

# Technology in the Public Sector

Focusing on...

...2021 and beyond



# 2021 provides an opportunity to Government to mainstream technology within given the push and acceptance it received during the ongoing pandemic

## 2020 is behind us and was a strange year...

### Challenges witnessed

- **Reduced Staff:** Governments had to work with reduced staff strength for a large part of the year, which also enabled use of technology for service delivery.
- **Impact on Education:** Education institutes being shut for a large period of time (some institutes are even shut now for physical classes), public sector education had to quickly move to use of technology. The scale and complexity of the challenge is something that has never been witnessed before. Many schools, teachers and even students faced challenges vis-à-vis availability of devices and internet to continue with classes.
- **Budget cuts:** Many States saw budget cut or freeze, which resulted in slowdown or delay in tech. projects in the States
- **Issue with PPP projects:** PPP projects had a difficult year (e.g., RTO, Passport, Property Registration etc.) with lesser footfalls and lesser scope of cost recovery during the year

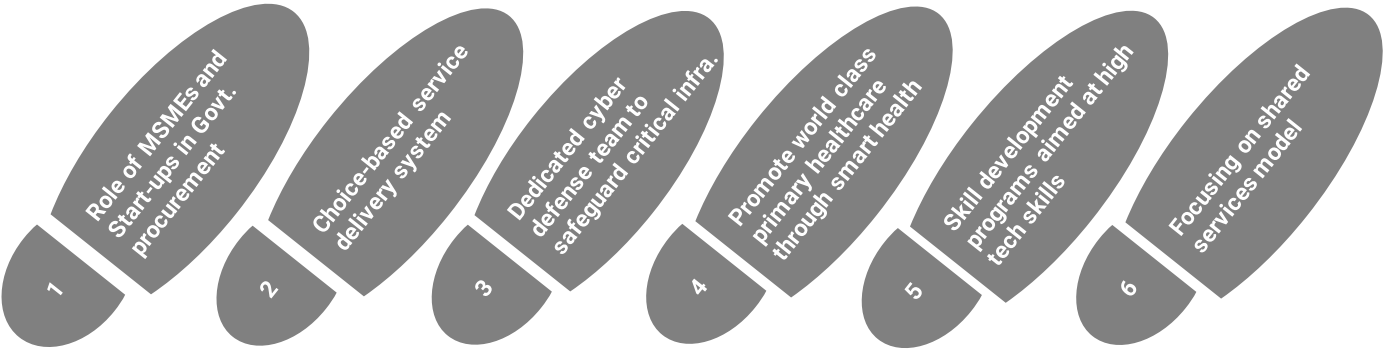
### Visible Positives

- **Focus on digital:** The pandemic has accelerated the need and urgency for digitization. Government would increase focus on digital.
- **EdTech and e-Health:** EdTech companies and organizations focused on e-Health showed tremendous growth
- **Liberalization of regulatory regime:** The Government liberalized the regulatory regime for 'Other Service Providers' doing away with provisions like BGs, Static IPs, publication of network diagram, penal provisions etc. This would facilitate Work from home and Work from anywhere for the IT and BPO industry and can further accelerate growth
- **Innovation:** The pandemic led to lot of innovative service delivery models being adopted across multiple spheres. Numerous start-ups came up with innovative solutions driving service delivery.

## ...but some challenges still remain...

- **Start-ups need support:** While the year has had record number of unicorns, but many start-ups still remain at a risk of closure sans government interventions
- **Data security:** As Government service delivery adopts digital models, data security would need refocus. The criticality of the same can also be gauged from the fact that many of the users would be ones adopting internet and digital solutions for the first time.
- **Employee engagement:** Employee engagement would be a critical aspect as people continue to work from home for a significant period of time during the year
- **Training and Capacity Building:** Extensive training and capacity buildings may be needed for Government officials and staff for being able to accelerate digital delivery of services, especially in semi urban and rural areas

## ...we would be looking at Government to bring in significant interventions and new thoughts in the tech segment in 2021...



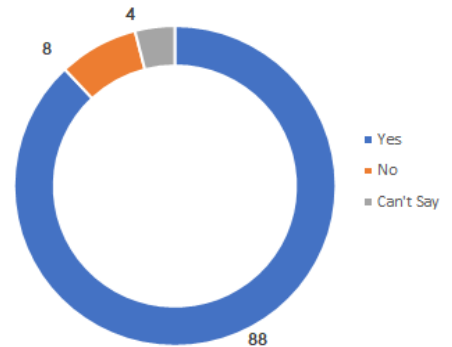
# It is important to focus on developing new strengths while building on the existing ones

## 1 MSMEs and Start-ups do not benefit from Government spend. Need specific policy intervention in Government procurement

Public procurement is estimated at 20-30 per cent of GDP. Ministries like Railways, Defense, Telecom etc. allocate almost 50 per cent of their budget towards public procurement. As the Prime Minister has rightly articulated the need for Atmanirbhar Bharat, there should be a renewed focus to enable MSMEs and Startups to participate in public

procurement on equal footing without being at a disadvantage only because of prior experience. **As in defense, there needs to be a negative list (goods, services and works) which is only meant for MSMEs and Startups for public procurement.** This would bring in real innovation and spread the development far and wide.

Do MSMEs & Start-ups find it difficult in public procurement

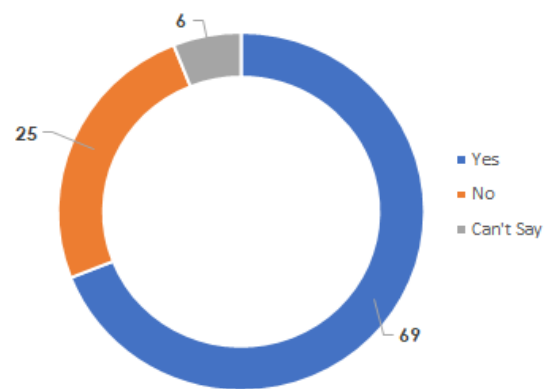


## 2 Customizable and choice driven beneficiary welfare management

India devotes nearly 34 per cent of its expenditure on benefit and welfare schemes. However, there are issues related to duplication of beneficiaries, few schemes defining the overall budget (of the 675 welfare schemes in the Union Budget 2017-18, 7 schemes contributed for over 50 percent of the expenditure), low utilization etc. **There is a need for paradigm shift in service delivery by dispensing the power to choose the nature &**

**amount of benefit from the Government to the beneficiary.** The funds allocated for all of the identified schemes may be clubbed into a single Universal Benefit Fund managed centrally by the State (service delivery can still be by different departments) with the beneficiary being free to choose one of the multiple choice available for availing benefits.

Would you prefer customizable service delivery model

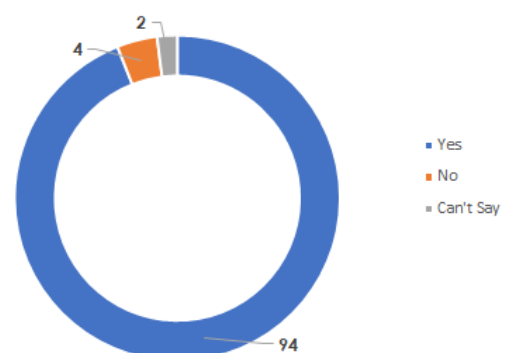


## 3 Use technology to enable world class healthcare at every village

Primary healthcare, especially in the rural areas, do not meet the required standards at times, thus leading to load on the secondary and tertiary system. The pandemic has shown that technology driven Smart Health solutions can be an effective alternative and enable world class healthcare at every village. Govt. of India had also come up with Telemedicine

Practice Guidelines in Mar 2020, which would aid in this case. **Smart Health centres (can be in PPP mode) can be set up comprising of kiosks, qualified paramedics at the kiosks, smart connected healthcare devices, laptop, software etc.** with doctors being centrally available for diagnosis.

Would technology have a role in primary healthcare



**Note:** The data is from a survey done on LinkedIn to gauge the mood of respondents.

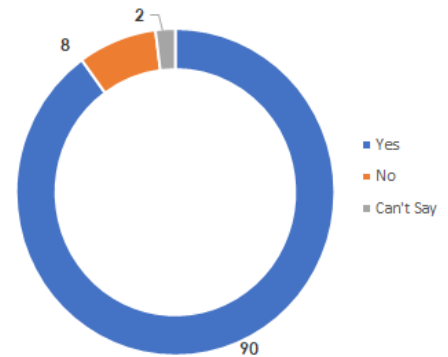
# It is important to focus on developing new strengths while building on the existing ones

## 4 Skill development programs should focus on cutting edge technologies to future proof our people

Government of India runs various ambitious skill development programs, aimed at promoting entrepreneurship and skill enhancement for better jobs, thus in turn enhancing the quality of life. However, the whole technology ecosystem would see a tectonic shift with **new age technologies like AI, ML, IOT, Robotics, Blockchain, Cyber**

**security, Forensics etc. becoming more and more prevalent.** In order to future proof our technological workforce and maintain our lead in this area, Govt. should shift focus to skill development programs imparting skills which are relevant not just now, but even five to ten years down the line.

Need for new age skill development programs

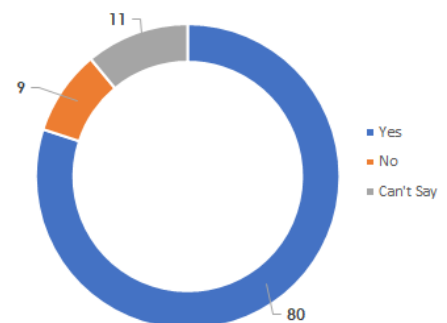


## 5 Government needs to create a shared services to help drive data convergence across multiple ministries

Governments need to move away from the vertical-centric (departmental / ministry) approach towards technology enabled services and data and bring in a concept of **shared services for all program related data and usage.** Presently, many departments store data in silos and the same data is stored in different formats in

different departments. While actual delivery of service may remain verticalized in Government, however the conceptualization, data design, ownership and storage of data should come into a common shared service center to enable tightly coupled and more integrated service delivery.

Need for shared services model

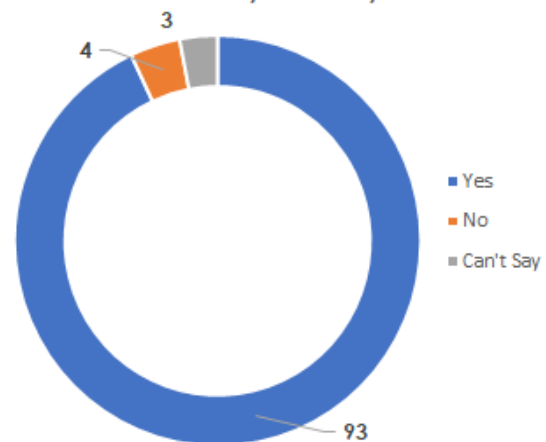


## 6 Need for cyber defense team to safeguard critical assets and installations

According to various reports, India lags many other countries in terms of cybersecurity and cyber defence. Recently, Hon. Prime Minister had highlighted that a new robust Cyber Security policy will be launched soon. This is the **need of the hour. But India needs to move beyond the policy and put in place a cyber defense team** to safeguard each of the critical installations and assets of national importance (e.g., defense locations, power plants,

space stations, atomic / nuclear research centers, air traffic control system etc.). The private sector can also play a critical role here and can support in resources and technology. However, care should be taken to build home grown talent and technology in this space. The availability of the cyber defense team can safeguard the country from sophisticated cyber exploitation, cyber warfare and espionage in days to come.

Need for dedicated cyber security team



# Key questions that will determine the strategies and policies in 2021

Government of India is expected to use technology in a major way across multiple key initiatives in 2021, including running the program for vaccination against Covid-19, National Digital Health Mission, etc. The role of Start-ups and MSMEs can be critical here to bring in nimbleness, speed, agility and innovation. It would be important to see if enabling policies are brought forth for the same.

## Few key questions that will need executable answers



*Can private industry, especially the Start-up and MSME ecosystem be given a significant role in driven tech-led innovation for Government*



*Can there be adequate budgetary provision to foster innovation in the digital push in delivery of Government services*



*Can there be further enabling environment and support mechanism to promote investment in the tech. space, including the high-tech industry*

## ...and what policy / budget clauses can enable implementing the above...

- Mandatory enablement of MSMEs and Start-ups in Government procurement
  - All Tech. procurements up to INR 2 crores Should be from Start-ups / MSMEs
  - Tech. procurement between INR 2 crores and 10 crores – 75 per cent should be from Start-ups / MSMEs
  - Tech. procurement between INR 10 crores and 100 crores – 50 per cent should be from Start-ups / MSMEs
  - Tech. procurement above INR 100 crores – 25 per cent should be from Start-ups / MSMEs
- Smart Health being taken up as a mission mode project
  - Phase 1: All panchayats not having PHCs
  - Phase 2: All villages not having PHCs
- Launch of Choice based service delivery mechanism
  - Pilot across all UTs without legislature and any 5 States based on interest and readiness of the State
- A dedicated program focused on Cyber security and Cyber defense
  - Identification of all critical installations (Go ones to start with)
  - Indigenous solutions and tools developed by Tech. Start-ups
  - Dedicated Cyber defense teams in 100 locations in Phase 1
- Working together of MeitY and NSDC to drive skill development programs for high end tech. skills
- Setting up a Shared services Center of Excellence to drive the concept and culture of shared services in Government.

## What to look out for in 2021

1. Trajectory of IT budget
2. Progress on the PLI scheme for Tech. manufacturing
3. Progress in the implementation of –
  - National Digital Health Mission
  - Swamitwa Yojna
4. Role of IT and Technology in rollout of the vaccine for Covid-19
5. Critical policies around data privacy, cyber security etc.
6. Drive towards localization of data that does not impact the edge of India
7. Chances of adding 10 - 15 new Tech. driven unicorns in India

# About Primus Partners

Primus Partners has been set up to partner with clients in 'navigating' India, by experts with decades of experience in doing so for large global firms. Set up on the principle of 'Idea Realization', it brings to bear 'experience in action'.

'Idea Realization'— a unique approach to examine futuristic ideas required for the growth of an organization or a sector or geography, from the perspective of assured on ground implementability.

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Our core strength comes from our founding partners, who are goal-oriented, with extensive hands-on experience and subject-matter expertise, which is well recognized in the industry. Our core founders form a diverse cohort of leaders from both genders with experience across industries (Public Sector, Healthcare, Transport, Education, etc), and with varied specialization (engineers, lawyers, tax professionals, management, etc).

Primus Partners brings experience of working in more than 30 countries with private and public sector, including working with Government of India, building and leading large consulting teams at the leadership level, and creating one of the largest public sector consulting practice in India. They also represent 200 person years of experience in leading global and Indian consulting firms and the public sector.

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for providing solutions to help clients achieve their goals

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For all and alternate viewpoints

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of thoughts and actions

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of our chosen subject to drive innovative and insightful solutions

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Representing the Primus collective, where each individual matters

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for building a better tomorrow

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