# The Evolving Role of the Systems Integrator

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## Introduction

Federal agencies operate in an IT environment characterized by a near-constant state of innovation. As more and more organizations recognize the value of fluid state-of-the-art IT systems, the federal IT acquisition process grows accordingly more complex.

Thus, the role of the systems integrator (SI) has evolved over the last decade. Agencies require a new, forward-thinking SI model capable of responding to a dynamic environment — one that prioritizes service management and user experience rather than simply focusing on resource or asset managment.

## The Changing Nature of Federal IT Procurement

The federal government's IT procurement process is rapidly transforming, with new technologies, services, and providers playing an expanded role in agencies' day-to-day operations.

This trend has seen the IT and business value chains of government organizations become significantly more complex and dynamic. New services and providers have been directly embedded in daily agency logistics and operations of federal agencies — something that can be seen in the government's steady transition to the cloud.

Organizations are increasingly implementing cloud first policies and pursuing cloud native solutions. This movement away from custom solutions and towards those in highly standardized packages at commodity pricing "[lets] customers access computer and storage capabilities without the hassle of buying their own gear."[1] According to Gartner, the IT research and advisory company, the worldwide public cloud services market is projected to grow by 18% in 2017, reaching $246.8 billion. More specifically, Infrastructure as a Service (IaaS) is expected to grow by 37% in 2017 to reach $34.6 billion, while Software as a Service (SaaS) will grow by 20% to $46.3 billion.[2]

The prevalence of new technologies and services has also transformed the federal IT acquisition process. The previous procurement model was built to acquire systems and tools that would stay in place for years at a time — something that contributed to the pervasiveness of increasingly obsolete and costly legacy systems. In May 2016, the Government Accountability Office (GAO) reported that operations and maintenance spending accounts for 76% of the federal IT budget; on the other hand, only 24% is spent on IT development and modernization.[3] Dan Tangherlini, who served as GSA administrator from 2012 to 2015, describes this "10- or 15-year-old approach to IT acquisition" as "a system with these very, very structured requirements, waterfall development deliveries on these big, massive, multi-year contracts."[4] This model, according to Tangherlini, is "not the best way for the federal government to acquire technology."[5]

However, this "era of static technology," as Tangherlini puts it, is over. He argues that "the idea of buying single, proprietary bespoke systems for agencies is also giving way to an era of software-as-a-service, power by the hour, cloud provisioning."[6] The federal procurement model of acquisition has begun taking cues from commercial procurement, namely by considering the changing state of IT. Scalability and adaptability are prioritized in pursuit of systems and tools that will not become outdated after several years. Just as the model of procurement is evolving, the role of systems integrators is undergoing a transformation to the evolving environment.

## The New Role of the Systems Integrator

In the face of a shifting IT procurement process, SIs must adapt in order to manage its growing complexity. Previously, the role of SIs was fairly self-explanatory: they integrated IT systems from various vendors and managed organizations' IT assets and resources. Those responsibilities have evolved, however, to become more forward-focused on acquisition. SIs now increasingly serve as agency-vendor liaisons, overseeing the acquisition process from beginning to end.[7]

Today's SIs have greater authority to transform their IT environments. This posture entails shifting away from a diverse assortment of technologies from different vendors — a setup that currently dominates the federal IT scene — making SIs' role service-centric rather than resource-centric. While SIs were previously responsible for monitoring an organization's assets, they now manage not only the acquisition process, but the end-user's relationships with IT vendors.

The changing responsibilities of SIs demonstrates a growing dedication to enhancing the end-user experience Rather than simply focusing on mitigating the cost of delivery, SIs are now required to ensure a user-friendly experience. However, the increasing liaison-like aspects of the SI's role may place the position at risk in some situations — for example, when faced with companies who provide their technology as a service.[8]

## A New Environment

The role of SIs in the federal IT sector is continually evolving. Agencies had previously sought to take on aspects of the SI role, relying on integrators to procure systems and tools before passing those off to internal IT departments to integrate and manage. However, as SIs have taken greater control in shaping agencies' IT environments, demand for outsourcing the role has increased.

Agencies and departments have noted the importance of having systems integrators after facing previous shortcomings on projects lacking the role.[9] In a January 2015 report, for instance, the Office of the Inspector General at the Department of Health and Human Services found that failures in the launch of Healthcare.gov in October 2013 resulted from lack of a lead systems integrator.[10] Agencies are thus looking to avoid such pitfalls in the future by including systems integrators.

The advent of the Trump Administration could see greater opportunities for SIs in the federal space. The administration's emphasis on bringing a private sector approach to government by eliminating so-called waste and regulations

**Notes from an Industry Expert:**
"As we work with our clients, helping them to apply new technologies and innovations to drive improved performance, effective executive sponsorship, clear governance, and a strong partnership with an experienced systems integrator are key elements of success. For example, we have partnered with the Department of the Navy as their Systems Integrator for more than a decade, providing best-of-breed products and services, building one of the largest, most secure intranets in the world. Sponsorship and governance have been critical to the long term success of the program and are essential to the introduction of new capabilities, such as private and public cloud offerings. The value of an experienced integrator is seen in their ability to ensure readiness by anticipating and planning for the complex needs of transformative solutions; and to solve the challenges that naturally occur all while remaining focused on achievement of desired business outcome."

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is expected to bring expanded contracting opportunities for the private sector. Such an approach, if enacted, could see the role of SIs become even more essential as agencies increasingly outsource responsibilities from their IT departments.

Not all IT contractors, however, are encouraged by the proposed measures in the President's "skinny budget" for FY 2018, and it remains to be seen whether such extensive cuts will be approved by Congress. Dave Berteau, President and CEO of Professional Services Council, is "particularly concerned about arbitrary and disproportionate reductions in some agencies,"[11] while Elizabeth Hyman, Executive Vice President for Public Advocacy at CompTIA, similarly believes that steep budget cuts "may make IT acquisition a challenge."

Matt Hummer, Director of Analytics and Professional Services at Govini, spoke specifically of SIs' concerns. Trump's reduction of government spending and duplicative systems is "a natural progression to outsource [technology services]," a move which would eliminate the role of systems integrators or an internal IT department in managing systems and tools.[12]

Aside from Trump's budget proposal, however, a competitive federal IT market in 2017 could see more opportunities for systems integrators. The defense sector in particular will see $210 billion in DoD contracts expire this year.[13]  Thus, Hummer remain optimistic: "2017 is going to be a big year for IT contractors and systems integrators."[14]

## Conclusion

While it is currently unclear whether systems integrators will see an increased demand for their services under the Trump Administration, the role of SIs has undoubtedly expanded in recent years. A procurement process aimed at creating agile, scalable IT systems has forced systems integrators to adapt by managing relationships with vendors and enhancing the experience of the end-user. Consequently, agencies have recognized the value of contracting SIs on projects. If this trend continues, one can only expect that the role of systems integrators will continue to evolve and expand.

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