

GovTech CIO Academy presents....

How do we get funding for projects?

Who sets priorities?

Do more with less?

Gaining Executive Sponsorship Is Easy!

You cost too much?

More cuts?

Strategic alignment?

N. Dean Meyer

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Thanks to the Organizing Committee!

- Dale Jablonsky, AIO for EDD
- Paul Benedetto, Chief Deputy Director, ISO
- Gregory Kiefer, President, Kiefer Consulting, Inc.
- Aaron Lee, Unisys Client Account Executive
- Erminja M. Maganja, Director, Strategic Clients, Public Sector, Deloitte Services LP

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What Is “Executive Sponsorship”?

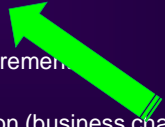
- Fund project
- Decide requirements
- Drive adoption (business changes)

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What Is “Executive Sponsorship”?

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Financial Management Resource Governance Processes

- Executive sponsorship
- Client expectations > resources
 - Rob Peter to pay Paul
 - Reliability?
 - Cut corners
 - Quality? Risk?
 - Overwork staff
 - Teamwork? Turnover?
 - Cut internal investments (training, innovation, infrastructure, process improvements)
 - Sustainability?

Financial Management Resource Governance Processes

- Executive sponsorship
- Client expectations > resources
- You cost too much! My allocation is too big!
 - Unclear perception of value for money
 - Strained client relationships?
 - Unfair comparisons to outsourcing

Financial Management Resource Governance Processes

- Executive sponsorship
- Client expectations > resources
- You cost too much!
- Cut your budget!
 - Budget unrelated to business needs
 - Downsizing pressures, "do more with less"
 - Client expectations > resources?

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Financial Management Resource Governance Processes

- Executive sponsorship
- Client expectations > resources
- You cost too much!
- Cut your budget!
- Clients fund people, infrastructure
 - Inadequate funding
 - Deteriorating infrastructure?
 - Micro-management
 - Control staff's unbillable time (eg, no training)?
 - Control infrastructure (eg, no consolidation)?

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Financial Management Resource Governance Processes

- Executive sponsorship
- Client expectations > resources
- You cost too much!
- Cut your budget!
- Clients fund people, infrastructure
- Clients feel out of control
 - Micro-manage budget
 - Defensive relationship?
 - Control priorities without limit on spending
 - Client expectations > resources?

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Financial Management Resource Governance Processes

- Executive sponsorship
- Client expectations > resources
- You cost too much!
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- Clients fund people, infrastructure
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The *business* of an internal service provider

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Root of the Problem

- You get budget
 - Yours to manage
 - Unclear deliverables
- Clients make demands
 - Your problem to deliver
- Steering committee prioritizes major projects
 - Unclear link to resources

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New Paradigm: Business Within a Business

- Budget is a “prepaid account”
 - Feeds a checkbook that belongs to clients
- Products/services have a cost
 - Price includes indirect costs
- Clients control checkbook
 - Buy what they want
 - Must live within their means

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Business Within a Business Solves the Problems

- Executive sponsorship
- Client expectations > resources
- You cost too much!
- Cut your budget!
- Clients fund people, infrastructure
- Clients feel out of control

Businesslike
relationship
with clients

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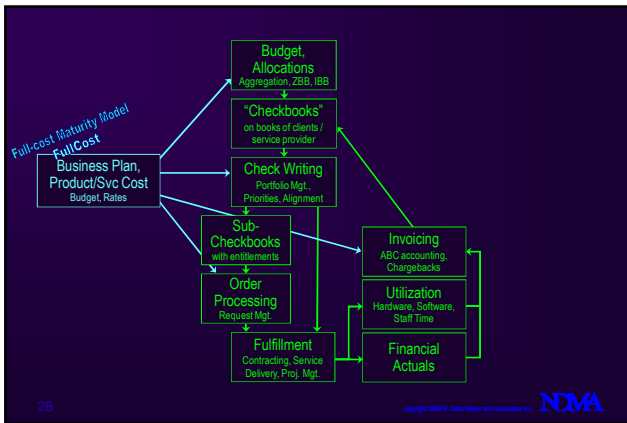
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Processes
required to
implement
paradigm

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Full-cost Maturity Model Vision of the End-point

Integrated planning process:

- Service catalog
- Operating plan
- Budget
- Rates



- Client
- Subsidy
- Venture

Full-cost Maturity Model Overview of Levels

- > Effort
- > Benefits



Full-cost Maturity Model Overview of Levels

CAUTION!

- > “We do ABB” ≠ Level 3
- > “We do chargebacks” ≠ Level 5

FMM = the methods and competencies that must be in place for each level to work effectively

- > “We do...” just means that you must get to that level quickly



FullCost Planning Process

1. Engage leadership team, define lines of business
2. Product/service catalog, internal and external
3. Forecast "sales" – instances of catalog
4. Fulfillment strategy
5. Internal marketplace: Internal-indirect, Overhead
6. Scrutiny
7. Negotiation the budget
8. Publish rates, upload data

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Tangible Results

- Clients defend IT budget
- Expectations match resources
- Foundation for client-driven portfolio management
- Culture: customer focus, entrepreneurship

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More Information

www.FullCostMaturityModel.com
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