



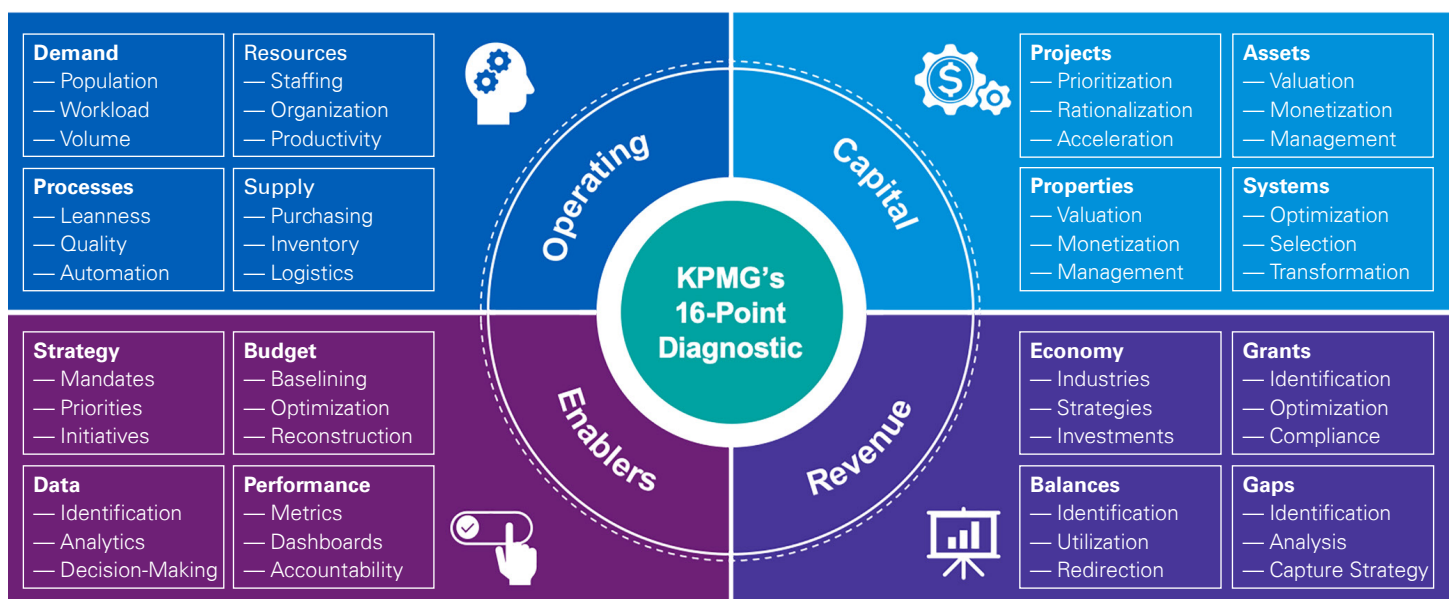
Rebalancing cost & capacity in the government & public sector

The COVID-19 pandemic has triggered unprecedented economic, fiscal, and workforce crises at a speed and complexity that nullifies existing strategies, stretches resources dangerously thin, and obstructs the ability to forecast revenue sources and levels. Government and public sector leaders must reimagine their structures, services, and ways of working to manage in this intensified revenue-uncertain and cost-constrained environment by systematically evaluating opportunity in the organization and applying modern analytics to accelerate time-to-results, enhance effectiveness, and contain costs.

A framework for rapid, conscious cost containment

Beyond the public health emergency response, near- and long-term revenue impacts of a new economic reality are becoming clear, characterized by growing unemployment, increasing social services demand, prolonged social distancing, and reduced consumerism. As leaders face 20%+¹ less revenue and depleted reserves, maximizing federal and state relief opportunities remains critical, but such support is temporary. Quick and decisive cost containment action will help mitigate workforce-related impacts and transform constituent services to adapt to new dynamics.

Given today's urgency, leaders may be tempted to favor certain functions or services for cost containment over others. However, these decisions must be founded in mission-critical improvement objectives and data-supported insights to direct new purpose-driven initiatives. Otherwise, results may be short-lived, depreciating, or ineffective. Diagnosing performance across the following fiscal optimization levers may reveal solution opportunities to further develop, design, and deliver to your stakeholders:

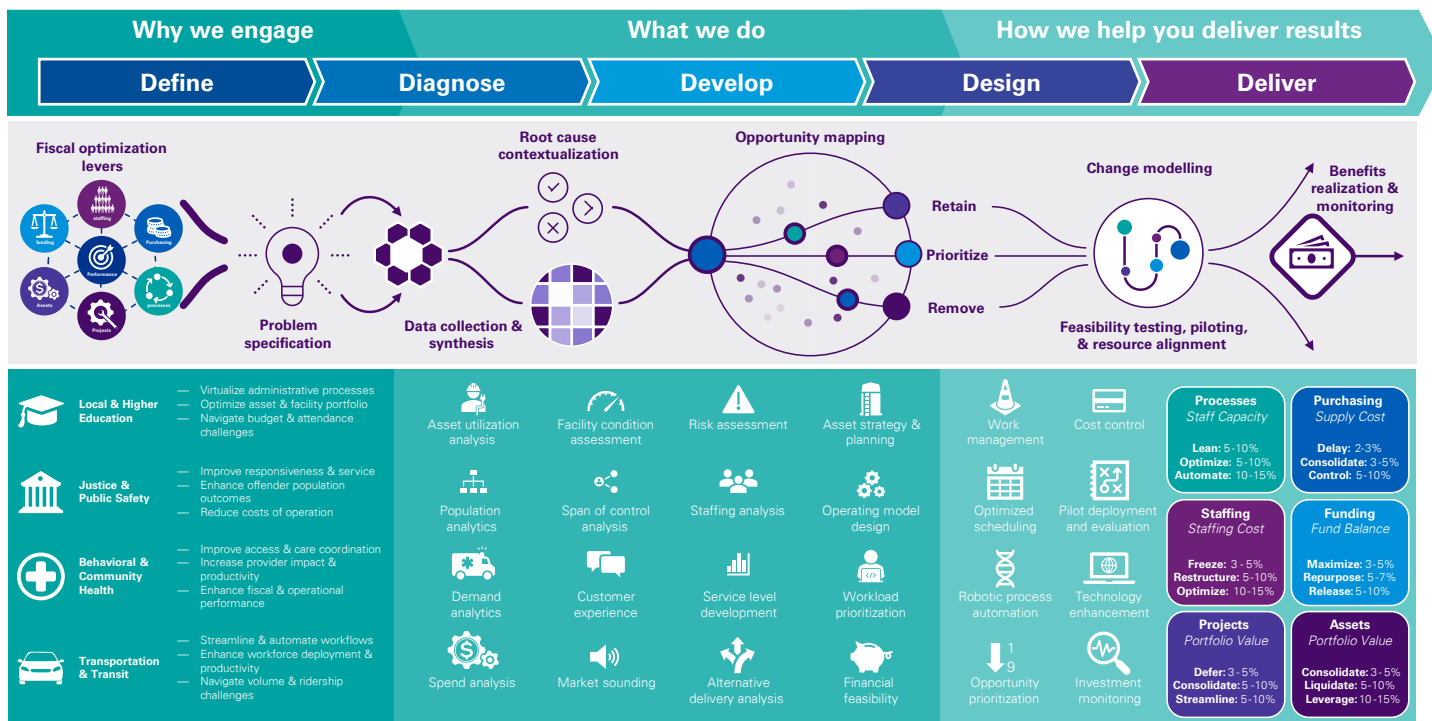


Having supported numerous government, public and private sector organizations in their responses to economic uncertainty over the past many decades, we offer a rapid approach to cost containment to help guide executive action in the near and longer-term horizon. We believe a critical opportunity is present to catalyze and sustain an innovation agenda that has now met its moment of necessity.

¹Midpoint of a range of 18-23% that came from www.governing.com article, *Absent Fed Help, State Budgets Will Be the Worst in Decades*

Benefits and savings you can expect to deliver

As an executive leader, pressure to deliver for your constituents, consumers, clients, and students will only increase amid revenue and cost constraints. An array of benefits and savings levers are available to you, and KPMG is here to help you identify, prioritize, realize, and sustain these gains. We bring tested tools to quickly define and diagnose cost drivers, develop and design savings solutions, and help you accelerate the delivery of savings solutions at the speed your elected leadership, governing bodies, or constituents require.



We stand by to accelerate your vision

KPMG is committed to government and public sector organizations in their most challenging times. The KPMG difference lies in our people, passion, insights, and ready-to-use analytical tools, but most of all, our track-record of results. We have delivered a **10:1 return on investment** in the form of **\$100m+ in recurring savings and measurably improved services²** across our recent clients, affording them the opportunity to reinvest in their key priorities. As a corporate sponsor of the National Governors Association (NGA) and National Association of Counties (NACo), we thrive bringing decades of combined experience as former public servants and professional consultants to help you generate tangible change through a collaborative, results-oriented, data-driven approach. By utilizing worldclass, advanced analytics, tested operational change methods, and a collaborative and culturally-mindful approach, we can help you improve performance and operations in terms of quality, speed, service, efficiency, cost, and overall outcomes in a sustainable way – from Public Safety to Public Health and Infrastructure to Education.

²Based on data from KPMG Government Performance & Operations team in the past 10 years

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