Medallia

# AI in Government Service Delivery Isn’t New and Isn’t Optional

# Introduction

The U.S. Department of Veterans Affairs (VA) began using AI to identify veterans at risk of self-harm, suicide, or homelessness in 2017, not long after the Veterans Experience Office (VEO) launched an otherwise commercial Customer Experience technology platform called Medallia across the VA.

The primary intent of acquiring this technology wasn't for mental health assessment, but to listen to veteran experience feedback just like companies and brands listen to customers: continually, at-scale, and anywhere that the customer touches the brand. The intention was also to ask for open-ended text feedback and use Natural Language Processing, a component of AI, to process the text so that veterans could explain their issues in their own words, rather than forcing them into a bureaucratic survey, tickbox, or scale between 1 and 10.

Not long after launching this technology (now known as the Veteran Signals, or VSignals, program), the true power of AI-driven text analytics became clear when the system flagged mentions of suicide in the open-ended responses from veterans responding to surveys automatically sent to them following a pharmacy appointment.

The surveys weren't asking about mental health, or suicide, or anything of the kind: they just asked how the pharmacy experience had been for them. But in those open-ended responses, a few veterans indicated that they planned to hurt themselves. And the powerful AI embedded across the platform flagged it.

As of today, this system has automatically routed tens of thousands of at-risk veterans to the Veterans Crisis Line and the National Call Center for Homeless Veterans, with thousands of confirmed interventions that have saved veteran lives. **And it is only via the scaled power of AI's ability to parse millions of comments, understand them, and identify the critical ones that this kind of intervention is possible: AI can find needles in haystacks.**

This is a poignant and brilliant example of why AI is not only valuable and essential, but how it can encourage lateral problem-solving and agile thinking, and directly improve efficient and effective service delivery.

> **"The program utilizes artificial intelligence systems typically used in the customer experience industry to monitor responses based on tone and language and respond immediately to at-risk veterans."**
>
> *— The Hill: How the VA is using artificial intelligence to improve veterans' mental health (September 8th, 2020)*

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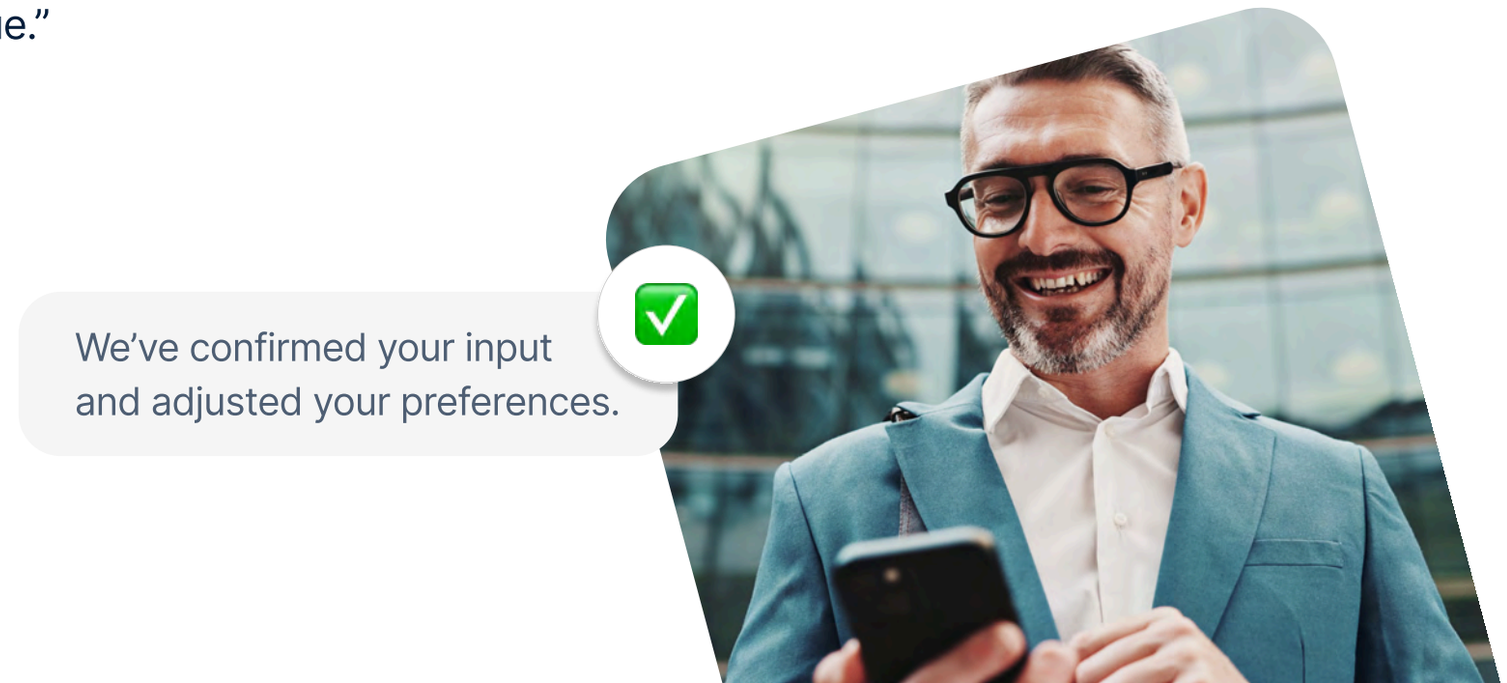
# Learning from the Private Sector

The notion of a customer experience platform with embedded AI to understand, flag, allocate, and drive action to intervene is not new in the private sector: "service recovery" (or, more simply, fixing a bad brand experience) has been part of commercial thinking for decades. "If [brands] have the ability to harness this capability so they can sell more, why can't public service agencies have the ability to serve more?" Lee Becker asked when interviewed by **The Hill** about the VA program in 2020.

Becker, who implemented the VSignals program at the VA under Chief Veterans Experience Officer Dr. Lynda Davis, now leads Medallia's Executive Industry team, guiding government and commercial customers on complex journeys like the VA's. He remains completely aligned to the principles driving the use of the technology at the VA: "The more we listen at scale, and move away from samples or selected groups, and just work to understand what veterans are saying in their own words, wherever they give us feedback, the better we will serve them. **AI isn't the future; AI is here, and it has been here.** It is up to government leaders now to use it intelligently and drive value."

This principle is now codified into policy via OMB Memo M-25-21, which directs: "The Federal workforce has a responsibility to develop and maintain, at a minimum, foundational knowledge of how to use AI responsibly in performing their official duties." The requirements and guidance set out in this memo specifically instruct the federal government to utilize AI to "increase quality of public services, and enhance government efficiency," which are the same principles driving customer experience (CX) work for most private sector businesses.

As the private sector has long understood, AI can eliminate the need for manual aggregation, analysis, triage, and delivery of relevant information to the people who need to see or take action on it. The return on investment (ROI) for using the Medallia platform was independently assessed and verified in January 2025 by a Forrester Total Economic Impact™ report to deliver productivity and efficiency gains equivalent to nearly 18 full-time employees, a 185% return after 3 years, and payback in less than 6 months.



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# So What Does AI for Better Government Experience Look Like?

AI for improved federal experiences is very similar to the AI that citizens encounter daily when they interact with their favorite brands and companies. When Netflix recommends shows based on your previous activities? AI. When Amazon refunds your order based on a photo and your known purchase history? AI. When Walmart routes your phone call to the correct place based on a voice cue? AI.

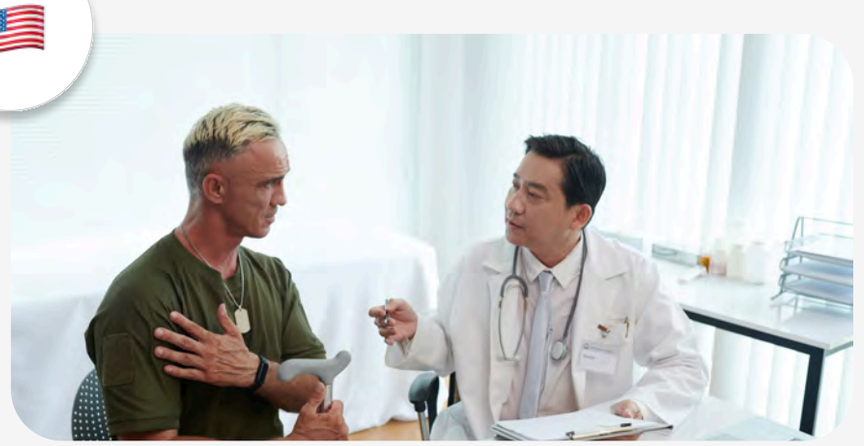
The profound value of a system like the one that the Veterans Experience Office implemented at VA is that in addition to finding those critical and high-impact needles in haystacks, it is also a continual customer engagement and improvement approach that yields measurable business results. For example, in addition to dramatic improvements in veteran trust in the VA, the program has also set the bar for best practices in customer experience in government to improve efficiency and effective service delivery, building a blueprint for success for others to follow.

While these improvements are profoundly transformative for the VA, they are not a surprise; this technology has long been used by Medallia's commercial (Fortune 100) customers to **increase the quality of service delivery and improve efficiencies via cost savings, while also helping to build trust in the customer's organization via improved delivery.**

AI for better government looks like faster resolution of problems; fewer calls into a contact center because citizens can self-service online; efficient agentic chat options that can resolve issues at any time of day or night; anticipatory information on care or benefits being sent to recipients; improved trust in government to get it right; and dozens of other outcomes that can be tied directly to the intelligent and sensible use of AI.

**"Agencies must lean forward on adopting effective, mission-enabling AI to benefit the American people"**

*— OMB Memorandum M-25-21 (April 3rd, 2025)*



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# How Does AI for Experience Improvement Actually Work?

In the case of AI for better experiences for citizens, veterans, taxpayers, borrowers, patients, beneficiaries, and the dozens of other customer use cases across government, AI can help by turning unstructured text data (call transcripts, open-ended survey questions, chatbot conversations, etc) into meaningful, actionable feedback. And this feedback can then be automatically delivered in real time to the person who needs to do something about the feedback, such as fixing a mistake or delivering positive accolades for a job well done. When we add generative AI into the mix, the system can also draft or suggest a response to the customer which a human can choose to use or adjust.

To get into the weeds for a moment: Medallia's native AI models ingest, parse, understand, and action unstructured data (text, audio, chat, SMS, digital, and other data) via unsupervised, semi-supervised, and supervised machine learning techniques. The platform natively captures all data types (including the send and receipt of surveys via email and SMS), analyzing structured and unstructured data.

Medallia AI powers industry-leading natural language understanding (NLU) capabilities, enabling the platform to automatically identify complex concepts like emotions, effort, and other sentiments inherent in human language. In tandem with a hierarchy management system, the system automatically and dynamically routes alerts, prioritized insights, and assignments to the correct team or individual, even as the agency's organizational structure changes due to promotions, re-organizations, or the departures of employees.

Foundationally, Medallia was built to enable increased efficiency and effectiveness to organizations based on direct customer feedback, without any intermediary filter, analyst, or consultant in between the organization and their own customers' feedback. **AI shortens the distance between a citizen's feedback about a government-provided service and the agency delivering that service**, reducing cost and increasing value by streamlining processes to ensure timely prioritization and action on the needs of citizens.