

Accelerating Government Transformation with IT

RESEARCH BRIEF

Appian

51 PERCENT OF
OUR SURVEY
RESPONDENTS
WANT IMPROVED
CAPTURE OF
BUSINESS
REQUIREMENT
CAPABILITIES.

Accelerating Government Transformation with IT

Everywhere government looks, budgets are shrinking. Federal government's IT spending will be cut by \$2.4 billion in 2015. State and local governments will also suffer decreases in IT and support service budgets. Contrast that to IT spending in the private sector, which is predicted to increase to \$3.8 trillion as technology companies continue to offer better services.

But despite their budget differences, we must remember that the private and the public sectors still operate in the same universe. The same customers who can do banking, buy a TV, or book a vacation online, are also looking for the same level of service delivery from government agencies, whether they are applying for a business permit or doing taxes.

So where does that leave the public sector? How can the federal government look at digital innovation? What are the next steps?

These days, more and more government agencies want to modernize their operational processes for a variety of reasons: cost reductions, improved service delivery and accelerated mission fulfillment. Digital transformation technologies such as cloud computing, enterprise mobility, data/analytics and modern business process management (BPM) solutions can help information technology departments achieve these goals and deliver 21st-century government services.

But to attain the highest value from IT, agency leaders must think about emerging technologies in a cohesive and integrated way.

That's why GovLoop has partnered with Appian, a company that delivers innovative business applications for smarter decisions and faster actions, to create this research brief about digital governance solutions. Together, we explore the benefits and challenges of adopting digital business processes. Specifically, this research brief will:

- » Share results from a survey of 178 public-sector professionals
- » Identify common hurdles with digital transformation deployments
- » Provide a successful case study from the Defense Information Systems Agency (DISA)
- » Include expert commentary from Chris O'Connell, Vice President of Public-Sector Sales at Appian
- » Give you insight on how Appian can help you adopt modern BPM solutions

With better BPM, governments can improve efficiencies and service delivery. And as our research found, agencies no longer have a choice. They must transform their business processes to meet the complex needs of their missions — because both employees and citizens demand it.

For instance, 60 percent of respondents to our survey said they want improved application functionality, and 51 percent want improved capture of business requirement capabilities. And although our community has clearly expressed the desire to modernize, only 4 percent believe their agency is currently "highly successful" when it comes to executing on process and technology changes.

Although digital transformation is an imperative for agencies, government employees are frustrated by the inability to adopt new solutions, our findings show. This is due to a variety of challenges, including lack of funding, limited executive support or failure to link IT to business strategy.

"IT modernization is about business transformation," said Chris O'Connell, Vice President of Public-Sector Sales at Appian. "But IT modernization for its own sake is not valuable; it must be focused on what you're trying to accomplish from an agency perspective. What it comes down to is about changing the agency's business model."

Without focusing on how to transform their business through effective IT, agencies will not be able to meet the increasing demands of citizens and stakeholders.

THE CASE FOR DIGITAL TRANSFORMATION

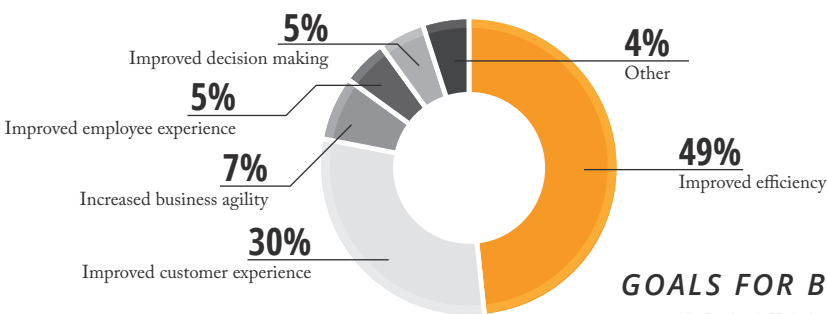
By leveraging emerging IT such as cloud computing, mobility, data/analytics and BPM tools, public-sector organizations can save money by reducing capital expenses and employees can spend less time on administrative work.

“There are many benefits from the efficiency gained on the workforce side, which allows government employees to spend their time on the things that are the most important to the mission,” O’Connell said.

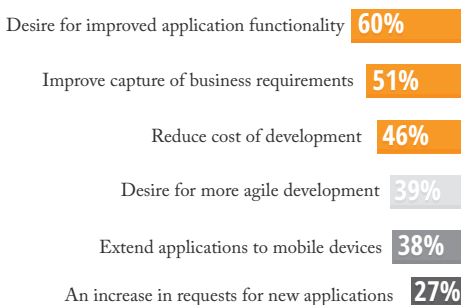
Other motives for agencies embracing new technology for business applications include improved efficiency (49 percent) and improved customer experience (30 percent). (See Figure 1: Primary Reasons for Embracing New Technology.)

Our research also identified the top three application drivers that are desired for

FIGURE 1
PRIMARY REASONS FOR EMBRACING NEW TECHNOLOGY



WHAT ARE THE TOP 3 APPLICATION DEVELOPMENT DRIVERS AT YOUR ORGANIZATION?



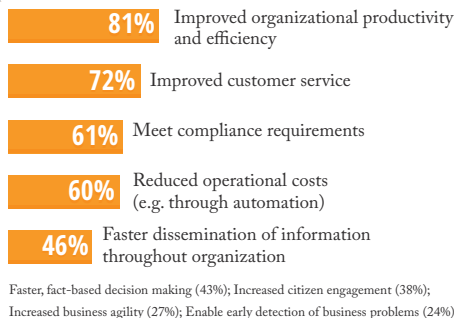
improved are application functionality (60 percent); improved capture of business requirements (51 percent); and reduced cost of development (46 percent). (See Figure 2.) Survey respondents offered various reasons for why they felt the necessity to transform their operations digitally:

- » “A more effective utilization of hardware resources leads to more effective spending of budget resources.”
- » “Speaking the same language and having a common understanding of our work [improves business process].”
- » “[Digital transformation provides] wider dissemination of information to our customers.”

Additionally, we asked participants to pick their top goals for their agencies. (See Figure 2: Goals for Process Change.)

FIGURE 2
GOALS FOR BUSINESS PROCESS CHANGE

WHAT ARE THE TOP 5 GOALS FOR BUSINESS PROCESS CHANGE AT YOUR ORGANIZATION?



1. Improved organizational productivity and efficiency (81 percent).
2. Improved customer service (72 percent).
3. Ability to meet compliance requirements (61 percent).
4. Reduced operational costs (60 percent).
5. Faster dissemination of information through the organization (46 percent).

Government workers recognize the need to change and adopt more innovative practices. Unfortunately, a complex set of challenges that limits their ability to implement changes is frustrating them.

“Many of government’s challenges are very daunting,” O’Connell said. “They’ve got demands for greater customer service, an ever-changing set of policies, rules, legislation, evolving missions, and behind all of that, constrained resources in terms of actual dollars, resources and the brittle IT infrastructure that’s been put in place over the past number of years.”

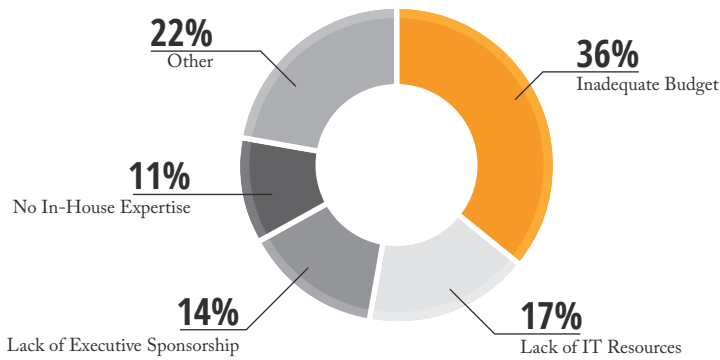
Our survey confirmed O’Connell’s statement. Thirty-six percent of respondents cited an inadequate budget as the core challenge to transforming their business models. (See Figure 3: Challenges for Digital Transformation.)

“They will run out of budget,” O’Connell said. “If they continue down the current path or the traditional one for IT delivery, they’ll learn that it is an unsustainable business model.”

Additionally, respondents identified a lack of IT resources, executive sponsorship and in-house expertise as obstacles. Other responses included:

FIGURE 3

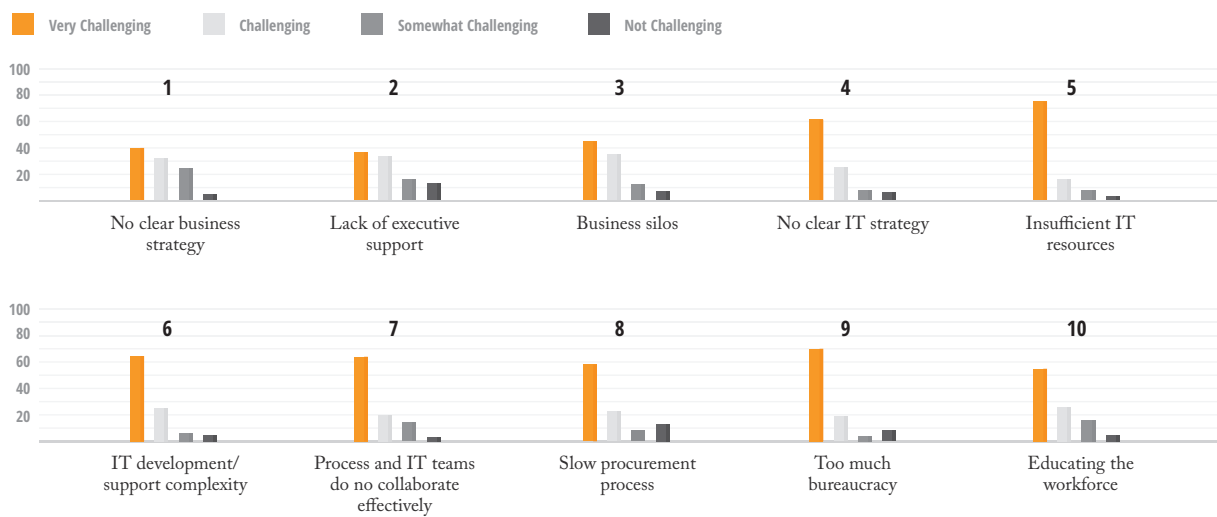
CHALLENGES FOR DIGITAL TRANSFORMATION



WHICH STATEMENT BEST DESCRIBES YOUR ORGANIZATION'S ABILITY TO RAPIDLY ROLL OUT AND INTRODUCE NEW TECHNOLOGIES?



HOW CHALLENGING WAS IT TO OVERCOME THE FOLLOWING STUMBLING BLOCKS TO ACHIEVE EFFECTIVE PROCESS AND TECHNOLOGY CHANGE?



- » “[We have a] lack of technical knowledge and few relationships to other non-government entities working with federal systems.”
- » “Many times business models appear to pertain to much higher levels of the organization, leaving the lowest levels out of the picture when it comes to how the models affect our day-to-day activities.”
- » “[There is a] fear of change.”

that it was very challenging to overcome IT development. (See Figure 3.)

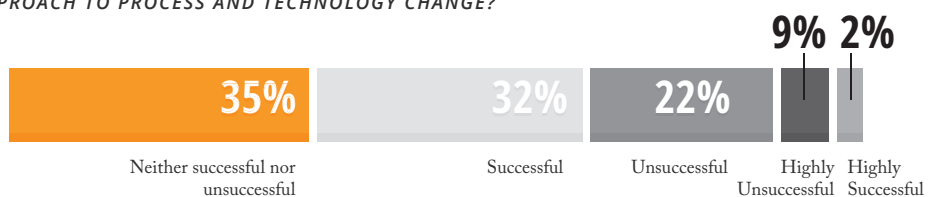
It’s clear that there are many roadblocks for adopting new technology — so where does government stand in their attempts to modernize? Survey results were mixed. Thirty-five

percent said their organization was neither successful nor unsuccessful, while 32 percent said successful. Remarkably, only 2 percent believed their organization was highly successful. (See Figure 4: Ability to Support Process and Technology Changes.)

FIGURE 4

ABILITY TO SUPPORT PROCESS AND TECHNOLOGY CHANGES

OVERALL, HOW SUCCESSFUL WOULD YOU RATE YOUR ORGANIZATION'S APPROACH TO PROCESS AND TECHNOLOGY CHANGE?



Adding on to that, 47 percent of respondents said their IT departments have a backlog of development work and are stretched too thin to deploy new technology.

Our survey also explored how difficult it is to overcome common obstacles to effective process and technology change. Seventy-five percent of respondents cited insufficient IT resources; 70 percent said they experience too much bureaucracy; and 65 percent noted

Although not everyone is sure they can get new technology going, they still know which IT solutions they want. Cloud computing, social collaboration tools, mobility and data solutions topped the list as the core IT framework for digital transformation. Additionally, 61 percent of respondents noted that data is making a high impact on their agency. The responses in regard to cloud tell a different story, however. Only 21 percent believed they see cloud as making a high impact, and 23 percent do not see cloud as making any impact.

We also asked respondents to identify what percentage of business applications are already in the cloud. Seventy-seven percent said 0 to 25 percent, and only 2 percent have 75 percent to 100 percent of applications hosted in the cloud. Participants anticipate a modest increase to 6 percent in one year.

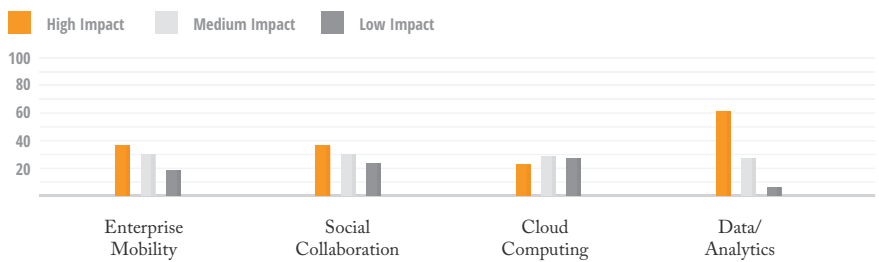
Mobile adoption was similar to cloud results. Currently 79 percent of respondents believe that 0 to 25 percent of applications are currently mobile. A quarter of respondents believe that 25 percent to 50 percent of applications will be mobile-ready in one year. (See Figure 5: Impact of Cloud, Mobile, Data, Social.)

In addition, 76 percent of respondents said they do not have access to key enterprise data and cannot participate in core business processes from mobile devices. Employees do not have access to mobile because of security concerns (52 percent) and a lack of resources (43 percent). “Only senior management are authorized access,” one participant said.

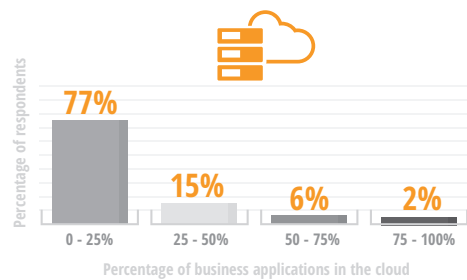
FIGURE 5

IMPACT OF CLOUD, MOBILE, DATA, SOCIAL

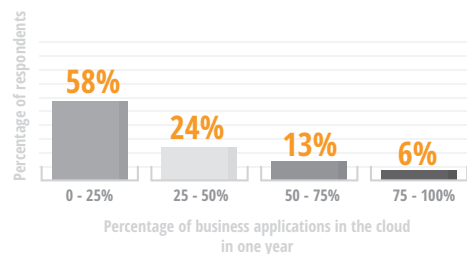
WHAT IS THE LEVEL OF IMPACT THE FOLLOWING TECHNOLOGIES HAVE ON ACHIEVING YOUR BUSINESS GOALS?



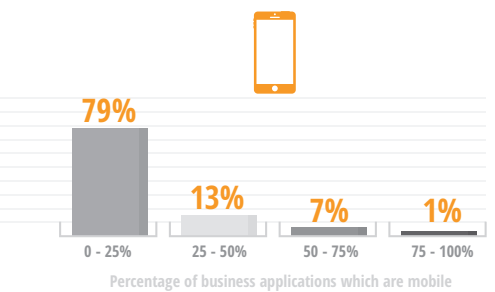
APPROXIMATELY WHAT PERCENTAGE OF YOUR BUSINESS APPLICATIONS ARE IN THE CLOUD?



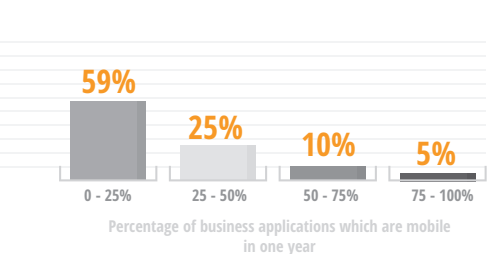
WHAT PERCENTAGE OF YOUR BUSINESS APPLICATIONS DO YOU ANTICIPATE TO BE IN THE CLOUD IN ONE YEAR?



APPROXIMATELY WHAT PERCENTAGE OF YOUR ENTERPRISE BUSINESS APPLICATIONS IS MOBILE?



WHAT PERCENTAGE OF YOUR ENTERPRISE BUSINESS APPLICATIONS DO YOU ANTICIPATE TO BE MOBILE IN ONE YEAR?



The survey also analyzed success factors to achieving effective process and technology change. The top three success factors were strong executive support, clear link to business strategy and user-friendly technology. Meanwhile, only 2 percent said speed of technology delivery was not an important factor to success. (See Figure 6: Success Factors.)

Also interesting to note is where the actual process of innovation takes place. Forty-four percent believe that innovation is occurring within their IT department, and 32 percent believe it's coming from individual business units. "Innovation is occurring within our individual business units [but] our technology team takes too long to do anything," a survey participant said.

Although the public sector is faced with challenges to deploying digital solutions, there are success stories as well. Some agencies, such as Defense Information Systems Agency (DISA) have excelled in making the leap into 21st Century government.

DO EMPLOYEES HAVE THE ABILITY TO ACCESS KEY ENTERPRISE DATA AND PARTICIPATE IN CORE BUSINESS PROCESSES FROM MOBILE DEVICES?

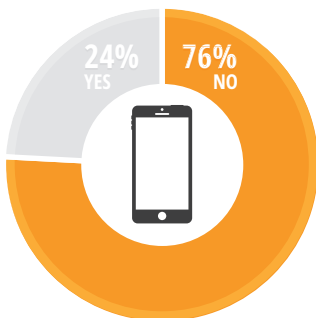


FIGURE 6
SUCCESS FACTORS

HOW IMPORTANT WERE THE FOLLOWING SUCCESS FACTORS TO ACHIEVING EFFECTIVE PROCESS AND TECHNOLOGY CHANGE AT YOUR AGENCY?

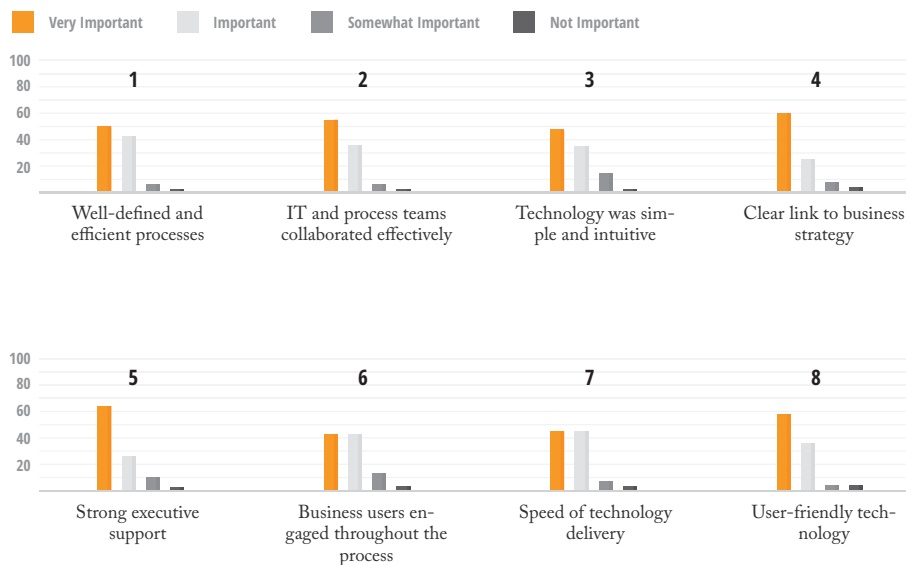
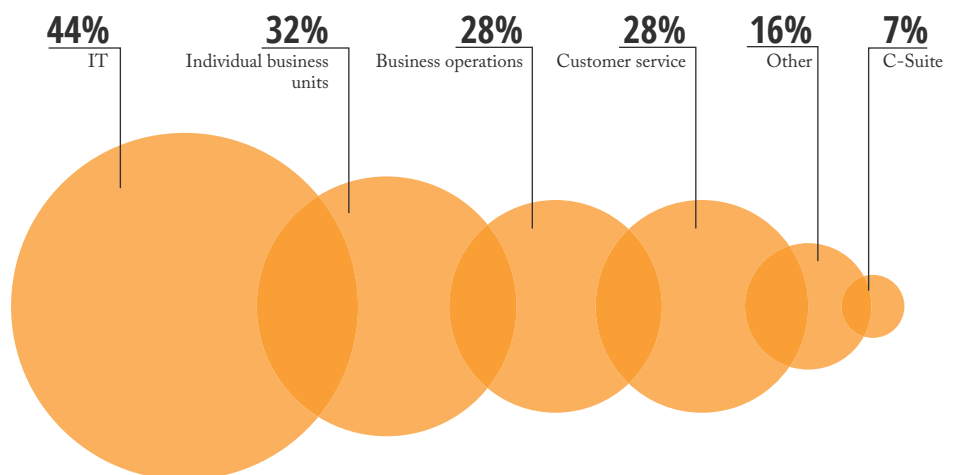


FIGURE 7
WHERE DIGITAL TRANSFORMATION STARTS

WHICH DEPARTMENTS ARE DRIVING PROCESS INNOVATION? (SELECT ALL THAT APPLY)



CASE STUDY

DEFENSE INFORMATION

SYSTEMS AGENCY:

INCREASED COLLABORATION THROUGH DIGITIZED SERVICES

DISA provides advanced information technology and immediate communications support to the President, Vice President, Secretary of Defense, military services, and combatant commands. From its Ft. Meade, Md., headquarters and through worldwide field activities, DISA offers solutions and enhanced capabilities that enable customers to make rapid decisions, using real-time information, and to turn these decisions into critical strategic, operational, and tactical actions.

DISA needed to improve efficiency, drive automation, and replace disparate and aging legacy systems that supported the DISA procurement processes. The agency wanted increased collaboration through a single web-based system for customers, contracting vendors, and administrators, to manage all pre-award, award, and post-award activities. To meet their objectives, DISA had to overcome a procurement process hampered by separate manual paper checklists, separate logins to all subsystems and contract documents that had to be manually edited and filed by the contracting staff.

Using the Appian BPM platform, DISA created the Integrated Defense Enterprise Acquisition System (IDEAS). IDEAS is an end-to-end solution that perfectly fits DISA's unique procurement processes, while connecting procurement operations, systems, and DISA personnel in a collaborative, process-driven procurement framework that meets DoD standards. The new system benefits from single sign-on, the elimination of separate checklists (a problem alleviated by well-tailored processes), automated routing

of actions to the appropriate personnel, auto-generated documents from standards based system data (eliminating document errors and poor data translation), and dramatically reduced sustainment costs.

The IDEAS solution supports both comprehensive telecommunication acquisition functionality as well as providing DISA with a traditional contracting platform to replace their use of the DoD Standard Procurement System (SPS). The IDEAS solution is a FAR/DFARS compliant system backed by the DPAP Procurement Data Standard (PDS). The flexibility of the Appian solution allowed DISA to account for agency uniqueness while maintaining government compliance. For example, DISA telecommunication acquisition includes process and data requirements unique from standard acquisition practices, including location data attributes; numbering exceptions; unique pricing structures to account for monthly recurring and non-recurring charges; complex proration; tariff management; and the use of telecom specific government forms for solicitations, awards, and modifications. Traditional solutions would have required DISA to use workarounds or costly customizations to meet the agency's requirements, while IDEAS is able to account for these unique challenges without compromise.

The Appian BPM solution has allowed DISA to drive improvements in productivity and work quality by automating complex agency processes and providing real-time access to critical government information and applications. The new system includes the following productivity enhancements:

- » Single sign-on using CAC
- » Automated checks and filing for System for Award Management (SAM – CCR, EPLS, ORCA), Federal Procurement Data System (FPDS-NG), Federal Business Opportunities (FBO), and Electronic Document Access (EDA)
- » Single system for receiving requisitions, creating solicitations, and issuing awards
- » Automatic routing based on procurement characteristics (e.g., contract, location)
- » Standardized processes across distributed DISA offices
- » Automated reporting of financial impacts to legacy DISA finance system
- » Integration of 12 systems into the new application as part of the implementation, with Appian providing a front end to all of them, greatly simplifying work for hundreds of procurement officers and specialists

DISA now has the flexibility to easily adapt to meet changing requirements. Built on the Appian BPM Suite, Appian's federal procurement solution provides fully integrated process, knowledge, and analytics functionality to drive quantifiable return on investment (ROI) for the agency. For example, DISA estimates that its operating and maintenance (O&M) costs have been reduced to one fifth of prior-year budget allocations.

HOW APPIAN SUPPORTS GOVERNMENT TRANSFORMATION

Appian is [the global innovator in enterprise and on-demand BPM](#). The company provides the fastest way to deploy robust processes, collapsing time to value for new process initiatives. Businesses and governments worldwide use Appian to accelerate process improvement and drive business performance. Appian empowers more than 3.5 million users at businesses ranging from large Fortune 100 companies to mid-market and small businesses.

“Appian is a modern interfacing technology that has been developed to deliver services intuitively, in the way that people use their consumer technology at home,” O’Connell said. “There shouldn’t be a vast delta between how they interact with technology for government systems and how they interact with technology when they’re at home.”

This research report shows that to meet the complex demands of public-sector missions, organizations must explore new business models. This will allow them to be more efficient and effective in public-sector service delivery. For many government agencies, the reality is if they aren’t using cloud, mobile or modern BPM, their solutions are already legacy.

Digital transformation through IT will be imperative for agencies to not only meet their missions, but to also transform the business of government.

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CHRIS O’CONNELL
VICE PRESIDENT OF PUBLIC-SECTOR SALES, APPIAN

ABOUT APPIAN

As the market leader in modern Business Process Management (BPM) software, [Appian delivers an enterprise application platform](#) that unites users with all their data, processes, and collaborations – in one environment, on any mobile device, through a simple social interface. On-premise and in the cloud, Appian is the fastest way to deliver innovative business applications.

For more information, please contact info@appian.com.

Appian
11955 Democracy Drive, Suite 1700
Reston, VA 20190
Phone: (703) 442-8844

www.appian.com/government

Twitter: @Appian

Appian

ABOUT GOVLOOP

GovLoop's mission is to "connect government to improve government." We aim to inspire public-sector professionals by serving as the knowledge network for government. GovLoop connects more than 150,000 members, fostering cross-government collaboration, solving common problems and advancing government careers. GovLoop is headquartered in Washington, D.C., with a team of dedicated professionals who share a commitment to connect and improve government.

For more information about this report, please reach out to info@govloop.com.

GovLoop
1101 15th St NW, Suite 900
Washington, DC 20005
Phone: (202) 407-7421
Fax: (202) 407-7501

www.govloop.com

Twitter: @GovLoop



Appian



GovLoop

1101 15th St NW, Suite 900

Washington, DC 20005

Phone: (202) 407-7421 | Fax: (202) 407-7501

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