Enterprise Governance and Planning
Georgia Technology Authority
State of Georgia

NASCIO Innovations Forum
December 17, 2013

Sponsored by:
The NASCIO Enterprise Architecture
& Governance Committee

This project was supported in part by Grant No. 2010-DJ-BX-K046 awarded by the Bureau of Justice Assistance.

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Questions

– *Please use Chat – send to Eric Sweden*

Investment Management

Enterprise Governance and Planning

Georgia Technology Authority

State of Georgia

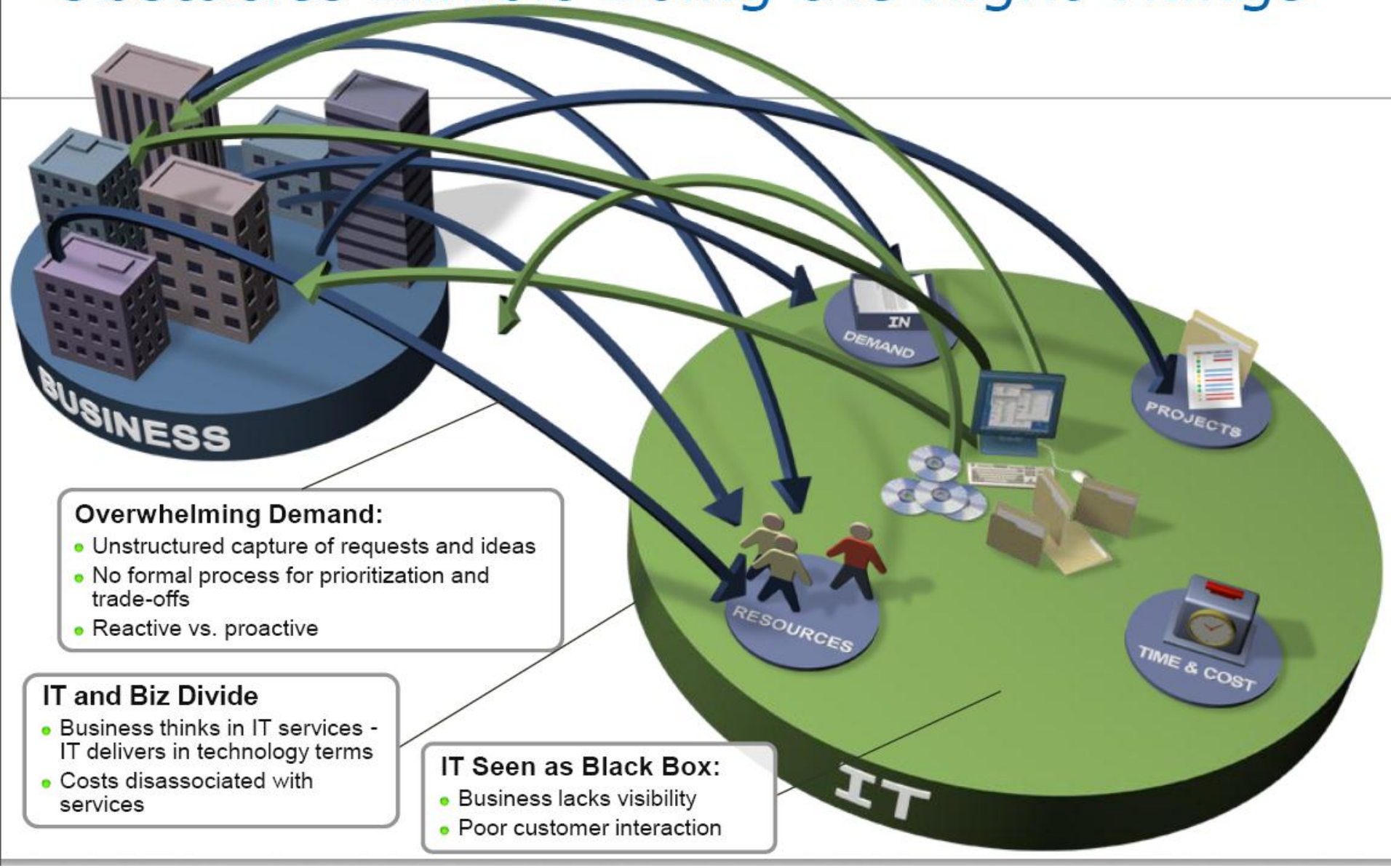
Agenda

- Why Investment Management
- Georgia's Approach to IT/IM
- Guidance on establishing IT/IM

Information Technology Investment Management (IT/IM)

WHY DO WE NEED IT?

Obstacles Inhibit Doing the Right Things



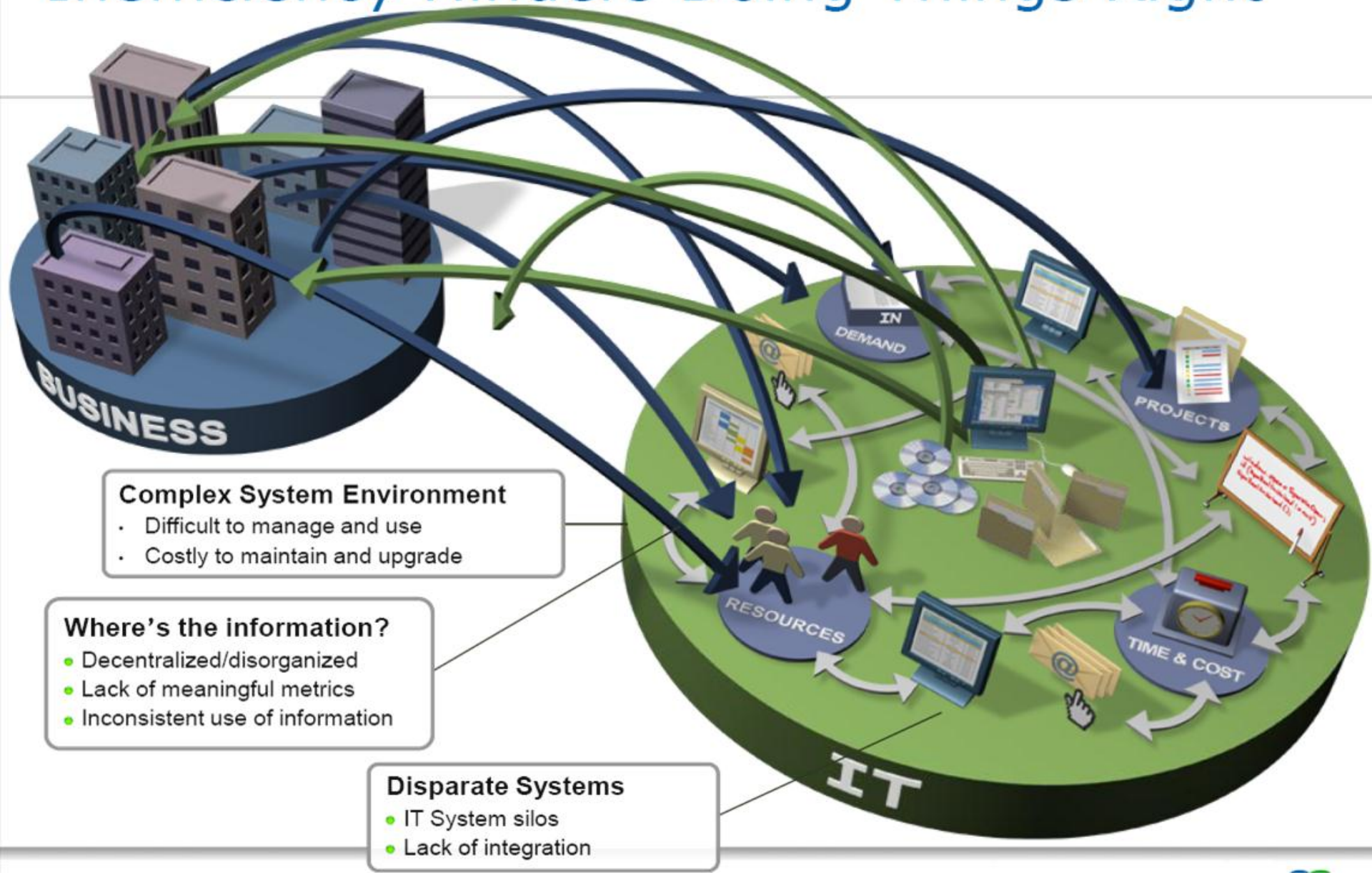
Overwhelming Demand:
- Unstructured capture of requests and ideas
- No formal process for prioritization and trade-offs
- Reactive vs. proactive

IT and Biz Divide
- Business thinks in IT services - IT delivers in technology terms
- Costs disassociated with services

IT Seen as Black Box:
- Business lacks visibility
- Poor customer interaction

* Computer Associates research report on IT Governance

Inefficiency Hinders Doing Things Right



Complex System Environment
- Difficult to manage and use
- Costly to maintain and upgrade

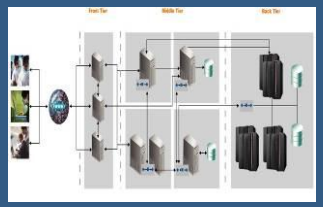
Where's the information?
- Decentralized/disorganized
- Lack of meaningful metrics
- Inconsistent use of information

Disparate Systems
- IT System silos
- Lack of integration

* Computer Associates research report on IT Governance

The Challenge of Technology …

Complexity

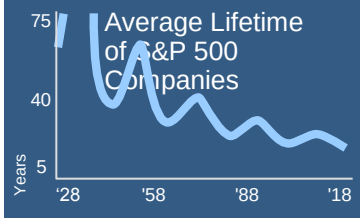


Increased complexity makes change much harder

Compliance

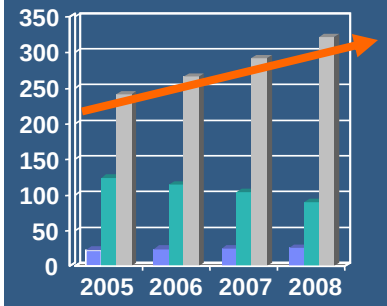
Changing regulatory environment requires security, privacy and ongoing audit capabilities

Change



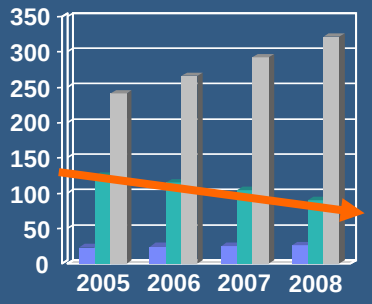
Increased competitive pressure while IT has an increasing role in every business process

Contributes to the rising cost of operations



The cost of operations continues to increase at 10% CAGR … twice the rate of the IT budget

Putting pressure on our ability to innovate



Increased focus on development project spend due to higher % of costs going to keeping the lights on … creates a dual focus of doing the right thing and doing things well

* IBM Research Report on Security and Technology Management


You are here!

Information Technology Investment Management (IT/IM)

GEORGIA'S APPROACH

GTA Created by Statute in 2000

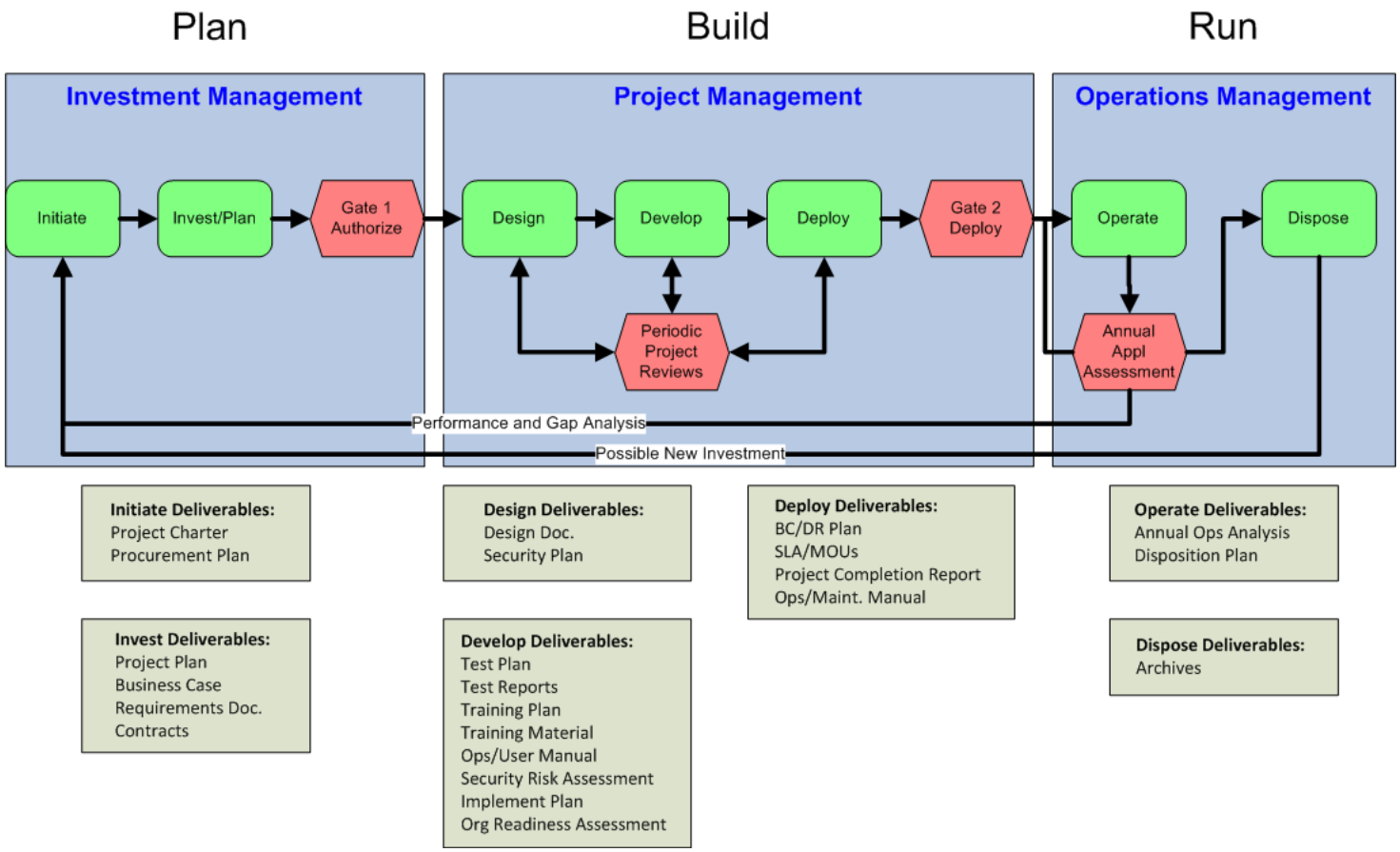
Technology Enterprise Management

- "Methods for managing technology resources for all agencies, considering the priorities of state planners, with an emphasis on making communications and sharing of data among agencies feasible and ensuring opportunities of greater access to state services by the public." – OCGA 50-25-1(b)(13)

Technology Portfolio Management

- "An approach for analyzing and ranking potential technology investments based upon state priorities and a cost benefit analysis to include, but not be limited to, calculated savings, direct and indirect, and revenue generation related to technology expenditures and selecting the most cost-effective investments**. The minimization of total ownership costs**, i.e. purchase, operation, maintenance, and disposal, of technology resources from acquisition through retirement **while maximizing benefits is to be emphasized.**" – OCGA 50-25-1(b)(15)

Enterprise Performance Lifecycle



Why Investment Management?

Georgia's "Pain" Points in 2012:

- **Perception** – Georgia spends more on IT than comparable states and suffers from the internal perception that it is getting less value for the investment
- **Sustainability** – Due to the current fragmented approach to managing IT costs, Georgia is unable to leverage its IT spend across the enterprise, and ensure that IT commitments can be sustained
- **Forecasting** - Recent examples of rising storage demands, delayed or cancelled federally-funded projects, as well as budget surprises for long-term maintenance costs have resulted in budget exceptions

Investment Management provides for better transparency and predictability of future IT costs and enables budget by exception for unexpected budget increases

Investment Management Objectives

- Understand IT Costs, Growth and Drivers
- Facilitate and Guide New Investments
- Manage Demand / Forecast
  - Leverage existing assets
  - Enable new solutions
  - Align services
  - Innovate

IM Inputs, Outputs, Standards and Tools

Inputs

- Agency Strategic Plans*
- Previous Year IT Expenditure Reports*
- Previous Year GTA Annual Report*
- APRs, RFP/RFSs*
- OPB Budget Requests*
- Grants & Bonds**
- Federal Funds/Programs**
- Program/Project Business Cases**
- Security Plan*
- Business Continuity Plans*
- Benefit Realization

Outputs

- Forecast for Next FY IT Spend
- Aligned Strategic Plans (Enterprise to Agency)
- GTA Annual Report (STARR)*
- APRs, RFP/RFSs*
- Waivers and Exceptions*
- Innovative Technology Opportunities
- Enterprise Solutions
- Application Inventory Updates
- Capacity Planning Data
- Approved Business Plans

Standards

- Enterprise Application (Existing)

*** Denotes process or tool currently exists**

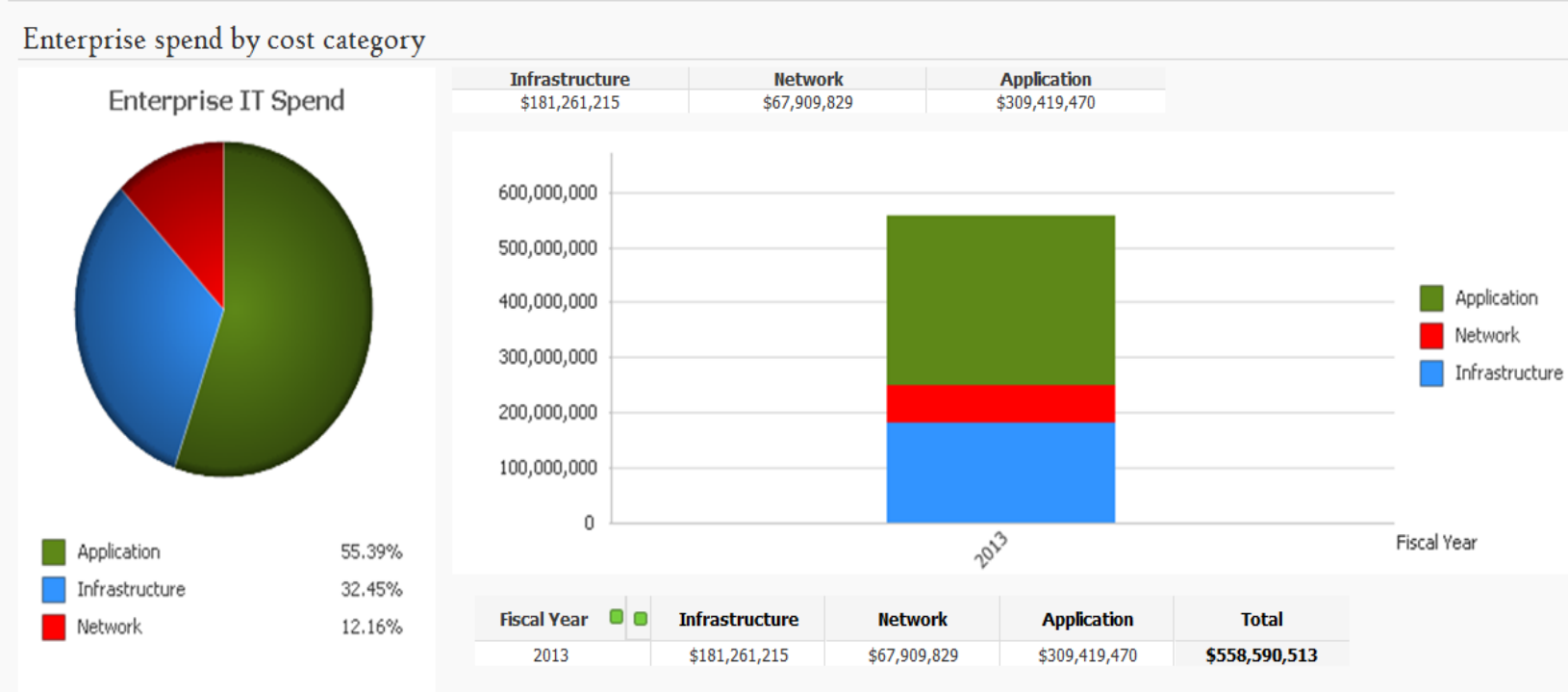
**** Denotes existing information not available to GTA**

Tools

- Project Prioritization*
- Portfolio Mgmt (GEMS)*
- APR*
- STARR*
- BC (LDRPS)*
- GSMRT*
- OPB Business Strategic Plan Tool (Horizon)*

STARR –
State Technology Annual Report Repository

- Inventory / Costs / Security



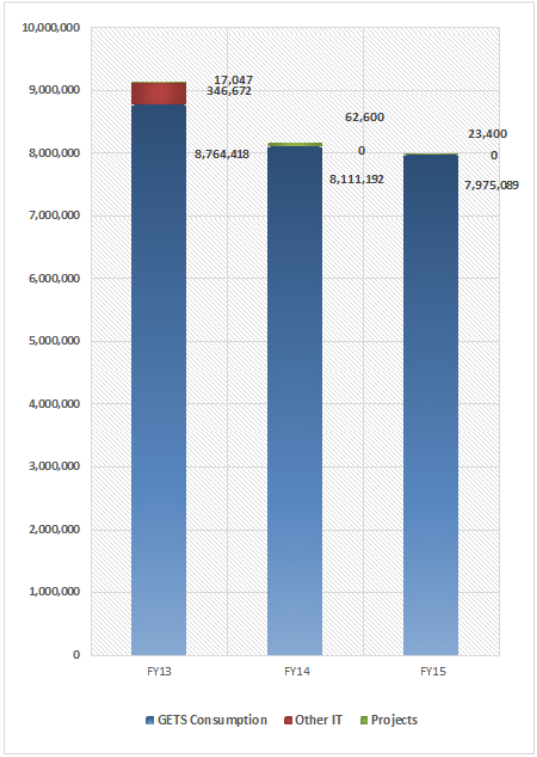
Consumption Tool (sample)

		FY13	FY14			FY15		
GETS Consumption	Tower (Recalculate)	Actuals	Post-Adjustment Cost	Cost Change (from FY13)	% Cost Change (from FY13)	Post-Adjustment Cost	Cost Change (from FY14)	% Cost Change (from FY14)
	End User Computing	1,164,398	803,287	-361,111	-31.01%	872,721	69,434	8.64%
	LAN Services	331,718	241,606	-90,112	-27.17%	241,659	54	0.02%
	Mainframe Services	2,762,669	2,885,865	123,197	4.46%	2,840,918	-44,947	-1.56%
	Server	2,316,015	2,081,333	-234,681	-10.13%	1,897,401	-183,932	-8.84%
	Service Desk	515,397	480,333	-35,063	-6.80%	504,108	23,775	4.95%
	Voice Services	615,835	611,456	-4,379	-0.71%	594,565	-16,892	-2.76%
	WAN Services	484,201	455,424	-28,777	-5.94%	443,940	-11,483	-2.52%
	INF Transformation Costs	477,941	439,641	-38,300	-8.01%	579,777	140,136	31.88%
	MNS Transformation	96,245	112,247	16,001	16.63%	0	-112,247	-100.00%
	Subtotal Consumption	**8,764,418**	**8,111,192**	**-653,226**	**-7.45%**	**7,975,089**	**-136,103**	**-1.68%**

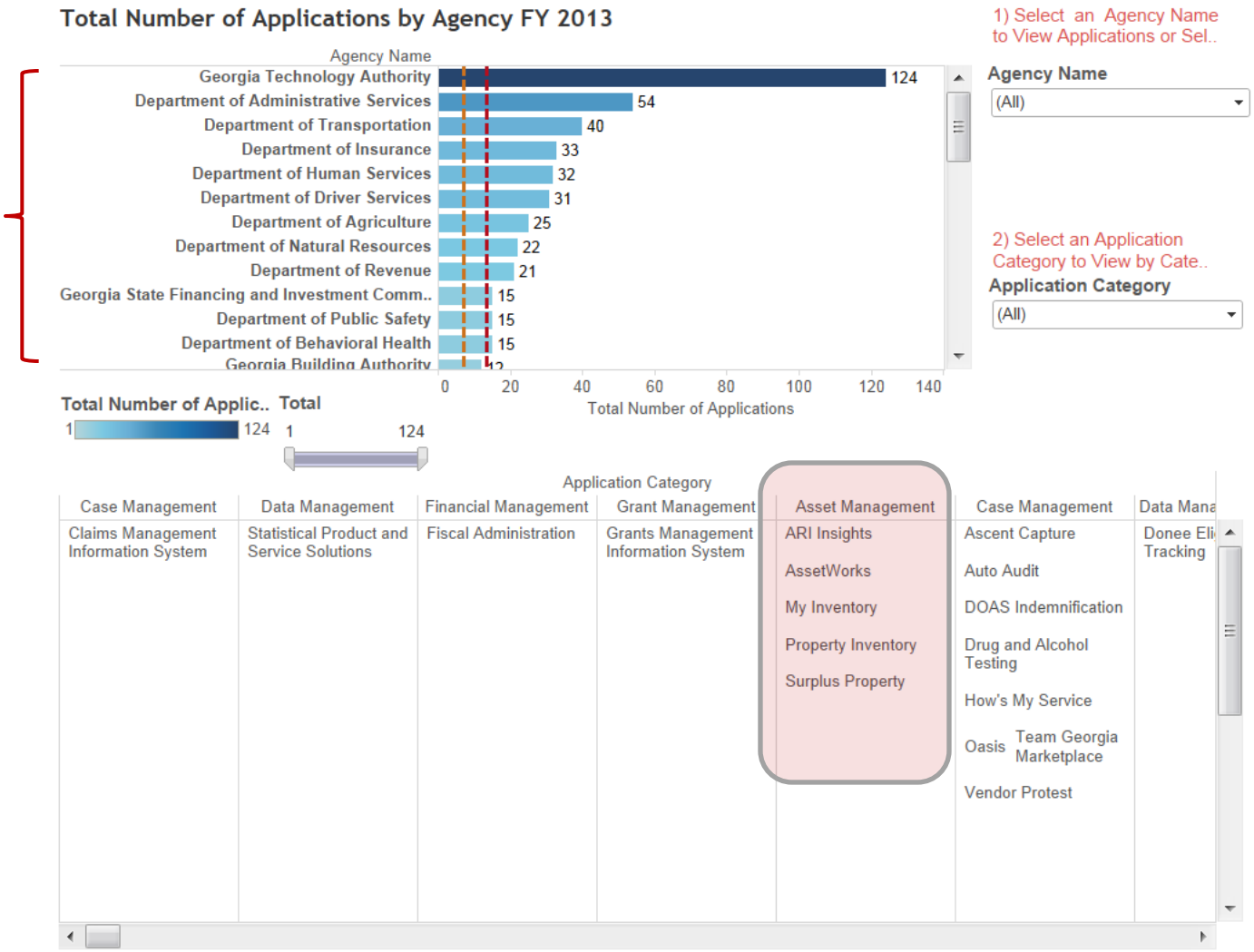
Other IT	Description	Actuals	Cost FY14	Cost Change (from FY13)	% Cost Change (from FY13)	Cost FY15	Cost Change (from FY14)	% Cost Change (from FY14)
	Microsoft Licensing	139,769		-139,769	-100.00%		0	0.00%
	Oracle Licensing	0		0	0.00%		0	0.00%
	Peoplesoft (SAO)	201,692		-201,692	-100.00%		0	0.00%
	Gartner Licenses	0		0	0.00%		0	0.00%
	Portal / Hosting / TP Integration	0		0	0.00%		0	0.00%
	EUC Purchases	5,212		-5,212	-100.00%		0	0.00%
				0	0.00%		0	0.00%
				0	0.00%		0	0.00%
				0	0.00%		0	0.00%
				0	0.00%		0	0.00%
	Subtotal Other IT	**346,672**	**0**	**-346,672**	**-100.00%**	**0**	**0**	**0.00%**

Other Projects / Opportunities	Description	Actuals	Cost FY14	Cost Change (from FY13)	% Cost Change (from FY13)	Cost FY15	Cost Change (from FY14)	% Cost Change (from FY14)
	Projects / One-Times (FY13 shown at right; list FY14 and FY15 below)	17,047		-17,047	-100.00%		0	0.00%
				0	0.00%		0	0.00%
	New Chassis Based Switches		9,600	9,600	0.00%	14,400	4,800	50.00%
	(Network Transformation)			0	0.00%		0	0.00%
	Docking Stations for Refresh		3,000	3,000	0.00%	9,000	6,000	200.00%
				0	0.00%		0	0.00%
	Digital Persona Active Directory		50,000	50,000	0.00%		-50,000	-100.00%
	Upgrade for Windows 7			0	0.00%		0	0.00%
				0	0.00%		0	0.00%
				0	0.00%		0	0.00%
	Subtotal Projects	**17,047**	**62,600**	**45,553**	**267.22%**	**23,400**	**-39,200**	**-62.62%**

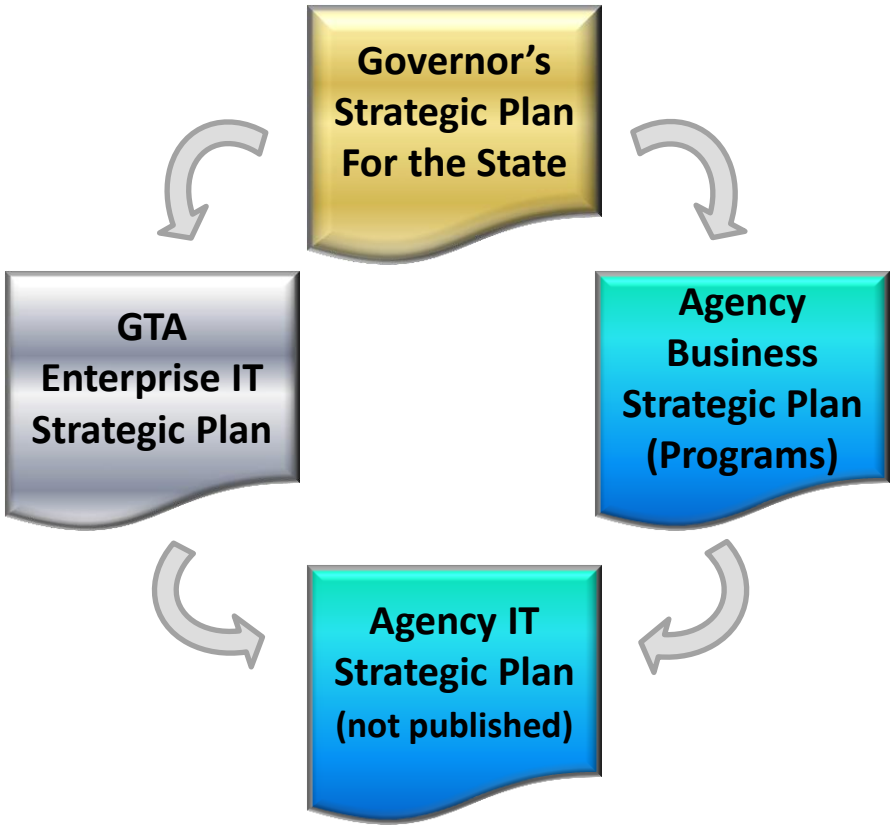
Totals	**Grand Total**	**9,128,137**	**8,173,792**	**-954,346**	**-10.45%**	**7,998,489**	**-175,303**	**-2.14%**



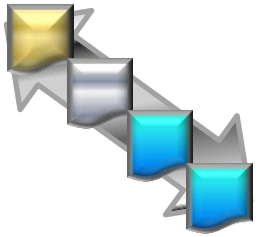
Data Visualization Tools



Enterprise Strategic Plan Alignment



Utilize Existing Processes and Assets



OPB Strategic Planning (Exists)

Agency Business Strategic Plan

- Strategic Planning for Business and IT
- Budget Cycle

Agency IT Strategy (CIO)

OPB Budget Submissions

Data:
- IT Projects/ Procurements
- Federal and Grant IT funds

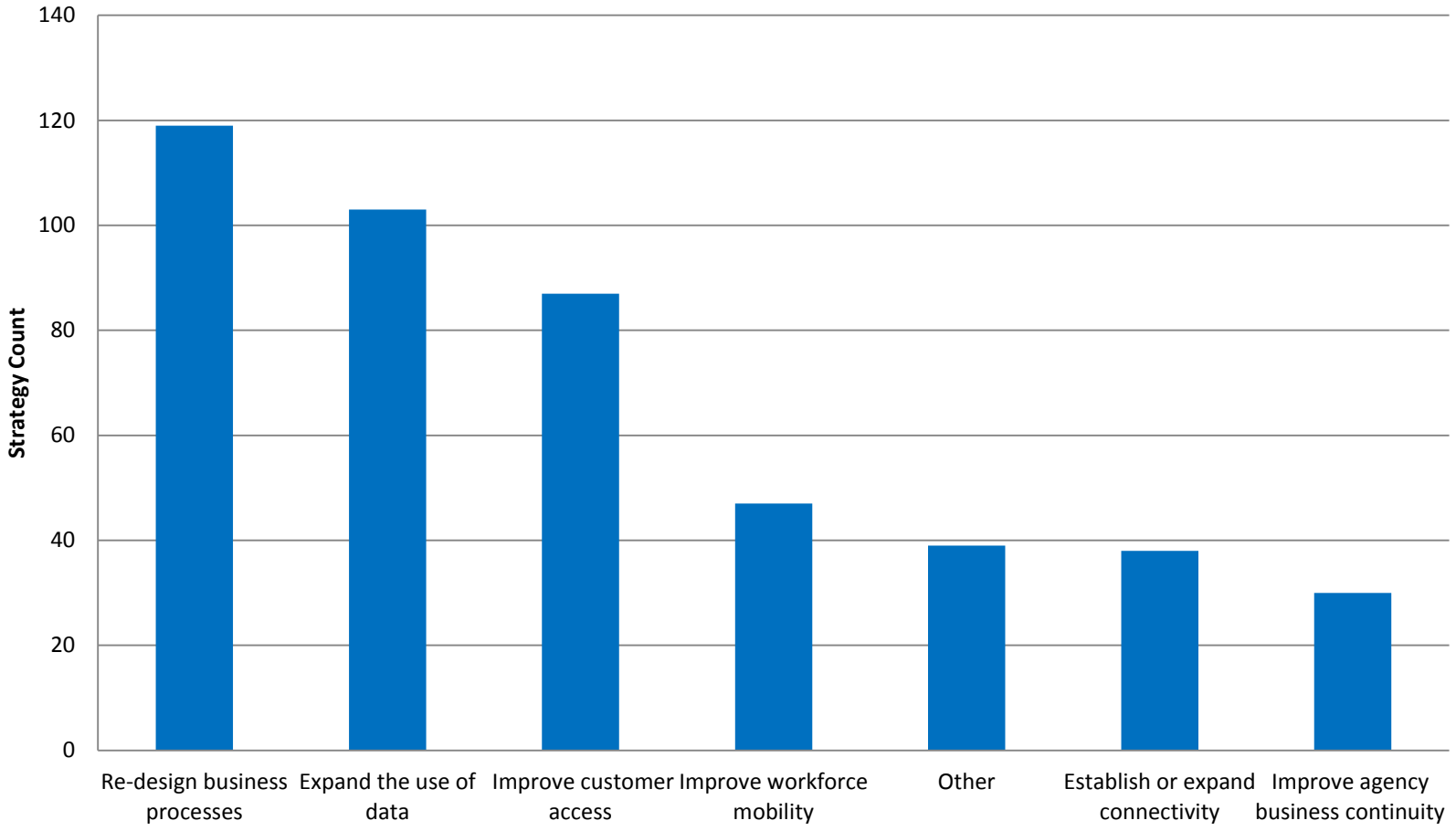
Investment Reviews (New)

Analyze:
- Alignment to Enterprise IT Plan
- Enterprise Impacts
- ID Enterprise Apps
- Impact to IT resources
- IT related budget impacts and trends

Recommend:
- Waivers & Exceptions
- Enterprise Reusability
- Alignment to Innovation Initiatives
- Budget support

How Agency Strategies Depend on IT

(From FY13 Agency Strategic plans, about 800 agency strategies were submitted. Of these ~400 IT-dependencies were reported)

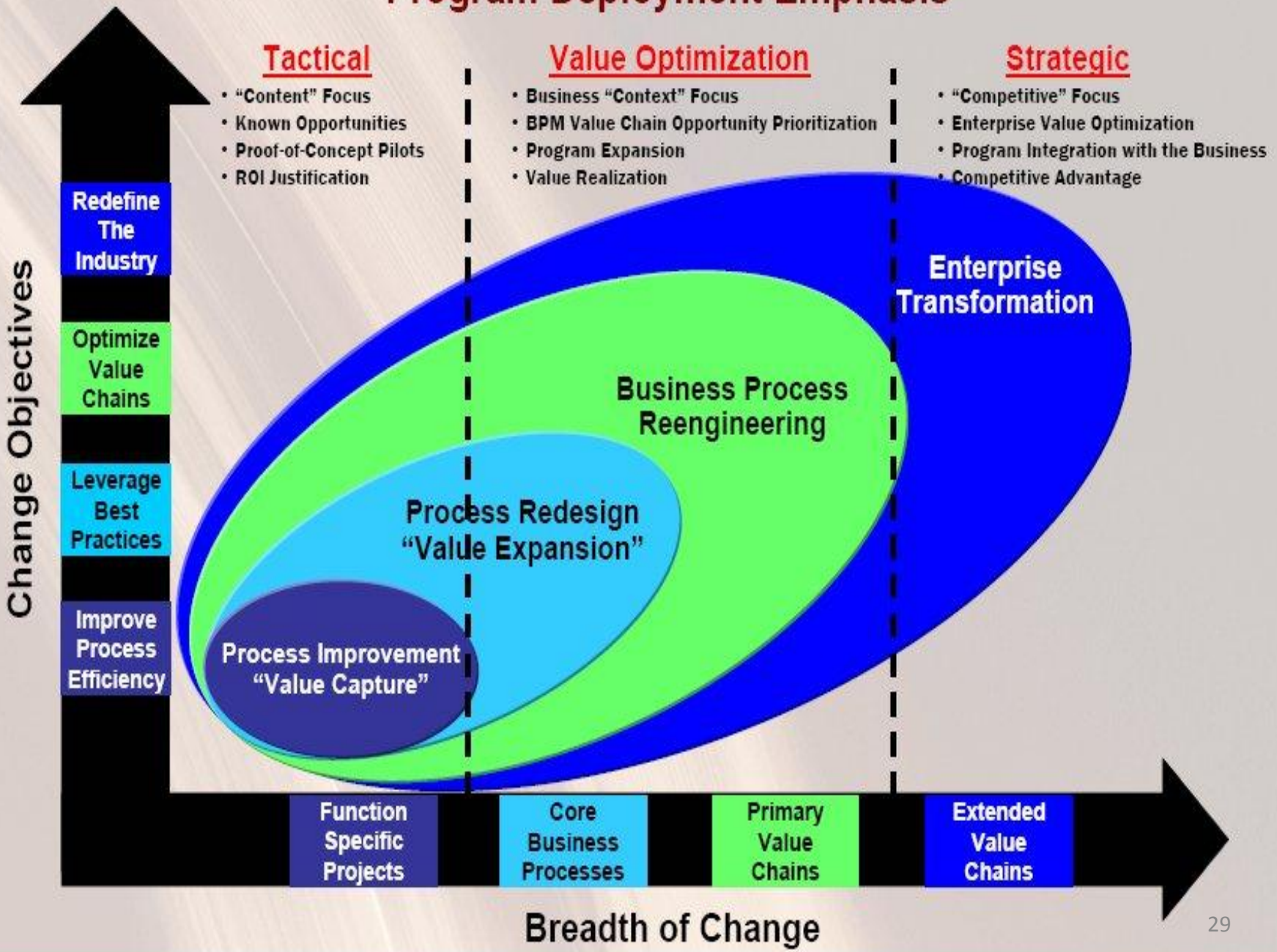


Information Technology Investment Management (IT/IM)

ESTABLISHING IT/IM

IT/IM Pre-requisites

- Understand Your Business Model
  - Efficiency (Low Cost)
  - Market Share (Best Practices)
  - Market Leader (Innovation)
  - Cash Flow
  - PSG's
  - Pilots/Prototypes
- Align to State Strategy
- Capture Assets & Financials


Program Deployment Emphasis
Tactical
• "Content" Focus
• Known Opportunities
• Proof-of-Concept Pilots
• ROI Justification
Value Optimization
• Business "Context" Focus
• BPM Value Chain Opportunity Prioritization
• Program Expansion
• Value Realization
Strategic
• "Competitive" Focus
• Enterprise Value Optimization
• Program Integration with the Business
• Competitive Advantage
Change Objectives
Redefine The Industry
Optimize Value Chains
Leverage Best Practices
Improve Process Efficiency
Enterprise Transformation
Business Process Reengineering
Process Redesign "Value Expansion"
Process Improvement "Value Capture"
Function Specific Projects
Core Business Processes
Primary Value Chains
Extended Value Chains
Breadth of Change

Foundations for IT/IM

Establish Key Processes

- Instituting an Investment Review Board
- Identifying/Addressing Business Needs
- Selecting Investments
- Provide Oversight for Investments
- Capturing/Tracking Investments

End-Game

- Benefits Realization
- Transformed IT Portfolio
- Improved Business Processes
- Exemplary Citizen Experience

IT Investment Governance

- Balanced Needs
- Consistent Service
- Enterprise Solutions

* Graphics from Computer Associates research report on IT Governance

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This project was supported by Grant No. 2010-DJ-BX-K046 awarded by the Bureau of Justice Assistance. The Bureau of Justice Assistance is a component of the Department of Justice's Office of Justice Programs, which also includes the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Delinquency Prevention, the Office for Victims of Crime, and the SMART Office. Points of view or opinions in this document are those of the author and do not necessarily represent the official position or policies of the U.S. Department of Justice.