



STATE OF HAWAII

CHIEF INFORMATION OFFICER AND
OFFICE OF INFORMATION MANAGEMENT AND TECHNOLOGY

REPORT ON

UPDATE ON THE INFORMATION TECHNOLOGY STRATEGIC PLAN

DECEMBER 2011

SUBMITTED TO

THE TWENTY-SIXTH STATE LEGISLATURE

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CHIEF INFORMATION OFFICER AND
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BACKGROUND

Pursuant to Act 84, SLH 2011 (the Act), the Chief Information Officer (CIO) is required to submit a report to the legislature prior to the convening of the regular session of 2012.

The State of Hawaii's first full-time CIO, Sanjeev "Sonny" Bhagowalia, started on July 6, 2011. In concert, the Office of Information Management and Technology (OIMT) was established to provide the support to the CIO in developing the statewide Information Technology (IT) Strategic Plan.

According to industry best practices, creating responsive enterprise transformation requires observation, engagement with stakeholders, the use of disciplined processes to gather data to form hypotheses, conduct analysis, and provide a viable vision and plans to move ahead. As such, the CIO and the OIMT staff have spent considerable time meeting with various stakeholders. In his first month, he met with over 170 leaders and staff representing 25 organizations to gather facts and develop an understanding of the challenges in order to help create appropriate IT solutions.

Information Technology Steering Committee

The Act establishes the Information Technology Steering Committee to assist the CIO in developing the State's IT standards and policies. All members of the committee were approved as of December 1, 2011. The first meeting was to convene before December 31, 2011.

BASELINE ASSESSMENT OF THE STATE'S IT ENVIRONMENT

In advance of the CIO's hiring, the State engaged the services of Science Applications International Corporation (SAIC) through the Research Corporation of the University of Hawaii (RCUH) to create an IT and State services baseline assessment on behalf of OIMT. The results of the assessment were released on September 29, 2011.

Included in the assessment were the following:

1. Baseline Assessment of Information Management and Technology and Comprehensive View of State Services
2. Benchmarking Final Report
3. Data Center Assessment Report
4. Enterprise Alignment Database (EAD) Tool

The OIMT staff and SAIC worked in close collaboration with all state departments and the University of Hawaii to complete the first phase of the State's multi-year initiative to modernize its IT and information resource management (IRM) systems. The reports were completed on-schedule and published in an open and transparent manner on the OIMT website at www.hawaii.gov/oimt.

The report explained that the state's budget reductions over the last decade and lack of centralized governance of IT and IRM have resulted in minimal integration of business processes between departments, duplication of efforts and redundant processes, and aging legacy systems. Further, the state's current level of investment on IT and IRM is inadequate compared to benchmark standards found in other states and existing best practices.

The CIO's personal initial assessment echoes those found in the report. In his estimation, the State is at least two decades behind leading-edge organizations because of its weakest elements and widespread fragmentation.

It will take one year to organize and plan the Transformation Program and could take up to ten years to implement all changes in a phased manner in order to realize the full benefits. However, significant benefits will be realized each year and will begin to multiply as implementation scales. Given the State's budget constraints, OIMT is prioritizing next steps to maximize the impact dedicated resources will have to accomplish this effort.

BUSINESS TRANSFORMATION STRATEGY AND INFORMATION TECHNOLOGY STRATEGIC PLAN

The baseline assessment was the first-of-its-kind of the State's IT assets, policies and procedures and is a major milestone for Hawaii under the leadership of the new CIO. The findings and recommendations in this report provide the basis for the strategic direction that the state needs to take going forward.

Business Transformation Executive

Recognizing that business needs must drive the IT, Governor Abercrombie named Deputy Comptroller Jan Gouveia as the Business Transformation Executive to recommend a strategy for the transformation of the state government in relation to the overarching guidance provided by the *New Day Plan*. As a result, Gouveia, in close cooperation with the CIO, will spearhead the definition of the business transformation

methodology and then work in concert with each department to identify and prioritize business process reengineering projects to the Governor with the overall goal of streamlining business processes, increasing efficiencies, reducing duplication of effort and improving delivery of services.

Under the leadership of Bhagowalia and Gouveia, OIMT is currently developing the statewide comprehensive business transformation strategy and IT strategic plan. The plan and enterprise architecture is anticipated to be delivered in July 2012.

The plan will outline the following:

1. Governance
 - a. Structure & Charters
 - b. Governance Process
 - c. Governance Tools
 - d. IT Policy Handbook
 - e. Portfolio Management Methodology
 - f. Project Management Methodology & Handbook
 - g. Business Process Reengineering Methodology
 - h. Systems Development Life Cycle Methodology
 - i. Communications & Outreach Plan
 - j. Organizational Change Management Plan (Human Resources)
2. Strategic Transformation Plan
 - a. Overall Transformation Mission & Vision
 - b. Top Strategic Priorities
 - c. Business Transformation Strategy Goals, Objectives & Performance Measures
 - d. IT/IRM Strategic Goals, Objectives & Performance Measures
 - e. Key Industry & Government Trends
 - f. Success Stories & Best Practices
 - g. Implementation Strategy
3. Enterprise Architecture
 - a. As-Is (Current State)
 - i. Business Architecture
 - ii. Information Architecture
 - iii. Solutions Architecture
 - iv. Technology Architecture
 - b. To-Be (Future State)
 - i. Business Architecture
 - ii. Information Architecture
 - iii. Solutions Architecture
 - iv. Technology Architecture
 - c. Implementation Plans
 - i. Clinger-Cohen Act Management Areas

- ii. Line of Business View
- iii. Portfolio View

While developing the statewide strategic plan and enterprise architecture, the CIO, Business Transformation Executive, and OIMT are also working on the following initiatives:

- Developing statewide IT governance to establish the framework for the new IT strategy, including policies, standards, architecture requirements and IT investment oversight.
- Prioritizing business process reengineering projects and implementing performance changes.
- Identifying opportunities for statewide data center and disaster recovery solutions.

FUNDING – CURRENT AND PLANNED

On November 14, 2011, the Department of Budget and Finance transferred the initial deposit of \$157,553 into the shared service technology special fund.

Currently, the OIMT is being funded through a grant from the Hawaii Community Foundation (HCF). The grant will pay for staff salaries through December 31, 2011; effective January 1, 2012, the salaries will be paid through the shared services technology fund. Supplemental funding from HFC for the CIO and other technology needs will continue through July 2013.

OIMT has submitted supplemental budget requests through the Department of Accounting and General Services. The funding will implement foundational elements that must be in place in order for the larger business and IT transformation to be successful.

The organizational structure and budget will be submitted through revisions to the Act for the 2013 legislative session and the budget requests will be included in the Biennium Budget for fiscal years 2014 and 2015.

KEY MILESTONES

A timetable outlining the critical milestones is as follows:

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| a. Hiring of CIO | July 1, 2011 |
| b. Commencement of work | July 1, 2011 |
| c. First meeting of the Information Technology Steering Committee | December 31, 2011 |
| d. First draft of the Plan | April 30, 2012 |
| e. Completion of the Plan | July 31, 2012 |
| f. Presentation of the Plan to Legislature | September 2012 |

- g. Biennium budget requests submitted December 2012
- h. Revisions to Act 84, SLH 2011 addressing organizational structure completed January 2013
- i. Implementation of the Plan July 1, 2013