



## Office of the Secretary of Technology

# Driving Innovation & Performance in Virginia

## Briefing to the House Appropriations Committee



**The Honorable Aneesh P. Chopra**  
Secretary of Technology

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*October 15<sup>th</sup>, 2007*



# Office of the Secretary of Technology

*VITA Transformation*

## “Jump-Starting” Infrastructure Investments Through Private Partners

### Messaging Services



- Enterprise Exchange/Outlook Email
  - Enterprise Collaboration Tools
  - Active Directory, DNS
- \$25M Investment*

### Mainframe and Servers



- New IBM and Unisys Mainframes in New Data Center
  - Consolidation and Refresh of Servers
  - Migration of servers to the Data Center
- \$50M Investment*

### Facilities Tier 3 and Tier 2



- New Data Center/Office Building in Chesterfield
  - New Disaster Recovery Center and Help Desk in Russell County
- \$60M Investment*

### Desktop



- Mass Desktop Refresh Projects
  - Network Printer Consolidation and Refresh
  - Enterprise Desktop Management Systems
- \$35M Investment*

### Help Desk



- Enterprise Help Desk in Russell and Chesterfield Counties
  - Field Based Agents and Technicians for Level 3
  - Enterprise Help Desk System (Peregrine)
- \$10M Investment*

# Transformation

*\$270 Million Investment*

Reliable, High Performance,  
Enterprise-Wide IT Infrastructure

**“People – Process – Tools”**

### Network



- New Commonwealth-wide MPLS Core WAN
  - LAN upgrades to Local Switches/Routers as Needed
  - Network Re-addressing of IP, DHCP
- \$60M Investment*

### Security



- Enterprise Security Operations Center
  - Computer Security Incident Response Center
  - Secure Internet Gateway
- \$10M Investment*

### Voice / Video



- Voice over IP Network Optimized for Voice and Video Traffic
- \$20M Investment*



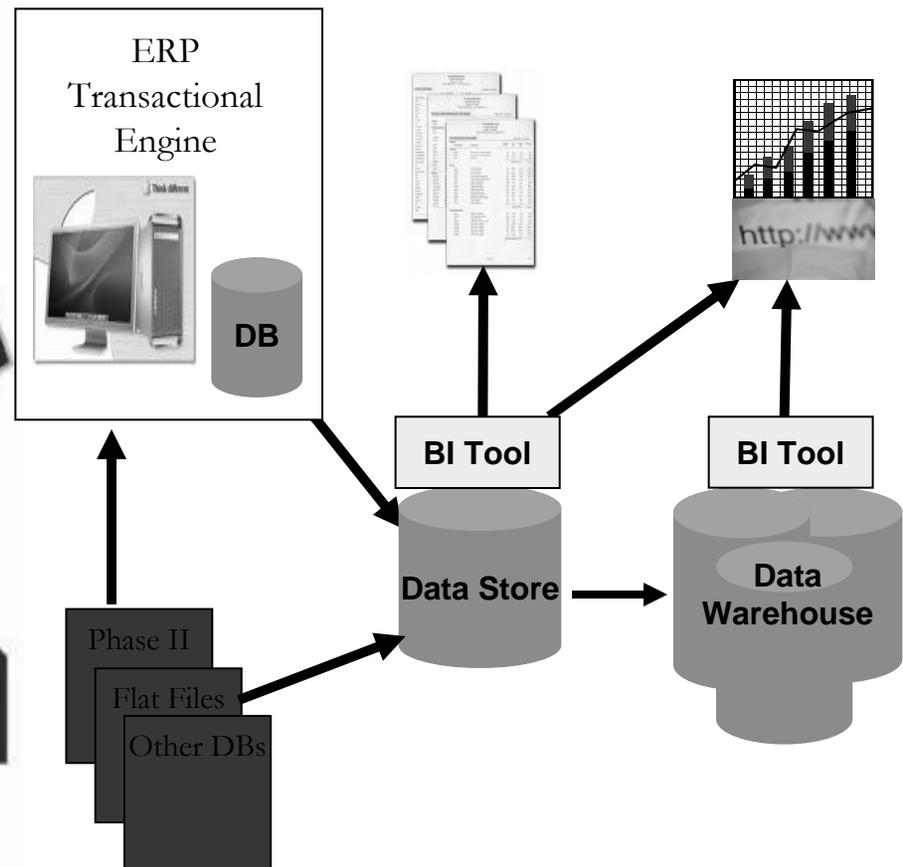
# Office of the Secretary of Technology

*Enterprise Applications*

## A Comprehensive Approach to Modernize Operations



### A "Data-Centric" Approach

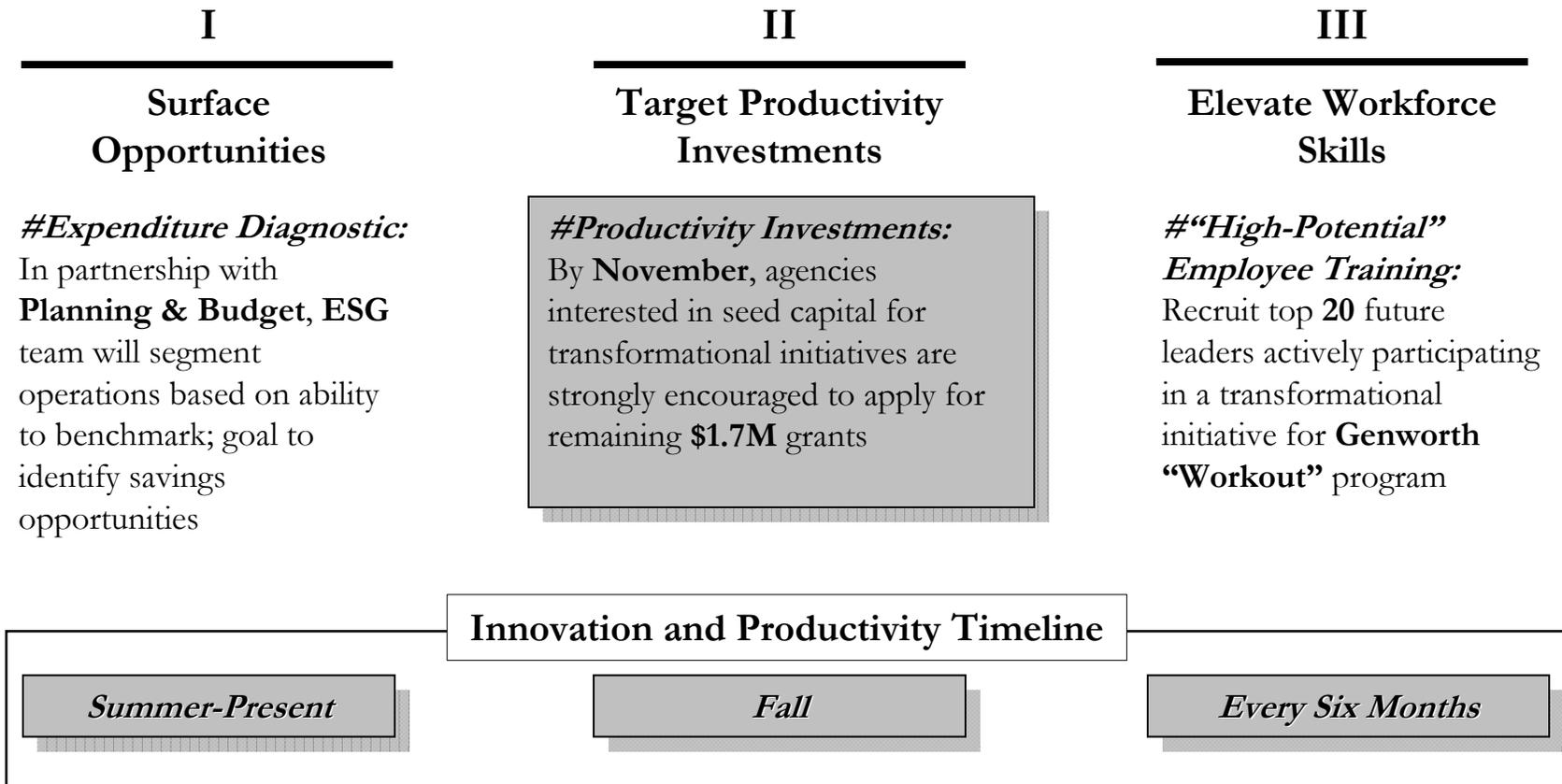




# Office of the Secretary of Technology

*Proceeding in Partnership*

## Three Levers to Deliver Effective, Efficient Government





# Office of the Secretary of Technology

*Target Productivity Investments*

## Seed Capital Available to Spur Innovative Ideas from Within

### Our Purpose

*Elevating Agency Performance*



- Seek agency input on creative ideas for driving productivity improvements



- Seek implementation guidance on what resources are required to deliver these improvements and how best to obtain these resources



- Encourage flexibility to explore alternative approaches based on insights provided by other agencies

### Our Approach

*Productivity Investment Fund*

#### Mission

- Catalyze innovation within state government

#### Process

- Invest (modest) innovation funding
- Facilitate gainsharing program to reward high performing agencies
- Develop training program

#### Goals

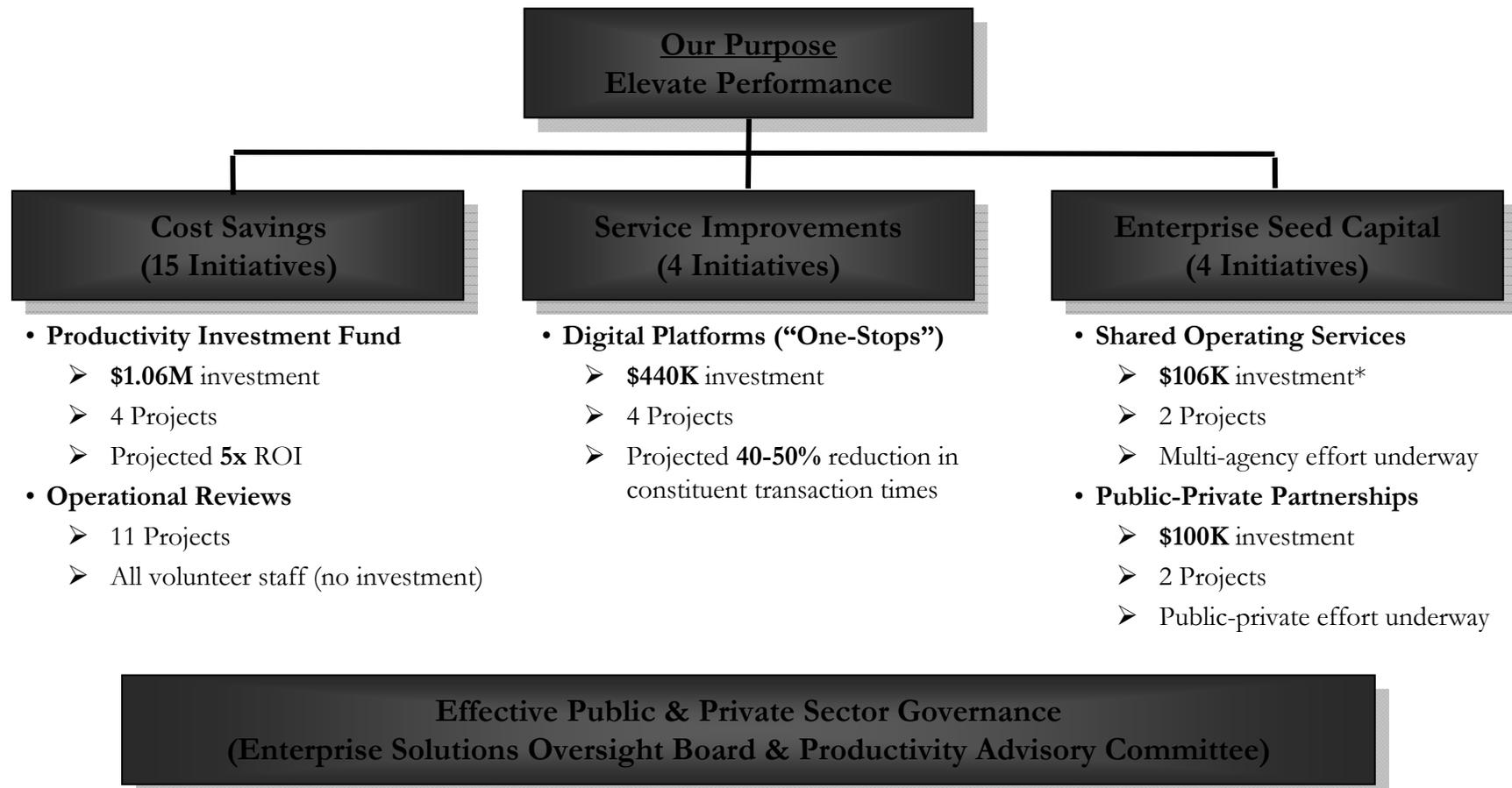
- Lower government operating costs
- Reduce constituent transaction time
- Advance Governor's key agency performance objectives  
([www.vaperforms.virginia.gov](http://www.vaperforms.virginia.gov))



# Office of the Secretary of Technology

*Putting It Altogether*

## A Comprehensive Summary of Effectiveness and Efficiency Agenda



\*Does not include \$11M dedicated towards VEAP Project Planning

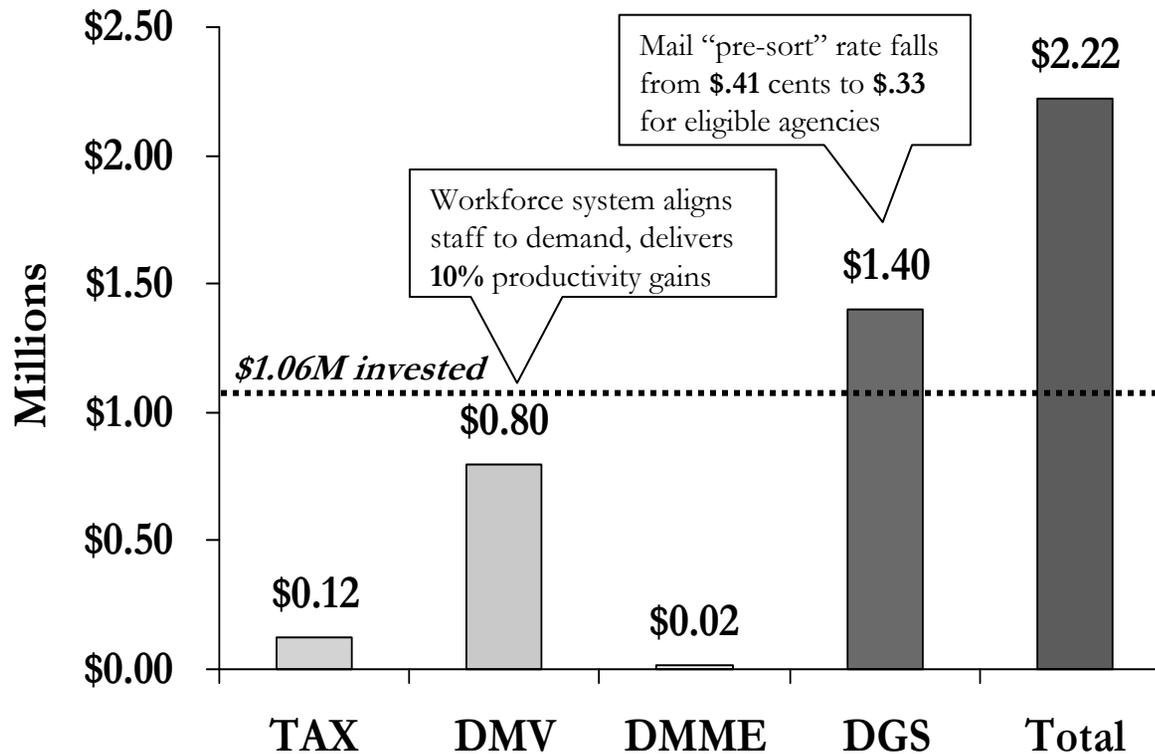


# Office of the Secretary of Technology

*Cost Savings ~ Productivity Investment Fund*

## Agency Proposals Represented Savings of 5x ROI Within Three Years

### Annualized Savings Potential – Base Case



### Productivity Investment Fund in Brief

**Capital:** Governor Kaine established **\$3M** fund in **January** to simplify government operations; encouraged all agencies to apply by **March, 2007**

**Goals:** In addition to **operating cost savings**, PIF encourages agencies to **lower constituent transaction time** and advance the Governor's **key performance measures**

**Portfolio:** In **May**, we invested **\$1.3M** of which **\$1.06M** funded the following savings initiatives:

- DGS: Mail Consolidation
- DMV: Workforce Mgmt System
- Dept of Tax: Image Cash Letter
- DMME: Field GIS

*Using the base case, the 3-year return per dollar invested is approximately \$5*



## Office of the Secretary of Technology

*Efficiencies ~ Operational Reviews*

### Early Diagnostic Effort Through Eleven Reviews Shows Room for Improvement

#### Initial Focus Areas

- Energy
- Fleet
- Travel
- Mail
- Print/Copy/Paper
- Return to Work
- Communications (Voice/Data)
- Water
- Solid Waste
- Receivables
- Staff Augmentation (Temp Labor)

#### Selection Criteria

- Fundamental to all agencies
- Good ideas can be shared and leveraged across the enterprise for greater efficiency and effectiveness
- Reviewing and coordinating at the enterprise level will facilitate greater bargaining power

#### Timeline

- Research teams work for 3 – 5 months to deliver a final report that defines topics in detail:
  - Overall cost drivers
  - Usage level of best practices
  - Opportunity to leverage enterprise scale in the market
  - Recommendations to improve Commonwealth performance and cost-effectiveness
- Reports will be reviewed by oversight group which will then make recommendations to the Governor



## Office of the Secretary of Technology

### *Service Improvements*

## **Pilot Projects Leverage Digital Platform to Improve Service**

<b>Pilot Project</b>	<b>Description</b>
<b><i>Business One Stop</i></b>	New website designed to streamline myriad forms required to start a new business in Virginia and avoid data entry duplication; of <b>37</b> most common forms, <b>445</b> data fields include <b>324</b> duplicates
<b><i>Turbo-Vet</i></b>	New website designed to streamline federal veteran's benefits application; current veteran wait times of <b>240 days</b> for final answer expected to fall to <b>100 days</b> through more accurate submissions
<b><i>Mining Permit e-Forms</i></b>	New web-based mining permit process to dramatically lower time to complete; current <b>90 day</b> time period to fall to <b>14 days</b> , and allow for multi-year renewals, further lowering industry regulation costs
<b><i>Streamlined Medicaid Application</i></b>	New web-based Medicaid application for aged, blind and disabled to dramatically lower time to determine eligibility; current <b>90 day</b> period to fall to <b>45 days</b> , and allow volunteers to ensure application accuracy before submission

***\$440K investment should lower constituent transaction time 40-50%, saving citizens time and money***



# Office of the Secretary of Technology

*Enterprise Seed Capital*

## Seed Capital to Plan for Streamlined Enterprise Operations

Governor's Agenda  
*Enterprise Initiatives*

### Portfolio

#### Shared Operating Services

**#Virginia Enterprise Applications Partnership (VEAP)**— a shared service approach to lowering “back-office” operating costs; *Champion: Sec. Wagner\**

**#“Paperless Government”** — an enterprise standard to convert paper records into an automated workflow; *Champion: Sec. Wagner*

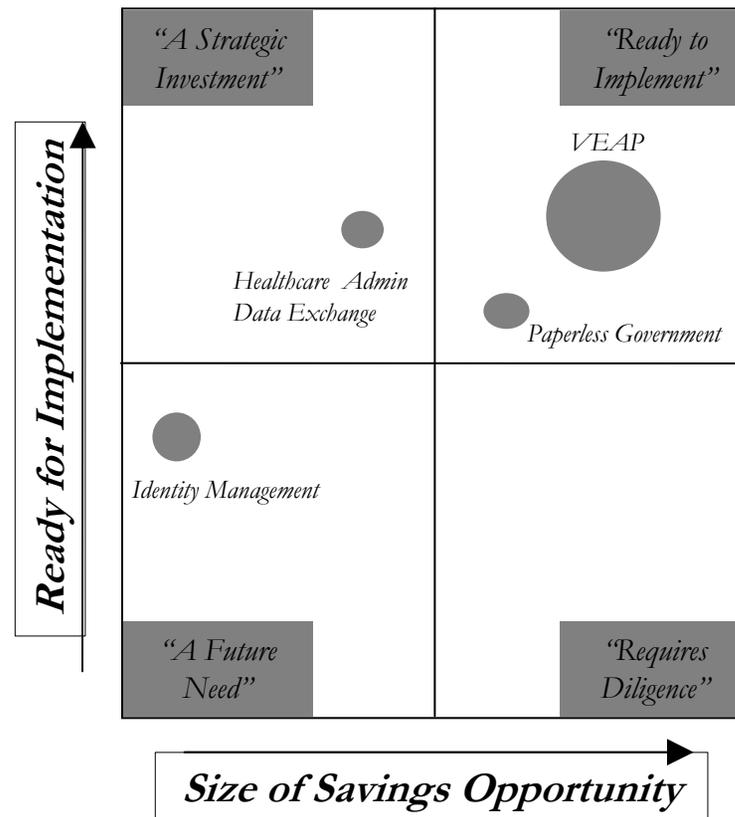
#### Public-Private Partnerships

**#Healthcare Administrative Data Exchange**— a public-private partnership to streamline healthcare administrative costs through data exchange; *Champion: Sec. Chopra*

**#Identity Management**— a review of existing identity management activities to assess viability of public-private Real-ID leveraged shared service; *Champion: Sec. Chopra*

**\$206K investment yielded three viable projects**

Mapping Enterprise Opportunities  
*By Size of Implementation Cost*



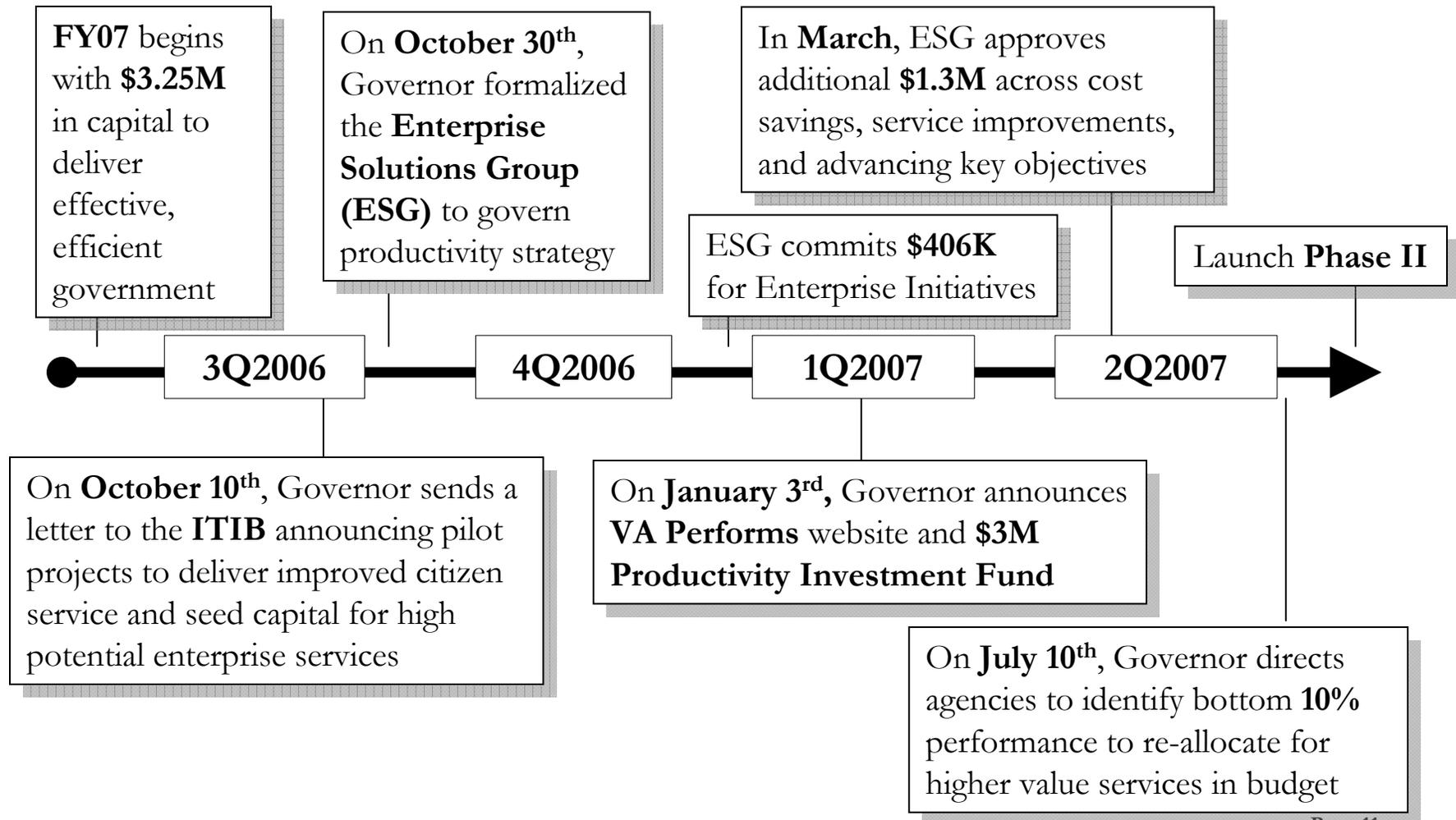
\*Separately funded and project launched



## Office of the Secretary of Technology

### History

### Timeline of Events to Deliver Effective, Efficient Government





# Office of the Secretary of Technology

## Governance

### Linking Public and Private Sector Experts to Simplify Operations

#### Public Sector

Governor  
(Chief of Staff)

ESG Oversight Board  
Secretary of Technology (Chair)  
Secretary of Finance  
Secretary of Administration  
CIO, VITA\*  
Dir., Dept. of Human Resource Mgmt\*  
Dir., Dept. of Planning & Budgeting\*

Enterprise Solutions Group

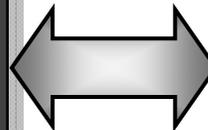
#### Private Sector

Enterprise Solutions Group  
Productivity Advisory Committee



#### Role of Advisory Committee

Advise on Commonwealth's approach to effective and efficient government operations; network resources where appropriate and facilitate best practice sharing to create a long-term culture of continuous performance improvement



\* Ex Officio



## Office of the Secretary of Technology

*Productivity Advisory Committee*

### **Committee Members Represent Local, National Experts**

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#### **Productivity Advisory Committee**

**Co-Chairs:** *Marge Connelly*, COO, Wachovia Securities

*Dr. Kent Murphy*, CEO, Luna Innovations

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|---|--|
| <ul style="list-style-type: none"><li>• <i>Carly Fiorina</i>, Fmr. CEO, Hewlett-Packard</li><li>• <i>John Nolan</i>, Retr'd Dep. Postmaster Gen, USPS</li><li>• <i>Scott McKay</i>, SVP, Genworth Financial</li><li>• <i>Mary Doswell</i>, President, Dominion Resources</li><li>• <i>John Kamensky</i>, IBM Business &amp; Govt. Ctr.</li><li>• <i>David Hummelberg</i>, Mng VP, Capital One</li></ul> | <ul style="list-style-type: none"><li>• <i>Michael D'Amato</i>, Fmr. Partner, Bain &amp; Co.</li><li>• <i>Bo Willis</i>, Director, Va Dept of MME</li><li>• <i>Jeneane Rae</i>, CEO, Peer Insight</li><li>• <i>Dr. Abul Hossam</i>, Chemistry, GMU</li><li>• <i>Dr. Jeff Young</i>, Quality, UVA Health System</li><li>• <i>John "Dubby" Wynne</i>, Fmr. CEO, Landmark</li></ul> |
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#### ***Role of Committee***

- Committee shall convene **three** times a year
- Provide guidance on various aspects of project portfolio (e.g., case for action, recommended approach, ROI, etc.)
- Suggest best practices and make introductions where appropriate
- Identify additional opportunities for simplifying government