Digital Transformation Industry and Agency Best Practices and Lessons Learned

*Case Studies from Industry, Nonprofits, and Governments*

IT Management and Modernization Community of Interest

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**Synopsis**

This case study discusses the topic of Digital Transformation based on a series of interviews with representatives from industry, nonprofits, and federal, state, local, foreign governments.

The IT Management and Modernization (ITMM) Community of Interest (COI) team distilled interview results into a set of best practices to provide agencies with a playbook for initiating and driving IT Transformation, detailing their lessons learned and best practices as they implement Digital Transformation efforts. The COI collected real-world examples on a topic often discussed in abstract terms.

Represented government agencies and organizations in this report made choices of vendors and solutions based on their program-specific selection criteria. The ITMM COI respects the independence of these choices and does not itself advocate any one vendor or solution over another.
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Introduction and Executive Summary

The ACT-IAC IT Management and Modernization Community of Interest embarked on a Digital Transformation project to support the Federal government in this unprecedented time as it grapples with the reality of significant new challenges during the crisis caused by the pandemic. The project objective is to highlight how industries have accomplished digital transformation and illuminate the relevance to US Federal government agencies. A collaborative project team conducted interviews with industry, state and local governments, and nonprofit organizations to understand how they have accomplished digital transformations successes.

Digital transformation is a broad and somewhat nebulous term that encompasses many different meanings. At its core, some interviewees articulated that digital transformation conveys a process transformation that is enhanced or supported by digital tools or technologies. Often, organizations interviewed for this report indicated that digital transformation is about creating efficiencies in processes, either internal or external to an organization. They gave examples of digitizing paper forms or paper-based processes using a tool or technology to create efficiencies.

However, many others highlighted that digital transformation goes beyond simply using digital tools to make process improvements. Rather, it is about reimagining a process - putting customers, internal users, and citizens at the center, and identifying opportunities to bring in new tools and technologies to make something new and better for everyone involved. In this sense, digital transformation is not only about the technology but also about the people who build, use, and maintain the tool, and the larger systems that exist outside of the technology. For many interviewees in this report, Digital transformation includes introducing agile approaches, human-centered design, and other new ways of approaching age-old problems. Nearly all interviewees indicated that the COVID-19 pandemic fast-tracked their digital transformation efforts.

It is important to note the difference between digital transformation and digitization. While digital transformation enables organizations to reimagine how they work, serve people, and fulfill their missions using technology, digitization could simply mean moving a paper-based form online. If organizations do not consider the larger context of digital transformation and other changes, digitization risks introducing new challenges for organizations. Simple digitization is not enough if the corresponding business process changes that support the digitization are not implemented. Digitization without transformation risks worsening the customer experience if agencies and organizations cannot deliver on experiences in a way that is consistent with people’s experiences in their personal lives.

To identify lessons learned and best practices implementing digital transformation projects, this report considers the following nine dimensions of digital transformation.

1. Meaning & Value: how interviewees describe digital transformation and the value it brings to their organization.

2. Technology & Tools: specific tools and technologies that support digital transformation.
3. **Leadership**: the role that leaders across an organization play in supporting digital transformation.

4. **Operations & Process**: considerations for process improvement, optimization, and operational streamlining that must occur to support digital transformation.

5. **Equity**: the consideration of who is impacted by digital transformation and how to ensure an equitable experience for all stakeholders in the context of digital transformation.

6. **Organizational Readiness & Change**: organizational-wide culture and change that must occur to support and sustain digital transformation.

7. **User/Customer Experience**: the experience of end users (customers) and internal users (employees) in digital transformation.

8. **Innovation**: the degree to which organizations adopt new ways of working and thinking to support a culture of innovation around digital transformation.

9. **Improvement**: the impacts of digital transformation efforts on the organization and who they serve.

**Research Approach**

The Digital Transformation project team met with a broad range of stakeholders, including 13 federal and international representatives, 10 state and local government representatives, five industry representatives, and six individuals from domestic and international nonprofits to gather best practices and lessons learned in their digital transformation efforts. The full list of organizations is available on pages 20-21.

This case study exercise collected practical digital transformation best practices and lessons learned from various government agencies and non-government organizations to provide advice on how to successfully adopt digital transformation and realize its benefits. As a result, this report explores agency, nonprofit, and industry digital transformation initiatives to uncover the strategies, methods, and processes used to successfully implement digital transformation across organizations. While no situation is identical, there are learnings from these experiences that many government agencies can leverage as they further their digital transformation goals and solve real-world challenges.
Key Findings: Federal Agencies and Foreign Governments

Through conversations with 13 individuals from federal agencies and foreign governments, the following common themes were identified around digital transformation.

**Digital transformation is a nebulous and broad term.** Many interviewees acknowledged that digital transformation is somewhat of a buzzword. To better define it, some indicated that the value of digital transformation is in its ability to automate paper-based processes in the federal space, facilitating a shift away from paper to digital services. Others articulated that a key factor of digital transformation is that it is inherently continuous. As one interviewee pointed out, “Digital transformation means aligning, merging, or replacing existing traditional business processes with more efficient technology solutions.”

**Digital transformation can require a large investment in modern infrastructure.** Having the right technical foundation in place allows agencies to receive the most value from emerging technology built upon a solid foundation. Additionally, while modernization can require a large investment upfront, innovative approaches, like reducing the redundant costs of old technology, can help reduce the traditional cost/benefit challenges and support cost savings and avoidance.

**Leaders need to consider their own readiness to embark on a digital transformation project,** recognizing that **incremental progress** is a key piece of transformation. Moreover, leaders should approach digital transformation as a process and a cultural transformation, not just a technical transformation. Managing the human side of organizational change is a key component in successful digital transformation initiatives.

**Improving the customer and user experience is a foundational element of digital transformation.** Customers and end users must be actively engaged in the transformation process for it to work well, and change agents on both sides (e.g. customers and internal users) should be identified early on to support and sustain the transformation. Working in an iterative and agile fashion ensures that users are involved throughout the process. Additionally, consistency in service delivery is critical to digital transformation, especially if the transformation is public-facing. As one interviewee noted, “citizens expect consistent experiences, which also drives the need for transformation in the federal space (i.e., with the concept of 'interconnected government').”

**Engaged leadership, driven by a clear vision and measurable outcomes, is essential to successful transformation efforts.** The right leaders in the organization must be actively engaged in a digital transformation initiative. Leaders also must define a clear vision and ensure people understand and work towards achieving that vision. Moreover, leaders must hire and develop people with the right attitude and skills and empower their teams to make decisions. Identifying clear metrics makes progress and incremental successes on digital transformation projects visible. One interviewee notes, “You can’t call it a pilot if there are no metrics to determine success.” Last, taking the time to build trusting relationships between all of the people and teams engaged in the transformation effort reduces potential confusion and conflict and prevents progress from slowing down.
Federal and Foreign Agency Best Practices Summary

Based on the key findings from these interviews, the team identified best practices that reinforce the key themes and help guide other agencies and organizations looking to avoid common digital transformation pitfalls. Some of these practices are highlighted below.

- Do not focus solely on automating processes; instead, focus on automating away redundant steps, approvals, etc., and simplifying the experience for customers and users.

- Actively engage leadership; communicate early and often (using plain language that everyone understands); Having patience in how quickly the organization can change and having an understanding of people’s needs is key; Teams need clearly defined roles and responsibilities in support of a larger vision; Developing skills in resilience, persistence, and persuasion are important as is allowing teams to take risks.

- Customer needs should drive any and all digital transformation efforts. The key focus should always be on how we can improve services for customers and users.

- A single leader like the CIO does not just drive digital transformation; business leadership must be on board and part of the process; understanding stakeholder (e.g., user and customer) needs is key, and it includes answering questions, addressing challenges, and following through with commitments for users and customers; Leaders need to make sure people understand and have the right resources to carry out the vision.

- It is critical for those leading digital transformation efforts to engage front-line staff in the process, particularly to listen for concerns and understand their needs.

- Working in an agile fashion with a customer-centric lens and receiving frequent feedback from customers and users is critical for digital transformation success.
Key Findings: State and Local Governments

The project team spoke with ten individuals from state and local governments and found several common themes around digital transformation. Most uniquely, the topic of digital access and equity came up frequently as a key consideration in successful digital transformation initiatives.

The term digital transformation is too broad since any transformation happening now likely has some digital aspect or element to it. Rather, interviewees stated that digital transformation is a term that can have many layers. For example, it can focus on creating business process improvements for internal processes, building efficiencies, and streamlining external-facing services, or a combination of these. Ultimately, the value of digital transformation lies in its ability to create more efficient ways of working for staff and more optimized services for end users.

Before investing in new tools and technologies, leaders and teams need to first clearly define the problem. Leaders must clearly identify and define the business problem before a project team can determine whether a particular technology, when executed well, can solve the problem. Digital tools and technologies, when used to measure progress, can provide increased transparency and accountability into the digital transformation process.

Productive conversations about digital transformation cannot occur without first addressing digital access, inclusion, and equity. Several interviewees discussed the need to ensure end users have access to affordable, reliable internet service and build a working knowledge of digital literacy levels before rolling out a digital transformation initiative. This approach is particularly important to consider in certain socioeconomic populations, otherwise the organization risks excluding groups of users. Several state and local governments are incorporating inclusion and equity needs with and investing in a community-driven approach to providing broadband access. They are also building data literacy within their teams to make more data-driven decisions and using shared services to better manage resources to meet diverse stakeholder needs.

Understanding who end users are and what support they may need to access digital services provides the foundation for successful transformation efforts. End users, and the front-line staff who work most closely with them, know exactly what problems they face and what barriers prevent a good user experience. By providing secure, timely, and accessible digital services through a human-centered design lens, state and local governments can improve digital services based on the experience of their users.

Leaders play a critical role in digital transformation efforts. Leaders set the tone for the transformation and, as such, must provide their time, expertise, support, and prioritize transformation work during the budgetary process so that transformation initiatives receive appropriate funding and resources, and find ways to foster collaboration and break down silos between teams. To successfully sustain a digital transformation effort, leaders need to allow teams to take risks, experiment, fail, and learn, give their staff decision-making authority, and invest in their own internal talent through training, coaching, and mentoring to be able to develop creative solutions.
To be successful, digital transformation efforts should identify and involve the right people from the start and ensure open communication around the goals and intended benefits. Having a team that openly communicates, collaborates, and is committed to the vision is necessary to ensure the long-term sustenance of continued progress. Moreover, celebrating near-term and incremental achievements when they happen helps to change people’s mindsets and behaviors, which starts to change the organizational culture and makes future successes more achievable.

Procurement continues to be a challenge for digital transformation efforts within government agencies. Interviewees recommended looking at creative approaches to procuring goods and services. Additionally, state and local government interviewees indicated that capacity challenges can be resolved by leveraging the expertise and experience of internal staff and investing in internal staff to support these initiatives.

State and Local Best Practices Summary

Based on the key findings from these interviews, the team identified best practices that reinforce the key themes and can help guide other agencies and organizations looking to avoid common digital transformation pitfalls. Some of these practices are highlighted below.

- Digital transformation is not just about technology and should include looking at ways to improve customer and user-facing processes (through business process reengineering). For example, replicating paper-based processes in a digital environment may not solve an inefficiency or poor user experience stemming from the process itself. Moreover, if an organization does embark on a business process reengineering effort as part of a larger digital transformation, it needs to ensure that they have the staff capacity, skills, and competencies to support the new and more efficient process. Optimizing a process without considering what needs to be done internally (investing in additional staff, training, and development, etc.) will negatively impact the accessibility of services. This is why ensuring that aligning any digitization effort with a larger digital transformation initiative is critical for long-term success.

- Digital transformation is an ongoing journey and a set of steps in the maturity of how to manage and deliver technology-focused products and services. These steps can include reviewing existing processes, identifying their objectives and reimagining them to better meet end user needs, thinking about how technology might help optimize processes, and improving the end user experience (for both customers and employees).

- Team collaboration, coordination, knowledge sharing, and effective communication are key to the success of digital transformation initiatives.

- Building on-demand, scalable capacity (both in terms of staffing and technical resources) is crucial, and leaders must provide an ongoing investment of time, funding, and resources to ensure the transformation work is sustainable over the long term.

- Digital transformation offers an opportunity to reimagine and rediscover the goals and objectives of processes, allowing for a streamlined, automated experience that is better for users.
• Leaders play a crucial role in influencing behaviors and the overall culture. When leaders believe in the transformation and back it up with tangible action, they can propel the next level of change forward.

**Key Findings: Industry**

The team spoke with five individuals from global industry organizations to identify the following common themes around digital transformation. Interviewees included leaders from finance and banking, cloud services, professional services, and software industries.

**Digital transformation involves changing the entire customer experience, whether the transformation is internal or external to the organization.** For example, not every transformation or change may be evident to end users, such as transitioning an application from an on-premises environment to the cloud. As long as the application has the same functions and capabilities, where the application resides is seamless to the customer. However, internal staff experiences are just as important to consider as customer and user experiences. True transformation fundamentally breaks and improves on what the organization has done before. Ultimately, the goal of digital transformation is to reimagine what’s possible and how we can better serve our customers.

**Digital transformation, just like product development, is a continuous process that should focus on meeting evolving customer needs.** Human-centered design practices help organizations better understand their target audiences, empathize with what customers want and need, and build innovative products and services that solve customer challenges and bring lasting value.

**Leaders must buy in and have a clear strategic vision to ensure successful digital transformation efforts.** A clear strategic vision that communicates the “why” is critical in aligning and inspiring teams. Additionally, leaders must cultivate an environment where stakeholders have the time to think and the ability to experiment and fail. Structuring short-term pilots, digital labs, demos, and retrospectives that allow teams to learn from failure is vital to quickly determining the viability of the technology and avoids spending unnecessary time, energy, and funding. Last, leadership should work to empower people to make decisions and help foster a culture of trust.

**Working in an agile fashion and considering data as a core asset helps organizations build processes that promote successful digital transformation.** Several interviewees mentioned that agile methods helped their organization respond more quickly to changing market needs and decreased the time to initially launch the program. Additionally, they viewed data as their organization’s most crucial asset, after their workforce, and stated that it should be at the core of how digital services are imagined, designed, and delivered. Further, it should form the foundation for leaders’ decision-making.

**Leaders need to consider and plan for organizational change before embarking on a digital transformation effort.** The leaders interviewed found that a single tool or technique alone will not be transformative without making changes to the entire ecosystem, which includes people, processes, and practices, as well as technology. Another interviewee stated that foundational elements such as shifting to the cloud and adopting a digital-first approach are key to sustaining long-term digital transformation objectives.
The availability of distributed technologies is changing the way organizations work and the approach to modernization. Using a variety of distributed tools and technologies can further support an organization’s digital transformation efforts.

**Industry Best Practices Summary**

Based on the key findings from these interviews, the team identified best practices that reinforce the key themes and help guide other agencies and organizations looking to avoid common digital transformation pitfalls. Some of these practices are highlighted below.

- Vision and metrics guide the entire effort and must be carefully crafted. Leaders need to communicate the vision frequently and transparently measure metrics that align with the vision across many different channels and to all levels of the workforce.

- An organization’s digital transformation goals should include building a high-performance environment and include key elements on all levels of the organization (processes, people, technology, culture, etc.) Digital transformation should also include providing secure services, enabling a diverse mission, and propelling creativity and innovation.

- Digital transformation efforts should use the full power of the cloud, work to simplify processes and technology, and leverage data as a strategic asset.

- All digital transformations need to start with the customer and user experience. Make every decision with the customer in mind.

- Leadership is key and sets the tone for digital transformation; and they must be part of forming the vision. The very best transformation efforts involve leading with the value we deliver to customers and users. Everyone on the team is leading a digital transformation. Leaders help set expectations and work with teams to determine what will be measured and help establish accountability.
Key Findings: Nonprofits

The team spoke with six individuals from domestic and international nonprofit organizations and identified the following common themes around digital transformation.

**Digital Transformation is an iterative and incremental process.** It is not something that will happen overnight, nor is it a destination. Rather, it is about making incremental progress and continuously learning, and building out an agile framework that works best for the organization. The value of digital transformation is that it enables changes in mindset, processes, and people.

**When working with digital services, maintaining the human connection is paramount.** To ensure a human connection and provide services that meet customers and user needs, it is vital to do upfront customer research and work to validate assumptions through feedback.

**Leaders are critical to the success of digital transformation, from setting the vision to supporting the investment.** A leader’s role is to establish and communicate the vision, goals, and objectives of the digital transformation program, allocate the appropriate budget, and support the investment of the transformation effort. Additionally, leaders must deepen and use empathy skills to help people change their behaviors and mindsets as part of the transformation. It is essential that teams are aligned with what leadership is trying to accomplish with a digital transformation; and a clear vision helps them do that. In addition, successful transformations have effective discipline behind project communications and project management.

**Leaders must understand the end goals and outcomes of transformation.** Digitizing a process does not necessarily mean that the process is automatically easier to navigate. Thus, leaders should be very intentional about making a process easier through technology for it to become better and easier for customers and end users to use. Additionally, the digital divide and how accessible digital services are for everyone must be addressed, so that key stakeholders are not left behind.

**A successful digital transformation process involves front-line workers from the start.** Individuals who directly work on the front lines, who are often subject matter experts, and who specialize in procurement are necessary to ensure the long-term success of digital transformation initiatives as they regularly interact with customers and users and understand their needs.

**Leaders need to understand that technology in and of itself is not a silver bullet and will not solve all problems.** Rather, technology is one of the many tools that organizations can leverage to support transformation. With that said, successful digital transformation efforts require an investment in human capital, skills development in data literacy and digital literacy, and a commitment to focusing on solving problems for customers and users. Hiring smart, creative people with a digital mindset is important to the success of digital transformation efforts.

**Knowing where to start and what to prioritize is crucial when embarking on a digital transformation effort, as is a commitment to working in new ways.** Successful teams use modern ways of working (Agile and DevOps methods, tools, and automation) and leveraging emerging technologies (predictive modeling, artificial intelligence, and machine learning).
Nonprofit Best Practices Summary

Based on the key findings from these interviews, the team identified best practices that reinforce the key themes and help guide other agencies and organizations looking to avoid common digital transformation pitfalls. Some of these practices are highlighted below.

- Build a RACI chart that defines Responsibility, Accountability as well as who needs to be Consulted with and who is Informed for project clarification; ensure there is an equal partnership between IT and other parts of the business; be clear on what the value is for your desired outcomes; and work to build relationships and document decisions clearly.

- Do not lose the human element amidst increased digital capabilities; traditional service delivery is still necessary to provide benefits to a wide range of customers and users.

- The people who do the work every day know how to make things better. Front line citizens are also a great resource as they are end users and can provide valuable feedback and ideas. These groups need to be involved at the start and throughout any transformation effort.

- Transformation requires the help and investment of leadership (through creating a solid business case and vision) to put the right people in place with the right skill sets and provide the right budget to do so.

- Maintaining a focus on organizational agility and delivering Minimum Viable Products (MVP), getting MVPs into the hands of customers and users, and getting their feedback is critical to success. Ultimately, transformation requires relationship building.

- Ensure change management practices are embedded into the organization, focus on the end user, and engage and elicit end-user support.
Best Practice Digital Transformation Approaches

Through the stakeholder interviews, the team synthesized findings and identified a consolidated summary of “Best Practices.” However, there is no one-size-fits-all approach to digital transformation. Due to the nature and scope of digital transformation and the differing environments, statuses, and goals at different agencies, state and local government, and industry, these best practices should serve as a reference guide when embarking on a transformational journey.

General Findings

Digital transformation is a continuous journey and not a singular destination. It is part of the maturity of IT management, including digitizing processes and user experiences. Technology is an enabler in a transformation effort, and often, technology is the “easy part.” For a transformation to be successful, it must focus on the people, both internal and external to the organization, and the customers. For example, internally, leaders need to find, onboard, and retain talented individuals who can drive and support the transformation effort. Once a transformation team is formed, leaders must also help the team establish clearly defined roles and responsibilities, define how the team will be measured, and establish accountability. The schedule must include time to perform change management as part of the digital transformation effort. This includes identifying change agents and communicating early and often and in plain language so that everyone in the organization can understand not just the “how” but the “why.” Success with the transformation effort, paired with effective and transparent communication, can lead to a stronger understanding of what is expected for everyone in the organization. Lastly, all technology initiatives will have roadblocks and challenges. Leaders must help teams develop resiliency and must be patient with people and persistent with the change itself.

Digital Access and Equity

Digital transformation means rethinking the relationship with technology and determining how it can improve the quality of life for the customer (and broader communities). For digital transformation to truly impact, leaders need to understand and plan for digital access and equity. The latest and greatest product or tool will not be transformative if the ecosystem within which it operates (people, process, and technology) cannot take advantage of it.

One interviewee noted that examining digital transformation from an equity lens, including being intentional about digital access, strengthening digital literacy skills, and understanding the organization’s role in facilitating access and digital literacy, will go a long way to ensuring that digital transformation efforts can be equitably accessed by all.

Customer/User Experience

Digital transformation initiatives should start with and be driven by customer needs. These unmet needs offer us an opportunity to reimagine and rediscover how technology can solve problems and deliver value, allowing for an improved customer/user experience. Every decision needs to be made with the customer in mind.
Leaders must take a “customer first” approach but, at the same time, keep in mind that what delights customers today will not tomorrow. Customer feedback is key in determining what the next thing to “delight” will be and customer feedback should inform project priorities. The most successful organizations do not just talk about focusing on customers; they make that an active discipline and part of ongoing operations in the organization.

**Agile and Human Centered-Design**

Evangelizing agile concepts, frameworks, and methods as well as using modular acquisition techniques, are core practices for successful digital transformation efforts. Implementing these approaches enable teams to make and demonstrate meaningful progress from incremental processes as the organization moves through the change journey. Interviewees recommended that leaders select an initial area of focus, get started, collect data and feedback, and then use that understanding and learning to iterate and begin on the next area. This approach allows leaders and teams to maintain a focus on agility and delivering Minimum Viable Products, getting MVPs into the hands of customers and users, and receiving useful customer feedback. It is important to engage the people who do the work every day and know how to make things better; this approach includes engaging front-line citizens who will be users of the product or service.

Additional themes mentioned as keys to the success of digital transformation initiatives include the need for ongoing collaboration, taking time to coordinate across teams quickly and efficiently, sharing knowledge across and at all levels of the organization, and providing frequent, clear communication.

**Organizational Readiness and Change**

Change management practices and Organizational Change Management (OCM) considerations must be embedded into the fabric of the organization and be included as part of any digital transformation initiative. By adopting these best practices, leaders are better positioned to focus on customers, actively engage with them, and gain their support and buy-in by delivering secure, consistent, and valuable products and services. Leaders need to define a compelling vision and set clear expectations on what is happening and why, as our people must know and understand what they are driving towards.

It is also beneficial to establish a network of change agents who can serve as early adopters of the change and will help drive the transformation. To be successful, leaders need a group of champions who support the effort to help change individual behaviors and organizational culture.

**Leadership**

Leadership must be actively engaged in any transformation effort as they set the tone, influence actions and the overall culture, and in doing so, can propel (or stall) the next level of change. It is not just leadership from the CIO organization. Transformation requires relationship building across multiple groups and all levels of leadership. Business leaders across Human Resources, the CFO, and Procurement must be on board and part of the process. This relationship should be an equal partnership between IT and the business. Transformation also requires the help and investment of leadership across the organization to put the right people in place with the right skill sets, attitudes, and proper budget to
accomplish organizational goals. Leaders play a critical role in supporting digital transformation efforts by trusting their people, moving to more agile approaches, setting clear objectives, being flexible about how work is done, and fostering a culture of innovation and learning by embracing ongoing experimentation and failure.

**Procurement**

Digital transformation requires an assessment of what existing resources an organization has. This includes an assessment of funding mechanisms and acquisition vehicles, evaluating and using enterprise tools first before going to market and, as needed, making additional investments in net new products or tools.

Leaders should encourage standardizing on what the organization already has and use this standardization across teams to break down organizational silos. Digital transformation requires significant internal investment in an organization’s infrastructure to be sustainable over the long term, so it is important to identify and maximize the value obtained for each dollar spent. This approach includes the people, processes, and technology that are driving and supporting the digital transformation effort.

**Lessons Learned – Avoiding Digital Transformation pitfalls**

Through various stakeholder interviews, the team collected specific pitfalls and considerations any leader starting on a digital transformation initiative must consider:

- Do not automate existing processes without taking a step back and determining whether that process is really the best approach. Focus on automating away redundancies and simplifying the customer experience.

- If there is a lack of trust among stakeholders, there will be schedule delays, and the transformation will most likely result in higher costs.

- Do not be afraid of failure. It is part of the learning process and is a necessary component of innovation.

- Teams empowered to make decisions move the ball forward more quickly and enable leaders to focus on the overall digital strategy.

- Do not lose the human element amidst increased digital capabilities, traditional service delivery is still necessary to provide benefits to a broader range of customers and end users.

- Procurement is a complex and challenging process. When procuring technology, it is important that government entities understand what they are buying and ensure it makes sense for what they are trying to solve. Including expertise at the table when the contracts are signed between government and technology providers is one way to ensure that the technology is capable of meeting the identified need.
- It is important to account for the cultural and organizational change management aspects of digital transformation. Creating a culture of continuous, evolutionary transformation doesn’t happen unless teams are supported to change behaviors and get the resources they need throughout the transformation effort.

- Do not spend money on transformation without clearly understanding the problem to be solved and having outcomes defined.

**Conclusion**

Digital transformation can be a nebulous term that means many different things to many people. At its core, digital transformation refers to organizational change that is triggered and shaped by the widespread diffusion of digital technologies. However, one common theme across stakeholder interviews was that digital transformation encompasses automating manual processes and, in the case of the Federal Government, providing citizens a comparable customer experience to what they have in their private lives. While digital transformation may be a broad term, one thing that is clear is that there are tangible, best practices that can be applied to any modernization initiative, regardless of the sector.
Authors and Affiliations

This Digital Transformation case study was written by a consortium of government, nonprofit, and industry. The organizational affiliations of these contributors are included for information purposes only. The views expressed in this document do not necessarily represent the official views of the individuals and organizations that participated in its development.

Government Sponsor: Flip Anderson, USDA

Authors and Contributors
Lakisha Belizaire, Beyond20
Jeannette Bruno, General Services Administration
David Crouch, Beyond20
Erika Flora, Beyond20, Project Co-Lead
Sandra Hall, General Services Administration
Stu Hammer, Perspecta
Alison O’Mara, General Services Administration, Project Co-Lead
Daniel W. York, General Services Administration

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- City of Philadelphia
- Greater Portland Council of Governments
- State of New South Wales Department of Health (Australia)

Nonprofit Organizations:
- Dallas Innovation Alliance
- NatureServe
- Future Works Alliance Philadelphia
- Partnership for Inclusive Innovation
Digital Transformation: Best Practices and Lessons Learned

- National Council on Aging
- Citizens Advice UK

Industry
- Google
- KPMG
- Federal Reserve Bank
- Goodroads Inc
References

AXELOS ITIL 4 publication on “Digital and IT Strategy” (2020).
