

Workstation Procurement Innovation

Category: Business Process Innovations

State of Tennessee

Project Initiation Date: July 2017

Project Completion Date: November 2017

Executive Summary:

In early 2016, State of Tennessee executive leadership launched the Enterprise IT Transformation initiative to maximize strengths while improving technology, maximizing technology utilization, and providing greater career opportunities for existing IT staff. This effort supported Governor Haslam's strategic goal of making Tennessee the best-managed state in the nation and to provide more customer focused government through technology,

A plan was developed to transform and integrate all Executive Branch IT services to a fully aligned enterprise IT Service organization that would efficiently and effectively serve the IT needs of state departments. The objective was to transform State IT to a unified IT delivery model that provides improved efficiencies and service delivery by upholding uniform processes, standardized methodologies, shared assets, and pooled resources under a single organizational structure and vision.

The new enterprise IT services organization, Strategic Technology Solutions (STS) was created from the unification of the Office of Information Resources, the Business Solutions Delivery division as well as department IT teams. STS is a centralized division of the Department of Finance and Administration. It consolidated Executive Branch IT services into a fully aligned IT service organization that efficiently and effectively serves the IT needs of executive branch state departments. During this time and in conjunction with EIT, a workstation consolidation effort was also initiated to centralize the procurement and ongoing support of end user devices.

In the area of workstation support, STS supports approximately 37,000 state employees by managing 42,000 PCs, 32,000 IPT phones, 3,000 cell phones, 11,000 smart phones and tablets and 8,000 printers.

To deliver transparency, meaningful metrics and enhanced workstation procurement services to executive branch agencies, the Workstation Procurement Innovation Project was initiated. STS standardized processes, methodologies, and leveraged new functionality through their enterprise ITSM management system (ServiceNow). Results of this workstation procurement innovation have resulted in:

- Reduced time to procure hardware by 87%, from a peak of 28.07 days in June 2017 to an average of 3.3 days as of December 2017
- Reduced time to procure software by 96%, from a peak of 102.8 days in January 2017 to an average of 10.4 days as of December 2017
- Standardized IT procurement process
- A proactive, standard method for providing customers with request status
- End to end SLAs for request through receipt
- Eliminated duplicative approvals, reallocated resources to process and made clear delineations of tasks.
- The STS procurement team is now able to anticipate seasonal peaks in requests. They manage the new workstation refresh model designed to keep all desktop/laptops from becoming obsolete (i.e., ~750 laptops/desktops replaced every month)
- A customer dashboard has been created to provide transparency

CONCEPT

IT procurement is a complex and challenging area in general, and the late Fall of 2016 delivered a perfect storm to the end user IT procurement processes in place for the State of Tennessee. The state had just implemented a workstation consolidation initiative to eliminate siloed IT procurement efforts and improve customer support. Some of the objectives of this initiative include standardizing our processes and procedures; improving our endpoint security posture; measurement and reporting of service level agreements (SLAs) for procurement, provisioning and deployment; establishing and tracking a statewide inventory of equipment assets; and improving workstation support customer service. The workstation consolidation initiative unified all workstation support staffing (including workstation procurement) into the Strategic Technology Solutions organization.

The STS team was strained to consolidate widely varying end user IT procurement processes from over 26 different agencies. As the team worked to develop an enterprise approach that unified and streamlined procurement efforts across the 26 agencies we support, some high visibility challenges elevated the urgency of the workstation procurement initiative:

- State projects were impacted due to the inability to procure required end user IT items in a timely manner
- Complaints were escalated to the CIO's office from multiple agencies
- A June 2016 surge in demand (from several workstation consolidation orders needing to be purchased prior to end of FY16 - 4000 items within 2 weeks) resulted in a significant bottleneck. Some requests were not processed in time to use FY16 funding.

With general and unique procurement requirements, multiple contract vehicles, ERP system data requirements, fiscal requirements, and the sheer number of end user IT items available for purchase, the existing procurement process was not sustainable. But the challenges to deliver an enterprise approach to procurement were significant across process, organizational structure, and tool areas. Some of the challenges we faced are:

- Pockets of distrust of the consolidation effort motivated each agency to cling to their individual procurement processes which caused a lack of visibility, collaboration and process standardization. These factors slowed efforts to deliver an enterprise approach to workstation procurement.
- Different request forms for hardware and software purchases.
- Skill levels and understanding of the complex procurement process were unbalanced. This resulted in an uneven distribution of the workload and caused bottlenecks in the development of requisitions and led to frequent rejections.
- There was no integration of the tools to quote, order, and receive workstations. Additionally, neither customers nor the STS IT Asset Provisioning team had any visibility into the status of orders. As a result, customers frequently called or emailed the STS IT Asset Provisioning team. Team members spent a great deal of time responding to the requests and trying to locate the procurement to provide an update.
- With no efficient way to track demand level, the STS team developed a spreadsheet to track requests received via phone, email, and verbal exchange.
- Lack of visibility into the workload meant there was no data to predict the June peak in demand, and insufficient resources were provided to help the STS team address the demand.

- The existing procurement processes did not include defined service levels to establish both customer expectations and team accountability. There were service levels specific to portions of the lifecycle (e.g., workstation purchase order request form completion) rather than an end-to-end target from request through receipt.
- The approval processes varied based on the agency and item requested and many had duplicative approval requirements.
- Additionally, there was no strong asset management database in use. Some STS program areas maintained some stock on hand but in the absence of true inventory control, some of this stock aged into obsolescence.

To develop a model to successfully deliver shared services to a previously decentralized organization, the STS team focused on an improvement approach that aligned with ITIL2011's four main processes of Continual Service Improvement (CSI): Service Review, Process Evaluation, Definition of CSI Initiatives, and Monitoring of CSI initiatives. The STS team focused on service reviews and process evaluations to develop improvement strategies and determine what and how to measure. However, we were challenged when our Remedy system was not able to provide the best practice metrics needed to define and measure improvement.

SIGNIFICANCE

Transformation and standardization of the end user IT procurement process was clearly critical to increase efficiency, productivity, and customer satisfaction to our agencies and their employees.

The STS Workstation Procurement Improvement Project identified critical opportunities for improvement. These components were necessary to help the organization deliver the best possible service and the lowest possible cost. The following components were undertaken to address our challenges:

- **Communications**
 - **One place:** The team leveraged the ServiceNow platform to replace a multitude of forms and locations with one online catalog for all procurements. In addition to the click-to-order and shopping cart functionality, the product catalog offers a standardized format for products (and services) available for purchase.
 - **Proactive updates:** An IT Supply Chain Manager now has visibility into all workstation orders. The IT Supply Chain Manager proactively contacts customers when PO is dispatched and provides periodic updates in coordination with End-Point Team.
 - **Contract Status Updates --** The IT Asset Provisioning Team provides STS Leadership with weekly updates on Contract Status. The team also provides domain directors with Workstation order status updates for each agency.
 - **Project updates –** The IT Asset Provisioning Team communicates regularly with customers and is in process of releasing a survey to measure customer satisfaction in the areas of timeliness, quality of service, knowledge, and communication.
- **Process Analysis and Improvements**
 - The team documented existing workflows to procure workstations and software. Once documented, they identified areas for improvement and worked with leadership to define updates to the processes, and implemented those processes.

- We eliminated duplicative approvals, reallocated resources to processes and made clear delineations of tasks.
- Workload Management
 - Meaningful Metrics: Implemented a Workstation Procurement SLA Dashboard in March of 2018. Replaced manual reporting efforts with automated, real-time reporting on consistent metrics from ServiceNow and our ERP solution.
- Planning and Forecasting
 - STS has developed standard refresh cycles for all agency employees to keep all desktops/laptops from becoming obsolete.
 - STS has improved capacity planning. We can now forecast based on equipment lifecycles.
 - STS has enhanced budget management and leverages projected spend data to enhance strategic purchasing. We conducted monthly reviews of spending to reconcile with F&A budget on spending authority.
 - And, we have set clear fiscal year-end deadlines to ensure year-end money is spent as planned.
- Workstation Store
 - The store is often used for unexpected occasions such as broken workstation equipment or an unexpected hire.
 - Commonly ordered and standard equipment are maintained in the store.
 - The store supports over twenty-five departments and keeps a running inventory of over 500 devices.
 - Functionality within the ITSM provides a running inventory that is displayed for the customers showing current inventory, how many in stock, with SLA (in place since Nov 2017). Driver behind providing the inventory was so the customer would know whether the current inventory could address our needs.
 - Encouraged customer base to standardized equipment
 - Base models versus a loaded (customized) laptop
 - \$2K-\$3K versus \$600 Platform1 laptop
 - Savings to the state
 - 60 days for high end versus standard equipment available on the spot
 - Productivity – Ramp up faster with equipment on hand
 - SLAs now added on individual tasks for the procurement process
 - Knowing where bottlenecks are in the process – was it the procurement team, the vendor, the deployment team?
 - More visibility to the end user customer
 - Metrics to drive resource allocation to improve efficiencies

IMPACT

The impact of this project has resulted in significant improvements to the process, improved delivery timeframes and improved customer satisfaction. The process improvements have enabled STS to reduce processing timeframes, improved utilization of staff, better tools and improved reporting. The following outlines many of the performance improvements we have delivered:

- Reduced time to procure hardware by 87%, from a peak of 28.07 days in June 2017 to an average of 3.3 days as of December 2017

- Reduced time to procure software by 96%, from a peak of 102.8 days in January 2017 to an average of 10.4 days as of December 2017
- Standardized IT procurement process
- A proactive, standard method for providing customers with request status
- End to end SLAs for request through receipt
- Eliminated duplicative approvals, reallocated resources to process and made clear delineations of tasks.
- The STS procurement team is now able to anticipate seasonal peaks in requests. They manage the new workstation refresh model designed to keep all desktop/laptops from becoming obsolete (i.e., ~750 laptops/desktops replaced every month)