



Infrastructure Study and Assessment (INSA)

Joint Legislative Oversight Committee
on Information Technology

October 28, 2010





Governor's Directive

- July 2010 – Governor Beverly Perdue issues memo to Executive Branch agencies outlining IT initiatives
 - Assessment of IT infrastructure, services, and costs in ITS and all Cabinet agencies (INSA)
 - Upgrade state's web portal
 - Ivy Hoffman provided portal update
- Goal – Improve service, increase transparency, gain efficiencies and reduce costs



What is INSA?

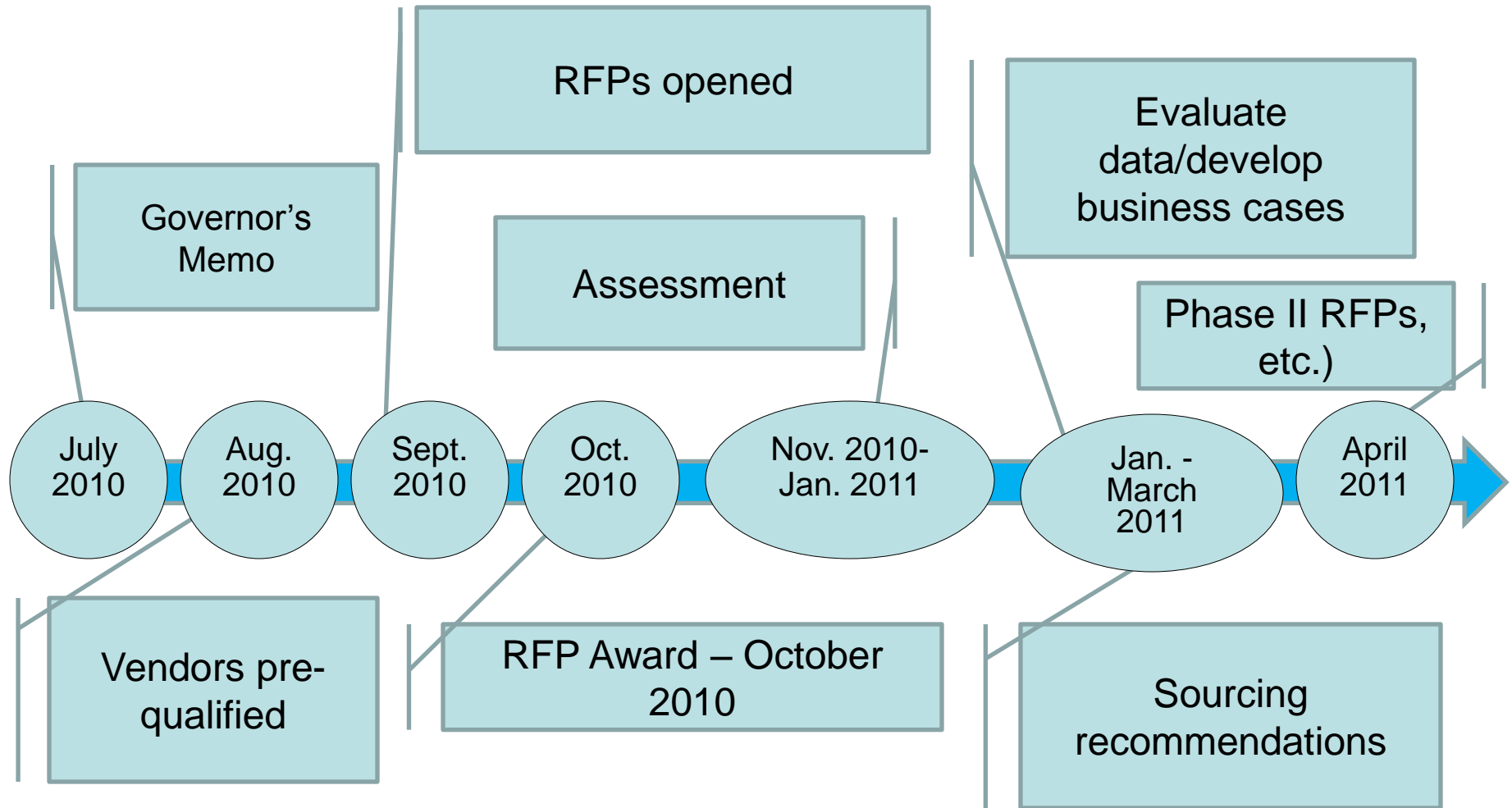
- Infrastructure Study and Assessment
- Independent, 3rd party vendor to perform assessment beginning early November 2010
- Goal is determining best approach to consolidation
 - Recommendations may include external service providers, internal service providers, or a combination of both.



Agency collaboration and transparency

- Formal INSA Program kick-off
- Formal communication plans (internal and external)
- One-on-one meetings with agency heads
- Agency representatives involved in all phases, including drafting and assessment of RFP
- Agencies asked to provide financial, human, and technical resources as required
- Regular updates
 - State CIO's web page: <http://www.scio.nc.gov>
 - FAQ's – email address for questions
INSA_PROGRAM_QUESTIONS@NC.GOV
 - Weekly status reports and other information posted on State CIO web page and ITS Intranet

Timeline



Lessons learned

- Single-source IT consolidation has not worked in other states
- Several notable failures
- Why?
 - Not enough objective information about current state
 - Poor governance structure
 - Poor contracts

Lessons learned



- Financial
 - Outsourcing was a way of bringing infrastructure/hardware current without spending \$ upfront - need to revalidate #'s
 - Consolidate/reneegotiate contracts
 - Standardize technology
 - Consumption based contracts
 - Must understand "current" service levels tied to contract dollars

Lessons learned



- Contract
 - Develop fundamental processes, procedures, roles and responsibilities for everything/everyone
 - Tie customer satisfaction to contractual obligations financially
 - Take time to process information during/after negotiations to ensure know what still own, clear demarks, licensing
 - Interim support plan
 - Hire outside legal counsel

Lessons learned



- Stakeholder
 - Governance/change management critical
 - Heavily involve agency business leaders
 - Success is owned by everyone, not just IT- Culture change
 - Governor's commitment to successful transformation
 - Keep executive leadership and the Legislature informed
 - Involve HR throughout the process
 - Find champions in agencies and Legislature
 - Set expectations with all stakeholders
 - Statewide procurement must be involved early on in the project
 - Obtain buy-in
 - Communications to staff, be honest

Lessons learned



- Data
 - You must have a BASELINE for assets and services
 - Asset Management - continually updating





Preparation for assessment

- ITS has reduced rates
 - \$3.7M across multiple services this calendar year
 - Budget reduction of 5/10/15% due to OSBM this week
 - Recalculated rates by December 15, 2010
- ITS is renegotiating contracts
 - Telephony Contract - already done
 - Cellular Phone Contract
 - Internet Service Provider
 - Others.....



Preparation for assessment

- Sourcing Management - Multi-sourcing management
 - Seamlessly integrated all providers
 - Align all parties behind one goal
 - Develop agile sourcing environment
 - Achieve business impact through targeted IT spending





Strategic IT investing

“Outsourcing deals often fail to deliver expected outcomes because enterprises manage their sourcing environments tactically instead of strategically.” - Gartner – March, 2010

- Risk vs. Stable
- Meeting business goals
- Prepare to make changes according to marketplace

