TACKLE THE TOP FIVE PUBLIC SECTOR I.T. OBJECTIVES WITH I.T. SERVICE MANAGEMENT

By Dick Stark, President, CEO, and Founder of RightStar Systems

Public sector IT budgets haven't been hit as hard in recent years as those in the private sector. That's likely to change quickly, however, due to all the negative publicity around budget shortfalls and concerns over deficit spending and rising debt.

In response, many public sector CIOs are stepping up their cost-cutting efforts. In August 2011, U.S. Navy CIO Terry Halvorsen announced an initiative to cut 25 percent from the Navy's IT budget over five years. Cloud computing, data center and application consolidation, investing in thin clients, working on department-wide enterprise technology licenses, and implementing rigorous spending controls will play an important role in achieving this goal.[1]

The Canadian government also announced a major cost-cutting plan in August.[2] The government reported that it has more than 100 different e-mail systems, 300 data centers, and 3,000 network services within the Federal Public Service. The government is transferring resources associated with the delivery of e-mail, data center, and network services from 44 departments and agencies to a new entity called Shared Services Canada. The goal is to standardize on a single e-mail system, reduce the number of data centers to 20, and streamline electronic networks within and among government departments.

Cost cutting is an escalating priority within public sector IT organizations — not just at the national level, but also at state (or provincial) and local levels. Around the world, governments are concentrating on reducing spending and debt. These efforts are forcing public sector IT organizations to become proactive in improving service quality while bringing down costs.

In our experience with public sector customers, we have observed five key objectives that CIOs are pursuing:

» Data center consolidation
» Cloud computing
» A do-more-with-less strategy
» IT transformation of the business
» IT accountability

Many government agencies are discovering that they can apply IT service management processes and solutions to help them achieve these objectives.

#1 CONSOLIDATE

Just as in the private sector, public sector IT is making major efforts to consolidate hardware and applications to increase efficiency and lower costs. Shared Services Canada is just one example. In the United States, data center consolidation is driven by the Federal Data Center Consolidation Initiative (FDCCI), which was launched in 2010.[3] Consolidation is already delivering important benefits that include the following:
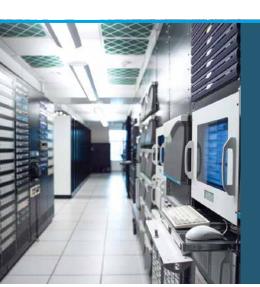
» Reduction in energy consumption and real estate footprint
» Reduction in spending for data center hardware, software, and operations
» Stronger security posture
» Shift to more efficient computing platforms and technologies

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Through the FDCCI, the U.S. government discovered that it is operating and maintaining almost 2,100 data centers. FDCCI objectives include eliminating at least 800 of them by 2015.[4]

IT service management solutions are tremendously helpful in consolidation efforts. Among the most obvious areas are discovery and asset management. Determining which hardware and software components make up the infrastructure is an important first step toward consolidation. Automatic discovery tools and a central repository or configuration management database (CMDB) that capture and maintain this information along with interdependencies are essential to gaining visibility into the infrastructure.

Capacity optimization is another discipline that facilitates consolidation. Solutions in this area are rapidly maturing, allowing for sophisticated capacity management that enables IT to balance computing resources with business requirements throughout the infrastructure.

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Key benefits of capacity management include the ability to keep services performing and available 24×7. This includes lower costs through continuous monitoring, analysis, planning, and optimization across data centers. It also reduces the risk that stems from managing capacity based on the key performance indicators of the business. A senior IT executive in one organization noted that the biggest benefit is that there are no more surprises. With capacity optimization, he explained, he can plan more accurately. The result: He no longer has to go back to his CIO and ask him to write a check for a disk array that isn't budgeted until next year.

There are also newer tools that are particularly exciting. RightStar has worked with several agencies that are piloting a data center performance management solution that focuses on environmental factors such as air conditioning and real estate. This type of solution can, for example, help identify components that are consuming large amounts of power. IT management can then make informed decisions about decommissioning devices or replacing them with smaller, more energy-efficient versions.

#2 TAKE A CLOUD-FIRST APPROACH

Cloud computing is more than a hot topic. It's a sound strategy that is delivering significant savings in the private sector. Government agencies are getting on board. The U.S. government's cloud computing strategy, published in February 2011, mandates a "cloud-first" policy. The policy "is intended to accelerate the pace at which the government will realize the value of cloud computing by requiring agencies to evaluate safe, secure cloud computing options before making any new investments."[5]

Security, of course, is a huge concern. Some CIOs are worried by how easy it is to order a service from Amazon.com and charge it to a credit card. Government employees who do this introduce substantial risk. A number of agencies are setting up private clouds so they can realize the benefits of cloud computing while still ensuring that highly sensitive systems and data are protected from unauthorized access.

Agencies at the national, state, and local levels are all making progress in moving to the cloud. Software as a service (SaaS) offerings are particularly compelling. For example, RightStar has seen several federal agencies and large municipal governments replace their on-premise IT service management solutions with on-demand versions. In doing so, they are able to slash the costs associated with hardware and software, and eliminate the management burden that goes with maintaining on-premise solutions.

#3 DO MORE WITH LESS

Government IT budgets tend to go up every year, even during economic downturns. But in the United States, the new Congressional "super committee" on debt reduction has a mandate to identify more than a trillion dollars in spending cuts. Those cuts are bound to have an impact on public sector IT budgets for at least the foreseeable future. Agencies lucky enough to escape budget cutbacks will likely be expected to increase the

quality and quantity of services they provide. Now more than ever, "doing more with less" is a way of life in both the public and private sectors.

The automation delivered by IT service management solutions, for example, is playing (and will continue to play) a vital role in helping public sector IT organizations deliver more and better services for every taxpayer dollar they spend. Self-service portals and service catalogs will enable employees to find answers to questions, report issues, and order services on their own, reducing the burden on the IT service and support organizations. Change management, improved monitoring, and other capabilities will help minimize downtime and speed response and problem resolution when outages do occur.

Asset management also has a huge potential. There have been numerous stories in the private sector about enterprises that implemented discovery and asset management tools only to learn that they had dozens of servers and other assets sitting idle — doing nothing except, of course, running up unnecessary IT costs. The same situation is happening in the public sector. In the end, asset management solutions will save serious money for the agencies that implement them.

#4 THINK ABOUT I.T. TRANSFORMATION
A top concern among CEOs is how to use technology to transform the business. Technology, with all its bells and whistles, can be very exciting and compelling. CIOs need to forget about the bells and whistles and keep IT transformation front-and-center when they make technology decisions.

Interestingly, IT transformation doesn't always require the implementation of costly new technologies. For example, one county in the United States has a "311" system that allows citizens to report potholes, traffic light outages, barking dogs, and a variety of other incidents. The call center has a staff of 30 taking these types of calls.

The county wanted to give citizens a self-service portal that would allow them to submit incidents through the Web using a PC, personal digital assistant, or other device. The county's IT organization didn't have a lot of money to spend, so the staff couldn't go out and acquire a new system. Instead, the IT organization had a Web interface built and integrated into the service desk solution that IT was already using for incident, problem, change, and configuration management.

The portal, which enabled a transformation of the citizen experience, has been enthusiastically received by the community. What's more, it reduced costs by cutting the number of calls coming into the call center.

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A state-run hospital in the northeastern United States is another example. The IT organization added a project portfolio management module to its existing IT service management suite to increase efficiency. IT expanded the use of the tool to measure metrics related to quality of service. These metrics include emergency room wait times and a comparison of patient health at the time of admission and time of release. Managers were able to use these metrics to make changes that improved service quality. And, because insurance rates are based on a quality-of-service score, these improvements can translate into reductions in insurance premiums.

#5 MAINTAIN ACCOUNTABILITY
Government is under intense scrutiny to ensure that taxpayer money is spent judiciously. In 2006, to codify efforts at reducing wasteful spending, Congress passed the Federal Funding Accountability and Transparency Act (FFATA).[6] Numerous IT accountability projects have been launched in the public sector as a result.

Effective asset management processes and solutions play a crucial role in enabling accountability and transparency for public sector IT organizations. Without automated processes and tools, IT can't get a handle on what assets are out there.

Service costing is also becoming increasingly important. Solutions in this area provide vital metrics such as

who is consuming what services and how they consume these services. As a result, IT can better determine what resources are required to provide any given IT service and how much those resources cost. The solutions also help IT calculate the value of services and compare them with competitive offerings. This type of visibility supports IT transformation by providing real data with respect to priorities.

The Payoff

Citizen demands for accountability and transparency in the public sector will continue to increase. The public wants clear proof that all government investments, including IT, are delivering maximum value. It is incumbent on CIOs — and all IT professionals in the public sector — to eliminate inefficiencies caused by poor asset utilization, fragmented demand for resources, duplicate systems, environments that are too complex to manage, and lengthy procurement cycles. Public sector CIOs are meeting this responsibility with their initiatives for achieving the objectives of data center and application consolidation, cloud computing, doing more with less, IT transformation, and accountability and transparency.

IT service management processes based on best practices and the technology solutions that support them provide a strong vehicle with which to pursue these objectives. In achieving these objectives, IT can make major contributions to transforming the "business" of government and providing the level of accountability and transparency that citizens demand.

END NOTES

1. "Navy CIO Plans 25% Cut In IT Spending," InformationWeek Government, August 25, 2011, **www.informationweek.com/news/government/leadership/231600186.**

2. "Government of Canada to Reduce Information Technology Costs and Save Taxpayers' Dollars," Canada News Centre, August 4, 2011, **http://news.gc.ca/web/article-eng. do?nid=614499**.

3. Federal Data Center Consolidation Initiative, **www.cio.gov/pages.cfm/page/FDCCI**.

4. "Federal Cloud Computing Strategy," February 8, 2011, Vivek Kundra, U.S. Chief Information Officer, **www.cio.gov/documents/Federal-Cloud-Computing-Strategy.pdf**, page 8.

5. "Federal Cloud Computing Strategy," **www.cio.gov/documents/Federal-Cloud-Computing-Strategy.pdf**, page 2.

6. "The FFATA Act," FFATA Information Center, **www.ffata.org/ffata/ffataact.html**.

ABOUT THE AUTHOR

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ABOUT RIGHTSTAR

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