
STATE OF INDIANA

Nominations for NASCIO's 2007 Recognition Awards for Outstanding Achievement in the Field of Information Technology, Business Continuity, & Disaster Recovery

Enterprise Information Technology Consolidation

Enterprise IT Management Initiatives

In January 2005, newly elected Governor Mitch Daniels called for the consolidation of information technology in Indiana's state government. On his second day in office, he created the Indiana Office of Technology (IOT) led by the State's first Chief Information Officer. From mid-2005 through 2006, IOT consolidated all infrastructure services (desktop, help desk, server, network, and data center) support of the State's 30,000 PCs into an infrastructure shared-services environment at IOT at an annual savings of more than \$13 million. In addition to savings, State IT is now run on service metrics based on the best practices of *private industry* and security has increased.

Business Problem and Solution

Prior to Indiana's IT consolidation, service to government agencies was expensive and delivered to no established service levels. Poorly negotiated contracts, an abundance of IT professionals performing identical functions at each agency, no established service level agreements to enforce accountability, and a lack of business processes plagued the State. At the time, Indiana employed more than 400 IT professionals, but the internal IT service agency, the Department of Information Technology (DoIT), supported fewer than 1,000 PCs statewide. Those 400 employees were spread across executive branch agencies that employed their own infrastructure groups to support agency PCs and perform LAN and server management.

Because agencies did not communicate well enough or often enough, their IT and procurement departments were completely unaware of existing IT services and solutions that could be leveraged. This resulted in duplicate contracts for similar or identical needs. Moreover, a separate agency charged with reviewing contracts had no ability to require agencies to share resources to ensure savings or compatibility. A separate agency ran the PeopleSoft implementation, but without leadership, millions of dollars were spent and it was implemented in only a handful of agencies. Yet another agency was left to manage the state network and state website, but was too busy fending off charges of over-charging the federal government to actually manage those functions.

IOT began its information technology clean-up when it developed a statewide infrastructure services team that was tasked with delivering to a service excellence plan. The plan first established what services were needed to properly support more than 70 executive branch agencies. Next, it developed key metrics based off of best practices used by public and private sector organizations. Red, yellow, green indicators were adopted so weaknesses could be quickly identified in the initial 20 service areas.

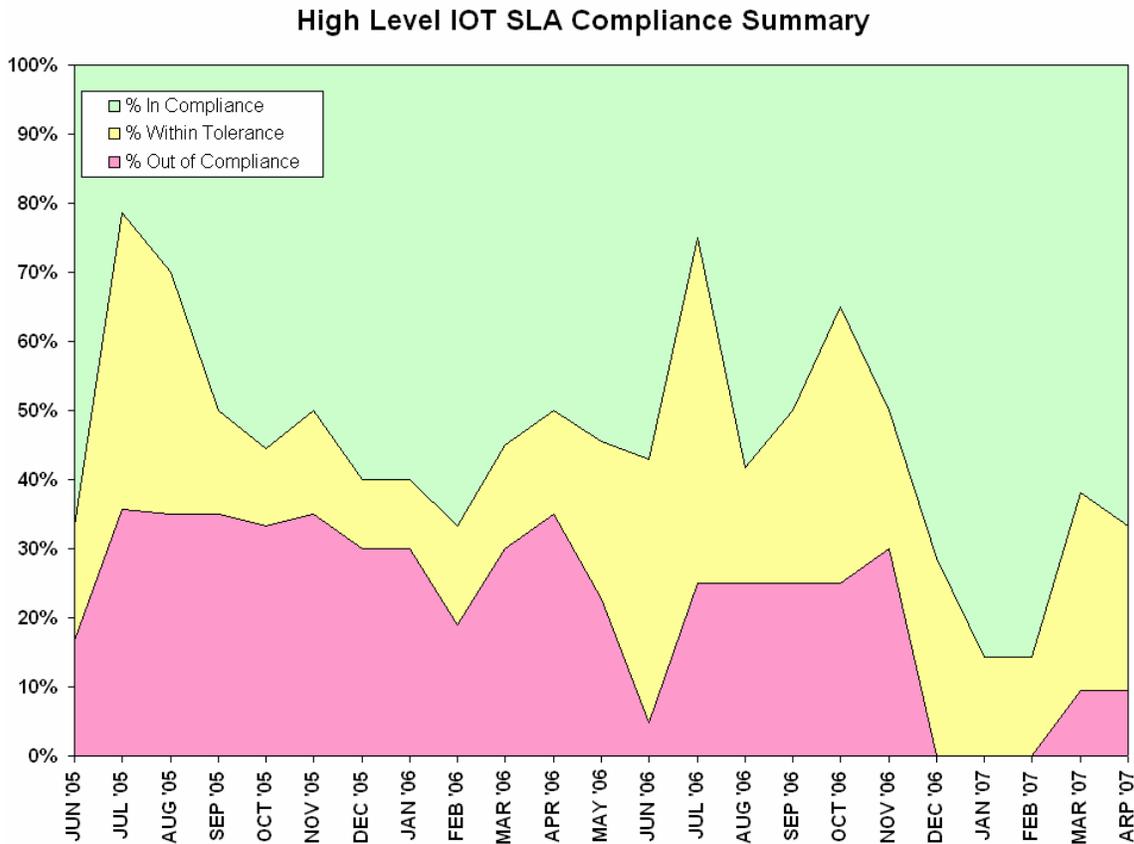
A consolidation of each agency's IT services and employees put Indiana on a path to cost savings and efficiency. Infrastructure services, including customer support, server

administration, mainframes, desktop services and networks, were centralized within 14 months using only state employees. Rather than bring in contractors, IOT project managers met with each agency to establish service agreements and cost savings.

Significance of the Project to the Improvement of the Operation of Government

With the development of service level agreements came a dedicated customer service center that handles IT issues for all IOT customers. Everything from call abandonment rate to customer satisfaction is tracked, and the staff’s performance is evaluated individually and as a team. As service levels move from “within tolerance” to “in compliance,” more aggressive goals are set. Additionally, all IOT personnel, including executive staff, are held accountable for customer satisfaction.

The graph below illustrates IOT’s SLA compliance from the beginning of the consolidation in June 2005 to the present.



To keep a communication channel open, Indiana’s chief information officer meets bi-weekly with agency IT directors and IOT executive staff. Last year, the team drafted Indiana’s first IT strategic plan that outlines the driving force behind seven key initiatives, including governance, e-services and service excellence. Additionally, the team remains focused on a major shared services initiative that will decrease costs throughout the state by providing enterprise software that is accessible and relevant to multiple agencies.

Public Value of the Project

To date, the consolidation alone has conservatively saved the State more than \$13 million in annual recurring costs, savings that are passed on to the agencies.

In addition, IOT was able to save the State an addition \$15 million through the renegotiation of the State's and individual agency's contracts. As an example, in 2005, IOT discovered that the State had purchasing agreements for PCs from four different computer hardware vendors. To cut costs, the State put out a bid to establish a quantity purchase agreement (QPA) for PCs from a single manufacturer. Dell offered the most competitive price to the State, and, as a result, won a four year contract. Since signing the contract in May 2006, the State has saved more than \$5 million.

The trend of consolidating IT contracts continued when the State put out a request for proposal (RFP) to T-1 service providers. AT&T won a four-year, \$22 million contract that provides a T-1 to the State at \$400 each, a 175% savings. In all, IT contract renegotiations saved the State far in excess of \$15 million.