

Network Security, Citizen Self-Service Lead State/Local Government IT Spending Priorities

MODERN CONNECTIVITY IS ESSENTIAL TO TRANSFORMATION MOMENTUM



LEADERS AT GOVERNMENT ORGANIZATIONS SEE GREAT POTENTIAL IN DIGITAL TRANSFORMATION as a catalyst for improving internal processes, enhancing workforce productivity, and reshaping the way they deliver services to their constituents, according to a survey of government technology executives.

A Verizon-Foundry survey of decision-makers at government organizations with an average of more than 5,100 employees revealed that nearly three-quarters are currently making process, operational, and/or technology changes meant to support digital transformation. Just 9% are not in an active discussion or planning phase.

The focus on digital transformation for federal, state, and local governments is driven by the increasing demand from people and businesses for more digital services, better customer experiences, and more responsiveness. To meet the needs of its constituents, agencies are working to accelerate their IT modernization journey to produce a more efficient, effective, and smarter government.

Who is leading the way in digital transformation?

State governments lead their federal counterparts in digital transformation initiatives. The majority (85%) of technology decision-makers in state government are starting to make or have already made organization-wide changes meant to support digital transformation. That compares to 62% of federal IT organizations.

The areas of the greatest promise that all government technology executives see are:

- The chance to standardize platform experiences across channels
- Enable digital self-service to improve customer experiences
- Improve workforce collaboration and productivity

All three are targeted as top areas for increased investment over the next 12 months.

The focus on government employees is important given that recent research has established a clear correlation between employee and customer satisfaction. A [2021 IDC survey](#) found that 85% of executives agreed that an improved employee experience translates into a better customer experience.

Not surprisingly for organizations that deal with large amounts of sensitive information, digital transformation is also seen as a primary way to secure and safeguard systems, a goal that was mentioned by nearly half of the respondents across federal and state government organizations. That objective was closely followed by improving the experience for constituents, a finding that is consistent with the constant pressure on government organizations to do more with less.

Increased organizational agility was also a highly ranked goal as government agencies look for ways to reduce turnaround times and their associated personnel costs. Investments in IT modernization enable digital self-service by citizens since many paper-intensive activities can now be conducted from a smartphone. Interest in this area was reflected in the experience-related priorities that are receiving the most increased investment over the next 12 months: providing a consistent platform experience and supporting digital self-service. Half of the respondents also said they are increasing investments in cutting-edge experiences such as AI-enabled technology and augmented/virtual reality.

These findings indicate that, while government agencies traditionally lag in their technology investments, they are just as enthusiastic about the potential of technology to transform the customer experience as their commercial colleagues.

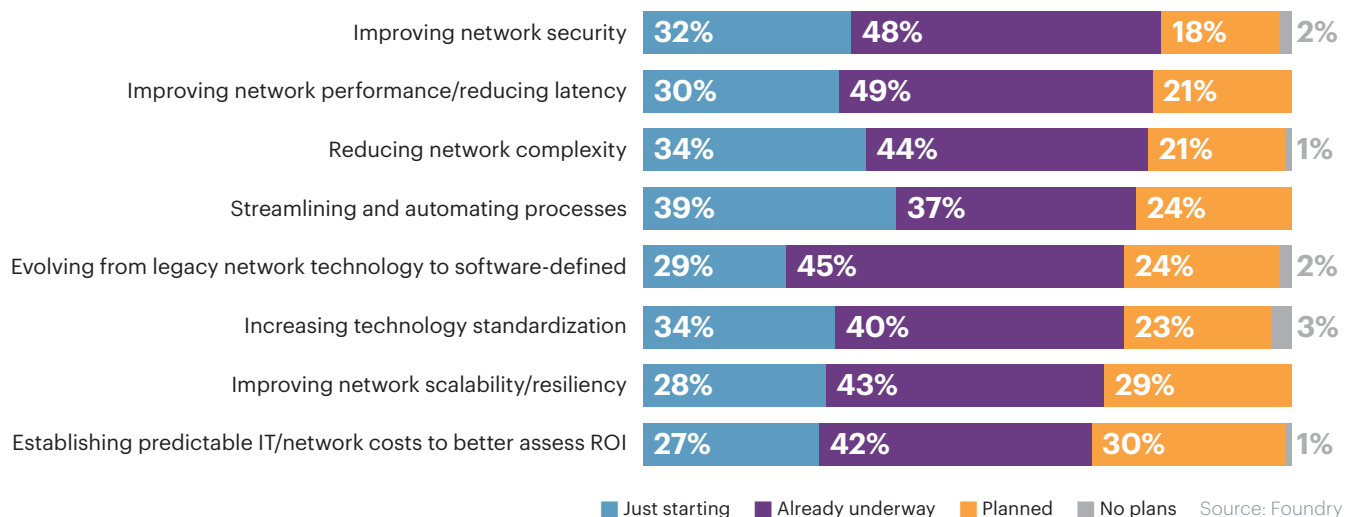
There were notable disparities between federal and state government respondents on two objectives. Federal leaders rated “driving technology evolution” as a priority by a 55%-33% margin compared to their counterparts at the state level. Conversely, executives in state government rated improving efficiency/cost management as a top priority by nearly a two-to-one margin compared to those at the federal level. These contrasting objectives may reflect the greater scrutiny that state agencies receive in how they spend taxpayer money.

Network modernization is vital for better and smarter government

Robust networking is essential to digital transformation, and the importance of securing and modernizing networks came through loud and clear in the research.

Asked about the most challenging aspects of network modernization, 53% of respondents cited the need to protect the network from cybersecurity threats. That was significantly ahead of the second most-cited challenge: improving network visibility (44%).

How government organizations are transforming the network to meet user experience improvement goals next 12 months



Other top challenges include strategy/project planning and implementing new technology. The latter was noted by 53% of state government respondents but just 31% at the federal level, a disparity that is likely a function of greater resource constraints at the state level.

Improving security and performance are top focus areas of network transformation initiatives over the next 12 months. Eight out of 10 respondents said their organizations have already made or are planning to make changes to improve network security. This finding may reflect the epidemic of ransomware attacks on government entities. Sophos reported that 58% of state and local government organizations were hit by ransomware in 2021, a 70% jump from a year earlier.

The importance of improving security was also evident in the changes government entities are making to their networks. A majority (53%) have implemented micro-segmentation and 44% have adopted a secure access service edge. Both are considered core elements of a zero-trust security strategy, in which access is governed by identity rather than the device.

A significant majority of respondents (74%) are in the process of moving to software-defined networking (SDN) or plan to do so. This is an important step in

reducing costs and strengthening security since SDN is closely tied to zero-trust principles. It is also an important factor in improving employee satisfaction among workforces that are increasingly incorporating hybrid work practices. SDN enables employees to access both on-premises and cloud resources without the latency penalties that are inherent in virtual private networks. In line with that objective, nearly four in five respondents reported that they are making changes intended to reduce latency and improve network performance.

In recent years network as a service has emerged as a popular solution to the growing complexity and mission criticality of networks. NaaS is a digital-first, integrated solution that connects users, devices, and partners to applications and data within the public cloud and private data centers. Most researchers expect the market to grow more than 30% annually over the next several years.

The appeal of NaaS isn't lost on government IT leaders, 55% of whom said they would consider it as part of their modernization objectives. The top reasons for this are better security (50%), the ability to free IT staff for more important tasks (47%), better risk management (46%), and improved performance and functionality (42%).

For more information on digital transformation in the public sector, [click here](#).