



## **Initiative for Collaborative Government**

*Partnering for Mission Results*

*Seminar Series*

*Collaboration: An Effective Tool for Government Executives*

*Executive Summary*

# **Maximizing Mission Value from Enterprise-wide IT**

# About the CGI-GMU Initiative for Collaborative Government

The ***CGI-GMU Initiative for Collaborative Government***, a joint public policy initiative by CGI and George Mason University, was launched in 2008. The mission of the ***CGI-GMU Initiative for Collaborative Government*** is to analyze models of collaboration between government and the private and nonprofit sectors, and how to examine the government can best leverage these models to maximize mission results.

Collaboration and the networks, partnerships, and relationships that underlie them have become prominent elements of governance at the federal, state, and local levels in the U.S. and abroad. The past two decades have seen recognition of the many ways to serve public purposes through cooperation and collaboration among agents of government, industry, and nonprofits, as well as citizens and stakeholder groups.

Government today collaborates with the private and nonprofit sector in executing a broad range of mission and administrative functions. The question is not whether collaboration will occur, but rather how agencies can capitalize on collaborative government models to enhance mission results, speed, and efficiency, while retaining strategic alignment, control, and accountability.

The ***CGI-GMU Initiative for Collaborative Government*** is focused on helping the government answer this challenge. To this end, the Initiative has commissioned four cutting-edge research projects on collaborative government to be undertaken by George Mason University faculty. We will be releasing these important studies during 2008. In addition, the Initiative will host a series of 2008 events on "Collaboration: An Effective Tool for Government Executives." These events will provide public sector, private sector and nonprofit leaders a forum for discussing mission challenges and potential collaborative government solutions. Additional reports and events are planned for 2009 and beyond.

These are exciting times for our nation with the 2008 Presidential election and a new Administration in 2009. We encourage you to join our Initiative to enhance the management of government through effective, accountable collaboration.

***To find out more about the Initiative:***

## **The CGI-GMU Initiative for Collaborative Government**

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## Executive Summary

# Maximizing Mission Value from Enterprise-wide IT

## Introduction

Governments around the world, including the U.S. government, are facing pressures to reduce IT costs and drive more resources into mission activities. Specifically in the U.S., the past several years have seen a push to streamline federal IT investments via Line of Business initiatives, including the IT Infrastructure Line of Business, which has sought to generate savings through IT consolidation and standardization.

A key challenge for agencies in this environment is effectively collaborating among program management, the enterprise Chief Information Officer and Chief Technology Officer, and

As part of its mission to analyze models of collaboration between government and the private and nonprofit sectors, in 2008 the CGI-GMU Initiative for Collaborative Government launched a series of seminars to provide public sector, private sector, and nonprofit leaders a forum for discussing mission challenges and potential collaborative government solutions. The seminar series, "Collaboration: An Effective Tool for Government Executives," includes three seminars that examine different types of collaboration.

- *Managing Effective Collaboration with Multiple Service Providers* (May 15, 2008) analyzed applicable lessons in successfully managing multiple service providers and discussed their applicability to the federal government, where agencies manage a blend of commercial service providers, in-house service providers, and services provided by other government agencies.
- *Maximizing Mission Value from Enterprise-wide IT* (June 18, 2008) examined how foreign, federal, state, and local governments leverage collaboration among mission and IT experts to apply enterprise-wide IT approaches (e.g., IT consolidation or centralization) to maximize mission results.
- *Enhancing Mission Results through Information Collaboration* (July 22, 2008) will analyze the experiences of successful data exchanges across multiple jurisdictions and stakeholders and how federal executives might apply successful strategies to enhance information collaboration via federal data exchanges.

To help the government capture and leverage ideas that emerge from the series, the CGI-GMU Initiative is publishing executive summaries of each seminar. This document summarizes the results of the second seminar, "Maximizing Mission Value from Enterprise-wide IT."

the agency's industry partners to maximize mission value—in addition to achieving cost savings—from enterprise-wide IT.

On June 18, 2008, the CGI-GMU Initiative for Collaborative Government hosted an executive seminar to help federal agency executives address this challenge. The seminar, “Maximizing Mission Value from Enterprise-wide IT,” examined types of IT consolidation; highlighted examples of IT consolidation in foreign, federal, state, and local governments; and discussed practical steps agencies can take to align enterprise-wide IT initiatives with strategic mission objectives.

More than 30 executives participated in the seminar, which featured a presentation on “Maximizing the Value of IT” by John Kost, Group Vice President, Gartner, Inc., and author of the January 2008 Gartner research report *IT Consolidation in Government: A Checklist for Success*. The seminar also included an executive panel discussion led by Molly O’Neill, Assistant Administrator for the Office of Environmental Information and Chief Information Officer of the U.S. Environmental Protection Agency (EPA), and Henry Chao, Chief Technology Officer for the Centers for Medicare & Medicaid Services (CMS) at the U.S. Department of Health and Human Services. O’Neill and Chao each shared approaches

that their agencies have taken to successfully optimize agency-wide use of IT in support of mission activities.

Executives at the seminar discussed the worldwide trend toward IT consolidation and shared services, as well as key factors to striking the right balance between the role of the enterprise CIO, internal agency customers, and external private sector IT partners to maximize mission results.

#### Checklist for Success

- Clear Motive
- Clear Scope
- Leadership Engagement
- Type of Consolidation
- Competent Host Organization
- Consolidation Process Governance
- Post-Consolidation Governance
- Communication Strategy
- Chargeback Model
- Investment Funding for Consolidation
- Financial & Personnel Tools
- Service Level Agreement Template
- Draft End-State Design

– Gartner, Inc., *IT Consolidation in Government: A Checklist for Success*, John Kost, January 2008

The discussion focused around the above Checklist for Success.

Specifically, the panel discussion highlighted the following top three critical success factors for successful enterprise-wide IT initiatives:

- Describe a clear motive, scope, and end-state vision.
- Implement strong governance with active leadership engagement.
- Execute a comprehensive communication strategy.

This executive summary provides an overview of the June 18 panel discussion centering around these three main topics.

### **Clear Motive, Scope, and End-State Vision**

Executives at the June 18 CGI-GMU seminar emphasized the importance of thinking strategically from the start in order to establish enterprise-wide IT initiatives that advance the agency's operations.

The discussion noted lessons learned from several successful IT consolidations executed by foreign, state, and local governments. For example, the state of Michigan enabled departments to increase their focus on mission activities by consolidating management of IT infrastructure. In addition, the provincial government of Ontario, Canada, successfully consolidated IT infrastructure through clustering.

“As a project proceeds, people often lose sight of why an effort is being undertaken. The motive must be well-known and well publicized, because this helps drive many of the tactical and investment decisions required for success.”

– Gartner, Inc., *IT Consolidation in Government: A Checklist for Success*, John Kost, January 2008

While the goal of enterprise-wide IT initiatives may differ from organization to organization or initiative to initiative, executives agreed that clearly determining, articulating, and communicating the motive and end-state vision is essential to secure effective collaboration with stakeholders inside and outside the agency. Having clear motive and vision, according to the panel discussion, enables stakeholders to visualize the benefits they might expect and how their operations might be affected by a given enterprise-wide IT initiative, and plan accordingly.

In discussing department-level enterprise-wide IT initiatives, seminar participants noted that agencies have often viewed the individual functions within each department as silos. They emphasized the importance of understanding the end-state vision of an enterprise IT initiative and considering the scope of impact across multiple interrelated functions.

### **Agencies Encouraged to Document Enterprise-wide IT Strategies in Advance of New Administration**

Government executives at the CGI-GMU seminar stressed the importance of documenting agencies’ enterprise-wide IT strategies in advance of January 2009.

Specifically, participants encouraged agency leaders to describe agency-level enterprise-wide IT strategies in terms of program results that the agency wants to achieve, with IT investments discussed in the context of how they support mission outcomes. They advised executives to keep transition documents focused on strategic information that would be valuable to new agency executives, and to avoid lengthy technical detail. Additionally, they suggested that executives pay attention to the news during the election cycle to develop an understanding of the incoming Administration’s broader goals and help career executives communicate the agency’s program-focused IT strategy in the context of those goals.

Executives at the seminar also discussed the complexity involved in federal government-wide IT initiatives. They recommended that future federal government-wide IT initiatives under a new Administration include a clear picture of the future end-state from the agency perspective. They cited this as a key lesson learned from government-wide IT initiatives of the past that could increase buy-in and accelerate results for a new Administration’s specific management agenda.

Executives further encouraged future government leaders to explore alternative funding approaches to better position the government to make investments in enterprise-wide IT infrastructure as part of longer-term strategic planning. They noted that a program-to-program funding approach does not allow the government to plan for the future or make solid investment in network, infrastructure, or platform modernization. Executives acknowledged that the current Capital Planning Investment Control (CPIC) process takes a step in this direction for planning agency investments. They further recommended that a new Administration mature such IT investment procedures to include a macro-level capital planning framework that balances longer-term government-wide IT planning with the constraints of the appropriations process.

The discussion highlighted an opportunity to move away from simple physical IT consolidation to pursue an enterprise-wide IT strategy that delivers on the agency’s strategic goals. For example, CMS’s Chao described a recent CMS consolidation

effort to transition from 40 data centers down to two enterprise data centers over four years. He explained that the consolidation effort involved very complex payment, audit, and editing mechanisms that spanned multiple applications. These tight

relationships among systems made it imperative for CMS to focus on a big-picture end-state vision that looked beyond the transition impact on a single system, and instead to take into account end-to-end workflows across systems. “It is very difficult to separate complex processes and predict the impact on workflow processing,” said Chao. “When you are impacting the users of system interfaces, it is important to conduct the business process analysis to determine how to define the impact. On paper it looks simple; when in execution, it is actually quite difficult.”

EPA’s O’Neill echoed the importance of looking at the big-picture scope and end-state when optimizing agency operations. “Almost every decision we make as an agency now impacts some layer of our infrastructure,” she said. O’Neill noted the example that when EPA recently consolidated human resource operations to three nationwide centers, doing so taxed EPA’s network bandwidth. “When we make these decisions from a business perspective, we need to make sure that someone who represents the IT infrastructure is at the table, because sometimes it means we need to put a new pipe in” to handle the workload.

### **Strong Governance with Active Leadership Engagement**

The panel executives at the seminar agreed that governance and process issues are bigger obstacles to success than the

technical issues that must be confronted during enterprise-wide IT efforts.

“When conflict arises, there must be a means for the consolidation project management to have the senior management of the government resolve the conflict. To that end, a governance process must be in place by which necessary conflicts can be resolved in a timely manner.”

– Gartner, Inc., *IT Consolidation in Government: A Checklist for Success*, John Kost, January 2008

Effective governance, they said, is characterized by participatory decision making, efficient resource use, and proactive resolution of stakeholder conflicts. Recommendations focused on an approach to governance where the C-level executives have the authority to make the final decisions and also to manage and resolve conflicts as they arise. Executives at the seminar emphasized this point—that it is critical to have one person in charge of an enterprise-wide IT effort who is empowered to resolve conflicts and who is accessible and willing to act decisively when needed.

EPA’s O’Neill discussed her approach at the EPA as blending participatory decision making with clear authority to make executive decisions when

necessary. She described the importance of the EPA’s Quality and Information Council, an advisory group of agency senior managers that serves as a forum in which agency-wide quality system issues can be addressed. O’Neill explained, “These are senior people on subcommittees who act to resolve conflicts. In fact, most issues are resolved before they get to me.”

The executives acknowledged that the leadership roles required to overcome obstacles to implementing enterprise-wide IT initiatives exist today, but the question is engagement. Without executive engagement, they said, projects run the risk of causing confusion and being ineffective—especially in situations where there are multiple committees among agencies. They discussed the importance of having a governance process that includes leaders who actively make the political argument for a specific initiative and who repeatedly explain the end-state benefits for stakeholders.

Executives also discussed how the scope of stakeholders for governance can vary based on an agency’s IT ecosystem. For example, Chao noted that CMS relies heavily on the private sector to execute both its mission and IT. He said that CMS has approximately 4,200 government employees who manage a contractor workforce of approximately 35,000 to 40,000. As a result, private sector partners become additional important stakeholders to include in the

governance equation.

To manage this challenge, Chao described the importance of CMS's Technical Review Board (TRB), which he chairs, that oversees major development projects as well as changes to major production systems. He noted that the TRB focuses on making sure the motive, scope, and end-state vision of individual CMS IT projects are aligned with the overall CMS strategy. "A large part of the conversation is about the business architecture. Have you gotten the requirements correct? Do you even have the concept correct? You need to ask the question: What is the business outcome? And, is this system doing something another system is already doing?"

### **Comprehensive Communication Strategy**

Executives at the seminar discussed the key challenges facing their agencies: collaborating across offices and agencies, retaining mission outcomes while reducing IT costs, ensuring that decisions to consolidate business process operations take IT infrastructure impact into account, and attaining flexibility while achieving best results.

To address these challenges, executives at the forum emphasized the importance of a strong communication strategy that ensures stakeholders both within and outside the agency know the overall goals and objectives of an enterprise-

wide IT initiative and how each organization and individual contributes to those goals and objectives.

A strong communication strategy ensures stakeholders both within and outside the agency know the overall goals and objectives of an enterprise-wide IT initiative and how each organization and individual contributes to those goals and objectives.

In this effort, O'Neill said it is important to have strong communication among the Chief Information Officer, Chief Financial Officer, Chief Human Capital Officer, and Chief Acquisition Officer. "There is such a demand on all C-level positions that they need to work together to resolve conflicts and to accomplish defined goals for each agency," she said.

For example, CMS's Chao noted the challenge of aligning the workplace of the future with the workforce of the future. "The Millennial generation works differently and has different expectations of the workplace than previous generations." Managing how 21st century technology is applied across an enterprise to meet 21st century employee expectations will require strategic planning, communication, and collaboration across CIO and CHCO domains.

In addition, the panel discussion

specifically highlighted the importance of educating agency executives who control budgets about the value enterprise-wide IT projects can offer.

"My role is to educate, educate, educate," said O'Neill. "Every consolidation decision impacts the technology infrastructure, and without education of senior management, you won't get to where you need to be when you try to consolidate the agency's IT infrastructure. You need to have direct, honest explanations to promote understanding and trust."



# Initiative for Collaborative Government

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## About CGI

CGI provides effective IT solutions for government by combining over 30 years of government experience and technology skills. Founded in 1976, CGI Group Inc. is one of the largest independent information technology and business process services firms in the world. CGI and its affiliated companies employ approximately 26,500 professionals. CGI provides end-to-end IT and business process services to clients worldwide from offices in Canada, the United States, Europe, Asia Pacific as well as from centers of excellence in North America, Europe and India.

**For more information about CGI, visit their Website: [www.cgi.com](http://www.cgi.com).**

## About the Department of Public and International Affairs George Mason University

The Department's undergraduate and graduate students receive unparalleled educational and internship opportunities. George Mason's close proximity to the nation's capital provides a wide array of settings, while our curriculum prepares students for positions of leadership in government, public agencies, nonprofits, and the private sector.

The Department is home to nationally recognized biodefense, political science and public administration programs and many world-renowned faculty who are experts in their field. The Department's students' internship and post-graduate experiences include placement in offices of the federal government, private contracting firms, international organizations, embassies, political campaigns, and lobbying or nonprofit organizations.

The Department's Master of Public Administration (MPA) program is designed for people who hold or aspire to hold leadership positions in organizations that participate in the development and implementation of public policy. The mission of the MPA program is to give graduate students the opportunity to build their knowledge of politics, policy, and management and to enhance their analytic, problem solving, and communication skills. MPA students choose an established concentration or, with advisor approval, create a specialized concentration from other departments and schools within the university.

**For more information about the Department of Public and International affairs, visit their Website: [pia.gmu.edu](http://pia.gmu.edu).**