Practitioner Perspectives

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10 Ways to Prepare for MGTA Success

1. **Familiarize yourself with the oversight requirements of the MGTA**

2. **Build business cases for modernization that address technical, organizational, and cost factors**

3. **Plan modernization investments with operational efficiency and ROI in mind**

4. **Baseline performance early in the modernization planning effort**

5. **Identify savings opportunities through consolidation, simplification, and standardization**

6. **Define performance measures that translate savings from identified to realized**

7. **Build security in from the start to both strengthen the security posture and improve performance**

8. **Identify the advantages of cloud computing and virtualization to the business model**

9. **Use modernization to advance Agile and DevOps best practices**

10. **Align staff to the new realities of modern systems support and an as-a-service mentality**

Physics of Federal IT Systems Modernization

- O&M of ongoing legacy systems consumes over 70% of total federal IT budgets, choking out resources to fund modernization efforts
- Modernization is doubly risky because of the positive correlation between the age of a system and its mission criticality
- Satisfying the appetite for innovation without context or a clear direction is no bargain and may complicate enterprise advancement
- The investments in and returns from modernizing mission critical systems span multiple years, confounding annual appropriations
- The Modernizing Government Technology Act (MGTA) would enable federal CIOs to fund projects outside annual budget constraints
- The MGTA also aims to enable federal CIOs to reinvest downstream savings into future year enterprise IT enhancements
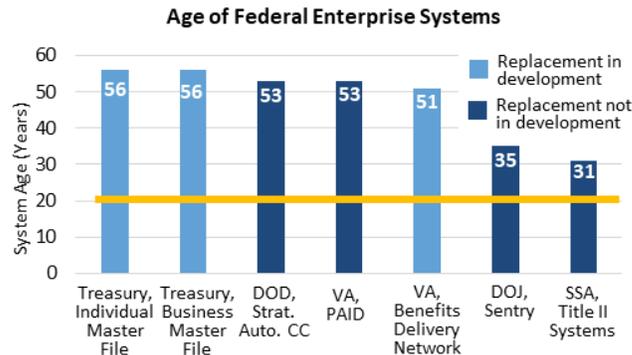
Inertia

Whether you ascribe to Aristotle's or Newton's model of the physical world, the unique nature of federal IT systems follows its own set of laws. One such law is that the longer a federal IT system is in use, the longer it will stay in use. The persistence of legacy systems is brought on by the increasing dependency on the system, the aggregation of compliance bolt-ons, and the growing complexity of interfaces within its operational universe. Contributing to this inertia is the growing difficulty of CIOs to allocate time and resources away from sustainment toward modernization, and the multi-year timeframes required to replace outmoded capabilities. These factors, along with risk aversion on the part of the government and their systems integrator partners, contribute to a steady pace of systems obsolescence.

Action

Modernizing entrenched IT systems can be a Sisyphean task. Moving the boulder – the government's estimated $7.5B accumulated technology deficit – requires significant leadership drive and organizational energy. Unfortunately, CIOs championing sound business cases that cite increasing sustainment costs, narrowing technical options, and the vanishing pool of staff with bygone skills often fail to garner the needed executive attention or budget. Meanwhile, pressures have been mounting to act in response to pervasive cybersecurity breaches and to achieve the advantages of maturing as-a-service offerings initiated by OMB's Cloud First policy. This has resulted in the government reflexively clamoring for innovation in many of its procurements, often without context. The slap-dash responses have compromised security and functionality, while also unnecessarily complicating real systems modernization.

Age of Federal Enterprise Systems

The yellow bar indicates the advent of modern systems (network-connected, graphically-enabled, data-driven, etc.), signifying the obsolescence of many critical enterprise systems.

Source: http://www.gao.gov/assets/680/677454.pdf

Reaction

With multiple forces at play, a catalyst is needed to upset the current equilibrium. Luckily, one is in the offing in the form of the MGTA. As currently proposed, the MGTA creates a working capital fund for replacing legacy federal IT systems to enhance cybersecurity and transition to cloud computing platforms. It also provides for an inter-agency Information Technology Modernization Fund (ITMF), aimed at enabling agencies to finance modernization efforts. The goal is to reduce friction between competing Operations and Maintenance (O&M) and Development Modernization and Enhancement (DME) priorities and remove annual appropriations pressures. This will give CIOs increased flexibility to make multi-year investments in modern digital services without having to show current fiscal year ROI.

Relativity

The successful byproducts of IT modernization should be better performance and customer satisfaction with lower total cost of ownership. To demonstrate these outcomes, projects must provide cost transparency and quantitative measures of performance and level of service. While IT stakeholders will perceive the value of streamlined workflows and enhanced capabilities differently, they are usually stated in qualitative measures of user satisfaction and productivity. More concrete measures of true efficiencies, in terms of quantifiable cost savings, are not as easily recognized. Avoiding hardware, software, and service costs may be easily tallied, but achieving meaningful labor savings will require renegotiation of support contracts and staffing optimization. The ultimate success of MGTA will hinge upon federal buyers and industry jointly committing to taking risks, embracing change, and being accountable for the results.

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