Taking a lower-risk, higher-return route to **digital transformation**

Consumer expectations and White House initiatives fuel urgency to tap cloud expertise to improve citizen services.

fedscoop **salesforce**

The need to modernize IT

capabilities and digitally transform is readily apparent to federal decision-makers. Their challenge: How to move forward in a way that minimizes risk and creates a reliable foundation to build upon.

Adding urgency to that need are the expectations of constituents, who are accustomed to managing their lives from their smartphones, and the White House, which laid out its imperatives to modernize government IT in a 2017 report and reemphasized them again in its "Cloud Smart" strategy issued in September 2018.

A recent FedScoop survey of federal agency leaders, underwritten by Salesforce, confirms that 6 in 10 agency leaders recognize the importance of the cloud as a way to better deliver on their organization's mission; and more than half see it as a way to improve security and employee productivity.

Many agency decision-makers, however, remain stuck in "maintain" mode, hamstrung by tight budgets, a lack of know-how and agencywide support, or in some cases just worried, "What happens if we fail?"

The good news is that migrating workloads to the cloud has become as nearly risk-free as operating in the cloud itself – especially when working with cloud providers that have already migrated hundreds of large-scale enterprise systems to the cloud.

By following a few well-honed strategic steps, federal agency leaders can, in fact, become trailblazers in innovation – even heroes – by implementing simple, but game-changing service enhancements for their agency using the cloud.

IT modernization leads to enhanced mission services

As the authors behind the White House modernization report noted, cloud technologies play a pivotal IT modernization role in four areas: improved citizen services, operational efficiency, increased capabilities and more secure and agile data protection. They also concluded, "Agencies must leverage shared services and embrace commercial technologies such as Software as a Service (SaaS) where possible, building new capabilities only when shared services and commercial technologies cannot meet mission need."

Using cloud-based software services, the SaaS provider, not the client, owns and maintains the necessary hardware and software, allowing agencies to bypass the exorbitant costs of infrastructure, upgrades, integrations, and patching. It also better positions agencies for the future because they're always working with the latest technologies and security safeguards.

The ability to better deliver on "mission" ranks just below cost savings as the top-ranked priority for adopting cloud services.

Cost savings
65%

Ability to better deliver on the organization's mission
61%

Improved internal end-user experience (i.e. improved employee experience)
53%

Greater Security
53%

Better insights into business outcomes and data
46%

Improved citizen end-user experience
37%

Source: FedScoop

But most of all, it lets them focus more on their mission and delivering services rather than on trying to nurse along aging technology systems.

Agency trailblazers demonstrate the power of SaaS

A growing number of federal agencies are discovering what commercial enterprises have already learned: SaaS can help put customer strategies on the fast track.

The U.S. Department of Agriculture, for instance, is already seeing improved results from moving to the cloud and consolidating mission-critical services in collaboration with Salesforce. After analyzing and retiring some apps and consolidating others, the department created new ones to better serve the public, such as Farmers.gov, an application helping farmers with every aspect of their business from agricultural best practices to loan applications to disaster recovery. And the data presented internally via dashboards provides department heads with a "single source of truth" about the USDA, including detailed loan processing, call center operations and personalized "walk-in" service requests.

Similarly, Amtrak partnered with Salesforce to move its IT operations from mainframes to the cloud and seized the opportunity to consolidate its many applications where possible. As part of its digital transformation, Amtrak and Salesforce developed TOPS, an internal application that tracks train servicing from start to finish, improving communications and visibility throughout the train turnover process and making it easier to replicate best practices, improving operational efficiencies. Since partnering with Salesforce began, Amtrak has seen employee productivity double.

In each case, these agencies were able to incorporate the latest technology solutions and do so with lower risks, by tapping the expertise of a cloud technology leaders experienced at working

with federal agencies. Co-creating with a tech-savvy partner from that first spark of an idea through its deployment is proving critical to successful modernization and customer satisfaction.

A provider's experience and expertise are especially valuable when in-house knowledge and capabilities are limited, says Paul Tatum, senior vice president for solution engineering at Salesforce's Public Sector Business Unit.

"Every single transformation that we see starts with a government trailblazer saying, 'My agency really wants to improve service levels, efficiencies and ease-of-use for our customers,' " Tatum says. "When they are all done, they find the unexpected benefit of improved efficiency, ease-of-use, and productivity for their employees on the back-end."

"Staying abreast of the continually shifting digital landscape is a must if an agency is to meet customers' expectations by using technologies and channels they are using in their everyday lives," he adds.

Transformation is a journey

Tatum urges agency leaders to look at digital transformation as a multi-step process – and to start by focusing on a service enhancement that's significant enough to contribute to an agency's mission but bite-sized enough to attract buy-in from agency senior leadership.

Getting buy-in, he acknowledges, is often the most difficult challenge to overcome, as well as the most necessary. Although studies show that using SaaS solutions can cut IT expenditures by as much as 50 percent over five years, budgets cover only one year. Concerned with the short term, some will cling to the status quo. For true agency change to occur – and to be funded – it must be fully supported at the highest echelon. Getting that support is much easier with a success or two under one's belt.

Once an initiative has the necessary support and a team is assembled, Tatum recommends that agency leaders lay out a roadmap that systematically navigates through five key stages:

1   **DISCOVER** exploring agency needs and alternatives for meeting them

2   **EVALUATE** considering the agency's mission and the ideal rate of change

3   **PRIORITIZE** deciding which needs ought to be fulfilled first

4   **MIGRATE** determining how best to shift operations and services to the cloud

5   **OPERATE** taking into consideration business and organizational models

While the path is inevitably strewn with obstacles, each of which must be navigated deftly and judiciously, the process and outcomes are inherently more productive when agencies work closely with cloud providers that have federal experience.

They can offer added insights to help agencies build a business case, an acquisition plan that mitigates risks and a statement of objectives to keep security and operations nimble and agile, says Todd Schroeder, Salesforce vice president of Government Digital Strategy. They can also help agencies qualify their potential long-term technical debt and guide agencies on whether it is more cost effective to "rehost and refactor" their applications or pursue a broader "rebuild and replace" strategy, he adds.

Based on Salesforce's experience working with a wide range of customers, enterprises can see their

Digital Transformation Journey Map
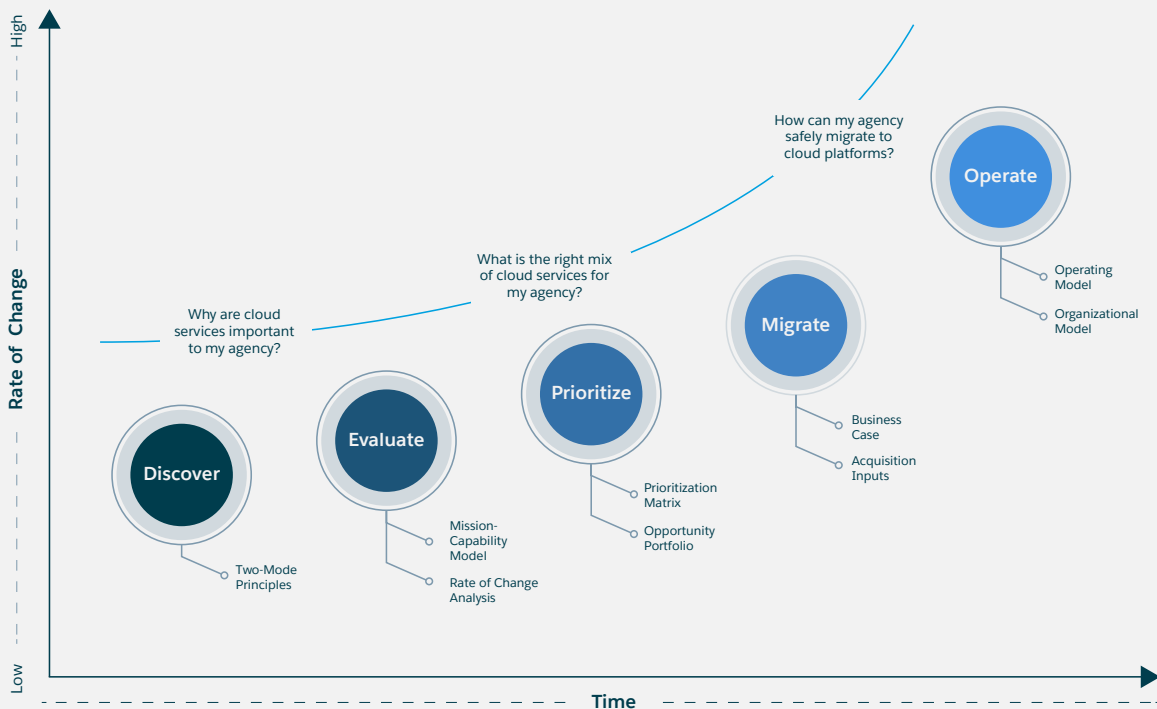
Source: Salesforce

five-year total cost of IT operations drop in half by adopting to a software-as-a-service model.

Finally, Tatum says for that first project, it's critical to assemble the right team, think of them as your trailblazers, who support SaaS-based digital transformation as a pathway to delivering on their agency's mission. The initial project should be a simple one – a new application providing one or two services, for instance. The right "lighthouse" project, when successful, can serve as a beacon to co-workers, higher-ups, and other agencies, inspiring further buy-in, he says.

The Fourth Industrial Revolution, in which all things, people, and places are connected, is no longer some pie-in-the-sky vision for the future. It is happening now as innovative companies compete for consumers' attention by delivering new or enhanced services. And in large part, they're doing it by leveraging cloud-based technologies.

For more information on how your agency can accelerate its IT modernization and enhance its services to the public, call on the SaaS experts at Salesforce and get your copy of "The Cloud Transformation Journey."

5-Year TCO Cost Comparison (US$ Millions)

31.7

(4,500 user comparison)

- **Hardware & Physical Infrastructure** — 1.9
- **Upgrade** — 10

Eliminated

- **Deployment** — 11.6
- **Ongoing Support & Others** — 3.6
- **License & Hosting** — 4.6

On-premises

15.2

Salesforce Cloud

	% of On-premises Total
7	48%
1.9	22%
6.3	6%
	20%

Source: IDC/McKinsey