



Enterprise Solutions Group (ESG) *Overview for AITRs*



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The Enterprise Solutions Group was established in January to help spur innovation and productivity improvements in state government

ESG Mission

Partner with state agencies to identify, catalyze and implement innovative solutions which enable a simpler and more effective government for the benefit of the citizens of the Commonwealth

Approach

- Lean direct staffing; leverage agency and/or external resources where appropriate
- Manage deployment of the Productivity Investment Fund (PIF), which is \$3MM in “seed capital” created to catalyze innovative projects that support one or more key outcomes

Key Outcomes

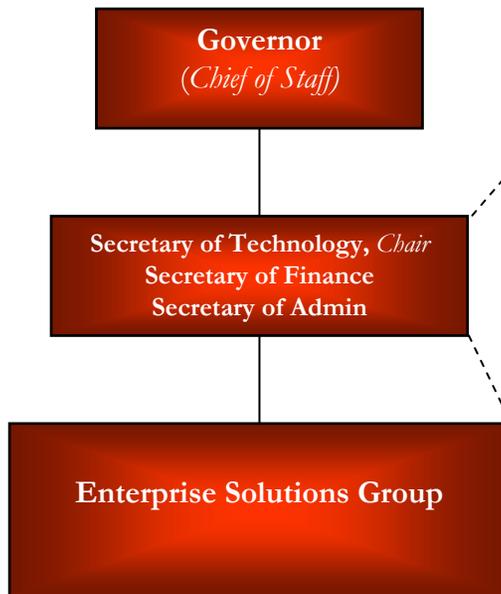
- Improve the constituent experience (e.g., better results, shorter transaction time, reduced constituent expenses)
- Increase government operating efficiency
- Advance Governor’s key agency performance objectives



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A governance structure was put in place to provide guidance and oversight as well as help position ESG for success

Organizational Structure



Enterprise Solutions Group Governance



Board Composition

Secretary of Technology, *Chair*
Secretary of Finance
Secretary of Administration

Purpose: Advise on project portfolio to ensure a balanced approach to “home runs” and “quick wins”; alignment with Council on Virginia’s Future long-term objectives, governor’s priorities, and agency-specific performance measures



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The Productivity Fund is a source of capital to help agencies address a key addition to the management scorecard – delivering measurable results

Hardwiring Accountability *Management Scorecard*

Best Practice: Governor Kaine has adopted an existing best practice – the management scorecard for agency heads

Legend:
■ Meets Expectations
■ Progress Toward Expectations
■ Below Expectations
U Results Unavailable/Not Available at this Time

Click column headers to alphabetically sort agencies by name or by Secretariat.
 Click on a colored square to view the criteria for that category.

Agency Name	Secretariat	Human Resources Management	Government Procurement	Financial Management	Technology	Performance Management	Environmental & Historic Resource Stewardship
Board of Accountancy	Commerce and Trade	■	■	■	■	■	■
Commonwealth's Attorneys' Services Council	Public Safety	■	■	■	■	■	■
Compensation Board	Administration	■	■	■	■	■	■
Comprehensive Services for At-Risk Youth and Families	Health & Human Resources	■	■	■	■	■	■
Council on Human Rights	Administration	■	■	■	■	■	■
Department for the Aging	Health & Human Resources	■	■	■	■	■	■
Department for the Blind and Vision Impaired	Health & Human Resources	■	■	■	■	■	■

Outcomes: a key revision for Governor Kaine's scorecard is a focus on achieving performance measures

Aligning Incentives *Productivity Investment Fund*



Proposal In Brief

Summary: Create a financing vehicle that allows agency gainsharing on verified savings achieved through re-engineering initiatives (scored by DPB, Comptroller, Auditor)

Purpose: Encourage agencies to actively pursue productivity investments

Initial Capital: \$3M "Productivity Investment Fund"

Governance: The Fund shall be overseen by the **Enterprise Solutions Group** and ex-officio members including the Directors of **DPB, DHRM,** and the **CIO**



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The Productivity Investment Fund will seek to generate creative ideas from multiple sources that can eventually be leveraged across multiple agencies

Idea Sources

- Agencies
- Private Sector Firms
- Academic Institutions
- Citizens

Potential Concepts

- Test the use of breakthrough technology to dramatically improve performance
- Pilot an agency “office of the future” that delivers service in a radically different and more effective way
- Test a public-private partnership to take advantage of private sector best practices

Desired Results

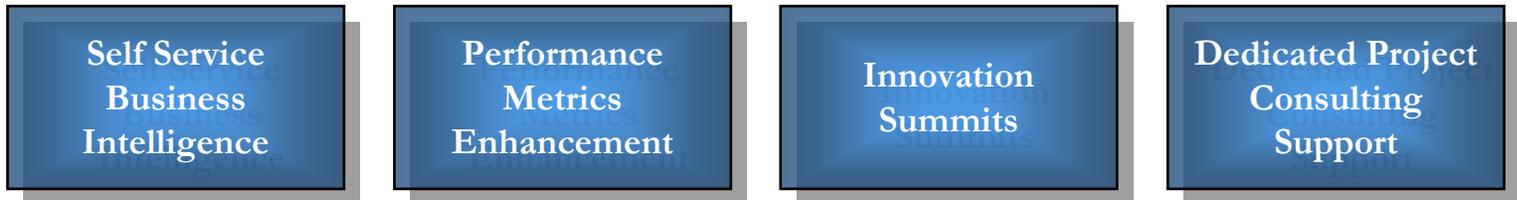
- Tangible, measurable impact that supports target outcomes
- “Reasonable” ability to implement the pilot solution on a broader scale
- Insights are portable across multiple agencies



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While effective management of the PIF is a key priority, ESG seeks to make several additional value-add “product offerings” to state agencies

Low ← Level of Agency – ESG Integration → High



Description

- | | | | |
|---|--|---|--|
| <ul style="list-style-type: none"> • Partner with 3rd party to provide agencies with online access to best practice public and private sector business intelligence • Provide assistance as needed in accessing and utilizing info & doing custom research | <ul style="list-style-type: none"> • Work with agencies to expand upon recent metrics development work and • Strive for continuous improvement in developing outcome based metrics | <ul style="list-style-type: none"> • Facilitate ½ to 1 day ideation sessions for generating new and creative ideas for achieving desired agency outcomes • Target opportunities that fit with Governor’s key priorities | <ul style="list-style-type: none"> • Provide dedicated consulting support on select, high impact projects • Limit involvement to projects where benefits can be leveraged across multiple agencies |
|---|--|---|--|

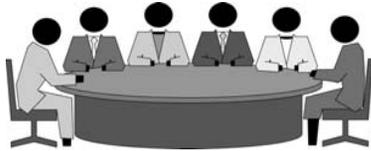
Rationale

- | | | | |
|--|--|---|--|
| <ul style="list-style-type: none"> • Scalable, efficient and technically simple way to leverage best practice info across multiple agencies | <ul style="list-style-type: none"> • Links in well with CoVF Virginia Performs agenda | <ul style="list-style-type: none"> • Fits squarely with ESG reason for being and should become a core offering | <ul style="list-style-type: none"> • Opportunity to accelerate and expand realization of benefits across state agencies |
|--|--|---|--|



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Innovation Summits will ideally generate a small set of compelling concepts that merit further consideration and potential testing



Innovation Summit Attendees

- Target number of participants - 12
- Target split of Insiders/Outsiders – 50/50
- Quality and commitment of attendees has significant impact on probability of success

Part I: Idea Generation

- Introductions, ice-breaker, review meeting objectives
- Review and discuss beacons of Innovation
- Presentation of business opportunity
- Ideation Session – Part 1
- Ideation Session – Part 2

Break

Part II: Concept Development

- Review compilation of ideas
- Organize, group and prioritize ideas
- Concept Development – Part 1
- Concept Development – Part 2
- Review of Developed Concepts
- Identify Next Steps, Accountabilities and Timing
- Identify lessons learned, provide feedback

Adjourn



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The Document Management project is well on its way to becoming a beacon for multi-agency collaboration and significant value creation

Situation

- Dept. of Environmental Quality (DEQ) initiated a Document Management project which was leading to a procurement
- DEQ went to IT Investment Board for Project Approval

Action

- IT Investment Board (e.g., Secretary of Technology) recognized opportunity for cross-agency collaboration
- Secretary of Technology hired a consultant to assess and catalyze interest in multi-agency collaboration for Document Mgmt.

Results

- Initial exploratory session held with 12+ agencies participating
- Detailed requirements definition underway with multiple agencies actively participating
- Joint Document Mgmt. RFP scheduled to be sent out in near future



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All five enterprise priorities are moving forward at varying speeds based on opportunity, maturity of solution

\$350K

Governor's Agenda ~

Enterprise Re-Engineering

#**Enterprise Resource Planning** – modernizing Virginia’s disparate “back-office” functions; *Champion: Sec. Wagner**

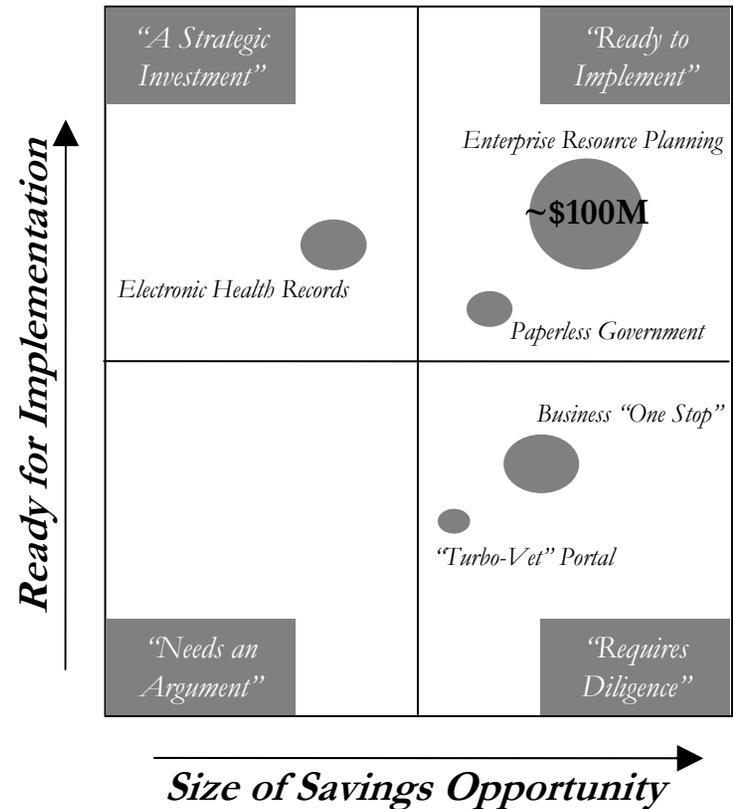
#**“Turbo-Vet” Portal** – an “all-agency” case management vehicle that maximizes service enrollment and streamlines service delivery for veterans; *Champion: Sec. Marshall*

#**Business “One-Stop” Portal** – a central transaction hub for entrepreneurs to expedite new business formation and regulation; *Champion: Sec. Gottschalk*

#**“Paperless Government”** – a framework to convert paper records into an automated workflow; *Champion: Sec. Bryant*

#**Electronic Health Records** – a multi-channel investment to encourage private sector adoption of electronic records; maximize public sector investments for state agencies; and coordinate a “master patient index”; *Champion: Sec. Tavenner*

Mapping Enterprise Priorities
By Size of Implementation Cost



*Separately funded and project launched

● Denotes Size of Investment Cost at Full Implementation



Timeline of Key ESG Activities

January

- Meet and Greet with key agency leaders to present ESG Overview and obtain feedback and guidance
- Target potential initiatives for Productivity Investment Fund submission and Innovation Summit participation
- Explore potential 3rd parties for Business Intelligence partnership
- Release PIF request for information

February

- Initial review of PIF submissions to ensure quality and clarity
- Conduct initial Innovation Summits
- Evaluate 3rd parties for Business Intelligence partnership and determine go/no go
- Explore potential performance metrics engagements with agencies

March

- Establish PIF Advisory Council to evaluate submission and make fund allocation recommendations
- Continue conducting Innovation Summits
- Target potential multi-agency initiatives for dedicated project consulting support
- Prepare materials for update to Council on Virginia's Future in April



A Case Study ~ DMME Engages Constituents in Electronic Permitting

A History of Innovation



Budget Constraints: DMME maintains service growth despite **21%** cut in FTEs since 1985

Executive Commitment to Reform: Agency leadership engage **40%** of FTEs in strategic planning process and invest **38.6** training hours per FTE

A National Model: DMME has earned the prestigious **US Senate Productivity & Quality Award** (1997, 2002) – akin to the Baldrige Award for quality

COVF Innovation: Develop an electronic permitting, reporting and government system for mineral mine operators leveraging **\$87,200 grant**; goal to replicate coal industry experience

Alignment with Strategic Plan

- Plan: encourage economic development through customer’s management of Virginia’s resources; goal to support efficient operations

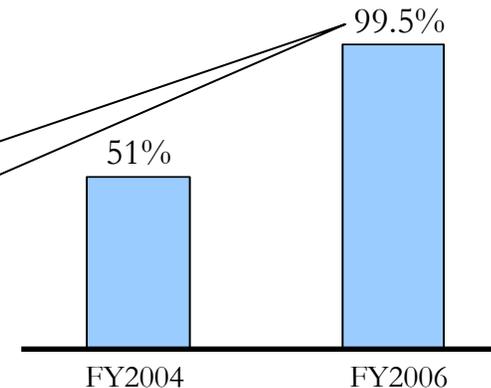
Customer-Driven Innovation

- DMME staff apply for productivity grant; immediately seek input from the mineral mining industry as a way to improve services and reduce the costs of regulatory compliance

Results

Permit costs 15% lower than next best state (OH)*

Coal Industry Permits
% Submitted Online



*savings represent 500-acre Coal Surface Mining Permit (\$85k in VA; \$100k in OH, \$200k in W. Va)



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Coda ~ Recovering a Lost Trust Through Improved Change Management

Success Measured by Greater Partnership on Government Operations

General Assembly: “There must be savings opportunities but I don’t believe the agencies are pushing hard enough to get them.”



Agency Heads: “What incentive do I have to cut costs? Success likely means a cut in my budget which jeopardizes our ability to serve our constituents.”

Citizens: “Does government have to be this complicated?”

Policy Office: “How can we deliver services more efficiently to allow for additional investments?”