THE OFFICE OF
ENTERPRISE TECHNOLOGY
STATE OF MINNESOTA

IT Consolidation at the State of Minnesota

State CIO
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July 22, 2011: Consolidation T-1

IT Environment

- **Central organization (300)**: policy, standards and strategic direction responsibility, but no direct authority over day-to-day operations or standards enforcement; provisioning $100M in optional shared services to executive branch (mostly network & mainframe); relative maturity in service management
- **Agency-based IT (1800)**: $300M in IT spend at the agency level (70+) agencies and boards; much of IT embedding in agency programs, not centralized; inconsistent maturity in service management

Political Environment

- Perfect storm with urgency of government shutdown, bi-partisan support for consolidation, bargaining units and governor support

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July 23, 2011: Consolidation Legislation

- Full consolidation of all IT for executive branch under State CIO/ central org – infrastructure, applications, projects
- Transfer of authority for people and $ by October 1 (10 weeks)
- No dollars allocated to effort; opportunity to keep savings
- No legislative expectations in terms of goals, moves, management changes, outcomes, savings
- Requirement to manage all IT through comprehensive Service Level Agreements within 1 year
- Requirement to route all new project funding to central organization after 2 years
- Established a single governance group to advise CIO

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Our Approach – Stated Values

- Minimize disruption of the daily business of government.
- Facilitate the alignment of authority, responsibility and accountability as priority number one.
- Emphasize communication at all times to all audiences – business, employees and leadership.
- Maintain the close tie between information technology operations and agency business lines and programs by elevating role of CIOs.
- Be strategic, do research and “get it right.”
- Respect the specialized skills, experience and value of state IT employees.
- Conduct collaborative planning: Resist anticipating the outcomes.

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Enterprise Consolidation Program

Projects & Deliverables

Agency Centralization

- Agency Planning Toolkit
- Agency Centralization Plans
- Utility Service Migration Plans
- "Maturity Report" – best practices validation
- **Agency IT Management Standards & Templates**
- **Utility Service Migrations**

Central Org Planning

- Updated Org Structure
- Key Leadership Positions Filled
- Internal Leadership / Governance
- MNGeo Transfer Plan
- New Employee Processes & Procedures
- Staffing Plan for OET HR
- ITC Program Mgmt Plan

Enterprise Human Resources

- Common Hiring Processes
- Common Management Plan
- Enterprise Comp / Classification Strategy
- Enterprise Seniority Strategy
- CIO Hiring Process
- Interagency Transfer Process
- Roles for Agency/OET HR
- Employee Satisfaction Metrics
- **Enterprise HR Policies**

Finance

- Key Financial Strategies
- Common Chart of Accounts
- Asset Inventory
- Consolidated Procurement Strategy
- **Enterprise Financial Policies**

Service Level Agreements

- SLA framework for FY13 SLAs
- **FY13 SLAs**

State IT Governance

- Defined Structure
- Formation of Tech Advisory Committee
- Launch of Governance Bodies
- Agency CIOs Roles & Reporting
- Legislative Report
- Clarification on Key Administrative & Legal Issues

Strategic Planning

- Defined Planning Goals and Outcomes
- Planning Process & Schedule
- Change Management Plan
- **Strategic and Tactical Enterprise Plan(s)**

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IT Consolidation Program: What it will look like when our 12-month planning effort is done

- **Agency Centralization**: All agency IT will have a common definition of services, common functional constructs for management and accounting, common employee policies and management discipline designed to improve services and minimize costs
- **Central Organization Planning**: The central organization will be prepared to manage its increased role and responsibilities through careful planning and resource management
- **Enterprise Human Resources**: Standard enterprise employee policies and a redefined internal HR function will facilitate a smooth transition from a virtual organization to an integrated one
- **Finance**: There will be a single view into state IT spending that leads to better decisions and economies of scale, through standard accounting and financial planning procedures
- **Service Level Agreements**: Agency IT services – both local and centralized – will be managed through standard service level agreements. Service strategy planning will begin identifying appropriate shared service and sourcing opportunities.
- **State IT Governance**: The State CIO will manage her mandated duties through appropriate governance that includes both business input and operational management
- **Strategic Planning**: State IT will operate through strategies and tactics that stem from the construct of a five-year vision for how information technology serves the business of the State

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Workforce Strategy

Timeline	Strategy
Week 2	Transfer agency CIOs and leverage knowledge & relationships; dotted line to agency leadership
Week 10	Interagency agreements identify and transfer authority for current TCO at each agency. Support services, staff and $$ stay local
Week 10	“Virtual” office (from 350 to 2100 employees) with common messaging
Month 6	Framework for centralizing IT *at the agency level* under the agency CIO (BIG CHANGE)
Month 9	5-year Master Plan for the state that defines a destination
Month 9	Strategic plan and new branding for new centralized organization; new middle management team; reorg at central organization for increased responsibility
Month 10	Governance framework for IT decision-making at all levels
Month 12	Comprehensive service level agreements with each agency: describe what they get for their current TCO (central, local and third-party) (BIG CHANGE)
Month 12	Administrative transfer of all state IT employees; begin work on key “early win” service optimization
Month 24	Matured service level agreements and agile service options, funding based on service rates; service metrics in place

We are here

Key Success Factors

- ✓ Huge communications effort
  - State IT employees, including direct participation in strategic planning
  - Agency CIOs – reorganization and change leadership
  - Agency leadership - be sure they felt “safe” and well taken care of
  - Legislators interested in our progress
- ✓ Keeping operations close to the business
  - Standardize how IT is managed throughout executive branch with initial focus at the agency level
- ✓ Set phases that allow for fast action, early wins, strategic planning, while minimizing disruption.
  - Already saving money in procurement, employees are energized and agency business leaders are feeling good. Trust level is way up!
- ✓ Focus on value-based service level management model , which is the right way to go, whether it is legislated or not

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