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by Broadcom

WHITE PAPER

The Three Pillars of Successful Public Sector Planning

A Framework for Modernizing Program Funding

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EXECUTIVE SUMMARY

In the wake of numerous modernization initiatives, technological innovation has continued to accelerate, providing capabilities and advantages that would have been unimaginable just a short time ago. The problem is that capital planning and funding continues to look very much like it did 30 years ago. These legacy approaches continue to place a strain on groups in public sector agencies, creating inefficiency and waste and stifling their ability to fulfill their missions. This paper introduces a new approach to public sector planning, one that is focused on teams rather than projects. Read on to learn more about this framework and how it can benefit your organization.

INTRODUCTION: TECHNOLOGY FUNDING APPROACHES OF THE PAST, AND PRESENT

For decades, investments were largely based on projects. Leaders would fund a specific piece of work—one that had a concrete start and finish—and expect to fund it only once. (Examples of these projects could include building a data center, deploying a mainframe, or instituting a new capital planning process.) For each of these efforts, teams would develop plans, get estimates, and ultimately obtain the budgetary approval needed to get started.

For the most part, project managers would be the ones to execute these projects, often with the assistance of technology experts. These experts were typically highly focused on a specific technology domain, and they could either be sourced from within the agency or from an external service provider. If internal teams handled the projects, they would still operate as a service provider or vendor. Once the project manager and expert team completed the project, they would move on to the next effort, typically with another team or a different agency altogether.

More broadly, there's historically been a divide between the people who were expert on a technology and those who weren't. In addition, agency leaders and technology teams were separated and isolated, whether organizationally, operationally, or both.

For a long time, legacy funding approaches worked fine. Today, they present three fundamental problems:

Problem #1: Technology Moves Way Too Fast, Budgeting Way Too Slow

Within many agencies, it simply takes too long to go from identifying a technology to actually being able to start using it. Teams that choose a technology today may not receive all the required approvals and budget they need for two years—often it takes even longer. Too often, the technology is bordering on obsolete by the time teams are ready to deploy it to production.

Problem #2: Legacy Models Tie Up Resources and Accrue Technical Debt

What's worse is that many existing applications have largely been dependent on operations and maintenance budgets and multi-year contracts. Assuming the standard two-year planning cycle, by year two of a contract, the chosen technology is already four years old—and invariably obsolete. For a 10-year contract, an organization may not start receiving a return on investment until year five. This leaves the agency with a long-term commitment to a technology that's providing diminishing value, and it ties up development, modernization, and enhancement (DME) funds that could have otherwise been moved to more value-added solutions. This all adds up to enormous technical debt that stifles modernization initiatives.

Problem #3: Technology is Mission Critical—Not a One-and-Done Project

Groups today are now operating in a completely different world than the teams of prior decades. They're working in a world in which technology is inextricably interwoven with the agency's mission. For virtually any agency, organizational performance is highly dependent upon software to fuel virtually every critical service and process.

This exposes a fundamental disconnect. Technology-powered services are now, and will remain, integral to public sector agencies and the constituents they serve. When an application is critical to an organization, it's not something that can be treated as a one-and-done project. Teams can't just deploy the application and move on. They need to continue to support and improve the application, and these enhancements will be integral in fueling the ongoing progress of the agency in fulfilling its mission. Further, these enhancements will need to continue for as long as that application serves the organization.

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The problem isn't just that traditional funding and contracting approaches aren't aligned with current realities; it's that they create waste and stifle agility—and actively work against many of the organization's most critical goals.

Across a large swath of agencies, leaders continue to confront the futility of detailed, project-based planning. They see teams across departments make the massive investment in time and money that is required to establish a strategic long-term plan.

Once approved, plans change—introducing a whole new range of efforts, costs, and delays. Because of the financial ramifications of changing plans, financial people have to be involved in deciding whether to approve the change, but they typically don't know the domain enough to truly understand whether the change makes sense. Functional leaders may ask questions but won't have the expertise to truly evaluate the responses they receive, or be in a position to provide helpful guidance. At best, these approval cycles add significant delays. At worst, they mean high-value efforts may be declined or that low-value efforts are approved.

This is a never-ending process. While working with a current year's budget, teams would be in the midst of getting the next year's budget approved, and even preparing for the following year. The elapsed time of these acquire-to-retire asset lifecycles span years.

In short, teams spend a massive amount of time developing a plan that will never be fully executed and they incur even more effort, lost time, and inefficiency when the plan inevitably changes.

These constant obstacles beg a fundamental question: **Why keep working this way?**

TODAY'S IMPERATIVE: FUND TEAMS, NOT PROJECTS

In the 2023 fiscal year alone, civilian agencies within the Federal government were expected to spend over $65B for IT programs.[1] Unfortunately, numerous agencies are spending millions—perhaps billions—in IT initiatives that are failing to deliver the expected value or return on investment. These realities make it abundantly clear that legacy planning and funding models are broken. The key then is to determine how to fix them.

To meet your pressing imperatives, you and your teams can't continue to operate the same way, funding work and projects. Now, funding, planning, and operating models need to go through a fundamental shift.

Now, it's about funding the products and the teams that are delivering value.

Here are a few hallmarks of this team-focused approach:

• Teams are given persistent, long-term funding. This funding can span a budget cycle, or extend across three, five, or even 10 years.
• Teams are organized around products and value streams, rather than in the siloed departments of the past.
• Teams work toward common, agency-level objectives.

STUMBLING BLOCKS

In the sections below, we outline some of the obstacles that can stifle teams looking to make the move to a team-centric planning approach.

Overreliance on Manual Data Collection

Metrics are critically important. Metrics provide guidance and help different teams validate that they're moving in same direction, and that they're making progress towards key objectives. However, under legacy models, the reality is that many leaders will chase data because they want the illusion of control.

There's the well-worn saying that "you can't improve what you can't measure." The idea is that if leaders get really detailed information on what's happening in the organization, they can measure activity and progress and so control it. While measurement can help, it doesn't equal control. This reality is compounded by the fact that many teams are over reliant upon manual data collection. Consequently, teams spend a lot of time and effort collecting information that's not necessary and that leadership can't really do anything with. Teams tend to grow increasingly frustrated, feeling like they're spending more time reporting on their work than actually doing it. To make things worse, the manual reports compiled through these efforts are usually out of date as soon as they're produced.

For their part, leaders receive information, but don't necessarily have the domain expertise or time needed to make suggested improvements or advise on how things should be done differently.

Lack of Trust

A modern, team-centric approach to planning requires trust. In moving to this approach, leaders need to be able to trust people to do the right thing. Their teams consist of skilled workers, and the organization relies on their knowledge and expertise. Leaders have to be able to trust that they'll apply their knowledge effectively to the work at hand.

For those with a long track record of funding projects and work, this can be a difficult change to make. That's because leaders use the funding process as a convenient verification step under the old "trust but verify" mantra. It's important to underscore that, if leaders can't actually trust their teams, they have bigger problems. These teams are the ones working on developing, enhancing, and protecting the critical applications and services that internal and external stakeholders rely upon. If leaders can't trust these teams, how will they know disgruntled staff won't exploit sensitive data, sabotage critical functionality, or divulge sensitive proprietary assets?

1 Government Executive, **"Biden's 2023 Budget Includes $65B for Civilian Agency IT,"** Natali Alms, March 29, 2022

KEY PILLARS FOR SUCCESS WITH MODERN PUBLIC SECTOR PLANNING

There are three key pillars that form the foundation of a successful approach to planning that is focused on teams: empowering teams, governing innovation, and aligning technology and functional groups. The following sections offer an overview of each of these pillars.

Pillar #1. Empowering Teams

THE PROBLEM

In most agencies, decision making is largely top down in nature. The problem is that centralized power in government tends to be tightly coupled with consensus decision-making, which is slow and inefficient. Under the control of rigid agency governance policies and processes, teams can't do what's needed when it's needed. Particularly in today's environments, it is impossible for a single central authority, whether that's a leader, leadership team, center of excellence, or any other single entity to react quickly enough for every different group they're responsible for.

This reality can be evidenced in a number of ways. For example, a team receives funding for a project. When things change, whether due to the project being scrapped or paused, those funds need to be reallocated to a different project. To do so, staff have to go back to a central authority, make a request, wait for a response, follow up with additional details, and so on. The process is too slow, inefficient, and time consuming. Further, in large agencies, this type of example is being repeated across hundreds or thousands of different groups.

THE SOLUTION

This modern, team-focused funding approach is fundamentally about boosting efficiency. Decentralizing authority and moving decisions to a lower level in the organization is a big part of how this objective is realized.

Fundamentally, you need to have good people and have visibility into what they are doing, while enabling them to make decisions in a timely fashion. Ultimately, it's about trusting that they are best equipped to know what's the right thing to do and when.

Instead of providing temporary funding to individual projects, you continuously fund the teams providing the products and services that deliver value. When teams have persistent funding, they can be empowered with the autonomy to figure out what needs to be done and do it. People can adapt quickly and intelligently—without having to go back to a central authority.

There's still accountability, however. Common, value-stream-level metrics guide teams in prioritization and tracking progress. As long as the team continues to deliver value, they'll continue to be funded. Leaders make portfolio-level decisions at the beginning of the fiscal year. Maybe they will decide to reduce or eliminate funding for a team that's no longer delivering value, based on the metrics defined. They also decisively wind down products that no longer deliver value. Ultimately, leaders empower teams, provide persistent funding, and get out of their way.

Pillar #2. Governing Innovation

THE PROBLEM

The reality is that most leaders have been forced to make hard tradeoffs in balancing demands for governance and speed. This is very much the case in the context of technology planning. Having a top-level decision-maker review the funding for each project and scope change may serve to support some governance objectives, but it also can slow the organization to a crawl.

Consequently, governance has acquired a negative connotation. People tend to view governance as an impediment, creating extra steps that stifle progress and make tasks more difficult. Fundamentally, teams have had to make a no-win decision, being forced to choose between governance or speed. For today's agencies, the right answer must be both. Given these realities, it is clear leaders need to take a different approach to governance.

In the past, teams pursuing a traditional project approach would typically have some form of documentation that details costs and the deliverables being received for a given expenditure. When you start funding teams instead of projects, how do you ensure you're getting value for the money being spent?

Previously, technology teams were effectively only tracking IT metrics, reporting on whether they delivered on time and on budget. The reality is that these metrics didn't align with top-level agency initiatives and mandates. The analogy is like that of a factory. The assembly team can have gauged their success solely on the number of widgets delivered, but this metric may not have any bearing on the manufacturer's business fortunes. Whether the factory delivered 500 or 5,000 widgets a day may be academic if none of the widgets produced meet required specifications or quality standards.

THE SOLUTION

With the interweaving of functional and IT groups, teams need to move from focusing on preparing planning documents and seeking approvals, and instead focus on key agency outcomes. According to a Gartner report, 60% of strategic portfolio leaders will transition from a focus on delivery execution to a focus on value realization.[2]

By taking a new team-focused approach to planning in government agencies, teams are given key metrics and they're afforded the autonomy to determine how to best achieve those metrics. This is the way this planning approach helps foster directional alignment. In effect, governance is moved from front-end budget approvals to empowering teams and focusing on the outcomes they deliver.

This approach creates directional alignment. For example, in a Department of Motor Vehicles, service representatives may have an objective of reducing the time it takes to process driver's license renewals. Improvement of this metric can have a direct impact on the organization's performance and cost effectiveness. Technology initiatives can fuel improvements in this metric, but they may not necessarily have a direct impact or be the sole factor to affect this outcome. Leaders need to make judgement calls and make sure metrics make sense conceptually.

All that ultimately matters is that agency metrics are moving in the right direction and that teams are contributing to those outcomes. In support of this approach, it is vital to establish visibility into what people are doing and how it affects the agency and its mission. Leaders need to be able to track value in real time, using unified data.

Pillar #3. Aligning Technology with the Agency Mission

THE PROBLEM

In today's fast-changing environments, priorities and requirements shift constantly and the scope of work is ever expanding. Agency stakeholders often don't feel they're getting what they want, need, or request. For their part, technology teams feel the goal posts keep being moved.

A big part of this problem can be tied back to incentives. Historically, the performance of technology teams has been measured based on such characteristics as system resilience or the lack of bugs. Teams receive praise, or at least are left alone, when releases don't break and don't have bugs—but there is no shortage of fingers pointed at them when problems arise. Meanwhile, functional stakeholders keep asking for changes, additions, and enhancements—which all increase the risk of technology teams missing their objectives.

This fundamental tension causes misalignment, miscommunication, and confusion among both technology and functional teams. By establishing the innovation governance capabilities outlined above, teams can begin to make strides in boosting alignment. However, once governance and common metrics are established, the next obstacle to arise will be around timing. That's because siloed teams often prioritize work based on different criteria and have different incentives. Functional leaders will say a feature's needed by Q1; technology leaders will say it can't happen until Q3. How do you resolve this conflict?

THE SOLUTION

By taking a team-centric approach to planning, public sector agencies can avoid these conflicts and disconnects. Through this approach, teams are organized around value streams that fuse functional and IT staff, who all have one set of shared goals. In this way, teams can begin to break down silos, foster cross-team alignment, and gain a unified focus on key outcomes.

Through this approach, respective leaders prioritize according to negotiated agreements between functional and technology leadership. The trick is to strike the right balance between addressing agency priorities and backend technical and architectural objectives.

In these cases, it can often be helpful to negotiate percentages, with the goal of striking a balance among various types of work. For a given quarter, the agreed upon mix could be 20% of time focused on defect resolution, 40% on new feature development, 20% on addressing technical debt, and 20% on discretionary work. Next quarter, leaders will have a similar conversation, adjusting the mix as needed.

To make this work, functional and technology leaders must have a good working relationship. There has to be some give and take and an understanding and trust that each side will be reasonable.

ADVANTAGES OF MODERN PUBLIC SECTOR PLANNING APPROACHES

Enhanced Visibility and Insights

Through effective public sector planning, your teams can gain enhanced visibility into capacity planning, resource management, and risk management. Teams can apply concrete insights to fuel continuous improvement.

With improved visibility, teams throughout your organization get the insights needed to make smarter decisions. Teams have better visibility into top-level strategies, and they can use this insight to prioritize backlogs and resources more effectively. These enhanced insights foster more trust and collaboration, and help to minimize agency risk.

Improved Alignment

By cultivating the establishment of optimized value streams, this planning approach enables you to align strategy, planning, and work across the organization. With this tighter alignment, teams are better positioned to connect strategy with work, reduce unnecessary friction, and foster deeper collaboration.

Heightened Efficiency

Traditional investment planning and project funding requires users to articulate every detail of what's going to be delivered, justify it at length, and then fund it. Inevitable changes require that process to be repeated over and over again.

By contrast, this modern, team-focused planning approach ensures stakeholders are in agreement on the value being generated. As such, they commit to funding products and teams for an entire fiscal term. Instead of forcing teams to get bogged down in processes, this planning approach empowers teams to make changes on the fly.

Users can move things around during the roadmap review and see the impact of different changes. Doing so improves time to market and it boosts agility. Through this modern public sector planning approach, you can minimize the effort and overhead associated with governance, while still ensuring you get the value needed.

KEY TECHNOLOGY REQUIREMENTS

Complete Intelligence

To realize the complete potential of this modern, team-oriented planning approach, teams need advanced, unified technology solutions that provide complete, on-demand intelligence. Solutions must deliver all the following capabilities:

- **Team collaboration.** Look for a unified application that gives everyone the current information they need. Without leaving the application, teams should be able to ask questions, provide updates, and more. Tools should enable teams to create, share, and automate to-do lists with groups both inside and outside the organization.
- **Staff allocation.** Leverage a solution that offers complete support for intelligent staff allocation. You should be able to find the right person or team, and allocate specific percentages of their workload to ideas, projects, or custom investments—with the click of a button.
- **Continuous investment planning.** Your solution should empower you to prioritize work based on agency outcomes, not gut feelings. The solution should help you engage leaders and teams in ongoing roadmap planning, without the need for discrete project definition. This should all be driven by a clear goal of delivering more value to internal users and external constituents.
- **Strategic roadmaps.** Your solution should give you the agility to map strategy to objectives on drag-and-drop roadmaps, so you can clearly understand how your products are performing.
- **Reporting and analytics.** To fully realize the potential of this team-focused approach, individuals from various groups and different levels need real-time access to data from across the organization. Your solution should provide leadership teams with consolidated reports that enable objective comparison of what they planned and what was executed.

Complete Flexibility

You need a solution that is aligned with a team-centric approach to planning—and with the specific requirements of your agency. Demand a solution that offers these capabilities to ensure alignment with your specific organization, teams, and objectives:

- **Multi-dimensional hierarchies.** Your solution should give you the flexibility to organize investments the way your agency runs, including arranging people, work, and money by public services. Go beyond traditional projects and configure the investment hierarchies and types that you need.
- **Definable investment types.** Your organization has its own specific requirements and objectives. Look for a solution that enables you to organize investments your way, with fiscal periods that align with your calendar. Make sure you can set up different investment types, including projects, products, and platforms.
- **Support any development methodology.** Leverage a platform that can help you govern all technology investments and teams across your organization, including those working with traditional, agile, and hybrid approaches.
- **Broad technology integration support.** For complete, intelligent management of teams and digital products and services, your solution must feature strong integrations with your other management tools. Solutions should come with preconfigured connectors for a range of solutions, including application lifecycle management (ALM), IT service management (ITSM), agile, DevOps, and more.

CASE STUDY: GOVERNMENT AGENCY BOOSTS AGILITY WITH MODERN PLANNING

A large government agency in the US that provides a range of entitlement services to citizens has embarked on an ambitious, agency-wide effort to modernize and optimize its technology investments and usage. Today, the agency employs more than 60,000 team members.

Since 2016, the organization has scaled its agile development, moving from having 10 teams to more than 50. As part of this move, they've made the transition from having a project focus to focusing on products.

"We are reorienting our approach to use products and product management in everything we do, including our investments, how we do our work, and how we are organized to do our work," explained the agency's chief information officer. "This approach goes hand in glove with Agile. These are tried and tested practices in industry."

In addition, the organization has also started to employ a planning approach that is centered on teams rather than projects.

"We think about modernization in many different ways and one of them is people," the executive revealed. "Building funding and plans around teams is part of that. This approach helps our teams to operate differently and look at their work differently. Now, rather than taking a project or technology view, we're focusing on key outcomes."

By aligning around products and focusing on funding teams rather than projects, the organization has made significant strides in its modernization initiatives.

INTRODUCING CLARITY FROM BROADCOM

Broadcom is a leader in the Value Stream Management (VSM) software market. With our Clarity solution, your agency can implement and manage an effective, efficient team-centric approach to planning. Clarity is the first FedRAMP-authorized, incrementally deployable solution built for strategic portfolio management (SPM), collaborative work management (CWM), and digital product management (DPM). The solution enables teams to gain the visibility required to maximize alignment, reduce inefficiencies, and speed time to value.

With Clarity from Broadcom, agency leaders can more effectively understand priorities, capacity, progress, and results across their organizations. As part of the Broadcom® ValueOps platform, Clarity enables every role within an organization to manage, track, and analyze digital products and services and their associated value streams. With the solution, your teams can focus more squarely on delivering the strategic outcomes that matter to your internal and external stakeholders.

CONCLUSION

Virtually everything about technology has changed in recent years. Everything it seems, except the way teams plan and manage investments. By employing a modern, team-oriented approach to planning, your organization can begin to align funding approaches with modern agency and technological realities. In the process, you can achieve significant improvements in organizational agility, efficiency, and performance.

Connect With a Public Sector Planning Expert

Find out how you can leverage a modern, team-centric approach to planning in the public sector, so you can maximize visibility, alignment, and efficiency in your organization.

Connect with a Broadcom planning specialist to learn more about how our technology can help you eliminate waste, achieve strategic initiatives, and align your entire agency around stakeholder value.

To learn more, go to **Broadcom.com/Clarity**

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