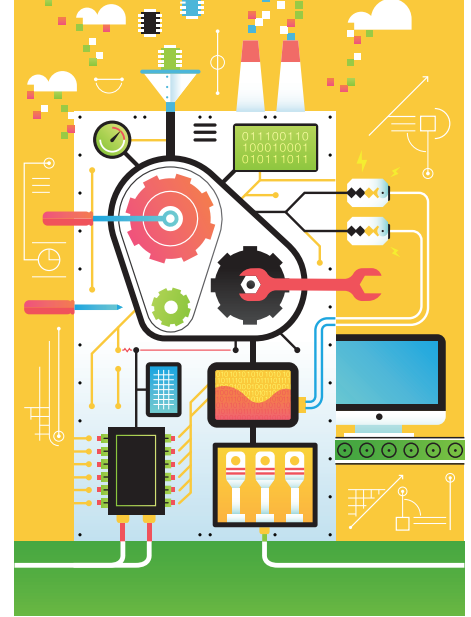




Core renaissance

Tech Trends 2015: The fusion of business and IT A public sector perspective



Many public sector CIOs today stand at a crossroads of large systems that have powered their agencies for decades and the latest wave of cloud, social, and mobile technologies. With a sharp focus on modernizing their legacy transactional systems, these CIOs are now thinking about ways that they can use lessons learned over time to inspire new services and growth at the core. This “core renaissance” involves plenty of coordination, integration, and alignment by public sector IT leaders.

Public sector perspective



The graphic above represents the trend’s potential relevance, timing (short, medium, or longer runway), and overall readiness (low, moderate, or high) of the public sector to adopt this trend. These broad ratings are based on the professional opinions of some of the authors and may not reflect your organizations unique situation.

Many government agencies have spent the past 30 years building out core transactional, reporting, and management systems. These systems have typically been the lifeblood of public organizations, powering both the back office and the mission. Over time, however, many of these systems have developed significant technical debt,¹ as well as redundancies with more recent technology. In some cases, agencies no longer have an adequate workforce to support them.

The environment is ripe for a renaissance. Modernization is leading towards a convergence, with shared services receiving a resurgence with support from Shared First and Cloud First mandates. Shared Service centers are rethinking their core capabilities, some being combined or outsourced to help reduce costs and improve performance.² In 2014, for example, the Department of Housing and Urban Development (HUD) began to outsource all of its core financial management and other administrative functions to the Department of the Treasury.³ This consolidation enabled the paying down of technical debt, helping to remove barriers to scale and performance and freeing up resources for other activities.

In some cases, renaissance goes beyond technology consolidation to focus on revitalizing or augmenting legacy systems to fuel new capabilities. This area is often more difficult for many government agencies, given the sheer size of their IT systems and the traditionally risk-averse mindset of many in the public sector. Any significant shift in an agency’s IT infrastructure can affect far more than the technology itself. It can also create change management challenges in terms of training, communications, talent management, and governance. For example, the Food and Drug Administration (FDA) is using advanced analytics to identify drugs in the pipeline that pose a potential risk to delivery of health services. Their approach involves modernization using a mix of new capabilities that sit on top of a massive core infrastructure foundation.

Within government IT, there tends to be no avoiding the issue of modernization. Virtually every agency will grapple with it in the future – if they haven’t already – and there is a strong case for pressing ahead. With modernization often comes increased agility, as well as the opportunity to layer on new services to the core. These new services can fuel innovation, while enabling scalability, improved security, better customer service, and reduced costs.



Moving forward

- **Know which technology assets you already have.** Before making any decisions, consider an asset assessment. After years of slow, steady growth, many public sector IT organizations have a hodgepodge of technologies, tools, and solutions – many of which may have been forgotten or are even unknown. The first step is to take inventory and make decisions about which technologies are candidates for consolidation, elimination, outsourcing, or endorsement.
- **Have a clear vision for the short and long term.** Public sector IT leaders should think about and plan along both their short-term goals as well as long-term enterprise-level vision and core architecture investments. Otherwise, modernization could result in disconnected technologies and more technical debt down the line.
- **Start with your advocates.** Leading change, especially in government, can be challenging. Start with internal stakeholders who understand the vision and need to revitalize the heart of the IT and business footprint. Stakeholders behind the plan can help to promote the potential benefits with you.

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Endnotes

¹ Deloitte Consulting, *Tech Trends 2014: Inspiring Disruption*, 2014, pp. 67 - 75.

² Office of Management and Budget, *Federal Information Technology Shared Services Strategy*, 2012, p. 6 <https://www.whitehouse.gov/blog/2012/05/02/introducing-it-shared-services-strategy>, accessed April 13, 2015.

³ Office of Management and Budget, *The President's Fiscal Year 2016 Budget*, February 7, 2014, <https://medium.com/budget-document/efficiency-increasing-quality-and-value-in-core-operations-e185fda92ce2>, accessed April 13, 2015.

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