Government Business Council Making the Leap: Exploring the Push for Cloud Adoption A Candid Survey of Government & Industry Leaders

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Overview

Purpose

For a growing number of public and private sector organizations, cloud is the future — a game-changer for mitigating risk, enhancing effectiveness, and initiating new capabilities. To learn more about ongoing progress and challenges associated with cloud adoption, Government Business Council and Salesforce launched an in-depth research study in May 2017.

Methodology

Government Business Council and Salesforce released a survey on May 25, 2017 to a random sample of federal, state, local, and industry leaders. 465 respondents completed the survey; 57% oversee at least one direct report, 42% of federal respondents are GS/GM 13 and above, and 50% of industry respondents hold C-suite/executive or VP/senior level positions. Federal respondents include representatives from at least 28 federal and defense agencies.



By leveraging shared infrastructure and economies of scale, cloud computing presents Federal leadership with a compelling business model.... Users pay for what they consume, can increase or decrease their usage, and leverage the shared underlying resources. With a cloud computing approach, a cloud customer can spend less time managing complex IT resources and more time investing in core mission work.

U.S. Federal Cloud Computing Strategy

Executive Summary

Many organizations have yet to prioritize IT modernization

According to survey-takers, many organizations invest primarily in maintaining legacy systems rather than implementing state-of-the-art technologies. Perhaps as a result, a substantial number of respondents are dissatisfied with the extent to which their organization's IT tools and systems are able to advance mission objectives; furthermore, 30% lack confidence in the ability of IT infrastructure to adapt/scale to evolving needs. Senior leaders appear to be even more cognizant of these gaps — federal respondents ranked GS/GM 13 and above, for instance, generally reveal themselves to be less satisfied in their organization's IT than their rank-and-file counterparts.

Cloud adoption is hampered by a range of barriers

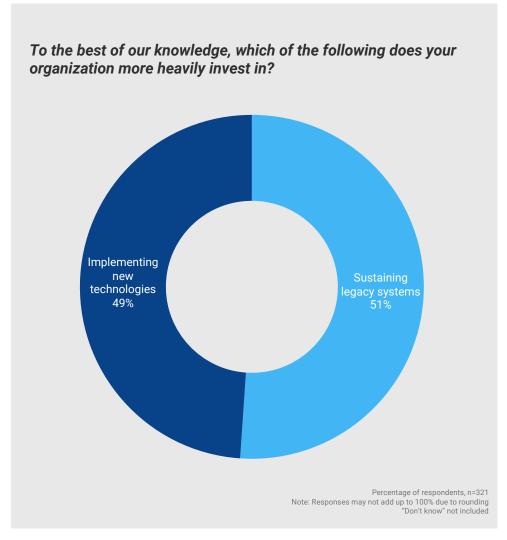
A plurality of survey-takers report that their organization either currently leverages or plans on leveraging cloud in the coming year. However, in spite of this growing thirst for innovation, cloud investment is impeded by a range of bureaucratic and IT challenges, most notably budget constraints, security concerns, difficulties migrating legacy capabilities to the cloud, and lack of in-house IT expertise. Moreover, nearly half of respondents note that their organization has yet to implement a comprehensive cloud strategy for evaluating and implementing solutions.

Respondents are largely satisfied with cloud solutions

Organizations looking to move to the cloud expect a range of benefits such as enhanced data sharing/collaboration, greater scalability/flexibility, expanded backup/recovery capabilities, and data management/storage optimization. In general, it seems that cloud has delivered on these promises: most respondents feel that their organization's cloud solutions have fulfilled or exceeded expectations. Even so, 30% feel that the cloud has delivered below expectations, and respondents still identify a multitude of workforce and IT improvements — including efficiency/productivity, IT training/development, employee morale, and investment in state-of-the-art technologies — that they would like their organization to prioritize in the next two years.

Current State of IT

Over a third feel that their organization prioritizes legacy systems over new technologies

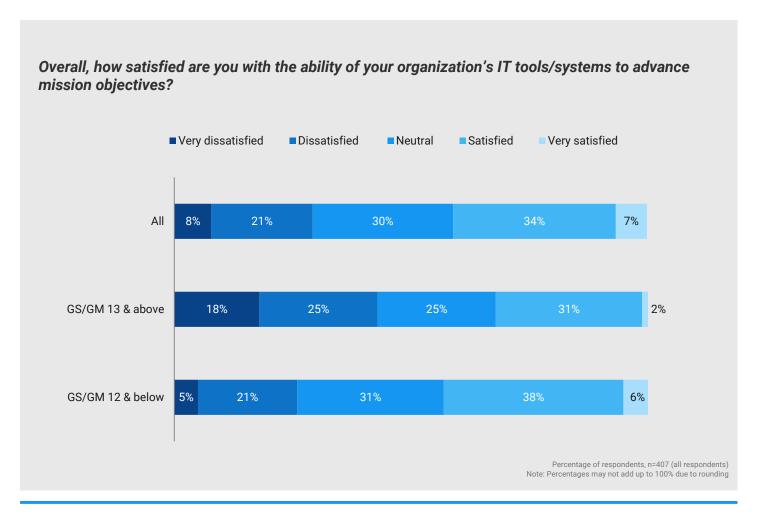


51%

of those feel qualified to respond say that their organization invests more heavily in sustaining legacy systems.

Many organizations have yet to prioritize modernization: while 49% of respondents say that their organization invests more heavily in implementing new technologies, 51% say that their organization primarily focuses on sustaining legacy systems.

IT tools and systems still have room for improvement

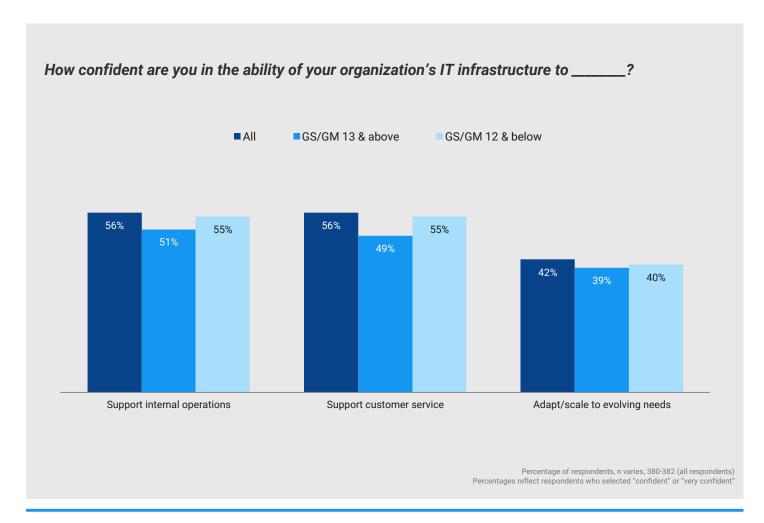


While a plurality (41%) of all respondents are satisfied or very satisfied with the ability of their organization's IT tools/systems to advance mission objectives, 29% report being dissatisfied or very dissatisfied. In addition, federal leaders ranked GS/GM 13 and above are more likely to be dissatisfied or very dissatisfied with organization IT (43%) than respondents ranked GS/GM 12 and below (26%).

43%

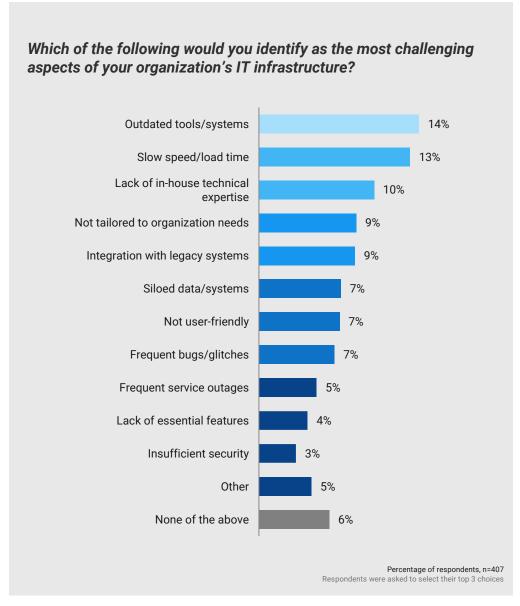
of senior federal leaders express dissatisfaction with agency IT.

Many lack confidence in the ability of organization IT to adapt/scale to evolving needs



A majority of all respondents are confident or very confident in the ability of their organization's IT infrastructure to support internal operations and customer service. However, this could very well change in the near future: fewer respondents express confidence in the ability of organization IT to adapt/scale to evolving needs. Furthermore, federal respondents ranked GS/GM 13 and above consistently report being less confident with regard to all three capabilities than their rank-and-file counterparts.

IT effectiveness is hampered by a range of challenges



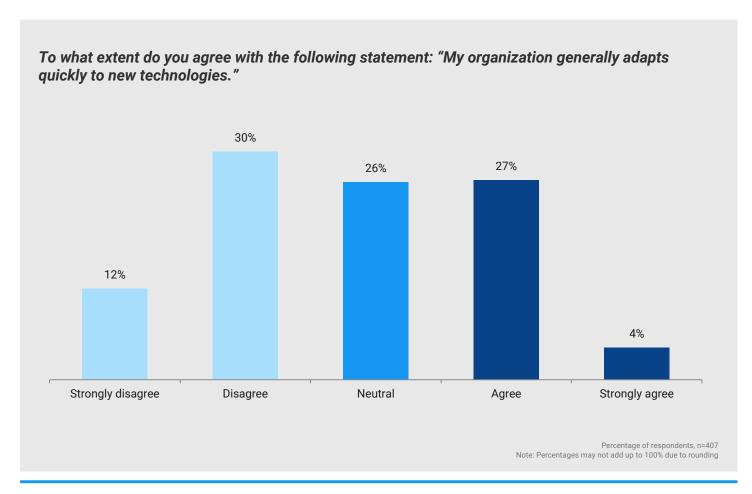
Survey-takers most frequently cite outdated tools/systems (14%), slow speed/load time (13%), and lack of in-house technical expertise (10%) as the most challenging aspects of their organization's IT infrastructure.

In addition, one respondent emphasizes challenges conveying organization priorities to service providers:

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Providers don't address our specific needs; they tailor their activities to the system rather than tailoring the system to the mission. IT is supposed to support front-line customer service, but that is simply not happening.

Many organizations are slow to adapt to new technologies



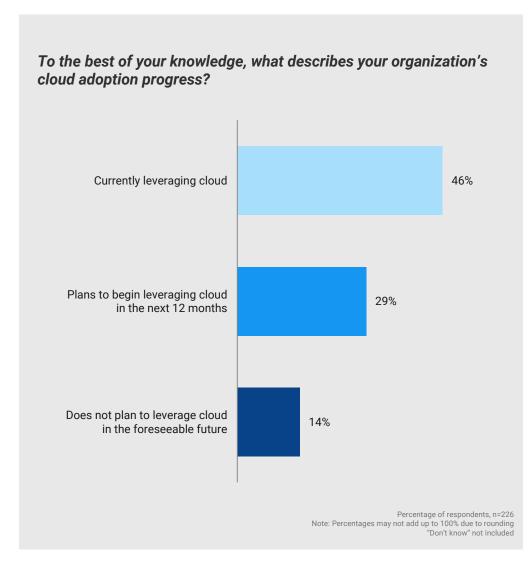
A plurality (42%) disagree or strongly disagree that their organization "generally adapts quickly to new technologies." 31% agree or strongly agree with the statement, while 26% are neutral. In addition, senior federal respondents are less confident in their technologies' adaptability — half of federal respondents ranked GS/GM 13 disagree, versus 35% of those ranked GS/GM 12 and below.

42%

feel that their organization is slow to adapt to new technologies.

Cloud Adoption Progress

Cloud adoption is becoming more widespread



75%

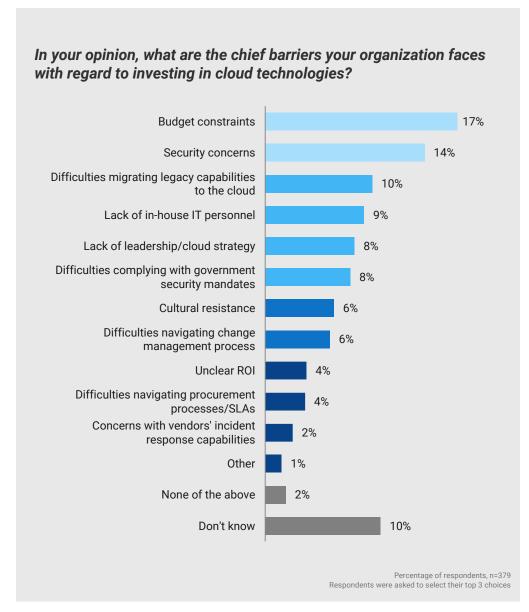
of those who feel qualified to respond report that their organization either currently leverages or plans on leveraging cloud technologies in the next year.

However, some organizations might lack the internal structure necessary for adoption of cloud services. As one respondent notes:

"

Before considering cloud solutions, we need efficient IT services in general — this includes functioning hardware and software, adequate training for new systems, and regular updates to keep pace with changing technologies and customer expectations. We operate as if we're still in the year 2005; accomplishing work across teams and time zones is difficult.

Cloud investment is hampered by various obstacles



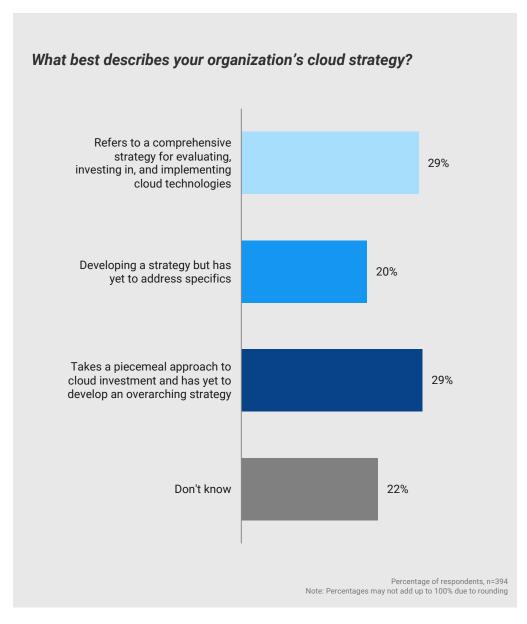
Survey-takers most frequently cite budget constraints (17%) and security concerns (14%) as the chief barriers their organization faces with regard to cloud adoption.

One respondent elaborates on agency security concerns:

"

Our personally identifiable information (PII) policy is so strict that we cannot use most cloud services, and those we can use are limited to certain individuals within the organization. Consequently, we cannot employ even federally-approved services for things like event registration, surveys, and file transfer — and our own home-built solutions are mediocre.

Relatively few organizations have formulated a comprehensive cloud strategy



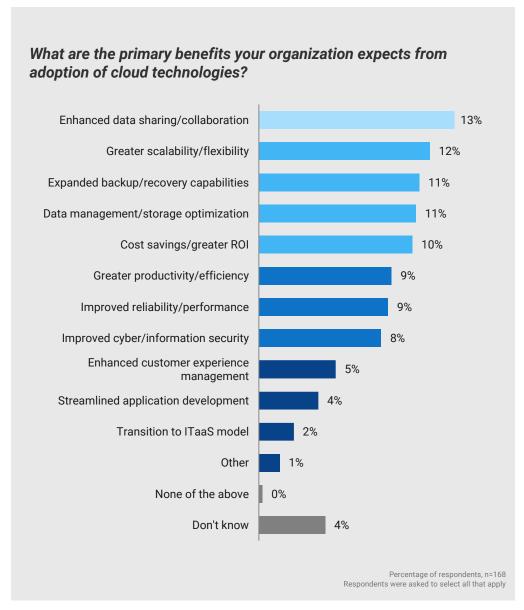
Nearly half

of respondents note that their organization has yet to develop a concrete strategy for evaluating, investing in, and implementing cloud technologies.

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We need to develop a strategic plan to build and maintain capabilities and systems aligned with the agency's overall plan.

Organizations expect cloud adoption to yield a range of benefits

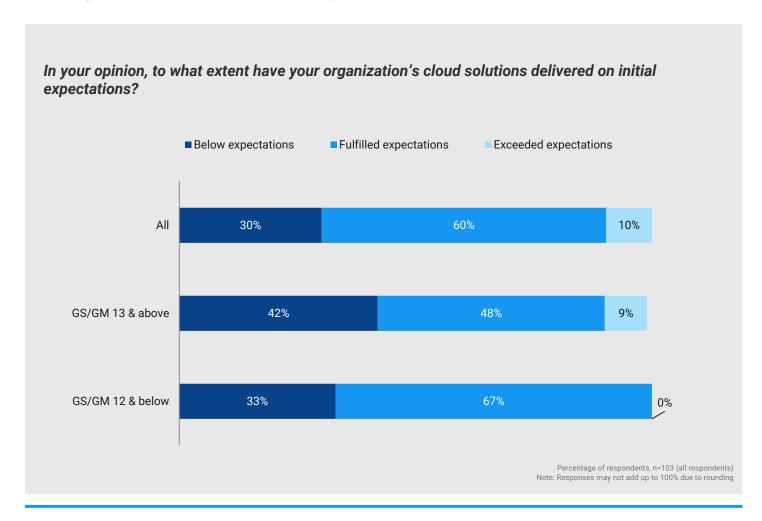


Respondents most frequently point to enhanced data sharing/collaboration (13%) and greater scalability/flexibility (12%) as the primary benefits their organization expects from cloud adoption.

"

Our recent transition to a cloud-based financial management system has brought opportunities and challenges. It does not necessarily provide time and resource savings; however, it combined two legacy systems into one streamlined process and allows for better report generation and accounting transparency.

Most respondents are satisfied with their organization's cloud solutions

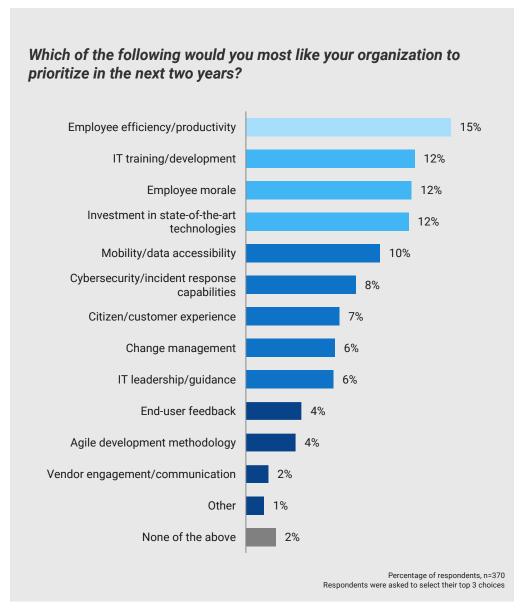


While a majority are satisfied with the performance of their organization's cloud solutions, 30% feel that the cloud has delivered below expectations. In addition, senior federal leaders are slightly more critical — 42% of those ranked GS/GM 13 and above feel that cloud technologies have delivered below expectations, versus 33% of of those ranked GS/GM 12 and below.

70%

of all respondents feel that the cloud has fulfilled or exceeded expectations.

Respondents want organizations to prioritize various workforce and IT-related elements



When asked what they would most like their organization to prioritize in the next two years, respondents most frequently identify employee efficiency/productivity (15%), IT training/development (12%), employee morale (12%), and investment in state-of-the-art technologies (12%).

"

IT personnel are overwhelmed with their workload, preventing realistic customer service time frames.

Final Considerations

Looking ahead, public and private sector organizations should...

Continue to modernize IT infrastructure

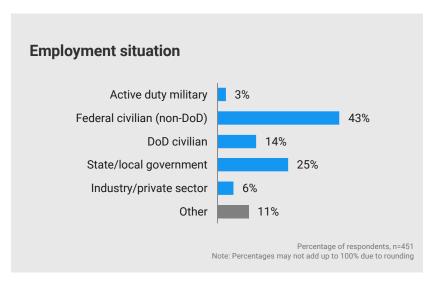
Legacy systems, as per their name, have an expiration date — and respondents observe that outdated IT infrastructure is becoming increasingly unsustainable in the face of evolving needs and mission objectives. Survey-takers identify various potential benefits of implementing cloud solutions and other technologies, including improved data collaboration and management, greater flexibility, and long-term cost savings. However, organizations must tackle a range of technical and bureaucratic obstacles — including resource constraints, lack of in-house IT expertise, and ineffective change management processes — before they can fully take advantage of state-of-the-art services.

Establish a mission-aligned cloud strategy

While a growing number of organizations are considering the cloud, survey-takers point out that many have yet to craft and refer to a comprehensive strategy for evaluating, investing in, and implementing solutions. The best of intentions can be derailed without a robust supporting framework — as one respondent puts it, "bad requirements equal bad results." Even more than investing in new technologies, respondents want their organization to prioritize workforce-related elements such as employee efficiency, training, and morale. Addressing these articulated gaps should form the backbone of organizations' IT modernization strategy: cloud capabilities can only be successfully harnessed if senior leadership places employee and customer needs at the forefront of their considerations.

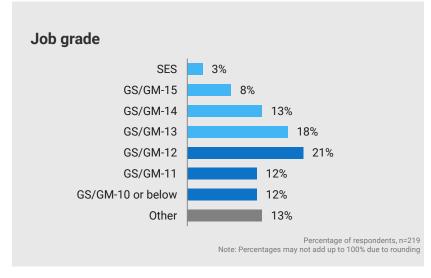
Respondent Profile

Survey respondents are largely senior federal leaders



60%

of respondents rank are federal employees.

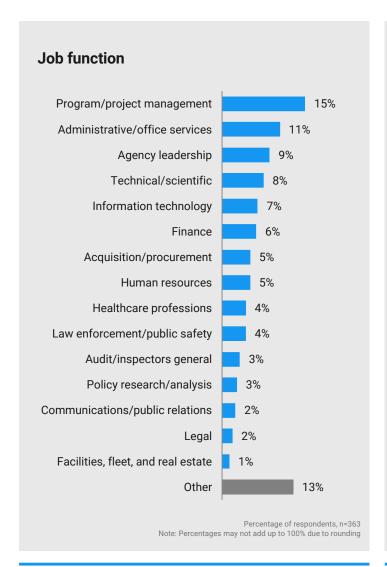


42%

of federal respondents rank GS/GM-12 or above, including members of the Senior Executive Service (SES).

"Other" includes those employed under other pay scales or ranking systems (e.g., Military, Foreign Service, Federal Wage System, Executive Schedule, etc.)

Respondents represent a wide range of federal agencies and job functions

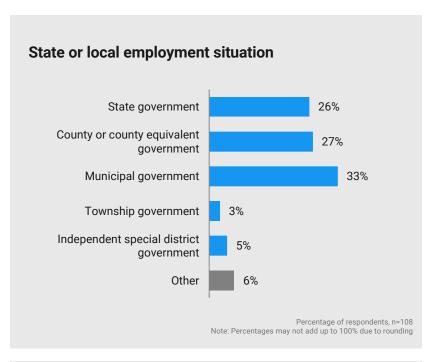




Respondents were asked to choose which single response best describes their primary job function.

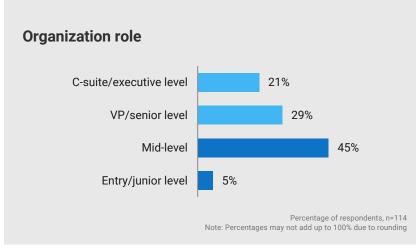
Departments and agencies are listed in order of frequency.

Respondents represent a wide range of federal agencies and job functions



68%

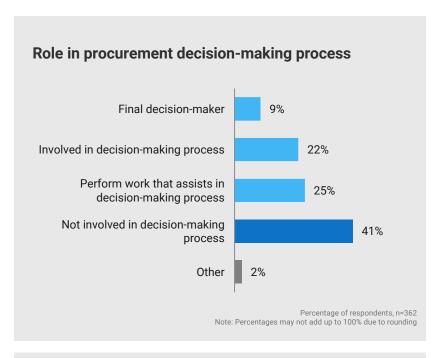
of state or local government respondents hold positions in local government positions, whether at the county, municipal, township, or independent district levels.



50%

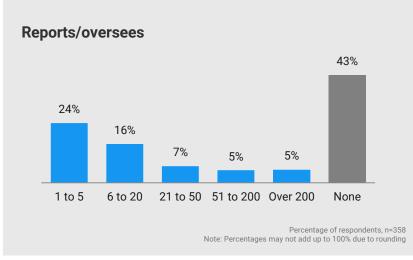
of industry respondents hold C-suite/executive or VP/senior level positions.

Respondents represent a wide range of federal agencies and job functions



56%

of respondents are involved in their organization's procurement decision-making process.



57%

of respondents are supervisors who oversee at least one employee, either directly or through direct reports.

About

Government Business Council

Government Business Council

As Government Executive Media Group's research division, Government Business Council (GBC) is dedicated to advancing the business of government through analysis, insight, and analytical independence. An extension of *Government Executive*'s 40 years of exemplary editorial standards and commitment to the highest ethical values, GBC studies influential decision makers from across government to produce intelligence-based research and analysis.

Report Author: Rina Li



Salesforce

Salesforce transforms the way departments, agencies, and its community of contractors meet the unique demands of today's mission. The FedRAMP-approved Salesforce Government Cloud — the world's #1 enterprise cloud, built for government — gives leadership, management, and employees the mobile self-service tools they need to connect data, process, citizens, and partners across the mission. With thousands of customer stories and an ecosystem that includes over 2.5 million developers as well as hundreds of certified partners, Salesforce demonstrates how trusted, agile, proven cloud applications on a user-friendly development platform deliver better government services and empower modern missions.

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