Government CIO
Expert Exchange

Q1 Executive summary
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Overview

Government technology executives convened in this Expert Exchange session to discuss technology modernization. The agenda was created based on advance interviews with participants.

Hosts

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Key topics

State CIOs are undertaking massive ERP modernization

- Many states, both large and small, are working with digital infrastructures built on systems that may be 20, 30 or more years old. Given the age of the platforms, it is a massive undertaking to modernize those ERP systems. In addition, most states have built very customized products for various operations and now those systems aren't easily replaced with a broad big-box solution.

- Several members pointed out that they would love to move from multiple legacy systems to one, or at maximum, two. In addition to the technical challenges of such

rationalization, there is also cultural resistance among employees to change. A member called this "the priesthood of the legacy systems." As a result, state CIOs are battling inertia and steep costs in modernizing their states' ERPs.

- Modernization efforts are also in response to current business trends. In this age of data visualization, many top leaders want dashboards to look at different data, such as how different business lines or products are faring. However, highly customized legacy systems can't work with each other to feed those kinds of dashboards, necessitating modernization or the

introduction of even more systems.

- The members discussed the challenge of knowing when to entirely "flip the switch" and pull the plug on the old system. Some keep the old system as a back-up, but several leaders stressed that this is a bad idea, advising that overlap of the two systems should be as short of a time window as possible.

"Our oldest system is 27 years old... And no surprise, people are desperately tired of these systems, so much that we found 40 to 60 satellite systems orbiting around the enterprise system like a dying star. And the outcome of all of this is we have massive data that is in a lot of different places."

–Kyndryl Government CIO Expert Exchange Member

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Finding ways to demonstrate value

- Sweeping, large-scale modernizations come with very steep costs, and CIOs have to overcome "sticker shock" from their leadership teams when pitching the necessary changes to the C-suite. CIOs are reframing how they message about the value of these upgrades. It is essential to get the customers of the systems in the business lines involved on the front end and give input into the kinds of data they will need to get out of the new system to ensure uptake and usefulness. Another good strategy is to engage the top leadership as "champions" of the changes to the rest of the company.
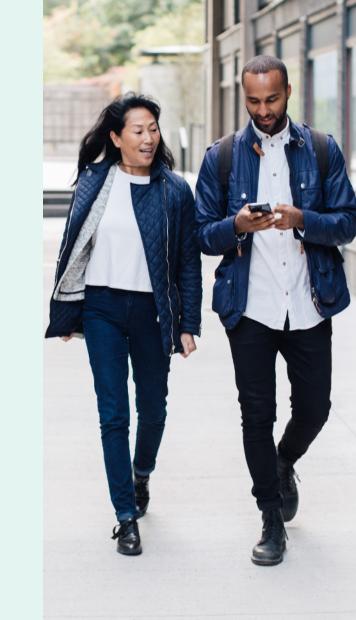
- Many members stressed that they are working to change the culture around their ERPs, to look beyond it just as a product or a platform, but rather as a means to solving problems, increasing productivity and delivering work more effectively. An executive underscored the importance of getting the customers at the company to adopt the new system, and that comes with putting resources toward training.

- Most state CIOs are working with their financial teams and others to persuade their leadership and stakeholders that, while expensive, it's critical to upgrade these legacy systems in order to keep pace with modern business. Some states are using Green New Deal and ARPA funds for these upgrades.

"I think more often than not when an individual complains about the product, it's because they don't understand the product well enough, so they don't use it."

–Kyndryl Government CIO Expert Exchange Member

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State CIOs are partnering in new ways

- Some states are engaging Kyndryl to help them assess their current systems and provide a gap analysis of what needs to be done. Several state CIOs have contacted other states so that they can pool knowledge about how to best approach these large-scale conversions. A member observed that the states themselves may operate very differently from one another, but the conversions and modernization efforts have lessons in common.

- Sharing knowledge among states is helpful in several ways. Even just getting an idea of what tools other states are using, and what the price tag is can help states understand what platforms and tools they need, and it will help them when they go in and negotiate price from vendors.

"I've been reaching out to other states and municipalities that have gone through an ERP upgrade and said, 'Unless we learn to collaborate, and talk through our problems and challenges, and not be in a silo, this ERP is not going to be as effective as it should be."

–Kyndryl Government CIO Expert Exchange Member

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The CIO Government Expert
Exchange is hosted by Kyndryl.
Please contact Anita Mikus with any
questions about Kyndryl or this
Exchange.