



Transformational Partnering in an Enterprise Service Model

State of Minnesota – Minnesota IT Services

CATEGORY:

Enterprise IT Management Initiatives

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EXECUTIVE SUMMARY

Minnesota IT Services (MNIT) provides Information Technology (IT) services and products to State of Minnesota government entities. Before 2016, our government stakeholders were not involved in the rate process for those products and services. Traditionally, the cost estimations, usage calculations, and expense predictions that went into determining rates were generated by MNIT's leadership, and services and finance divisions, and they were a "black box" to MNIT's stakeholders.

In June 2016, MNIT leadership set out to improve the rate definition process in a way that engaged our agency stakeholders as full partners in the process:

- MNIT involved partners in cost prediction and rate definition from the very beginning.
- MNIT baked transparency and partnership into the process.
- The movement to a two-year (biennium) period for rates provided more stability and less forecasting.
- MNIT reorganized in an "Enterprise Service" model of service delivery.

This project created a collaborative environment for MNIT and agency partners to design services that are easy to understand and to set a rate structure that is scalable, consistent, comprehended by non-technical decision-makers, and more usable for IT investment planning. This model ensures that the rates are consistent, transparent, demonstrably based on real volumes and costs, written in plain language, easy to predict, and fair and balanced regardless of the size of the agency.

Our new service packages and rates are now published on [MNIT's website](#). New service categories and service bundles make it easier and more transparent for our agency business partners to make decisions about the IT services they need to help accomplish their missions.

EXEMPLAR

One goal of this process was to continue the transformation of MNIT's service delivery to an Enterprise Service model. In this model, MNIT-provided services would be "bundled" into groups that included individual offerings available within that service and would be owned by an enterprise service team. This team is responsible for documenting, delivering, maintaining and staffing that service for the enterprise.

This approach has the following advantages:

- Centralized enterprise teams work more cohesively together.
- Consolidating resources, expertise, experience and skills allows flexibility and agility.
- A single point of contact for the enterprise service.
- Standard definitions for enterprise services are understandable, have transparent processes and rates, and use plain language.
- Cross-training ensures increased availability of services and resources.
- Consistent, documented, and repeatable support processes.
- Equitable solution availability across the enterprise, rather than in niches.
- Economies of scale.

CONCEPT

The project began in November 2015 with the advent of the Service Advisory Team, and it ended in September 2016 with the submission of final rates information.

MNIT's agency business partners previously expressed several concerns that drove the need for this project:

- They were unable to estimate costs and order services accurately for the coming fiscal year because of a lack of understanding about the services and how rates were calculated.
- This lack of clarity raised questions around the fair distribution of cost among agencies of various sizes and needs, and varying levels of service maturity.
- Billing invoices were complex and often confusing, so agencies weren't really sure what they were purchasing, or how much it cost.
- MNIT's rate planning cycles conflicted with agency budget cycles, resulting in misalignments between budgets and costs.

With the aim of making this process truly collaborative, MNIT engaged agency business partners in the earliest stages of planning. Led by MNIT's Assistant Commissioner and Chief Operations Officer of Enterprise Services, an advisory team was assembled from members of a mix of IT and business areas. MNIT's Chief Business Technology Officers (CBTOs) and executive leadership from several agencies were

also included. The advisory team met weekly for four months during the third and fourth quarter of 2016. They reviewed MNIT's FY17 service offerings, and defined the structure and content of each enterprise service for the FY18-FY19 biennium. MNIT enterprise service teams, at the direction of this advisory team, documented formal definitions for the FY18-19 Enterprise Services and the different offerings/products that MNIT would make available under each service.

This feedback loop progressed through several iterations of review and modification. MNIT's Assistant Commissioner and Chief Operations Officer of Enterprise Services also hosted town-hall meetings at several agencies to drive awareness of the new model and answer questions. These meetings achieved another level of agency engagement and feedback, with attendee inputs driving further optimization of the services and documentation.

The final approved documents were published on [MNIT's website](#) with a new fresh, responsive and accessible design written in plain language. The information design is consistent on all pages so users can easily find what they need. The information is available to the public and all agency partners.

Now the new service offerings are structured so that internal costs (staff, training, software licenses, hardware costs, etc.) are encapsulated into functional "service bundles" rather than as individual offerings. This allows agency decision-makers, who are not technical experts, to make purchasing decisions based on function, utility, and business requirements rather than technical components. For example, agencies can now purchase a field office as a bundle with a monthly rate, rather than purchasing each part in a piecemeal fashion. This change not only simplified the way services are described, but also made monthly invoices to agency partners vastly easier to understand, predict, and use for decision-making.

The new service offerings and definitions served as the basis for the definition of rates. MNIT enterprise service teams, in collaboration with MNIT financial management staff, reviewed actual volumes and costs for FY17, and then forecasted volumes for FY18 and FY19 based on historical data, usage predictions, and technology changes. MNIT determined internal costs and documented allocations. MNIT CBTOs and agency partners monitored progress on a daily/weekly basis and provided input and unique agency-specific viewpoints. At the end of this four-month-long iterative process, the team was able to assign rates to each service offering that were demonstrably rooted in actual usage costs.

SIGNIFICANCE

This project aligns with several of MNIT's vision and value statements:

- Partners in Performance – collaborate closely with agency business partners.
- Move Government Forward – leverage the best available technology to deliver consistent quality service.
- Transform – identifying best practices and implementing them across the enterprise.

The goal of MNIT's leadership team was to improve the rate definition process for the future by engaging agency stakeholders as full partners in a transparent process. Agency partners became active participants in the cost-prediction and rate-definition process from beginning to end, instead of being passive recipients of the new rates shortly before they came into effect.

In addition, MNIT wanted to define rates for two-year “biennium” periods, rather than one year. This would give agencies more stability in terms of IT budgeting and eliminate the need for agencies to spend several months every year on forecasting and rate review exercises.

IMPACT

Understanding and ordering services from Minnesota IT Services is now easier and more transparent. Services and rates are published on [MNIT's website](#) with a responsive design that helps agency business partners quickly find what they need.

Monthly invoices to agencies shrunk from dozens of pages to just a few, reducing by 50 percent the number of individual service codes agencies previously had to search through. In FY17, there were 431 individual services. Since FY18, executive branch agencies can order from 215 total services. Most agency requirements can be met with the nine enterprise service bundles that may be augmented as needed from the remaining 206 stand-alone/add-on services, which gives agencies the flexibility to deliver to their individual business needs.

Our agency partners no longer have to order individual pieces of equipment “a la carte.” They simply order the bundle of services that fulfill a function. For example, Desktop Bundles include the computer, monitor, keyboard, mouse, all the cabling, plus 24/7/365 technical support services – each of which the agencies had to order and pay for individually before.

In keeping with the State of Minnesota’s plain language initiative, care was taken to choose product names and descriptions that are meaningful to our agency partners, and descriptive of their functionality. For example, services that were called IP Telephony and VoIP before are now simply categorized as Telephone Services. Service descriptions are written in plain language. Where technical terminology was essential, we provide brief definitions that not only explain, but also educate readers.