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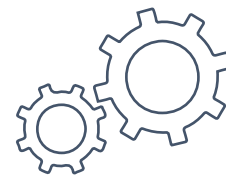Officers of the States

THE STATE CIO OPERATING MODEL:

LEVERAGING THE POWER OF THE FOUR FORCES

The Top Ten Through a Different Lens

In a paper from September 2018 titled "The State CIO Top Ten: Why It's More than a List" NASCIO explored the trends identified in its annual survey through the lens of a new model.[1] NASCIO maintains that the state Chief Information Officer's (CIO's) Top Ten priorities are a dynamic reflection of the market, political, customer and inertial forces they face on a daily basis. A CIO can no more order his or her day based on the Top Ten list than the Top Ten list can define the demands of a CIO's job. However, the annual Top Ten provides an important barometer for state government CIO priorities. We want to explore the dynamics of the Top Ten through the lens of the Four Forces model (see Exhibit 1). We highlight the management, communications, and strategic challenges state CIOs face in driving those priorities. In turn we intend to offer a tool for state CIOs in their ever-present challenge of communicating value to stakeholders.

Since the publication of that 2018 report NASCIO has explored the role of the CIO, the emerging focus on the citizen experience and the fact that communication and organizational skills are more important for the CIO than technical knowledge. CIO leadership is required to help policy makers understand how to manage and apply emerging technologies, improve the customer experience, balance enterprise and agency needs and help governments become more effective.

This time out we are going to bring in a different perspective that goes a bit deeper into the interaction between the Four Forces and the state CIO Top Ten Strategies.[2] In this case, we're looking at the Top Ten priority strategies, policy issues and management processes for 2020. As we did in 2018, we are grounding our discussion on the Four Forces model that has been a foundational concept in our CIO as Broker series. We are also going to "connect the dots" a bit further by relating the discussion here to the relevance of the State CIO Operating Model Playbook with some example plays that support the example strategies we present.[3]
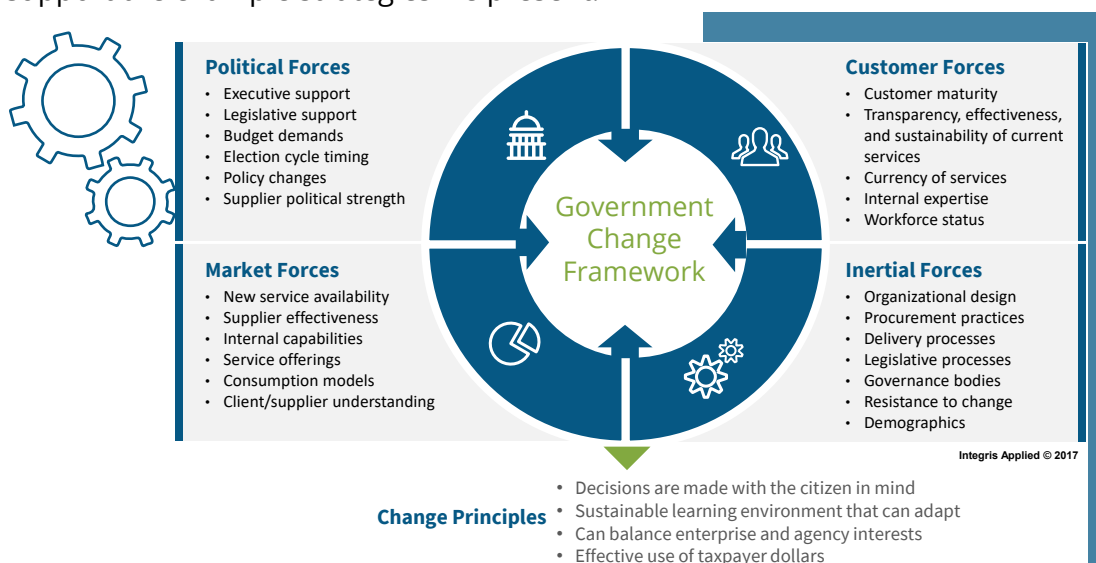
Political Forces
- Executive support
- Legislative support
- Budget demands
- Election cycle timing
- Policy changes
- Supplier political strength

Customer Forces
- Customer maturity
- Transparency, effectiveness, and sustainability of current services
- Currency of services
- Internal expertise
- Workforce status

Market Forces
- New service availability
- Supplier effectiveness
- Internal capabilities
- Service offerings
- Consumption models
- Client/supplier understanding

Inertial Forces
- Organizational design
- Procurement practices
- Delivery processes
- Legislative processes
- Governance bodies
- Resistance to change
- Demographics

Government Change Framework

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Change Principles
- Decisions are made with the citizen in mind
- Sustainable learning environment that can adapt
- Can balance enterprise and agency interests
- Effective use of taxpayer dollars

Exhibit 1: The Four Forces of Government Change

The Four Forces in the Government Change Framework are Political Forces, Market Forces, Customer Forces and Inertial Forces. The Four Forces drive and influence the ability of a leader to effect change in government. As an enterprise leader, the state CIO must be more than aware of these forces. These forces must be managed, leveraged, explained and, when necessary, accepted. These forces are dynamic and shift in importance and influence according to the landscape of a state, organization, or project. For example, during a gubernatorial transition certain political forces will be the predominant influencer for a state CIO's decisions. In other circumstances, such as the implementation of an enterprise consolidation strategy, inertial forces may play a larger role in influencing the behaviors and actions of the state CIO and his or her stakeholders.

The specifics of these forces, their strength, duration, and the personalities and roles involved, will depend on circumstances including the governor's agenda, the priorities in the legislature, agency strategic plans, internal organizational dynamics and culture, and most important the overall influence of the demands and expectations of citizens. At any time, any single force might influence a state CIO's priorities, or a state CIO might use that force to influence his or her agenda. The same conversation with a first term governor will have a completely different outcome with a second term governor – the political forces have changed.

This introduction paves the way for placing the state CIO Top Ten into the Government Change Framework. The Top Ten representing the priorities needed to change government – to improve the way services are delivered to citizens. A CIO's effectiveness in implementing these priorities is influenced by the Four Forces and vice versa. An effective CIO can change the course of a policy or strategy by effectively managing the forces that influence government change.

The Push and the Pull

If we view the state CIO as a leader who must both assist elected officials in the implementation of policy and programs, and influence the direction of both, then the Top Ten becomes a representation of what must be achieved technologically to produce positive change in government.
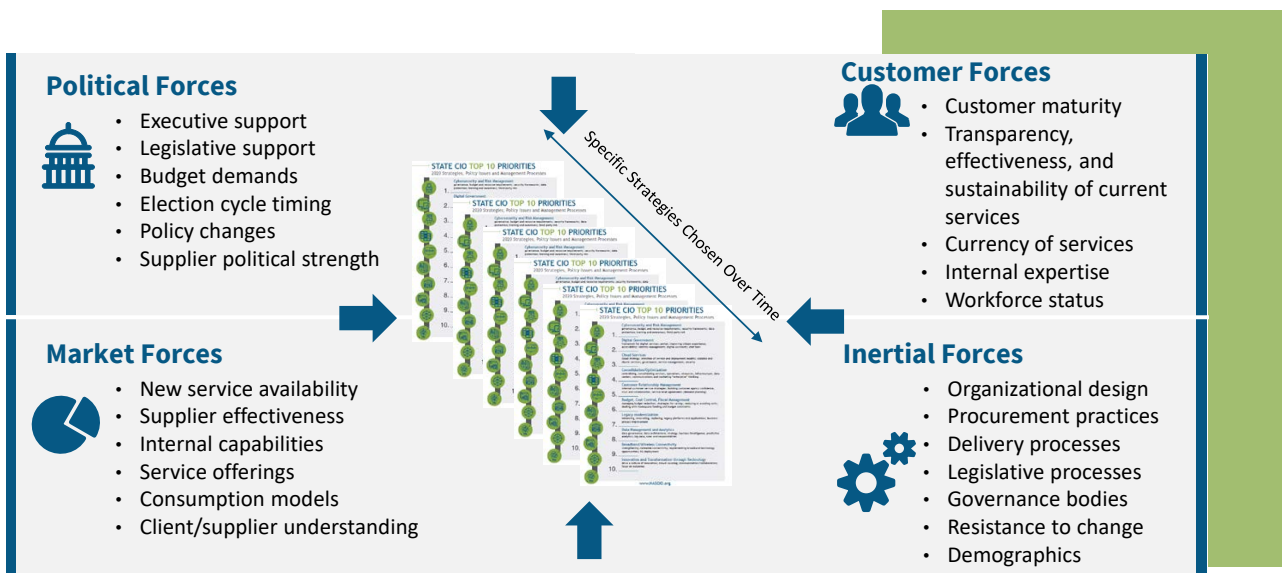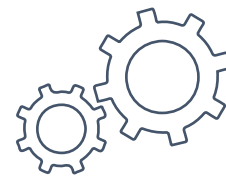

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Specific Strategies Chosen Over Time

Exhibit 2: The Top Ten and the Four Forces

The exact make up of these strategies, policy issues and management processes are dependent on the temporal forces in play, including the leadership capabilities of the state CIO. The strategies that state CIOs employ *must leverage* these same Four Forces in such a way as to *deliver* effective outcomes for citizens. The bi-directional nature of these forces means that the effective state CIO will see them as an opportunity as much as they might be factors beyond one's control. A state CIO might have no control over the outcome of an election. However, that same state CIO might foresee a change in power and plan accordingly. The state CIO who acts with the citizen in mind and maintains healthy relationships across stakeholder groups can theoretically operate in a government enterprise regardless of the makeup of the legislature or who holds the governor's seat.

A Playbook for Managing Government Changes

As part of our mission to support and evolve the state CIO role, in 2019 NASCIO and Integris Applied created a playbook we believe will have relevance for many years to come.[4] The playbook provides guidance on how the state CIO can move forward in developing and maturing a new operating model for the office of the state CIO. The playbook is intended to help governors, legislatures and CIOs communicate the state CIO's evolving role and the critical function the CIO occupies as a policy leader in any government enterprise.

The plays in the playbook can help guide the actions of the state CIO as he or she leads and manages change across a complex enterprise. The plays reflect the growing importance of customer engagement, communication skills and the evolution of modern enterprises towards a brokerage of multiple services and sources of supply. The plays are:

1. Listen to others' compelling stories.

2. Write and tell your compelling story.

3. Treat services contracts as management frameworks.

4. Treat services equally regardless of source.

5. Build a formal market engagement strategy and invite others to the party.

6. Make procurements strategic business events.

7. Invest in disciplined and transparent documentation of services and outcomes.

8. Distinguish between "brokered" and "managed."

9. Focus on the citizen.

10. Prepare the workforce.

11. Think and act in two-year increments.

The playbook adds depth to the Government Change Framework by offering suggestions for the "how" of leading across an enterprise. We will explore the application of the Four Forces and the playbook to the State CIO Top Ten list through two case studies.

Case Study 1: 2019 State CIO Top Ten #5, Customer Relationship Management

We have seen customer relationship management (CRM) emerge in recent years as the role of the state CIO has transformed and matured. CIOs must be *communicators* and *negotiators* who spend more time with customers and stakeholders than they do in the data center.

Why has this priority emerged? These Four Forces provide a framework to answer that question. The Customer Forces are a natural starting point. The customer experience has changed. We all interact with the world around us through glass screens. Our transactions can be completed with a few clicks. We all expect that same experience with government, and CIOs are on the hook for delivering solutions that meet those expectations. Spending time with agency customers, understanding their business needs and helping them address those needs through technology is the leadership charge for a CIO. Market Forces drive new solutions faster than anyone can manage, and agencies can easily buy offerings from multiple sources of supply. A state CIO uses those market forces to educate stakeholders and identify relevant solutions. Navigating the Inertial Forces in government means a state CIO must enable agencies to work within procurement processes that were not necessarily designed to buy technology quickly. The Political Forces drive CIOs to manage budget requests, understand the stakeholders in an agency customer's decision-making process, and help a gubernatorial appointed agency head do his or her job. Exhibit 3 represents how one might think about a customer relationship strategy in the context of the Four Forces.
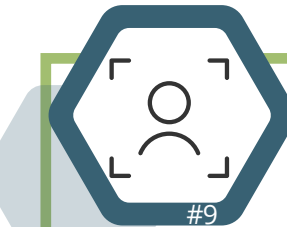

Exhibit 3: Customer Relationship Management and the Four Forces

Turning now to the playbook, three plays have direct application to the customer relationship management priority:

Play 1: Listen to others' compelling stories.

Play 2: Write and tell your compelling story.

Play 9: Focus on the citizen.

PLAY #9
FOCUS ON THE CITIZEN

Citizen expectations are high. States are challenged to make interactions with government more "Amazon like". Elected officials are using technology to win elections – technology that resembles the citizen experience.

States must respond effectively as technical and economic feasibility allows. Thus, the state CIO must engage citizens in review of services and anticipated future services that will have a significant demand.

Stakeholders that make funding decisions are also listening to the ultimate customers – the constituents within each state. The state CIO should therefore be listening via their own internal town halls and other means including forums that create the opportunity for participation from the governor and the legislature.

1. Understand the technologies used by stakeholders to win elections – these are the expectations your stakeholders will bring to government.

2. Assess and improve the collection and application of end user feedback. Create standards for the enterprise that enable a consistent and repeatable process. Assign a "high touch" agency to lead the initiative.

3. Engage city governments and the solutions they apply to constituent facing challenges.

4. Develop "change management" as a practice and a requirement. Use best practices to develop and communicate an adoption strategy.

5. Show empathy by putting yourself in the end user's shoes – you are an end user too, after all!

Exhibit 4

For illustrative purposes we have excerpted play #9 in its entirety from the playbook and each of these plays are detailed in the NASCIO / Integris Applied Playbook including goals and activities. To further develop and guide the *Customer Relationship Management Strategy* we can also examine the NASCIO / Grant Thornton / CompTIA Annual State CIO Surveys for 2018 and 2019. The 2019 Annual State CIO Survey outlines the current state of the states regarding this strategy including effective methods for interacting with customer agencies, strategies for improving the CRM function, methods for measuring customer satisfaction and how such measures are used to make positive change. Furthermore, the 2018 Annual State Survey was aptly titled "State CIO as Communicator." In that survey it was presented that the most important skill of the state CIO is that of *communicator*. Communication is a required capability for state CIOs moving into the new state CIO operating model. And this was emphasized in the 2018 Annual State CIO Survey.[5]

The Framework for Government Change and its four forces attempts to organize not only how the state CIO can communicate a role to stakeholders but also the evolution of a role that all of our work in recent years describes.

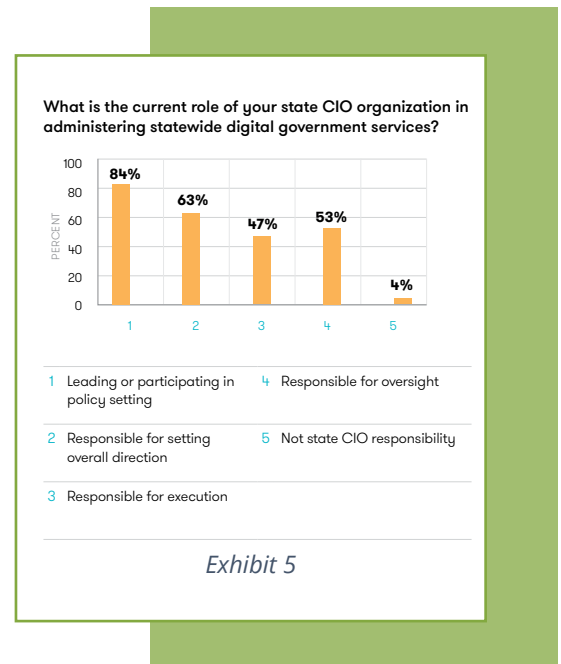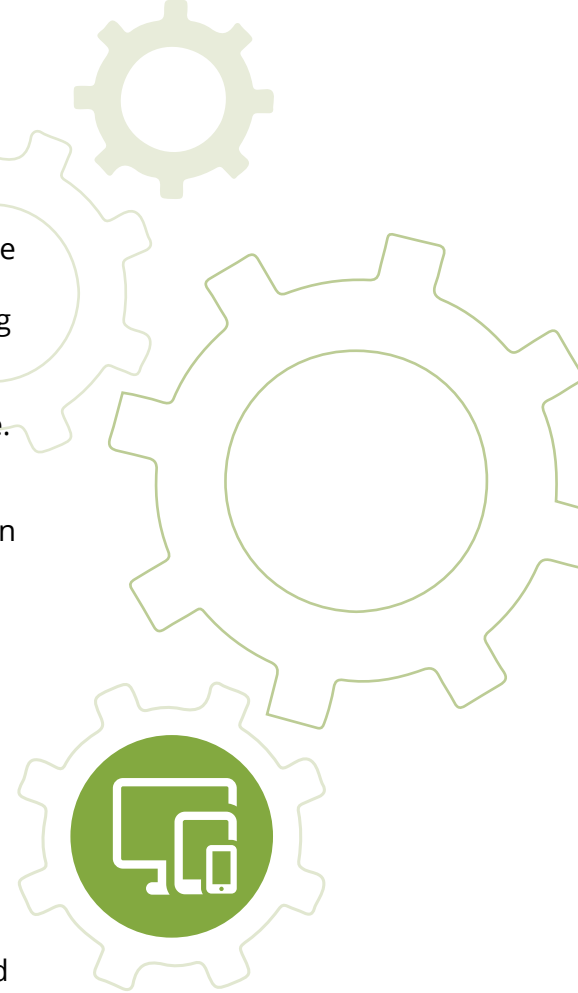## Case Study 2: 2019 State CIO Top Ten #2 - Digital Government

Digital Government was the number four state CIO priority for 2018 and again in 2019. For 2020 it moved up to priority number two. When we use the term *digital government,* we mean something more than simply being online. From the 2017, 2018 and 2019 Annual State CIO Surveys, *digital government* is defined to include these characteristics.
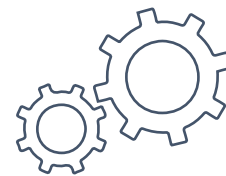
- provide seamless citizen transactions,
- increase engagements,
- provide mobile services,
- establish common online identities, and
- enable crowdsourcing and digital assistants to help navigate services.

From the 2018 Annual State CIO Survey the following statement is reproduced regarding effective digital strategy.

> *"An effective statewide digital strategy and roll-out requires a collaborative, multi-agency effort. That effort should include agency directors, deputy directors, and other program leaders."*

Eighty-two percent of the respondents to that survey believe the state CIO should play a leadership role in digital efforts. Seventy-one percent believed that the state CIO should be responsible for setting overall direction. Exhibit 5 depicts the results from 2019 when the same question was asked.[6]

What is the current role of your state CIO organization in administering statewide digital government services?

1 Leading or participating in policy setting
2 Responsible for setting overall direction
3 Responsible for execution
4 Responsible for oversight
5 Not state CIO responsibility

Exhibit 5

There are a significant number of respondents that believe the state CIO must play a leadership role and be responsible for setting the overall direction. Thus, we see that not only are we again emphasizing the importance of the state CIO as *collaborator*, but also as *policy leader* which is key and foundational to the new state CIO operating model.

The parallels between digital government and customer relationship management are clear. CIOs are managing the Customer Forces of increasing expectations for seamless interactions with government, the Inertial Forces created by legacy systems and outdated practices, the Political Forces involved in navigating issues such as funding requests, and the Market Forces that make new technologies seem so easy to implement. Exhibit 6 represents how one might think about a digital government strategy within the context of the Four Forces.

Turning again to the playbook we can apply the following plays to the digital government priority.

Play 3: Treat services contracts as management frameworks.

Play 4: Treat services equally regardless of source.

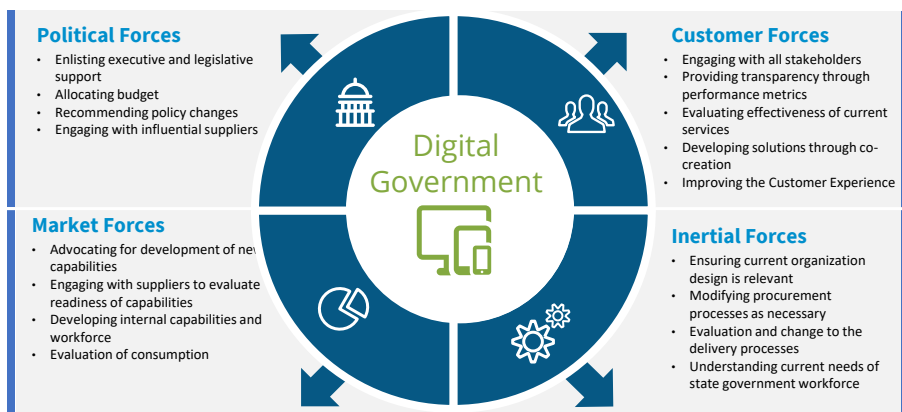Play 5: Build a formal market engagement strategy and invite others to the party.

Political Forces
- Enlisting executive and legislative support
- Allocating budget
- Recommending policy changes
- Engaging with influential suppliers

Customer Forces
- Engaging with all stakeholders
- Providing transparency through performance metrics
- Evaluating effectiveness of current services
- Developing solutions through co-creation
- Improving the Customer Experience

Market Forces
- Advocating for development of new capabilities
- Engaging with suppliers to evaluate readiness of capabilities
- Developing internal capabilities and workforce
- Evaluation of consumption

Inertial Forces
- Ensuring current organization design is relevant
- Modifying procurement processes as necessary
- Evaluation and change to the delivery processes
- Understanding current needs of state government workforce

Digital Government

Exhibit 6

Modern technology environments are comprised of multiple sources of supply. Employing management frameworks and practices that align with the way in which technology services are delivered will help CIOs deliver effective outcomes to customer agencies. Contracts should be used to organize and orchestrate digital services and potentially microservices to deliver the digital government experience to citizens. Developing contracts that also have the management elements required of a modern enterprise enables consistent practices across services, regardless of source. Keeping the market engaged helps suppliers prepare for future opportunities and provides customers with a vision for the art of the possible.

Conclusions

The Four Forces Model is a framework to help government stakeholders understand and navigate the CIO's leadership role. To be successful in today's government enterprise a CIO must understand the forces at play and develop strategies to use, influence, mitigate or accept them. The specifics of these forces are unique within each state environment and dependent on the specific governance structure, organizational model, and the issues that exist.

NASCIO has observed the state CIO role grow in complexity and influence over the last five decades. The forces that shape and influence government direction require new ways of thinking from leaders at all levels. NASCIO believes that the tools and frameworks discussed in this paper can help CIOs and their stakeholders implement the changes necessary to improve government's effectiveness and citizen engagement with it.

Key Questions

- Does the state CIO office have the necessary influence to establish effective partnering with peer officers and stakeholders?

- What steps can be taken to ensure these relationships exist and are maintained?

- What authorities does the state CIO have through the governor's cabinet, lines of reporting and legislation? These authorities will help define the influence of the state CIO relative to the Four Forces.

- How much influence does the state CIO have over the vision for technology use in state government?

- What is the general level and nature of the trust between the state CIO's office and the many stakeholders/partners?

- What governance structures should be in place to establish and maintain a trust ecosystem that includes the office of the state CIO, the agencies, cabinet members, corporate partners?

- Do you have in place an effective communication strategy that addresses new initiatives and ongoing operations?

- Do you have the necessary collaboration tools for enabling effective collaboration and co-creation?

- What standards, policies, and procedures come into play or should be established when evaluating and launching new collaboration tools and business practices particularly when considering remote workers?

- How can the Four Forces be applied in a post COVID-19 world?

Recommendations

- Maintain a realistic evaluation of what you can accomplish during your tenure as a state CIO – and accept the fact that you may not be able to accomplish everything you set out to achieve. At some point, there may be overwhelming forces the office of the state CIO simply cannot overcome, or mitigate, or reach a reasonable compromise.

- As part of the CIO as Broker Playbook Play #1 employ the Stakeholder Management Framework to become expert in understanding the specific forces of change in your state.

- Establish and maintain necessary and productive relationships and partnering with peers and key stakeholders. This should lead to valuable collaborations and co-creation of strategies and solutions.

- The co-influence between the state CIO and those on the other side of these forces can be used to create synergistic set of balance beams. These balance beams will be used to continually evaluate issues and opportunities, enterprise needs and agency specific needs, and the full array of market offerings and capabilities. The state CIO must respond to and exploit these forces and make wise choices for reaching outcomes.

- Maintain an attitude and culture of continual learning, exploration, and experimentation. This will help cultivate a culture within the CIO organization that is inquisitive, optimistic, open-minded and creative as the CIO and his/her organization examine, explore, discuss and ultimately leverage the Four Forces for achieving outcomes .

PRINCIPLE AUTHORS

Patrick Moore
Partner, Integris Applied

Eric Sweden
Program Director, Enterprise Architecture & Governance,
National Association of State Chief Information Officers (NASCIO)

POINT OF CONTACT

Eric Sweden
MSIH MBA CGCIO™
Program Director, Enterprise Architecture & Governance
National Association of State Chief Information Officers (NASCIO)
O 859.514.9189 | esweden@nascio.org

CONTRIBUTORS AND TECHNICAL ADVISORS

Julie Ellis
Digital Communications Coordinator, NASCIO

Amy Glasscock
Senior Policy Analyst, NASCIO

David Hutchison
Senior Partner and Founder, Excipio Consulting

Dean Johnson
Chief Operating Officer, State of Georgia Technology Authority

Todd Kimbriel
Former Chief Information Officer, State of Texas

Emily A. Lane
Program and Brand Director, NASCIO

Michael Leahy
Chief Information Officer, State of Maryland

Jane Newman
Senior Account Executive, Public Sector, Ivalua

Dr. Steve Nichols
Chief Technology Officer, State of Georgia Technology Authority

Dr. Craig Orgeron
Chief Information Officer, State of Mississippi

Perry Pascual
Advisor, Integris Applied

Steve Patterson
Emerging Technology Coordinator, State of Mississippi

Julie Pelstring
Senior Digital Graphic Designer, AMR Management Services

Doug Robinson
Executive Director, NASCIO

Karen Robinson
CEO and Founder, KWR Strategies

Donna Shelite
Senior Consultant, Excipio Consulting

Meredith Ward
Director, Policy & Research, NASCIO

Phil Wittmer
Public Sector Advisor, Ensono

Resources

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