



THE OFFICE OF  
**ENTERPRISE TECHNOLOGY**  
STATE OF MINNESOTA

## Enterprise IT Analysis Interim Update to the Legislature

January 15, 2010

## Background

Minnesota Law 2009, Chapter 101, Article 2, Section 105 directs the Office of Enterprise Technology (OET) to undertake an analysis to explore ideas for managing State executive branch information technology (IT) for greatest impact and efficiency.

The requirements of this legislation include:

- 1) Data-gathering, analysis and recommendations related to the transfer of State IT employees to OET
  - Number of employees transferred
  - Identification of cost savings opportunities
  - Potential improvement in operations and service levels
- 2) Data-gathering, analysis and recommendations related to potential market alternatives
  - In-sourcing
  - Shared services
  - Outsourcing
  - Co-sourcing
  - An example transition plan and schedule

As required in the legislative mandate, agencies are contributing to the data collection necessary for the study, and to the overall governance of the project.

## Governance

The language requires the Office of Enterprise Technology to direct the study. To ensure proper analysis of the data from the agency perspective, the Program Review Team, a cross-agency team within the State executive branch's established IT governance process, is serving as the steering team on this project. Members of the Program Review Team include deputy commissioners, chief information officers (CIOs) and chief financial officers (CFOs) of the executive branch. The Program Review Team has reviewed this report.

Additional input and feedback is being solicited from other executive branch stakeholders throughout the study.

A project executive from OET is working in conjunction with the project manager and vendor partner project lead to coordinate and direct the study activities. The individuals report directly to the Deputy Commissioner of OET.

## Methodology

### Scope

The scope of the study includes all executive branch cabinet agencies plus smaller boards, commissions and other bodies generally considered to be part of the executive branch for administrative and budget purposes. It does NOT include legislative, constitutional or judiciary functions, MnSCU, the University of Minnesota or political subdivisions of the State.

### Process

In order to provide an informed analysis and actionable plan to the legislature, this complex project has been broken into two phases that, combined, will result in viable solutions, options and recommendations based on adequate data about the State's current IT and financial environment.

#### Phase 1: Data Gathering (October 2009 – January 2010)

OET has collected data for a thorough analysis of the current IT environment through a survey and interviews of all government entities within scope. The data collected will provide a picture of the current systems, tools, hardware, software, and personnel utilized by the executive branch, and will serve as the foundation for analyzing costs, cost-savings, appropriate sourcing models, and opportunities for economies of scale as required in the legislation.

To gather all of the information for this analysis, the vendor partner provided each agency's IT staff with data collection templates. After the data was initially populated, the vendor partner is using the following data sources to gain additional information into the daily operations practices on an agency by agency basis:

- Agency subject matter experts (SMEs) currently responsible for technical operations, data center facilities, and business leadership.
- Agency facilities documentation, and other pertinent documentation provided by SMEs.
- External vendor documentation and pricing from vendors' websites and contacts provided by the client.
- Industry standard information and engineering analysis from vendor's previous clients.

Data collection in Phase I included procurement, staffing, resources and projects/project management for the following service areas:

- Desktop Management
- Printers
- Applications
- Network, WAN/LAN
- Disaster Recovery
- Software Licensing
- Data Center Operations
- Operating Systems
- Servers, Storage, Infrastructure
- Data Center Facilities
- Service/Help Desk or Call Centers
- Telephony Systems

**Phase II: Data Analysis and Recommendations (January – June 2010)**

Phase II will involve the analysis by the contractor of the data collected in Phase I, with input from the project team, and a review of findings by the Program Review Team. The analysis will include the following:

**Future State – agency requirements verification and follow-up:** Discussions with each agency on the potential impact of a future consolidated IT environment.

**Market Analysis:** Comparing the State’s operational costs with the private sector marketplace in order to estimate consolidation cost savings and/or to identify alternative sourcing opportunities. This will allow an understanding of the viability and financial implications of utilizing external services that are specific to the State’s requirements as determined by the collected data. Requirements will be sent to potential partners, and their responses will be evaluated.

**Future State of Minnesota and Cost Analysis:** Analysis and creation of the final documents. The analysis will include a summary of the State’s IT requirements, services, risks, financial impacts, and improvement opportunities for each of the options outlined in legislation: in-sourcing, shared services, outsourcing and co-sourcing. The analysis will recommend an optimal path and transition plan.

The chart below represents the balance of the study, including estimated months.

**Progress to Date and Next Steps**

Phase I is now near completion and Phase II is on target to begin as originally scheduled. This is depicted in the graphic below.

