



Buyer's Guide

Achieving Digital Transformation for the Federal Government

The Modernizing Government Technology Act (MGT) jumpstarts digital transformation by providing a new funding model for federal IT projects.

Over the last five decades the federal government has accumulated a vast infrastructure of networks, systems and standalone equipment. These disparate systems have led to siloed data, inefficient services, duplicative workflows and complex internal operations that cannot evolve to meet the demands of the digital age. Compounding this challenge is the rise of citizen expectations driven by the Internet of Things (IoT).

Agencies now must move beyond merely using IT for automation by fully embracing it to reengineer the business of government and mission delivery. This transformation will improve public services and make agencies better stewards of tax dollars.

This digital transformation is complicated by the portfolio of legacy equipment still in daily use at many agencies, some of it dating back to the Eisenhower administration. A 2016 [hearing](#) before the House Oversight and Government Reform Committee found that the federal

government spent more than 75 percent of its fiscal 2015 IT budget on the operation and maintenance of legacy equipment. The Department of Defense was still using 8-inch floppy disks in a legacy system that coordinates the operational functions of the United States' nuclear forces.

Replacing these systems with modern off-the-shelf technology can not only save money on operations and maintenance, but can also improve efficiency, streamline operations, provide better cybersecurity and enable sharing of information and services across and between agencies.

Federal budget cycles and acquisition policies have hampered efforts to modernize IT systems, but the Modernizing Government Technology Act can jumpstart the digital transformation by providing a new funding model for federal IT projects.

PUTTING THE MGT ACT TO WORK

As its acronym—MGT—implies, the Modernizing Government Technology Act is about better management of federal IT dollars. It was passed as part of the fiscal 2018 [National Defense Authorization Act](#) (subtitle G). Its major provisions incentivize agencies to modernize IT systems by creating a central Technology Modernization Fund (TMF) to streamline funding and allows agencies to repurpose savings in their own IT Working Capital Funds.

The act authorizes appropriations of up to \$250 million annually for the TMF for FY2018 and FY2019. Agencies may submit proposals for modernization projects to a Technology Modernization Board. Approved projects will receive funds incrementally based on specified project milestones and objectives. The board will monitor the progress of the projects and agencies must repay the funds

within five years, unless otherwise approved by the Office of Management and Budget (OMB).

Agencies are encouraged to use commercial off-the-shelf technology solutions. A priority is placed on projects for common platforms or shared solutions that can be used by more than one office or agency. Initial Project Proposals should be submitted to ofcio@omb.eop.gov using the template provided in the [OMB memo](#) on implementing the MGT Act.

Factors on which proposals will be evaluated include the project's impact on agency mission, feasibility, financial impact and its ability to replace existing legacy technology. Things to consider in drafting a proposal include:



Impact of the technology on users and expected outcomes

A successful project should have a demonstrable effect on performance of the agency's mission.



Impact on security

The project should address an urgent risk to the mission that would not otherwise be dealt with.



Agency support

Strong executive support should be included to ensure that issues can be quickly addressed and resolved.



Metrics in executing strategy and for measuring success

Identify milestones and how TMF funds will enable the agency to hit them.



Governance

Provide a governance structure and operational model to ensure operational success beyond initial execution.



Expected cost savings

Provide detailed information on the financial impact on the agency and demonstrate the agency's ability to repay the TMF.



Reduction in the legacy IT portfolio

Demonstrate how the project will replace outdated systems with modern, scalable platforms and ensure that security is designed into the project.

IMPLEMENTING DIGITAL TRANSFORMATION FOR YOUR AGENCY

Digital transformation is more than merely implementing new technology. A true digital transformation means technology is integrated into business processes, transforming the way agencies execute missions and deliver services. Ultimately everyone is a stakeholder in this process, from agency heads and C-level officers to the citizens they serve, both inside and outside of government.

The support of these stakeholders at every level, within the agency and among the public, is necessary for successful transformation. Securing this support begins in the planning stages. IT programs need to do more than add new technology or replace old technology, they must modernize to enhance cybersecurity, efficiency, transparency and ultimately contribution to the delivery of citizen services and mission objectives. The overarching concern for stakeholders at all levels is mission outcome, and planners must articulate a clear vision of how a program contributes to this.

A ROADMAP FOR SUCCESS

To successfully leverage the MGT Act for digital transformation, focus on:

- Creating a culture of change that not only disrupts the status quo but provides measurable benefits.
- Using commercial solutions and open standards rather than proprietary protocols and systems.
- Reallocating funds from operation and maintenance of legacy systems to transformative technologies.
- Workforce training and education to keep the agency workforce on par with industry and ahead of change.

Other key concerns to be addressed in the modernization program include, at the executive level, enhancing agency reputation, effective management of tax dollars, and building and retaining a trained workforce. Primary concerns at the mission level include streamlining operations, improving routine decision-making processes and faster time-to-service-delivery. A key consideration at the level of IT staff and end users is user-friendliness, but another concern overlaps with that of C-level executives: workforce development. Effective digital transformation motivates employees and increases their value to the organization by keeping their skills up to date.

Programs that provide and articulate these benefits can meet MGT Act objectives and achieve digital transformation.

To execute on this roadmap, partner with a trusted company that can help you explore new approaches and solutions linked to agency objectives, ones that offer the widest range of technology – including cloud and virtual environments. A trusted partner with an understanding of current agency status and future needs can help define mission-focused requirements.

The MGT Act can jumpstart urgently needed federal IT modernization, and at Jeskell we have watched the progress of this transformative IT reform legislation closely. Our deep expertise with leading solutions providers and our experience in delivering enterprise-class solutions to federal customers prepares us to help federal clients leverage the MGT Act to drive their digital transformation.

To learn more about how Jeskell can help your agency achieve its vision for IT modernization, [visit us online](#).