



The Government IT Network

Off the Hook: Federal Telecom Disconnect

May 21, 2012

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In an increasingly mobile world where Federal agencies are teleworking, using cloud computing, and relying on smart devices, **telecommunications and network technologies** play a pivotal role in the ongoing business of government.

The **Off The Hook: Federal Telecom Disconnect Study** uncovers agency priorities and challenges in this space, and importantly, highlights key areas in which Feds and industry **fail to see eye to eye**. The report reflects insights from more than 61 industry IT leaders who attended the Federal Networks 2012 conference and 102 Federal IT leaders who participated in an online poll.



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- **GSA Networx Wake-Up Call:**

- While 86% of Networx contractors expect their Networx revenue to increase in 2012, just 13% of agencies say they will make more Networx purchases this year

- **Cost Savings Disconnect:**

- 95% of industry respondents say Federal agencies are more focused on cost savings today than in 2011, but just one in three is reducing their pricing as a result
- The majority of industry (60%) respond by delivering greater value for the same price

- **Mixed Signals:**

- While all recognize the savings opportunity in cloud computing, industry says data center consolidation will offer agencies the greatest savings over the next 12 months
- Government sees greater value in telework

- **Infrastructure Challenges:**

- Despite growing network needs and “the mobility spring,” agencies and industry expect just moderate improvement in the percentage of wireless agency telecommunications over the next year – from 28% in 2011 to 36% in 2012
- Additionally, just 50% of Feds believe their agency is taking best advantage of the cyber security tools vendors can provide

The Good, The Bad, and The Ugly

- Everyone agrees Networx is easy to use, but few are using it



What is the best feature of Networx?

“Ease of acquisition” – Industry

“All-in-one availability of products”
– Government

“Breadth of services and great prices”
– Industry

“Ease of use for both system managers
and users” – Government

But

52%

of Feds

&

69%

of industry

agree that adoption of Networx is
largely unchanged

Government:

Has your agency made
any Networx purchases?

71% say no

Industry:

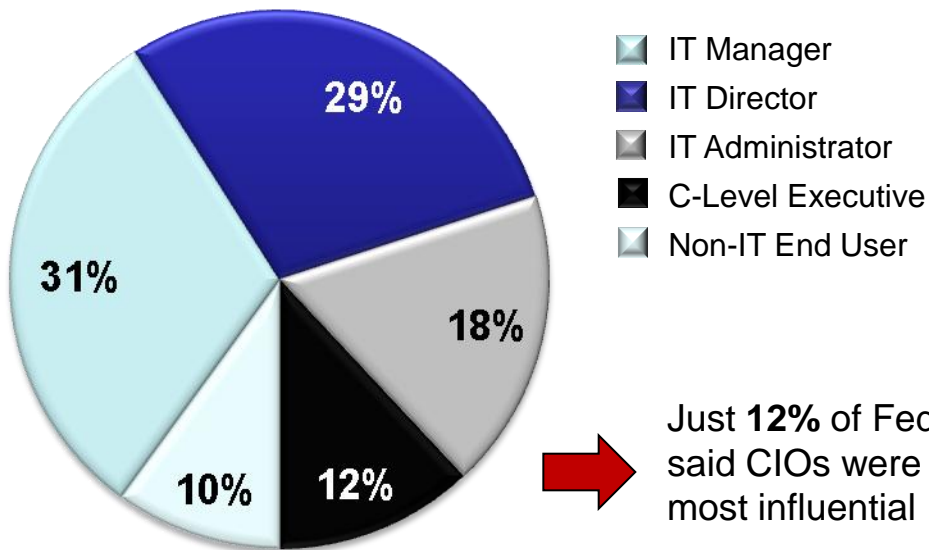
Are you a Networx prime
or subcontractor?

68% say no

Take Away: Talk is Cheap

- Spending in 2012 will take center stage, but industry still holds the misconception that government CIOs run the show

2010 Feds: What level of your IT organization is the most influential in making/recommending technology purchases for your organization?*



Today, a whopping **83%** of industry respondents say Federal CIOs need more power.

Just **50%** of Federal employees agree.

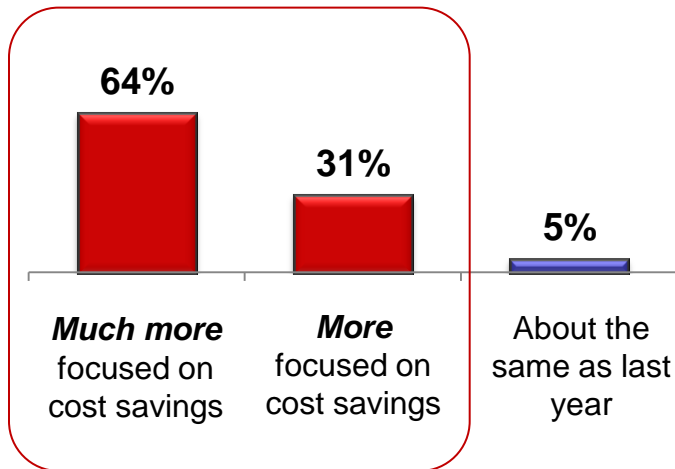


Take Away: Industry Must Recognize the Right Buyer

- 95% of industry respondents say Federal agencies are more focused on cost savings today than in 2011, but just one in three industry players is reducing their price tag

Government:

Compared to last year, to what extent are agencies focused on cost savings?*



Industry:

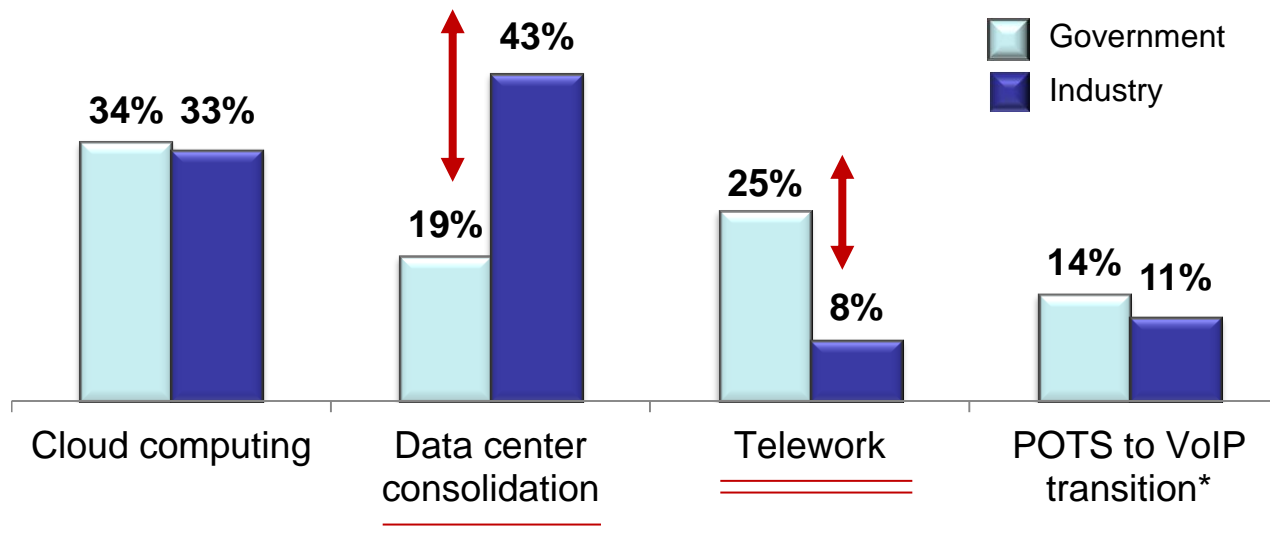
How is your organization responding to agencies' cost/budget concerns?*



Take Away: Government Getting More Bang for Their Buck

- Government and industry do not see eye to eye on the next greatest savings opportunity for agencies, disagreeing considerably on data center consolidation and telework

What is the **greatest opportunity for government savings** specifically in the areas of telecommunications/networks in the next 12 months?



Take Away: No Silver Bullet

Is Anyone Listening?

- Government sees cloud and telework as the answer; industry sees cloud and data center consolidation. How can we achieve savings if we're not even on the same line?



Offers the greatest opportunity for government savings:

Telework:

25% of Feds vs.

8% of industry

Data center consolidation:

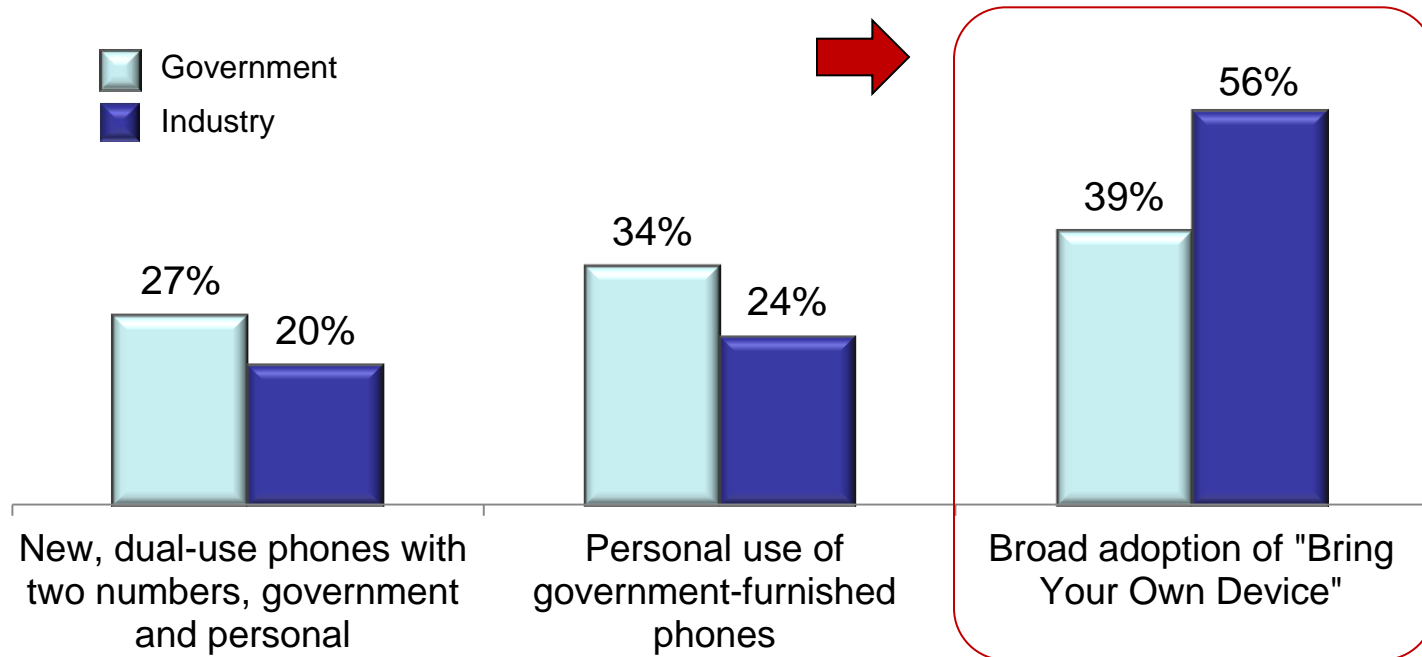
19% of Feds vs.

43% of industry

Take Away: Get on the Same Page to Save

- Though industry is more optimistic than government, both agree that BYOD and mixed-use phones are the next steps for Federal agencies

What is most likely to happen at Federal agencies in the next two years?*



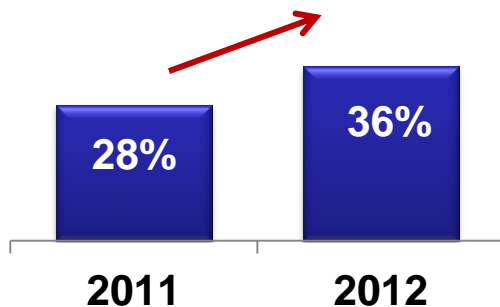
Take Away: Prepare for Device Deluge

- Despite growing network needs, Feds and industry recognize cracks in the foundation of agency network connections

Lack of Wireless

Government agencies and industry expect just **moderate improvement** in the percentage of wireless agency telecommunications over the next year.

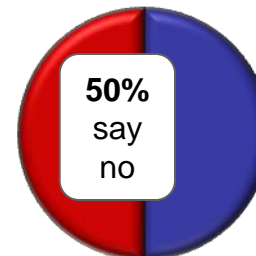
Average Increase Expected:*



Security Gaps

Are Federal agencies taking **best advantage** of the cyber security tools that vendors can provide?

Government:



Industry:



Take Away: Work Together to Strengthen the Network

- **Plug Back In** – While industry recognizes the government spending crunch, it needs to modify its expectations and approaches to fit within the new cost conscious-reality
- **Check Caller ID** – Fed CIOs are not making purchasing decisions. Industry must reconnect with their true buyers – IT managers and directors
- **Pick up the Phone** – Government and industry must openly discuss priorities to ensure industry vendors are providing the right tools and industry consultants are working toward the same goals
- **Call for Service** – To move forward, government and industry must address critical network issues like wireless access and security



- MeriTalk, on behalf of CenturyLink and Telework Exchange, conducted the online survey of **163 Federal government and industry employees** in February and March 2012. The report has a margin of error of +/- 7.64% at a 95% confidence level

Government:

IT Manager Titles	
6%	Chief or Deputy Chief Information Officer
6%	Chief or Deputy Chief Technology Officer
18%	Information Technology (IT) Director/Supervisor
31%	IT Manager
6%	Data Center Manager
33%	Other IT Management

Agency Type: 50% Civilian; 50% DoD

Industry:

Organization Type	
15%	Independent Software Vendor (ISV)
18%	Original Equipment Manufacturer (OEM)
15%	Systems Integrator (SI)
21%	Telecommunications company or Internet Service Provider (ISP/Telco)
1%	Value-Added Reseller (VAR)/Reseller
23%	Consultant/Professional Services Provider
7%	Other

Thank You

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