unfolding crisis to community stabilization and recovery is needed – along with recognition that we may return to a different environment than we left. Critical on this journey is recognition of the actions to mitigate the timing of decline and recovery on more variable revenue sources (i.e. consumption, occupancy, sales, usage) versus more stable sources of revenue (i.e. ad-valorem property tax).

The crisis emerges, well-exercised structures respond, fiscal stress-testing occurs, and “triage/continuity mode” for essential services begins as Cash tightens and the Community requires acute support.

The crisis begins to stabilize, a well-structured plan to optimize Cost and Capacity guides executive decision-making, virtual services and working are leveraged from existing systems/investments, and culture shifts to a more flexible/dynamic workforce that maximizes Community impact virtually and with markedly tighter Capacity. The Community begins to show capacity to help engage in further recovery efforts, moving overall indicators of community resilience to a more positive result.

The period of “new normal” begins with reserves replenished and further investment in service automation and resource optimization – driving a stronger, more flexible and more virtual organization that is more resilient and ready to overcome the inevitable next challenge.

We standby to accelerate your journey

KPMG is committed to state and local government through their most challenging times as they serve the needs of their communicates. The KPMG difference lies in our people, our passion, our insights and tools, but most of all our tested track-record of results – a **10:1 return on investment** in the form of **$100m+ in savings and measurably improved services** across our recent clients. We are a corporate sponsor of the National Governors’ Association (NGA) and National Association of Counties (NACo). We bring decades of combined experience as former public servants and professional consultants to bring about tangible change through a collaborative, results-oriented, data-driven approach. We help our clients improve their performance and operations in terms of outcomes, quality, speed, service, efficiency and cost. We utilize world-class, advanced analytics, tested operational change methods, and a collaborative and culturally-mindful approach to enhance results in a sustainable way in the government sector – from Public Safety to Public Health to Public Works.

Contact us

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<th>Months 4-12</th>
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