



The Modern Federal Agency and Drivers for Transformation

MARKET TRENDS REPORT



Hyland

Introduction

The federal government is facing some of the toughest challenges in a lifetime, with a global public health crisis that has amplified the need for agencies to transform and modernize their infrastructure so staff can effectively work remotely and deliver services without disruption.

Agencies are also under ongoing pressure to modernize and comply with several federal mandates, including:

- **The President’s Management Agenda:**
Emphasizes federal agencies improve their ability to deliver outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people by:
 - Modernizing IT to increase productivity and security data accountability and transparency
 - Leveraging data as a strategic asset
 - Enabling a workforce for the 21st century
- **Modernizing Government Technology Act:** Signed into law as part of the Fiscal Year 2018 National Defense Authorization Act, this act authorizes appropriations and technical expertise to support the development of modern technology and allows agencies to use surpluses from their own IT budgets for modernization projects.
- **Office of Management and Budget (OMB) Memorandum M-19-21:** Requires federal agencies’ transition business processes and recordkeeping to a fully electronic environment, and end the National Archives and Records Administration’s (NARA) acceptance of paper records by December 31, 2022.

In addition, there are numerous market trends and technology advancements that are driving transformation in government. According to industry experts, an ongoing top priority for federal agencies is to improve the citizen experience and match the quality of experience that consumers receive in the private sector.

Agencies are also looking to improve staff productivity and reduce costs through the use of automation technology, such as robotic process automation (RPA), which can shift the nature of federal work. IDC predicts that by 2023, 25 percent of governments will begin processing citizen services in real time, leveraging better customer intelligence and RPA. Newer technologies, such as blockchain, are also emerging and will become more mature and mainstream.

But, many federal agencies and departments are saddled with manual, paper-based processes and outdated legacy systems — compounded by a climate of economic uncertainty and cost control pressures that can hinder modernization initiatives (see sidebar).

In the following pages, we’ll dive into how to navigate the challenges of modernization and start on a successful path to transformation. We’ll also gain insights from industry experts at Hyland – a leader in modern technology solutions for government.



In a recent report, the Government Accountability Office highlighted the 10 most critical federal legacy systems in need of modernization. As many IT leaders say their systems are becoming legacy after just five years, it’s notable that these federal systems ranged in age from eight to 51 years as shown in this table:

Top Ten Most Critical Federal Legacy Systems in Need of Modernization

Agency	Age of system in years
Department of Defense	14
Department of Education	45
Department of Health and Human Services	50
Department of Homeland Security	Between 8 and 11
Department of the Interior	18
Department of the Treasury	51
Department of Transportation	35
Office of Personnel Management	34
Small Business Administration	17
Social Security Administration	45

By the Numbers

64%

of citizens would like to be able to conduct more digital government transactions.

70%

of federal government respondents in a recent GovLoop survey said digital services are very important going forward.

"The cost of operating and maintaining legacy systems increases over time. In an era of constrained budgets, the high costs of maintaining legacy systems could limit agencies' ability to modernize and develop new or replacement systems."

85%

of citizens expect the same or more from government digital services compared to commercial digital services.

The federal government planned to spend over **\$90 billion** in fiscal year 2019 on IT. About **80%** of this amount was used to operate and maintain existing IT investments, including aging (also called legacy) systems.

According to data published by the White House Office of Information and Regulatory Affairs, paperwork costs the government **\$38.7 billion** and the public \$117 billion each year.

"The federal government spends hundreds of millions of taxpayer dollars and thousands of hours annually to create, use, and store federal records in analog (paper and other non-electronic) formats. Maintaining large volumes of analog records requires dedicated resources, management attention, and security investments that should be applied to more effectively managing electronic records."

The Challenge: The Hurdles to Modernization

There's a tangible, real-life impact of not modernizing—it creates inefficiencies and backlogs that drag down agency services. Even more so, in times of crisis like a global pandemic.

“Just look at the number of government agencies and programs that have banners at the top of their websites that say, “Due to COVID-19, please expect a delay in the processing of...”” noted Kevin Albrecht, Senior Customer Advisor – Government at Hyland.

With technology advancing at a rapid pace, aging systems are often unable to support upgrades required for future success – and also pose significant security risks, hinder interoperability with other systems and impact overall performance.

But undertaking modernization can appear to be a daunting initiative for an already stretched federal workforce. Industry experts [cite the following](#) top reasons projects fail:

- **Lack of skilled staff:** Limited budgets for hiring, acquiring and retaining relevant talent can be a hurdle for modernization

- **Project complexity:** As agencies move towards modernization, the complexity of IT environments can increase and the responsibility of managing both legacy infrastructure and upgraded systems creates a burden.
- **Time management/communication and lack of leadership support:** Time management, communication and leadership skills are essential for making modernization an agency-wide effort that accomplishes organizational goals.

Additionally, in terms of complexity, agencies often think in terms of replacing legacy systems, which can be costly, time-consuming and impractical.

But, that's not necessarily what's needed to modernize.

So how can agencies achieve the goals of modernization without biting off more than they can chew?

The Solution: Integrate a Modern, Scalable Platform

For federal agencies to achieve modernization success, determining the right strategy and technology tools is crucial to avoid projects that fail and result in wasted time and dollars. Investing in multiple, disconnected applications will only compound or lead to different challenges that could actually make an agency less efficient.

The good news: An investment in a single, cost-effective modern content services platform can drive your digital transformation and modernization efforts.

This platform provides a flexible, scalable foundation for transforming agency operations and improving processes. It offers digital capabilities and configurable tools for automating processes and centralizing online access to information, so federal agencies can eliminate outdated, manual processes and siloed data in legacy systems that slow government down, create backlogs and frustrate constituents.

Agencies can also future-proof their operations to withstand even the most challenging times, such as a global crisis and the need to empower a remote workforce. By leveraging a secure, electronic repository and modern technology, federal agencies can provide staff with online access to ‘content in context’ from any location – whether employees are working in the office, at home or in the field.

Best Practices: Get Started on the Path to Modernization

To get started, federal agencies can implement a modernization strategy that focuses on one department or process at a time. From there, you can scale and expand to other departments or processes in stages. A content services platform seamlessly integrates with existing systems and the capabilities can be configured to meet specific needs.

“Agencies now recognize that the secret to digital transformation success is an incremental approach – rather than a ‘big bang,’ said Greg Chalmers, Senior Account Executive, Federal Government Solutions at Hyland. “We expect to see federal agencies apply this strategy by identifying and establishing pilot projects that can provide immediate value, validating their effectiveness before scaling.”

The platform’s key digital tools can provide the starting point and building blocks for modernization:

- **Automated capture:** Electronically capture documents in any format, automatically extract relevant information with intelligent technology and securely store it in a centralized repository — making it instantly accessible and shareable across systems.
- **Mobile and web access:** An integrated platform enable staff to access information remotely via mobile devices and the web — making it easy to search and retrieve content in real-time for more timely decisions and responses to citizens.
- **Case management:** Optimize time-to-resolution and expedite processes with dynamic case management tools. Leverage rapid application development tools to build and configure solutions for your specific needs — and easily adapt to evolving requirements across departments for greater agility and effectiveness.
- **Business process automation:** Gain complete visibility into your processes from beginning to end with workflow automation. Automate repetitive tasks and streamline processes for more efficient and cost-effective operations. Process automation also frees up staff time to focus on more strategic work.
- **Integration hub:** Connect key systems to a central integration hub, enabling real-time access to up-to-date information from a single point without having to switch between screens. Prevent IT sprawl by bridging disparate systems, apps and data silos.
- **Enterprise file sync and share (EFSS):** Provide a secure way to share, collaborate and review information while providing an audit trail of activities. Leverage features like version control, configurable access and unique encryption keys to track document changes, protect files and prevent leaks.

In addition to these tools, federal agencies are increasingly looking at digital credentials secured by blockchain for use cases such as professional licenses and vital records as well as RPA to automate routine manual tasks and free up staff for more value-added initiatives.



Case Study: U.S. Senate Sergeant at Arms



The Office of the U.S. Senate Sergeant at Arms is responsible for preserving the Senate’s historical documents and making them available to members for reference. This created challenges for balancing the proper storage of physical documents with the need for quick access.

The Sergeant at Arms Office wanted a technology solution that would allow quick access to electronic versions of important documents, eliminating the risk of damaging or replacing hard copies. In addition, the Office required a platform that was flexible and scalable for easy expansion across Senate offices.

The Office of the U.S. Senate Sergeant at Arms turned to Hyland and their content services platform, OnBase.

“Our office is charged with preserving the Senate’s historical documents. We turned to OnBase to make all of those documents available digitally for every office in the Senate,” explained Michael Peterson, Operations Manager for the Office of the Sergeant at Arms.

By scanning these historical documents into OnBase, the Office of the Sergeant at Arms provides immediate, electronic access for every U.S. Senator’s office to use for reference, without time-consuming searches through physical files. Staff can leverage quick, full-text search of over a dozen file types, all with metadata tags to speed research — cutting down on the manpower and hours these tasks used to require.

The deployment of OnBase for electronic documents acted as a stepping stone to broader document management capabilities for more than half of the Senate’s offices. These offices now use OnBase across a wide range of use cases — from allowing easy access for constituent correspondence to electronic storage and retrieval of Senators’ speeches. As the platform easily scales and expands, each office can modify to meet their specific needs.



Conclusion

For decades, federal agencies have relied on manual processes and core legacy systems to run their operations. But, in today's digital-first world with the modern expectations from citizens, these approaches make it difficult to fully serve your mission.

While transforming and modernizing your infrastructure can appear challenging, it is an imperative for agencies to meet constituent demands and empower a remote workforce that may be here to stay. A modern content services solution, with a comprehensive suite of scalable, configurable capabilities, can be instrumental in your transformation initiatives and provide an achievable path to the modern federal agency.

Benefits of Modernization

By modernizing in a phased, measured approach and starting on the path to transformation with foundational digital tools, you can realize the vision of a modern agency that has:

- Enhanced citizen engagement with digital services
- Empowered a remote workforce
- Improved efficiencies and productivity
- Increased document security and reduced risk
- Reduced paper and printing/storage costs
- Complied with federal mandates and requirements



ABOUT HYLAND

Hyland is a leading content services provider that enables thousands of organizations to deliver better experiences to the people they serve. Hyland solutions help each level of government meet today's challenges of automation, modernization and citizen engagement while laying the foundation for simplified, streamlined and digital government.

For more information about this report, please reach out to www.hyland.com/government



ABOUT GOVLOOP

GovLoop's mission is to "connect government to improve government." We aim to inspire public-sector professionals by serving as the knowledge network for government. GovLoop connects more than 300,000 members, fostering cross-government collaboration, solving common problems and advancing government careers. GovLoop is headquartered in Washington, D.C., with a team of dedicated professionals who share a commitment to connect and improve government.

For more information about this report, please reach out to info@govloop.com.



1152 15th St. NW Suite 800
Washington, DC 20005

P: (202) 407-7421 | F: (202) 407-7501

www.govloop.com
@GovLoop