

Innovate to Make Acquisition Great

Innovation. It's a buzz word heard often across government and industry and can encompass a myriad of approaches including collaboration tech, artificial intelligence, OTAs, digital transformation and much more. If we look to innovation to make federal acquisition great, what will be the next big innovative thing that will shape the way federal government contractors support the government within the next five years? PSC reached out to a few of its board members to offer their take. Read more as NT Concepts CEO and Founder Michele Bolos, ICF Executive Vice President Ellen Glover, Accenture Federal Services Chief Executive John Goodman, and NetApp Public Sector Vice President Rob Stein sound off on this topic in our "Sounding Board" feature.



Michele Bolos
CEO, Founder, NT Concepts

As seen in this edition of the *Service Contractor*, collaboration tech, AI and machine learning, and streamlined acquisition platforms and vehicles have found traction and are ready for

action. How do service contractors quickly leverage the advanced technologies readily used by private sector companies like Walmart to deliver tangible value and accelerate the customer mission?

Recently we've witnessed a fundamental shift in how the government interacts with industry. It's a new, gradually-emerging environment focused on helping service contractors bring the open source and commercial solutions to the federal government, faster. I see this as the next big innovative thing: a **new Marketplace** that re-shapes how contractors interact, communicate with, and support the critical missions of our customers.

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John Goodman
Chief Executive
Accenture Federal Services

Over the next five years we need to build the on-ramps to government IT modernization through **Artificial Intelligence (AI) and Cloud**. We're

most excited about the prospects for AI. You can't overstate the exponential impacts AI will have for government. It can transform the way government agencies incorporate analytics and machine learning to solve complex problems or process claims and respond to citizens.

Federal agencies need an AI strategy, so they can move past pilots, bring tools to scale and successfully bring about advanced IT transformation. We can see through procurements that agencies want to make progress quickly. They want to know how AI, already at work in the private sector, can work for them.

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Ellen Glover
Executive Vice President, ICF

While it is easy to point to potentially disruptive technologies, the next big innovative thing will be a focus by the government on the need for **transformative training and processes**

to develop the required leadership skills for managing innovation as a core discipline, similar to risk management and quality management. For example, in response to the innovation imperative created by the rapid evolution of technology, increasing cybersecurity demands, and shifts in citizen experience expectations, how the government buys digital IT will fundamentally change in the next 3-5 years. The key drivers for this transformation (IT Modernization, Data, Accountability and Transparency, and People – Workforce for the 21st Century) are well described in the President's Management Agenda.

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Rob Stein
Vice President, NetApp Public Sector

Today, **digital transformation** has become the rallying cry for government organizations and businesses aiming to innovate and improve operations. The promise of digital transformation

is profound: Faster and more informed decision-making, improved customer insights, greater cost savings, more reliable products and services, even safer work environments. But the journey to digital transformation is a multi-step process. According to the McKinsey Global Institute's Digitization Index¹, the United States is operating at 18% of its digital potential, while Europe is operating at only 12%. Additionally, the index indicates that Germany operates at 10% of its digital potential and the UK is slightly behind the United States at 17%.

¹ <https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/digital-europe-realizing-the-continent-potential>

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Why do government organizations and businesses have such a long way to go in achieving digital transformation? Changing operational models and multiple legacy organizational processes often keep them from knowing how and where to start their digital transformation journey. So, what can organizations do to kick-start their digital transformation journey and have an immediate impact on their bottom line goals? To begin the journey, we suggest starting with two priorities: put your data first and make disruptive decisions.

For today's organizations, data is now the lifeblood of the decision-making process. Gone are the days when vast amounts of infrastructure and inventories made up the value of companies and government organizations. In the digital age, it's all about data. Knowing how to store it, manage it and protect it is paramount. Only people are a more important asset. But today's data is not just rows and columns. It's distributed, dynamic and diverse. It lives on mobile devices and is spread across multiple networks and endpoints. Becoming a data thriver and not just a data survivor requires leaders to disrupt their organizations, move away from business-as-usual, and create a culture of decision-making that puts data at the forefront of everything they do. Yet, a recent IDC study sponsored by NetApp² identified five different levels of data maturity from data "survivors" to data "thrivers" and indicated that only 11% of 800 IT organizations around the world would be classified as data "thrivers" This means that most companies and most government agencies are not yet at a point where they're making data-centric decisions. Said another way, they haven't yet taken control of their data.

What to do

At NetApp, we know first-hand what it's like to make disruptive organizational decisions. Three years ago, we began our own transformation journey to change the way we serve our customers in this new era of IT and enable them to become data thrivers, not just data survivors. Our transformation began at the top with a new CEO, many new executive leaders and a laser-focused approach on articulating our strategy and aligning the company to execute it. We had to decide what to stop doing and focus on how we would address the myriad of choices our customers had for managing and consuming their data. Many of these choices were not the traditional approaches that previously made NetApp successful. Cloud was the biggest disruptor. It was a matter of prioritization, discipline, unwavering execution, and relentless inspection. At times, it was painful, however we continue to persevere and are getting significant returns. Our organizational transformation is still ongoing, but we have developed a culture of change and disruption to improve results.

As we strove to help our customers in their journeys toward digital transformation, we built on our track record of data management expertise to focus intensely on the power of data and the role it could play in their success. We made the disruptive decision to enable our customers to use our enterprise-class data management software wherever they wanted to run their critical applications. Instead of requiring our customers to use our hardware, we enabled our customers to make the best choice for where they want to put their data and workloads - in their data centers, in others' data centers or private clouds, and most significantly, in the cloud. That was a disruptive change and it is having a major impact on our customers' success and within the data storage industry. Ultimately, it led us to form three business units focused on helping customers manage their

data seamlessly across their environments - on premises, in private clouds, and in public clouds. It led to unprecedented, strategic agreements with three major hyperscalers - Amazon Web Services (AWS), Microsoft Azure, and Google Cloud Services, where we help our customers store and manage their data in the cloud. And, it led to our customers being able to choose their own path to make the best use of their data.

Of course, many of NetApp's largest customers are government agencies who are looking to digitally transform and leverage the power of their data to make more informed decisions and more effectively execute their mission. No organizations in the world have greater needs to share, protect, store and manage their data than our government customers. As the leader of NetApp's U.S. Public Sector business, I focused on our customers' move to the cloud. I used every opportunity to help our organization productively engage in conversations with government agencies about moving to the cloud. We would start a conversation about putting data in the cloud—even if the customer wasn't quite sure about how to make that transition. I would have our teams document these conversations and inspect the outcomes. This has required our employees to ask questions and discover new information about our government customers and move into areas that a traditional "storage" company has not had to address. I firmly believe we are on the right path - our customers are re-affirming this, analysts are giving us great reviews, and our employees are more fired up than ever.

Finally, we are working closely with government technology policy-makers who have been very forward-thinking as they too understand the power of digital transformation to support the mission. The building blocks technology policy makers have put in place with programs like FedRAMP help ensure agencies that their data will be secure in the public cloud. This structure has provided a foundation of trust that agencies need to begin moving their data to the public cloud. But, data needs more than protection to be effective. It needs to be portable, easily managed, and flow seamlessly between all endpoints that an organization has in place - from the edge to the core to the cloud.

The journey toward digital transformation doesn't have to become a daunting process. It is one that government agencies and companies are taking every day. But it starts with the understanding that data is the lifeblood of organizations and involves making decisions that often disrupt legacy organizational processes. It also must start at the top. Only 19% of NetApp's customers are having their digital transformations led by their CIOs. Instead, 29% are led by CEO's and 34% are led by other C-suite non-IT leaders. The promise of digital transformation is profound - delivering new services never previously possible; performing missions in new and innovative ways, even saving lives; or simply achieving better efficiencies. Digital transformation is a journey. With the right know-how and culture changes, organizations can make the difficult and transformative decisions to begin that journey. It all starts with the data and storing and managing their data in ways that make it an integral part of the decision-making process. These are the key building blocks needed to achieve digital transformation and we're seeing organizations make progress every day. Be a Data Visionary³. ■

² https://www.netapp.com/us/campaigns/data-visionary/thrive-with-digital-transformation.aspx?ref_source=smc&cid=7010y000000maBY

³ <https://www.netapp.com/us/campaigns/data-visionary/index.aspx>