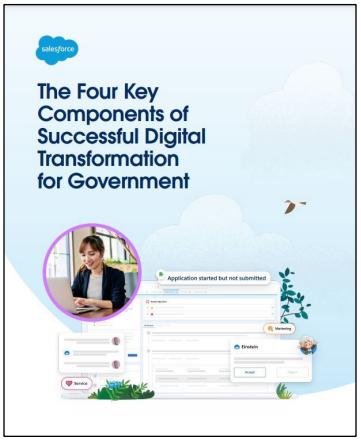

The Four Key Components of Successful Digital Transformation for Government

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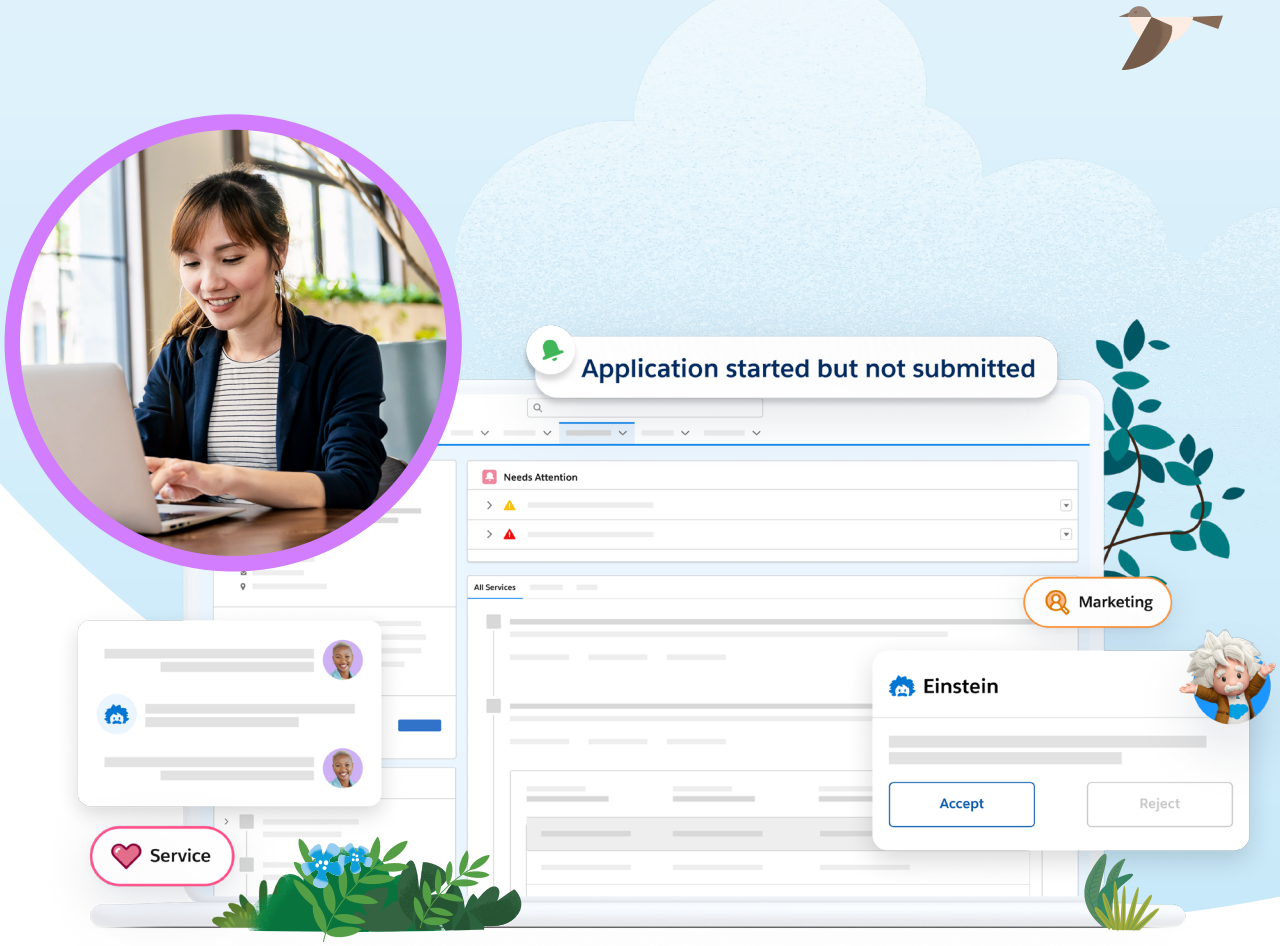
The Four Key Components of Successful Digital Transformation for Government



Contents

Challenges to Successful Digital Transformation

Over the last decade, many government organizations have tried to take advantage of software as a service (SaaS) and platform as a service (PaaS) technologies to enable digital transformation in support of their mission. These technologies provide an opportunity to improve business processes and user experiences that result in improved mission delivery.

Unfortunately, not all organizations were successful with their SaaS/PaaS implementation, usually due to issues with their implementation approach. And for those that did succeed, they quickly realized that the mission delivery value they were receiving from SaaS/PaaS was still limited by not addressing the other required components of successful digital transformation: improving access to data, enabling data driven decisions, and facilitating stakeholder collaboration.

The following guide gives you the four components needed to maximize the mission value of digital transformation, some pitfalls to avoid, and some guidance regarding how to take advantage of emerging AI capabilities to further support mission delivery.

Component 1: Take advantage of SaaS/PaaS

The primary reason organizations choose SaaS and PaaS technologies to improve mission delivery is because they provide an opportunity to improve business processes and user experiences. Now, with the introduction of artificial intelligence (AI) and AI-powered automation tools, government organizations have an opportunity to revolutionize operations. By embedding AI into the flow of work (via SaaS/PaaS technologies), organizations can free up valuable human resources to focus on more strategic work and make government operations faster, smarter, and more cost-effective.

In addition, there are four other valuable benefits of SaaS/PaaS that drive these decisions. Specifically SaaS and PaaS technologies have the potential to improve IT time-to-value, provide agility and flexibility, improve IT Security and lower Total Cost of Ownership (TCO) which all further enable improvement in mission delivery.

Unsuccessful Approach

Not all organizations realize the benefits of SaaS/PaaS, due to how they implement them. Common approaches which do not lead to the desired benefits include:

- **Lift-and-Shift**, where the current system functionality is simply moved from the legacy on-prem platform to the cloud, without rethinking how the new technology can be used to improve mission and service delivery through business process improvements.
- **Waterfall Development**, where the implementation team attempts to document all the detailed requirements up front and then deliver a "complete" solution, rather than utilizing an agile, incremental approach, which provides near-term value and enables rapid course correction to ensure the product stays on track to meet the customer need.
- **Rigid SaaS platform**, where the organizations fail to adopt a SaaS platform that accommodates for the emergence of new technologies. AI is a good example of this. Employees expect to be able to use the new technologies that become available in their consumer environment (including AI) in their work environment. Closing this expectation gap is critical if an organization wants to improve mission delivery and their employee (and "customer") experience.

Successful Approach

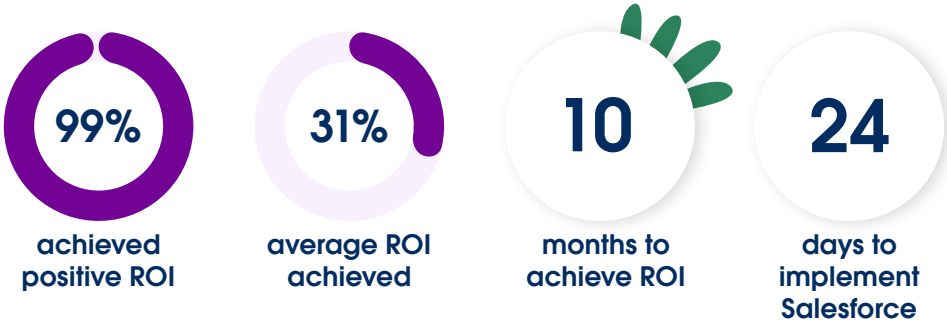
Some organizations are able to obtain value from their SaaS and PaaS initiatives. These organizations choose a balanced approach, utilizing an agile methodology and identifying opportunities to leverage the new technology (including AI) for business process improvements that can be implemented quickly, while still delivering value.

This balanced approach is usually combined with a shift from "Project Centric" development where development is complete at the end of the project to "Product Centric" development where a Minimum Viable Product (MVP) is created and then evolves over time to meet the changing needs of the customer.

The final, and probably most critical component of the successful approach, is the establishment of a "Triangle Partnership" between the government organization, their System Integrator responsible for implementation and the SaaS/PaaS provider. This partnership is critical in order to clearly establish roles and responsibilities and align to a common definition of success, including:

- Intended outcomes
- Expected benefits
- Estimated costs/resources
- Timeline/schedule

Organizations that chose Salesforce for their SaaS/PaaS technologies achieved significant benefits, including:



Source: 2024 Salesforce Success Metrics Global Highlights. Data is aggregated from 2,165 customers across 10 countries. These results are an average only, and are not guaranteed or necessarily indicative of every customer's results.

Component 2: Improve Access to Data

For organizations able to derive value from their SaaS and PaaS initiatives, they quickly learn their value realization is still limited by another critical factor – access to organized data. Connecting your SaaS/PaaS to your data in an organized way provides more complete context, allowing for more personalized support, proactive issue resolution and faster service delivery. This also enables organizations to deliver a 360-degree view of the customer, asset, product, service, etc. they are working with.

Unfortunately, most government organizations have legacy systems that have been operating for decades, which don't share data in the way needed by the new SaaS and PaaS applications to deliver that 360-degree view. On average, organizations use 991 different applications within their digital estate.

Unsuccessful Approach

Harnessing the value of improved data access often lead agency workers to manually integrate their data through "swivel chair integration" or through copy-and-paste, which are susceptible to data inconsistency and human error. Initial attempts to integrate systems often produced many "point-to-point" connections between two systems which are not easily reusable or expandable. This lack of reuse led to maintenance and delivery difficulties, increased security attack surfaces and increased technical debt.

Another common approach to improve data access was the creation of data warehouses, where data was periodically fed into a common repository in an attempt to make it more accessible. While this approach addressed some issues, it failed to let agencies unlock the information from data warehouses to make it actionable by business users with the applications they use for their jobs.

Successful Approach

In order to provide access to data in a secure, efficient, and scalable manner, a strategic API-led model is required. This new model is a composable one: A model where central IT and development teams build, secure, and share reusable building blocks for developers and citizen technologists inside and outside their agencies to reuse. By making these building blocks discoverable in an API catalog, teams outside core development and IT can address their own application needs by developing bespoke applications composed of these performant, secured, and governed building blocks.

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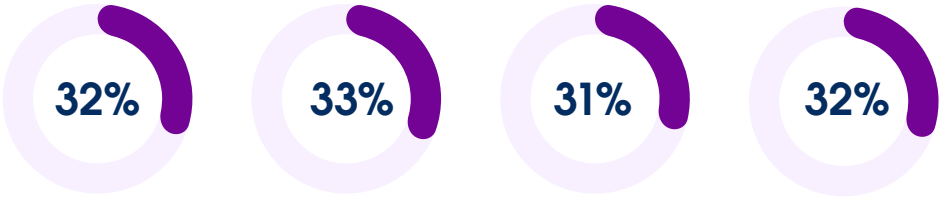
With centralized governance and monitoring, teams can see which APIs are used the most and which should be further optimized for performance. Just as important, they can also see which APIs aren't used, where less attention can be given to optimizing and enhancing them, and where they can possibly be deprecated for end-of-life.

Regarding the use of data repositories described above, there are ways for organizations to optimize value from them. Specifically, they need to implement a data repository which:

- Connects to all of their data sources
- Enables the harmonization of that data into a common data model
- Enables the activation of that data within the common end user business applications
- Supports the organizations' data privacy and security compliance requirements

For organizations looking to leverage the promise and value of AI, getting access to their data in a connected, organized, and harmonized data repository is of critical importance and must be done early in their AI journey. This type of data repository can enable valuable AI capabilities, including predictive modeling and prompt grounding through low-code, no-code tools (i.e. SaaS/PaaS). Making these predictions available in the flow of work for employees is critical for organizations and their end users trying to improve business processes and mission delivery. Leveraging this type of connected data repository is the fastest way to safely bring connected data into an actionable context that augments employee productivity.

Organizations that chose MuleSoft for API-led integration accelerated time-to-value and lowered costs, including:



Source: 2023 Salesforce Success Metrics [MuleSoft Highlights]. Data is aggregated from 820 customers. These results are an average only, and are not guaranteed or necessarily indicative of every customer's results.

Component 3: Enable Data Driven Decisions

For the organizations able to extend the value from their SaaS and PaaS initiatives with access to data, another opportunity to deliver value emerges. Specifically, with access to additional data, organizations have the opportunity to utilize analytics to improve business decisions.

However, many organizations seeking to leverage this opportunity fall short of their goals. This failure is typically caused by many factors, including their approach to delivery. Just as before, there are many ways to approach delivery, some better than others.

Unsuccessful Approach

While there are a many examples of ineffective approaches to creating a data-driven organization, four of the most common include:

- **Lack of focus on business process optimization:** Cloud migration strategies often focus on moving business processes to cloud platforms, but miss the opportunity to embed data-driven analysis and decision making to drive optimal process outcomes. Too often, reporting is seen as something done after the fact to summarize and report on workloads and outcomes instead of providing insight during process execution.
- **Inability to leverage data across business processes:** Optimizing organizational performance often requires cross-domain collaboration between business subject matter experts, e.g., between grant management and finance, between call center operations and recruiting. Only 49% of government respondents to our State of Data and Analytics survey say that they have full visibility into their data. Without a business-user-friendly means for sharing and understanding data in a trusted and secure manner, the benefits of cross-team collaboration are limited.
- **Not thinking broadly about who needs to be informed:** Information about business processes and outcomes often needs to be shared with stakeholders outside of each business group. Without a plan to share information with agency senior leadership, other government entities and the general public, answering data requests can be resource intensive and create information assurance challenges. Conversely, sharing information more broadly can increase transparency and trust of the organization.

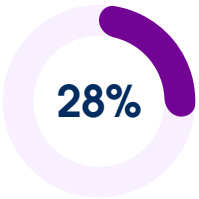
- **Not building for the future**: Innovation in analytics is increasing the value of data every day. If agencies do not plan for the future, it will limit their ability to reap the benefits from process automation, artificial intelligence, machine learning and other rapidly expanding analytic capabilities. There is a huge potential for improvement for agencies that prepare for the future.

Successful Approach

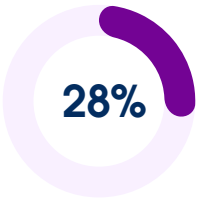
For organizations that have made progress towards being more data driven and improving mission outcomes with real-time insights, there are some common factors to their approach, which address many of the challenges listed above, including:

- **Providing insight at the time of action:** Data and insights are embedded in process execution flows. For human-driven business processes, application users have the information needed to make the best possible decision embedded directly in their flow of work. Where processes are automated, intelligent agents access the data required for algorithms to determine the best action.
- **Combining insights from across the business to optimize outcomes and create organizational agility:** Business users have access to information from across the organization to facilitate cross-team collaboration and optimize organizational performance. Data can be shared in a secure and trusted manner so that business users with domain expertise can rapidly ask and answer questions with confidence.
- **Delivering data and insights to all stakeholders:** Data is available to all relevant consumers both inside and outside an organization. Data can be delivered in a repeatable and secure manner in a way that meets each user's requirements through the use of pre-configured reports as well as customizable dashboards. Data is accessible and understandable to users ranging from senior leadership to data scientists to the general public in ways that drive accurate and informed decision making.
- **Creating a platform for agile analytics today and in the future:** Data driven organizations have a platform to efficiently access the data they need today and tap into new sources of information as needed in the future. As this data ecosystem continues to expand, the platform can support new use cases including artificial intelligence, machine learning and other techniques to drive data driven decisions at all levels of the organization.

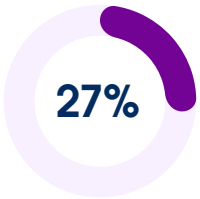
Organizations that chose Tableau to enable a data-driven organization found:



increase in business user productivity



faster delivery of business-driving reports/analytics



faster creation of custom generative and predictive models

decrease in time required to analyze information

decrease in average case age

Source: 2024 Salesforce Success Metrics [Tableau Highlights]. Data is aggregated from 577 Tableau customers. These results are an average only, and are not guaranteed or necessarily indicative of every customer's results.

Component 4: Facilitate Stakeholder Collaboration

For organizations able to implement and benefit from SaaS/PaaS, then increase that benefit via access to data and finally derive additional value from their data via analytics, there is still another challenge to overcome. The experience of the organization's stakeholders (both internal and external) needs to be addressed to improve collaboration, productivity, and job satisfaction. Organizations trying to solve for this typically fall into one of two categories:

- **Tactical:** these organizations attempted to extend current technologies like adding Direct Messaging to email applications.
- **Strategic:** these organizations chose to fundamentally rethink the stakeholder experience and implement a platform approach to collaboration.

Unsuccessful Approach

Those organizations that choose the tactical approach often receive immediate, near-term benefits by extending their current tools (e.g., email) with direct messaging capabilities. However, this approach usually fails to achieve the potential benefits of improving the stakeholder experience in the long term, as they create data silos that could not be easily searched or shared. This approach also has security issues, especially when trying to include stakeholders outside of your organization. Also, for those organizations that want to leverage AI to improve productivity, they are often forced into 1 of 2 approaches:

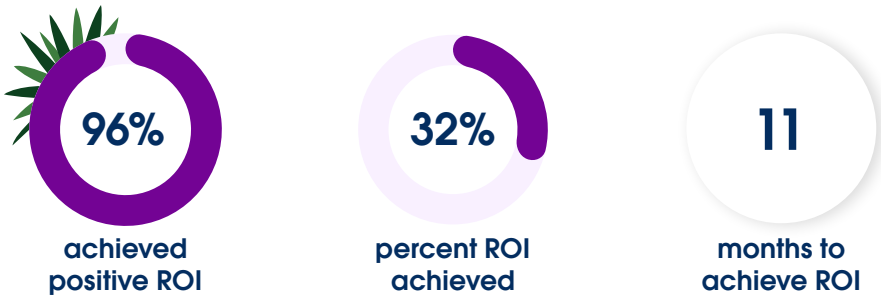
- **Build your own custom large language model (LLM):** which is prohibitively time consuming, expensive and difficult to maintain.
- **Take advantage of Open LLMs:** with the inherent security and hallucination issues.

Successful Approach

Organizations that choose the strategic approach and decide to fundamentally rethink stakeholder experience usually choose to implement a collaboration platform. These organizations were able to establish a productivity platform for employee and partner engagement which:

- **Securely improves collaboration** across stakeholders (internal and external), with context and embedded workflow as necessary.
- **Provides a common UI** across the organization's apps, especially for casual users (e.g., just need to approve a transaction or review some information) which improves productivity and user experience.
- **Supplements user productivity** with native AI capabilities that leverage the organization's own data to limit the risk of hallucinations.

Organizations that implemented Slack experienced:



Source: 2024 Salesforce Success Metrics [Slack Highlights]. Data is aggregated from 2,047 customers across 9 countries. These results are an average only, and are not guaranteed or necessarily indicative of every customer's results.

Looking Forward

It is impossible to think about ways to improve mission delivery without some discussion of the power of AI. As mentioned in the sections above, AI has the potential to improve mission delivery value as an embedded part of SaaS/PaaS, data access, data-driven decisions, and stakeholder collaboration. The potential use cases for AI to support the mission are endless, including:

- Healthcare diagnoses
- Constituent engagement
- Fraud detection
- Case summarization and recommendations
- Cyber security
- Streamlined logistics

However, adopting any new transformative technology comes with risks. Organizations that are starting their AI journey need to address several critical challenges, including:

- **Privacy:** how do you extract the value of AI to deliver personalized responses while protecting the privacy of your stakeholders/constituents/organization?
- **Security:** how do you maintain the necessary security profile for your data and systems, especially when you use external large language models (LLMs) to support your AI capabilities?
- **Accuracy:** how do you ensure that your AI components are delivering accurate responses and preventing hallucinations?
- **Policy:** how do you ensure that your AI components adhere to organizational policies and safeguards and do you need to update your policies to address AI specific risks?
- **Audit:** how do you ensure that you have a complete audit trail of AI activity to defend results and identify and correct issues?

The challenges above should not discourage organizations from embarking on their AI journey. Instead, they should be worked as part of a well organized approach to leveraging new, transformative technology to support the mission. Organizations that are able to mature their approach to addressing these challenges as they mature their use of AI technologies will position themselves for success in the near term and long term.

Summary

Most public sector organizations have attempted to leverage SaaS and PaaS technologies to support digital transformation initiatives designed to improve mission delivery. The journey for these organizations is long and complex, with many failing to achieve the intended benefits of improved IT time-to-value, improved agility and flexibility, improved IT Security, lower Total Cost of Ownership (TCO) and ultimately improved mission delivery.

For those organizations able to achieve the intended benefits of SaaS and PaaS, including improved mission delivery, several key components were identified:

- **SaaS / PaaS:** needs to be implemented in an agile, incremental approach, which includes rethinking business processes and mission delivery to leverage the capabilities of the technology (including embedded AI) and avoids simply "lifting and shifting" legacy applications to the cloud.
- **Data Access:** can further increase the value of your SaaS / PaaS applications, by connecting to legacy systems to provide a 360-degree view of your mission. But Data Access needs to be provided with a secure, scalable approach, leveraging a composable model that emphasizes re-use and avoids the technical debt and security issues related to point-to-point integration. For organizations that want to further improve data access by creating data repositories, the data repositories need to harmonize the data into a common data model which enables the activation of that data within the common end user business applications.
- **Data Value:** can be improved by embedding analytics within current business processes to improve decision making and outcomes and by providing. cross-organization / cross-domain analytics which enables improved program level decisions.
- **Stakeholder Collaboration:** can be improved by recognizing that key stakeholders reside within and outside the organization, and that secure, scalable collaboration with context, embedded workflow and common user interface is required to improve productivity and user experience.
- **Artificial Intelligence:** is a transformative technology that can improve mission delivery via an endless set of use cases, if implemented in an organized way that addresses the associated challenges.

While the path of digital transformation can be long and complex, the tangible benefits to mission delivery make the journey worthwhile. If you are interested in learning more about organizations that have had success during their digital transformation journey and how you can leverage their lessons learned, contact a Government Solution Expert.