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# How IT Modernization Investments Are Rewarding Federal Agencies

Alfresco Whitepaper



## It's Payback Time

### How IT Modernization Investments Are Rewarding Federal Agencies

Legacy technology is the oft-discussed anchor, firmly rooted, weighing down Federal IT portfolios. But finding cost-effective, long term solutions to upgrade and modernize is no easy task under normal government budget constraints. Outdated systems lack modern security and can be costly to maintain, but investing millions into new tech can be intimidating when the public is intently watching each dollar spent.


Yet, Federal agencies have still been pushing for modernization by moving to the cloud and retiring legacy systems with each new budgeting cycle. Now, as the COVID-19 pandemic sheds new light on the importance of upgraded IT, the benefits of relatively new resources such as the Technology Modernization Fund (TMF) are becoming clearer to Federal leaders. Let's explore how agencies are leveraging new funding vehicles to innovate, modernize, and pay themselves back in the process.

#### WHAT IS TECHNOLOGY MODERNIZATION FUND (TMF)?

Signed into law in 2017, the Modernizing Government Technology (MGT) Act established the central TMF and authorized IT working capital funds at all Chief Financial Officers Act agencies. From the get-go, TMF funneled money to agencies to enable modernization projects. The agency working capital funds also allowed the agencies to reprogram dollars, generated from IT savings, by carrying those funds over beyond each fiscal year—encouraging sustainable choices beyond the typical "use it or lose it" budget allocations.

What makes TMF unique are the cost-savings incentives behind the program. While agencies are given the money and resources to quickly invest in necessary IT modernization initiatives, the program prioritizes projects with government-wide benefits and agencies are required to pay back the central fund with the money saved by modernizing.

Working with the General Services Administration (GSA), the agencies requesting TMF dollars develop specific requirements and milestones for the new technology implementation. From



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**Alfresco**  
for Government

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there, funds will only be distributed to the agency as it meets its performance targets in an incremental manner. Projects that receive funding are subject to a quarterly review and receive support from teams like the U.S. Digital Service to troubleshoot any issues and remain on track. Finally, over the course of five years, agencies will slowly pay back the funds granted by the board with the tangible cost-savings benefits of the project.

TMF acts as an investment in IT that pays itself off over the course of modernizing. While the benefits seem obvious, and the fund has garnered wide support of the administration, key IT policymakers on the Hill, and the CIO Council, securing Congressional funding for the program has been a battle. The fund is new, awards have been meticulous and measured, and the projects will require some time to generate significant returns. Congressional appropriators can take a more short-sighted view, and are having difficulty seeing the immediate benefits despite pleas from all sides of the IT spectrum.

But looking ahead, the future of the TMF could see a significant upswing. The President's FY2021 Budget proposal includes an \$150 million investment into the program.<sup>1</sup> And the Federal government's interest in modernization funding has only increased during the current COVID-19 health emergency and mass shift to telework, prompting an exponential increase in requested TMF funding, to the tune of \$1 billion.

## MODERNIZATION TODAY

The COVID-19 pandemic and the new emphasis on telework is exposing how underprepared agencies are to support modern work scenarios – and just how much the right modernization planning can pay off. Federal employees now, and in the future, need access to secure, scalable solutions to continue mission critical work.

At the same time as agencies are realizing the value of switching to modern platforms to streamline business processes, the benefits of TMF-fueled modernization have also begun paying off across the Federal government. Agencies such as the Departments of Agriculture (USDA), Housing and Urban Development (HUD), and Energy (DOE) have all begun paying back TMF loans for various modernization projects.<sup>2</sup>

USDA received \$10 million to revamp its Farmers.gov portal in 2018. With this money, the agency planned to create a better digital experience for its farming constituency. The Farmers.gov project is supported in part by Alfresco, a leader in enterprise content management and business process automation. The USDA Citizen Experience Portal combined several scattered websites frequently visited by farmers into one easily accessible portal, a feat that was only possible with the help of the TMF as the agency balanced several modernization initiatives simultaneously.

So far, \$4 million of the funds have been dispersed to the agency with no schedule delays or cost overruns, and USDA has already begun repayment. By the end of the project, USDA will have completely reengineered its business process in under two years.<sup>3</sup>

As more agencies are touting TMF success stories—HUD has repaid \$1.03 million to the fund and DOE began making repayments in FY2019—there's also been a renewed call for a boost in program funding during the pandemic. The HEROES Act, a piece of COVID-19 relief legislation, passed the House in March 2020 with an unprecedented \$1 billion in TMF funds to re-up government modernization efforts amid the pandemic.<sup>4</sup> The legislation has yet to gain traction in the Senate, but the fluidity of the situation and associated recovery efforts mean that a further government stimulus bill is a distinct possibility. The call for such a significant funding increase demon-

strates broad government interest in IT modernization at-large, and the impact technology is having on so many facets of government's mission.

"The public health emergency caused by COVID-19 underscores the need for Federal agencies to invest in modernizing current IT systems that cannot meet mission expectations in a crisis," Sen. Maggie Hassan, D-N.H., recently wrote to the heads of several agencies. "Failing to do so could result in costly errors, security vulnerabilities, and inability to serve the American people."<sup>5</sup>

During the pandemic, many agencies lauded their transition to the cloud as a specific example of a new tech that tangibly benefitted the telework transition. Agencies such as the National Oceanic Atmospheric Association,<sup>6</sup> Small Business Administration, and the Nuclear Regulatory Commission all credited the cloud with keeping their agencies connected, secure, and scalable.<sup>7</sup>

Many of these cloud journeys had been in the works for years. Efforts such as Cloud Smart fueled recent success by committing Federal agencies to retire legacy systems and move to the cloud in 2017. Even before that, the initiative's predecessor, Cloud First, has put cloud at the forefront of agency modernization for more than a decade.

Other efforts such as application modernization are furthering agency efforts by prioritizing a full review of agencies' application suite to decide which should stay or be retired. As the CIO Council's Application Rationalization Playbook described, the process matures IT portfolio management capabilities, empowers leaders to make informed decisions, and improves product delivery.<sup>8</sup>

Through application rationalization, agencies can keep up with the changing pace of tech advancement. It's an ongoing process that pushes them to constantly make new


investments, decommission legacy applications, and re-configure assets to best meet business needs.

Just like IT modernization didn't begin with the mass shift to telework, the need for continued modernization won't end when the pandemic does. The current emphasis on telework is preparing Federal agencies to continue to support a distributed workforce in the future as many employees may not return to the office as usual. Staying prepared to support mobile and remote employees can help agencies quickly adapt to the future of work.

As agencies juggle different modernization efforts today, new tools are making it easier to keep up with the changing IT landscape and take advantage of every modernization dollar. Rebuilding legacy systems on Alfresco's modern Digital Business Platform in the commercial cloud can help pave the way forward for agency modernization efforts.

## ALFRESCO'S DBP: A PLATFORM FOR MODERNIZATION

As Federal agencies prepare to transition back to the office, CIOs have continuously reminded agency partners not to forget the lessons learned from the current pandemic. Instead of going "back to normal," agencies can lean into the renewed call for modern, cloud-based platforms to manage work and transform what the Federal IT portfolio looks like. With tools like Alfresco's Digital Business Platform (DBP), agencies can make an investment in open, scalable enterprise content management to access and store digital content with ease.



The Alfresco DBP is cloud-native and automates agency work processes to quickly launch new applications and scale to react to changing circumstances in real time. Alfresco created its open source platform to support IT growth over time, even as the telework landscape changes. And as hybrid cloud models continue to proliferate across government, Alfresco gives agencies the flexibility to deploy its platform on any of the major cloud IaaS providers. The company boasts key partnerships and integrations with both Amazon Web Services (AWS) and Microsoft Azure that facilitate advanced artificial intelligence and natural language processing capabilities, as well as containerized deployments through Kubernetes.

The benefits of tools like Alfresco's DBP aren't hypothetical. A study by Forrester Consulting confirmed the cost-savings benefits of the platform, discovering a 201 percent return on investment for organizations leveraging the platform over a period of three years.<sup>9</sup> Organizations see breakeven payback for investments in DBP in less than six months.

The modern, cloud-based platform reduced the total cost of customers' enterprise content management ownership through tangible administrative, hardware, storage, and backup savings. The Alfresco DBP's location in the cloud also makes it easier to support and maintain.

While tangible cost-savings are a priority for many Federal agencies balancing limited IT funds, Alfresco's DBP also provides efficiency and productivity benefits, according to the Forrester study. Organizations that implemented the platform increased product development productivity by 23 percent. Overall, organizations using DBP reported a better customer experience, higher security, improved worker collaboration, and faster development of IT solutions.

Alfresco boasts multiple proof points in the Federal space, such as its work to modernize the way that USDA employees and customers interact with content accessed through Farmers.gov. In addition, the Alfresco implementation at the Federal Aviation Administration presents a strong shared services use case – satisfying the government's heightened desire for solutions which can be replicated across agencies to fuel increased cost-savings.

At the Department of Defense, Alfresco software is enabling the U.S. Navy DON TRACKER system's compliance with new Federal records management policies. The Alfresco platform tightens collaboration and accelerates decision making to support the entire record lifecycle for over 9,000 lines of business, 43,000 users, and over 30 million documents in AWS.

Up-front investments in modernization may be tricky to balance with current IT budgets, but choosing a cloud-based tool like the Alfresco DBP is a practical way to quickly realize the benefits of tech modernization at any agency while staying ready to scale to meet the needs of a more distributed workforce.

## CONCLUSION

Across the Federal government, IT modernization has proven to be a necessary way to manage business priorities in the 21st century and institute long-term efficiency and cost-savings benefits. As many agencies institute high levels of telework for the first time and TMF pushes ahead with nine modernization projects, more officials are prioritizing these IT efforts.

Efforts such as cloud and application rationalization are the latest ways agencies are leaning into new IT investments. Cloud-based platforms are increasingly becoming the 'new normal' for the Federal government through Cloud Smart initiatives as agencies put newfound security and scalability to the test. Meanwhile, other efforts such as application rationalization have already been lauded as the way ahead to keep agencies lean, flexible, and able to continuously modernize. While the office setting may never look the same again, with these modernization efforts agencies can scale to accommodate employees wherever they are.

The lessons learned from IT modernization are slowly coming into focus: spending now on new platforms and IT projects will help agencies realize cost-savings benefits for years to come. Resources such as the Technology Modernization Fund and Alfresco's Digital Business Platform can be agencies' launching pad to get there. For more information on the Alfresco Digital Business Platform, visit [www.alfresco.com](http://www.alfresco.com).

<sup>1</sup> <https://www.meritalk.com/articles/presidents-fy21-budget-offers-tmf-150-million/>

<sup>2</sup> <https://www.meritalk.com/articles/usda-hud-energy-are-first-agencies-to-pay-back-tmf/>

<sup>3</sup> <https://tmf.cio.gov/projects/#farmersgov-portal>

<sup>4</sup> <https://www.meritalk.com/articles/house-passes-heroes-act-with-1-billion-tmf-provision/>

<sup>5</sup> <https://www.meritalk.com/articles/senator-seeks-answers-on-agencies-modernization-plans/>

<sup>6</sup> <https://www.meritalk.com/articles/noaas-cloud-systems-help-manage-telework-capabilities/>

<sup>7</sup> <https://www.meritalk.com/articles/cloud-systems-a-blessing-for-sba-and-nrc-during-telework/>

<sup>8</sup> <https://www.cio.gov/assets/files/Application-Rationalization-Playbook.pdf>

<sup>9</sup> <https://www.alfresco.com/news/press-releases/study-finds-organizations-running-alfresco-digital-business-platform-realize-2-0>



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