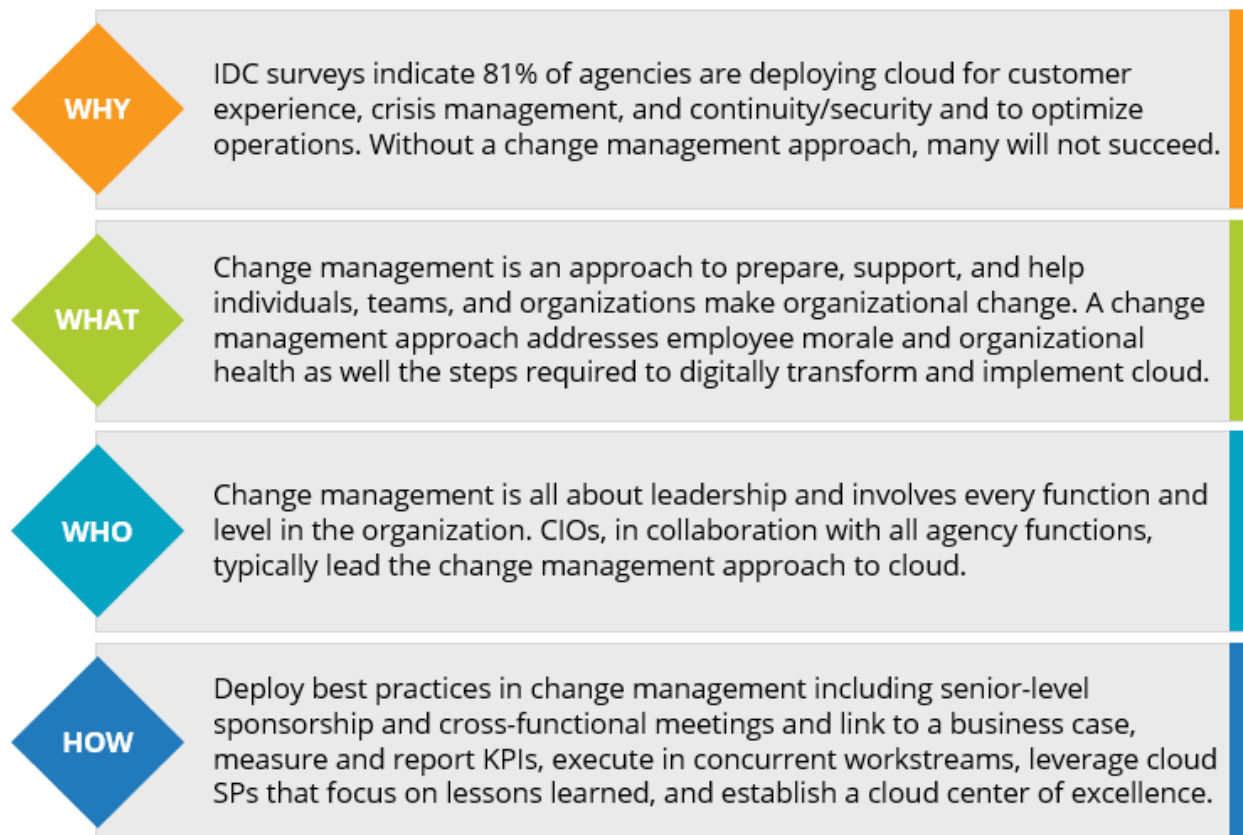# IDC PlanScape: Government Change Management Approach to Deploying Cloud

Adelaide O'Brien

IDC PLANSCAPE FIGURE

FIGURE 1

IDC PlanScape: Executive Summary of Government Change Management Approach to Deploying Cloud

WHY — IDC surveys indicate 81% of agencies are deploying cloud for customer experience, crisis management, and continuity/security and to optimize operations. Without a change management approach, many will not succeed.

WHAT — Change management is an approach to prepare, support, and help individuals, teams, and organizations make organizational change. A change management approach addresses employee morale and organizational health as well the steps required to digitally transform and implement cloud.

WHO — Change management is all about leadership and involves every function and level in the organization. CIOs, in collaboration with all agency functions, typically lead the change management approach to cloud.

HOW — Deploy best practices in change management including senior-level sponsorship and cross-functional meetings and link to a business case, measure and report KPIs, execute in concurrent workstreams, leverage cloud SPs that focus on lessons learned, and establish a cloud center of excellence.

Source: IDC, 2020

EXECUTIVE SUMMARY

Cloud-based platforms empower agencies to tackle legacy apps and infrastructure and deploy fast, agile, and scalable innovations. Even in the midst of the COVID-19 pandemic, in an IDC survey conducted in May 2020 with those responsible for their organization's spending on IT products and services, approximately 55% of government respondents will move to data and apps to cloud more aggressively. Responders identified the top 3 cloud uses for their agencies:

- **Innovation — net-new cloud-native apps for external-facing interactions and customer experience,** selected by 48.5% of government responders
- **Crisis management (business continuity and increasing security),** selected by 39.3% of government responders
- **Optimized operations to create business resiliency (no downtime, availability, and business continuity on operational level),** selected by 39.1% of government responders

This IDC study helps agencies understand the who, what, why, and how of deploying change management to successfully deploy cloud. The eight accelerators and four change principles developed by change management guru John Kotter are included, as is survey data identifying difficulties agencies face with change management involved in cloud adoption and usage and change management best practices. Advice for technology buyers is provided.

"With 81% of government responders engaged in cloud activity, many will not succeed without a change management approach," says Adelaide O'Brien, research director, IDC Government Insights. "A change management approach addresses employee morale and organizational health as well the steps required to digitally transform and implement cloud."

WHY IS A GOVERNMENT CHANGE MANAGEMENT APPROACH TO CLOUD IMPORTANT?

IDC Government Insights has observed numerous obstacles impeding digital transformation in government, including legacy culture, process, and incentives. For many organizations, these hurdles are real and pose a challenge for transforming their organization into a digital enterprise. How are agencies scaling and innovating at a pace that is an order of magnitude greater than traditional pace of government organizations? Agencies are deploying a change management approach to a customer-centric and empowered workforce that embraces risk taking as it seeks to continuously innovate. Digital transformation is complex. It takes a thorough understanding of the internal mechanics of an organization including how employees work together, relationships of the workflow, and how work is done. When applied to digital transformation, change management also includes cultural approaches to:

- Managing and operating an agency with a starkly different delivery model of connectedness of employees, constituents, and ecosystem partners
- Preserving institutional knowledge throughout the change

WHAT IS A GOVERNMENT CHANGE MANAGEMENT APPROACH TO CLOUD?

Change management is typically described as an approach to prepare, support, and help individuals, teams, and organizations make organizational change. Historically, change management programs had limited success. Because of his analysis that only 30% of change programs succeeded, in 1996, change management guru John Kotter developed an eight-step change management process, designed to help change management programs succeed. Private and public sector organizations have followed these steps to enact change throughout their organization and adapt to new realities of business shifts, competitive thrusts, changes in customer demographics, mergers, and spin-offs. These steps have been updated to eight accelerators, and four change principles have been added. Figure 2 illustrates these accelerators and change principles that can enable organizational success. More information is available at **www.kotterinc.com**.

FIGURE 2

Kotter's Eight Accelerators and Four Change Principles

Leadership ✛ Management

In order to capitalize on windows of opportunity, leadership must be paramount – and not just from one executive. It's about vision, action, innovation and celebration, as well as essential managerial processes.

Select Few ✛ Diverse Many

More people need to be able to make change happen – not just carry out someone else's directives. Done right, this uncovers leaders at all levels of an organization; ones you never knew you had.

Head ✛ Heart

Most people aren't inspired by logic alone, but rather by the fundamental desire to contribute to a larger case. If you can give greater meaning and purpose to your effort, extraordinary results are possible.

"Have To" ✛ "Want To"

Those who feel included in a meaningful opportunity will help create change in addition to their normal responsibilities. Existing team members can provide the energy... if you invite them.

Source: Kotter, 2020

Cloud is the underpinning of digital transformation. All changes are made to migrate to cloud impact mission, employees, and constituents. Figure 3 illustrates the change enabled through cloud deployments.

A change management approach addresses employee morale and organizational health as well the steps required to digitally transform and implement cloud. This approach can not only ensure that all functions and levels are committed and informed but also mitigate service interruptions and better ensure success.

FIGURE 3

Change Enabled Through Cloud Deployment

From	TO
Job shops	Standardization
Paper	Digital
One off	Repeatable
Labor based	Automation
One to one	One to many
Task based	Outcomes
Individual knowledge	Enterprise knowledge
Business as usual	Innovation

Source: IDC Government Insights, 2020

WHO ARE THE KEY STAKEHOLDERS?

Change management is all about leadership and involves every function and level in the organization. Many agencies are hierarchical and following the leader is a norm; however, in change management, the leaders must set the tone of change, create and communicate the vision to the entire organization, champion success, and seek followers of change due to the benefits the change will bring about to the organization, employees, and constituents.

Involvement of C-suite leaders (chief human capital officer, chief information officer [CIO], chief financial officer, chief data officer, general counsel, and line-of-business [LOB] leaders of major programs) is required – they set the tone for change within their organization. They communicate the goals and define the operational needs to ensure they meet legal obligations and provide continuous functional and program operations and services to constituents while transforming the way missions are delivered.

CIOs typically lead the change management approach to cloud. It is important that CIOs enlist the support of all functional leaders, develop processes to coordinate with all stakeholders through the migration, and solicit critical feedback to operationalize the strategic vision for change and effect the desired transformation. As the role of agency CIOs evolves from a technology focus to a business and agency outcome focus, CIOs may become more aligned with their nontechnical counterparts and become more attuned to understanding how to lead change within the unique culture of the organization and at a successful pace. And since moving from on premises to cloud can cause uneasiness due to perceived lack of control by IT managers, leadership and empathy for the employees within their own organization should be role model.

OPM has published the Guidance for Change Management in the Federal Workforce (available at www.opm.gov). The federal government has core qualifications based on attributes of successful executives in both the private and public sectors and include:
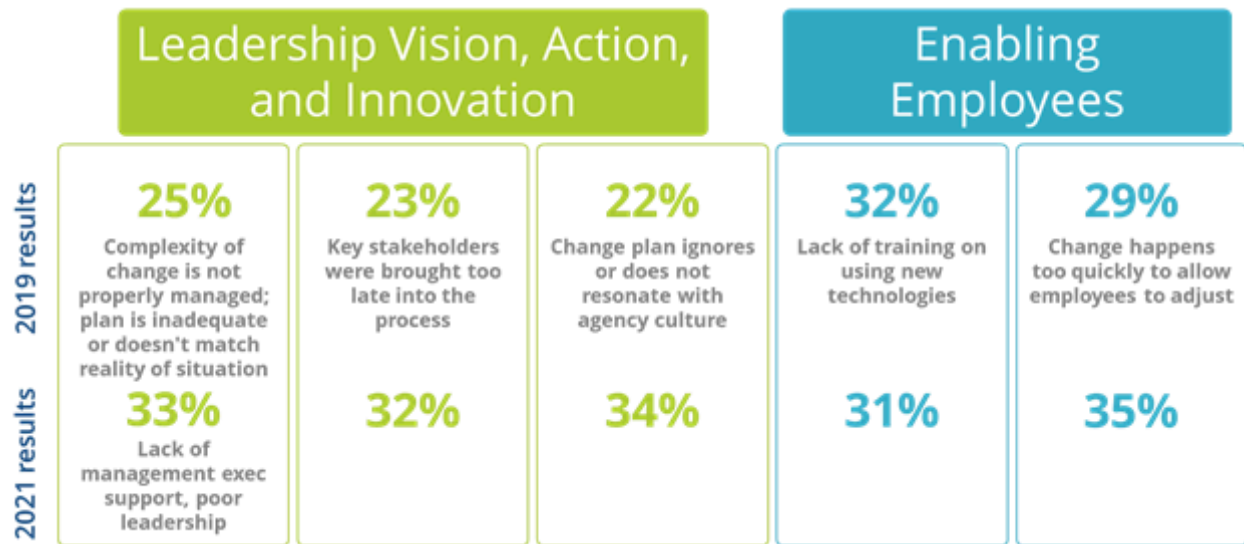
- Leading change
- Leading people
- Results driven
- Business acumen
- Building coalitions

And programs such as the USDA SES Candidate Development Program are designed to provide GS-14 and GS-15 supervisory experience to later take on roles as future CIOs and CISOs. This program provides leadership training for lifelong skills such as emotional intelligence and team leadership and an opportunity to work with other executives leading change management within their organization. These skills are critical for those responsible for the acquisition and successful implementation of digital transformation technologies that evolve rapidly and may result in employees struggling to understand new work processes, collaboration, and where they fit into the new model.

The success of any corporate restructuring or relocation project depends upon the close coordination of many key contributors communicating the vision and tracking progress toward the new operating model. According to the IDC survey, agency leadership is creating and communicating the vision to the organization as the responses "no clear vision" and "failure of organizational management to communicate vision" were the least cited difficulties of change management involved in cloud adoption and usage. However, agencies are facing challenges as they move their organizations into a cloud culture. When it comes to change management involved in cloud adoption and usage, government organizations find barriers to employee action the most difficult, such as lack of training on using new technologies, and the pace of change happened too quickly for employees to adjust. Leadership isn't off the hook, however, as the next set of barriers include inadequate planning in moving the agency to cloud, the fact that key stakeholders were brought in too late, and a mismatch of the change plan with agency culture. Figure 4 shows these survey responses.

FIGURE 4

Cloud Deployment Best Practices

	Leadership Vision, Action, and Innovation			Enabling Employees	
2019 results	**25%** Complexity of change is not properly managed; plan is inadequate or doesn't match reality of situation	**23%** Key stakeholders were brought too late into the process	**22%** Change plan ignores or does not resonate with agency culture	**32%** Lack of training on using new technologies	**29%** Change happens too quickly to allow employees to adjust
2021 results	**33%** Lack of management exec support, poor leadership	**32%**	**34%**	**31%**	**35%**

Source: IDC, 2020

These difficulties differ somewhat by level of responder (executive versus manager) and by IT and non-IT responders and may illustrate a misalignment between executives and employees as well as a misalignment between CIO/IT and nontechnical employees within agencies. An example from IDC's 2019 *CloudPath Survey* shows lack of training is the top issue selected by 35.2% of CIO and CTO responders, but this difficulty was selected by only 28.6% of non-C-level IT responders. The top difficulty for these middle management IT responders is the complexity of change is not properly managed and the plan is inadequate or doesn't match the reality of situation, selected by 57.1% of these responders. IDC has observed that agencies undergoing cloud transformation often don't have a strategic plan that addresses the complexities of cloud adoption.

The top issues for non-IT executives differ significantly from that of CIO and CTO responders and focus on speed and alignment to agency culture. Line-of-business and C-level executives indicate that change happens too quickly to allow employees to adjust, selected by 38.1%, and the next issue is the change plan ignores or does not resonate with agency culture, selected by 28.6% of these responders. These responses indicate that non-IT executives appear to have more empathy for how the pace of change impacts employees' ability to adjust to the change and are more in tune with the need to align with agency culture.

In 2021, IDC reviewed these same questions posed to government decision makers. The top 5 difficulties from all government responders in this survey are also shown in Figure 4 and indicate that complexity of change not properly managed was replaced with 33% of responders indicating that lack of management and executive support and poor leadership is a top concern. The other four top concerns remain the same, and all but lack of training on using new technologies scored as a higher difficulty in the 2021 survey than in the 2019 survey. Similar to the 2019 survey results, top difficulties varied by type of responder. For example, change happens too quickly was a top difficulty for IT non-

C-level responders, C-level LOBs, and LOB managers. On the other hand, agency CIOs and CTOs selected lack of training and the change plan ignores or does not resonate with the agency culture as the top 2 difficulties.

Agencies undergoing change management should pay attention to the nature of barriers and challenges in deploying change and work across all functional areas to ensure alignment in strategy, plans, and actions, and resolve misalignments.

HOW CAN MY ORGANIZATION TAKE ADVANTAGE OF A GOVERNMENT CHANGE MANAGEMENT APPROACH TO CLOUD?

According to IDC's 2019 *CloudPath Survey,* 81% of government responders are engaged in cloud activity. As agencies transition to cloud, they face many challenges. Cloud doesn't install and run itself. Cloud services can add tremendous value, but they require careful, thorough, and well-executed steps including an awareness of application dependencies and the ability to ensure successful and cost-effective application rollouts and ongoing service performance. How are agencies getting the organization and workers ready for the cloud journey? When moving to cloud, the majority of agencies are deploying what IDC describes as best practices. These practices relate to many aspects of Kotter's change management. For example, over 61% of survey respondents have senior executive sponsorship. This is critical for strategic vision and initiatives, and over 65% of respondents are establishing levels of governance including cross-functional team meetings, a foundational element to build and guide a coalition of supporters within the organization. The best practice with the least current deployment by federal agencies is the practice of leveraging migration programs that focus on automation and cloud service providers that focus on lessons learned. Only 56.4% of responders report deploying this practice, although another 37.6% indicate they have plans to implement this within 12 months (see Table 1).

As agencies deploy cloud, this is an opportune time to hone their change management skills, deploy best practices, create a vision of the future state, instill a sense of urgency through the entire organization, enlist and communicate with employees, remove obstacles, and sustain the change.

TABLE 1

Difficulties Agencies Face with Change Management Involved in Cloud Adoption and Usage

	Currently in place	Not in place: plan to implement	No plans	Don't know
Senior executive sponsorship	61.4	27.7	7.9	3.0
Establish levels of governance, including quarterly cross functional team meetings	65.3	26.7	6.9	1.1
Create and link to a business case	61.4	30.7	6.9	1.0
Measure and report KPIs to assure progress	64.4	30.7	4.0	1.0
Execute in concurrent workstreams	60.4	29.7	8.9	1.0
Leverage migration programs that focus on automation and cloud service providers that focus on lessons learned	56.4	37.6	5.9	0.1
Establish cloud center of excellence	63.4	29.7	5.9	1.0

n = 101

Source: IDC's *Worldwide Industry CloudPath Survey*, April 2019

ADVICE FOR TECHNOLOGY BUYERS

Transformation is complex. It takes a thorough understanding of the internal mechanics of an organization including how employees work together, relationships, and the processes of work and agency governance models. Transition strategies should address workload migration, architecture requirements, staff skills and readiness, and continuity of services. A change as significant as cloud is only successful if the entire agency wants change and believes it will enhance mission outcomes. IDC Government Insights recommends that agency leaders:

- Move from asset management to a service culture and engage in frequent decision making with LOB, HR, and finance counterparts. Learn to live with less control over the infrastructure and more influence on outcomes.
- Invest time in understanding the culture of your organization, what organizational and operational changes must occur, and the impact on roles and skills.
- Communicate both common goals and the importance of cloud in digital transformation.
- Be transparent in transition plans and outcomes expected. Articulate the value back to employees of connecting, communicating, and collaborating anytime, anywhere and better serving citizens, especially during times of crisis and pandemics.

- Understand the difficulties that your agency faces as you migrate, and similar to the IDC survey, look for differences of opinions between executives and nonexecutives and between IT and non-IT personnel. Be prepared to mitigate concerns of each type of responder through open and transparent channels of communication and remedial action, establish KPIs, and measure success.
- Work with your vendor partners and leverage their migration expertise and lessons learned. Several vendors excel in change management practices and can bring an outside-in perspective as well as provide proven best practices.

RELATED RESEARCH

- *Reopening America: Key Policy and Technology Implications for National Government* (IDC #US46397120, June 2020)
- *IDC FutureScape: Worldwide National Government 2020 Predictions* (IDC #US45588419, October 2019)
- *IDC CloudPath 2019: Government Apps Head to Cloud* (IDC #US44344519, October 2019)
- *IDC FutureScape: Worldwide Cloud 2020 Predictions* (IDC #US44640719, October 2019)
- *Effective National Government* (IDC #US45566818, October 2019)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2019: National Civilian Government* (IDC #US44301619, June 2019)

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Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-community.com
www.idc.com