BUILDING A 21ST CENTURY DIGITAL GOVERNMENT

ONE "BYTE" AT A TIME

BY MIKE IPSARO
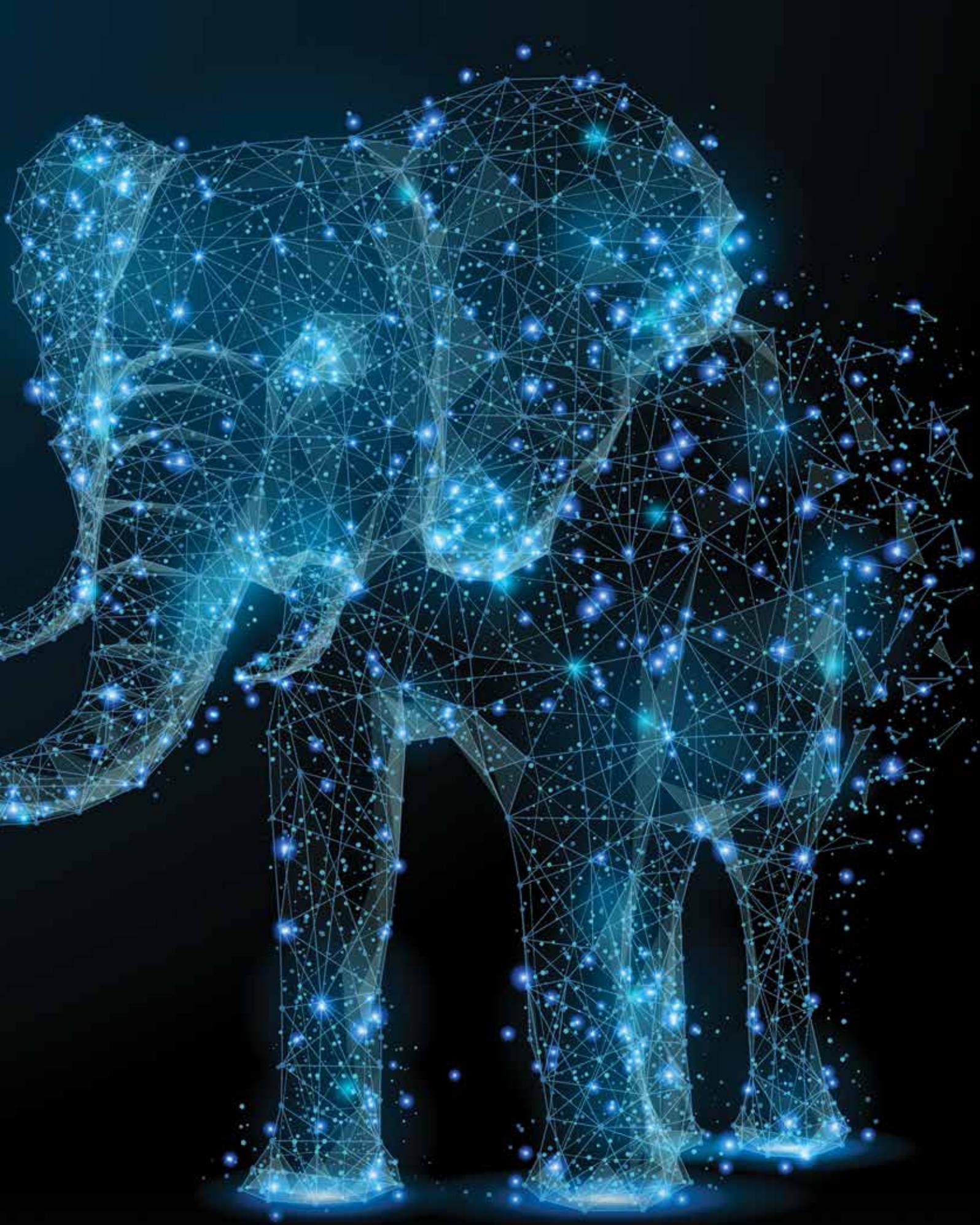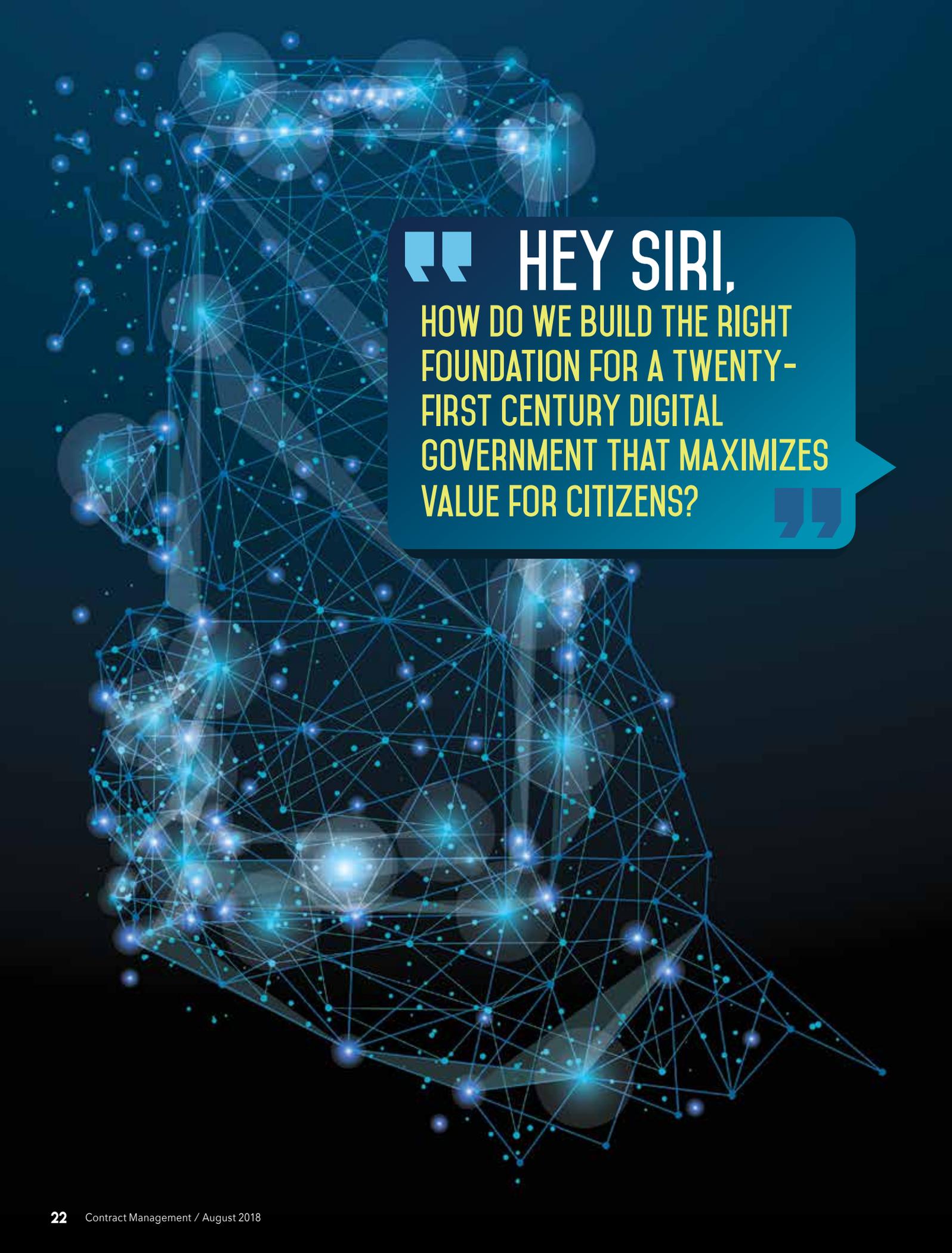
HEY SIRI,

HOW DO WE BUILD THE RIGHT FOUNDATION FOR A TWENTY-FIRST CENTURY DIGITAL GOVERNMENT THAT MAXIMIZES VALUE FOR CITIZENS?

Ahh, if only it were that simple…but this is a complex endeavor that requires a balanced, measured approach that adapts over time.

To paraphrase U.S. Army General Creighton Adams, "to eat an elephant, you have to do it one bite at a time." When it comes to the U.S. federal government's technology modernization initiative, such "bites" from the executive branch include the Office of Science and Technology Policy's "IT Modernization Report" delivered in December 2017,[1] the "President's Management Agenda" (PMA) released in March 2018,[2] and the standup by the General Services Administration (GSA) of its IT Modernization Centers of Excellence,[3] to name a few.

Another "bite" came when Congress passed the bipartisan, bicameral Modernizing Government Technology (MGT) Act.[4] The MGT Act is intended to reduce wasteful spending and strengthen information security by addressing how to approach a governmentwide IT portfolio that costs about $80 billion each year, of which approximately 80% is spent maintaining outdated, less secure, legacy IT systems. Certainly, this creative initiative is one *means* to help the government's ability to meet mission, save money, and reduce risk, but it should be viewed as just one (albeit big) "bite."

As with any large-scale change, the *means* (i.e., "how are we doing things?") are only one-third of the equation. The *ends* (i.e., "are we doing the right things?") and the *ways* (i.e., "are we doing things right?")–*vis-à-vis* implementation of these "bites" and others–are also key factors to consider. Given the complexity and dynamic environment, implementing these "bites" through a flexible and coordinated strategy and roadmap, which is aligned with budget cycles, will prove to be a crucial factor to building a twenty-first century digital government.

THE *MEANS*–"HOW ARE WE DOING THINGS?"

It's often said that IT is an enabler of business. I'd add that it can even be a *strategic* enabler, especially given the extent to

which organizations view and understand their underlying business before applying IT to it. For example, many of us may have seen or heard of the following types of unintended consequences when acquiring and managing IT:

- Acquiring new, "shiny" IT that does not suit or solve the problem–to paraphrase Abraham Maslow, "when all you have is a hammer, everything looks like a nail";

- Not fully appreciating the associated nontechnical critical success factors, such as visioning, advocacy, adoption, and change management;

- Bolting new IT onto outdated, ineffective, or non-value-adding business processes/functions, structures, or models; and/or

- Obtaining new IT when perhaps renting it or another alternative option makes more sense.

I've found through my experience partnering with federal leaders in today's IT environment that applying a multi-lever change management approach increases the probability of success when addressing complex challenges of any scale–particularly larger ones. Specifically, the approach should feature nontechnical, critical success factors, such as:

- A user/customer-centric perspective,

- Active stakeholder engagement management, and

- A culture of measured accountability complemented by experimentation and iteration.

This approach would start with examining what is already working and why. It would then consider the applicable landscape, including emerging laws, policies, initiatives, and tools.[5] Further, an assessment of macro and micro trends would not be complete without surveying salient lessons learned found in recent reports.[6]

However, by first taking an introspective and retrospective look at core missions and competencies within and across organizations, federal leaders are better

able to customize and apply solutions for their problems. Knowing why and where your organization is regarding the digital government space, and its relation to other organizations of similar scope and scale (i.e., similarities and differences), can help inform where you want it to be–or *need* it to be.

Indeed, across all levels of government, each organization has an opportunity to take a measured approach, or a "*byte* at a time," from departments, agencies, and offices to portfolios, programs, and projects. For example, though the MGT Act includes a portion of "investment seed" money[7] to be managed centrally at GSA, a key tenet of the MGT Act is for each agency to use various levers to drive savings, which can then be placed in a working capital fund. Those funds could then be accessed for up to three years for further modernization efforts. So, what can agencies do to maximize the present value of the MGT Act to drive future value for their respective enterprises and portfolios?

THE *ENDS*–"ARE WE DOING THE RIGHT THINGS?"

Based on my accrued experience partnering with federal leaders to implement legislative and regulatory mandates to help "move the needle" on evolutionary transformations, the following are a few key suggestions on where to begin.

Find Your True Starting Point

Analyze your "as-is"–i.e., take an approximate snapshot of your current state so you have a clearer picture of what systems in your IT portfolios need to be included in your modernization profiles.

Internal View–Examine your organization's underlying business, including mission priorities, strategic goals, cross-agency priority goals, background authorities, legal, regulatory, and policy intent. How are the parts alike and different?

External View–Understand how your organization is perceived through the lens of its stakeholders (customers, employees, and partners, including oversight partners).

Top 20 Most Negotiated Terms & Conditions
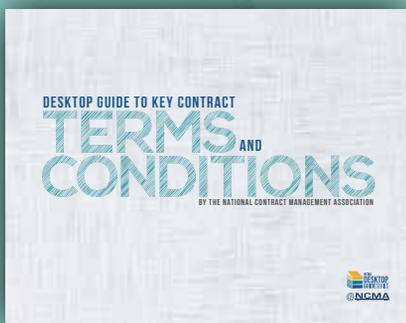
It's time to start negotiations. Where do you begin? NCMA's new book, *Desktop Guide to Key Contract Terms and Conditions*, is your go-to reference for the most important contractual requirements you'll need to successfully negotiate contracts. **Purchase your copy today at www.ncmahq.org/books.**

DESKTOP GUIDE TO KEY CONTRACT
TERMS AND **CONDITIONS**
BY THE NATIONAL CONTRACT MANAGEMENT ASSOCIATION

NCMA
NATIONAL CONTRACT MANAGEMENT ASSOCIATION

For example, review inspector general and Government Accountability Office (GAO) reports, dashboards, and watch lists, and talk with stakeholders to gain valuable outside views. This external perspective is important to validate hypotheses, prevent cognitive biases, and identify blind spots.

Hybrid View—Comprehensively examine your organization's capability to meet its mission and strategic intent, including

(CAO) assessment tool to assess your organization's IT acquisition/investment management function.

- Does your organization have an authoritative, updated architecture, including business and technical?
  - Is there alignment and integration among your organization's strategic plans, performance plans, architecture, IT roadmap, IT portfolios, and IT investments?

THE *WAYS*—"ARE WE DOING THINGS RIGHT?"

After a through initial examination (and continuous pulse check) of your underlying business, including careful listening from stakeholders, to gain a broad and deep understanding of the *ends*, next consider some potential *ways* to help you modernize your IT portfolios—including using existing laws, policies, and operational

> ## TO PARAPHRASE U.S. ARMY GENERAL CREIGHTON ADAMS, "TO EAT AN ELEPHANT, YOU HAVE TO DO IT ONE BITE AT A TIME."

its architecture, business, and technical. What standards and taxonomies/models are being used? Assess how IT is currently structured and performing to support organizational and cross-agency priority goals, including the relationship and performance of portfolios, investments, and projects. How is your organization performing against applicable benchmarks? Also, assess the structure in terms of its IT spend data collection and analysis capability and its linkage to performance.

Identify Gaps (e.g., Business, IT) From Multiple Perspectives

Some potential questions to consider asking for identifying gaps include:

- Is your organization's mission and strategic intent still current?
  - Is it aligned to adapt to an emerging or evolving environment?
  - Is there a disconnect in the perception of the current state?
- How is your business set up to obtain capability to meet its mission and strategic priorities?
  - From an acquisition perspective, consider a source such as the Office of Management and Budget (OMB) chief acquisition officer

  - Is your business set up to contribute to your cross-agency goals?
  - Does your current IT spend profile support your current and future mission and business priorities?
- From a human capital perspective, are your organizational structures, roles, and responsibilities aligned with your mission and architecture?
  - Are the right people in the right positions at the right time?[8]
- Would your organization benefit from more of a "tailor in" (vs. "tailor-out") approach to requirements?
  - Does your governance approach start with more broad guidance, and common, applicable standards and taxonomies to facilitate more consistent and effective communication and integration before layering in unique requirements or standards?
- Are the current acquisition framework norms suitable for the current environment?
  - Could your organization benefit from obtaining approval to experiment (more) with alternative acquisition authorities and methods for applicable actions?

initiatives; applying lessons learned from inspector general and GAO reports; and leveraging industry and government best practices in IT acquisition/investment life cycle management.

To quote Hall of Fame baseball player and progenitor of memorable sayings, Yogi Berra, "If you don't know where you're going, you'll end up someplace else." The following are some potential areas to consider as your organizations create and implement roadmaps to navigate the path from an "as-is" (i.e., a twentieth century digital government) state to a "to-be" state (i.e., a twenty-first century digital government).

1. Focus on Your Business First

Reaffirm or update/revise your mission and organizational strategy to ensure consistency with evolving or longstanding organizational and federal mission priorities, goals, and objectives.

2. Think Beyond the "Widget"

Leverage existing laws, policies, oversight reports, and generally accepted standards, models, and best practices to identify areas beyond just hardware and software to target for modernization and improvement. Consider the following examples.

The MGT Act and the PMIAA—The current iteration of the MGT Act is not designed as "big bang, quick fix," but a law designed, among other reasons, to facilitate culture change by throwing off the legacy end-of-the-fiscal-year "use it or lose it" mentality by using IT Working Capital funding to create saving and reinvesting, leading to sustained improvement. This law, in conjunction with other efforts,[9] should enable greater visibility and clarity into IT spend and improve communication through a type of "Rosetta Stone" between IT and financial communities, resulting in a tighter linkage of spend to agency performance.

Further, the Program Management Improvement and Accountability Act (PMIAA)[10] calls for a standards-based approach to portfolio/program/project management, including IT. This can facilitate streamlining by starting with a common baseline and tailoring in unique requirements, as needed.

GAO-17-251SP—Another example is the recent GAO report, "Opportunities for Improving Acquisitions and Operations,"[11] which captures findings from an expert forum convened by the comptroller general on opportunities for improving IT acquisitions and operations. It focuses on topics such as FITARA, CIO authorities, budget formulation, governance, workforce, operations, and transition planning. This can be a useful reference point for developing solution sets. Remember to start small with solution experiments and scale up after proof of concept.

Integrate Results—Integrate results from your various efforts, such as OMB's reorganization initiative with the MGT Act to spawn virtuous cycles. For example, you could use the results of reorganizations as an opportunity to drive greater savings, which can lead to more modernization. Conversely, you could use savings realized from modernization to help implement initiatives and plans stemming from the reorganization.
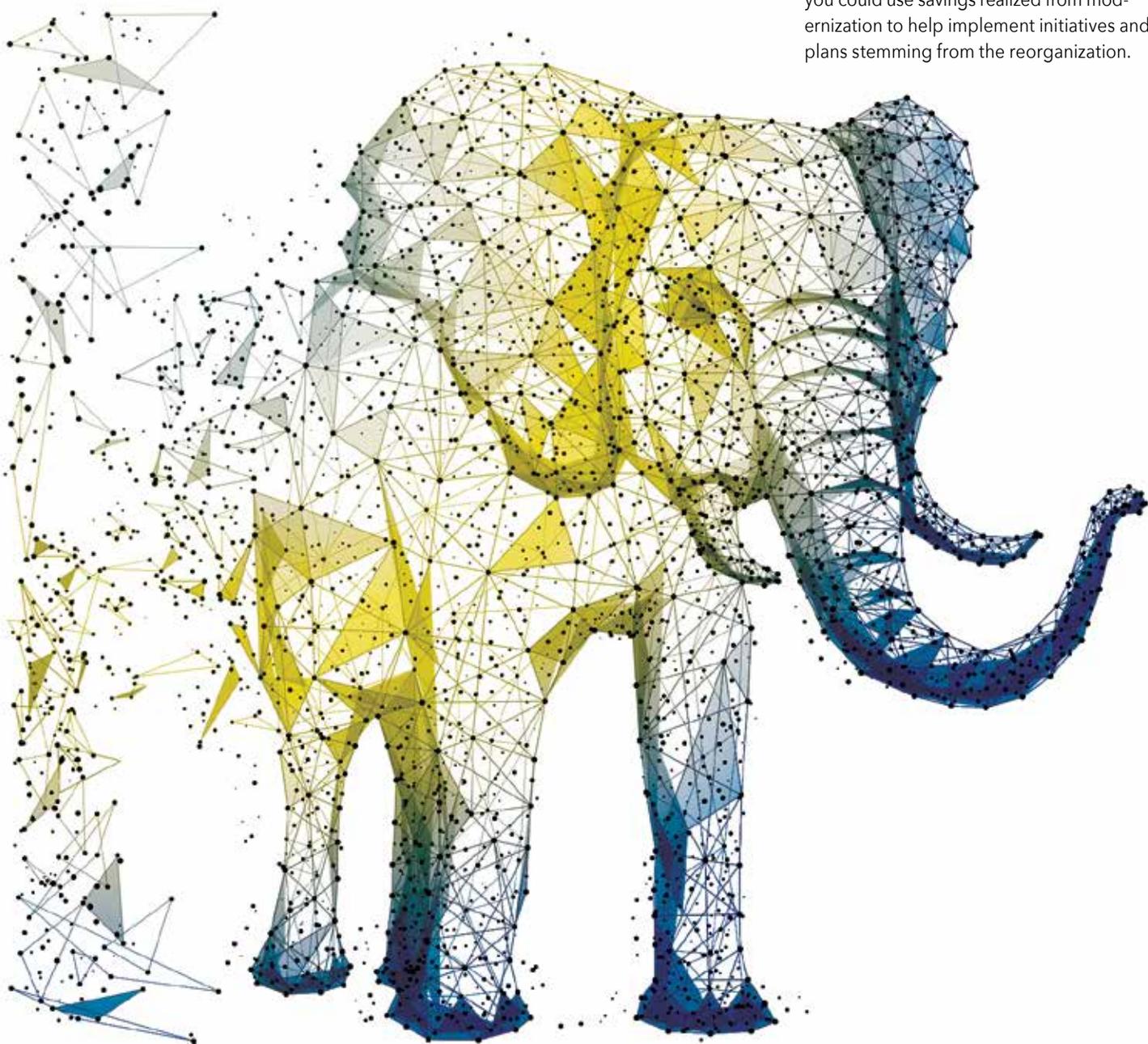
This virtuous cycle can result from modernizing critical citizen-facing or back-office systems. For example, if an agency were to successfully modernize one of its high-visibility, fee-based systems, it could increase citizen satisfaction and potentially expand user population, yielding further economies of scale savings. Or, it could scale it up and offer it as a shared service between bureaus or governmentwide. In the case of back-office systems, take the case of GSA, which was able to modernize its back-office technology, which produced not only improved supplier satisfaction, but also represented "a payment back to the workforce."[12] Among other benefits, this type of recapitalization can boost employee morale, leading to greater employee engagement, in turn resulting in more and better ideas and initiative implementations–including future modernization efforts.

3. Assess Your IT Portfolio's Alignment with Your Business

After addressing the "what" and "why" questions, you can make better-informed decisions regarding the "how." Consider pivoting toward capability portfolio management, where you can view the portfolio and identify what capabilities you have and where the gaps are. Validate existing portfolios or IT baseline inventories against organizational strategy updates. Create/update "roadmaps" that reflect high-level prioritization mapping of modernization profiles over time to align your IT with your long-term business goals and strategy.

4. Make the Case for Quality Business Cases

Business cases can be key tools for communicating both the projected and "realized" value of your investments to stakeholders, including end users, sponsors, and oversight bodies. Emphasizing continuous score-carding and validation drives transparency and accountability throughout the asset's life cycle. Consider standardizing how-to Technology Modernization Fund (TMF) business case guidance for your other business cases, if applicable, for greater consistency. You can use this guidance as a tool to help restructure and rationalize IT portfolios for greater clarity and visibility, and for cohesion with the CFO/financial management community. This can lead to better alignment of IT modernization issues with budget cycles. Invest accordingly to attain a high-quality standard for your business cases, so they clearly communicate value by demonstrating how your investments will meet one or more of the following TMF Board's criteria:

▪ Improving citizen services,

▪ Improving security,

▪ Improving multiagency applicability, and

▪ Producing a clear path to savings.

5. Leverage Interagency and Cross-Functional Teams and Councils

Capture the wisdom shared between these bodies by learning and accelerating the sharing of best practices around the implementation of IT modernization efforts. Lessons learned could be gleaned through similar efforts around other key IT management laws and guidance.[13]

Since integration and communication are often cited as critical success factors in large scale, complex efforts, ensure your organization is actively engaged in the broader Federal Integrated Business Framework (FIBF) construct,[14] so they understand the broader contextual meanings behind the guidance. Consider using cross-functional workforce/teams who have breadth and depth in multiple disciplines (e.g., financial management/cost estimation, IT, and acquisition) to implement integrated governance frameworks or specific initiatives.[15] These integrated knowledge bases and skillsets can lead to better implementation of complex initiatives, such as the acquisition of cloud, agile, and shared services.

CONCLUSION

I hope you enjoyed perusing this "menu" of ideas, concepts, and areas of consideration, and I wish you *bon appétit*! Please feel free to contact me if you'd like to chat about this topic. **CM**

MIKE IPSARO, ICCM-F III, CPCM, PMP, ITIL, CCE/A

▸ Technical Director, Integrity Management Consulting, where he leads and contributes to teams that partner with federal clients to fulfill their missions and achieve their goals

✉ mipsaro@integritymc.com

in /in/mike-ipsaro

ENDNOTES

1. *Available at* https://itmodernization.cio.gov/.

2. *Available at* www.whitehouse.gov/omb/management/pma/.

3. *See* www.gsa.gov/about-us/organization/federal-acquisition-service/technology-transformation-services/it-modernization-centers-of-excellence.

4. Enacted as part of the National Defense Authorization Act (NDAA) for Fiscal Year 2018 (*Pub. L.* 115-91, Title X, Subtitle G (Sections 1076 through 1078)).

5. Such as, for example, the Government Performance and Results Modernization Act of 2010 (GPRAMA; *Pub. L.* 111-352); the Federal Information Technology Acquisition Reform Act (FITARA; enacted as part of the 2015 NDAA (Title VIII, Subtitle D)); the Digital Accountability and Transparency Act of 2014 (the DATA Act; *Pub. L.* 113-101); the Technology Modernization Fund (TMF; authorized by the MGT Act (*see* note 4, *ibid.*)); and the Technical Business Management (TBM) taxonomy.

6. Such as the January 2017 "State of Federal Information Technology" (SOFIT) report (*available at* www.cio.gov/sofit/), applicable Government Accountability Office (GAO) reports, and numerous sources of industry best practices in change and IT portfolio/investment management.

7. Currently $100 million, with another $210 million requested in the fiscal year 2019 budget.

8. The PMA identifies "People–Workforce for the 21st Century" as one of its three primary drives of transformation.

9. Such as the DATA Act, financial system modernization efforts, and TBM (*see* note 5) to name a few.

10. *Pub. L.* 114-264.

11. GAO-17-251SP (April 11, 2017), *available at* www.gao.gov/products/GAO-17-251SP.

12. Mark Rockwell, "Modernization Begins at Home, Says New FAS Chief," FCW (November 14, 2017), *available at* https://fcw.com/articles/2017/11/14/thomas-fas-modernization-rockwell.aspx (quoting Alan Thomas, GSA's Federal Acquisition Service Commissioner).

13. E.g., FITARA or the OMB Common Baseline for IT Management.

14. *See*, *generally*, www.ussm.gov/fibf.

15. Such as TBM (*see* note 5).