

DEPARTMENT OF ADMINISTRATIVE SERVICES

INFORMATION RESOURCES MANAGEMENT DIVISION ASSESSMENT & RECOMMENDATIONS FOR CHANGE

Summary Handout

Problem

Continued low customer satisfaction with the Department of Administrative Services Information Resources Management Division (IRMD) services, at least two consecutive biennia of failed financial management, and inability to take the leadership role in enterprise governance, have given indication that the division's business model is fundamentally flawed and unable to respond to the state's demands for enterprise information technology (IT) leadership. In February 2006, the Department of Administrative Services (DAS) Director commissioned an organizational assessment of the division to determine whether or not a significant change in its business model is required.

Findings

The Information Resources Management Division is the organizational unit of state government that is responsible for leadership in establishing enterprise IT standards, technical architecture, and strategic plans. Additionally, the division operates a variety of enterprise IT services, including: a) the telecommunications infrastructure; b) printing and distribution services; c) enterprise information security services; d) project management services; and, e) enterprise applications support and development services.

Finding #1: The IRMD business model has not anticipated and changed to meet customer service expectations and policy makers' expectations for enterprise governance.

The current IRMD business model mixes the roles of service provider and governance leader. As a result, it has become neither a service organization or an enterprise strategic planner, standard-setter, and technical architect. Customer satisfaction with services has continued in decline and the lack of well developed technology plans, standards, and architecture has hindered government's ability to capture savings and provide valuable public services.

Finding #2: Failure to develop enterprise standards and common technical and business architecture, limits access to information that policy makers need to solve "big" problems.

The information that policy makers need to move large public policy agendas resides in state agency "information silos." Right now, trying to use this siloed information is like viewing all of the pieces of a jigsaw puzzle, one-at-a-time. Enterprise standards and common technical and business architecture make it possible for technologists and

analysts to integrate information and provide policy makers with a bigger picture of problems and solutions that are of most concern to citizens.

Finding #3: The IRMD financing model has failed and requires fundamental restructuring.

The IRMD financing model is a “patchwork quilt” of solutions that have, over time, tried unsuccessfully to align the division’s finances with its business model. The result has been an approach to financing that tries to support fixed costs with variable revenue sources; overcharges for some services to cross-subsidize others; and, has created negative closing balances in the past two or more biennia. These problems were partially remedied in the 2005 Legislative Session, but structural alignment problems remain in the budget.

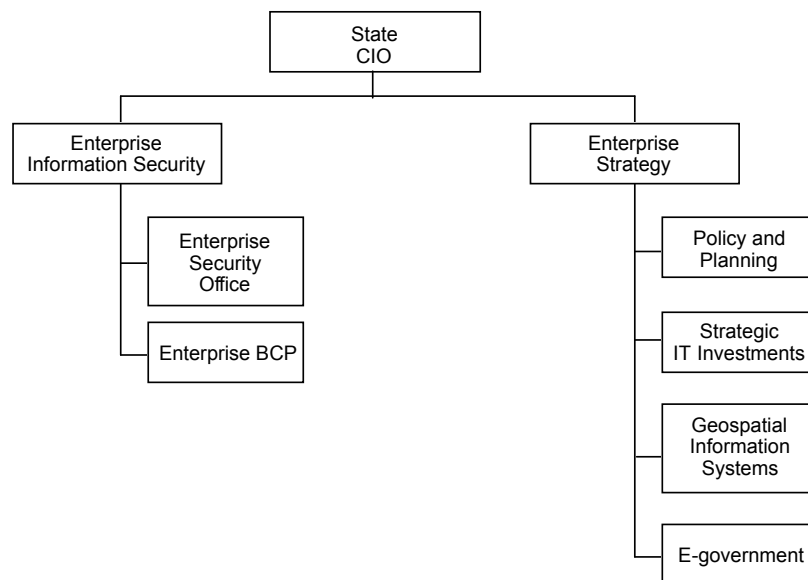
Recommendation

Three organizational models were considered as alternatives to the current IRMD model. One model was selected as best addressing the three major findings.

The proposed business model separates the service provider and governance functions that are currently mixed at IRMD and establishes the State CIO as an enterprise strategic planning and policy leader. This model focuses the State CIO and staff on strategic planning; establishing enterprise standards; establishing enterprise technology architecture; and, establishing enterprise security standards. All of the customer-facing service businesses of the current IRMD (i.e., telecommunications, utility computing, application support for enterprise legacy systems, desktop application support) are transferred to DAS business units. Current IRMD business units that are not competitive with market rates, and there is no compelling reason for them to remain state-operated, are phased out and the services would be commercially procured.

The recommended business model is budget neutral with the potential for marginal savings in the future.

Proposed Organizational Structure



Key Points

Why are we doing this?

- To create a more adaptable enterprise technology organization that will meet the state's needs now and in the future.
- To establish DAS as a credible leader for enterprise IT.
- To deliver service quality that is aligned with customer expectations for excellence.

Why do we need to change, now?

- IRMD employees are capable and want to provide excellence in service and leadership. The current organizational structure and business model is an impediment to their efforts.
- The current business model tries to do too much (providing service and enterprise governance) resulting in a loss of focus.
- The current business model limits our capacity to meet customer expectations.
- The current finance model is flawed and must be fundamentally restructured.

So, how much money will this save?

- The purpose of the restructuring is to provide an organizational structure and a business model that supports excellent service and strategic leadership for the state IT enterprise.
- Any savings produced by these changes are marginal and in the future.

What's "The Plan?"

- Generally, the service provision and enterprise governance functions of the current IRMD will be split.
- Governance functions will remain together under the direction of a State CIO.
- Most service provision functions will be transferred to other DAS divisions.
- Some service provision functions will be phased-out over time.

How do we get from “here” to “there?”

- There is a lot of detail planning and implementation work that will have to be done this summer (detailed transition plans for individual employees and work units, preparation of the Agency Request Budget, etc.).
- A project team will be assembled and charged with producing a complete plan by September 1.
- Transitions will begin once the plan is done.

Has anybody talked with the Governor’s Office or the JLCIMT about this?

- Governor’s Office has reviewed the recommendations and given the “green light.”
- We have talked with LFO and will begin briefing JLCIMT members and the legislative leadership soon.
- We have asked for an opportunity to present our recommendations and plans to the JLCIMT at its June meeting.

Who can I talk with if I have questions about how this affects my career with DAS?

- The DAS Executive Team and the IRMD leadership will communicate with you as plans are developed.
- Your supervisor or Jerry Korson (DAS Personnel) will make themselves available to talk with you about how changes may affect you personally.