
PRESS RELEASE

IT Service Centers - The Future of IT in the Public Sector

Joint study by msg and PAC shows there are many advantages to centralizing IT in the public sector.

Munich, November 5, 2015. As part of a joint collaboration in the spring of 2015, msg and PAC (Pierre Audoin Consultants) interviewed a total of 111 IT authorities from national-level, state-level and a few select major city-level government agencies on the future of IT in the public sector. In addition to questioning authorities as consumers of IT services, expert discussions were also held with representatives from government departments, downstream agencies, associations and IT service centers. One important result of the study was the revelation that the centralization of IT is generally seen as positive, even though it involves making significant changes.

For years, the public sector has found itself trying to balance critical elements such as increasingly scarce resources - due to sinking budgets -, demographic changes and growing demands for quality and availability of administrative services. Faced with this situation, IT tends to assume a special role in public administration: the digitalization of administrative workflows holds vast potential as the demands for process efficiency, availability, customer service and IT security continue to grow at a rapid rate. One option for mastering these challenges is to consolidate the IT structures into IT service centers used by the public sector.

When asked about centralizing IT, those interviewed basically considered it to be positive for many reasons:

- Modern IT operations require special know-how; know-how that is no longer readily available at each individual agency or not to the full extent necessary. Specialized IT service providers in the public sector are now able to utilize the capacities of the technical structures better than previously possible with local IT structures.

- The wide spectrum of tasks the IT service centers cover makes them an attractive employer for qualified IT experts. They not only offer versatile IT tasks, but also offer employees greater career opportunities than the smaller, local IT organizations are able to. This, in turn, has a positive impact on the sustainability of the IT service centers. The IT departments currently in place at the individual agencies will also remain in place, but will simply shift their focus from operational tasks toward more design and concept-oriented activities.
- Central IT service centers are also able to guarantee security more easily than individual, smaller IT units, as they are in a position to hire the experts required to do so. However, despite agencies' overall satisfaction with the improved IT security available through the IT service centers, they do have some concerns when it comes to shifting other IT tasks. In particular, agencies are critically questioning new technologies, such as the use of a public cloud. In order for IT service centers to alleviate concerns and win their customers' trust, it is becoming increasingly important for them to provide evidence of their own level of security and do so using recognized and objective standards. The basic IT protections set forth by the BSI (Germany's Federal Office for Information Security) will become increasingly important in this context.

“Although agencies are generally satisfied with the services provided by IT services centers to date,” explains Jürgen Fritsche, Manager of the Public Sector Division at msg, “IT service centers are still facing quite a few challenges. In some cases, for example, they themselves are still too focused on traditional agency structures. As IT service providers, however, they need to make sure their organization can compete with comparable service providers in private enterprise. That starts with marketing and ends with the settling of services,” Fritsche adds.

The full results of the study can be found under:

<http://www.msg-systems.com/2509.0.html>

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