

**STATEMENT OF
THE HON. LAVERNE H. COUNCIL
CHIEF EXECUTIVE OFFICER
EMERALD ONE, LLC
BEFORE THE
HOUSE COMMITTEE ON OVERSIGHT AND REFORM
SUBCOMMITTEE FOR GOVERNMENT OPERATIONS**

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Introduction

Chairmen Connolly, Ranking Member Hice, and Members of the Committee, thank you for the opportunity to appear before you today to share my experience and observations implementing the Federal Information Technology Accountability and Reform Act (FITARA) as the Chief Information Officer and Assistant Secretary for Information Technology at the Department of Veterans Affairs, or VA, where I served from 2015-2017. What made my experience at VA a unique one was my three decades as a global executive and consultant in private industry. I hope that my insights will help you prepare FITARA for another ten years of leadership and accountability in the federal government.

I'd like to begin by thanking you, Chairman Connolly, for providing me and all other government leaders with the tool we have in FITARA. As I will share in my testimony, this legislation was critical in helping me build the support and advocacy I needed as a leader to make progress at VA.

VA Experience

I last joined the committee in 2016 to share VA's progress in transforming its information technology (IT). At the core of that transformation was a seriousness about and commitment to FITARA. My presidential appointment and confirmation as the Assistant Secretary for IT at VA was my first government position. Before that, I ran my own firm; served as the first global CIO in the 125-year history of Johnson & Johnson; was a global Vice President for IT at Dell, Inc.; and was a global leader for Supply Chain Strategy at Ernst and Young. I share these prior roles to illustrate my context as I joined the leadership team at VA. I came from a commercial world, one in which I lead organizations with complexity and budgets comparable to VA. In these organizations, the CIO held absolute fiduciary responsibility for their budgets and environments. Our responsibility was to implement the best and most secure solutions to meet our organizations and customer's needs, to maintain accountability to all key stakeholders, and to do so while meeting all regulatory requirements.

During the preparation phases for my role in the public sector, I frequently heard how difficult it was to execute IT projects. The causes were plentiful: one- or two-year appropriations, complicated program budgeting, hiring delays, data center proliferation, even technology procurement decisions being made outside the IT organization. We took on the challenge, and while I witnessed multiple instances of each of the obstacles

I mentioned, within a short amount of time we saw significant progress. We improved our grade from a C to an A.

I remain very proud of all our team's accomplishments. I found FITARA to be one of the best tools I had available to help the Office of Information and Technology become a higher-performing organization.

FITARA provides federal CIOs with the framework and the authority to execute their organization's technology funding as the expert-level, accountable official for their agency. It is an integral tool in building a sustainable technology organization that can transcend administration changes. Its influence on some of the significant IT successes over the past ten years is undeniable. I am excited to share my thoughts on what may help it become even more effective in the future.

The New Equation for CIO Success

According to a June 2020 study published by TechRepublic, 74% of all IT modernization projects fail—74%. That is an industry-wide figure.

Technology professionals are intelligent, motivated, focused, and analytical. They are trained to solve complicated issues in logic while blending innate creativity. So how can the failure rate be so high?

Number one: Enterprise Complexity.

Organizations obtain or develop new technology to enable new processes or solve a myriad of problems. Many start leveraging technology well before they understand how the technology will be supported or how one process will work or support another. Leaders want to make the most of technology immediately. So why the failure? Because in many cases you are trying to make something *new* work on something *very old*. The aging technology and infrastructure will need to be maintained and paid for until it is retired. The old infrastructure will take resources and increase risk beyond measure because everyone wants something new... but just like the stuff in your attic or basement, no one wants to get rid of anything.

Let me use an analogy to help you understand the issue. Let's say you decide to buy an old house. That older home takes more time, more money, and more creativity to upgrade than it would to raze the house and build a new one. You, as a homeowner, cannot receive the maximum value of each of your upgrades just by installing something new over the old. You must do many things in unison, decide what can easily work with the old infrastructure, like a new floor; maintain working appliances, and replace the roof because it is failing. You do not just keep adding new items without taking out some of the old if you want the house to be livable.

Technology, and technology modernization in the federal government, are very similar to that old home. Many of our agencies are working furiously to implement new technology on top of the aging infrastructure. Others are hesitating, focusing on adding user-requested applications while ignoring the significant issues because they are so risky. Everyone likes the new without realizing that all technology must be maintained throughout its life cycle. Once you bring in new technology, you must take care of it until its life cycle ends.

In addition, we all know the construct of people, process, and technology, but each of these areas brings their own complexity. None of them are managed in alignment. In federal organizations that are large or have a high-visibility, high-criticality mission like VA, we expect agencies to “modernize” the environment quickly despite hundreds of different systems managing different lifecycles with touchpoints to one another. Yes, our federal CIOs are responsible for evaluating new technology and modernizing their environments. Simultaneously, they must understand and assess the age of their infrastructure, the culture of their organization, which drives the use of the technology, their influence within their Department or agency, the processes that must change as a result of changing technology. They must do all of this within a very constrained timeframe. The industry-wide average lifecycle of a CIO is four years. That figure does not account for the time variables of the federal government, such as changes in administration.

At Emerald One, we call this complex equation the Elements of Brilliance. People, process, and technology remain our foundation, but you must also leverage Leadership, Cultural Awareness, Trust, Value Maximization, and Time Compression to develop an accurate assessment and comprehensive strategy for an organization’s path to modernization.

FITARA Moving Forward

I shared earlier in my testimony that FITARA was an essential asset to me as I navigated the federal government technology environment. One of the most significant benefits to FITARA was the additional influence and leverage it provided me in working with other leaders at VA. In some respects, VA’s technology organization was ahead of the curve due to its Congressionally-mandated centralized appropriation. But like many of its counterpart organizations, VA has its share of holdover issues from historical organizational hierarchies. Many of the non-technology leaders in federal organizations do not have a background in technology. They do not understand the nuances, challenges, and opportunities associated with running a technology organization. We encountered difficulties when addressing FITARA metrics that concerned shifting responsibility for certain functions from their existing VA hierarchy to OI&T, such as budget and procurement responsibility. Sharing the requirements of the FITARA legislation was often a catalyst to break down “that’s the way we’ve always done it” into a new, technology-centric approach.

I respectfully submit to the subcommittee several additional recommendations for metrics that can strengthen FITARA's impact on agency CIOs. These include additional metrics for:

- Agency support of the CIO;
- Measurement of the agency's technology lifecycle;
- Fiscal traceability; and
- Cultural readiness.

Additional Metric: Agency Support

I believe Agency Support is one of the areas the committee could explore to provide FITARA—and therefore, the agency CIOs—more lasting success. This goes beyond the reporting relationship. Adding an agency-wide *support* metric to the report card will relieve the CIO from being more than just a water bearer. They will become the enabler of a critical agency asset. Measuring each agency head's direct support of their CIO in a real, honest way can help the committee understand whether or not the agency CIOs have the advocacy and endorsement they need to enact the constant change required by technology implementation.

Additional Metric: Technology Lifecycle

Understanding the technology lifecycle, and therefore understanding what is already in place, is a key element in modernization. The average age of an agency's infrastructure can have significant impacts on their ability to modernize, or their ability to modernize without encountering new issues shortly after the technology's implementation. That four-year metric of an average CIO's tenure is a lifetime in technology. By four years, both software and hardware are outdated even when routinely maintained. I submit to the committee that adding a metric dedicated to examining the average age of the technology infrastructure will better assess the health of the overall organization.

Additional Metric: Fiscal Traceability

We must ensure that our agencies' fiscal reality supports the technology mandates we impose. It is a disappointing reality that many of our agencies continue to receive technology budgets that allow them to do little more than maintain and sustain outdated systems. The Modernizing Government Technology Act (MGT) and Technology Modernization Fund (TMF) were both positive steps forward for the government. Still, the TMF is chronically underfunded, mirroring the modernization vs. innovation debate that occurs at many agencies. As time goes by, the glut of legacy systems throughout government will result in more and more issues. For FITARA, MGT, TMF, and other technology legislation to affect significant change and position our government for the next crisis, consider how they may link to one another. Is TMF funding contingent upon FITARA scores? Can FITARA scores be decreased due to the low use of the mechanisms in MGT? By creating more meaningful connections between the different tactics, the committee can create the leverage and strength some agency CIOs need to build support through their leadership teams.

Additional Metric: Cultural Readiness

Peter Drucker famously said that “culture eats strategy for breakfast.” We know that to be true, and most CIOs know that culture eats technology for lunch and dinner. IT is not an island. It is a catalyst, a partner, a visionary. No CIO can transform their technology environment in isolation. The culture must be prepared to adjust to that transformation. If all of us in an organization are living in that old house, everyone has to discuss and agree on their terms: what does the house look like? Is it an old house with new additions? Is it a completely new house? What timeline is practical to get all of the work done? What schedule is *possible* to get all of the work done? Anyone who has ever tried to use their kitchen in the midst of a remodel understands these implications, and they all come back to culture. The organizational culture must not only *endure* technology modernization. They must *embrace* it.

User adoption—often misidentified as “change management”—is misunderstood in today’s federal technology environment. User adoption activities are under-scoped, under-planned, and under-resourced. Insufficient user preparation leads to confusion, fear, frustration, and distrust, and the probability of success diminishes from the start. Preparedness must be measured and managed from the outset, beginning with informing users about what they can expect at all phases of the development project. Based on research from Harvard Business Review and Forrester, products with an exceptional customer experience have significant potential to outshine their competitors, acquire new customers, and secure a higher market segment. The same holds in federal IT organizations. That means doing more than providing technology. It means enabling successful technology adoption.

Agency leaders, in *true partnership* with their technology counterparts, must be willing to acknowledge that full modernization is the path to providing the best services to their constituencies. They have accountability to modernize their processes just as the CIO modernizes technology. Incorporating the people factor into technology planning enables IT organizations to deliver on customer expectations and business outcomes... and increase project success rates. A metric focused on this cultural readiness will help the CIO better illustrate their organization’s landscape and receptiveness to significant modernization efforts.

Conclusion

Chairmen Connolly, Ranking Member Hice, and Members of the Committee, thank you again for the time and opportunity to share my experiences and perspectives on FITARA. I leave you with a final thought. As COVID-19 shifted more of us into the remote work environment, those of us in the technology field were focused intently on the infrastructures supporting that remote work. Those of us who work in close proximity to the government know just how complex the technology and cultural environments are. We understand how difficult it can be to update the infrastructure under normal circumstances, much less the schedule and cultural pressure of an international pandemic. In many cases, agencies were able to shift into the remote environment. VA was one of the agencies able to make that successful shift, and I watched with pride as the IT operations organization took on the challenge.

We all know that the shift was due to a lot of hard work, a lot of sleepless nights, and countless cups of coffee for the IT staff in those organizations. But it was also due to FITARA, which has helped CIOs and IT leaders influence technology decision-making more and more for the past ten years. Your work on this crucial legislation is creating a healthier path for our federal government IT, which allows our agencies to better serve the American people. As the Chairman shared in his July 20, 2020 opening statement, “We can no longer allow outdated and legacy technology to stymie the delivery of vital public services.” Legacy systems will never become *less* expensive to replace. Instead, we will begin paying the price of their sustainment in immeasurable ways, as we saw amid the impacts of COVID. Federal agencies must prioritize the retirement of legacy systems and their replacement by new technology. In every case, this prioritization must be *a unified goal of agency leadership*, not a discrete requirement imposed upon the CIO. The confluence of this 10th anniversary and our global now-normal circumstance are the forcing function.

I want to thank you for that work and recognize the efforts of our federal leaders to use the tool you have provided. I am happy to be part of looking forward to the next ten years and to help bring FITARA to an even stronger capability. I am happy to take your questions at this time.



LaVerne H. Council
Chief Executive Officer
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LaVerne H. Council began her career as an intrapreneur over 30 years ago. She is globally recognized as a transformational leader who focuses on people over product, outcomes over activity. She is a global operations and information technology strategist and change agent, and her experience as a global executive provides her a unique perspective as an influencer, advisor, and coach. She is a founder and the Chief Executive Officer (CEO) of Emerald One; a member of the boards of directors for ConMed, Mathematica, March of Dimes, and GirlUp; and host of the podcast [Brilliant in 20](#).

LaVerne's work as a global executive leader with organizations like Grant Thornton, Johnson & Johnson; Dell, Inc.; and Ernst & Young, LLC give her a unique perspective on the opportunities and challenges faced by both CxO executives and their employees. In her role as the Assistant Secretary for the Office of Information and Technology and Chief Information Officer at the Department of Veterans Affairs, LaVerne not only created the technology strategy, investment, and implementation for the largest civilian agency in the federal government, she transformed the executive leadership team to the most culturally diverse in the federal government.

LaVerne focuses on the health of an organization, the cohesion of the team, and the strength of the individual, weaving the professional path with personal development. A volunteer since the age of 5, LaVerne advises leaders and teams on servant leadership, spotlighting the unique gifts each person brings to the team and using oneself to improve the lives of others.

Awards and Accolades

- Top 10 Global Leaders & Change Agents Award
- Top 10 Global Leaders & Innovators Award
- Meritorious Service Award – highest honor for civilian federal employee
- Golden Gov: Federal Executive of Year Award
- Forbes.com - Technology's Power Women in their Tough, Tech-Smart and Female
- Twice named FedScoop Top 50 Women in Information Technology
- Inducted into the Illinois State University Business Hall of Fame
- New Jersey Technology Council's CIO Hall of Fame
- Healthcare Data Management's Most Powerful Women in Healthcare Information Technology
- Featured in *Chief Supply Chain Officer Insights* as one of the top Supply Chain Leaders of the last 20 years
- Business Trends Quarterly Top 5 CIOs in America