

Governor's CNIC Project Briefing Key Points

CNIC furthers the Governor's objective to restore public confidence in government, through:

- Fiscal accountability – one of the Governor's key initiatives
- Efficiency – doing more with less, and saving money
- Effectiveness – improved service and reliability

Project Overview:

- Key Points
 - 12 agencies which comprise the bulk of state government's computing are participating
 - Accenture is working with state staff to evaluate the current environment and recommend consolidation options
 - Consolidation recommendation will be based on a sound business case, which includes:
 - ✓ Substantial savings – return on investment in 24-36 months
 - ✓ Same or better services levels and improved performance
 - ✓ Other critical factors
- The State of Oregon's Computing & Networking Infrastructure is highly fragmented
 - 3 largest data centers are small by industry standards
 - 12 largest data centers combined equal roughly 75% of a medium-sized data center by industry standards

- The state's entire 32 data centers probably do not equal one medium-sized data center by industry standards
- Potential efficiency gains and cost savings through consolidation are substantial

- CNIC saves money, and solves some big problems...
 - No manageable service levels
 - No tested disaster recovery capability
 - Some systems are prone to cyber attacks
 - No matter how well they are run, none of the existing data centers alone have the scale of business necessary to solve these problems

- New data center
 - Run by the best staff from all participating agencies
 - Economies of scale to afford best-in-class tools and processes
 - Superior service and reduced cost to agencies and state
 - Better training and promotional opportunities for staff

- Labor & Human Resource issues
 - Consolidation reduces the need for positions, but impacts on people can be minimized
 - Projected position reductions will be balanced, in part, by agency vacancies, both current and future
 - Existing staff may wish to retrain for other state job opportunities
 - It is highly probable that the new center will be located outside Salem

- The costs associated with helping state employees through all transition issues are legitimate one-time costs to be factored into the business case
- The state is working with Unions to resolve all issues
 - Representation
 - Staff selection process
- CNIC Project information is available to all impacted staff and their representatives
- It is highly probable that the net number of represented employees will increase
- It is essential to the CNIC project's success that the best staff from existing centers work in the new center
- New “Shared Services” paradigm requires a new governance model
 - DAS IRMD
 - While the consolidation project is underway, IRMD functions as a catalyst or “spark plug”
 - When the project is complete, IRMD takes on a stewardship role for the resulting shared service
 - Governing Board – comprised of participating agency heads or their designees
 - Oversees assessment and planning phase
 - CIOs provide technical strategy and guidance
 - Recommends approval/disapproval of business case
 - Oversees business and technical aspects of ongoing operations
 - Creates ownership for consolidation initiative and resulting shared service
 - Ensures sustainability of performance

- Summary
 - Thousands of data center and network consolidations have been successfully performed in both the public and private sectors in the last 15 years
 - The technical issues are well understood and easily manageable
 - Leadership and politics are the real challenges
 - Strong and clear leadership from the top is essential to success
 - Ensure active agency head support for the program if there is a compelling business case
 - Demonstrate commitment to all stakeholders to fairly resolve potentially difficult political and labor issues