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Digital Transformation and Infrastructure Modernization for State and Local Governments

The expectations of US citizens — as consumers of government services — continue to increase and shift as digital and social channels transform communications, interactions, and the delivery of services. These expectations are perhaps even more pronounced at the state and local level as citizens engage frequently with governments in the states and local communities in which they live.

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To optimize the technology and human resources involved in delivery of Citizen Services, State and Local Governments across North America are embarking upon Digital Transformation journeys — modernizing IT applications and infrastructure.

How are governments planning for and executing upon this transformation and what barriers do they face in completing this journey? To understand the answers, Unisys commissioned Market Connections to conduct The US State and Local Digital Government Survey. This white paper summarizes the key constraints state and local governments face. The paper also outlines findings on how respondents perceive the Digital Transformation Framework as an enabler to overcome the barriers to provide a governance model and a shared services acquisition strategy.
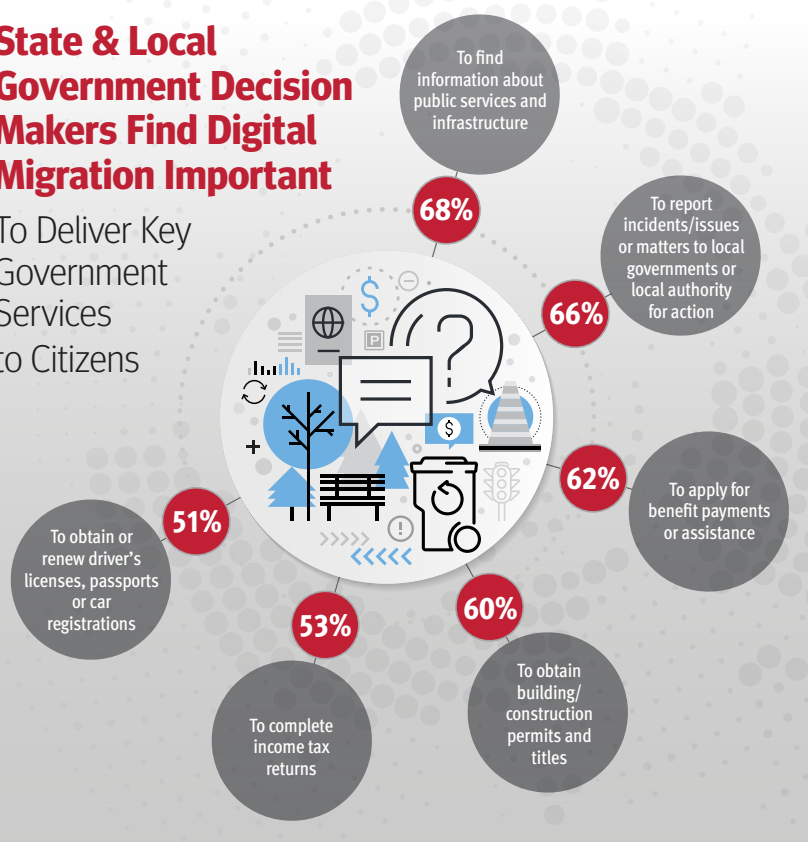
Market Connections surveyed over 200 Program Leaders, Directors, Managers and IT Decision Makers from State and Local Governments, who were either directly involved in or had knowledge about IT and Government Digital Transformation involving infrastructure, Analytics, Employee Productivity and Cyber Security. The study captured the perspectives of these US government executives around the adaption and adoption of digital technologies to advance the digital transformation initiative and agendas in their states.

The Connection Between Digital Transformation And Citizen Services

KEY FINDING ⋗ **Respondents view Digital Transformation as a key enabler for providing a range of next generation Citizen Services.**

State & Local Government Decision Makers Find Digital Migration Important

To Deliver Key Government Services to Citizens

- 68% To find information about public services and infrastructure
- 66% To report incidents/issues or matters to local governments or local authority for action
- 62% To apply for benefit payments or assistance
- 60% To obtain building/construction permits and titles
- 53% To complete income tax returns
- 51% To obtain or renew driver's licenses, passports or car registrations

Two thirds of respondents feel digital migration is important for delivering the services citizens need and expect, particularly for finding information about public services and infrastructure and communicating with local governments/authorities. Nearly two thirds feel the ability to apply for benefit payments or assistance is important, and to obtain building/construction permits. And, more than half want to be able to complete tax returns and obtain (or renew) documents such as driver's licenses is digitally.

"User needs have changed. They have evolved continuously and adapting to them has made our priorities evolve," noted one study respondent. Overall, as state and local governments (SLGs) look to the future, these evolving priorities revolve around critical IT management processes and solutions. Security, connectivity, cost controls, and data are of upmost importance.

Comments from respondents illustrate the evolving priorities, needs, and challenges they face moving forward:

- "More and more services are moving toward cloud, and cyber security is a major concern now. Our budgets are tightening and we're moving away from legacy technologies."

- "There is more demand for shared services to collaborate with other local governments or businesses in order to cut costs, improve efficiency and provide quality services."

- "Newer technologies have made things easier and difficult at the same time. Moving out to new systems requires a modern approach and time to implement."

IT Management Processes & Solutions

8 in 10 Find Security, Connectivity, Budget & Data Are of Utmost Importance

Security & Risk Management	86%
Broadband/Wireless Connectivity	82%
Budget/Cost Control/Fiscal Management	80%
Data Management & Analytics	79%

KEY FINDINGS

▷ **More than 80% of respondents either already support or plan on supporting access to government information, government websites, and social media pages via mobile platforms. They also plan to provide apps for each government agency and/or a single app for multiple government agencies.**

▷ **Government agencies share demographic and other data required to provide citizen services, such as employment status, criminal records, social security number, and so on.**

▷ **Respondents cite security and risk management along with connectivity, budget, cost controls and prudent fiscal management as top priorities for Digital Transformation.**

These comments illustrate a curiosity and commitment to exploring the evolving landscape, and doing so in a way that serves citizens.

SHARED SERVICES:
Top Barriers Inhibiting Adoption

3/4 🏛️🏛️🏛️🏛️

of state & local agencies feel the following barriers could be very/extremely impactful:

Concerns over data protection	Current statutes & regulations

Barriers To Digital Transformation

KEY FINDING ▷ **Concerns over protection of Data and Data Security along with current statutes, regulations and standards is perceived to be at the top of a list of barriers for Digital Transformation.**

Part of the transformation or migration involves managing the barriers to a Digital Transformation. What are the most pressing barriers?

When it comes to adopting a shared services approach, three quarters of SLGs see data protection and current statutes and regulations as the top barriers. However the list also includes:

- Finding staff with experience managing services and vendors, 67%
- Current management culture, 66%
- Concerns over rights of ownership of data, 65%

These barriers align with the top challenges the Unisys Digital Transformation Team has seen working with multiple state governments.

- **Skills Development and Acquisition.** Recruiting and retaining talent is a challenge in government workforces.

- **IT Lifecycle Management.** Most state governments have several generations of operating systems that are costly to maintain, difficult to keep operating, and hard to secure. Implementing the newest tools is often not feasible as a result. The mix of modern and legacy technologies coupled with outdated IT management practices can lead to excessive IT expenditures.

- **Siloed Systems.** In addition to outdated systems, historically, every new regulation or government program created its own information system. As a result, either many government departments or an improvised contractor ecosystem that does not easily adapt to changes in laws and citizen needs manages the IT. The result is that each new law generates a new system in an increasingly complicated patchwork of systems that are expensive to maintain and hard to secure.

- **Inability to Gain Data Insight.** Because of the silos, systems cannot interoperate or communicate between one another, creating silos of information that limit the collaboration and information sharing required to address today's policy needs.

- **Large Scale "Rip and Replace" Projects Fail 75% of the Time.** Governments need a structure that pairs incremental system transformation with immediate citizen benefit. [1]

To address these barriers, at least half of state and local agencies are VERY/EXTREMELY LIKELY to consider working with an experienced IT provider to help them transition through the digital transformation journey.

A NEW APPROACH:
Have an Experienced IT Provider Provide Transition Support Throughout the Digital Transformation Journey

AT LEAST

1/2

of state and local agencies

are VERY/EXTREMELY LIKELY to consider adopting this supportive approach

Connecting the Dots

KEY FINDING ⊳ At least half of state and local agencies are VERY/EXTREMELY LIKELY to consider working with an experienced IT provider to help them transition through the digital transformation journey.

"The barriers point to the fact that SLGs need a governance approach to IT that can better manage costs, support agency needs, and reduce cybersecurity risk. Even more, state governments need to be able to mesh *analog* forms-based systems with *digital* approaches that use data and algorithms to better address today's citizen needs," said Mark Forman, Unisys Global Leader for Public Sector Services.

There are many things SLGs must consider when embarking on digital transformation. Respondents rate security, compliance, Capex and Opex, and data as extremely impactful, and systems integrators agree. The question is, how can SLGs connect the dots?

Via a digital government framework for digital services.

Nearly three quarters of respondents agree a digital government framework is important. They understand that while security and risk management, Capex and Opex, cloud/shared services, and identity access are all individually important, they're more important together. The Digital Government Framework is the way to connect those dots and link them. It is a default roadmap that SLGs can customize to their needs.

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1 *Source: http://officeoffinance.com/gartner-75-of-all-erp-projects-fail-but-why/*

There are two components of the Digital Government Framework:

1) a governance model that oversees the shift to a shared services approach.

2) a shared services acquisition strategy.

The result of implementing this model enables the government authority to unlock the power of effective IT management, with benefits that include:

- Transparency into costs relative to consumption so all departments receive equally beneficial value. No one agency bears a larger share of costs than its level of IT usage would require.
- Focusing individual talent on government's mission and business needs.
- Harvesting data from siloed environments to gain insight into how to better serve citizens, predict and scale for future needs, and achieve performance transparency across the government.
- Proactively address potential areas of service impact so citizen service is never interrupted.
- Addressing Citizen–Customer usability concerns, like the need to go to multiple websites for services.

Much of the success of implementing this framework is taking advantage of economies of scale, which ultimately define the quality, security, and cost of IT. Digitally transforming applications and underlying infrastructure in a systematic manner to mitigate risk while complying with governance and security requirements, and transitioning to a hybrid cloud infrastructure with optimized costs, security, governance and compliance helps SLGs realize those economies of scale.

SLGs do not need to figure this out, nor travel this road, alone. In fact, working with an experienced partner to help the transition through the digital transformation journey is critical as agencies migrate from the capital expenditure models of today to operating expense-based models of the future.

KEY FINDING ❧ **Nearly 90% of respondents are at least somewhat likely to consider adopting Digital Government Framework. They see empowering employees with tools and digitally transforming applications and underlying infrastructure as top attributes of this potential approach.**

Conclusion

Meeting citizen expectations (and addressing citizen concerns) is not only possible for SLGs, it is happening daily as SLGs modernize citizen and constituent facing applications to improve engagement, regulatory compliance, and increase use of public and non-public data to provide relevant services. The digital transformation journey is empowering the workforce with digitally enabled tools that enhance collaboration, remote working, employee satisfaction, and productivity. It's a win-win.

"One respondent noted that shared services and collaboration can be catalysts for change, and that is true. It is what we witness, and help SLGs achieve, every day," said Shawn Kingsberry, Unisys VP for Digital Government and Social Services.

With an experienced systems integrator who understands the mission and can connect the dots for the agency, improving Citizen Services while effectively managing IT infrastructure is an attainable goal that serves the greater good.

ABOUT THE STUDY

The blind online survey included 200 state and local government decision makers with involvement in decision-making relevant to the technologies in the potential solution tested. Nearly three quarters (71%) have direct involvement in recommending or selecting solutions and providers; 58% evaluate alternative solutions and providers; and 38% make the final decision or approve solutions. In regard to IT or Digital transformation solutions knowledge, 27% know a little, 53% know quite a bit and 20% are the resident expert.

Respondents came from selected states (AL, AR, AZ, CA, CO, CT, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, MI, MN, MO, MS, MT, NC, NJ, NM, NV, NY, OH, OK, PA, RI, SC, TN, TX, VA, WA, WI, WV). Nearly half, 48%, are from the state government, 25% are city or municipal government, 18% are county government, and the remainder are contractors.

ABOUT UNISYS

Unisys delivers integrated security solutions for critical infrastructure protection, immigration and border security, physical security, and law enforcement. The company provides advisory services on security architecture, control implementation, and operations to achieve the Federal services and technology strategy with focus on cloud services security and authorizations and on Stealth for resilient hybrid IT infrastructure, industrial-grade Internet of Things (IOT), biometrics for large-scale multi-mode identity matching, and other high mission-sensitivity workloads.

For more information, visit: www.unisys.com/industries/government/public-sector

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