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# **The Challenges and Benefits of IT Consolidation for Government**

## **Bringing IT All Together**

January 21, 2010

**A GOVERNING Webinar**

# Introductions



**Fred Kuhn**

*Publisher*

**GOVERNING (Moderator)**

# Today's Agenda

## I. Introductions

- **Fred Kuhn**, Publisher, GOVERNING

## II. Presentations

- **Teri Takai**, Chief Information Officer, State of California
- **Gerry Weaver**, Chief Information Officer, State of Indiana
- **Paul Christman**, Vice President of Sales, Quest Software Public Sector, Inc.

## III. Q & A

## IV. Closing Remarks

- **Fred Kuhn**, Publisher, GOVERNING

# State of California



**Teri Takai**

Chief Information Officer  
State of California

# State of Indiana



**Gerry Weaver**  
Chief Information Officer  
State of Indiana

# Quest Software



**Paul Christman**

Vice President of Sales

Quest Software Public Sector, Inc.

# Trends in Public Sector IT Consolidation

- Pervasive management and technology trend regardless of financial conditions but accelerated by current budget constraints
- Enables more efficient shared “services” and/or cost savings
- Evolving to encompass more sophisticated technologies and processes

# Before Consolidation: CA and MI



## California

- **\$3 billion**
- **130 CIOs**
- **10,000 IT staff**
- **Federated Model**



## Michigan

- **\$365 million**
- **19 different IT Organizations**
- **1,700 IT staff**
- **Total Consolidation**

*Different states, but the importance of leadership is universal...*

# Leadership: Executive Support is critical



“We must also use this crisis as an opportunity.

Cuts are necessary but at the same time, we can make government more efficient and stretch the taxpayers’ dollar.

California’s day of reckoning is here.”

***So, what must you do as an IT leader?...***

# Leadership: Being an IT Leader

## Go for the money

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- Get the customers (agencies) on your side
- Establish a customer-service mentality
- Establish credibility
- Control IT spend



*In the end, leadership-enabled change is not about technology...*

# Focus on the Culture

*“Transformation is not about the technology, it’s about people.”*



*Use the people you have...*

# Focus on the People

## Find ways to deliver tomorrow's solutions with today's people

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- Never underestimate employee resistance
- Everybody likes “common” – as long as you do it their way
- Leadership takes on new importance – leading vs. doing

*Don't lose your momentum...*



# Keep the train moving

## Maintain momentum without wearing out your people...

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- ...or your welcome
- Organization change is hard
- People inside and outside IT don't want to change
- Being stubborn and persistent helps

*And always remember...*



# It's Tough

## It's not a popularity contest – they'll never love you

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- IT transformation of government is a journey – not an end point
- Keep the faith

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# State of Indiana

Governor Daniels established the office of the CIO for the State upon taking office January 2005

He gave the following directions

- Improve service
- Reduce cost
- Support state / agency initiatives
- Consider “green” whenever possible

Started 30-day assessment (took 2 weeks)

- Talked to customers, employees, vendors
- Assessed program management capabilities, service, employee capabilities / skills, processes

# Results of Assessment

- Each agency had their own infrastructure support group
- Central IT supported 900 of 25,000 desktops
- High cost, poor service, low morale, weak management
- No security policy or plan
- No processes / metrics / SLA's
- Multiple email systems
  - Novell in 4 major agencies
  - Lotus Notes in multiple small agencies
- Ineffective state portal
- PeopleSoft state system implementation in 1997 was running in 5 agencies
- Each agency had their own IT contracts
- Five data centers

# Established Three Project Teams

- Consolidation

- Worked with OMB / HR to develop process
- Developed consolidation templates
- Project plan
- 14 month death march

- Service Excellence

- Implemented best practices
- Security policy and plan
- Developed project management competency
- Customer satisfaction training
- Vendor training
- Communication process

- Shared Services

- Detailed services and costs
- Consolidation of vendor contracts

# Results

- All agencies (92) consolidated into one shared services organization (labor savings \$15M)
- Five data centers to one
- One email system – 107 agency servers to 16
- Single directory – authentication/address books
- Over 800 servers decommissioned
- Teamed with Indiana University for first state disaster recovery capability (reconfigured network)
- New state portal
- 135 agencies on PeopleSoft
- Security policy / secure network / personal security
- 4-year PC refreshment at no increased cost (Green Award)
- Consolidated all IT contracts (\$30+ million in savings)
- TPI benchmark study – top in service, bottom in cost
- Continued cost reductions in excess of 10% per year

## Basic SEAT Bundled Services

### Services Provided

- Customer Services
- E-Mail Services
- File Storage Services
- Local Desktop Services
- Network Services
- Printer Services (Networked)
- Server Services (450 Remote Office Servers, 1500 Data Center Servers)

### Service Description

The Basic SEAT Bundled Services include all direct labor, contracts, hardware, software and other direct costs required by IOT to provide IT service delivery for the desktop and associated centralized services (not including the cost of the actual desktop or printer). Seat does include a new standard desktop PC on a four year schedule to be defined by IOT or when the existing PC has failed and is deemed to not be worth the value of the repair.

### Service Options

Option ID	Option Description	Unit	Current Rate
1001	Seat Charge	Monthly	<b>\$79.90</b>
1136	Seat Charge – Non-Network	Monthly	<b>\$35.00</b>
1014	Email	Per Named User	<b>\$4.18</b>
1143	Email Overage	Per MB over 100 MB	<b>\$0.01551</b>
1154	Archive Email Enterprise Vault	Per MB	<b>\$0.01161</b>

## Detailed Information

### Basic SEAT Bundled Services (Networked)

The Basic SEAT Bundled Services are grouped into seven major categories: customer service support, e-mail, file storage, local desktop, network, printer and server. All IOT services comply with all [IOT Service Level Agreements](#).

**General Note:** IOT evaluates all out-of-warranty network equipment and networked printer repair issues to determine if it is more cost-effective to continue repairing the device or it is time to replace the device. If the device is repaired, the cost will be covered by IOT. If the device is deemed non-repairable, or it is determined it is no longer cost-effective to continue repairing the device (repairs are within 80% of the cost of a new device), the agency is responsible for the replacement cost of the device. Local and mobile printers are not cost-effective repair items and are not supported. Agencies purchasing non-networked printers are encouraged to purchase available warranties offered with non-networked printers.

#### I. Customer Service

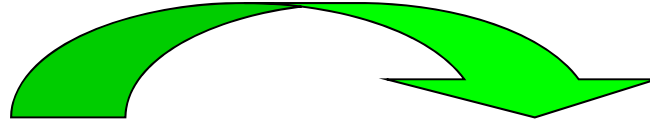
- A. 24x7 IOT Customer Service support (non-agency application specific)
  - 1. Fully staffed Helpdesk during regular business hours  
6:00 a.m. – 6:00 p.m. Mon-Fri
  - 2. Very limited (emergency) support outside of regular business hours
- B. Support includes:
  - 1. Desktops, laptops, tablet PCs, servers and networked printers (local and mobile printers are excluded because they are not network printers)
  - 2. Data network devices – routers, hubs, switches, firewalls, etc
- C. E-mail and network account creation and management
- D. Some agencies run their own application helpdesk for agency specific applications  
– IOT does not support agency-specific applications

#### II. E-Mail Services

- A. E-mail configuration setup and access
- B. 100 MB mailbox w/managed storage
  - 1. Fee charged for each additional MB used (see Product ID #1143).
- C. 200 MB archive e-mail storage (slightly longer retrieval times)
  - 1. Fee charged for each additional MB used (see Product ID #1154).
- D. 50 MB public folder
- E. All required "resource" accounts
- F. Daily full backup of all e-mail files/documents
- G. Automatic archival of e-mail files 6 months and older
- H. E-mail recovery services (up to 60 days w/o tape, 1 year w/tape)
- I. Anti virus software on all Exchange servers
- J. Administration of all 15 Exchange servers and associated SAN storage & tape backup systems
- K. Administration of all public folders and public distribution lists
- L. Web mail sites

# Measure Results

## Improvement



Metric	Jan '06	Current Stats / Yr	Jul '09
Speed to Answer	Red	135,005 Calls	Green
Abandonment Rate	Red	Average 2.8%	Green
Level 1 Resolution	Red	86,561 Tickets	Green
HDA Response	Red	54,749 Tickets	Green
Customer Survey	Green	33,481 Surveys	Green
Resolution on Time	Red	172,812 Tickets	Green
Network Availability	Yellow	3,166 Nodes	Green
Server Availability	Yellow	2,034 Servers	Green
Account Management	Red	34,209 Accounts	Green

# Agency Monthly Report

The completed percentage of Helpdesk Tickets within SLA Target Resolution Times.



## DOC Compliance Summary for December

	Compliance	Total Call Volume
<b>Account Management</b>	<b>98.88%</b>	<b>713</b>
<b>Applications</b>	<b>89.79%</b>	<b>480</b>
<b>Database</b>	<b>100.00%</b>	<b>7</b>
<b>Data Management</b>	<b>100.00%</b>	<b>25</b>
<b>Hardware</b>	<b>92.96%</b>	<b>284</b>
<b>Operating Systems</b>	<b>96.00%</b>	<b>25</b>
<b>Telecommunication</b>	<b>100.00%</b>	<b>4</b>
<b>Web Portal Services (www.IN.gov)</b>	<b>0.00%</b>	<b>0</b>

## Projects

All open projects that IOT has in the process for your agency and what the current status is.

Project Name	Proposed Delivery Date	Flag Status (R/Y/G)	Current Status
Consolidation	Completed	G	Final Cost Savings numbers at OMB
Telecomm Visitations	06/01/07	G	Demo of PC Cam Telecomm visitation completion
CMS Deployment	Completed	G	Hardware Support and Change Control
Pen Products Data Center Move	06/01/07	G	Started 12/15/06
ID Badges	04/01/07	On Schedule	Central Office Completed

# Agency Monthly Report

## Future Initiatives

Future or potential projects such as office moves, procurement of IT equipment, and deployment of equipment. These are identified by an IOT representative having discussions

Description	Time Frame	Current Status
Pen Products - Commissary	7/1/2007	Assessment In Work
Pen Products - New T1 for App	7/1/2007	Assessment in Work

## Identified Issues

Any IT issues that IOT has identified that will need to be addressed by IOT or the agency.

Description	Assigned to	Resolution
DOC Telecom Representative to support Phones, Pagers, Blackberries, Site moves, etc..	Turner/ Baltzell/Wilson	Solution discussions have started between Turner, Baltzell, Wilson
WAN Link Utilization	Turner/ Baltzell/Wilson	Monitoring WAN Utilization to all large Correctional Facilities

## IOT Happenings

What IOT is doing to improve IT services and what we are doing to add value as agencies IT partners.

IOT 07 Pricing is completed and automatically updated in CIMS - Check website for prices


# Q & A Session



**Elder Witt**

Deputy Publisher

**GOVERNING**

# Q & A Session

**Elder Witt**, Deputy Publisher, GOVERNING (*moderator*)

**Teri Takai**, Chief Information Officer, State of California

**Gerry Weaver**, Chief Information Officer, State of Indiana

**Paul Christman**, Vice President of Sales, Quest Software Public Sector, Inc.

# Quest Software is the Catalyst for Consolidation

- Assess system readiness
- Execute transitions and migrations
- Operate systems with improved security and efficiency
- Optimize service delivery and reporting
- Databases, Directories, Email, Web Applications

# Thank You for Attending

**Thank you for attending today's webinar.**

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