Government CIOs Must Resist Transformation Hype and Focus on Digital Optimization

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Digital transformation in government is practically impossible when business models are inflexible and not easily disrupted. CIOs can increase their effectiveness and influence by managing transformation hype while continuously delivering solutions that optimize government services.

FOUNDATIONAL DOCUMENT

This research is reviewed periodically for accuracy. Last reviewed on **31 December 2019**.

Key Findings

- An inflexible business model, weak competitive pressure as a motivating force, organizational culture and inconsistent data management practices are major barriers to government transformation.
- Most digital government strategies labeled and promoted as "transformation" are actually optimization — which confuses goals and undermines efforts. Sixty-seven percent of government organizations report they are pursuing transformation, but only 5% are achieving it.
- Transformation programs that lose momentum or fall short of intended goals incur total costs that often exceed the value obtained. These costs are tangible and intangible (e.g., troubled technology projects, damaged professional credibility, lower public confidence and poor morale).
- Digital government transformation is only possible under the right conditions. These include a persistent future vision, sustained leadership commitment, and sufficient time and resources.

Recommendations

CIOs leading the transition to digital government should:

- Promote understanding of the differences between digital government optimization and digital government transformation in their organization. Evaluate technology and service providers in part on the accurate use of optimization and transformation to help put initiatives and expectations into proper context.
- Use Gartner's ITScore for Strategy and Execution to determine if transformation as envisioned by your organization's leadership is possible at the current level of enterprise and IT maturity. If it is not, make sustainable digital optimization of government operations the primary focus of your information and technology (I&T) strategic and operational plans.
- Obtain executive support and funding for digital optimization by connecting its near-term benefits with your organization's business objectives. Create a roadmap that incrementally and continuously delivers tangible value while increasing digital capabilities and maturity over time.

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Analysis

It is a familiar script. Government transformation initiatives are initially launched with great fanfare only to lose momentum, visibility and executive support over time. Eventually, these transformation programs devolve into a "one and done" series of discrete point solutions or disappear altogether. When this happens, the total public value of investments with transformational potential can go unrealized — benefits not harvested — in the shuffle of leadership, shifting budget priorities or the announcement of yet another new "transformation" push.

For a significant majority of government CIOs, achieving real digital transformation remains a tangible, if distant, goal — even as they make progress in the digital enablement and optimization of their organizations. The gap between the digital now and the digital future is substantial. In a recent Gartner survey, 67% of government respondents indicate they are pursuing transformation, but only 5% have scaled or harvested/refined their digital transformation ambition (see "Digital Business Transformation: A Government Perspective").

This should not be surprising. Governments are subject to myriad pendulum swings, like changing administrations, policy and budget priorities, and executive leaders (including CIOs). Newly elected or appointed public officials often use "transformation" as a slogan to distinguish technology-enabled initiatives from prior efforts with similar intentions. Many government transformation projects serve as the means to address failings rooted in long-term underinvestment in, or mismanagement of, information and technology.

In this research, we examine why digital transformation — as the concept is widely understood and promoted — is exceptionally difficult to achieve in government. We also detail how the sustained optimization of business operations can build capacity for future transformational change.

Do Definitions and Words Really Matter?

Definitions are essential to strategic and operational planning. They provide clarity, and promote understanding and, ideally, agreement. The best definitions can validate whether an organization is heading in the right direction, what the destination looks like and when it can reasonably expect to arrive there. Definitions form the basis on which public sector leaders can demonstrate transparency and accountability by determining if course corrections are necessary in light of changing circumstances and then communicating their decisions to constituents.

Moreover, the words, phrases and assumptions used to convey the anticipated benefits of any technology investment should be explicit. This precision reduces the likelihood of willful or genuine misinterpretation. Definitions can help government CIOs recognize and address the all-too-common situation in which arbitrary deadlines intended to meet political objectives outstrip the organization's ability to successfully achieve those objectives.

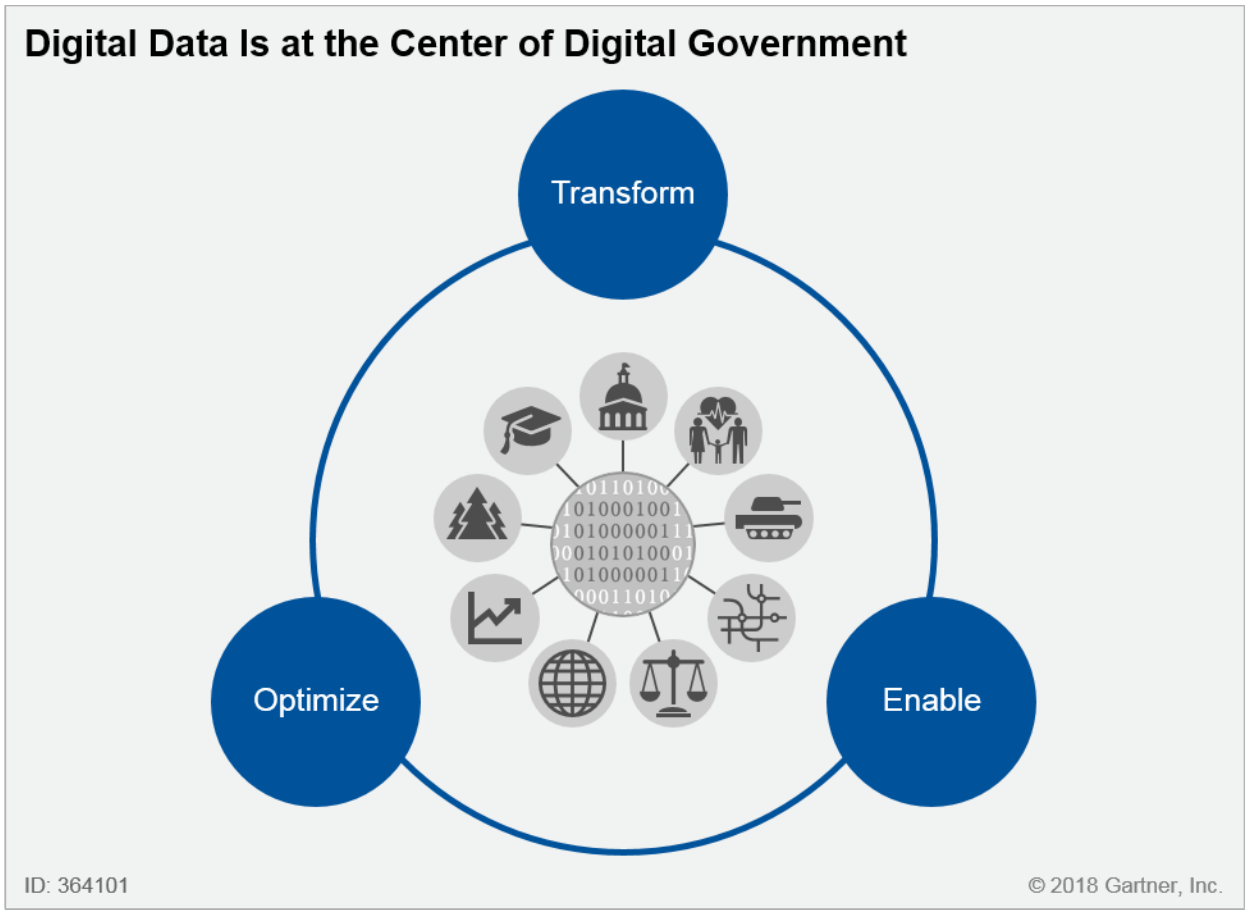
Digital Transformation Looks Different in Government

According to Gartner's digital business definitions, what separates optimization from transformation is the magnitude and impact of digital technologies and supporting capabilities on an organization's operating processes and business models (see "Four Definitions Make a Digital Business Strategy Process More Effective"). Only with the creation of robust new business models made possible by — and completely dependent on — digital capabilities can an existing organization meet Gartner's definition of digital business transformation.

In the context of government, digital transformation does not strictly require the creation of new business models. In fact, much of the "transformation" government undergoes is not digital at all (see Note 1). Additionally, because data is an underutilized asset in traditional e-government strategies that emphasize operational efficiency over program effectiveness, the innovative use of digital data is crucial to achieve advanced levels of digital government maturity (see "Introducing the Gartner Digital Government Maturity Model 2.0").

Thus, a government organization that takes full advantage of digital data to reinvent or create new business models, operating processes, services or outcomes is in the process of digital transformation (see Figure 1).

Figure 1. Digital Data Is at the Center of Digital Government



Source: Gartner (August 2018)

We provide the following definition to help CIOs convey to their executive peers the interdependent nature of digital data and digital government capabilities:

- **Digital government** is government designed and operated to take advantage of digital data and digital technology in optimizing, transforming and creating government services.

We also offer two definitions to distinguish digital optimization from digital transformation as they apply to government and highlight the indispensable role of data in both:

- **Digital government optimization** is the process of using digital data and technology to improve existing business models, operating processes, services or outcomes.
- **Digital government transformation** is the process of exploiting digital data and technology to reinvent or create new business models, operating processes, services or outcomes.

Digital optimization is the process by which government organizations use data to significantly improve what they are already doing. For example, a tax and revenue agency can enhance its risk

analysis capabilities with predictive models to assess the likelihood of payment delinquency and take preemptive steps to avoid that outcome.

Digital transformation changes the shape of how government operates through a process of reinvention and creation. For example, that same tax and revenue agency could move beyond digital optimization by using its vast data resources, fiscal policy knowledge, forecasting expertise and deep-learning software. It could offer tax advisory services provided by virtual digital assistants for a nominal fee. This new source of revenue would be the result of digital transformation.

By distinguishing between optimizing or transforming government, CIOs can identify high-value opportunities and effectively lobby for I&T investments in terms and in time frames that are understood and acceptable to stakeholders (see "Australia's Department of Industry Scales Innovation With Collaboration and Ownership").

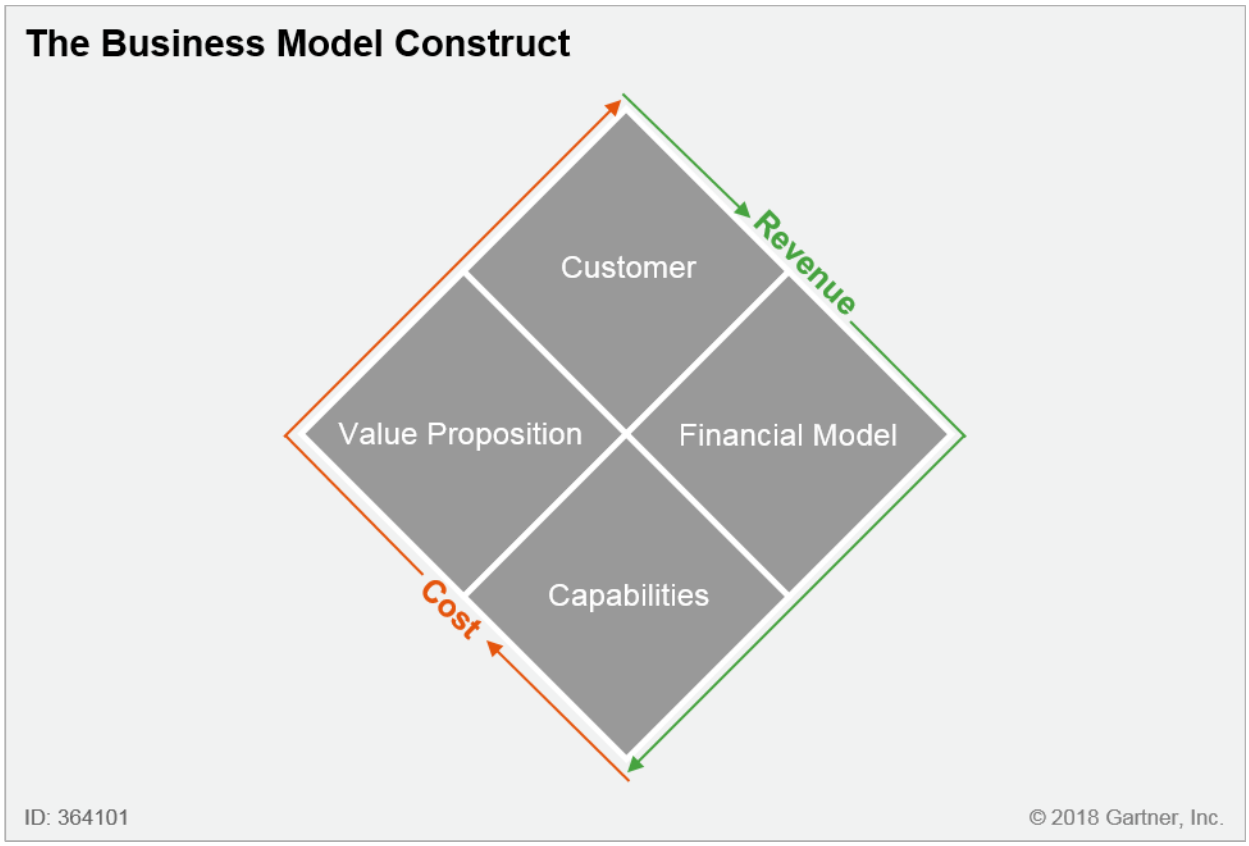
With these definitions in hand, government CIOs can mitigate the risks posed by stakeholder expectations that do not accurately reflect an organization's actual business needs or exceed its ability to meet those expectations. Further, the data-centricity of each definition implies CIOs should institute management principles and practices that treat data as a strategic resource and a public asset.

Despite the value of definitions, it is a CIO's ultimate responsibility to successfully deliver results, regardless of which words are used to describe a body of work, rather than dogmatically insist sponsors or stakeholders use the correct terminology. However, opportunities to demonstrate how digital transformation differs from digital optimization will periodically arise. When they do, CIOs should diplomatically point out the distinctions.

An Inflexible Business Model Favors Optimization Over Transformation

Government, like any organization that strives to deliver value at scale, operates according to a business model that must be sustainable (see "Use Business Models to Guide Digital Business Transformation"). Knowing how a business model applies to government can help CIOs identify areas where the potential for transformation or optimization is greatest. For reasons stated previously, digital optimization is much more likely to meet the cost, risk and time requirements of government administrations and political appointees. A business model describes how an organization creates, delivers and captures value (see Figure 2 and "Combine Business Models, Strategy and I&T Operating Models to Understand the Scope of Business Change").

Figure 2. Business Models Have Four Major Components



Source: Gartner (August 2018)

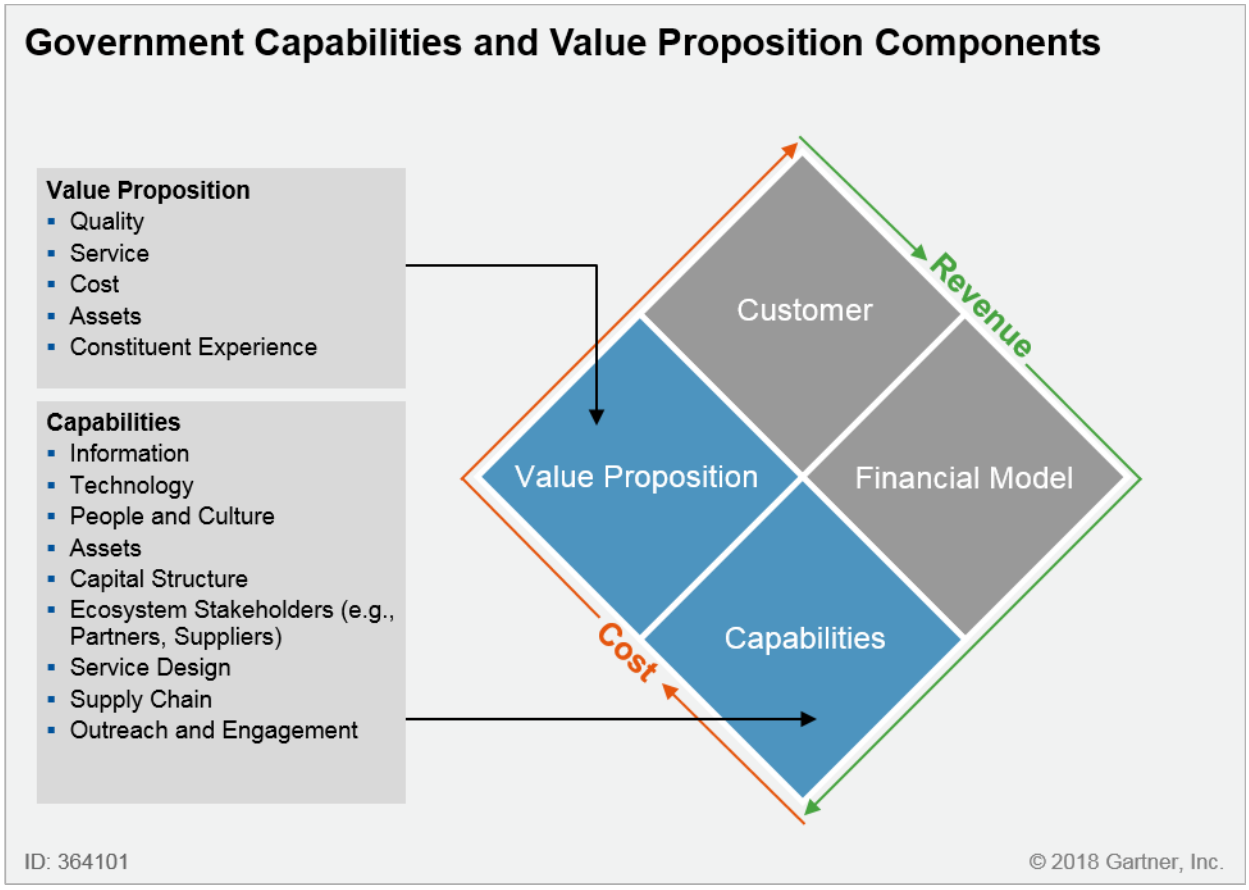
Yet the latitude granted to any government organization seeking to impact two of those components — customer and financial model — is severely restricted. Unlike private sector companies, government organizations cannot pick and choose which customers they will serve and which they will not. Governments may legitimately and legally segment the population into target groups according to specific policy and program criteria. Once established, citizens expect public institutions to be managed fairly, equitably and transparently. Governments that fail to consistently meet those criteria do so at their peril.

Similar inflexibility extends to the financial model of government. A government levies taxes or fees on the businesses and individuals within its jurisdiction and redistributes those revenues to fulfill its legal obligations to provide safety, security, infrastructure, and basic health and welfare for all of its citizens.

It is the inability of government to discriminate among customers or alter its financial model that prevents public officials and CIOs from readily transforming the existing business model or creating new business models. Furthermore, many government programs are subject to appropriated funds regulations and cost allocation requirements that direct how and where money is to be spent. These and similar financing constraints are obstacles to achieving the economies of scale that drive innovation.

What government organizations can do within the constraints described above is exploit digital data and technologies to optimize — and, conditions permitting, transform — the capabilities and value proposition of their business model, if they have the ambition to do so. Extending the organization's capabilities and value proposition are where government CIOs can have the greatest immediate impact (see Figure 3).

Figure 3. Government Capabilities and Value Proposition



Source: Gartner (August 2018)

Advances in technology and data analytics enable innovative government organizations to discover new ways to prevent the loss of revenue, solve intractable social problems or provide an excellent experience when interacting with citizens or businesses. These innovations can be accomplished while leaving the underlying business model intact. Government organizations can also facilitate transformation by forming public-private partnerships or quasi-governmental entities, encouraging co-creation of public services with open data or participating in partner ecosystems that create new business models (see Note 2).

To be clear, the digital transformation of government is possible and can happen at scale — with enough vision, time, resources, talent and sustained leadership commitment. Transformation is also necessary to attain the performance, accountability and mission outcomes citizens expect of their

public institutions. However, digitally enabled transformation in government is an outlier at present — the exception and not the rule. Examples of digital government transformation as experienced by citizens, businesses and the public sector workforce remain scarce beyond those that are already well-reported (see Note 3).

Why Is Government Transformation So Difficult?

To successfully transform a single business process in government requires committed executive sponsorship and significant attention to organizational change management (see "CIOs Need Organizational Change Management and Change Leadership for Digital Business"). Transformation initiatives that involve an entire department, agency or ministry increase the risk of failure whenever organizational leadership underestimates the amount of sustained effort and time required (see "Resource Capacity Planning for PPM Leaders: Crawl Before You Walk").

Extending transformational ambitions to include multiple agencies and their partners or a whole-of-government level jumps up risk factors by an order of magnitude. That is, if governance, technology and organizational culture are not sufficiently mature to achieve those ambitions (see Note 4).

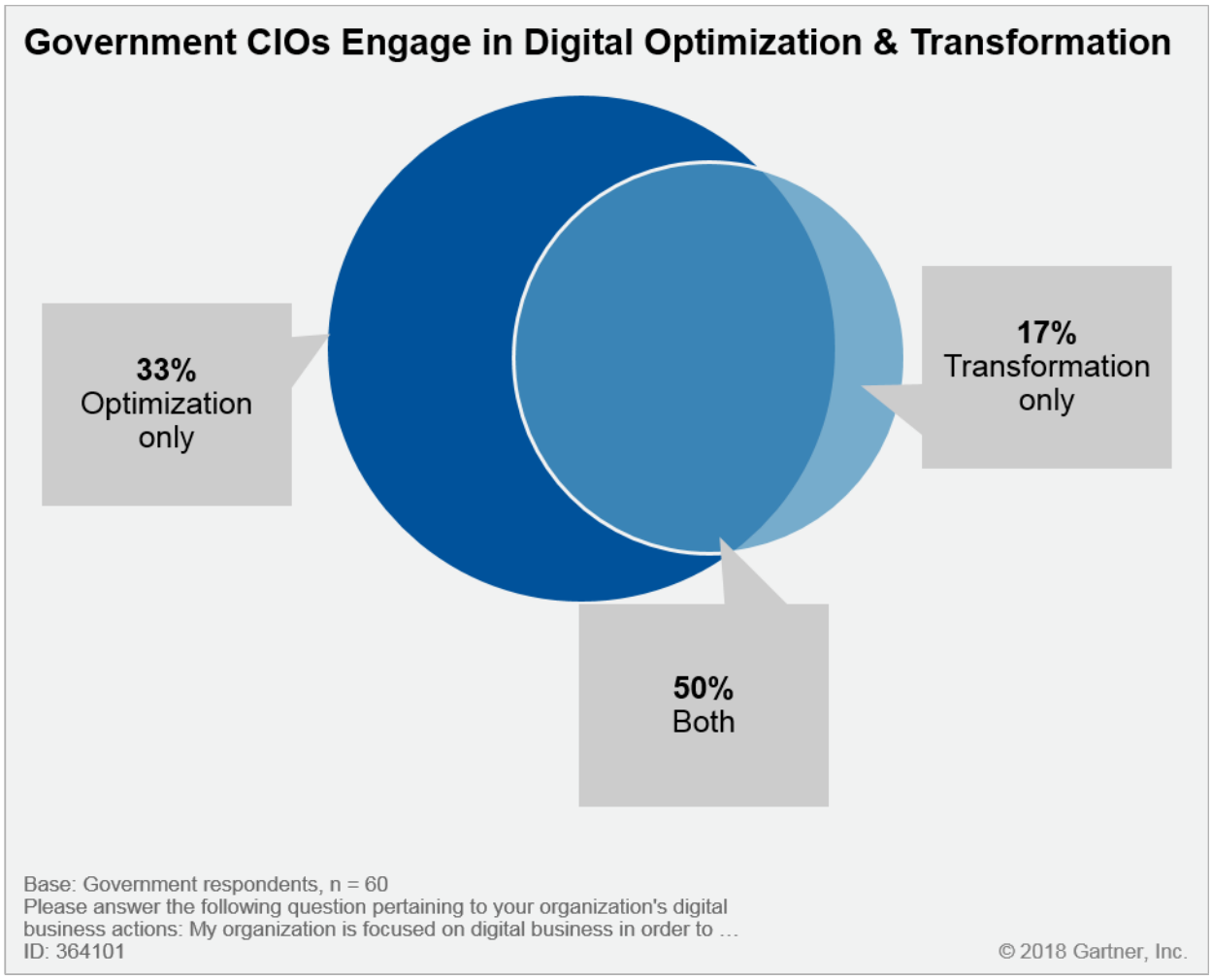
To manage the risks of large-scale change, a government CIO must accurately assess if the business conditions are right to succeed with either an optimization or transformation project (see "CIOs Must Assess Digital Urgency and Organizational Readiness to Lead Government Transformation"). CIOs may have limited opportunity to dampen the transformation-inspired hyperbole, but they can provide optimization solutions that visibly and quickly advance digital capabilities. Examples include determining the risk of becoming homeless, opening a conversational channel for citizens to access government services and participatory budgeting.

For these reasons, government CIOs are advised to exercise caution whenever a "transformation" project or program is announced or already underway. It is quite possible the charter and scope of such a project calls for a complete reinvention of government operations by exploiting digital data and technologies. However, upon closer examination, a CIO may determine the actual goal of a transformation initiative is the optimization of the organization's existing capabilities and value proposition.

Government CIOs Can Do the Greatest Good With Digital Optimization

In practice, digital optimization and digital transformation are not mutually exclusive. Although 50% of government CIOs indicate their organizations are both transforming and optimizing, this percentage is likely overstated (see Figure 4).

Figure 4. Government CIOs Reportedly Engage in Digital Optimization and Transformation



Source: Gartner (August 2018)

In another survey, 47% of government CIOs indicate organizational culture is the biggest barrier to scaling digital transformation (see "2018 CIO Agenda: Government Insights"). This finding does not bode well for the 67% of government organizations that are engaged in transformation only or transformation and optimization.

Even if 50% of government organizations are not, in fact, pursuing transformation and optimization simultaneously, an overwhelming 83% of survey respondents report they are engaged in optimization activities. So, despite the aspirational and inspirational value of promoting "transformation," the bulk of innovation in government is taking place in the digital optimization of business processes and work environments. Digital optimization is also where government CIOs can make the greatest positive impact in the short-to-medium term.

Digital Optimization Builds a Portfolio of Digital Capabilities

Digital optimization is favored by organizations in industries, such as the public sector, that are not going through disruption in the near term and can provide significant value without changing the underlying business model (see "Digital Business Ambition: Transform or Optimize?"). It offers CIOs the opportunity to establish a record of incremental — but consequential — progress and accomplishment on which their successors can capitalize.

To build executive support and obtain funding for digital government optimization, CIOs can connect their strategy to address top-level business objectives that are common in all public sector organizations. These include civilian as well as defense and intelligence (see Figure 5).

Figure 5. Digital Government Optimization Opportunities Are Everywhere

Digital Government Optimization Opportunities Are Everywhere

Business Objective	Digital Government Opportunity	Digital Optimization Examples
1. Improve Revenue Management	Maximize revenue	▪ Proactively detect and prevent tax or benefits fraud with predictive analytics and machine learning
2. Improve Operating Margin	Reduce cost of services	▪ Decrease licensing, registration or renewal fees with end-to-end digital services and multiple online payment options
	Reduce cost of operations	▪ Digitally enable legacy or a new shared service with a dual focus on innovation and cost-efficiency
	Reduce general & administrative costs	▪ Streamline government procurement processes and workflows with digital services ▪ Improve cybersecurity and insider threat detection with user and entity behavior analytics
3. Improve Public Sector Workforce	Increase workforce efficiency	▪ Automate routine clerical work, such as data entry, with robotic process automation ▪ Remotely assess property value with UAVs and AI object recognition
	Increase workforce effectiveness	▪ Provide localized crisis communication and disaster response activities with social media and GIS data
4. Improve Constituent Experience	Enhance citizen and business experience	▪ Answer constituent questions with a virtual assistant in combination with open data ▪ Crowdsource the development of public policy and design of government services with a collaboration platform
	Increase citizen and business engagement	▪ Provide open government portals where constituents can access, analyze and visualize data, or participate in budget and policy development ▪ Create mobile apps for routine government transactions, issue reporting and personalized alerts
5. Increase Asset Utilization	Optimize inventory	▪ Automate pharmacy purchasing and inventory control in public health clinics and hospitals
	Optimize physical assets	▪ Increase utilization of government owned or leased facilities by increasing the number of teleworkers ▪ Infrastructure maintenance triggered by IoT sensor data
	Optimize financial assets	▪ Improve budget forecasting, and operational and financial controls with business intelligence & visualization software
6. Improve Organizational Performance	Achieve mission outcomes	▪ Implement internal and public-facing performance management dashboards to track progress of mission-critical KPIs, policy objectives or community priorities

ID: 364101

Source: Gartner (August 2018)

An effective digital government optimization strategy involves various proposals and initiatives that address the six business objectives listed in Figure 5. Additionally, a sustained approach to optimization provides the consistent and predictable delivery of solutions according to a balanced mix of short- and medium-term time frames (see "Scaling Digital Business Requires the Continuous Delivery of Incremental Value").

CIOs and their executive counterparts can work together to evaluate and prioritize optimization opportunities and I&T investments that demonstrate their digital journey is making steady but measurable progress over time. Agility and the continuous delivery of value are not strictly limited to software development, however. To keep pace with the accelerating rate of change that is a defining feature of digital societies, government organizations themselves much become bimodal (see "Embrace Bimodal Business Transformation by Adopting Lean Startup Techniques").

To initiate and guide this strategic discussion, CIOs should directly tie digital optimization opportunities to the six business objectives listed in Figure 5:

- Improve revenue management
- Improve operating margin
- Improve public sector workforce
- Improve constituent experience
- Increase asset utilization
- Improve organizational performance

Improve Revenue Management

Maximize revenue: Digital optimization can improve the condition of existing revenue streams by reducing fraud, waste and abuse, or enhancing revenue management practices. For example, tax and revenue organizations are now using predictive data analytics and machine learning to assess default risk among businesses or individuals. Tax collectors can intervene early, as the risk of bankruptcy increases, and determine which intervention or recovery actions are needed. To supplement or preserve eroding revenue, transportation authorities can use GPS systems to develop dynamic taxation or fee models that are based on demand or service utilization instead of static tax tables. These road usage programs charge vehicle owners by the mile/kilometer traveled instead of by the gallon/liter at the gas pump. Demand-responsive pricing for municipal parking spaces is another example of capturing additional revenue while promoting community sustainability goals.

Improve Operating Margin

Reduce cost of services: Despite e-government initiatives that have been in place since the mid-1990s, much work still remains to eliminate government's dependency on paper-based processes. Government websites offering "online services" that require a form to be printed out, completed and returned as a scanned email attachment or hand delivered are not uncommon. By developing end-to-end digital workflows with online payment options, governments can optimize

transactions such as business registration, license renewals, annual reporting and other routine service fees, and reduce the cost of these services. The resulting savings can be invested in new digital capabilities or passed back to constituents as lower fees.

Reduce the cost of operations: Cost-efficiency is just one factor among many when evaluating the benefits of standing up or expanding a shared-service (see "Government Shared-Service Onboarding Guide for Finance"). Whether it is information and technology, human resources, finance and accounting, purchasing, or other back-office functions, a digitally optimized shared-service organization can leverage its centralized expertise, economies of scale and economy of scope. This can speed innovation in areas such as intelligent automation, data and analytics, performance management, and multichannel contact management.

Reduce general and administrative costs: In the same way digitally optimized share-services help reduce operating costs, government organizations can take steps to better manage costs in areas such as grant management, program administration, accounting, contracting and labor relations. For example, artificial intelligence can help automate some of the repetitive tasks of the public sector such as screening candidates, answering applicants' questions immediately using natural language processing and scheduling interview appointments (see "Impacts of Artificial Intelligence and Machine Learning on Human Capital Management").

Improve Public Sector Workforce

Increase workforce efficiency: Implementing a digital workplace program increases employee productivity and creates opportunities for personal growth or alternative career paths. This directly impacts employee recruitment and retention rates (see "Closing the Digital Dexterity Gap in Digital Business Strategies" and "A Maturity Framework to Advance Digital Workplace Programs").

Increase workforce effectiveness: Having access to information is not the same as being informed. As work shifts from routine to nonroutine, the value of information — relative to personal knowledge — will increase. Government CIOs can optimize the effectiveness of employees by replacing legacy tools and processes that increase the overall duration of activities, decrease the quality of outcomes or diminish job satisfaction (see "Use Content Services to Boost Digital Dexterity by Continuously Informing Employees"). Improving data and analytics capabilities can also optimize government programs. Using geotagged Twitter data to model the spread of an influenza outbreak and speed the public health response to contain it is one example.

Improve Constituent Experience

Enhance citizen and business experience: Whenever and wherever citizens regularly interact with government, they reasonably expect the quality of the experience to be as good as the service provided by top performing companies in the private sector. By developing and managing a catalog of well-designed (and well-documented) private, internal and public-facing APIs, government CIOs can move forward simultaneously on two optimization tracks to better serve constituents. One track is to build new, or upgrade existing, back-end systems that support new apps and integrations. The second track is to quickly deliver consumer-grade experiences to employees and citizens by opening the I&T environment to an ecosystem of third-party developers and partners who are

already offering solutions to common business needs. CIOs in leading jurisdictions are managing APIs as mission-critical technology products and are taking steps to deploy the next wave in citizen services innovation, conversational AI (see "Conversational Artificial Intelligence Will Drive 'Citizen-Centric' Services for Smart Cities").

Enhance citizen and business engagement: Citizen and business engagement is an approach to data and integration that supports a unified understanding of how citizens and business interact with government and the quality of those experiences (see "2018 Strategic Roadmap for Digital Government CX Programs"). Civic engagement metrics can indicate the levels of trust, confidence or satisfaction constituents have in their government's ability to listen to their needs and effectively address those needs. Social media channels, participatory budget development, citizen polling, GIS-based mobile apps or smart speaker skills to access public services, report issues or conduct transactions are a few of the ways governments are connecting with their constituents.

Increase Asset Utilization

Optimize inventory: For government organizations — such as the military, hospitals and clinics, and transportation — seeking to optimize their supply chain management capabilities, prescriptive analytics can improve the end-to-end supply chain performance. These analytics recommend a course of action that best manages the trade-offs among conflicting objectives. For example, developing analytic models that produce optimal inventory policies and delivery modes of spare parts for publicly owned vehicles can keep fleets operating at maximum capacity by improving demand forecasting and reducing maintenance downtime (see "Magic Quadrant for Field Service Management").

Optimize physical assets: Digital optimization can help a government organization or jurisdiction get more out of its physical equipment, facilities and infrastructure. Internet of Things (IoT) technologies that continuously monitor performance and reduce unplanned maintenance or inspections to maximize uptime, asset life and energy savings are especially useful. One approach is to develop a digital representation — a twin — of your organization's business operating model to guide program and project planning to execute on a long-term digital government transformation strategy (see "12 Powerful Use Cases for Creating a Digital Twin of Your Organization"). Singapore, Boston and Hong Kong are developing digital twins to support smart urban planning and development.

Optimize financial assets: Many of the optimization proposals discussed directly or indirectly optimize financial assets and budgets by using analytics to better assess risk, reduce fraud and raise organizational productivity or service quality. For example, government organizations that deploy procure-to-pay solutions as a single integrated shared service platform are reporting benefits and ROI realized through workforce and process efficiencies, standardization of business processes, and compliance with internal controls on accounting and procurement.

Improve Organizational Performance

Achieve mission outcomes: Improved outcomes are often how the achievement of an organization's public policy objectives is measured (see "Digital Business KPIs: Defining and Measuring Success"). Government organizations are increasingly reliant on performance

management and dashboards sourced from open data to demonstrate transparency and accountability in areas such as financial management, economic development, environmental quality, public safety, and community health and well-being. Developing and reporting on measures that support outcomes-based budgeting or value-based purchasing demonstrates how data sharing can create financial incentives to promote the integration of public services. The U.K. City of Bradford Metropolitan District Council Dashboard, the City of Kansas City, Missouri's KCStat Dashboard and France's dashboard for its administrative simplification measures are good examples of public-facing dashboards with up-to-date data that displays strategic objectives and performance measures.

Make Continuous Digital Optimization Your Mission

In the long term, a sustained approach to the digital optimization of existing processes and services can create the capabilities needed to enable digital government transformation as it is presently envisioned by government officials and the public. Over time, the steady accumulation of workforce skills, technologies, data and analytics proficiency, and partnerships that emerge from a sustained optimization strategy can create synergistic capabilities with transformative potential. Whether that potential is ever activated depends entirely on executive leadership and the situational dynamics at play.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

“ITScore for Strategy and Execution”

"Achieving Digital Optimization With Digital Design"

"Is Conversational AI the Only UX You Will Ever Need?"

"Implementing Enterprise Agile Using the Scaled Agile Framework (SAFe)"

Note 1 Government Transformation Is Often Involuntary and Analog

Governments are fairly adept in a style of analog transformation that takes the shape of structural reorganization. Structural reorganizations are often triggered by a change in political party and policy priorities or in reaction to a disruptive event. New organizations may be created. Others may be dissolved, consolidated, federated, centralized or decentralized.

These organizational changes may be contained within a single agency or involve multiple agencies, such as the creation of the U.S. Department of Homeland Security in response to the 11 September 2001 terrorist attacks in the U.S. The impending withdrawal of the United Kingdom from the European Union will presumably force significant restructuring in various central government agencies and the devolved administrations in Northern Ireland, Scotland and Wales.

An extended period of organizational adjustment inevitably follows large structural transformations as the affected entities seek equilibrium and optimization opportunities.

Note 2 Public-Private Partnerships (PPPs), Open Government Data, and Digital Platforms and Ecosystems Can Enable Government Transformation

When government organizations enter into public-private partnerships, new business models emerge with the potential to transform as Gartner defines it. Examples include:

- The formation of a PPP between the City of Sacramento, California, and a communications service provider to support smart city infrastructure
- PPPs coordinated by the Municipality of Copenhagen's Copenhagen Solutions Lab
- The Washington Health Benefit Exchange in the State of Washington

The availability of open government data may also lead to the creation of new business models for government organizations as citizens, nongovernmental organizations and the private sector become involved in the co-creation and co-production of public services. One example is the Open Government Partnership (see "7 Ways to Maximize Impact From Open Government Data").

The digital optimization of existing public services or transactions can set the stage for future transformation. That is, as long as governments evaluate their various roles — as a regulator, purchaser, provider and payer of services — in the larger economy and determine how they can participate in, and benefit from, emerging digital business models (see "Platform Business Models That Adapt and Disrupt" and "Mapping, Modeling and Monitoring Digital Government Ecosystems").

Note 3 Notable Examples of Digital Government Transformation at Scale

Singapore's Digital Government Blueprint and its API portal (APEX), New Zealand Inland Revenue's Business Transformation Programme, and e-Estonia's e-identity program enable the reinvention of government operations, services or outcomes by exploiting digital data.

Note 4 Troubled Transformation Programs Can Have Tangible and Intangible Costs

Transformation programs that lose momentum or fall short of intended goals can incur total costs that often exceed the value obtained. These costs are tangible and intangible (e.g., troubled technology projects, damaged professional credibility, lower public confidence and poor employee morale).

These recent examples illustrate the negative consequences of transformation initiatives that struggle to meet their intended objectives:

- "Report: Digital Delivery of Government Services: Chapter 1 Committee Views and Recommendations," Parliament of Australia, 27 June 2018.

- "Veterans Affairs Information Technology: Historical Perspective on Health System Modernization Contracts and Update on Efforts to Address Key FITARA-Related Areas," 7 December 2017.
- "Report 1 — Phoenix Pay Problems," Office of the Auditor General of Canada, 1 November 2017.

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