



Smart > Lucky:

*Pillars to Fed and SLED
Cloud Success*

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Underwritten by:

DELLTechnologies

 Microsoft

Introduction

Even on St. Paddy's day, it's still better to be smart than lucky. As public sector organizations focus on reducing technical debt and modernization, many are looking to the Federal **Cloud Smart** strategy for a clear path forward to help accelerate cloud adoption.

How are organizations making their own luck when it comes to the strategy's three pillars – **security, workforce, and procurement**? What steps are they taking and where are they hitting roadblocks?

MeriTalk's "**Smart > Lucky**" study surveyed 300 Federal*, state, local, and higher education (SLED) IT decision makers to understand how their organizations are managing cloud risk, preparing the workforce, and rethinking acquisitions to accommodate and accelerate cloud.

Definitions

Cloud Computing: A model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources that can be rapidly provisioned and released with minimal management effort or service provider interaction. This may be on or off premises

Hybrid Cloud: A computing environment that utilizes **the same core technology on and off premises** to allow data and applications to be shared between the two clouds without requiring VM conversion

*Includes respondents working Outside of the Contiguous United States (OCONUS)

What is Cloud Smart?

The 2019 Federal Cloud Computing Strategy – **Cloud Smart** – is a long-term, high-level strategy to drive cloud adoption and, ultimately, modernize Federal agencies. It's about equipping teams with the tools, knowledge, and flexibility they need to move to cloud according to their mission needs.*

The strategy focuses on three pillars:*



Security

Modernizing policies to focus on risk-based decision-making, automation, and moving protections closer to data



Workforce

Upskilling, retraining, and recruiting key talent for cybersecurity, acquisition, and cloud engineering



Procurement

Improving agencies' abilities to purchase cloud solutions through repeatable practices and sharing knowledge

While designed for **Federal** agencies, the strategy offers an actionable path forward for **state**, **local**, and **higher education** organizations as well.

*Source: <https://cloud.cio.gov/>

Executive Summary

- Cloud Smart is accelerating public sector cloud adoption:
 - **71%** of Fed and **57%** of SLED IT managers say the new Federal **Cloud Smart** policy is helping their organizations increase the pace of cloud adoption – this includes on-prem and off-prem cloud
 - That's good, because **75%** of public sector IT managers believe they should be moving to cloud more aggressively, and **77%** believe a hybrid IT model is the most effective approach for public sector organizations
- But organizations recognize they still have hurdles to overcome regarding the policy's three pillars:
 - Despite feeling most prepared in terms of security, just **43%** know who is responsible for each cloud security measure
 - **62%** say their workforce is not ready to take full advantage of cloud
 - **73%** want more guidance on how to efficiently and effectively procure cloud solutions
- Those leading the way aren't just lucky – they're implementing the policy's advice:
 - Self-described "advanced" cloud organizations* are significantly more likely to have prepared for cloud by implementing modern Identity, Credential, and Access Management (**ICAM**), establishing **talent development** programs, and developing cloud procurement **guidance**

*Those who say they're aggressively moving to the cloud, including mission-critical applications

Better to Be Smart

- **75%** want to move to cloud more aggressively – and Cloud Smart is helping



42% have moved
mission-critical apps to
the cloud



75% believe they
should be moving to cloud
more aggressively

Cloud Smart is helping –

- **71%** of Fed and **57%** of SLED orgs say Cloud Smart is increasing their pace of adoption
- Those **very familiar** with Cloud Smart are more likely to have moved mission-critical apps

Takeaway: Smart Strategy Boosts Adoption

Public Sector Impact

- **82%** of Fed and **69%** of SLED IT managers say Cloud Smart will be integral to their organization's cloud success

What impact is Cloud Smart having so far?*

- #1**  Increasing flexibility in IT procurement decisions (38%)
- #2**  Improving IT service delivery (36%)
- #3**  Spreading cloud education efforts and best practices (32%)
- #3**  Standardizing cloud protocols across government organizations (32%)

54% of OCONUS Feds say Cloud Smart has increased flexibility in IT procurement decisions

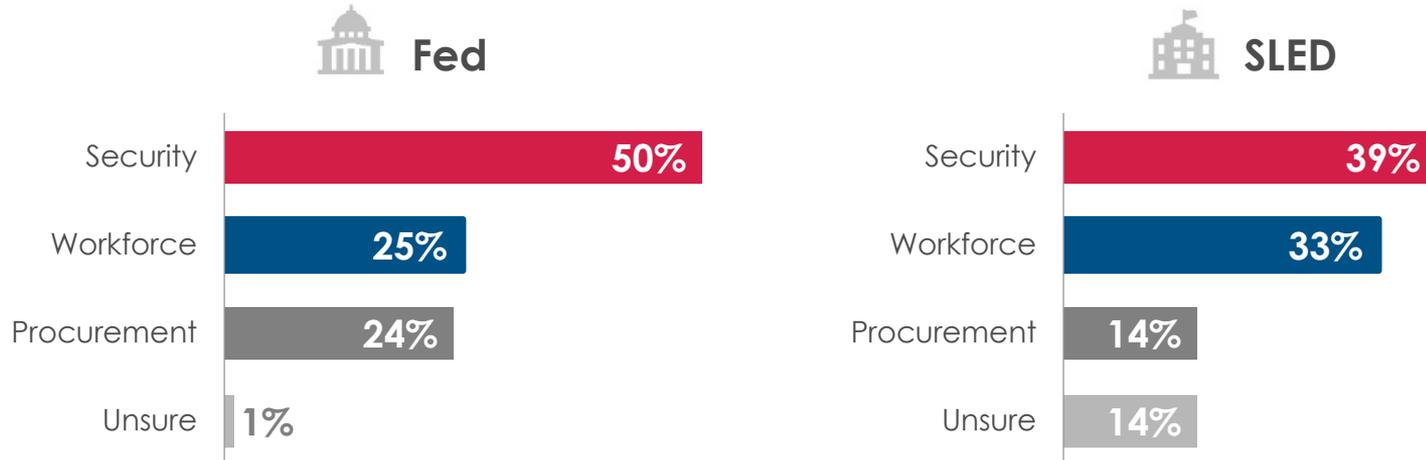
Takeaway: Measurable Progress

*Respondents asked to select all that apply

Pillars to Success

- When it comes to the policy's three pillars, Fed and SLED organizations agree their **security** is the most prepared for cloud

Where are you **most prepared** for cloud?



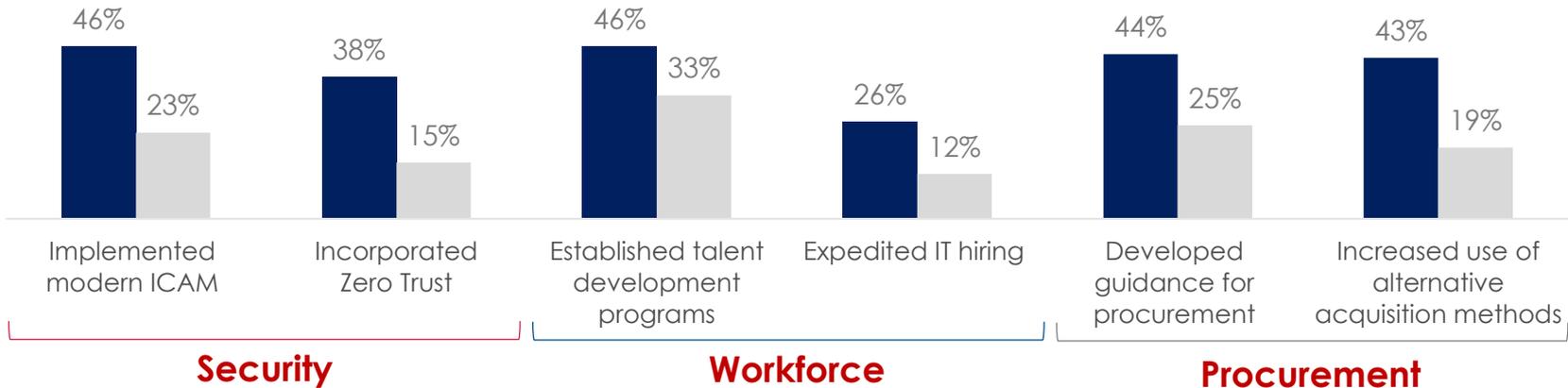
Takeaway: All Eyes on Security

Organizations with the Smarts

- Self-described “advanced” cloud organizations* are significantly more likely to follow Cloud Smart's recommendations – implementing Identity, Credential, and Asset Management (ICAM), talent programs, and procurement guidance

Steps taken to accommodate or accelerate cloud:**

■ Advanced cloud organizations* ■ Intermediate or novice organizations



Takeaway: Apply Policy Principles to Advance

*Those who say they're aggressively moving to the cloud, including mission-critical applications; **Respondents asked to select all that apply

The Hybrid Reality

- Fed and SLED IT managers agree **one cloud does not fit all** – the future is hybrid. But, the majority are missing key steps to manage risk in hybrid environments

77% of Fed and SLED IT managers believe a **hybrid IT model** is the most effective approach for public sector organizations



Still:*

- 67%** Are *not* performing continual risk prevention assessments across all environments
- 66%** Are *not* improving consistency between on-premise and off-premise cloud security
- 64%** Are *not* implementing data redundancy across multiple cloud providers or data centers
- 63%** Are *not* maintaining in-house data storage for sensitive data

Takeaway: Hybrid is Smart

*Respondents asked to select all that apply

Making Your Own Luck – Cloud Security

- When it comes to cloud security, less than half of public sector IT managers report taking fundamental steps to secure their data



Security steps taken to accommodate or accelerate cloud:*

- #1 Improved data encryption (43%)
- #2 Improved continuous monitoring capabilities (39%)
- #3 Transitioned to a multi-layer defense strategy (38%)
- #4 Increased collaboration with cyber partners (33%)
- #5 Implemented modern Identity, Credential, and Access Management (ICAM) (32%)

Takeaway: Foundational Measures + Shared Understanding Essential

*Respondents asked to select all that apply

Making Your Own Luck – Workforce

- Public sector organizations are starting to provide cloud training, but more work is needed to support cloud progress

Two-thirds

say their organization's IT workforce is **not ready** to take full advantage of cloud computing



Fed
68%



SLED
55%

Why? Less than half are taking key steps to prepare their workforce:*

- #1 Provided cloud education for IT workforce (41%)
- #2 Established a development program for emerging IT cloud talent (38%)
- #3 Conducted an IT skills gap analysis (33%)
- #4 Provided cloud education for non-IT workforce (32%)
- #5 Removed bureaucratic barriers to expedite IT hiring (18%)

Takeaway: Double Down on Training and Development

*Respondents asked to select all that apply

Making Your Own Luck – Procurement

- Most public sector procurement teams are still in the dark when it comes to cloud

Nearly **three-fourths** say they need **further guidance** on how to efficiently and effectively procure cloud solutions



Fed
76%



SLED
71%

Procurement steps taken to accommodate or accelerate cloud:*

- #1 Developed guidance for cloud procurement (33%)
- #2 Standardized cloud contract SLAs (32%)
- #3 Trained procurement/legal on cloud contracting (31%)
- #3 Reviewed business process dependencies to avoid vendor lock-in (31%)
- #5 Increased use of alternative acquisition methods like Other Transaction Authorities (OTAs) (29%)

Takeaway: Focus on Procurement for Long-term Prosperity

*Respondents asked to select all that apply

More Direction Needed

- Despite strong enthusiasm for Cloud Smart, more than **two-thirds** (69%) say they face remaining barriers not addressed in the current policy

Feds: What additional pillar would you like to see included in future cloud policy?*

32% Data management

24% Cloud for AI/ML

21% Citizen service

19% Shared services

50% of OCONUS
Feds agree they need
more **formal guidance**
within Cloud Smart

85% of SLED IT
managers believe a
state/local FedRAMP
program would be helpful

Takeaway: Raise Data IQ to Make Cloud Even Smarter

*Remaining 4% are unsure

Igniting Change

- Fed and SLED IT managers agree sharing best practices and actively discussing cloud benefits will help move cloud forward

How can your organization cultivate change?*

 **#1**
Improve communication
around cloud

 **#2**
Share best practices across
public sector

 **#3**
Promote cloud initiatives from
senior leadership

 **#4**
Engage end users throughout
cloud implementations

 **#5**
Prioritize an environment of
experimentation

62% of OCONUS Feds say they need improved communication around cloud benefits and strategy

Takeaway: Focus on Teamwork, Communication

*Respondents asked to select all that apply

Lucky Advice

- To further advance cloud, Fed and SLED IT managers recommend early adoption, sharing/adhering to best practices, and leveraging cloud for next-generation technologies

What would you recommend to IT leaders working to expand cloud adoption?



“**Early adoption** saves on trying to migrate later and reduces costs associated with IT that is incapable or archaic” – **Federal OCONUS IT Director**



“[Follow] **NIST** (National Institute of Standards and Technology) security standards” – **State/Local IT Specialist**



“Establish **statewide centers of excellence** with lessons learned, roadmaps, and guidance” – **State/Local IT Manager**



“[Leverage] cloud for **artificial intelligence** and machine learning” – **Federal IT Manager**

Takeaway: Listen to the Leaders

Recommendations

Embrace the Pillars to Success: Those embracing the Cloud Smart policy are more likely to be moving mission-critical applications to the cloud. Focus on the three pillars to set your organization up for cloud success.

Innovate with Hybrid: Public sector IT managers agree one cloud does not fit all – the future is hybrid. This means detailed migration planning, evaluating *all* cloud models, and selecting the right cloud for each workload – on prem, off-prem, or in a co-location facility. Ensure your security, workforce, and procurement strategies support a long-term hybrid vision.

Encourage Communication, Collaboration, and Continuous Improvement: Collaboration across Fed, SLED, and industry organizations is vital to accelerate cloud adoption and modernization success. Sharing with internal teams is likewise crucial – promote benefits, best practices, and lessons learned internally to cultivate a culture of change and continuous improvement. Iteratively evaluate policies, technical guidance, and mission requirements to support changing needs, and drive positive outcomes.



Methodology & Demographics



MeriTalk, on behalf of Dell Technologies and Microsoft, conducted an online survey of 300 Federal, state, local, and higher education IT decision makers familiar with their organization's cloud computing plans in February 2020. The report has a margin of error of $\pm 5.62\%$ at a 95% confidence level with $\pm 7.97\%$ between segments.

Respondent Job Titles

CIO/CTO	21%
IT Director/Manager/Supervisor	39%
IT Specialist	15%
IT Engineer	7%
IT Systems/Applications Architect	4%
Cloud Architect	3%
Application Developer	5%
Other IT Manager or Decision Maker	6%

Organization Type

Federal Government: Civilian agency	33%
Federal Government: DoD or Intel agency including OCONUS	17%
State or Local Government	46%
Higher Education	4%

100% of qualifying IT decision makers are familiar with their organization's use of or plans for cloud computing

Join Us – April 21 Webinar

Join us on **April 21 at 1:30 p.m. ET** as we discuss the results and explore:

- How are public sector organizations progressing with Cloud Smart's three pillars?
- What are the roadblocks?
- What are leaders learning about managing risk in hybrid environments, new acquisition options, and how to cultivate a culture of change?



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SMART > LUCKY:

**PILLARS TO FED AND
SLED CLOUD SUCCESS**

FREE WEBINAR
APRIL 21, 1:30-2:30 P.M.

DELL Technologies **Microsoft**

Featured Speakers:

- Sanjay Gupta, CTO, SBA
- Ann Dunkin, CTO & Strategist, State & Local, Dell

[Register here](#)

Thank You.

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