

Government is Not Alone: Industry Faces Similar IT Transformation Challenges

People, processes and technology remain a cross-sector theme.

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Government isn't the only sector struggling with [IT transformation](#).

In fact, a wide range of industries face the same barriers as government agencies that ultimately end up prolonging or stalling transformation journeys completely.

That's according to a new IDG Research Services [survey](#), "The Challenge of Change: IT in Transition." The survey, commissioned by Insight Enterprises, explores the IT transformation journey by asking 200 IT executives across a range of industries about where organizations are in terms of progress, the challenges they face and the skills gap encountered.

The survey found that 51 percent of IT transformation initiatives are stalled by planning and execution challenges, and enterprises abandon certain projects while dealing with the people, processes and technology changes required to modernize IT operations.

People, processes and technology are part of government IT modernization challenges, too. In September, Max Everett, CIO of the Energy Department, said people with the right skills, in particular, are still hard to come by. "Having folks who are innovation leaders — there's plenty of innovation out there, plenty of new tools, plenty of new processes — but having the people and the governance to put those in place is certainly the biggest challenge I've seen," he said.

But 44 percent of the enterprises surveyed haven't yet made the process, operational or technology changes needed to support IT transformation, so they're still in the early stages of their journey.

And for those 51 percent abandoning portions of their IT transformation programs, it's because of the challenges those projects posed — and that includes 65 percent of enterprises challenged with implementing change to more than 10,000 employees across disparate legacy technologies and distributed teams.

This type of large organizational complexity can be seen at the Defense Department at an even grander scale: it's the nation's largest employer with 2.87 million people on approximately 4,800 DOD sites. In the latest Federal Information Technology Acquisition Reform Act scores, DOD received an F+, because it failed to be transparent about its IT spending, wasn't adopting cloud and consolidating data centers at the anticipated rate, and was lacking in transparency and risk management.

“A lot of these systems at DOD are heavy on risk, like all IT systems, and the complexity there puts it on another level,” said Dave Powner, director of IT management issues at GAO, at a [FITARA hearing](#) in May.

And 64 percent of survey respondents said legacy IT infrastructure, process and/or tools were in the top five barriers of transformation, followed by data security, technology silos, budget and competing priorities.

These are common challenges for government agencies as well.

According to an October report by MeriTalk, “Cloud Complexity: Navigating the Network Piece of the Federal Cloud Puzzle,” 67 percent of the federal IT respondents said their agency’s legacy network infrastructure is struggling to keep up with the changing demands of cloud technologies.

Similarly, the IDG report found the four major hurdles to cloud implementation are determining which workloads to move to cloud, the need for new tools to support cloud applications, internal resistance to change and choosing cloud deployment models.

And the lack of cloud readiness is also a set back, as enterprise applications aren’t always optimized to support cloud storage consumption.

Hybrid cloud strategies, though, seem to accelerate IT transformation journeys most in industry. The report found that 63 percent of respondents had the most progress with a hybrid cloud approach, one that government agencies are getting behind, too.

The General Services Administration [provides](#) eight reasons to implement a federal hybrid cloud solution, explaining its “flexibility, customization, and ability to manage the balance between security and availability.” Plus, it allows agencies and organizations to use existing on-premise solutions for mission critical workloads, and move non-critical workloads to public cloud.

Ultimately, IT transformation is an organization-wide and cross-sector challenge, but many organizations aren’t always in the know of how to map out the transformation journey, or how to properly implement the right technology, skills and processes needed.

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