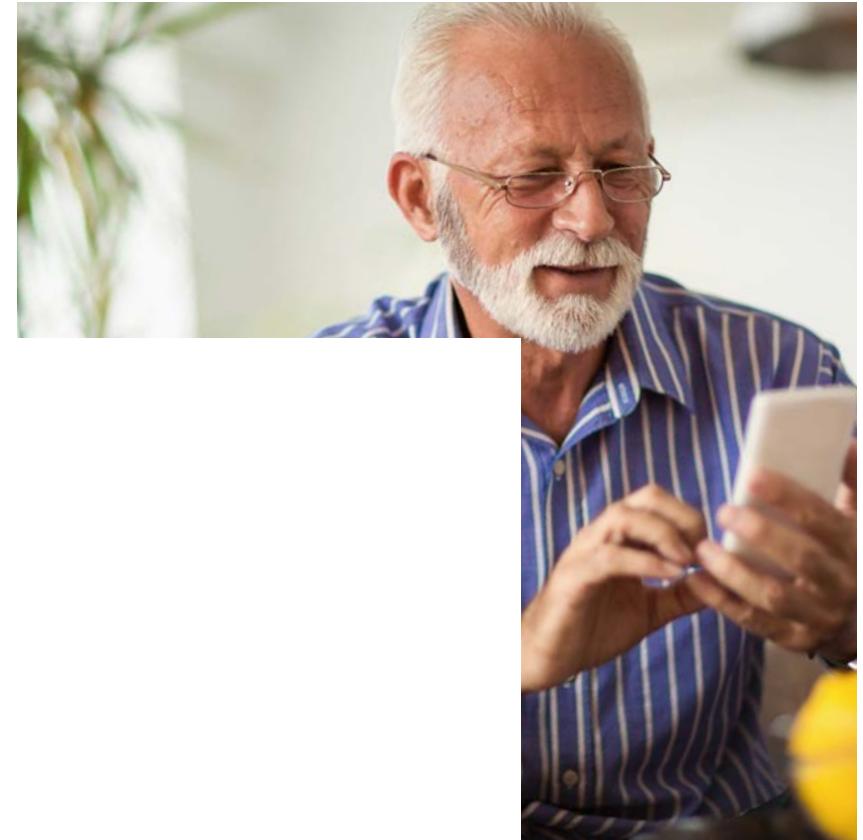# State, provincial & local government

Ever-rising citizen digital expectations, the pace of change, and protecting through cybersecurity are ongoing challenges facing state, provincial and local government executives. As a result, they continue to prioritize optimizing operations and modernizing systems.

Read on for more insights into executives' top trends and priorities, along with recommendations for key actions they can take now to improve the citizen experience, accelerate digital results and strengthen their cybersecurity and cyberprivacy postures.

CGI

Sharp focus on citizen service continues

As state, provincial and local governments continue to manage pandemic impacts and new ways of working, they also must consider macro trends, ranging from regulatory and sovereignty issues, to climate change action, to aging populations and talent shortages. At the same time, ever-rising citizen digital expectations and the volatility of change make it difficult to get ahead of the curve.

This year's CGI Voice of Our Clients insights reflect these challenges.

Executives' business and IT priorities once again focus on digitizing to meet citizen expectations, and optimizing operations and modernizing systems to enable greater innovation and agility. Executives also elevate the need for cybersecurity as the risk surface expands. Here, improving controls, testing and employee training are key program elements.

Use of public and private cloud solutions is a growing trend as governments continue to adopt PaaS, SaaS and other cloud options. In fact, executives in this sector express higher confidence in achieving application migration to public and hybrid clouds in the next two years than their peers in other industries. Partner ecosystems also expanded through, in some cases, urgent collaborations with technology providers.

Each year, we meet with client executives from around the world to get their views on the trends affecting their organizations and industries. Through the CGI Voice of Our Clients, we analyze these findings to provide actionable insights by industry to benchmark best practices, including the attributes of digital leaders. This report summarizes the trends and priorities from our 2021 Voice of Our Clients discussions with 139 state, provincial and local government executives, along with recommendations for how to continue to accelerate results from digital strategies to meet citizen expectations.

About the insights

In 2021, we met with 1,695 business and IT executives. This summary shares sample insights from 139 state, provincial and local government client executives.

Interview demographics

43% Business leaders		**57%** IT leaders	
62% C-level		**38%** Ops-level	

Over the past 6 years, through the CGI Voice of Our Clients program, we've held 7,470 client discussions, collecting 1 million data points across the industries and geographies we serve. Our anonymized benchmarking data reflects insights from 5,500 client organizations located in countries representing 82% of the world's IT spend across all economic sectors.

Top trends and priorities

Top trends and priorities for state, provincial and local government executives remained largely consistent year-over-year, with a focus on the citizen experience, cybersecurity, operations optimization and IT modernization.

Top trends

1 Becoming digital organizations to meet increasing citizen expectations

2 Protecting through cybersecurity

3 Coping with budget pressure through IT consolidation and process automation

Top business priorities

1 Improve citizen services and experience

2 Optimize today's operations and do better for less
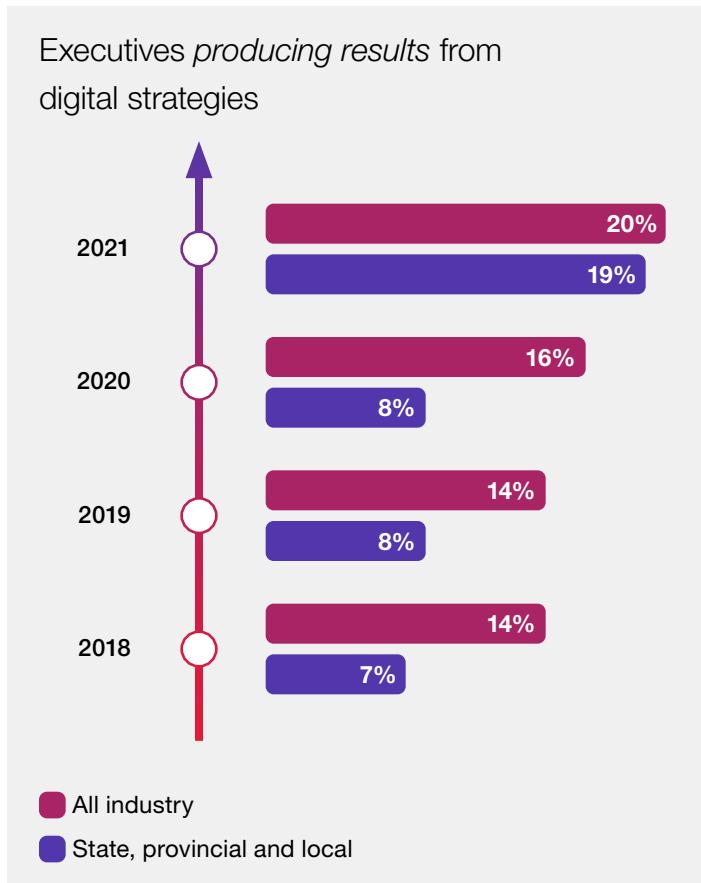
3 Protect the organization as cybersecurity risks mature

Top IT priorities

1 Digitize and automate business processes to deliver better citizen service

2 Drive IT modernization to improve efficiency

3 Protect through cybersecurity

Top insights for state, provincial and local government

In 2021, more executives report that their digital strategies are producing expected results, but challenges remain. Citizen service continues to dominate their top trends and priorities.

Executives *producing results* from digital strategies

Year	All industry	State, provincial and local
2021	20%	19%
2020	16%	8%
2019	14%	8%
2018	14%	7%

● All industry
● State, provincial and local

1 **Results from digital strategies rise.**

84% have a digital strategy in place, but only 19% are seeing expected results. However, this is more than twice the 8% reporting such results in 2020, and now approaches the all-industry average of 20%.

2 **Priorities align around citizen service.**

The top industry trend, business priority and IT priority all share the same focus— improving citizen service.

3 **Culture and legacy systems are key constraints.**

Executives cite organizational culture and ability to transform as the top constraint to achieving their business priorities. 36% say legacy systems pose a significant* challenge to implementing their digital strategies.

*8-10 on a scale of 1-10 where 10 is high

4 **Cybersecurity grows as a priority.**

Protecting through cybersecurity rises as a business priority, growing in mentions from 84% in 2019, to 88% in 2020, to 93% this year. Testing response capabilities and training employees are the top-cited cybersecurity program elements.

5 **Partner ecosystems expand.**

More executives cite developing their ecosystems through greater collaboration with technology companies for platforms and services (56% vs. 39%, year-over-year).

6 **Focus sharpens on data and analytics.**

Harnessing data analytics is a top business and IT priority, while exploiting data and predictive analytics remains a top area of innovation investment planned in the next three years.

7 **Application modernization and cloud migration progress.**

53% plan to modernize at least 21% of applications in the next 2 years, while 53% plan to migrate more than 20% of applications to the cloud. This sector expresses greater confidence in achieving application migration to the public and hybrid cloud compared to the all-industry average.

8 **More than half rely on managed IT services.**

53% say their organization relies on substantial or full managed services for IT applications. This is more prevalent in Europe (62%) than North America (46%).

**9** **Sector lags others in advanced automation.**

Compared to the all-industry average, executives indicate lower maturity when it comes to implementing robotic process automation, enhanced process automation, algorithmic automation and AI-driven automation.
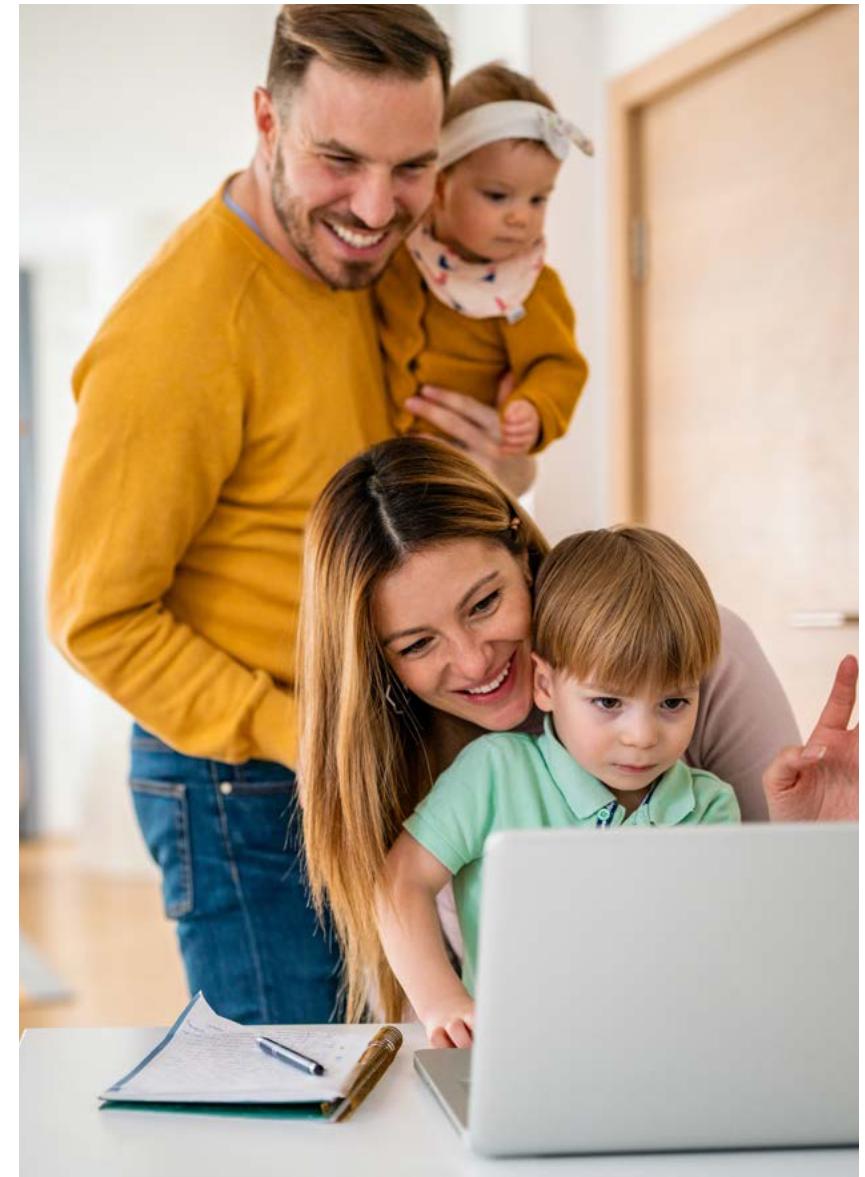
Digital leaders in state, provincial and local government

Among state, provincial and local government executives, 19% indicate they are producing expected results from digitization strategies. Among these digital leaders, some common attributes emerge. This table compares responses to questions from the digital leaders to responses from executives whose organizations are still building or launching digital strategies.

Common attributes of digital leaders	Executives producing results from digital strategies	Executives building or launching digital strategies
Are more sensitive to data privacy laws and regulations	**94%**	78%
Use managed services and partners more (for infrastructure services)	**89%**	66%
Modernize their application portfolios	**63%**	54%
Migrate more applications to the cloud	**44%**	27%
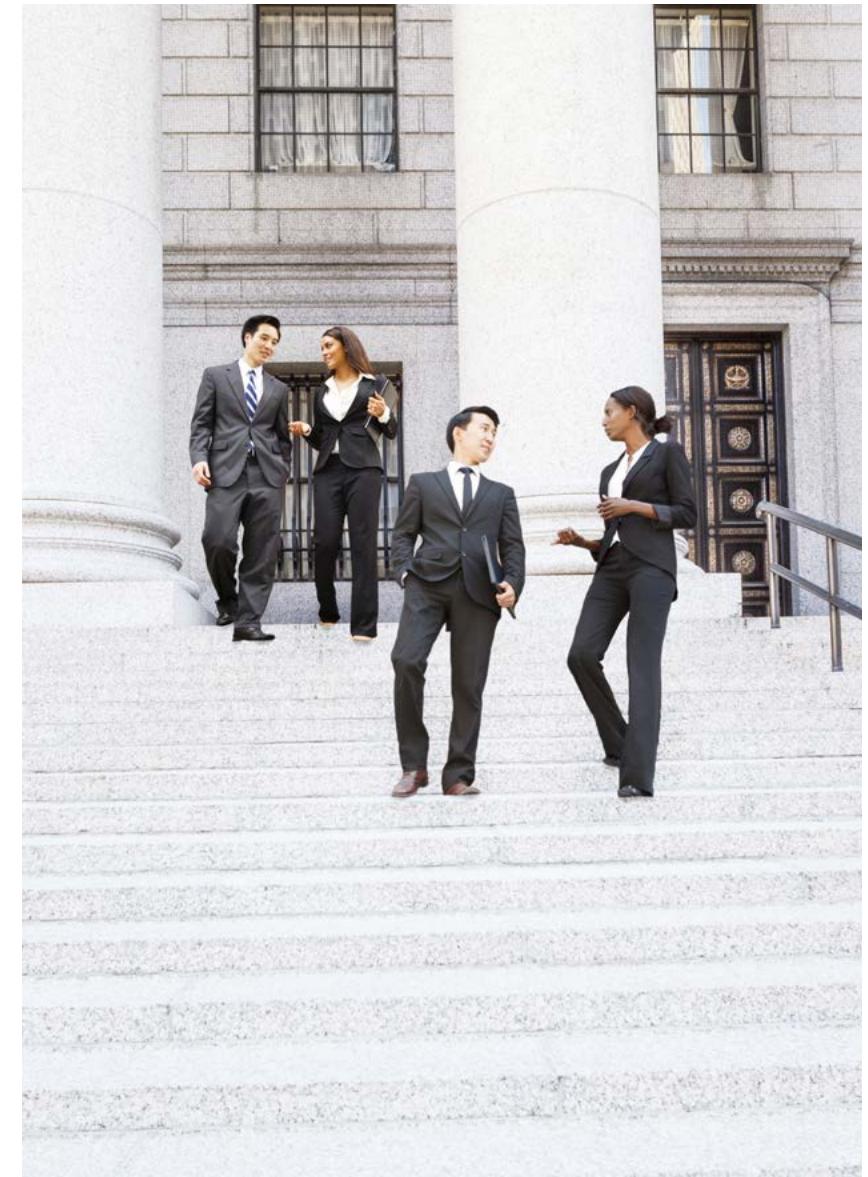
5 recommendations for achieving your top priorities

(1) **Improve citizen experiences through better employee experiences.** With improving the citizen experience and optimizing operations the top business priorities this year, human-centered design has a big part to play on both fronts. The easier your systems are to use, the more efficient you become, and the better the experience you deliver for both citizens and employees. Human-centered design is just as important for employees as it is for customers because a strong citizen experience is enabled by a well-designed employee experience. When seeking to modernize applications—whether citizen-facing or administrative—government executives should ensure human-centric user experiences are intrinsic requirements.

(2) **Take an end-to-end view of cybersecurity and data privacy.**
Protecting through cybersecurity rises as a business priority this year. As security and data protection programs mature, governments must move from perimeter defense to adopt end-to-end strategies that cover their people, processes and technology environment—from integrating security and privacy into the software development lifecycle, to testing and retesting controls in production and running phishing simulations. This end-to-end defense requires domain expertise and modern tooling. It also demands that all employees understand their roles. No matter how stringent a policy or system protection is, one individual can intentionally or unintentionally create exposure.

Cases in point:

Delivering successful London elections with the Greater London Authority (GLA). Over 2.5 million people from 32 London Boroughs and the City of London cast their votes in the local and mayoral elections in May 2021. Behind the scenes, CGI teams were ready at three count centers across London to manage the electronic count of the votes in one of the most complex local election landscapes in the United Kingdom in partnership with Smartmatic. Among key benefits were a more accurate vote counting solution, increased transparency and integrity, highly secure election data and rigorous cybersecurity measures.

(+) [Read more]

Improving election security for a U.S. state government.
A U.S. state election agency sought to embed security throughout its software development life cycle while increasing deployment consistency and speed. After assessing the agency's processes based on NIST standards, CGI worked with the client to implement new policies, procedures and tools. The result: established a security program focused on continuous improvement, eliminated all critical defects from software and shortened deployment times by 85%.

(3) Accelerate digital services using new platforms more broadly. Driven by pandemic necessity, many governments have adopted low-code and other platforms to rapidly stand up public services, such as digital portals for COVID track and trace, notification, vaccination status and more. With this year's top IT priority to digitize and automate business processes to deliver better citizen service, governments can optimize these new platforms to build on benefits achieved such as rapid deployment and business agility, often at lower cost and with built-in security. This requires a broader understanding of what these platforms can do (portal, data repository, etc.) and expanded thinking about new opportunities to digitize services. The digital leaders in this sector modernize more of their application portfolios and migrate more applications to the cloud.

Case in point:

Enabling rapid delivery of COVID-19 vaccines to nearly 1 million people. Multiple public health agencies and other organizations partnered with CGI to launch a comprehensive, cloud-based solution using the Salesforce platform designed to expedite distribution and administration of approved COVID-19 vaccines for residents of several jurisdictions.

(4) Leverage expanded partner ecosystems. Executives this year cite greater collaboration with technology companies for platforms and services. Pandemic needs drove formation of many such partnerships to launch new services quickly and effectively. The digital leaders in this sector are better at leveraging their ecosystem of partners not only for technology, but also to help design new operating models, augment teams with flexible resources, or bring prebuilt accelerators and best practice. Such partners bring speed and expertise that is virtually impossible to replicate in-house.

(5) Operationalize rapid process improvements. Governments had to move quickly, collaborating online and innovating to solve unprecedented problems, achieving record implementation times to meet citizen needs. Now is the time to reflect on lessons learned from rapid deployments and to operationalize those streamlined processes into more routine operations. Having experienced the benefits of business agility, digital leaders are now focusing on sustaining progress and becoming more resilient. This requires leadership and resources to fuel and maintain the change, a safe space for ongoing transformation, and development of capabilities needed to survive and thrive.

(+) Read blog: 5 lessons learned for driving digital government adoption

About CGI

Insights you can act on

Founded in 1976, CGI is among the largest IT and business consulting services firms in the world.

We are insights-driven and outcomes-based to help accelerate returns on your investments. Across 21 industry sectors in 400 locations worldwide, our 78,000 professionals provide comprehensive, scalable and sustainable IT and business consulting services that are informed globally and delivered locally.

For a complete set of the CGI Voice of Our Clients industry insights, and to consult with one of our experts, please visit cgi.com/voice-of-our-clients or contact us at info@cgi.com.