

Data Center 2020: Federal Modernization in Focus

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Underwritten by:



Building your enterprise solutions

**Hitachi Vantara
Federal**

Introduction

With the **DCOI* deadline** extended to 2020, Federal IT leaders need to push hard to keep data center modernization momentum moving forward. With the right technology, agencies have the opportunity to reduce OpEx and establish an infrastructure that is able to scale quickly, integrate emerging technology, and effectively support dynamic missions – but are they?

Where are agencies in the **data center optimization** process today, and how can they accelerate progress to meet the mandated goals? Where have they **made inroads** and what challenges remain? As agencies adopt modern infrastructure, are **acquisition models changing**? How are they defining data center modernization success and what do they still need to achieve it?

For the **Data Center 2020** study, MeriTalk surveyed 150 Federal data center decision makers to answer these critical questions and define a practical path forward.

*Data Center Optimization Initiative



Executive Summary

Federal IT managers struggle to see a short-term path for DCOI:

- **69%** of Federal IT managers agree with the Office of Management and Budget's (OMB's) decision to extend the DCOI deadline
- Fewer than **one-fifth** say their agency was on track to meet the original September 2018 goals

Many lack a clear data center vision:

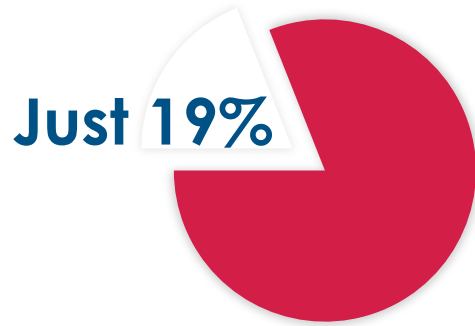
- While **84%** of Federal IT managers say their agency has a formal data center modernization strategy, only **47%** of them say that they are applying the strategy consistently agency-wide
- In fact, just **32%** have developed case studies or ROI estimates around planned data center investments

The good news, there are pockets of excellence and success that can guide others just starting out:

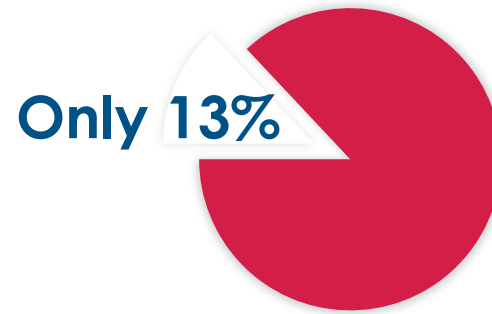
- Federal IT managers leading their agency's modernization efforts and who are "very satisfied" with their progress reported strikingly different approaches than their peers who are "not satisfied" with modernization progress, including: Prioritizing **next-generation technology**, making the case for **new investments**, and replicating their data center modernization strategy **agency-wide**
- The modernization leaders are significantly more likely to invest in modern data center technologies – **67%** of those "very satisfied" with their modernization progress have implemented DCIM solutions, compared to just **30%** of those who are "not very satisfied." Similarly, **36%** of those "very satisfied" with their modernization progress have implemented Data Centers as-a-Service, compared to just **21%** of those who are not very satisfied

DCOI: Idealism to Realism

- Federal IT managers struggle to see a short-term path for the Data Center Optimization Initiative (DCOI), and welcome the extension



were very likely to close 25% of tiered data centers by Sept. 30, 2018



were very likely to close 60% of non-tiered data centers by Sept. 30, 2018

69% agree with OMB on the deadline extension

Take away: Sigh of Relief but Short Window

Feds Look to MGT For Help

- Still, agencies are disappointed in their data center progress. And while FITARA scorecards may not have moved the needle yet, they're optimistic about the Modernizing Government Technology (MGT) Act



Just three in ten Federal IT managers (30%) are "very satisfied" with their agency's modernization efforts to date



And, the majority did not notice an increase in DCOI efforts following the November FITARA scorecards









But, 77% say the MGT Act will help their agency meet its DCOI goals

Take away: MGT Could Turn the Tide

Defining the Modern Data Center

- Federal IT managers envision the modern data center as one that's highly secure, able to quickly apply mission critical applications, effectively utilizes resources, and adapt to emerging technology – but just **11%** are hitting that mark today

How do Federal IT managers define data center effectiveness?*

-  **62%** Keeping data highly secure and protected
-  **57%** Quickly standing up and optimizing mission critical applications
-  **47%** Consolidating to maximize facility and server utilization
-  **45%** Enabling emerging technologies
-  **37%** Supporting a mobile workforce
-  **35%** Scaling to fluctuating workload requirements

But,

89% say their current data centers are not completely effective, and

57% say they're a poor match for current mission needs

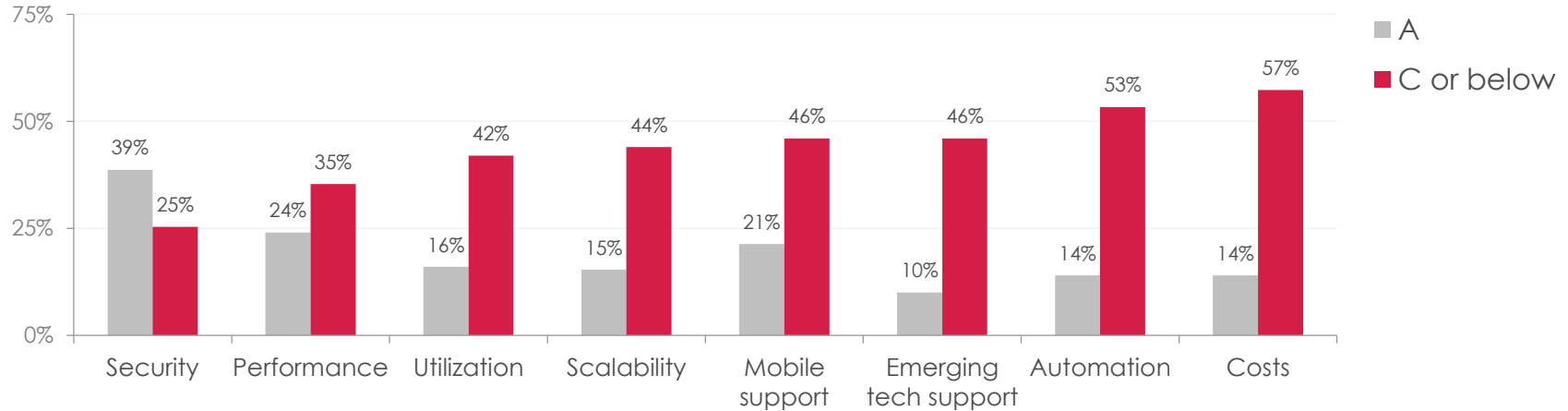
Take away: A Long Way from 2020 Vision

*Respondents asked to select all that apply

What's Working and What's Not

- Agencies see security and performance as the most effective aspects of their current data centers, while costs and automation need the most work. Just **10%** give themselves an “A” for their ability to support emerging technology

How would you rate the following aspects of your agency's data centers?*

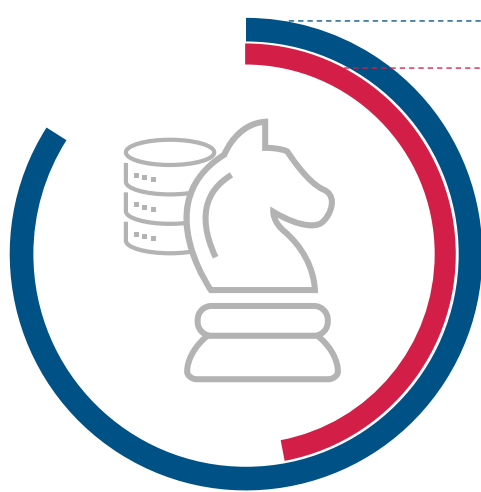


Take away: New Solutions Needed

*Respondents asked to rate each on a scale of 1-5, where 1 is poor and 5 is excellent. In the chart above, 5 = A and 1-3 = C or below

Modernization Hits and Misses

- Nearly all Federal IT managers say their agency has a data center modernization strategy, but many are missing other foundational necessities



84% have a formal data center modernization strategy, but **only 47%** are applying it consistently agency-wide

Additionally, just **35%** say their agency has a modernization leadership team or a formal vision for their future data center:

- **32%** have audited data center(s) to understand current capabilities and shortcomings
- **22%** have created a list of data centers to move or close
- **19%** have published a shared services catalog

Take away: One Step Forward, Two Steps Back

Why is Modernization Hard?

- Federal IT managers see security concerns, a lack of skilled personnel, and insufficient budget as the top issues

75% of Federal IT managers say data center modernization has been a painful process

What has made modernization so painful?*

#1
Security concerns
(52%)



#2
Lack of skilled personnel to manage the transition (49%)



#3
Insufficient budget
(34%)



Take away: Prioritize Progress

*Respondents asked to select all that apply

The Benefits of Moving Forward

- Despite challenges, the vast majority of agencies agree that consolidating and optimizing data centers is necessary for the larger goal of IT modernization

73% say the drive to close, consolidate, and optimize data centers is a necessary precursor to the larger goal of IT modernization

What are the most significant benefits of data center modernization?*

51% Improving government security



42% Increasing workforce productivity



41% Improving data access for advanced analytics and decision making



36% Reducing infrastructure maintenance costs



35% Simplifying the architecture of government IT



Take away: Data Centers Lead to Digital Transformation

*Respondents asked to select all that apply

Learning from the Leaders

- Federal IT managers leading their agency's modernization efforts who are "very satisfied" with their progress, report strikingly different approaches than their peers who lag behind, reporting they are "not satisfied" with their progress



Leaders prioritize next-gen technology: Those "very satisfied" with their modernization progress are almost 3x more likely than those who are "not very satisfied*" to say one of their top modernization priorities is improving their ability to support emerging technologies – 29% of those "very satisfied" to 10% of those "not satisfied"



They make the case for new investments: Leaders "very satisfied" with their modernization progress are more than twice as likely as those who are "not satisfied" to say they develop case studies and/or ROI estimates around planned data center investments – 53% of those "very satisfied" to 23% of those "not satisfied"



They execute their strategy agency-wide: Leaders "very satisfied" with their modernization progress are significantly more likely than those who are "not satisfied" to have a formal strategy for data center modernization *and* apply it consistently across their agency – 78% of those "very satisfied" with progress to 33% of those "not satisfied" with progress

THE RESULT?

These leaders are significantly more likely to invest in modern data center technologies:

	Those "very satisfied" with their modernization progress	Those "not very satisfied" with their modernization progress
DCIM solutions	67%	30%
Modular data centers	47%	19%
Data Centers as-a-Service	36%	21%

Take away: Look Ahead, Demonstrate Value, and Execute

*Includes those who selected somewhat satisfied, not very satisfied, or not at all satisfied

Modernization Wish List

- Nearly all Federal IT managers (**95%**) say their agency needs help to accelerate data center modernization progress

Top requests:*



Increased staff training

49%



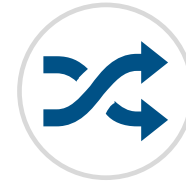
Funding from the MGT Act

43%



New hires via OPM's hiring exemption**

36%



New/more flexible procurement options

31%

Going forward, agencies say they'll prioritize improvements in **security**, **performance**, and **reliability*****

Take away: All Eyes on Staffing, Security, Procurement

*Respondents asked to select all that apply **OPM's hiring exemption for IT modernization ***Respondents asked to select top three

Overhauling Acquisition

- Federal IT managers are also considering new acquisition models to accelerate transformation



64% say their agency's data center acquisitions are beginning to shift toward utility-based or pay-as-you-go/use models



While just **25%** say they've invested in Data Centers as-a-Service, **83%** say they will be important to the success of their modernization futures



Federal IT managers also see promise in DCIM solutions (**89%**) and modular data centers (**78%**)

Take away: New Options to Accelerate Progress

Advice from the Trenches

- As agencies move forward, Federal IT managers stress the importance of simplicity, security, and investing in personnel

What recommendation would you give your agency's senior leadership regarding data center modernization?

“
Reduce **complexity** of all systems where possible.
Everything should 'talk to one another' easily
”

“
Settle the **ownership** of data
as well as **access** to the data
”

“
Improve **security** and **efficiency**
across the enterprise
”

“
Continue to listen to those on the **front lines** who can
best suggest and implement modernization solutions
”

“
Invest in **personnel**
”

“
Simplify the purchasing process
”

Take away: Streamline the Acquisition Process

Recommendations

Acquisition: Beyond the Optics

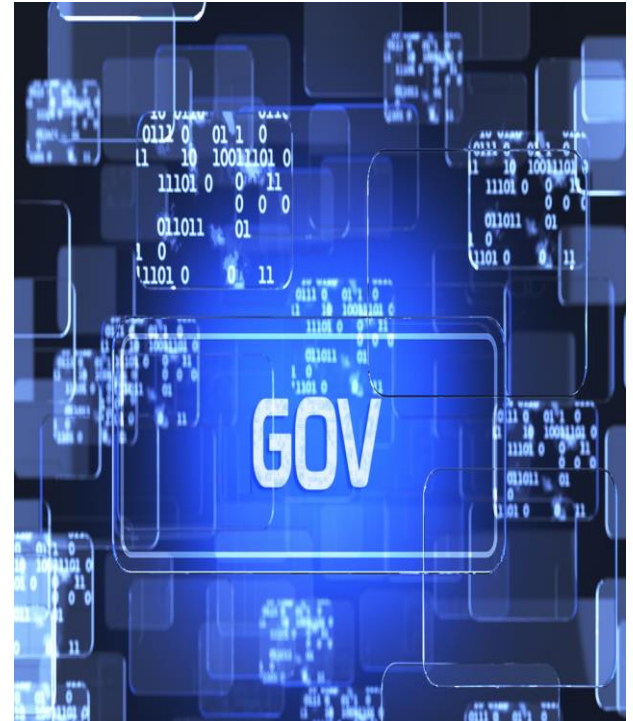
While few have tested the waters, Federal IT managers see a clear need for newer data center acquisition models such as Data Center as-a-Service. Agencies should begin assessing these next-generation alternatives, and building out ROI estimates, as a baseline for broader IT transformation.

Set Your Eyes on the Prize

While Federal IT managers are down on their data center modernization progress, many have taken critical steps to improve upon their strategies. Agencies should look to ensure that their data center modernization strategy is applied agency-wide, create a modernization leadership team, use MGT Act funding, and develop a formal vision for their future data center.

Find Value

Federal IT managers who are “very satisfied” with their agency’s modernization progress have prioritized next-gen technology, made the case for new investments, and executed their strategy agency-wide. Those making less progress should follow these leaders to gain momentum.



Methodology & Demographics



MeriTalk, on behalf of ViON and Hitachi Vantara Federal, conducted an online survey of 150 Federal IT managers familiar with their agency's data center(s) and data center modernization efforts, in December 2017 and January 2018. The report has a margin of error of $\pm 7.97\%$ at a 95% confidence level.

Respondent job titles

CIO/CTO/CISO/CDO	14%
Deputy CIO/CTO/CISO/CDO	10%
IT Director/Supervisor	22%
IT Program Manager	19%
Data Center Administrator/Manager	7%
Network Administrator/Manager	9%
Software Applications Administrator/Manager	9%
Other IT manager	10%

Agency type

Federal Government: Civilian agency	57%
Federal Government: DoD or Intelligence agency	43%

Expertise

100% of qualifying Federal IT managers are familiar with their agency's data center(s) and data center modernization efforts

Thank You



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