

# How industry alliances fuel digital transformation

Systems integrators are joining forces with emerging technology companies to help agencies achieve their IT modernization goals

**T**he effort to modernize government IT systems is an ambitious and far-reaching initiative that seeks to digitally transform agency operations. That transformation will give the government the ability to tackle the country's most challenging problems. It has profound implications for a wide range of activities, including protecting sensitive government data from hackers, responding to disasters, managing public health emergencies, and enabling citizens to access services and benefits.

It's the type of complex effort that demands a whole-of-government and a whole-of-industry response. Furthermore, it requires a mix of experience in the trenches of government IT operations and innovative solutions forged in the commercial marketplace. In short, it hinges on

teamwork between government and industry and between traditional and nontraditional contractors.

To modernize their systems, agencies must be able to discover and deploy the latest technologies, but that can be a daunting process given the complexity of government systems and the dizzying array of options. Finding the best way forward can be easier with the expert guidance of trusted industry partners — the systems integrators (SIs) that have been helping agencies develop and manage their biggest and most sophisticated IT projects.

## Integrators as conduits for innovation

In a recent survey of FCW readers, 72% of respondents said their agencies rely on SIs for complex IT projects. Those large, established contractors

often have decades of experience building government IT systems, and they understand how agencies work. They also understand the value of modernizing those systems to take advantage of the latest technology and keep pace with mission goals.

The answers to FCW's survey reflect the complexity of modernization. When asked about the key priorities of their digital transformation strategies, the highest number of respondents — 71% — said modernizing cybersecurity was a priority, which is not surprising. Data breaches and ransomware were widespread before the pandemic, and the threats have only grown in the past two years. The FBI's Internet Crime Complaint Center received more than 790,000 reports of suspected web-based crime in 2020, an increase of 69%

## Integrators and Digital Transformation by the Numbers

Sources: Defense Department, FCW, Gartner

**72%**

of FCW survey respondents said their agencies rely on systems integrators for complex IT projects

**63%**

of FCW survey respondents said a cumbersome procurement process made it difficult to adopt the latest technologies

**45%**

of all enterprise IT spending will go to public cloud services by 2026, up from less than 17% in 2021

**\$16.3  
BILLION**

is the value of acquisitions that the Defense Department awarded under other transaction authorities in fiscal 2020

over the previous year. Ransomware incidents rose by 20% in that same time frame, with 2,474 incidents reported in 2020. That was accompanied by a 225% increase in ransom demands.

Survey respondents' other transformation priorities were equally pressing and include improving data capture and analysis (66%), managing a mix of on-site and remote employees (65%), improving the customer experience (63%) and expanding the use of cloud technology (61%).

Successfully combining those priorities to build secure, scalable and flexible systems requires identifying and then integrating best-of-breed solutions. Furthermore, modernization is an ongoing process. SIs are in a unique position to serve as a conduit for innovations developed by companies outside the government market. They have the expertise to assess how a new technology would address a government need and integrate with existing systems, in addition to understanding whether the technology will perform as expected.

SIs recognize the key role they can play, and they are evolving to meet the government's need for digital transformation and building partnerships with emerging technology companies.

### Overcoming the obstacles to modernization

However, agencies face some hurdles when it comes to making the most of emerging solutions. In the FCW survey, 63% of respondents said a cumbersome procurement process was a key obstacle preventing them from adopting the latest technologies. Revising the procurement process would speed the deployment of new tools and ultimately speed the journey to modernization.

To make it easier for nontraditional companies to bid on and win contracts, experts say the procurement process should move away from requiring proof of companies' performance on previous contracts. Emerging technology companies are often new to the government market, although many have demonstrated success in other sectors.

Some agencies are finding their own way around such hurdles by specifying the use of emerging technology companies in their requests for proposals to incentivize traditional contractors to work with nontraditional companies. In addition, many agencies are taking advantage of other transaction authorities (OTAs).

According to a report by the IBM Center for the Business of Government, "OTAs expand the pool of organizations engaged in the government market by eliminating procurement requirements that often keep small and nontraditional contractors from doing business with federal agencies."

At the Defense Department, "OTAs are principally associated with new weapons systems, but also increasingly utilized for new applications for emerging technologies to transform core business practices—for example, supply chain and accounting," the report states. During the pandemic, OTAs were used to fund the rapid development and acquisition of COVID-19 vaccines.

Another stumbling block when it comes to modernization is the government's heavy reliance on legacy systems. In fact, 60% of FCW respondents said concerns about interoperability with legacy technology represented an obstacle to adopting the latest technologies.

The vulnerabilities of legacy systems are well-documented and include "security risks, unmet mission needs, staffing issues and increased costs," wrote Kevin Walsh, director of IT and cybersecurity at the Government Accountability Office, in a statement prepared for a Senate subcommittee in 2021.

Fortunately, the government has allies in industry that share its concerns and goals. SIs and their emerging technology partners can help agencies find ways to develop flexible, modern IT infrastructures that take advantage of the latest technology innovations. By tapping into those alliances, agencies can exponentially improve their modernization efforts. ■

### Helping agencies keep pace with rapidly changing technologies

In today's technology world, software patches and updates are often released weekly and some government agencies, such as the Defense Department, issue new hardware and software on a regular basis.

To keep up with those changes, agencies need industry partners that combine a comprehensive understanding of the government's requirements with insight into emerging capabilities. By working with innovative new companies, those partners can deliver solutions that improve the user experience, deepen agencies' visibility into their IT systems and make those systems more secure.

At Carahsoft, we evaluate emerging technologies from the perspective of solving government's most complex challenges. But we know we cannot solve those challenges alone, which is why we join forces with federal systems integrators (FSIs) that have years of experience with large, complex systems and the delivery of world-class solutions and innovation to their public-sector mission partners.

Many of us in industry previously worked in the government (myself included) and share a passion for providing agencies with the best technology in a cost-effective way. It's often said that the government uses yesterday's technology tomorrow. At Carahsoft, we're excited to help FSIs and emerging companies deliver tomorrow's technology today, allowing the government to focus on achieving mission success.

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