



*Innovation and Opportunity: Transforming Government Through IT*

# ***State IT in Tough Times: Strategies and Trends for Cost Control and Efficiency***

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# State IT Landscape Today

- ✓ **Tough Times:** dealing with the state fiscal crisis, forced budget reductions, spending reductions, personnel actions
- ✓ State CIOs seeking IT operational cost savings
- ✓ Citizen demands in a down economy
- ✓ Living with the past - modernizing the **legacy**
- ✓ IT security and **risk!** Game has changed
- ✓ IT **workforce:** retirement wave, skills, recruiting
- ✓ Issues with federal program funding: cost allocation, regulations, constraints



## State CIO Priorities 2011

- 1. Consolidation / Optimization:** centralizing, consolidating services, operations, resources, infrastructure, data centers
- 2. Budget and Cost Control:** managing budget reduction, strategies for savings, reducing or avoiding costs, activity based costing
- 3. Health Care:** the Affordable Care Act, health enterprise architecture, assessment, partnering, implementation, health information exchange, technology solutions, MMIS
- 4. Cloud Computing:** as a service delivery strategy; models, governance, service management, provisioning, security, privacy, data ownership
- 5. Shared Services:** business models, sharing resources, services, infrastructure, independent of organizational structure
- 6. Governance:** improving IT governance, data governance, partnering
- 7. Security:** risk assessment, governance, authority and executive support; budget and resource requirements; insider threats; third party security practices; frameworks
- 8. Broadband and Connectivity:** strengthening statewide connectivity, public safety wireless network, telehealth
- 9. Legacy modernization:** enhancing, renovating, replacing, legacy platforms and applications, business process improvement
- 10. Data and Information Management:** enhancing the role of data, information/intelligence, knowledge management

# JEOPARDY

*British Literature*

*U.S. Lakes*

*Words that end in -tion*

*Before & After*

*Broadway Shows*

*Australian Animals*

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Consolidation

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Standardization

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## **Rationale for Consolidation**

- Cost control & economies of scale
- Eliminate redundant business functions and systems
- Promote enterprise integration and applications
- Strengthen IT security
- Improved support for legacy systems
- Facilitate information sharing
- Improve disaster recovery/business continuity
- Energy efficiency

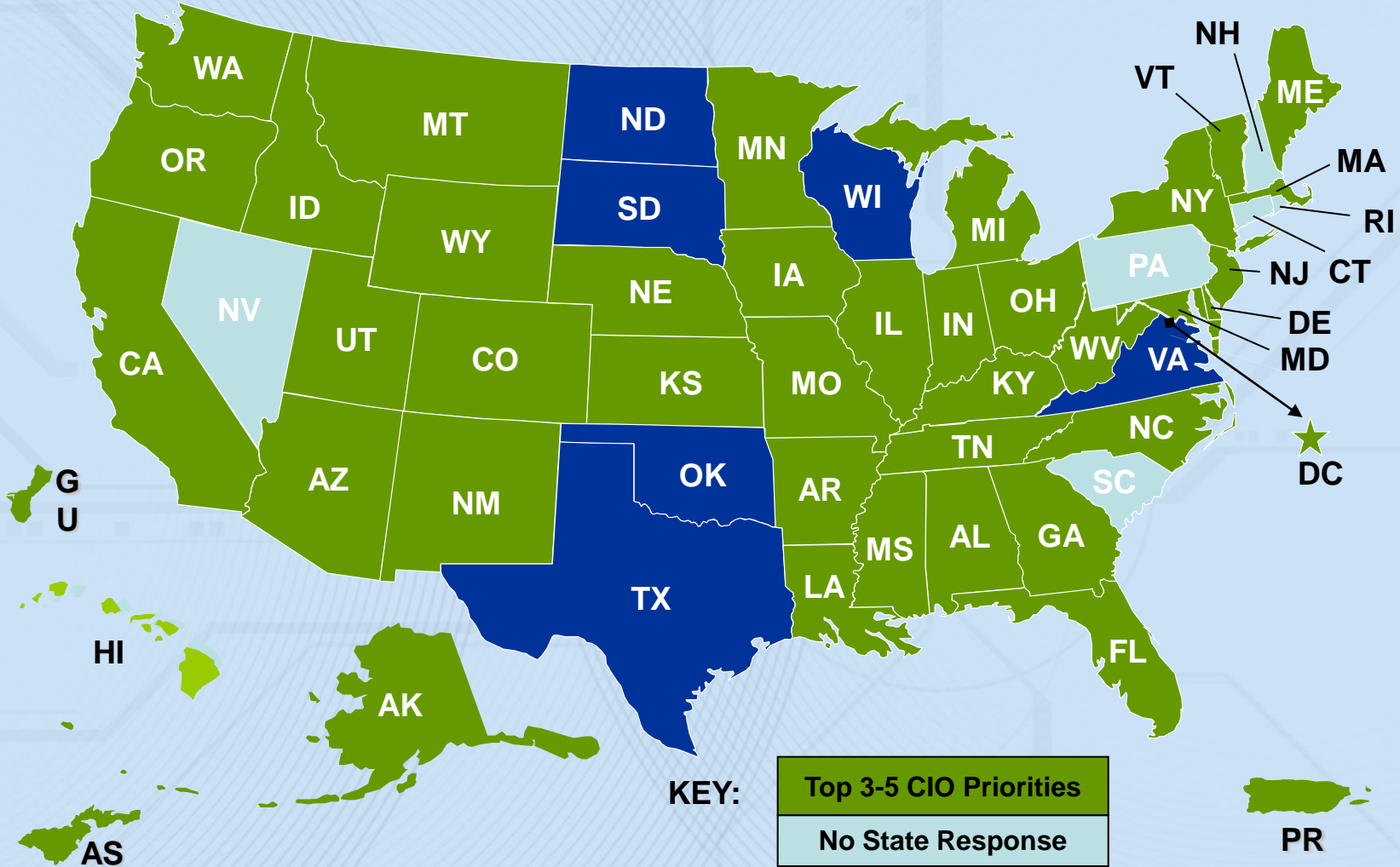


# Cost Reduction and Long Term Savings

***IT consolidation: a key strategy to address budget issues and control operational costs.***

- Facilities: reducing data centers, equipment, operational costs
- Enterprise services: networks, email, telecommunications, imaging, wireless
- Server consolidation: reducing footprint, operations, security impact, backup/recovery
- Applications: similar business functions
- IT personnel

# Consolidation: In CIOs Top Priorities for 2010







## Targets of Opportunities: Strategies

- **Standardization:** IT costs driven by complexity and diversity – seek commodity solutions, encourage reuse
- **Rationalization:** IT architecture blueprint; application portfolio analysis, software licenses, assess and cancel projects?
- **Collaboration:** shared services, agency and multi-state collaboration for sharing infrastructure, applications, code, services and data
- **Innovation:** alternate operational models; enterprise services, not systems

## Forecast is Cloudy

### CIOs Reporting Status of Cloud Computing

Investigating the use of cloud computing, but as yet have not taken action	54%
Running an active project to move portions of computing infrastructure to cloud computing	21%
Undertaking a cloud computing pilot for a portion computing requirements	13%
No formal plans to use cloud computing	5%
Have been using cloud computing for years, but under another name	5%
Other	3%

## Looking Ahead

- More IT consolidation, shared services
- ***Outsourcing:*** more steering, less rowing?
- IT implications of healthcare reform
- Moving to the cloud
- Legacy systems – new models?
- Extending the enterprise: locals
- Massive collaboration - Web 2.0

