



Turning Strategy into Delivery

28th November 2022

Meaningful innovation does not need to be based on outright invention, but on bold new combinations of existing components

Pega MOD Whitepaper Update

When the Defence Digital Strategy was published in 2021, Pega recognised the watershed moment this represented and wanted to add some industry value by producing our view, through the lens of the market position as the leading Low-Code, AI Driven, Decisioning and Workflow Orchestration Platform. To that end, we structured a response around four key topics, that highlighted the themes covered in the strategy that we most identified with and which, we felt provided a view of the route to a pragmatic realisation of those elements of the strategy:

- a) Identifying and Embracing Legacy Value.
- b) Generating Insight from Data.
- c) Making Change and Innovation Accessible.
- d) Fusing Physical to Digital (Digital Twin).

Additionally, we highlighted two common denominators that can help to accelerate these themes:

- **Bridging the systems and data gap:** Freeing siloed data to become a strategic asset by enabling legacy systems to add greater value in their run-up to sunset.
- **Bridging the digital skills gap:** Helping service personnel to become “Defence-Developers” to enable a wealth of insight and transformational thinking.

In this way, services can more quickly and effectively be made to work together, out with big-bang approaches, progressively transforming them by breaking down dependencies and so, “**bridging the gap**” becomes an apt metaphor to facilitate a more integrated and effective military.

Since we shared our whitepaper, there have been three significant developments that prompted us to reflect on our original view:

- **Digital Foundry RFI:** The iBPM programme within the Digital Foundry is exploring low code automation technologies that can support continuous, data-driven process improvement.
- **NAO Review of Progress against Digital Strategy:** Considered MOD progress on delivery of the Digital Strategy published in 2021.
- **Autumn Statement 22:** Reiterated the commitment to spending 2% of GDP on defence and other already committed investment.

“We keep discovering how far we can push the envelope. And so far, we’ve not found a limit to that boundary of how far Pega can take us”

Steve Power (Senior Director, Cisco)

We saw several points come out of the NAO report and the subsequent PAC hearing on their findings, and of course the recent autumn statement, which are particularly relevant to our view:

1. **Culture focussed on approvals rather than outcomes:** lengthy approval and acquisition processes directly oppose the agility required to deliver much needed digital transformation. This is epitomised in the deliberations still ongoing in the iBPMS programme, rather than a bias for action and focus on timely outcomes to pursue the Foundry Strategy benefits more aggressively. This is predominantly why public sector lags behind private sector digital maturity.
2. **The IT landscape continues to be fragmented, with siloed processes:** despite completion of a data standards and strategy exercise, progress to compliance, but more importantly outcomes, is still challenging, with PAC questioning how legacy improvement investment is being prioritised and quantifying how much business value is driven from these investments.
3. **Skilled resource availability remains a challenge:** equally people development is a challenge in upskilling terms, set against the need to maximise the value of uniformed resource.
4. **The Defence budget remains challenging after the autumn statement:** with no uplift from the 2% of GDP commitment, the PAC observed that inflationary pressures are likely to cause a need to “tighten belts”. In addition, the need to consider different ways to deal with administrative services is recognised, the subtext being to free military roles for military focus through digitisation and, more importantly, digital transformation and automation.

So overall, we stand by our original white-paper observation, that it is crucial to make progress against the reality that legacy systems and imperfect data caches will continue to pervade the MOD IT landscape for some time to come. However, this can be contended with through the Digital Foundry, Digital Backbone and most particularly the ambition of the iBPMS Programme to exploit AI-powered Intelligent Automation platform technology. In turn, this loops back to our core proposition that it is imperative to establish such a platform in the role of an Agility Layer¹ that can sustain change by delivering transformation in line with four essential design principals:

1. **Avoid a big bang approach to change:** this carries too much cost, risk and service displacement, so it is imperative to think about technology products that have the most potential to bond onto your current IT Estate, Processes and Data Sources, adding immediate point value, integrating through a variety of methods and can continue to expand, and progressively displace, legacy platforms.
2. **Technology choices:** should be grounded not in loosely stitched products, but as a well-designed and integrated product suite, because this makes for a successful and risk mitigating “Wrap and Renew” strategy as opposed to “Rip and Replace”. Products that are grounded in the definition of “Micro-Journeys”, distinct process stages and steps that can be consolidated to deliver a business outcome, whilst accommodating process variation and ease of reuse, should be the preferred choice.

"Moving to the new Pega platform will achieve better data quality as we'll have applications that fit the way people work. With better visibility, we will reduce data calls and increase the speed at which we make informed decisions to support the warfighter."

*Chadwick Pfoutz
Deputy Division Chief US Air
Force Research Labs*

3. **Enable Business Stakeholders:** to work closely with the IT Department, typically using a Model-Driven design process. Products that support this, and furthermore can implement functionality and subsequent changes through well governed low code models, are not only quick to deliver, but allow some aspects of the platform to be controlled safely by business stakeholders themselves, dramatically increasing the speed of change and lowering overall TCO.
4. **Build for Change:** is imperative, an ability to cope with volume and changing operating models in whatsoever form that takes, is likely to be key, so those platforms that have strong automation capabilities woven throughout their DNA, that have an ability to understand variations of user and process need, whether fully automated or augmenting a human operator, should be preferred. This also introduces a business-driven evergreen side effect and prevents the slip into brownfield and the spiral into our old foe, legacy!

The additional reason for re-emphasising all of this is to urge that now is the time to turn the desired iBPMS business outcomes into a speedy and decisive procurement activity to recognise the need to realise initial value quickly and continue to iterate that value throughout, with a focus on those elements we discussed in our original Digital Strategy white-paper response.



Pegasystems Inc.

Pete Wilson

Government Industry Principal Director