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GOVERNMENT BUSINESS COUNCIL INSIGHT REPORT

The State of E-Government Transition

A candid survey of Federal Program Managers

October 15, 2007

Government Insight Report

State of the E-Government Transition

Sponsored by IBM

About the Government Business Council

The Government Business Council is the marketing research division of *Government Executive* magazine. GBC's dedicated research staff partners with companies to study the business trends that are transforming how federal agencies operate and achieve their missions.

Executive Summary

Key Findings

- In the five years since the E-Government Act, program managers have failed to see a translation of their compliance efforts into performance enhancement. A majority of respondents (57 percent) categorized performance activities as "unchanged" or "deteriorated" since the implementation of E-Gov.

- The areas in which respondents noted improvement (internal efficiency and security), will also continue to pose the greatest challenge for improvement. These activities ranked as the top two most difficult performance activities to improve moving forward.

- Program managers see a disconnect between complying with technology standards and program performance measures. In ranking their agency's E-Gov priorities (based on the goals set forth by the E-Government Act of 2002), a significantly higher percentage chose "complying with new technology standards" over "developing productivity-related performance measures."

- Program managers agree that Business Process Management (BPM) enhances program performance through improving return on budget and operational efficiency. They did not, however, associate BPM with improving their score on E-Gov.
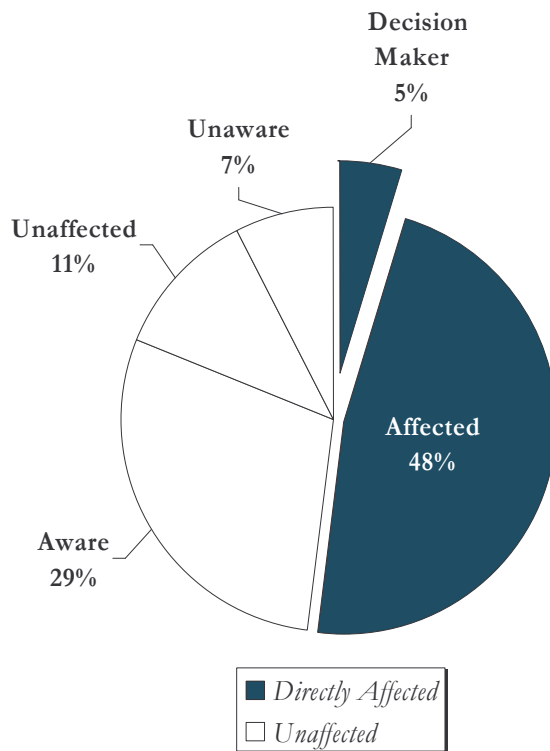
Survey Methodology

- Online survey of *Government Executive* subscribers, all GS-12 and higher or Major/Lt. Commander and higher, drawn from a wide array of federal agencies (civilian and defense).

- Resulting sample consisted of 160 qualified respondents from *Government Executive's* audience of decision-makers in the federal government. (See Appendix for details)

- Survey was executed in September 2007.
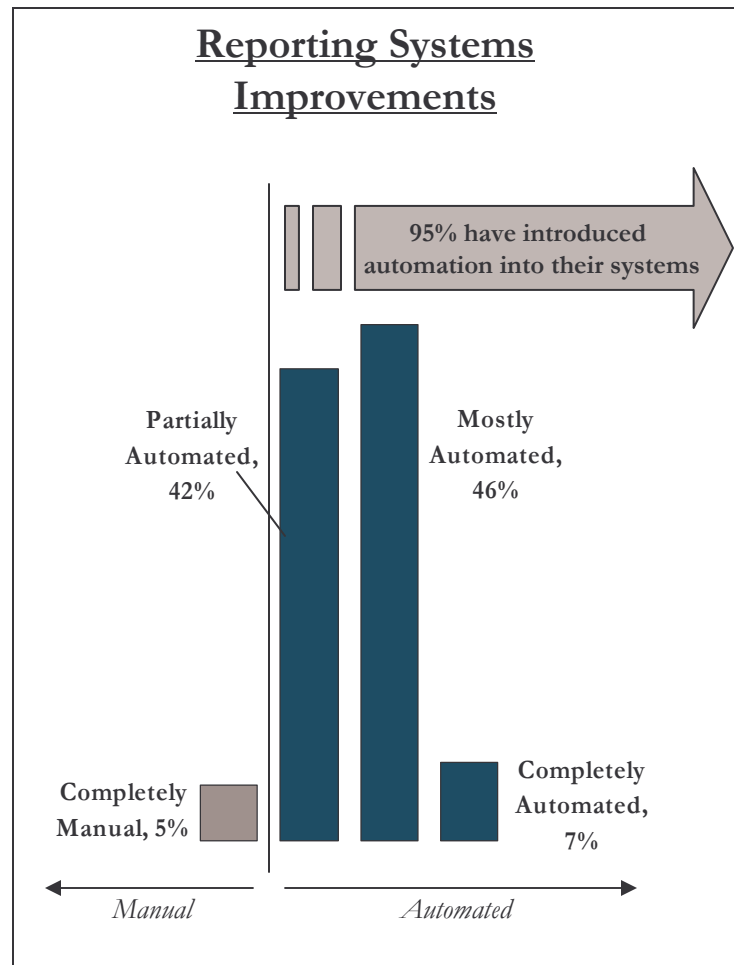
E-Gov: Five Years Young

- Though it will celebrate its fifth anniversary at the end of this year, the E-Gov Act remains top-of-mind among federal program managers. Over half of federal respondents (53%) reported that they were affected by their agency or program's E-Gov transition efforts and five percent said that they were involved in making decisions for their agency's E-Gov transition efforts.

- The survey participants demonstrated their extensive efforts on the road to compliance. Most agencies have integrated automation into their systems in some degree to comply with the E-Gov initiatives. Further, respondents demonstrated a preparation for the future of the government's digital transformation with 57% seeking to increase their understanding through training.

Reporting Systems Improvements

Involvement in E-Gov

Decision Maker 5%

Unaware 7%

Unaffected 11%

Affected 48%

Aware 29%

Directly Affected
Unaffected

95% have introduced automation into their systems

Partially Automated, 42%

Mostly Automated, 46%

Completely Manual, 5%

Completely Automated, 7%

Manual   Automated

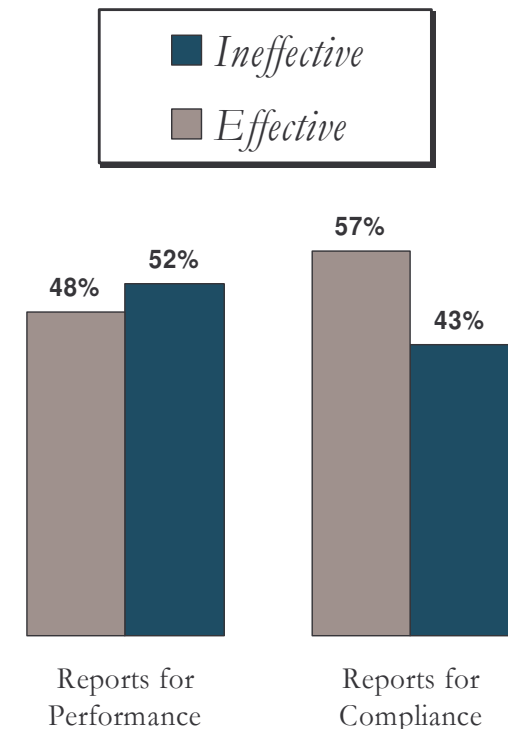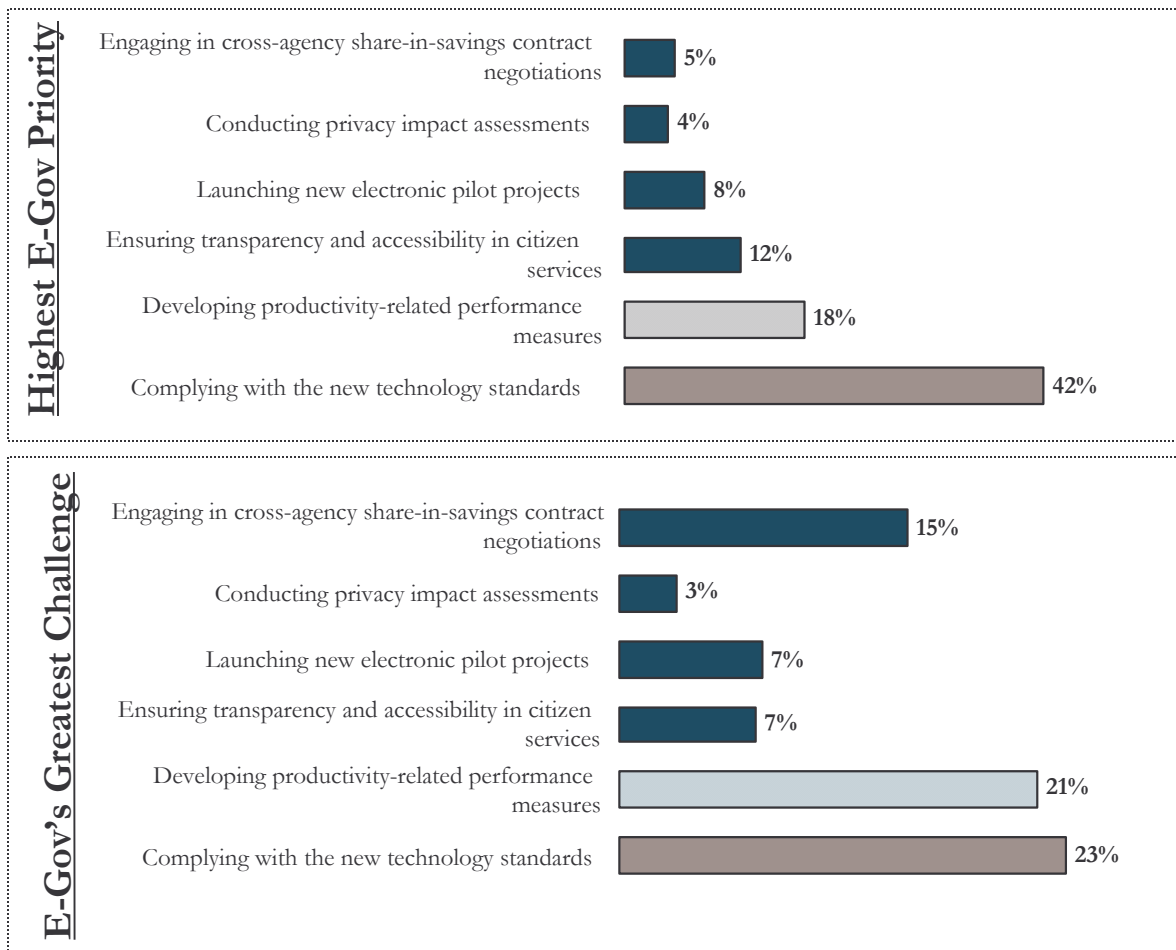### "Have You Attempted to Increase Your IT Understanding?"

No, 43%

Yes, 57%
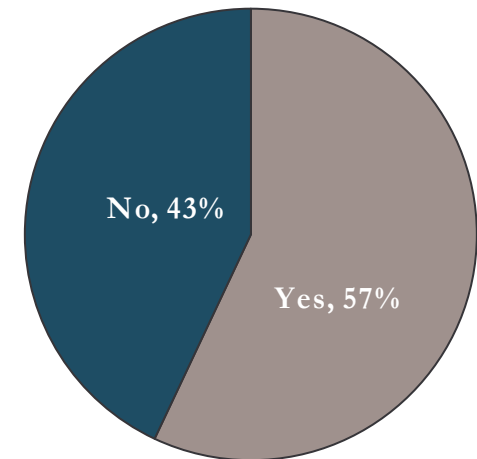
Disconnect Between Performance and Compliance

- A clear disconnect exists between the program manager's two highest concerns in their E-Gov transition efforts. A significantly higher percentage chose compliance over performance when ranking their E-Gov priorities.

- Forsaking performance for compliance regulations even extends to reporting standards. A majority of program managers believe that their agency's reporting systems succeed in complying with E-Gov's guidelines, while they are less confident that these systems effectively measure their agency's performance.

- Program managers do not seem confident that this disconnect can easily be rectified as nearly a quarter of respondents (21%) identified developing performance measures as the greatest E-Gov challenge to their agency.

Highest E-Gov Priority

Category	%
Engaging in cross-agency share-in-savings contract negotiations	5%
Conducting privacy impact assessments	4%
Launching new electronic pilot projects	8%
Ensuring transparency and accessibility in citizen services	12%
Developing productivity-related performance measures	18%
Complying with the new technology standards	42%

E-Gov's Greatest Challenge

Category	%
Engaging in cross-agency share-in-savings contract negotiations	15%
Conducting privacy impact assessments	3%
Launching new electronic pilot projects	7%
Ensuring transparency and accessibility in citizen services	7%
Developing productivity-related performance measures	21%
Complying with the new technology standards	23%

Quality of Reporting Systems

Legend: ■ *Ineffective* ■ *Effective*

	Ineffective	Effective
Reports for Performance	52%	48%
Reports for Compliance	43%	57%

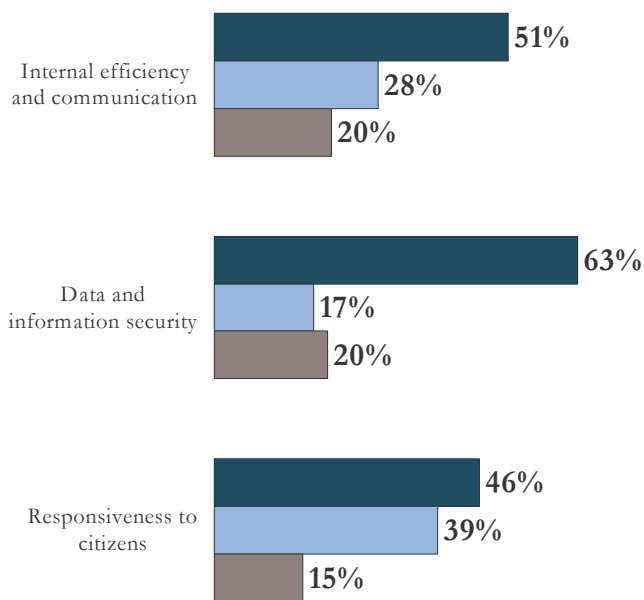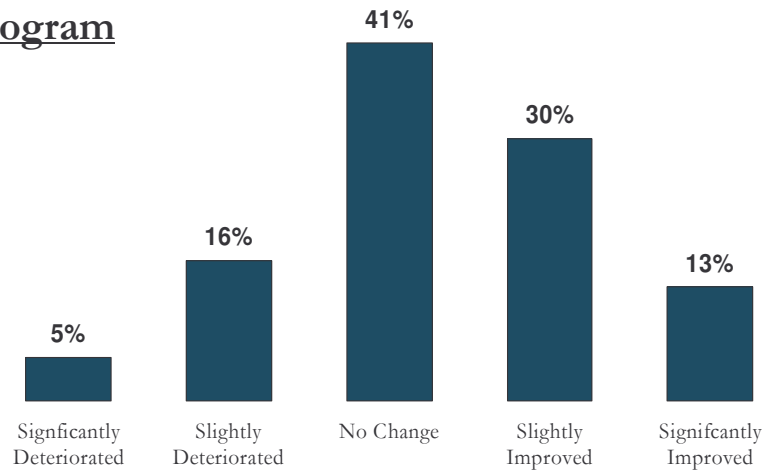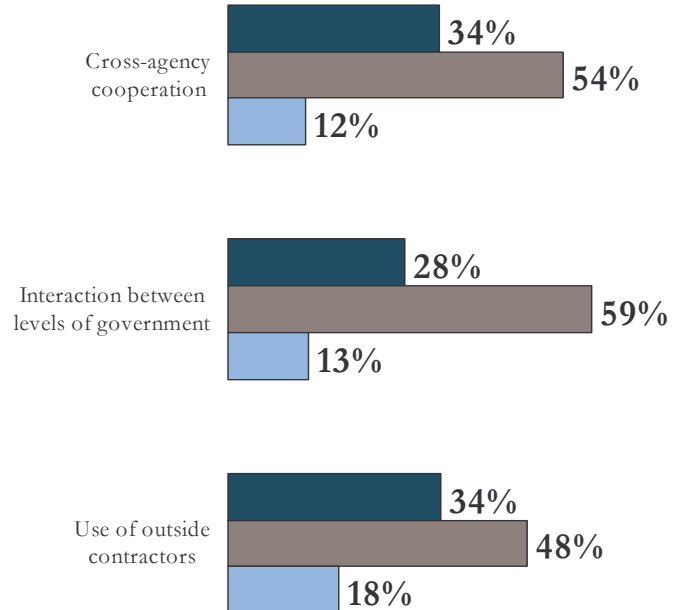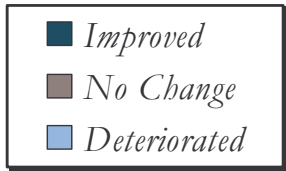# Managers Don't See Performance Enhancement

- Program managers do not associate their E-Gov compliance with improving performance. When asked to describe the effect of E-Gov efforts on their program activities, the most common answer was "no change" while a significant percentage went on to categorize their activities as hindered by the compliance efforts.

Effect of E-Gov on Program Activities

Category	Value
Signficantly Deteriorated	5%
Slightly Deteriorated	16%
No Change	41%
Slightly Improved	30%
Signifcantly Improved	13%

Internal efficiency and communication
- 51%
- 28%
- 20%

Data and information security
- 63%
- 17%
- 20%

Responsiveness to citizens
- 46%
- 39%
- 15%

E-Gov's Greatest Victories
- Internal communication
- Citizen services
- Data security

Cross-agency cooperation
- 34%
- 54%
- 12%

Interaction between levels of government
- 28%
- 59%
- 13%

Use of outside contractors
- 34%
- 48%
- 18%

Legend:
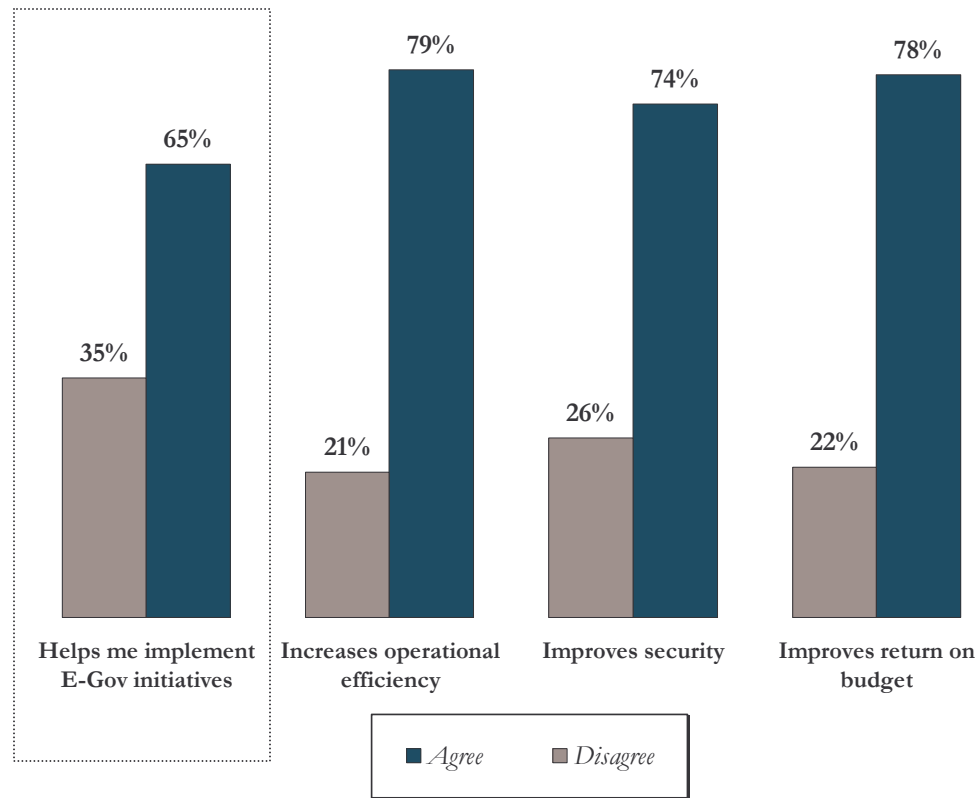- Improved
- No Change
- Deteriorated

BPM Works for Performance

- The disconnect between compliance and performance also carries over into respondents' views of Business Process Management (BPM). Survey responses make clear that program managers do not associate BPM's promises of performance improvements with success in their E-Gov transition efforts.

- Program managers agree that BPM enhances program performance through improving return on budget, data security and operational efficiency. But when asked about E-Gov compliance, fewer respondents feel confident in BPM's ability to help.

"Please indicate whether you agree or disagree: BPM...

Helps me implement E-Gov initiatives: Disagree 35%, Agree 65%
Increases operational efficiency: Disagree 21%, Agree 79%
Improves security: Disagree 26%, Agree 74%
Improves return on budget: Disagree 22%, Agree 78%
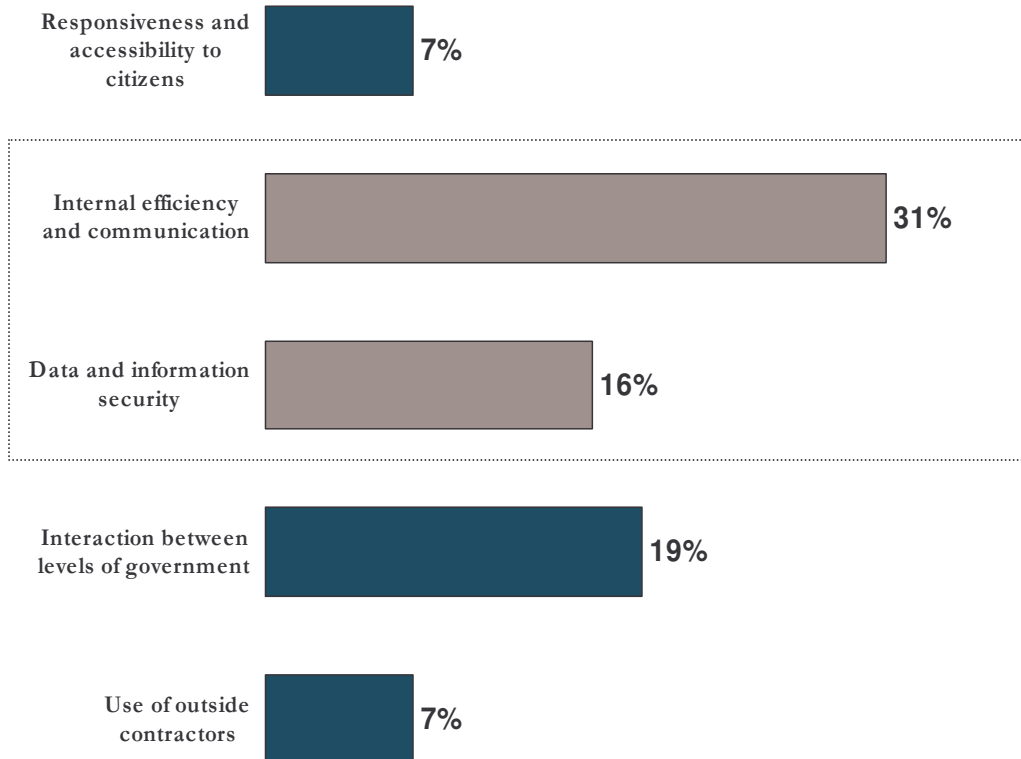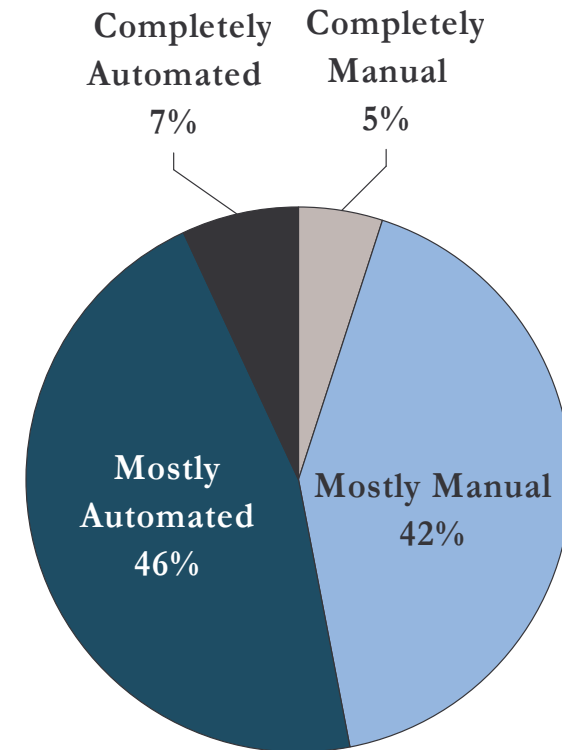
Legend: ■ Agree ■ Disagree

Long Road Ahead

- Although respondents did see some improvement in internal efficiency and security, they indicated that sustained improvement in these areas would pose a challenge – both ranked as two of the most difficult performance activities to improve moving forward.

- Further, while many strides have been made to improve the government's reporting systems, nearly half of program managers (47%) described their reports as still fundamentally reliant on manual processes.

"Which program activity will be the most difficult to improve in the future?"

Activity	Percentage
Responsiveness and accessibility to citizens	7%
Internal efficiency and communication	31%
Data and information security	16%
Interaction between levels of government	19%
Use of outside contractors	7%

"Which best describes your reporting processes?"

- Completely Automated 7%
- Completely Manual 5%
- Mostly Automated 46%
- Mostly Manual 42%

Government Interaction Proving Difficult

- The President's agenda breaks down the E-Gov initiative into three sectors that digitization is meant to improve: Government to Government (G2G), Government to Business (G2B), Government to Citizen (G2C). Program managers in this survey expressed that on their transition agenda, G2G would be the most challenging sector to develop.

- While intra-government relations within each agency was seen as difficult, more respondents expressed that relations between agencies was a more pressing challenge.

Which Sector is Most Challenging?

Government to Business
7%

Government to Citizen
7%

Government to Government
86%
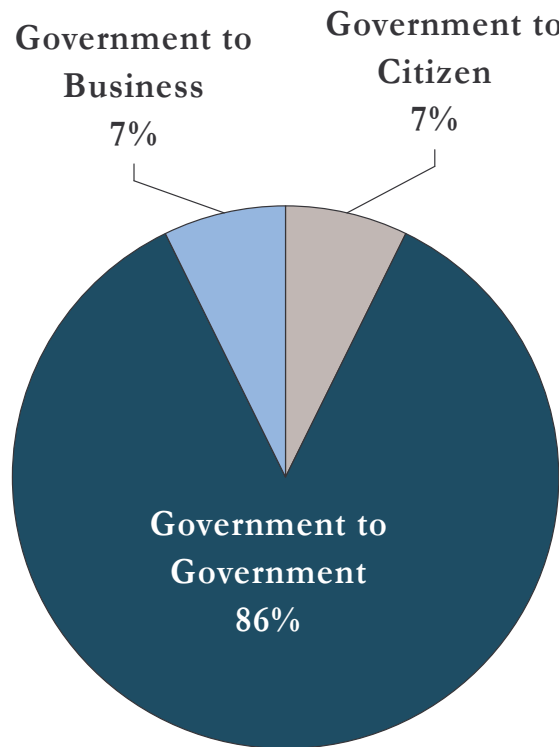
### 19%
of survey participants chose "interaction between levels of government" as their most difficult program activity to improve through the E-Gov transformation

15%
of survey participants said that "engaging in cross agency share-in-savings contract negotiations" was going to be the biggest E-Gov challenge

G2G Breakdown

Intra Government
45%

Inter Government
55%
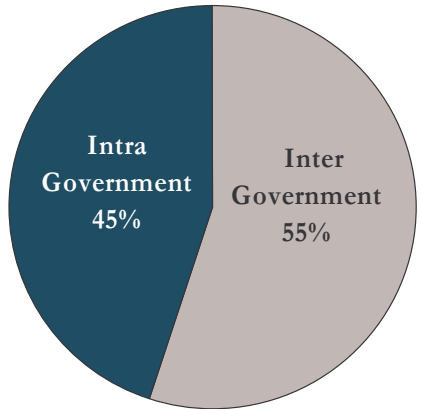
Budget and Communication: Roadblocks to Compliance
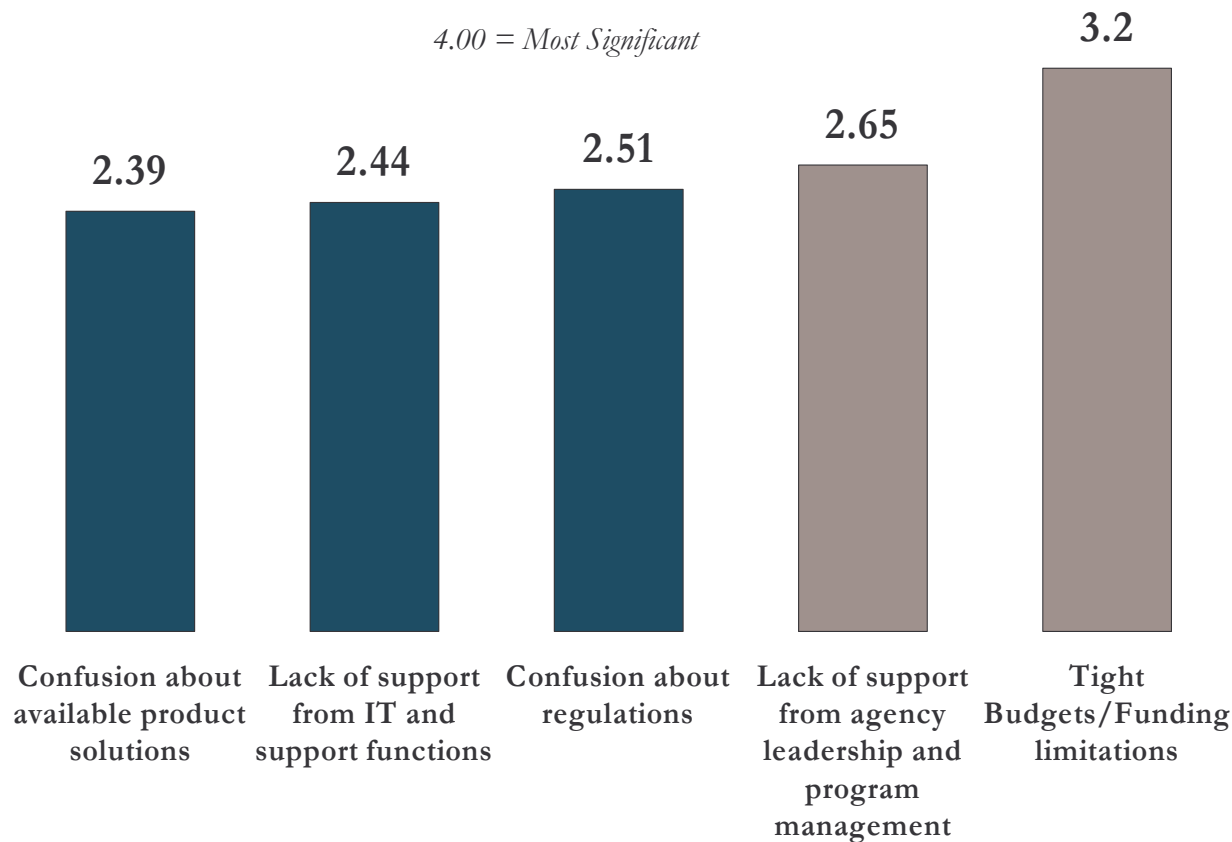
- In assessing the limitations to progress and compliance, participants reiterated their concern over funding limitations. Over 41% of respondents catalogued "tight budgets" as the most significant roadblock to meeting E-Gov's requirements when provided seven options.

- Respondents also indicated a communication gap exists between program and senior staff. "Lack of support from agency leadership and program management" ranked as the second most significant challenge to their E-Gov transition.

The Most Significant Challenges to Meeting Federal Requirements

4.00 = Most Significant

Confusion about available product solutions	Lack of support from IT and support functions	Confusion about regulations	Lack of support from agency leadership and program management	Tight Budgets/Funding limitations
2.39	2.44	2.51	2.65	3.2

Information Technology Spending Priorities

- Among federal regulations, mandates ensuring information security rank as the most influential concern to program managers. Respondents said that regulations such as FISMA were "very influential" by giving them the highest rating (3.34) of the choices.

- Program managers expressed that they are not averse to investing heavily in information technology in order to achieve their performance goals. Survey participants gave "reducing initial investment" the lowest ranking out of all considerations when evaluating an IT investment. However, "achieving performance goals" topped the list of activities for the same percentage of respondents.

Most Influential Regulations
4.00 = Very Influential

Regulation	Rating
Following inter-agency cooperation regulations	2.74
Implementing E-Gov and Transformation Initiatives	2.83
Standardizing electronic practices	2.84
Complying with disclosure regulations	2.91
Complying with security regulations	3.34

Most Important IT Investment Considerations
4.00 = Very Important

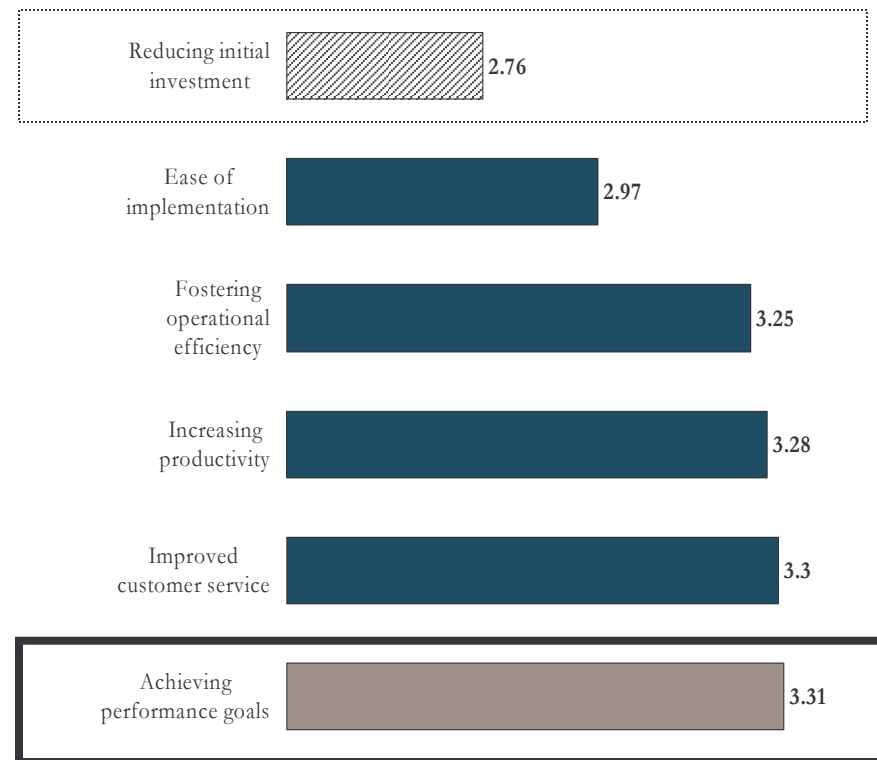| Consideration	Rating
Reducing initial investment	2.76
Ease of implementation	2.97
Fostering operational efficiency	3.25
Increasing productivity	3.28
Improved customer service	3.3
Achieving performance goals	3.31

A program manager voices his security concerns:

"We need more focus on the security issues surrounding the expansion of web and other venues for government interaction with the public. The challenges of identity theft, phishing and such directly relate to the risk management issues of information security."

A Word From Our Sponsor

IBM Delivers Solutions and Technology

Four Key Constituents for ECM in Government

- Address compliance requirements

- Control distributed environments

Government Managers

- Maintain consistent policies

- Automate related business processes

Manage

Content Authors

Create   Content   Leverage

Government Users

Build

- Leverage existing investments

- Archive and retain content as needed

IT/Developers

- Quickly build and deploy

- Ensure agility through open architecture and standards

IBM's Content Centric Application Platform

Clients

- Portals & Web Applications
- LOB & Partner Solutions
- Desktop Applications

Suites

Content

Content Manager	Image Manager AE	Web Content Manager	Team Collaboration Manager
SharePoint Integration	Capture ADR	Document Publisher	Web Site Manager

Process

Business Process Manager	Forms Manager
Business Activity Monitor	Business Process Framework

Compliance

Records Manager	Email Manager
Records Crawler	

Services

IBM ECM P8 Platform

Develop

Integration

SAP

Application Services

Content, Process & Compliance Services

Content Federation Services

Security

Manage

Repositories

FileNet Panagon® Repositories

FileNet P8 Content Repositories

IBM Content Repositories

Third-Party Content Repositories

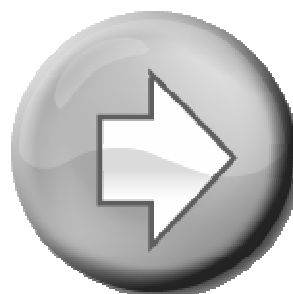# Top ECM Business Drivers for Public Systems

Government Issues

- Improving operational efficiencies and reducing costs with proven and measurable ROI

- Enhancing government processes as it relates to service delivery to the citizen

- Improving ability to meet Risk and Compliance legislative mandates

- Integrating with existing business systems

IBM ECM Solutions

- <u>Transforming business processes</u> by automating paper and labor intensive tasks with Capture, eForms, workflow, search and retrieval

- Combining workflow with content for <u>Case Management</u> resulting in improved citizen access and outcomes

- Implementing <u>Risk and Compliance</u> portfolio of solutions including records management and eMail Archiving

- Integration capabilities with multiple repositories and data sources. Sub-theme of Transforming business processes

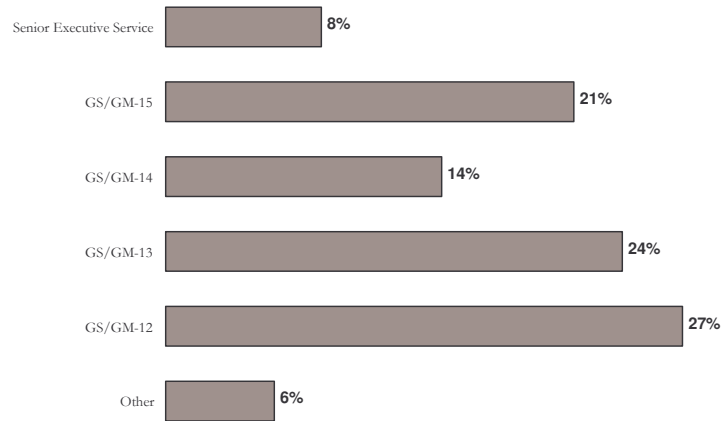*Source: Gartner-IBM Inquiry 01-25-07, Forrester-IBM Inquiry 03-02-07*

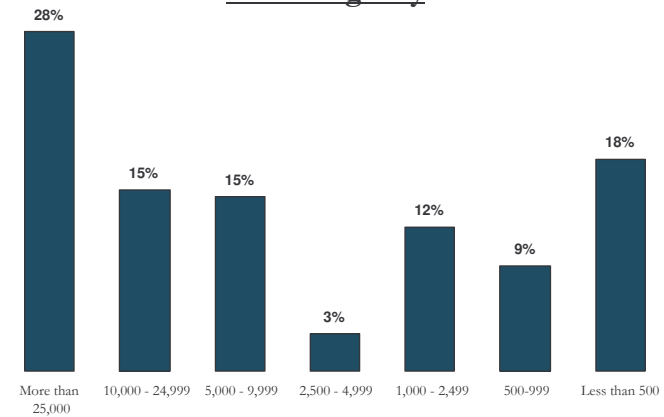# Appendix

Respondent Profile

- Respondents were randomly chosen from Government Executive's audience of federal decision makers. Respondents to this survey reflected array of levels, experience and agencies.
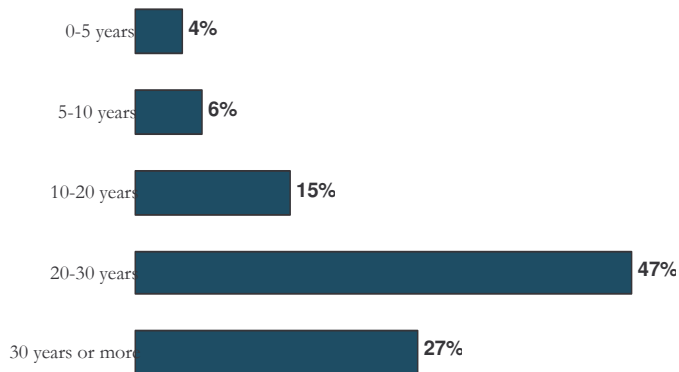
Job Grade/Rank

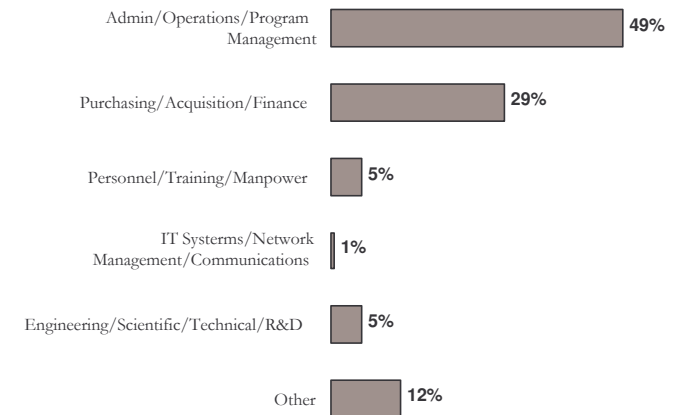|	
Senior Executive Service	8%
GS/GM-15	21%
GS/GM-14	14%
GS/GM-13	24%
GS/GM-12	27%
Other	6%

Size of Agency

Category	Percent
More than 25,000	28%
10,000 - 24,999	15%
5,000 - 9,999	15%
2,500 - 4,999	3%
1,000 - 2,499	12%
500-999	9%
Less than 500	18%

Time in Federal Government

0-5 years	4%
5-10 years	6%
10-20 years	15%
20-30 years	47%
30 years or more	27%

Wide Variety of Departments and Agencies

- Defense
- Agriculture
- DHS
- Transportation
- Treasury
- GSA
- HHS
- VA
- USPS

Job Function

Admin/Operations/Program Management	49%
Purchasing/Acquisition/Finance	29%
Personnel/Training/Manpower	5%
IT Systems/Network Management/Communications	1%
Engineering/Scientific/Technical/R&D	5%
Other	12%

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