The Three Pillars of Successful Public Sector Planning

A framework for modernizing program funding

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THE THREE PILLARS OF SUCCESSFUL PUBLIC SECTOR PLANNING

A FRAMEWORK FOR MODERNIZING PROGRAM FUNDING

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PRETTY MUCH EVERYTHING KEEPS CHANGING. WHY HASN'T PLANNING AND FUNDING?

In recent years, it seems virtually everything in public sector agencies has changed. Why is it that the way capital planning and funding are managed looks the same as it did decades ago?

In many ways, teams are still working with a traditional capital planning and investment control model that emerged when client/server computing was all the rage. These legacy approaches are inefficient and wasteful and are fundamentally misaligned with the modern technologies and realities of today's public sector agencies.

This eBook introduces a new approach to public sector planning, one that is focused on teams rather than projects. Read on to find out why this new framework is now so vital, learn about the three pillars of success, and get practical tips on getting started.

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LEGACY FUNDING MODELS: THREE KEY PROBLEMS

For decades, investments were largely based on projects. Leaders would fund a specific piece of work—one that had a concrete start and finish—and expect to fund it only once. (Examples of these projects could include building a data center, deploying a mainframe, or instituting a new capital planning process.) For each of these efforts, teams would develop plans, get estimates, and ultimately obtain the budgetary approval needed to get started.

For a long time, legacy funding approaches worked fine. Today, they present three fundamental problems:

Problem #1: Technology Moves Way Too Fast, Budgeting Way Too Slow

Within many agencies, it simply takes too long to go from identifying a technology to actually being able to start using it. Teams that choose a technology today may not receive all the required approvals and budget they need for two years—often it takes even longer. Too often, the technology is bordering on obsolete by the time teams are ready to deploy it to production.

Problem #2: Legacy Models Tie Up Resources and Accrue Technical Debt

What's worse is that many existing applications have largely been dependent on operations and maintenance budgets and multi-year contracts. Assuming the standard two-year planning cycle, by year two of a contract, the chosen technology is already four years old—and invariably obsolete. For a 10-year contract, an organization may not start receiving a return on investment until year five. This leaves the agency with a long-term commitment to a technology that's providing diminishing value, and it ties up development, modernization, and enhancement (DME) funds that could have otherwise been moved to more value-added solutions. This all adds up to enormous technical debt that stifles modernization initiatives.

Problem #3: Technology is Mission Critical—Not a One-and-Done Project

Groups today are now operating in a completely different world than the teams of prior decades. They're in a world in which technology is inextricably interwoven with the agency's mission. For virtually any agency, organizational performance is highly dependent upon software to fuel virtually every critical service and process.

This exposes a fundamental disconnect. Technology-powered services are now, and will remain, integral to public sector agencies and the constituents they serve. When an application is critical to an organization, it's not something that can be treated as a one-and-done project. Teams can't just deploy the application and move on. They need to continue to support and improve the application, and these enhancements will be integral in fueling the ongoing progress of the agency in fulfilling its mission. Further, these enhancements will need to continue for as long as that application serves the organization.

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THE COSTLY IMPLICATIONS OF THE STATUS QUO

The problem isn't just that traditional funding and contracting approaches aren't aligned with current realities; it's that they create waste and stifle agility—and actively work against many of the organization's most critical goals.

Across a large swath of agencies, leaders continue to confront the futility of detailed, project-based planning. They see teams across departments make the massive investment in time and money that is required to establish a strategic long-term plan.

Once approved, plans change—introducing a whole new range of efforts, costs, and delays. Because of the financial ramifications of changing plans, financial people have to be involved in deciding whether to approve the change, but they typically don't know the domain enough to truly understand whether the change makes sense. Functional leaders may ask questions but won't have the expertise to truly evaluate the responses they receive, or be in a position to provide helpful guidance. At best, these approval cycles add significant delays. At worst, they mean high-value efforts may be declined or that low-value efforts are approved.

This is a never-ending process. While working with a current year's budget, teams would be in the midst of getting the next year's budget approved, and even preparing for the following year. The elapsed time of these acquire-to-retire asset lifecycles span years.

In short, teams spend a massive amount of time developing a plan that will never be fully executed and they incur even more effort, lost time, and inefficiency when the plan inevitably changes.

These constant obstacles beg a fundamental question: Why keep working this way?

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TODAY'S IMPERATIVE: FUND TEAMS, NOT PROJECTS

In the 2023 fiscal year alone, civilian agencies within the Federal government were expected to spend over $65B for IT programs.[1] Unfortunately, numerous agencies are spending millions—perhaps billions—in IT initiatives that are failing to deliver the expected value or return on investment. These realities make it abundantly clear that legacy planning and funding models are broken. The key then is to determine how to fix them.

To meet your pressing imperatives, you and your teams can't continue to operate the same way, funding work and projects. Now, funding, planning, and operating models need to go through a fundamental shift.

Now, it's about funding the products and the teams that are delivering value.

HERE ARE A FEW HALLMARKS OF THIS APPROACH:

- Teams are given persistent, long-term funding. This funding can span a budget cycle, or extend across three, five, or even 10 years.
- Teams are organized around products and value streams, rather than in the siloed departments of the past.
- Teams work toward common, agency-level objectives.

There are three key pillars that form the foundation of a successful approach to planning that is focused on teams: empowering teams, governing innovation, and aligning technology and functional groups. The following pages offer an overview of each of these pillars.

[1] Government Executive, "Biden's 2023 Budget Includes $65B for Civilian Agency IT," Natali Alms, March 29, 2022

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PILLAR #1
EMPOWER TEAMS

TOP-DOWN, CENTRALIZED DECISION MAKING PRESENTS A BOTTLENECK

In most agencies, decision making is largely top down in nature. The problem is that centralized power in government tends to be tightly coupled with consensus decision-making, which is slow and inefficient. Under the control of rigid agency governance policies and processes, teams can't do what's needed when it's needed. Particularly in today's environments, it is impossible for a single central authority, whether that's a leader, leadership team, center of excellence, or any other single entity to react quickly enough for every different group they're responsible for.

This reality can be evidenced in a number of ways. For example, a team receives funding for a project. When things change, whether due to the project being scrapped or paused, those funds need to be reallocated to a different project. To do so, staff have to go back to a central authority, make a request, wait for a response, follow up with additional details, and so on. The process is too slow, inefficient, and time consuming. Further, in large agencies, this type of example is being repeated across hundreds or thousands of different groups.

BOOST EFFICIENCY BY FUNDING THE TEAMS THAT DELIVER VALUE

This funding approach is fundamentally about boosting efficiency. Decentralizing authority and moving decisions to a lower level in the organization is a big part of how this objective is realized.

Fundamentally, you need to have good people and have visibility into what they are doing, while enabling them to make decisions in a timely fashion. Ultimately, it's about trusting that they are best equipped to know what's the right thing to do and when.

Instead of providing temporary funding to individual projects, you continuously fund the teams providing the products and services that deliver value. When teams have persistent funding, they can be empowered with the autonomy to figure out what needs to be done and do it. People can adapt quickly and intelligently—without having to go back to a central authority.

There's still accountability, however. Common, value-stream-level metrics guide teams in prioritization and tracking progress. As long as the team continues to deliver value, they'll continue to be funded. Leaders make portfolio-level decisions at the beginning of the fiscal year. Maybe they will decide to reduce or eliminate funding for a team that's no longer delivering value, based on the metrics defined. They also decisively wind down products that no longer deliver value. Ultimately, leaders empower teams, provide persistent funding, and get out of their way.

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PILLAR #2
GOVERN INNOVATION

GOVERNANCE STIFLING AGILITY

The reality is that most leaders have been forced to make hard tradeoffs in balancing demands for governance and speed. This is very much the case in the context of technology planning. Having a top-level decision-maker review the funding for each project and scope change may serve to support some governance objectives, but it also can slow the organization to a crawl.

Consequently, governance has acquired a negative connotation. People tend to view governance as an impediment, creating extra steps that stifle progress and make tasks more difficult. Fundamentally, teams have had to make a no-win decision, being forced to choose between governance or speed. For today's agencies, the right answer must be both. Given these realities, it is clear leaders need to take a different approach to governance.

ESTABLISHING A FOCUS ON TOP-LEVEL AGENCY METRICS

With the interweaving of functional and IT groups, teams need to move from focusing on preparing planning documents and seeking approvals, and instead focus on key agency outcomes. According to a Gartner report, 60% of strategic portfolio leaders will transition from a focus on delivery execution to a focus on value realization.[2]

By taking a new team-focused approach to planning in government agencies, teams are given key metrics and they're afforded the autonomy to determine how to best achieve those metrics. This is the way this planning approach helps foster directional alignment. In effect, governance is moved from front-end budget approvals to empowering teams and focusing on the outcomes they deliver.

For example, in a Department of Motor Vehicles, service representatives may have an objective of reducing the time it takes to process driver's license renewals. Improvement of this metric can have a direct impact on the organization's performance and cost effectiveness. Technology initiatives can fuel improvements in this metric, but they may not necessarily have a direct impact or be the sole factor to affect this outcome. Leaders need to make judgement calls and ensure metrics make sense conceptually.

All that ultimately matters is that agency metrics are moving in the right direction and that teams are contributing to those outcomes. In support of this approach, it is vital to establish visibility into what people are doing and how it affects the agency and its mission. Leaders need to be able to track value in real time, using unified data.

[2] Gartner, "Top Trends for Strategic Portfolio Leaders for 2023," Kevin Rose, Rachel Longhurst, et al, August 14, 2023, ID: G00789708

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PILLAR #3

ALIGN TECHNOLOGY AND FUNCTIONAL TEAMS

TECHNOLOGY AND FUNCTIONAL DISCONNECTS POSE OBSTACLES

In today's fast-changing environments, priorities and requirements shift constantly and the scope of work is ever expanding. Agency stakeholders often don't feel they're getting what they want, need, or request. For their part, technology teams feel the goal posts keep being moved.

A big part of this problem can be tied back to incentives. Historically, the performance of technology teams has been measured based on such characteristics as system resilience or the lack of bugs. Teams receive praise, or at least are left alone, when releases don't break and don't have bugs—but there is no shortage of fingers pointed at them when problems arise. Meanwhile, functional stakeholders keep asking for changes, additions, and enhancements—which all increase the risk of technology teams missing their objectives.

This fundamental tension causes misalignment, miscommunication, and confusion among both technology and functional teams. By establishing the innovation governance capabilities outlined above, teams can begin to make strides in boosting alignment. However, once governance and common metrics are established, the next obstacle to arise will be around timing. That's because siloed teams often prioritize work based on different criteria and have different incentives. Functional leaders will say a feature's needed by Q1; technology leaders will say it can't happen until Q3. How do you resolve this conflict?

UNIFYING AROUND VALUE STREAMS

By taking a team-centric approach to planning, public sector teams can avoid these conflicts and disconnects. Through this approach, teams are organized around value streams that fuse functional and IT staff, who all have one set of shared goals. In this way, teams can begin to break down silos, foster cross-team alignment, and gain a unified focus on key outcomes.

Through this approach, respective leaders prioritize according to negotiated agreements between functional and technology leadership. The trick is to strike the right balance between addressing agency priorities and backend technical and architectural objectives.

In these cases, it can often be helpful to negotiate percentages, with the goal of striking a balance among various types of work. For a given quarter, the agreed upon mix could be 20% of time focused on defect resolution, 40% on new feature development, 20% on addressing technical debt, and 20% on discretionary work. Next quarter, leaders will have a similar conversation, adjusting the mix as needed.

To make this work, functional and technology leaders must have a good working relationship. There has to be some give and take and an understanding and trust that each side will be reasonable.

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ADVANTAGES OF MODERN PUBLIC SECTOR PLANNING APPROACHES

ENHANCED VISIBILITY AND INSIGHTS

Through effective public sector planning, your teams can gain enhanced visibility into capacity planning, resource management, and risk management. Teams can apply concrete insights to fuel continuous improvement.

With improved visibility, teams throughout your organization get the insights needed to make smarter decisions. Teams gain improved visibility into top-level strategies, and they can use this insight to better prioritize backlogs and resources. These enhanced insights foster more trust and collaboration, and help to minimize agency risk.

IMPROVED ALIGNMENT

By cultivating the establishment of optimized value streams, this planning approach enables you to align strategy, planning, and work across the organization. With this tighter alignment, teams are better positioned to connect strategy with work, reduce unnecessary friction, and foster deeper collaboration.

HEIGHTENED EFFICIENCY

Traditional investment planning and project funding requires users to articulate every detail of what's going to be delivered, justify it at length, and then fund it. Inevitable changes require that process to be repeated over and over again.

By contrast, this modern, team-focused planning approach ensures stakeholders are in agreement on the value being generated. As such, they commit to funding products and teams for an entire fiscal term. Instead of forcing teams to get bogged down in processes, this planning approach empowers teams to make changes on the fly.

Users can move things around during the roadmap review and see the impact of different changes. Doing so improves time to market and it boosts agility. Through this modern public sector planning approach, you can minimize the effort and overhead associated with governance, while still ensuring you get the value needed.

GETTING STARTED WITH A MODERN, TEAM-FOCUSED APPROACH TO PLANNING

#1

GET ORGANIZED

To get started with team-oriented planning initiatives, it is vital to first ensure you have maximum visibility and can gain a complete understanding of your application portfolio, investments, resources, and people. Toward that end, it is important to categorize, assess, and analyze your application portfolio, and to the greatest extent possible, begin to centralize portfolio administration.

#2

SET THE COURSE

Next, your leaders need to establish a roadmap for transformation, and ensure that roadmap is aligned with top-level agency strategies. Roadmaps need to be developed, refined, reviewed, and approved by key stakeholders.

Teams must be able to track progress of investments and initiatives, and knowledgeably determine how they're advancing top-level strategies.

Further, it is vital to establish mechanisms to ensure roadmaps are reviewed on a recurring basis to ensure they stay aligned with evolving realities and priorities.

#3

OPTIMIZE DELIVERY

Teams need to optimize workflows to speed execution. To do so, leaders must have the unified visibility needed to intelligently balance application work and priorities with team capacity. Toward this end, it is essential that organizations establish a consistent model for managing and tracking strategy, objectives, work efforts, progress, and results.

#4

TRACK PROGRESS AND ACHIEVE BENEFITS

Teams must take a data-driven approach, tracking progress toward planned objectives and key targeted results. To do so, teams must move from the reliance on quarterly status reports and other techniques of the past and leverage real-time dashboards that keep all stakeholders apprised. Data from execution needs to be rolled up for leadership, delivering real-time insights that reveal what is happening across the organization.

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CASE STUDY: GOVERNMENT AGENCY BOOSTS AGILITY WITH MODERN PLANNING

A large government agency in the US that provides a range of entitlement services to citizens has embarked on an ambitious, agency-wide effort to modernize and optimize its technology investments and usage. Today, the agency employs more than 60,000 team members.

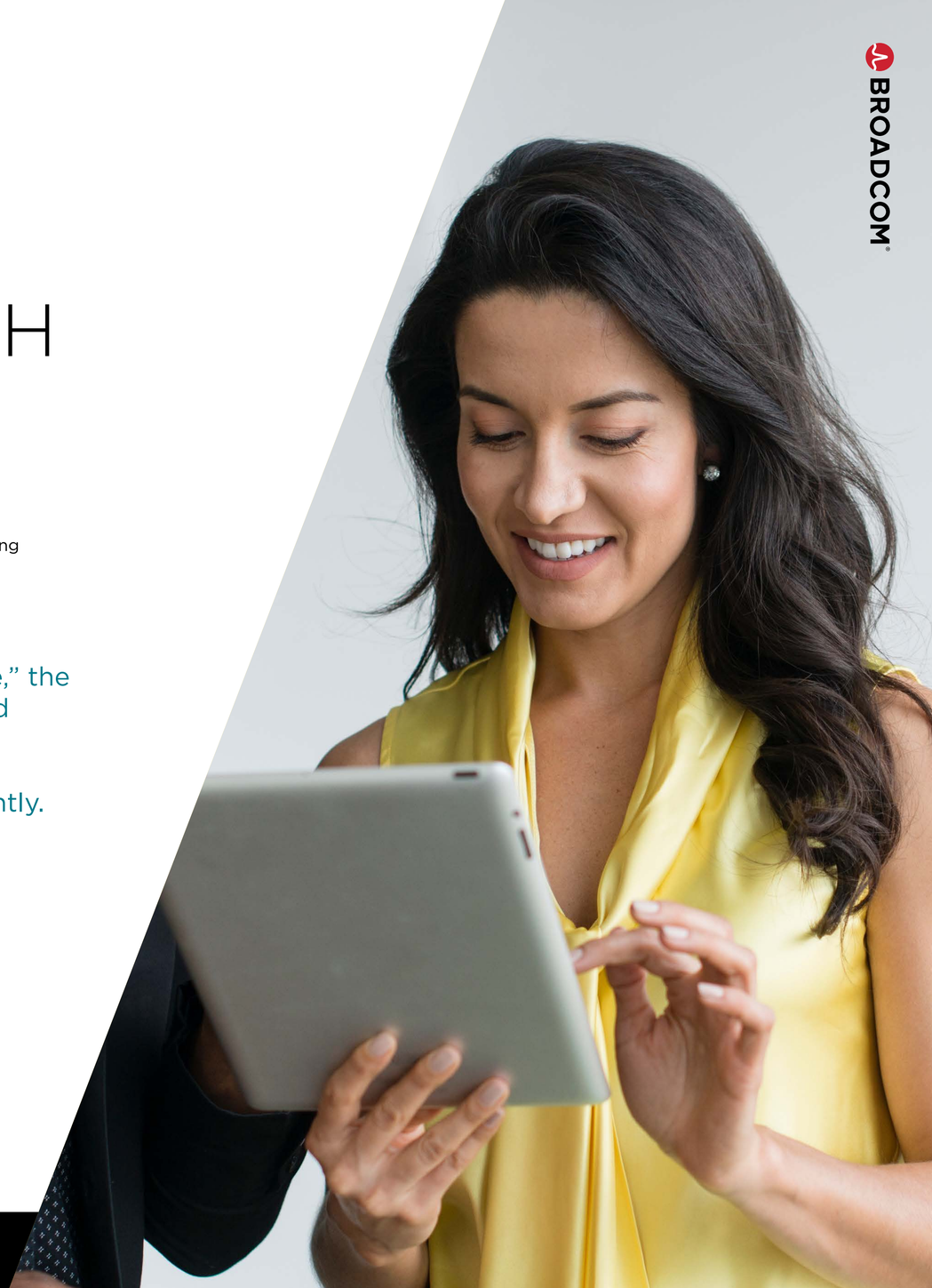
Since 2016, the organization has scaled its agile development, moving from having 10 teams to more than 50. As part of this move, they've made the transition from having a project focus to focusing on products.

"We are reorienting our approach to use products and product management in everything we do, including our investments, how we do our work, and how we are organized to do our work," explained the agency's chief information officer. "This approach goes hand in glove with Agile. These are tried and tested practices in industry."

In addition, the organization has also started to employ a planning approach that is centered on teams rather than projects.

"We think about modernization in many different ways and one of them is people," the executive revealed. "Building funding and plans around teams is part of that. This approach helps our teams to operate differently and look at their work differently. Now, rather than taking a project or technology view, we're focusing on key outcomes."

By aligning around products and focusing on funding teams rather than projects, the organization has made significant strides in its modernization initiatives.



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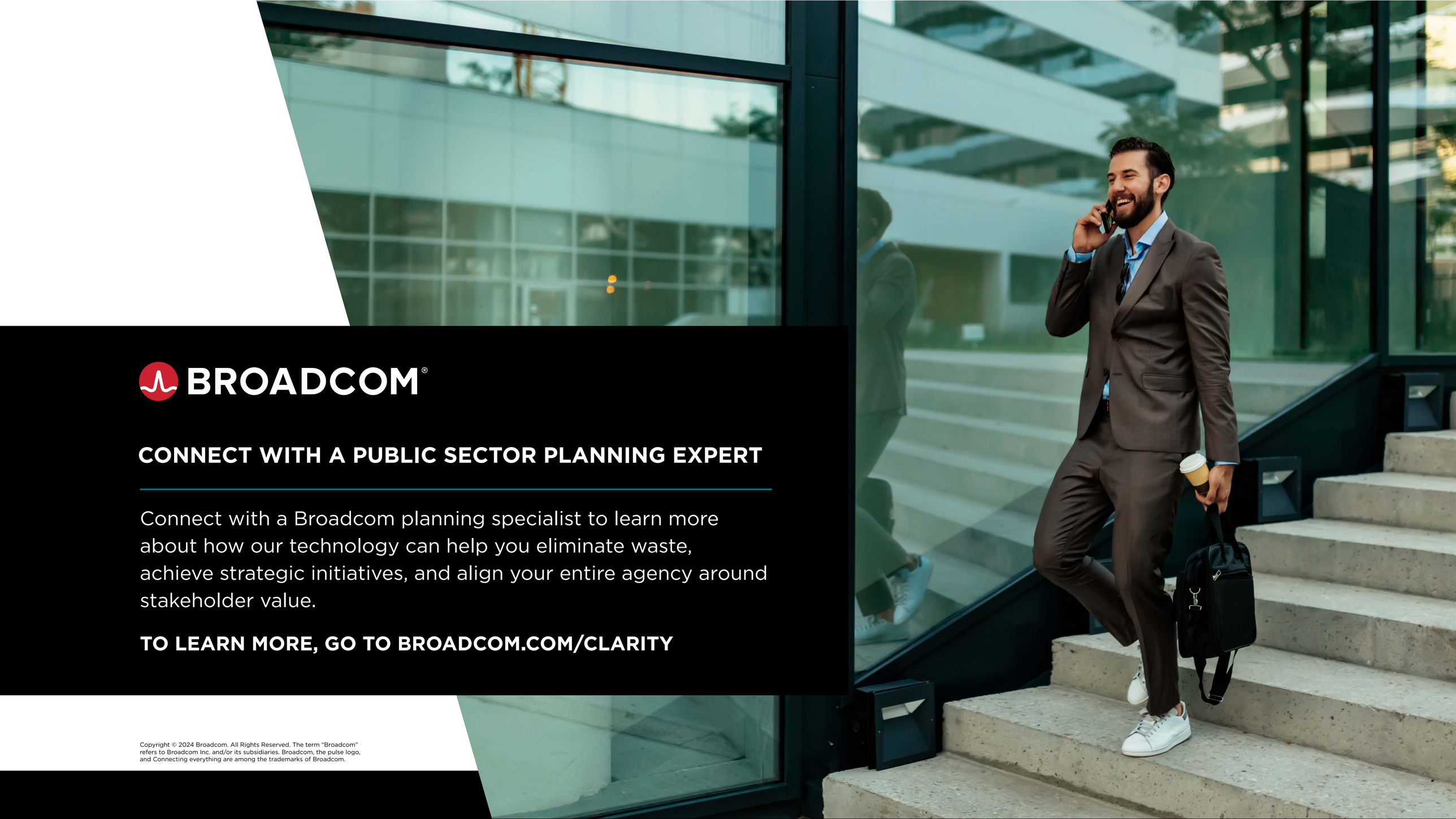
CONCLUSION

A lot has changed. Why does funding and planning look the same as ever? In today's digitally transformed world, your agency can't afford to rely on decades-old planning and funding models. By employing planning approaches that are focused on teams, your organization can eliminate the waste, inefficiency, and inflexibility of old-school approaches. Instead, you can empower teams, streamline governance, and establish alignment around key metrics. Find out how you can leverage a modern, team-centric approach to planning in the public sector, so you can maximize visibility, alignment, and efficiency in your organization.



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