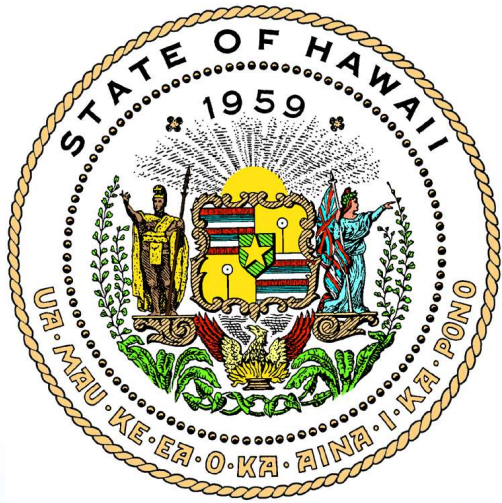# Business Context Interviews – DRAFT
November 2021

Workshop Report

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Executive Summary

The Business Context Engagement

The refinement of an IT Strategy starts with understanding the Business Context. Alignment with State and Department goals and priorities is a key success factor.

The ETS team coordinated a Business Context Discovery Engagement that was facilitated by the Info-Tech Research Group and took place over 4 days from November 1st to November 4th which included 4 days on-site at State offices in Honolulu, HI.
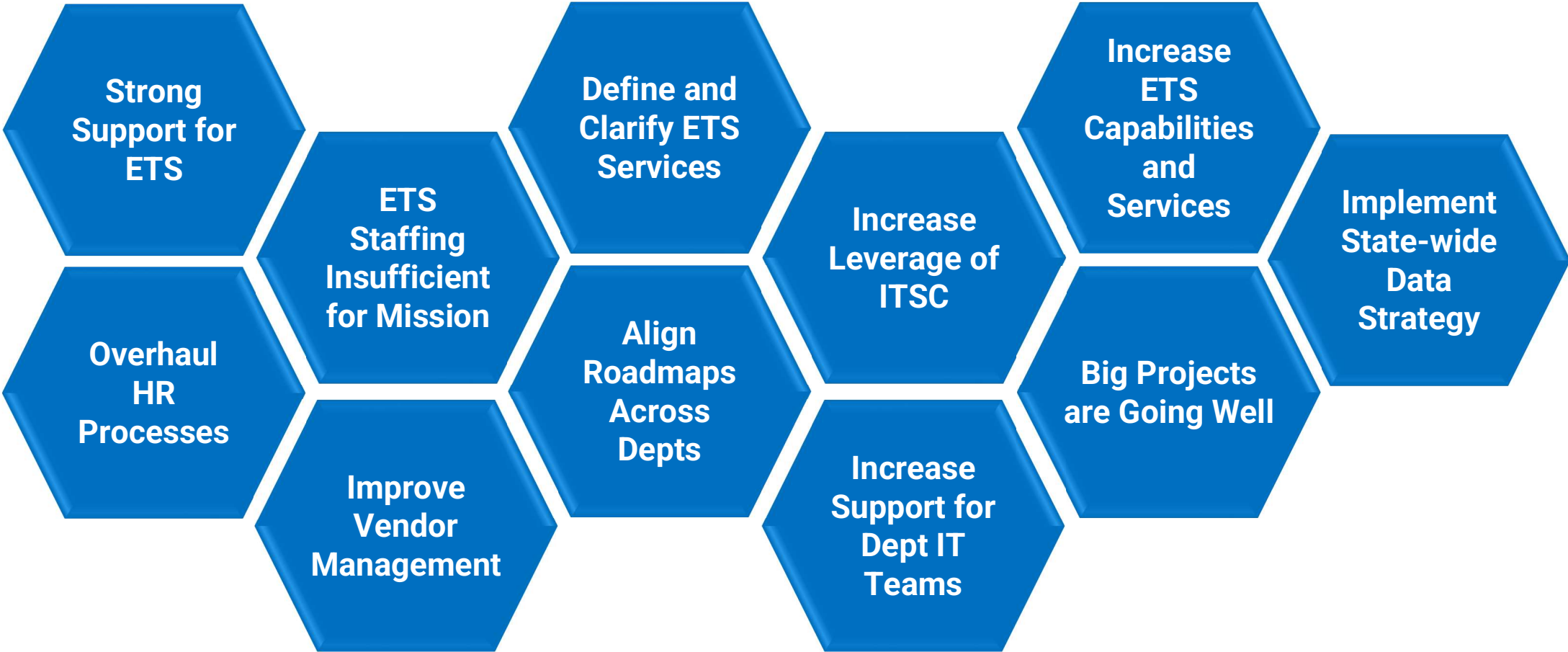
Interview sessions were held with 19 executives and their staff to gather facts and information around the performance of the ETS Department against their legislated mandate and the Strategic Plan. In addition, each Department had the opportunity to describe their technology details, challenges, opportunities, and risks through candid and open discussion.

The content of this document has been created from notes taken during these interviews.

It is meant to be the voice of the organization.

Common Themes From Stakeholder Interviews

Strong Support for ETS

ETS Staffing Insufficient for Mission

Define and Clarify ETS Services

Increase ETS Capabilities and Services

Implement State-wide Data Strategy

Overhaul HR Processes

Improve Vendor Management

Align Roadmaps Across Depts

Increase Leverage of ITSC

Increase Support for Dept IT Teams

Big Projects are Going Well

Common Themes from Stakeholder Interviews

Themes	Description
Support for ETS	There is clear support for the CIO, the leaders, and staff of ETS. There is common recognition that ETS is under-staffed and as a result, expectations for services appear low - essential governance functions and critical operations only. There is an appetite for much more.
Role of ETS is Unclear	Despite specific enabling legislation, there is a variety of understanding and expectations about the role and responsibilities of ETS. While there is clarity around some governance functions like cyber-security and project portfolio management, some Departments expect support that exceeds the mandate. Service awareness is low. In all cases, ETS services are severely constrained or unavailable due to staffing shortages.
ETS Services Needed	Many departments are experiencing increased technology support needs that ETS is not able to provide. Current services are in the process of being sunset (mainframe), and some Departments need new services and guidance (cloud).
ETS Staffing	ETS is grossly understaffed, and vacant positions threaten operations and services. Volunteers sometimes fill roles. There is high risk of further retirements and resignations affecting critical services. Staff morale is at risk too. The likelihood of significant hiring and restaffing in time to prevent further impacts seems very low due to ineffective HR processes. Historic knowledge is being lost.
Data Strategy	There appears to be a gap at strategic and tactical levels related to State data. Some tactical data efforts seem to be underway but there is no strategic framework to coordinate them. Departments and the public value data for transparency and effective decision-making.
Active Projects	Several significant enterprise projects are underway & with few exceptions, appear to be well-received. Reliance on vendor execution is extremely high. These projects are positioned to modernize & simplify business processes & technology solutions in key financial operational areas.
Out-Sourcing	The state appears to be almost completely reliant on vendors and 3rd parties for technology solutions & implementation. There is a growing lack of in-house expertise that not only challenges execution, but also limits vendor management abilities. Vendors are leveraging these gaps for their benefit.
Vendor Management	Vendors are engaged for Department solutions and implementation in silos. Multiple departments independently engage the same vendors on similar solutions and even different solutions. Lack of Department technical expertise in vendor selection and negotiation positions the State poorly to leverage cost effective solutions and strategic approaches.
Department Collaboration	Some Departments appear to have more staff & financial resources than ETS and positions them to lead technology strategies & directions without sufficient centralized support. In some areas, deeper ETS collaboration (or even control) is desired; elsewhere avoidance of ETS is a strategy.

Common Themes from Stakeholder Interviews

| Themes	Description
ITSC under-leveraged	The IT Steering Committee is comprised of a number of credentialed business leaders charged with providing guidance and insight on how ETS can work with Departments better, and they are a potential source of ideas, advice, and guidance. Currently the committee believes they are under-utilized. Meetings tend to be focused on informational, tactical, status updates. ETS and ITSC have room to grow and greater leverage the function.
HR Processes	ETS and Departments both describe HR recruiting and hiring processes that fail to add value. Burdensome processes, aging policies, lack of domain expertise, and gaps in electronic solutions portray a system that is unable to overcome significant understaffing conditions. A needed "overhaul of HR" was a common message.
State-wide Alignment	Despite the centralized governance role of ETS, the current technology strategy does not encompasses 100% of state departments and functions, and is not considered a "state-wide" strategy by policy definition. There are significant business drivers and end user appeals for this to happen, and there are views that suggest revised legislation or new executive mandates may be needed to make this happen.
Status Quo Attachment	There are reportedly significant barriers for adopting change, and despite limited electronic solutions and process streamlining, there is a strong attachment to the status quo. Needed discipline for organizational change management to address the resistance to change is not visible. Improvement opportunities are lost through individual resistance
ETS Communications	Feedback on communication topics varied greatly. Some departments report a complete absence of ETS communications or collaboration while other Departments appreciate the routine partnership and participation in technology meetings. Other departments are aware of communication efforts, but they do not cover needed or desired content or information. There does not appear to be a structured, managed ETS Communications and Marketing strategy and plan.
System Proliferation	There is a significant number of applications and software in the environment. Multiple systems support single business processes, and Departments champion stand-alone solutions to satisfy siloed needs. Despite the current improvements to ETS governance functions, there appears to be active plans to continue a trend of system proliferation. This situation exacerbates the challenges that exist in data governance and management

Conclusion

The Enterprise Technology Services Department for the State of Hawaii is in a precarious position. Staffing vacancies constrain Department support and prevent pursuit of critical services in the Strategic Plan. ETS services have been reduced to essential operations and business critical initiatives and projects.

Departments need ETS services that do not exist today. ETS will be challenged to stabilize current operations in order to successfully execute the current Strategic Plan and expand the specific services, standards, and policies that Departments most need.

In addition, this planning effort should investigate options for a revised operating and funding model that allow ETS to align to an enhanced service catalog and to transform itself to deliver unifying, forward-looking value to Departments across the State.

Critical to this vision will be the identification and availability of the staffing levels and new skillsets required to properly execute against the Strategic Plan so that ETS can begin to fulfil its mandated role and mission.
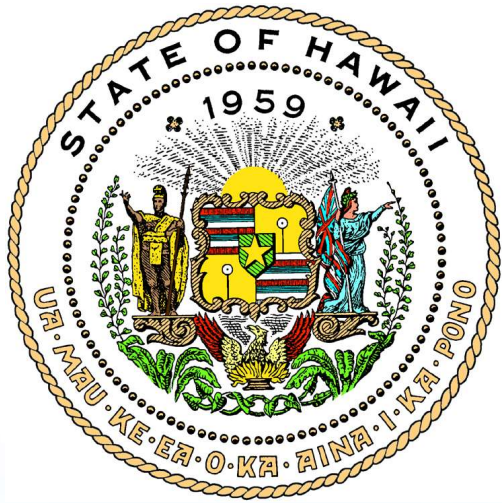
Interview Summary

List of Interviews

Name	Title
Isaac Choy	Department of Taxation (DoTAX) Director
David Ige	Governor, State of Hawaii
Brian Frey	DOE Director, Enterprise Systems
Jussi Sipola	ETS Senior IT Enterprise Architect
Albert Vargas	Hawaii State Legislature, House Committee on Finance
ITSC	Information Technology Steering Committee
Keith Yamamoto	COO and Governor's Support Team
Curt Otaguro	Department of Accounting and General Services (DAGS) Comptroller
Bryce Fujii	ETS Technical Support Services Manager

Name	Title
Anne Perreira-Eustaquio	Department of Labor and Industrial Relations (DLIR) Director
Kenneth Hara	Adjutant General, Department of Defense (DoD)
Catherine Betts	Department of Human Services (DHS) Director
ETS Leadership	ETS Leadership Team
Mel Horikami	ITSC Member
Vincent Hoang	Chief Information Security Officer
Arnold Kishi	ETS Advisor, Enterprise Program Manager
Doug Murdock	CIO
Christine Sakuda	ITSC Member

Major Interview Themes

- Strong support for Doug and ETS' accomplishments given significant constraints

- Lack of clarity around ETS' role within the State

- Advocacy for stronger ETS capabilities and services ("Build Capability" as the Governor said)

- ETS is unable to fulfil legislated mission at current staffing / funding levels

- Salaries, HR recruiting and hiring processes are constraining and blocking

- Desire for state-wide technology roadmap aligned across all Departments

- Departments challenged with technology procurement and services management

- ITSC may be under-utilized and/or under-leveraged

- Need a state-wide Data Strategy, roadmap, CDO leader and staff

Interview Themes - Governor

- Strong support for Doug

- Strong support for accomplishments of CIO and ETS given constraints

- Departments are more comfortable with big projects execution

- Departments cannot engage technology consultants properly

- Build strong internal core expertise for core mission capabilities - don't rely on consultants – Build Capability

- We need a state-wide Data Strategy, roadmap, CDO leader and staff

- We need more ETS marketing and communications

Interview Themes – ITSC

- 0% probability ETS can fulfill its legislated role (as understood)
- Unsure of Department level insights into what is "reality"
- Lack of visibility into all Department strategic plans / roadmaps / investments
- Need Department level inventory and assessments of technology current state
- May need to address funding changes for longer term improvement
- ETS enabling legislation has no teeth
- ITSC feels under-utilized

Other Interview Themes

- Desire to have a holistic, state-wide technology vision, strategy, roadmap with ETS providing guidance/governance on the execution

- Universal recognition of ETS being understaffed; 20–30% vacancy

- Further perceptions that ETS may still be understaffed at full headcount

- ETS is unable to fulfil legislated mission at current levels

Other Interview Themes

- Current ETS staffing and funding levels resulting in unenforced policies

- Concern that the current technology operating model is sub-optimal
  - Multiple CIO roles
  - Department latitude to procure and implement duplicate systems / redundant systems
  - Department leaders lack technology expertise to champion technology strategies
  - Some willingness to collapse organization structures - consolidation
  - Perception of significant budget waste as result of implementing redundant systems

Other Interview Themes

- Need for larger PMO to manage projects and provide vendor/services oversight

- Consistent advocacy for stronger ETS capabilities and services

- Strong desire for state-wide, technology vendor and procurement brokering

- Significant resistance to change and new technology adoption

- HR recruiting and hiring processes need a major overhaul

- Gap in cross-department business process definition / modeling

- Stovepipe / siloed systems and data

ETS Vision and Mission

Vision

Transformative information and technology-enriched government that serves all the people of Hawai'i and the 'āina*

Mission

Seamlessly blend innovative IT with well-engineered business processes to deliver and support dynamic and sustainable systems that empower our workforce to accelerate excellent outcomes in support of the state's policies, decisions, operations, and services.