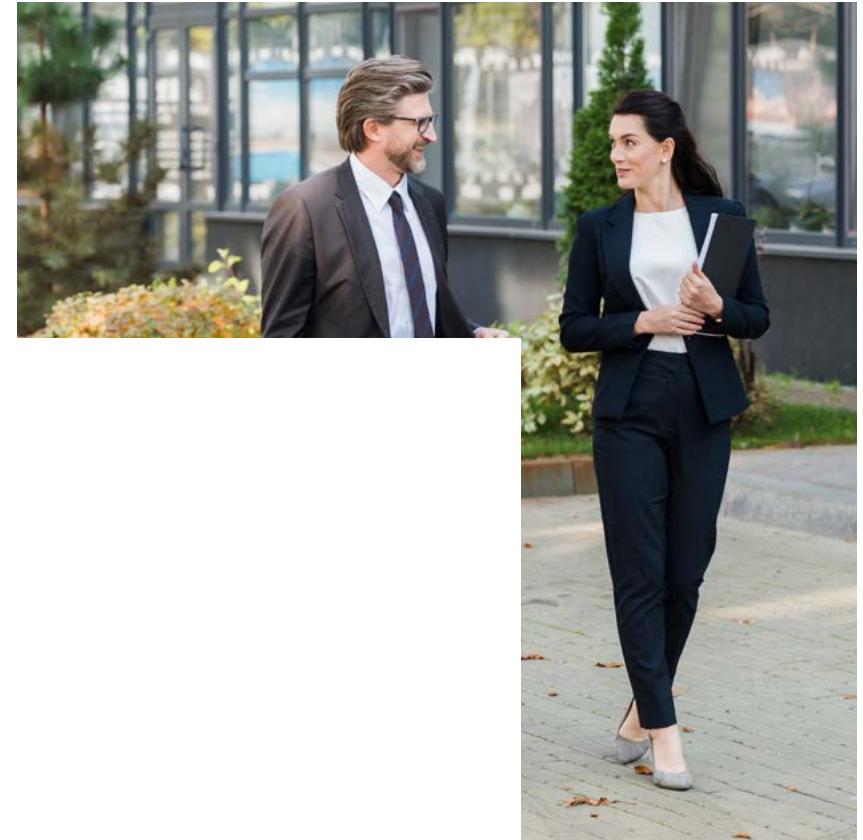


# Top trends to watch in Central & Federal Government

Read on for CGI client insights  
on how to better meet citizens'  
digital expectations

2022 CGI VOICE  
OF OUR CLIENTS



CGI

# Driving digital to improve the end-to-end citizen experience

## Impact of macro trends

Macro trends having the most impact on executives in central and government this year include technology and digital acceleration (68%), changing social demographics (44%), and supply chain reconfiguration (24%).

Rising citizen digital expectations are driving the acceleration of technology and digital, while top social demographic changes include aging populations and talent shortages.

Executives are reconfiguring their supply chains to reduce risks and increase resiliency.

## Top of mind for clients

Over the past two years, the global pandemic and increasing citizen expectations for digital services have pressured central and federal government organizations to accelerate their digitization, modernize their infrastructures and systems, improve the end-to-end citizen experience, and strengthen their cybersecurity and compliance.

Executives are prioritizing these initiatives, while, at the same time, tackling the challenges of monolithic legacy systems, an IT talent shortage, and organizational change management.

Despite these challenges, more executives are producing results from their digital strategies, compared to last year. There also is strong alignment between business and IT in support of those strategies. In addition, IT budgets are less of a constraint in 2022, either increasing or, at least, remaining flat.

## About the insights



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.

In 2022, we met with 1,675 business and IT executives.

**This summary report shares sample insights from 253 central and federal government client executives.**

## Interview demographics

Program leaders 49%  51% IT leaders

C-level 62%  38% Ops-level

Europe 66%  34% North America

# Top trends and priorities

In 2022, improving citizen services and the end-to-end citizen experience through digital transformation is top of mind for executives in central and federal government.

## Key takeaway

IT modernization is key to accelerating digitization, while protecting the organization remains critical as security threats continue to proliferate.

### Top trends

### Top business priorities

### Top IT priorities

1

Becoming digital organizations to meet increasing citizen expectations

Improve citizen services and experiences

Digitize and automate business processes to deliver end-to-end citizen services

2

Protecting through cybersecurity

Modernize systems and infrastructure

Drive IT modernization to improve efficiency

3

Assuring regulatory compliance

Protect the organization as cybersecurity risks mature

Protect through cybersecurity

# Digital progress for Central & Federal Government

The percentage of executives in central and federal government producing results from their digital strategies increased to 21% in 2022, up from 14% last year. On average, 25% of executives among all of our clients' industries are producing results.



# Digital leaders in Central & Federal Government

In examining insights from the 21% of executives in central and federal government who are digital leaders (i.e., producing results from their digital strategies), some common attributes emerge.

The table compares responses to questions from the digital leaders to those from executives whose organizations are still building or launching digital strategies.



# Key findings from our interviews with Central & Federal Government executives

1.

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## **Culture and change management remain a top constraint.**

While rapid digital advances are driving internal organizational change, culture and change management remain a key barrier to digital progress. This year, 68% of executives cite culture and change management as a top constraint.

2.

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## **Fewer view sustainability as core to value creation.**

Compared to 2021, fewer executives view sustainability as highly core to creating value for their stakeholders in the future. Last year, 37% cited it as highly core versus 25% this year. Across the industries we cover, this percentage dropped from 51% to 48%.

3.

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## **Holistic cloud management remains a challenge.**

Although a high percentage of executives are using open standards to facilitate technology and vendor compatibility across their organizations (64%), holistically managing cloud solutions remains a challenge. Only 18% cite a high degree of holistic cloud management.



## 4.

### **Cybersecurity strategies continue to mature.**

This year, 64% of executives have cybersecurity strategies in place for the entire enterprise, and, among these, 24% have strategies that extend to their external ecosystems. Despite this progress, only 32% are experiencing results from their strategies.

## 5.

### **Use of as-a-service offerings is on the rise.**

The number of executives planning to pursue platform-as-a-service, infrastructure-as-a-service, and software-as-a-service offerings is on the rise. Forty-seven percent plan to pursue PaaS and IaaS services over the next 2 years (25% are currently pursuing), while 26% say they will pursue SaaS over the same timeframe (versus 8% currently).

## 6.

### **IT budgets are less of a constraint.**

In 2022, IT budgets are less of a constraint than they have been in the past. Most IT budgets remain flat (27% CapEx; 26% OpEx) or are increasing (24% CapEx; 21% OpEx). The greater constraint this year is the IT talent shortage; 84% of executives cite challenges in attracting and retaining IT talent.



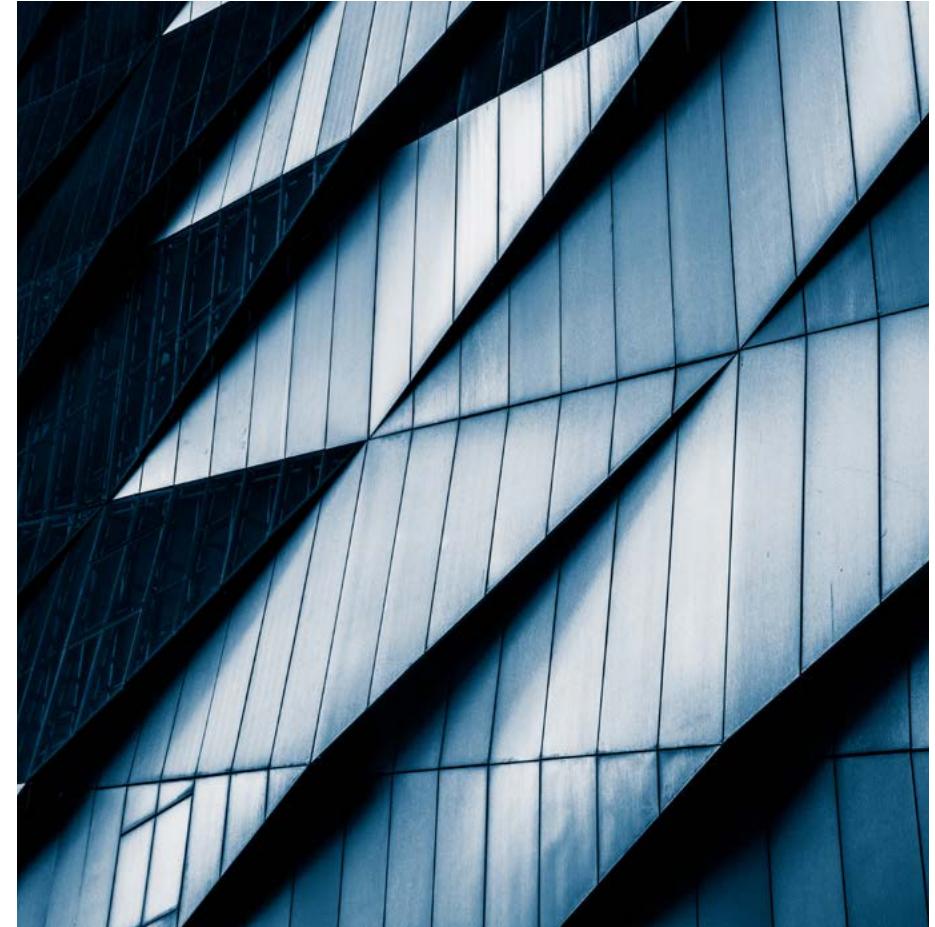
# 5 recommendations for achieving your top priorities

## 1. Manage the IT talent shortage as a core business issue.

Attracting and retaining talent, especially in high demand areas such as security, data, and the cloud, is a top challenge that governments face this year. Across industries, it is increasingly difficult to find professionals who can work with both the latest technologies and legacy systems. Governments must compete with commercial entities for this talent, and, without the right talent, it is difficult for them to achieve their priorities. Managing this shortage as a core business issue is essential and requires upskilling, rethinking work environments and benefits, and accessing talent through IT partnerships.

## 2. Meet evolving citizen expectations through IT modernization.

Today's citizens expect the same access to digital services in government that they receive in the commercial sector, along with a digital customer experience. Modernizing both internal operations and external-facing channels is key to meeting these expectations. On the back end, this includes streamlining and automating business processes, making better use of data, and supporting faster service delivery. On the front end, it involves building citizen-centric portals, embracing multi-channel delivery, and enhancing the citizen experience through personalized, easy-to-access services.



### 3. Build on cybersecurity foundations to deliver results.

Cybersecurity continues to be a top trend and priority for governments, as the number, type and frequency of cyber attacks proliferate. However, while 88% have a cybersecurity strategy in place, only 32% are achieving results. Increased investment in security programs and technologies is critical to addressing this, along with a holistic approach to security management. By building on their existing cybersecurity foundations, governments can generate results and evolve their security posture to keep pace with changing requirements. Partnering with an external security specialist can accelerate this effort.

### 4. Evolve business and operating models to increase agility.

Ongoing pressure to meet citizen digital demands, improve efficiencies, reduce costs, and achieve other strategic objectives is leading governments to reconfigure their business and operating models. Governments are reconfiguring their organizations by transforming existing business processes, restructuring internal departments and teams to drive agility, and investing in culture and change management. To develop a new organizational blueprint, identify structures, processes, decision-making, governance and execution. Such a blueprint will lead to a more modern, streamlined and highly efficient business value chain.



#### Case in point



#### **CGI helps U.S. Department of Veteran Affairs drive IT modernization**

CGI is working in partnership with the U.S. Department of Veteran Affairs to help drive the agency's IT modernization as part of its Financial Management Business Transformation (FMBT) program. For the first two waves of the program, we implemented Momentum, our federal enterprise resource planning solution. Outcomes achieved by the agency to date include improved processes, data analytics, compliance, and data quality.

## 5. Migrate to IaaS, PaaS, and SaaS to reduce internal operational costs and risks.

Responding to citizens' digital demands with agility requires technology that can be quickly changed, scaled or shutdown. Cloud platforms fit the bill, enabling governments to respond faster to citizen demands and changing priorities. They also reduce reliance on IT talent and IT capital investments. To ensure a smooth and cost-effective cloud migration, develop a migration strategy and roadmap, choose best-fit cloud solutions, implement a multi-cloud native and cloud-agnostic platform, and develop a cloud-specific security approach.

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Read more about the 2022 CGI Voice of Our Clients insights:

- > [What digital leaders do to accelerate results](#)
- > [Impacts of macroeconomic trends](#)



### Case in point



#### **CGI builds cloud-based cancer data platform for Institut National du Cancer**

The Institut National du Cancer in France enlisted CGI's help in building and implementing a cancer data platform to help improve the quality of cancer prevention and treatment across France. The platform is the result of more than a decade of work by CGI and other ecosystem stakeholders. We designed the architecture, defined the data governance model, and built the cloud platform.

# 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 outcome-based to help accelerate returns on your IT and business investments. Our insights represent deep knowledge of industry trends and your business and IT priorities.

For the latest [CGI Voice of Our Clients](#) industry insights, and to consult with one of our experts, please [contact us](#).

