Enterprise IT Consolidation: A View of the States

**Commonwealth of Pennsylvania
Senate Communications and Technology Committee
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NASCIO**

Fiscal impact of pandemic: state revenues growing, increased or reduced IT spending levels? Impact of American Rescue Plan Act funding for state IT?

CIO as broker business model: evolution from owner-operator to more managed services, outsourcing and multi-supplier initiatives

State IT organization transition continues: more consolidation, optimization, hybrid models and unification initiatives

Elevated cyber threats during pandemic, nation state and criminal attacks, more focus on enterprise cybersecurity models, whole-of-state collaboration, ransomware

Digital government services: user centric design, streamlining experiences, security, automation, citizen IAM

STATE CIO TOP 10 PRIORITIES
2021 Strategies, Policy Issues and Management Processes

10 CIO Top Ten Priorities — CELEBRATING 10 YEARS

1 Cybersecurity and Risk Management — #1 for eight consecutive years. On the top ten list since 2006

2 Digital Government/Digital Services — Steadily moving up the list. COVID-19 impact

3 Cloud Services — Major force of change. In top three since 2013

4 Broadband/Wireless Connectivity — COVID-19 impact. #9 in 2020 - on/off list for a decade

5 Budget, Cost Control, Fiscal Management — COVID-19 impact! On the list since 2009

6 Data Management and Analytics — Holding steady on the list since 2016

7 Consolidation/Optimization — CIO priority each year. Frequently #1 since 2008

8 Identity and Access Management — New to the top ten list. Enables digital services
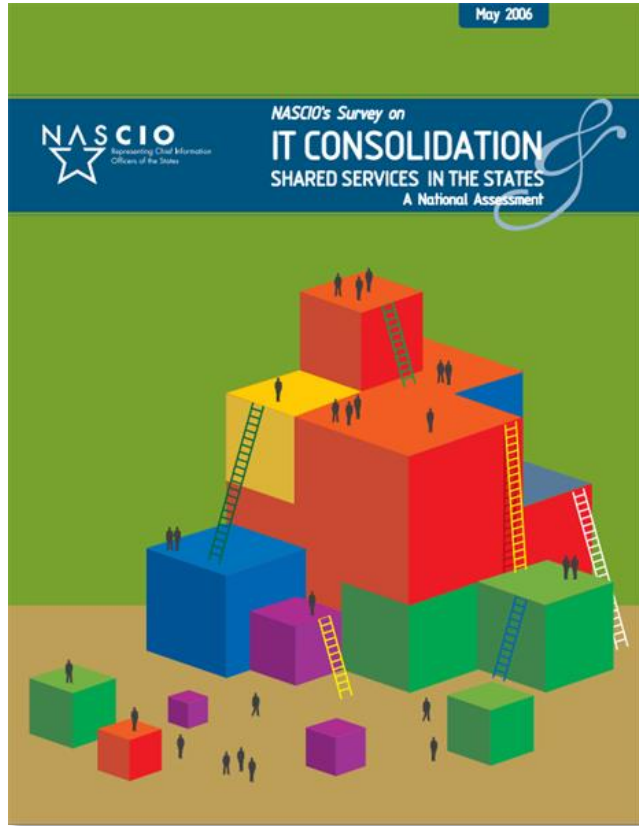
9 Workforce — Back on the list. COVID-19 priority

10 Customer Relationship Management — Key priority because of business model. Intermittently on the list since 2015

NASCIO
Representing Chief Information Officers of the States

May 2006

NASCIO's Survey on
IT CONSOLIDATION &
SHARED SERVICES IN THE STATES
A National Assessment

NASCIO
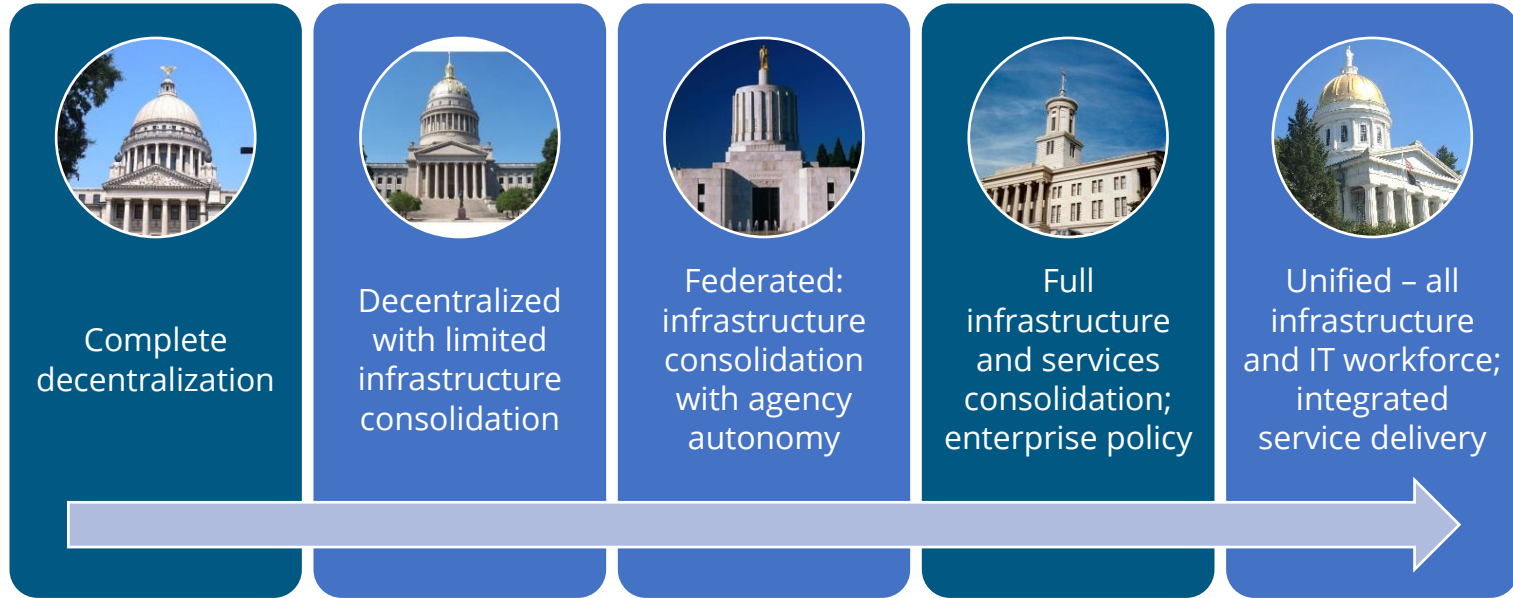Representing Chief Information
Officers of the States

This Isn't New, It's Just Hard: Key Findings in 2006

"strong trend towards states consolidating key IT functions and utilizing the shared services model whenever applicable."

"...most consolidation initiatives were begun in the state CIO's offices in tandem with either the governor's office or the state legislature."

Spectrum of IT Consolidation Today

Complete decentralization

Decentralized with limited infrastructure consolidation

Federated: infrastructure consolidation with agency autonomy

Full infrastructure and services consolidation; enterprise policy

Unified – all infrastructure and IT workforce; integrated service delivery

States approach consolidation with different motivations, strategies, business drivers and models. There are variations on these themes depending on state finances, political will and the ability to absorb change.

Rationale for IT Consolidation

Reduce risks and strengthen IT security

Promote enterprise integration and applications

Improve digital services for citizens

Reduce diversity and complexity of environment

Economies of scale – reduce operational costs

Improved support for legacy systems

Centralize infrastructure maintenance and upgrades

Improve disaster recovery/business continuity

Reinvestment of spend to services, agency priorities

Targets of Enterprise IT Consolidation

- Data Centers
- E-mail/Collaboration
- Telecom/Networks
- Servers
- Security
- Desktops/Laptops
- Storage
- Software Licenses
- Content Management
- Help Desk

- Disaster Recovery/Back Up
- Automation Tools
- Application Development
- Business Intelligence/Analytics
- Project Management
- Imaging/Archiving
- Mobile Device Management
- Identity & Access Management
- Contracts
- IT Staff

Snapshot of IT Consolidation
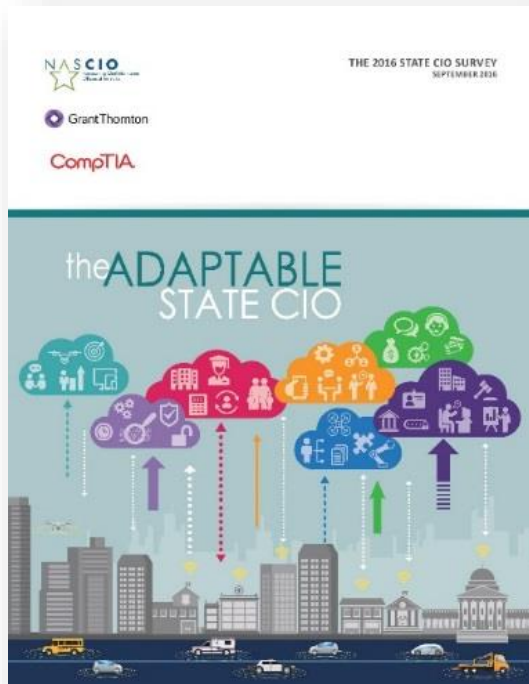
	2016			
	DONE	ONGOING	PLANNED	DK/DNA
Backup/disaster recovery	32%	52%	13%	3%
Business applications	15%	44%	13%	25%
Content management	21%	42%	13%	26%
Data centers	42%	47%	11%	0%
Desktop support	31%	37%	20%	12%
Email	59%	35%	6%	0%
Imaging	19%	42%	12%	27%
Security	31%	56%	9%	4%
Servers	31%	65%	4%	0%
Staff	29%	33%	15%	24%
Storage	35%	54%	11%	0%
Telecom	57%	35%	7%	0%
Helpdesk	38%	28%	17%	17%
Mobile device management	37%	30%	20%	13%
Identity and Access Management	30%	39%	26%	5%
Data Warehouse/ BI/ Analytics	8%	40%	30%	22%
Project Management Office	39%	30%	17%	15%
State Portal	48%	36%	9%	7%

Challenges to IT Consolidation Initiatives

Lack of funding/investment to prepare for consolidation

Agency/workforce resistance to change

Agencies desire to remain autonomous

Problems moving infrastructure from the agencies

Backlash when consolidation doesn't meet agency business needs

Higher than projected transition costs

Seeking exemptions from federal statutory and regulatory requirements

Critical Success Factors

Strong executive support

Establishing trust with stakeholders: consistency

Effective governance model with a shared vision

Choosing the correct implementation strategy to ensure buy-in

Predictable funding stream

Workforce impact - motivating staff through the transition

The Success Playbook

Have a plan - defined process with gap analysis

Document the "as is" - baseline of assets

Spend analysis: capture the known costs, hidden costs

Establish a governance structure for shared decision-making

Engage the agency stakeholders early

Create aggressive roadmap with reasonable milestones

Constant communication – expect resistance

Re-negotiate existing contracts

Capture and report cost savings

Manage expectations and expect surprises

NASCIO
SHRINKING
STATE DATA CENTERS
A PLAYBOOK FOR
ENTERPRISE DATA CENTER
CONSOLIDATION

AMY HILLE GLASSCOCK
SENIOR POLICY ANALYST