

MINUTES

CIO Management Council



Meeting Date: February 25, 2009

Attendees: Dugan Petty, Steve Poland, John Koreski, Lloyd Lowry, Jill Petersen, Trygve Larson, Rick Howard, David Almond, Jon Deben, Randy Whitehouse, Ben Berry, Julie Pearson, Sandy Jefferson, Bob DeVyldere, Theresa Masse and Baron Rodriguez

EISPD Staff: Darren Wellington, Scott Riordan, Wally Rogers, Paula Newsome, Sean McSpaden, and Charlene Wood

Others: Doug George (DHS) and Bob Cummings, (LFO)

Dugan Petty called the meeting to order at 10:30 a.m.

Fast Track Planning – IT Response to the Fiscal Crisis – Dugan Petty & Bob DeVyldere

Dugan introduced Bob Cummings, Legislative Fiscal Office (LFO). Bob reported that the LFO has asked the state CIO Council (CIOC) to describe what the state government IT community is doing to help deal with the current fiscal crisis and to explore other ways information technology can be leveraged in these tough times. He asked members for ideas, concepts, or opportunities to put forward to mitigate cost savings, and better manage the situation that we are in today. We need to look at immediate concepts that have some benefit and be viable in a short period. Bob pointed out that in times of crisis, IT is an area that is looked at to cut costs. What we want to do in the short term is to show what the use of IT is already doing to address these challenges. Many agencies are being asked to justify why they are spending money in IT when they could be spending the money elsewhere. This effects of the fiscal situation are anticipated to last four to six years. This problem is not going to be solved immediately. Bob hopes members can get together and show the legislature that the CIO leadership is collaboratively working to find solutions to the financial crisis. Bob summarized by asking the CIO's to brainstorm and come up with one to five areas for substantial cost savings. Members are to contact Dugan if they have any questions.

Dugan provided an overview of Gartner's "*IT Cost Optimization*" presentation. Gartner, Inc. has helped design an evaluation worksheet to allow CIOs to evaluate each potential opportunity. Dugan requested the CIOs brainstorm concepts that make sense for cost saving efforts in the future. We need to focus on payouts realized in the next biennium. We need to outline some key concepts focused on reducing costs. Dugan anticipates these activities will result in a report summarizing these opportunities. The report will also demonstrate what is already being done at the agency level to reduce costs.

Dugan said the report would focus on reducing cost in the budget and summarize ideas on cost saving concepts. Scott Riordan will summarize the key concepts from today's meeting. Scott will send out the summary of today's meeting and a worksheet scorecard for the CIOs to complete.

The members felt it was appropriate to communicate with the agency heads to describe the report that is being created for the legislature.

Action: Dugan will send members the meeting summary with scorecard attached.

Action: Ben will send Dugan the list of ODOT's current cost savings approaches.

Action: Dugan will update the agency heads on the report the CIOs are creating for the legislature.

Members outlined key concepts for cost savings efforts.

Ben Berry briefly described a variety of approaches used by ODOT to pursue cost optimization including:

- Demobilization of large projects (ERP);
- Federal and State stimulus projects;
- Purchasing delegated authority from DAS to the agency;
- Establishing IT enterprise architecture (EA) that aligns business and IT, reduces costs, improves agility, and increases shared services and reuse;
- Organize IT customer relations into the same business environment;
- Community of Interests alignment (COI);
- Simplify and reuse code or infrastructure in other lines of business;
- Replace T1 lines at remote district offices with broadband wireless communications card;
- Continue to implement a standard suite of collaboration tools and services; iLinc, FileNet and Blackberry;
- Implemented a collaborative software initiative for the communications division to reduce the cost and time of getting video content to the public; social media, Twitter and YouTube;
- Reduce defects by finding and resolving defects prior to launch;
- Eliminate long-term contractors by transferring support to internal staff;
- Improve staff longevity and retention by defining a job pathway model;
- Job rotations and internships;
- Computer applications through the American Association of State Highway Transportation Officials Cooperative Computer Software Development Program;
- Continue to support server consolidation of multiple data centers to one;
- Support OWIN in the planning and development of the new statewide communications systems;
- Use open source as an optimization tool;
- Create an open source consortium;
- Range software as a service solution for common business functions;
- Create a catalog of open source solutions used by agencies for reuse or replication;
- Create an enterprise-style business-planning model to take on larger optimization opportunities;
- Develop a business architecture describing intersections between agency business processes;
- Appropriate a governance model to act on the larger opportunities;
- OSP and ODOT teamed together for Microwave wireless communications; and
- Considering how agencies support citizens by creating or supporting the creation of jobs.

Jill Petersen briefly described a variety of approaches used by the Oregon Youth Authority to pursue cost optimization including:

- No new software development;
- Data lines – researching local vendors for web use;
- Reduce purchasing costs;
- Share a multiline that goes to the same place with few users;
- Reduce the number of telephones, we use e-mail more than our phones;
- Strategic review of our external savings;
- OYA has a Web front end to the payroll system that allows use at 24-hour facilities; a solution that could be shared with other agencies; and
- Looking for ways to bundle agencies duplicated infrastructure into a single solution to save costs.

John Koreski briefly described a variety of approaches used by the State Data Center to pursue cost optimization including:

- SDC is focusing on consolidation;
- Telecommunication;
- Cut line costs by moving away from frame relays;
- Software consolidation using mainframe virtualization; and

- Consolidating three mainframes into one.

David Almond briefly described a variety of approaches used by the Department of Revenue to pursue cost optimization including:

- Use of teleconferencing and video conferencing through the web rather than travel;
- Telecommuting;
- Consolidate desktop support and management in remote areas;
- SaaS endpoint security tools;
- Performance management tool; and
- Investing in business process management tools.

Baron Rodriguez briefly described a variety of approaches used by the Department of Education to pursue cost optimization including:

- Collaborating with the Oregon University System (OUS) to build an application to track the Federal stimulus spending;
- Use the OUS lab for development and sharing of resources; and
- Multi-jurisdictional planning and consolidating (i.e.: networks).

Julie Pearson briefly described a variety of approaches used by the Secretary of State to pursue cost optimization including:

- Renegotiate our license and maintenance agreements;
- Statewide price agreements for hosted services;
- Enterprise records management;
- Redundant site in Burns for records retention;
- Records management and data retention center of excellence;
- Issue tracking software to track a complex range of activities;
- Provide IT procurement service brokerage for agencies to establish IT contracts needed by multiple agencies;
- Routinely have one agency represent others when establishing agreements which would allow all agencies to benefit;
- Examine spending to drive down costs through strategic competitive sourcing; and
- IT focused strategic sourcing initiative would set cost optimization targets then use a variety of techniques to achieve those targets.

Rick Howard briefly described a variety of approaches used by the Department of Human Services to pursue cost optimization including:

- Establish Centers of Excellence to take lead on collaborative service acquisition and delivery for multiple agencies that share a common need;
- Expert service desk and field support structure;
- Optimize the use of software at the SDC;
- Create a funding or savings model that allows agencies to see the financial benefit of SDC optimization;
- Create a process to allow all agencies to see actual savings when innovative solutions are implanted;
- Identity and access management;
- “Cloud computing” offers a scalable and often virtualized service over the internet;
- Review all software and remove what is not used;
- Cost savings through consolidation;
- Tiered storage;
- Enterprise portfolio management;
- Some opportunities require advance planning. Ensure those capabilities necessary to plan and implement the range of longer term opportunities for optimization is developed and ready; and
- Portfolio investment management practices to enable targeting of investments based on pre-defined objectives.

Dugan Petty briefly described a variety of approaches used by DAS at an enterprise level to pursue cost optimization including:

- Strategic sourcing;
- Federal stimulus transparency – establish a single system to be used by all agencies;
- Consultants that provide a report on what is being used and accurate billing;
- Consolidated management at the desktop;
- Consolidate or reduce duplicated services, i.e. IT infrastructure, service lines, business lines, etc.;
- Review components of Software as a Service (SaaS) for opportunities;
- Business intelligence;
- Portfolio management;
- IT service management;
- Asset management; and
- Develop a single records management solution for all agencies.

Bob DeVylde briefly described a variety of approaches used by Water Resources Department to pursue cost optimization including:

- Explore data sharing opportunities; and
- Focus efforts on quickly identifying areas to optimize cost and value while also streamlining data usage for the future.

Trygve Larson briefly described a variety of approaches used by Parks and Recreation to pursue cost optimization including:

- Move to less expensive telecom support infrastructure by downsizing services where feasible and replacing T1 lines with DSL;
- Consider using emerging lower cost technology in lieu of traditional desktop and laptop computers;
- Move to open source alternatives; and
- A multi-agency solution for electronic records management.

Randy Whitehouse briefly described a variety of approaches used by the Oregon State Police to pursue cost optimization including:

- Desktop support center of excellence;
- Standardize e-mail hosting; and
- E-mail archiving.

Wally Rogers briefly described a variety of approaches used by the DAS E-Government Program to pursue cost optimization including:

- Deliver E-government services through portal provider with different contract delivery model;
- Eliminate the duplication of services;
- Deliver portal service through a third party portal provider;
- Allow agencies to develop applications and services that are accessed through the portal provider;
- Provide E-government portal applications for agencies to use at their discretion; and
- Utilize transaction fees for value-added portal transactions where there is a value proposition for the public in business purchasing services such as applications or licensing.

Sean McSpaden pointed out there is a need to take a strategic view of IT staffing challenges and solutions balancing risk and opportunity since 30% of the state's IT staff is eligible to retire in the next five years.

Theresa Masse pointed out that DAS is curtailing projects such as Identity and Access Management as a means of cutting costs.

Action: Scott Riordan will send out the summary of today's meeting and an evaluation worksheet for CIOs to complete.

Action: Scott Riordan will create a summary report for review at the March 3, CIOC meeting.

Dugan adjourned the meeting at noon.

Next meeting:

March 10, 2009

1:00 – 2:30 p.m.

DAS Executive Building

155 Cottage St NE

Conference Room B