

# Operationalizing Federal IT Modernization:

A Q&A with Deloitte's Beth McGrath and Appian's Chris O'Connell



With agencies operationalizing the Federal Information Technology Acquisition Reform Act (FITARA) and OMB's \$3B IT Modernization Fund showing strong promise as it moves into the legislative process, 2016 is shaping up to be a year when federal IT modernization moves beyond abstract discussions and into practical implementation.

So how should federal agencies – particularly those in leadership IT roles (think CIOs and deputy CIOs) – approach their own IT modernization efforts?

**BETH McGRATH**, a director with Deloitte Consulting LLP and former Department of Defense (DoD) deputy chief management officer, and **CHRIS O'CONNELL**, vice president of Appian's federal division, share their thoughts:

**As IT modernization gains momentum in 2016, what initial considerations are you seeing federal IT leaders focus on as they move ahead with their transformation initiatives?**

**BETH McGRATH:**

To be effective, information technology should be a team sport. In the current environment, CIOs are being given a lot of authority, but if other members of the CXO team aren't engaged, then the probability of achieving results is significantly reduced. The distributed nature of federal IT infrastructure and applications is creating governance challenges for many agencies as they move to adopt more agile and streamlined development and deployment approaches.

As momentum builds around modernization efforts, CIOs have recognized a need for strong governance models to help ensure that solutions, aligned with mission needs, are being deployed on a timely and consistent basis.

IT modernization provides agencies significant opportunities to drive technology-enabled outcomes across the federal government. In addition to strong governance, sound program management is a must. Increasingly, departments and agencies are standing up Project Management Offices (PMOs) as a way of gaining visibility and control over cost, schedule and performance. Additionally, the use of portfolio management is gaining traction, providing a transparent perspective on what projects are being funded and what solutions are being acquired. This is critical as legislative mandates call for more direct accountability at the CIO level.

**CHRIS O'CONNELL:**

Many of our federal customers are prioritizing the move away from on-premises, custom infrastructure and application development, to more agile solutions for quickly and easily fielding new systems using a catalog of commercially available options for cloud, mobile, data and social.

This approach addresses a challenge we discovered in the recent Accelerating Government Transformation with IT Research Study we conducted with GovLoop. For example, 47 percent of federal agency respondents said a backlog of development work is hampering their ability to implement new technologies, while 46 percent cited a critical need to reduce development costs.

We're working with agencies to help them implement more efficient application development and business processes through our BPM-based Application Platform. Our platform uses a visual, drag-and-drop approach to application composition that requires virtually no coding. This application platform can enable IT staff to spend less time maintaining custom-built legacy systems and more time developing services that meet evolving mission requirements.

***FITARA seems to be gaining momentum as most agencies are completing baseline assessments of their IT investments. Why is it so critical for agencies to gain a comprehensive view of their IT programs and investments?***

**BETH McGRATH:**

As CIOs continue with their efforts to comply with new FITARA requirements and several other mandates associated with modernization and security, gaining visibility into what you have is the critical first step towards developing a practical path forward with modernization. This first step allows an agency to identify what legacy systems they are most reliant on to achieve the outcomes of the organization, where they can save money by eliminating redundancies and what areas provide the most potential for transition to more cost-effective approaches, such as cloud and shared services.

This focus on eliminating redundancies is a strong emphasis throughout FITARA because of its focus on enterprise IT. This presents an opportunity for component CIOs and CXOs to foster greater and more strategic use of enterprise IT for the benefit of the component and the department's overarching mission.

Over the years, many CIOs may have had to spend too much of their time and resources on the implementation of infrastructure, email and other communications systems, and administrative systems.

From our perspective, FITARA's goal of streamlining enterprise IT to achieve efficiencies and cost savings can be furthered significantly if decisions are driven at the department level. When the leadership of the department is engaged, they make clear the roles and responsibilities for CIOs and CXOs, their expected performance, and hold them accountable for achieving outcomes.

**CHRIS O'CONNELL:**

Tying these data-driven IT models back to an agency's business strategy and processes is an important step that not everyone is thinking about. Modernization for its own sake provides little value. Instead, it should sync with what the agency is trying to achieve from a mission perspective.

That agency mission, and the funding to support it, changes rapidly, which is why it's important for CIOs to have access to the type of data Beth is referring to. In our Accelerating Government Transformation with IT Research Study, more than 60 percent of respondents said that data is having the biggest impact on IT modernization. Designing and implementing new systems and processes informed by rich data analysis is key to transformation. Beyond system implementation, accessing and analyzing process data allows an agency to optimize IT investments over time.

***Legislation was recently introduced to make the \$3B IT Modernization Fund a reality. Given the incredible investments agencies make in federal IT every year, how will this \$3B fund make a dent in the upgrades required to high-value legacy systems?***

**CHRIS O'CONNELL:**

The majority of the \$80B spent each year on federal IT goes to the operations and maintenance of legacy systems. With federal IT budget cuts continuing, agencies need new sources of funding for transformation efforts.

OMB's IT Modernization Fund is interesting because of the repayment aspect. Agencies will be required to produce a business case upfront in order to get funding and then repay any funds they use. Part of developing that business case is having an understanding of mission requirements. In fact, 51 percent of the respondents in the Accelerating Government Transformation with IT Research Study said their agencies need better and faster capabilities for capturing these requirements.

Appian is helping federal stakeholders and IT collaborate more effectively using a common and simple visual language to capture initial requirements at the start of the project. This has also shown effective for quickly capturing and implementing required changes to deployed applications.

**BETH McGRATH:**

The rapid definition of requirements that Chris is talking about is critical. Historically, the way procurement was done, agencies felt like they only got one bite at the apple, so everything they could think of was piled into the requirements upfront. This results in requirements gathering that takes far too long and overly complex solutions. Therefore, understanding the business or mission problem you are trying to solve is critical.

We need to balance the time spent on requirements with getting capabilities deployed. Achieving the desired results depends on knowing what you are trying to achieve, getting people rallied around a common understanding of the need, and then quickly identifying and/or developing applications to meet that need.

The way OMB's fund is structured will likely demand this type of agility, as well as force CIOs/CXOs to take an enterprise approach when defining requirements. OMB wants to fund transformational modernization projects rather than continuing to support the siloed, outdated IT that organizations use today. Getting the program managers, procurement officers, and users working together at the enterprise level is critical. Think of this approach in terms of a basketball team – everyone has their individual role to play, but when that team is optimized, working together, they could win.

The OMB fund, if it passes, will be a force for change that will get agencies learning to play together to execute transformational projects in support of the mission.

