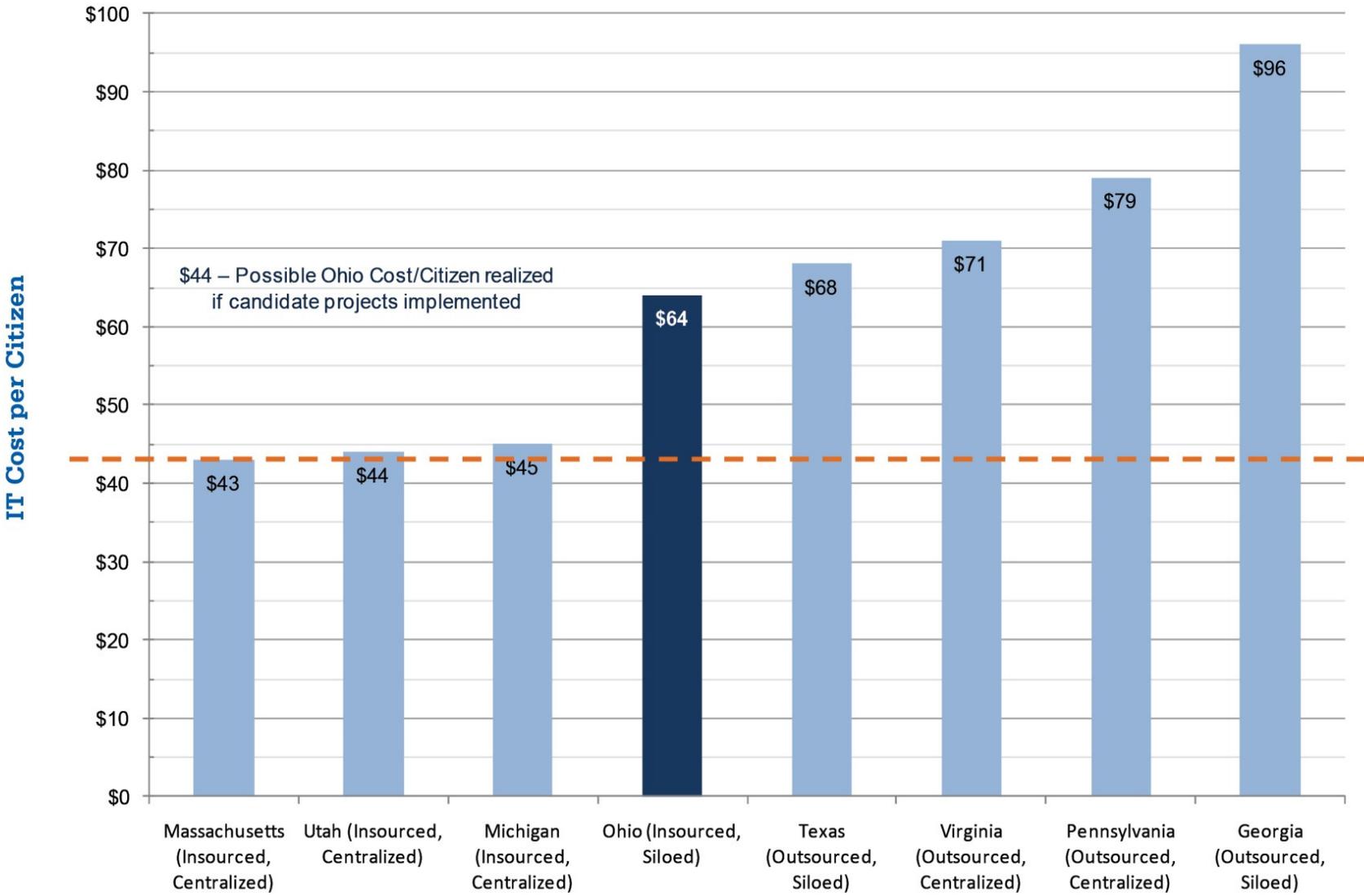


IT Optimization

November 2013

- Federated, decentralized IT environment is not sustainable
- 26 Cabinet Agencies and over 70 Boards and Commissions
- FY12 IT spend of more than \$930 million
- More than 5,000 servers in more than 30 data centers
- More than 1,600 applications
 - 20% more than 10 years old
 - 54% more than 5 years old
- Aging legacy systems (10-20yrs) are more expensive to maintain
- 14 separate statewide networks, \$54M annual contract spend
- 2,500 IT professionals supporting duplicative IT functions
- 32% of IT workforce eligible for retirement
- Competing projects distracting Agency focus and resources supporting infrastructure

Comparative State IT Costs per Citizen



- Alignment and Support
 - Governor's Office
 - Office of Budget and Management
 - Department of Administrative Services
 - Board of Regents – added bonus
- Multi-Agency Participation in planning and implementation
- Enabling the Business of the Agency
- Working relationship with Union - Monthly Joint IT committee meeting
- \$ 8 Billion shortfall in 2011
- \$830 Million spend in IT and trending upward
- Taxpayer focused message

December 2010 IT Statement of Direction

- State IT Landscape
- Opportunities for Smart Consolidation
- Challenges (legacy systems, culture, aging workforce, etc.)

January 2012 IT Strategic Plan

- Goals for IT Optimization
 - Increase Efficiency
 - Improve Service
 - Reduce Complexity
 - Realize Savings

December 2012 IT Transformation Plan

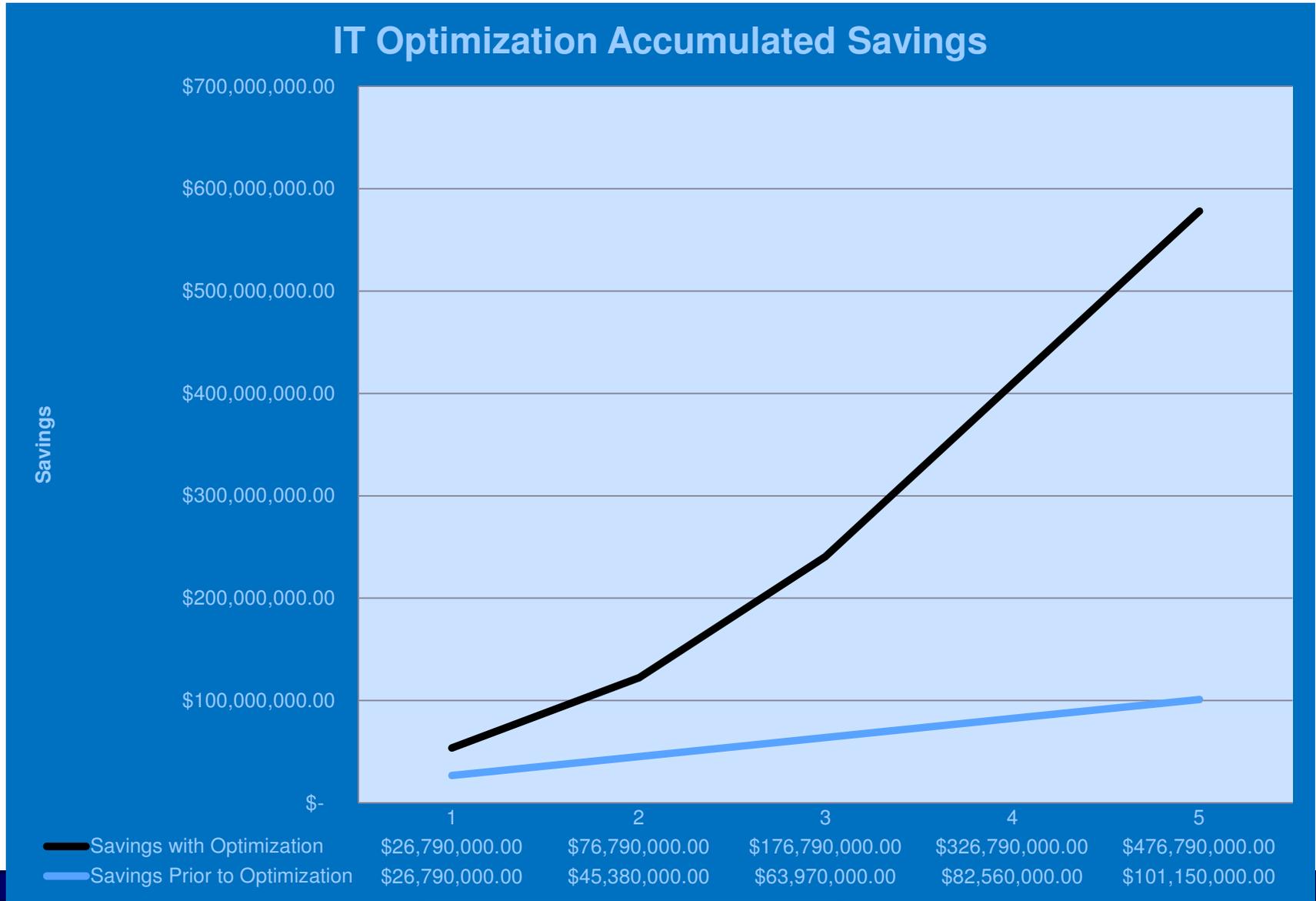
- Transition to Enterprise IT – A to D

November 2013 IT Consolidated Implementation Plan

- Transition to Enterprise IT – E to Z

IT Strategic Goals and Objectives

- **Increase Efficiency**
 - Leverage economies of scale and eliminate duplicative activities
 - Improve IT business decision-making process
 - Improve security of mission critical systems & constituent information
 - Effective use of IT professionals
 - Align enterprise applications with business goals
- **Improve Service**
 - Leverage savings to innovate, modernize and continually upgrade
 - Provide enhanced solutions delivery internal and external
- **Reduce Complexity**
 - Standardize technology use, procurement and contracting
- **Realize Savings**
 - Reduce consultant spend
 - Leverage economies of scale and eliminate duplicative activities



- Outsourcing is not always the answer
- Strong IT resources, but currently focused on Agency
- Bring IT workforce together to focus on the enterprise
- Support the business and mission of the Agency
- December 2012 Plan lays out A to D ... not A to Z
- Know what we know but don't have all the answers...
- Working together (State Agencies) we can discover the answers
- Concentrate on 9 distinct functional areas:

- | | | |
|--|---|--|
| <ul style="list-style-type: none">• Network Ops• Security• Cost Recovery | <ul style="list-style-type: none">• Data Center Ops• Enterprise Apps• BRM | <ul style="list-style-type: none">• UC and Infra Apps• Plan/Procurement• Workforce |
|--|---|--|

- Build multi-agency functional work teams to plan future work

Proposed Projects Services

A lot of great ideas submitted to the Core Team for review....

Detailed Review of Transformation Plans

30+ Projects Proposed, 40+ Services Proposed

BRM Proposed Projects:

- Establish BRM Office
- Service Request Models for Catalog
- Service Level Targets & Performance Metrics

DCO Proposed Projects/Services:

- Migrate agency services to new service
- Move agency equipment to center
- Mainframe Consolidation
- Storage Consolidation
- VMware Cluster Consolidation
- DR Second Site
- Virtual Server, Cloud, Mainframe, Storage & DR Services

EAP Proposed Projects/Services:

- Enterprise Application Organization Build
- SOA/Enterprise Service Bus
- Portal
- ERP, BI & HHS

EPSVM Proposed Projects:

- Entp. IT Strategic Planning
- Entp. IT Smart Sourcing
- Entp. IT Service Portfolio Mgt.

FM Proposed Projects:

- IT Cost Recovery Model
- IT Asset Mgt. Plan
- IT Expenditure Model
- IT Reinvestment Model

NOP Proposed Projects/Services:

- WAN Core Implementation
- Data Center/LAN Implementation
- One Network

UCIA Proposed Projects/Services:

- Identity Management
- VDI
- SharePoint
- Mobile Strategy
- Integrated Eligibility
- DODD Imagine Initiative

SEC Proposed Projects/Services:

- Intrusion Protection System
- Web Application Firewall
- Internet Filtering
- End Point Protection
- SEIM
- Data Loss Prevention (DLP)
- Vulnerability & Threat Management
- Security Program Management
- IR & Forensics
- Privacy Management & Consulting
- Privacy & Architecture
- Security & Privacy Training & Awareness

WT Projects:

- Project Employee Agreement
- Staffing Plan Template & Instructions
- Staffing Plan Instructions OWA Addendum
- Quick Win Training Letter
- Technology List

Key Ways IT Transformation will Bring Value to Ohio

Cost Reduction	<ul style="list-style-type: none"> • IT Cost Reductions - 15 to 25% • Workforce Reduction - approximately 400+ FTE through attrition/retirement
Value Add Focus	<ul style="list-style-type: none"> • Focus on proprietary business applications that support employees & constituents
Quality & Process	<ul style="list-style-type: none"> • Adoption of standard policies, practices & procedures • Result - fewer disruptions in service, faster resolution times & better internal controls
Security	<ul style="list-style-type: none"> • Reduce # of devices, facilities, systems to patch & external access points • Build confidence that state is a trusted custodian of confidential & business data
Scalability	<ul style="list-style-type: none"> • Private cloud environment ensures scalability & flexibility through peaks & troughs of computing resource demand
Enterprise Automation Tools	<ul style="list-style-type: none"> • Leverage enterprise automation tools • Greater efficiency in IT operation, reduces manual error rates & enhances system availability
Skill Development	<ul style="list-style-type: none"> • Pulling IT expertise from across the state will result in cross training opportunities & skill development • Allow the state to replace long-term, high cost contractors with existing staff
Best Practices	<ul style="list-style-type: none"> • Adopt a standard set of industry best practices • Allows comprehensive market analysis & improves IT business decision making
Vendor Management	<ul style="list-style-type: none"> • Consolidation of contracts & technologies allows Ohio to leverage economies of scale

Strategic, targeted and phased approach best chance for success.

Shared Services/Solutions model enabling the mission and business of the agencies through standardized, secured, and stable IT environment.

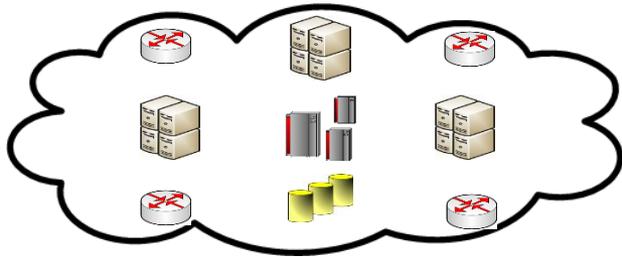
- Strong central planning and procurement -insight into the business needs of the agencies and provides a holistic view of the enterprise.

Shared infrastructure supports shared services and provides mechanisms for State to interact with citizens and businesses.

- Simplifying the infrastructure reduces costs and provides a foundation for common, enterprise applications and solutions.
- Expanding the use of enterprise applications
- This integration of data will greatly improve State services, service delivery and enhance policy making.

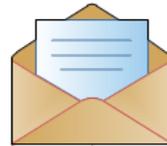
Consolidated Plan - Three Focus Areas

Ohio's Private Cloud



- Consolidate, standardize & integrate State's technical infrastructure
- Re-focus resources on applications that directly serve Ohio's citizens and businesses
- Work well underway...
 - SOCC Remediation
 - Ohio One Network
 - Storage & Server Virtualization
 - Storage & Server Consolidation
 - Mainframe Consolidation

Enterprise IT Shared Solutions



- Address common technology needs
- Provide tools & application platforms for collaboration, communication & data analysis
- Provide a platform for consumer specific application development
- Work well underway...
 - OAKS
 - Ohio Shared Services
 - MARCS
 - E-mail Consolidation
 - VoIP
 - E-Licensing /E-Payment Platform
 - BI Platform
 - SharePoint /Mobile App Platform

Online Services

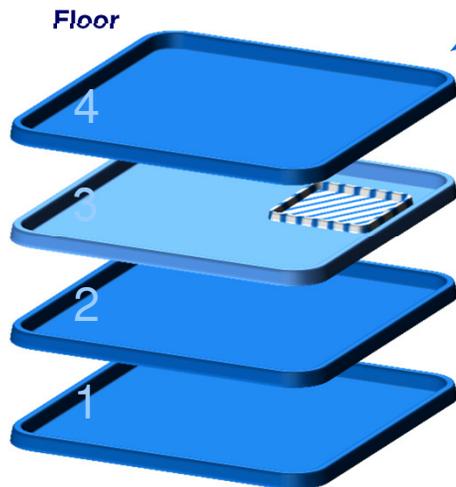


- Provide easy to use, accessible & secure online services
- Deliver reliable and cost effective solutions
- Expand the scope of online services
- Work well underway...
 - OBG
 - Ohio Benefits
 - MyOhio

SOCC Remediation: End-State

End-state of SOCC remediation process will be a consolidated computing center on the 2nd Floor with requisite power, cooling and security features

End-State SOCC Configuration



4. Mixed Use
 13,500+ sq ft Ohio Supercomputer Center
 4,990+ sq ft MARCS
 39,000+ sq ft Data Center *essential* personnel

3. Available Data Center Space

- 75,000+ sq ft Data Center (57,213 sq ft raised floor) – tenancy under evaluation
- 8,000+ sq ft Unified Network (State retained)

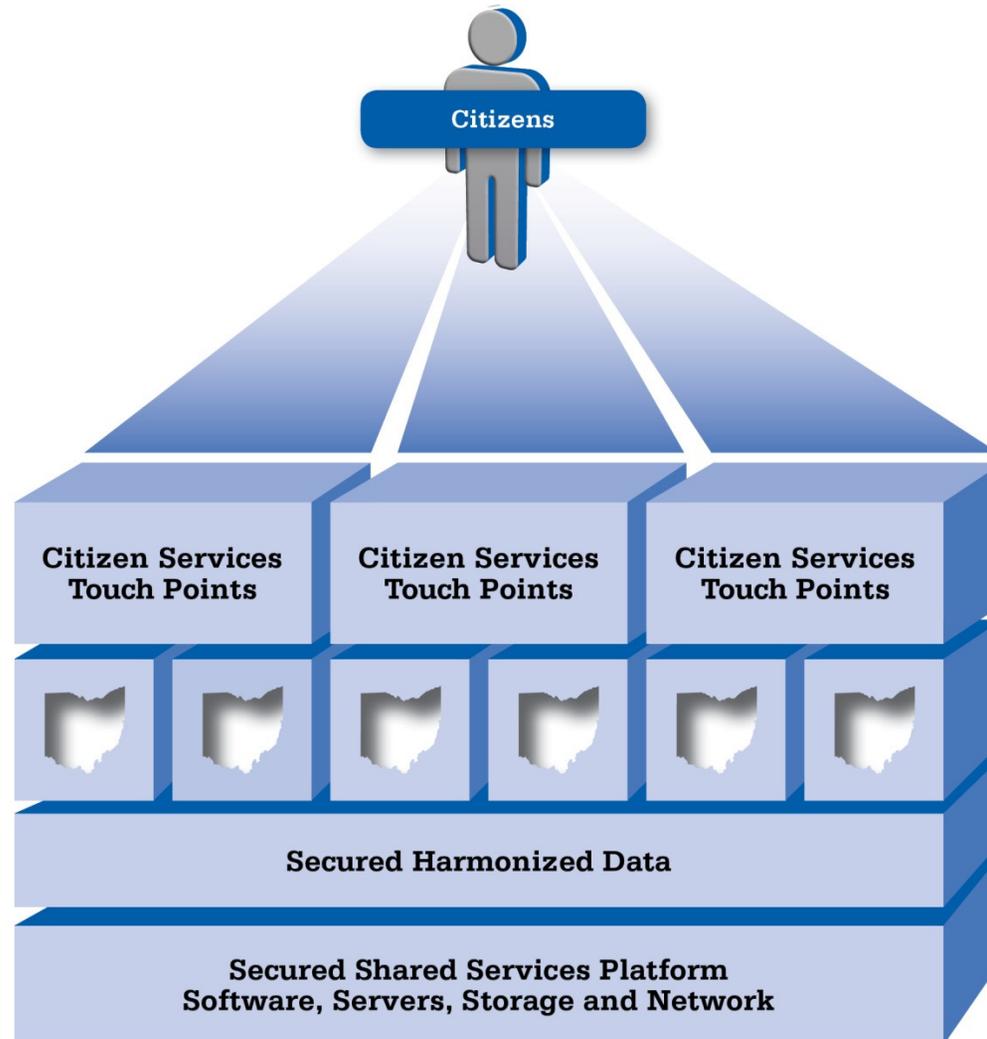
2. State Computing Center
 Computing, Storage, Mainframes, Networking Devices
 Network Operations Center

1. General and Mixed Use
 Mechanical (UPS, Telecom, Controls)
 Administrative (meeting space, building management)
 Common (atrium, restrooms)

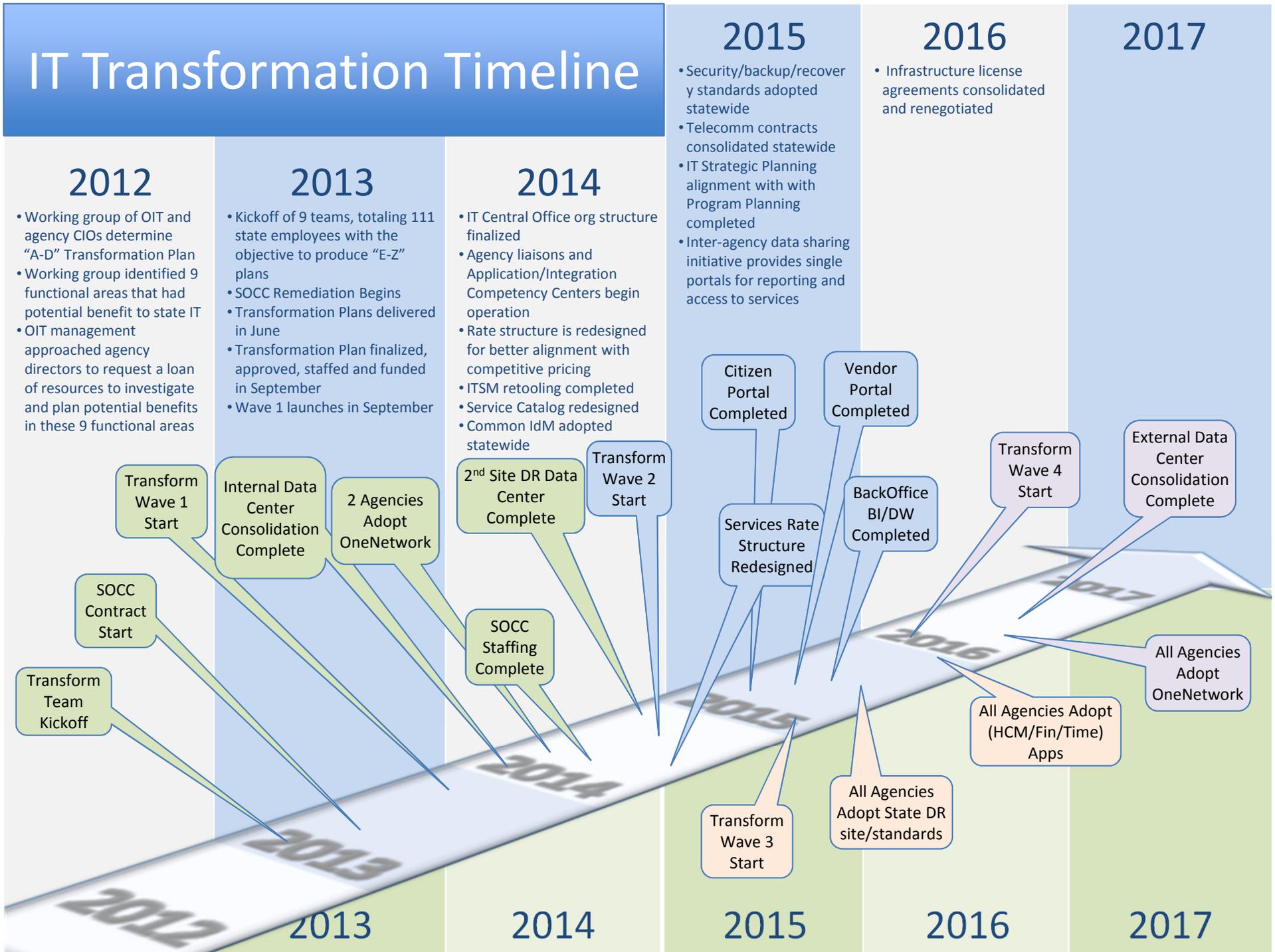
Foundational Concepts

- State use of the facility will move from current 70 ft²/computing image to less than 5 ft² (industry standard is between 0.3 and 1 server/ft²)
- The 3rd FL of the building will be vacated and made available for potential sub-lease tenants
- The current market for fully conditioned and powered data center floor space is on the order of \$24-32 ft² per month
- Personnel who, in the course of normal job functions, do not physically interact with IT infrastructure devices will be relocated to Agency locations in early FY15

Future Government Model



IT Transformation Timeline



Future Engagement Opportunities & Staffing Updates

As projects launch, seek assistance to build/run initiatives

- Temporary Staffing Approach - volunteers and/or recommendations
- Permanent Staffing Approach - May vary by function, post/fill, lift/shift
- IT Workforce Plans
 - Focus on common (infrastructure) and core services
 - Consider NOT filling these positions as they vacate
- Project opportunities communicated through various channels:
 - Weekly IT Transformation E-mail Communications
 - Regular Updates to the IT Optimization Information Center Web Site

<http://das.ohio.gov/Divisions/InformationTechnology/ITOptimization.aspx>

- Next Steps:
 - Finalize Implementation Plan
 - Gain Appropriate Approvals to Proceed
 - Plan the Work ... Work the Plan
 - Anticipated start date Nov 2013
 - Organizational Change Management in place
 - Communications
 - Weekly emails & Agency Meetings

Tactical Initiatives Status

INITIATIVE	STATUS
eMail Consolidation	In progress – 83 of 88 agencies, boards & commissions migrated – DYS scheduled to be migrated by December. Working w/JFS to schedule. Antivirus/Antispam & eDiscovery enhancements in place. ODOT (\$800K) and DPS (\$1M) cost avoidance.
Mainframe Consolidation	Complete - BWC experiencing processing improvements as well as estimated \$13.6M/5 years in operations cost avoidance
Network Consolidation	In progress – 14 distinct networks with annual spend of \$52M. New ISP agreement with OARnet reduced costs. NOC consolidation opportunity with OARnet. Microwave point to point solution in development
Network Aggregation	In progress – Contract alignment
Procurement Reform & Streamlining	In progress - Implementing process changes to integrate IT planning, project management, IT procurement and strategic sourcing opportunities

Tactical Initiatives Status

INITIATIVE	STATUS
Enterprise Planning	In progress – Launching Application/project Lifecycle Planning System (ALPS) system with application lifecycle focus
Identity Management	In progress – Id.ohio.gov enabled for Enterprise Shared Services, OAKS, Email, SharePoint and Lync. Supports single sign on/shared service approach. Working with I.E. w/citizen facing enterprise initiatives
Server Virtualization/ Consolidation	In progress – Capacity available for 1,000 virtual servers. School Facilities, DNR in progress, OGM Test/Dev in environment. DRC established a dev environment resulting in \$1.2M cost avoidance.
Storage Virtualization	In progress – Upgraded storage environment including data encryption. PS and DOT migrated. Taxation estimates annual savings of \$500K . Economies of scale results in rate reduction and enterprise savings of \$290K
Virtual Desktop Infrastructure	In progress – Agencies benefitting from DODD implementation experience and shared infrastructure. POC in progress to ensure 8,000+ user capacity.

Tactical Initiatives Status

INITIATIVE	STATUS
Integrated Eligibility	In progress –Streamlining Medicaid eligibility process – initial go live successful 10/1/13
Medicaid Elevation	In progress – Supporting establishment of standalone agency. Specific IT functions provided by either DAS, JFS or MCD
Multi-Agency Radio Communications System	In progress - \$90M system upgrade to IP based platform and support expanded customer base - potential cost savings/avoidance of \$.7B for local government while enhancing public safety and emergency responder communications
ePayment engine migration & enhancements	Complete
eLicensing 2.0	In progress – Moving forward with Boards and Commissions
Future of Ohio Business Gateway	In progress – Stakeholders to convene and determine future direction
Mobile Application Platform	In progress – Multi-agency team established to develop enterprise strategy.

Tactical Initiatives Status

INITIATIVE	STATUS
Mobile Device Management	In progress - Pilot completed. Enterprise deployment in process. Service to manage contracts and onboarding/off boarding of mobile devices. Consolidating data plans and pooling of minutes for the State... not just by divisions within agencies.
Data Center Consolidation	In progress – SOCC Remediation will allow for future consolidation of the more than 30 data centers in use by State agencies. Relocation for EPA \$500K in cost avoidance. DNR in process.
SOCC Remediation	In progress – Increasing power/improving heating and cooling, shifting IT assets to 2 nd Floor, moving non-essential staff out, establishing co-managed approach to services and allowing for possible new tenant on 3 rd Floor
Hosted VoIP Solution	In progress –Agencies migrating under new contract. Requires front-end investment but will yield significant savings - \$1.2M/annually (current Centrex \$18-\$22/line and VoIP \$13-\$15)

Thanks for your time...

Questions?

Feel free to send any questions directly to the IT Transformation Office at:
IT.Transformation@ohio.gov.

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IT Optimization webpage: <http://das.ohio.gov/ittransformation>