



Building Successful Relationships:

State CIO Advice for IT Partners



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“As our customer’s IT requirements evolve, the strategies for meeting those requirements must also evolve.”

–The 2014 State CIO Survey

“I am a firm believer that 5-7 years from now the states will be out of the infrastructure business—we will become brokers for services, rather than owning them.”

–The 2014 State CIO Survey

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All across the United States, families, companies, and governments are adjusting to constrained budgets in today’s fiscal environment. State governments must find strategies for cost savings and investigate options for sourcing more cost effective delivery of services. Today, more than ever before, states are outsourcing services that can be more efficiently handled by private-sector partners. These partnerships allow states to be more effective and efficient, and to deliver services needed and demanded by their citizens. As we learn from the 2009 NASCIO Corporate Leadership Council (CLC) Publication *States Run on IT*, “Investments in technology can and do produce benefits for government, citizens and businesses. Some are quantifiable like cost savings, efficient government operations, and delivery of citizen services. Others, like transparency, government preparedness, and public safety are equally as important but harder to measure.”

State CIOs have an obligation to ensure that state IT services are delivered in the most efficient and cost-effective manner possible. That work often leads to an examination of how the state’s “digital” infrastructure (primarily networks, data centers, telecommunication services and applications) is managed and the options for sourcing these services. From a communications services perspective, this may mean focusing on rationalizing the infrastructure through aggregation of demand and having private-sector partners provide the services under a contract award.

In the last several years we have seen an increase in the relationship between states and information technology (IT) partners, especially with business process sourcing. States have traditionally used private partners to provide certain key infrastructure and communications services, however the scope is expanding. According to the [NASCIO 2014 State CIO Survey](#), the use of managed services increased from 50% of the states in 2010 to 60% in 2014. In addition, outsourcing of some IT applications and services has grown from 42% to 81% in the same time period.

As new state CIOs are appointed, NASCIO emphasizes the importance of private-sector partners to new CIOs. In advice to these new state officials, NASCIO explains that they need private-sector partners to be successful and that collaboration is becoming more important than ever. This advice from current and former CIOs, points out that with changes in demographics and the make-up of the workforce, and the push toward accountability and transparency, emerging technologies play an important role in IT, and the private-sector companies are the ones who are working on those technologies and offering solutions to

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“We should be in the business of providing IT services not in the infrastructure business.”

—The 2014 State CO Survey.

the marketplace. State governments can benefit by learning from and leveraging the private-sector community so government departments and agencies can focus on their core competencies and strengths.

As we can see from the chart below (Figure 16 from the State CIO Survey), over the next three years, state CIOs plan to expand their offerings built on a shared services model and expand outsourcing. States will downsize the scale of state-owned IT assets such as data centers and they will increase the use of outsourced infrastructure and software-as-a-service applications. In addition, CIOs see their organizations taking on the responsibility of procuring these managed services.



Anecdotally we know that some CIOs have expressed concern with technology companies’ approach to business development and relationship practices with the states. Therefore, the NASCIO CLC (NASCIO’s corporate members), for their 2014 project, determined they could provide guidance on best practices for the IT partner/CIO relationship.

The recommendations from this brief come from interviews conducted by a working group made up of members of the CLC. The members of the working group interviewed state CIOs during the summer months of 2014. There were also interviews conducted with CIOs during NASCIO’s [2014 Annual Conference](#). The items presented in this brief offer a composite view of key recommendations to improve and sustain positive relationships with state CIOs.





Advice from the Trenches:
“The best vendor partner relationships help in managing an engagement once contracted. They manage change well. They inform the state of best practices or ‘aha!’ moments.”

**—Carlos Ramos,
CIO, State of California**

Advice from the Trenches:
“A good vendor partner will work in partnership with the state, have a vision, help educate the state, and share trends.”

**-Representative
of Maine CIO**

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Five Recommendations for IT Partner/Client Relationships

1. Be prepared

For IT partners wishing to engage in a meeting with a state CIO, being prepared is key. IT partners should do their homework and read the state’s strategic plan, enterprise architecture, governance structure, business model, and major initiatives. All but a few states have a strategic IT plan, which on average, is updated annually and made available to the public on their website. Another suggestion is to engage with NASCIO to understand the CIO environment before engaging with the CIO or technology staff. Be aware that many states prohibit state officials from taking IT partner meetings during the formal procurement process, though it may be encouraged during the pre-solicitation phase. Most states have guidelines, policies, and requirements on IT partner engagement; however some are more specific than others, especially as it relates to procurement.

IT partners should be generally aware of executive branch ethic restrictions and state gift rules. For example, many state officials cannot go to lunch with an IT partner or accept any gifts, regardless of how modest the amount. Knowing how a product/solution/service fits into a state’s strategic plan, as well as the legal limitations of the CIO/IT partner relationship ahead of time, can smooth the way to a productive relationship.

2. Anticipate and understand the state’s problems

IT partners should approach meetings with the mind-set of solving a problem for a state, not just explaining the benefits of a product. During NASCIO conferences, focus on listening to CIOs’ concerns and try to better understand their challenges. Come to the meeting with a solution. Anticipate future problems by understanding new and upcoming regulations and laws. Be aware of federal grant programs and offer solutions to leverage those grant opportunities.

3. Know the best methods for securing and having meetings

In general, state CIOs identified the best methods of initial engagement as e-mail, inter-agency meetings and networking events. The least preferred were cold calls and using lobbyists. In our interviews CIOs stated that they prefer presentations, executive briefings and general discussions when learning about new products. That being said, each CIO has their own preferences. Try to find out ahead of time what the CIO prefers. Many states use advisory councils, vendor days and taskforces/summits to share information with the IT community.

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Advice from the Trenches: “There are times when a lobbyist with a good state relationship can be used to help bridge a negative impact of vendor activities to help improve the relationship.”

-Representative of Indiana CIO

Most states have time set aside each month or quarter to take IT partner meetings. The number of meeting requests received by CIOs monthly varies greatly from just a handful to over 100. On average CIOs take 10 IT partner meetings per month, so it is important you manage the time effectively if you secure a meeting.

4. Develop and cultivate trust

It’s important that both parties work on relationship and trust building. Some strong recommendations for building trust in IT partner relationships came from the [2012 California CIO Academy](#). Both state employees and private companies recommended that CIOs should understand exactly how much they are willing to give and take during the negotiating process, and get to know the companies they work with as much as possible and what motivates them, beyond making a sale. Be frank and honest in communication and discuss expectations thoroughly. IT partners should work closely with states, as an ally with a vision. They should educate and share trends as well as lessons learned from other states.

5. Know how to use lobbyists/government relations professionals

Most CIOs prefer direct contact from IT partners; however lobbyists and government relations representatives are useful for gathering information and creating strategies. They may also be helpful serving as a liaison between the CIO office and the company. IT partners who want to develop a relationship with a CIO office should use lobbyists with care, and avoid going above the head of the CIO even if there is already a relationship established with the Governor. As mentioned above, using lobbyists to secure meetings was one of the least popular methods of engagement, however it was recognized they can be useful for both the CIO and the company when managed effectively.

A Mutually Beneficial Relationship

As state CIOs rely more and more on information technology (IT) partners to do business, the CIO/IT partner relationship has never been more important. IT partners can find success by researching the client ahead of time, anticipating needs, securing meetings effectively, building a relationship of trust, and using lobbyists appropriately. While these suggestions are a general guide, it’s important to remember that each state and each CIO are unique, and should be approached with that in mind. States should work to develop strong relationships with IT partners and be open and honest to help the relationship succeed for the benefit of both parties.

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