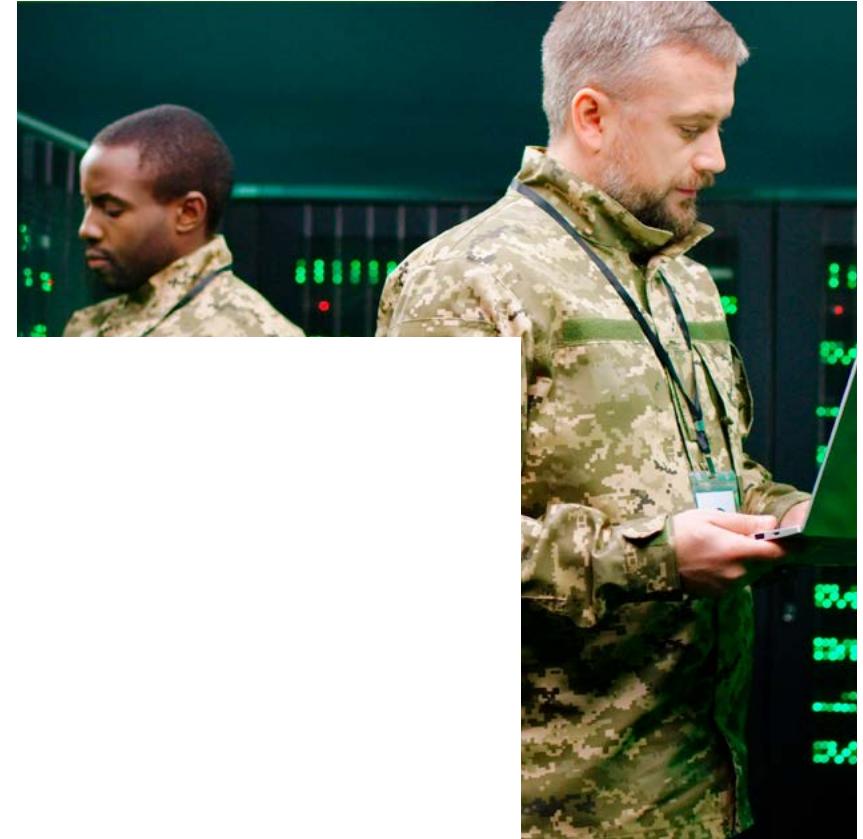


Defense and intelligence

The digital strategies of defense and intelligence agencies are maturing, with 60% now in the “operational” or “producing results” stages. However, with this maturation progress, along with the impact of the pandemic, the percentage of digital strategies “launching” this year declines (31% in 2021 versus 42% in 2020).

These are just some of the insights shared by defense and intelligence executives this year. Read on for more insights into their top trends and priorities, along with recommendations for key actions they can take now to accelerate their digital journeys.



Accelerating digital to meet citizen expectations

As citizen pressure on digital strategies significantly increases (from 72% last year to 89% in 2021), defense and intelligence executives cite becoming digital to meet citizen expectations as a top trend and business priority this year. Further, in response to this pressure, the percentage of executives with an enterprise-wide digital strategy increases to 37%, up from 19% in 2020.

Cybersecurity also dominates in 2021, remaining the top trend and business priority, year over year. It also rises in importance to become the top IT priority, displacing IT modernization, data consolidation and cloud solutions.

However, executives are continuing to invest in modernization as they accelerate their digitization. IT modernization is the second top trend this year, as well as the second top IT priority.

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 CGI Voice of Our Clients discussions with 65 defense and intelligence executives, along with recommendations for executives to accelerate their digital journeys.

About the insights

In 2021, we met with 1,695 business and IT executives. This summary shares sample insights from 65 defense and intelligence client executives.

Interview demographics

65% Business leaders	35% IT leaders
52% Senior-level	48% 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 68% of the world's IT spend across all economic sectors.

Top trends and priorities

Protecting through cybersecurity not only remains the dominant trend and business priority year over year, but also rises to become the top IT priority in 2021.

Top trends

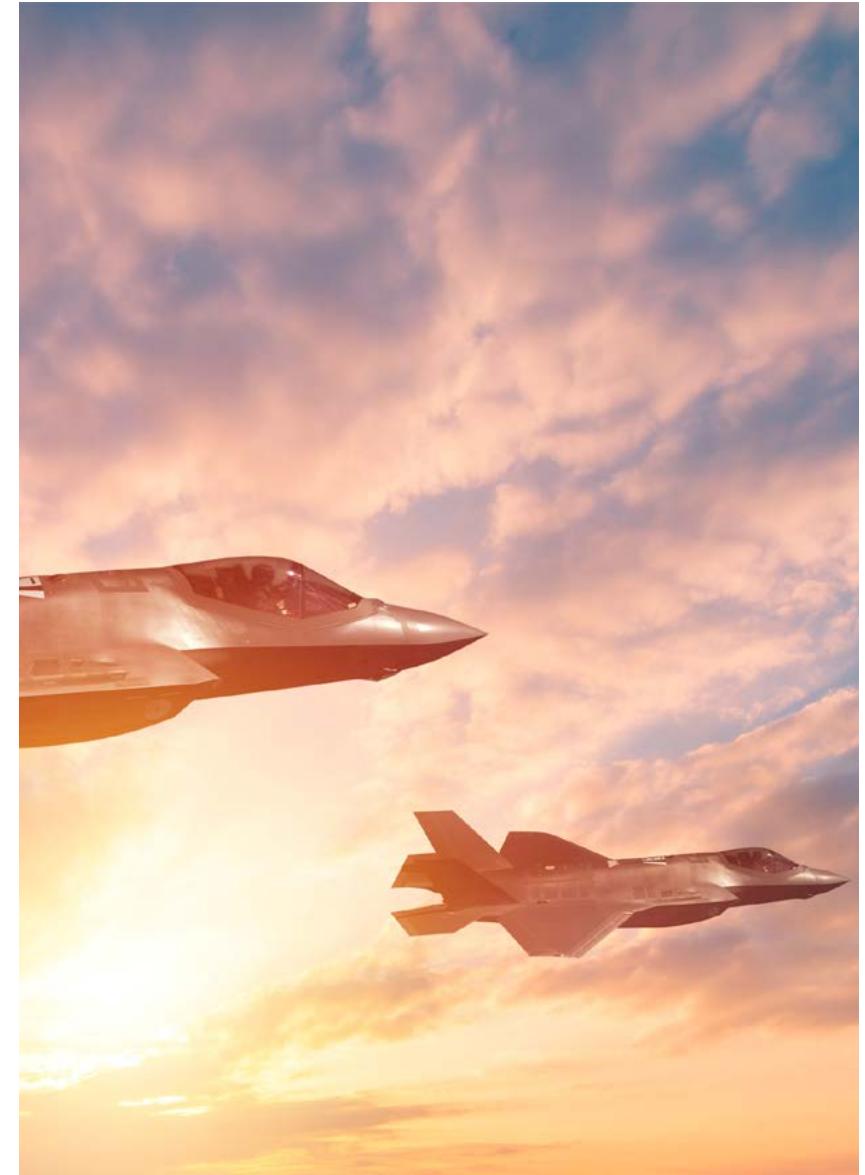
- 1 Protecting through cybersecurity
- 2 IT modernization and cloud solutions
- 3 Becoming digital organizations to meet customer/citizen expectations

Top business priorities

- 1 Protect military organizations and operations (cybersecurity)
- 2 Drive military operations
- 3 Invest in data analytics and big data

Top IT priorities

- 1 Cybersecurity
- 2 IT modernization, data center consolidation, cloud solutions
- 3 Data analytics and business intelligence



Top 10 insights for defense and intelligence

1 **Citizen pressure on digital strategies dramatically increases year over year.**

In just one year, citizen pressure on digital strategies increases to 89%, compared to 72% last year. In line with this pressure, government officials cite becoming digital to meet citizen expectations as a top third trend and a fourth top business priority.

2 **Significantly more executives adopt enterprise-wide digital strategies.**

This year, the percentage of executives with an enterprise-wide digital strategy increases to 37%. While 51% say their legacy systems pose a significant challenge to the successful implementation of their digital strategies, 34% believe they are more advanced than their competitors in leveraging digitization.

3 **While achieving results from digital strategies declines, more strategies are operational.**

The percentage of executives producing results from their digital strategies declines from 14% to 8%, year over year. However, those with strategies in the operational phase significantly increases from 5% in 2020 to 29% this year.

4 **Most executives say digitization is impacting their business models.**

89% of executives cite the impact of digitization on their business models, up from 77% last year. Further, in light of this impact, 50% of executives expect a strong impact on their organization's business model evolution (56% on the IT side and 47% on the business side).

5 **Digital employee tools and mobile self-service show the most growth among top digital initiatives.**

As executives progress on their digital journeys, an increasing number are focused on digital employee tools and mobile self-service capabilities. Among the top digital initiatives cited by executives this year, these two initiatives show the most growth, increasing by 17 and 9 percentage points, respectively.

6 **More than half of executives indicate flat or increasing budgets.**

59% of executives indicate a flat or increasing budget this year, compared to just 34% in 2020. The percentage of those increasing their budgets increased by 16%, year over year, and the average increase is 7%. Only 3% are decreasing budgets.

Top 10 insights for defense and intelligence

7 **Cybersecurity tops the list of trends and priorities for 2021.**

Protecting through cybersecurity remains the top trend and business priority for 2021. Further, cybersecurity rises in importance to become the top IT priority, displacing IT modernization, data consolidation and cloud solutions.

8 **IT modernization remains dominant as executives accelerate their digitization.**

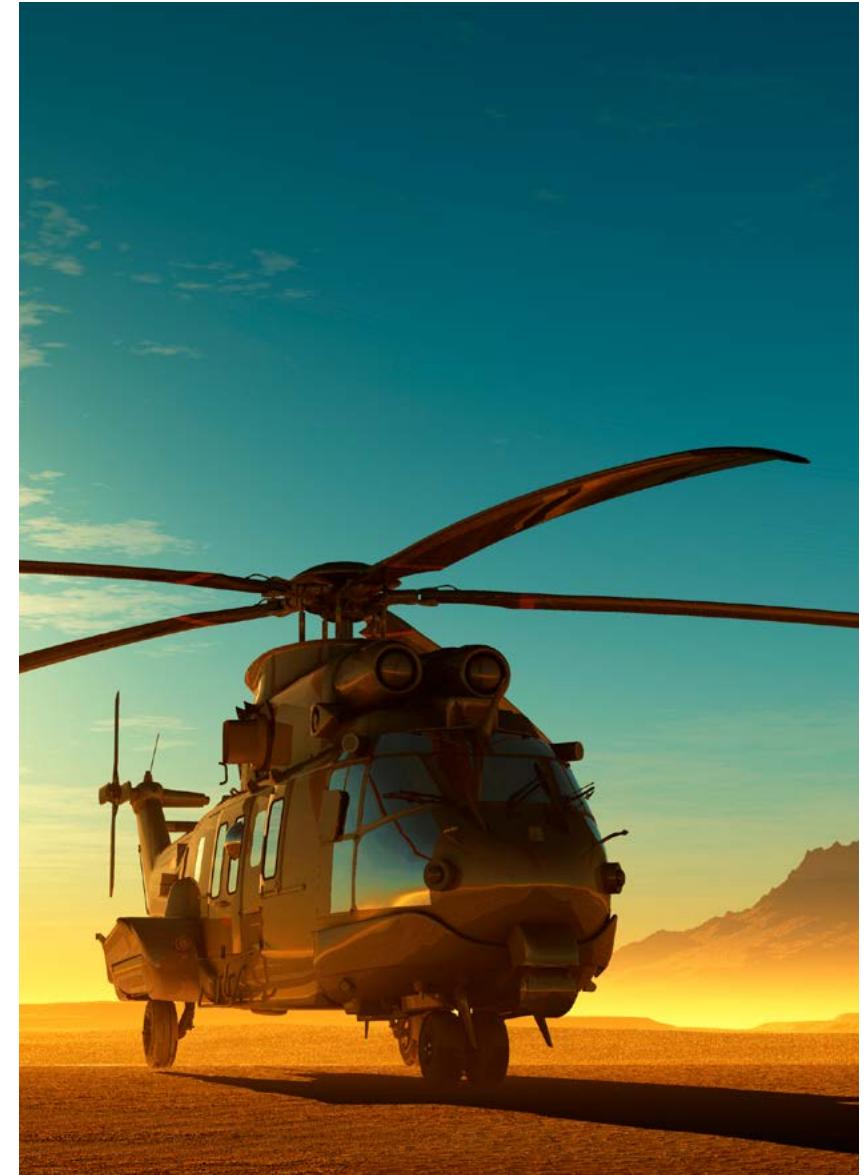
Although cybersecurity displaces IT modernization as the top IT priority this year, executives continue to focus on modernization as they accelerate their digitization. IT modernization is cited as the second top trend this year and the second top IT priority.

9 **Cybersecurity, data and modernization top the list of IT spending trends.**

In line with this year's top trends and priorities, cybersecurity (91%), data analytics (85%) and modernization (83%) top the list of IT spending trends in 2021. In terms of optimization trends, application modernization (56%), cloud migration (49%) and managed application services (40%) dominate.

10 **Very few government officials say their IT supply chain is highly agile.**

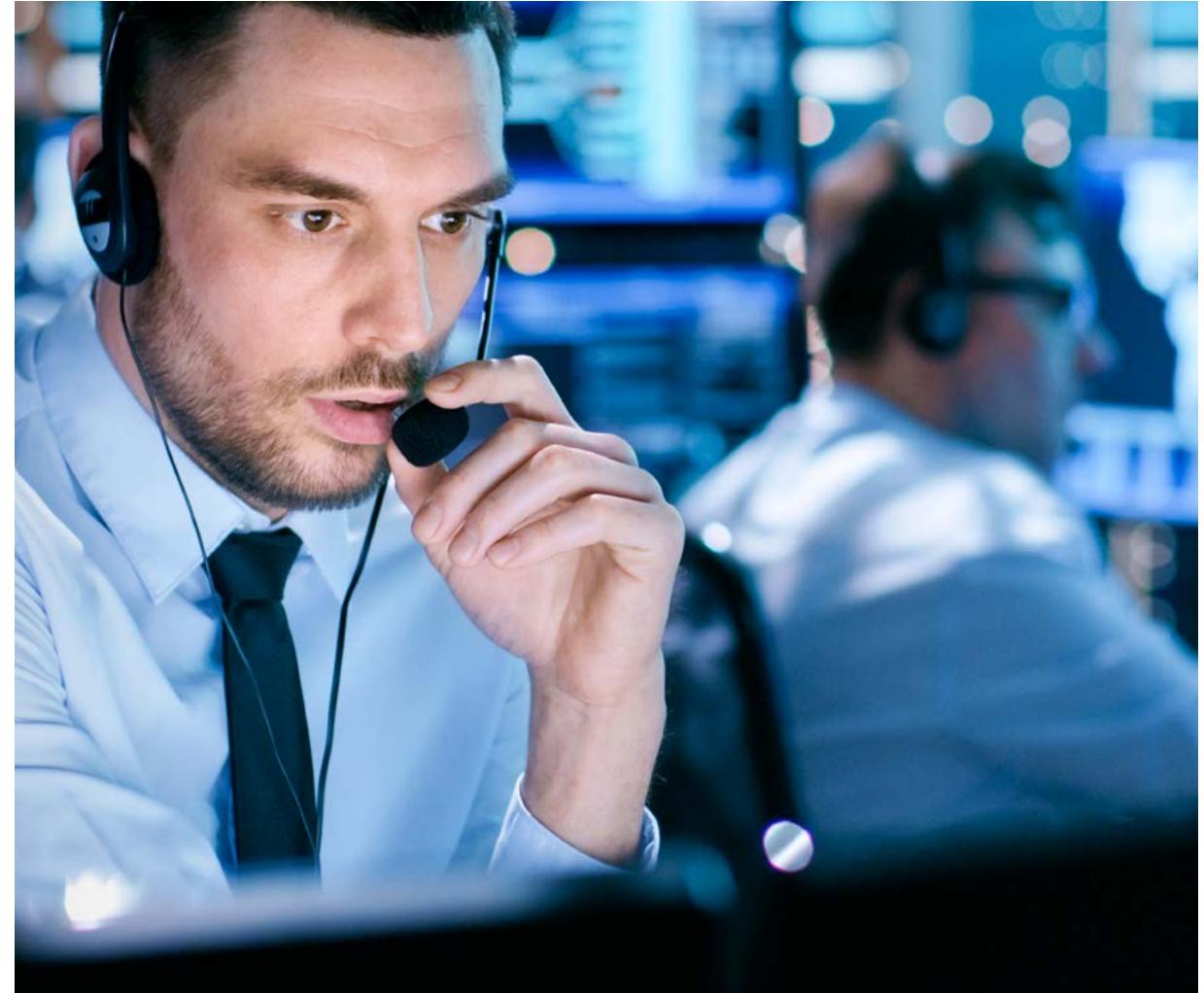
Only 9% of executives rate their IT supply chains as highly agile. Further, 38% of executives say the complexity of their IT supply chain poses a high degree of challenge to the implementation of their IT priorities (rating of 8 or above on a scale of 1 to 10).



Digital leaders in defense and intelligence

This year, 89% of executives cite the impact of digitization on their business models, up from 77% from last year. Because of this impact, 50% of executives expect a strong impact on their business model evolution, and the percentage of executives with an enterprise-wide digital strategy increases to 37%.

Among the 8% of executives who are producing results from their digital strategies, the digital leaders, 67% feel strongly that environmental sustainability is core to creating value for citizens (compared to 24% of those who are building or launching digital strategies). Further, 67% are better at aligning business and IT priorities (versus 33% of those in the building or launching stages).



5 recommendations for achieving your top priorities

1

Continue to invest in digitization with a clear vision of its transformative power.

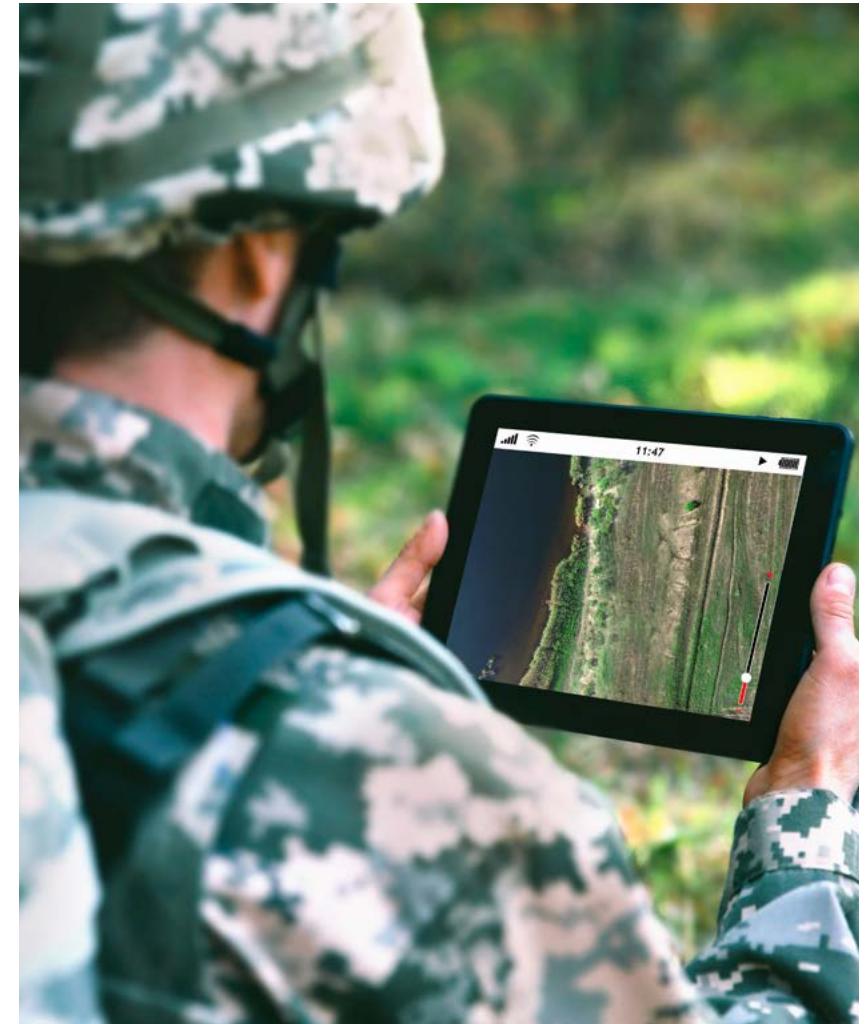
Within the defense and intelligence sector, leading decision-makers understand digitization is not only something that they should do, but something that will empower them in specific transformative ways to better meet citizen expectations and improve the citizen experience. For example, through digitization, they can more effectively collect data, derive value from data, and make data-driven decisions that achieve better, faster outcomes for their organizations. The military acronym OODA is applicable here—observe, orient, decide and act. Digital technologies, such as data analytics, empower executives to better observe, orient, design and act through automated processes that deliver data at their fingertips, flesh out valuable insights, and drive faster decision-making.

Case in point:

CGI and the UK National Crime Agency partner to deliver an intelligent automation solution

CGI deployed an intelligent automation solution for the UK National Crime Agency's International Crime Bureau to accelerate the consistent and accurate processing, management and sharing of intelligence, which enabled the UKICB to redefine processes to make them work better for automation.

[+ Read more](#)



5 recommendations for achieving your top priorities

2

Ensure your data is protected. As digitization and the use of data increase, protecting data becomes even more critical. Data must be accurate and show no signs of manipulation. Further, systems supporting the data must function well and without any compromise. Cyber-attacks today threaten both logistical supply chains and decision-making processes. If successful, they can paralyze a government agency. Now, more than ever, there is a need for state-of-the-art security delivered through secure operations centers and backed by experts who can advise on how to connect an enterprise (and how not to connect it) to prevent security vulnerabilities. In what can be viewed as a paradox, the pandemic forced new ways of collaborating, communicating and sharing data — all while government employees worked from different locations — and actually increased security awareness and adherence to security procedures.

Case in point:

CGI awarded 5-year, \$100 million data transformation task order at the Defense Intelligence Agency

CGI was awarded a \$100M Defense Intelligence Agency (DIA) Data Transformation of Foundational Military Intelligence (DTMI) task order to evolve the way DIA processes its intelligence, military and infrastructure data. Providing analysts with optimized data to evaluate, document and integrate the agency's Foundational Military Intelligence (FMI), DTMI will enable everyone from U.S. warfighters to national security policymakers to make more effective, efficient and proactive decisions in a modernized, scalable technology environment.

[+ Read more](#)



5 recommendations for achieving your top priorities

3

Secure your communications platforms and solutions.

Facing reduced military threats, many countries have downsized their military capabilities over the past 20 years. Civilian government agencies and institutions also have opened up to the advantages of digitization and improved interaction with citizens, promoting self-service solutions and the greater use of data. In addition, defense and intelligence agencies have increasingly realized the benefit of leveraging data across traditional boundaries. However, there must be a balance; what data to make available and what data to keep secured. While the platforms for exchanging information within an agency, between agencies and outside of agencies must be highly secure, the technologies supporting many government communication platforms lag behind advances in digitization. As a result, there is a need to enhance platform architectures, as well as implement intellectual property solutions to support custom and secure communications.

4

Secure your supply chain logistics and integration.

The pandemic has revealed the vulnerability of our industry supply chains. While military supply chains have built-in redundancy and tight security, there remains a need not only for strong security, but also for more comprehensive security. For example, when implementing an information system, the entire process — from adding a microchip to securing the system as a whole — must be scrutinized. The security of every component of every asset and every supplier across the entire supply chain must be ensured. Advanced security services and solutions are needed to achieve this depth and breadth of security.

5

Invest in IT modernization to reduce costs.

IT modernization and cost reduction go hand in hand. Before starting an IT modernization program, the return on investment must be demonstrated. How will the disruptive services and technologies introduced by modernization advance your mission? Building something new always results in the creative disruption of something old. What will be the payoff? Cost reduction is one key ROI metric. While in the private sector, companies manage shareholders' money, in the government sector, agencies manage taxpayers' money. IT modernization in government must produce a gain for the taxpayer/citizen. This requires an IT partner that not only can modernize but also demonstrate the “why” behind modernization, as well as the ROI.

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.

