

# REPORT SUMMARY

## BUSINESS SOLUTION SERVICES

APRIL 2018 | PROGRAM AND SERVICE REVIEW

Edmonton

## WHAT IS PROGRAM & SERVICE REVIEW?

Program and Service Review (PSR) is composed of an internal team dedicated to evaluating the services offered by the City of Edmonton. The objective is to help City Council achieve its strategic goals and determine how our organization can improve the services that matter to Edmontonians, in ways that maximize citizen tax dollars.

## SUMMARY OF SERVICE AREA

Each business area in the City has unique technology requirements to ensure effective and efficient operations. The Business Solution services identify proper technology tools and systems to meet business needs to support a high standard of services to Edmontonians. Additionally Business Solution services provide support with solution procurement, implementation and maintenance.

### Business Solution Internal Service

Business Solution services are responsible for planning, integration and maintenance of technology applications used by the City of Edmonton's business areas. The technology applications can be both internal facing (support corporate needs: e.g., SAP, M5, POSSE, etc.) and external facing (support public services: e.g., 311, eServices, My Rec Guide, etc.).

### Who is impacted? Everyone

Business Solution services support all City departments in achieving their strategic and operational goals and ensure their digital activities and projects are in alignment with citizens' needs and priorities (e.g., ability to pay pet licensing fees online, trail maps access, timely transit updates, etc.).

## RESEARCH METHODOLOGY

Each Program and Service Review (PSR) typically begins with a review and a challenge panel including: community, academia, industry and peer subject matter experts who help provide focus to the analysis, challenge the recommendations, and provide guidance. *Please note: each service area has a tailored approach for engagement and analysis.*

	INTERNAL	EXTERNAL
<b>ENGAGEMENT</b>	Employee interview and surveying. Attending operational meetings.	Interviews and workshops with business partners and subject matter experts.
<b>ANALYSIS</b>	Review of key branch documents and information (e.g., business plans, key performance indicators). High level analysis (e.g., finance, human resources, etc.).	Benchmarking with similar organizations (e.g. entities in Calgary, Vancouver, Ottawa, etc.). Review industry best practices.

## IMPORTANT INFORMATION & TERMINOLOGY

### Total Cost of Ownership (TCO):

Financial estimate that helps determine direct costs (e.g. application design and development) and indirect costs (e.g. office rent) of a product or system.

### Business Relationship Managers (BRMs):

IT professionals who foster productive relationships between the IT Branch and their business partners in other departments.

### Capital Planning:

Capital renewal and growth requests that are submitted as part of the City's capital budget by the IT Branch in partnership with business areas.

### IT Service Management:

A framework for managing information technologies centred around business performance.

### Technology Investment Requests (TIRs):

Requests for investment submitted by business areas.

### Project Delivery:

Project management of solutions from procurement through to implementation; handled by the IT Branch on behalf of the business area.

### Priority 1 Application:

Application within "Priority 1" classification has a widespread impact on the City's operations if it is offline.

### Business Technology Strategy:

A transformational information technology strategy intended to support meaningful interactions with citizens of today and tomorrow, by leveraging opportunities within the City's current IT management environment.

### Cloud Computing:

Delivery of services over the internet with three broad service categories: Platform as a service (PaaS), Infrastructure as a Service (IaaS) and Software as a Service (SaaS).

### Customizing a packaged application:

Adjustments and modifications required for the application that was purchased to ensure it matches a specific business process or specialty need.

### Maintenance:

Performance monitoring and management of existing solutions deployed in the corporation to ensure the solutions continue to meet the needs of business areas.

### Priority 2 Application:

Application is "Priority 2" if: a) it has a public facing component; b) cost of ownership is more than \$1M; c) it has more than 250 users; and d) it was identified by BRM.

### Solution Planning:

Evaluation of business area needs against potential solutions offered within market and corporate enterprise architecture principles.

### Application and associated hardware costs:

Purchasing and licensing of solutions and maintenance related agreements.

## RECOMMENDATIONS WHY & IMPACT

SERVICE & RECOMMENDATION	WHY	IMPACT
<p><b>1</b> <b>Communication</b> <i>Develop concise, partner-centric communication tactics on the delivery of business solutions.</i></p>	<p><b>Current State (What we found):</b> Internal business areas indicate that they are unfamiliar with the role and services of Business Solutions.</p> <ul style="list-style-type: none"> <li>- This causes uncertainty about how, when, and why business areas should engage with them.</li> <li>- This leads to a lack of a standardized and efficient process for creating, using, and maintaining applications and systems within a business area.</li> </ul> <p><b>Future State (What we will do):</b> Define, document, and communicate roles, responsibilities, and service expectations.</p> <p>Annual evaluation of the service based on qualitative and quantitative measures to identify opportunities for continuous improvement of the service. .</p>	<p><b>Impact:</b> Clear communication of roles, responsibilities and service expectations will increase understanding of support available to business areas and create opportunities for greater collaboration, better alignment in delivery of projects. It would also decrease the risk of silo solutions being implemented.</p>

<p><b>2</b> <b>Governance</b> <i>Review and update the governance model for information technology to be aligned with the Business Technology Strategy.</i></p>	<p><b>Current State (What we found):</b> The existing governance model for the IT Branch was developed in 2013 and was an effective tool for the corporation in the maturation of Business Solution services. As the branch and the corporation continue to evolve there is a need to adjust the IT governance structure to align with the corporate Business Technology Strategy.</p> <p><b>Future State (What we will do):</b> Develop a new governance model responsible for integrated and collaborative decision making.</p> <p>Assign responsibility for key applications to a Branch Manager (new process), as opposed to a committee (existing process).</p>	<p><b>Impact:</b> Streamlining decision making processes will reduce wait times for decisions and ensure consistency.</p> <p>The assignment of key applications to a Branch Manager will bring more accountability and ownership into decision making and technology-based solution control. The structure of the processes will enable clarity about why a recommendation or decision was made.</p>
<p><b>3</b> <b>Accountability</b> <i>Promote understanding of Priority 1 and 2 applications as City assets.</i></p>	<p><b>Current State (What we found):</b> The Priority 1 and 2 applications are significant corporate assets that contribute to the operation of the City. Lead administrative responsibility on the performance of these applications is currently unclear.</p> <p>Within the current environment there is limited understanding of the capabilities and business costs of these applications.</p> <p><b>Future State (What we will do):</b> Assign responsibility for each Priority 1 and 2 application to a single business area.</p> <p>Identify a Total Cost of Ownership (TCO) for Priority 1 and 2 applications.</p>	<p><b>Impact:</b> Assigning a priority to each application aligns status to importance for service delivery and identifying expected performance of each application ensures greater responsibility in the application maintenance process.</p> <p>The TCO allows greater ability to weigh financial costs in the decision making process on high priority applications.</p> <p>All of the above ensures that the City is managing its assets responsibly and with alignment to citizens' needs.</p>
<p><b>4</b> <b>Strategy</b> <i>Development of a multi-year plan in the Business Technology Strategy.</i></p>	<p><b>Current State (What we found):</b> The City has over 1,700 differently installed desktop applications.</p> <ul style="list-style-type: none"> <li>- A gap in service understanding and application selection resulted in duplication of some functions across applications.</li> <li>- There is unnecessary complexity with data and business integration, leading to additional resources for hardware, software and personnel support.</li> </ul> <p><b>Future State (What we will do):</b> Develop a change management plan to support a reduction in the number of applications and standardization in the IT environment.</p> <p>Standardize Financial, Budgeting, and Human Resource applications used in the City.</p>	<p><b>Impact:</b> Standardization in IT environment reduces migration and loss of information within the organization and ensures citizens and staff get access to reliable and valid information.</p> <p>Reducing the number of applications reduce the amount of resources needed to maintain multiple applications and databases and provides significant cost saving benefits. It also removes confusion surrounding which application and service citizens should use for a particular request.</p>
<p><b>5</b> <b>Cloud Implementation</b> <i>Advance cloud readiness implementation plan.</i></p>	<p><b>Current State (What we found):</b> A recently completed cloud readiness assessment explains what is needed for migration to cloud based technology. The assessment recognizes that, when compared to other Canadian public organizations, the City is advanced in its adoption of cloud services but still in the very beginning of the process of cloud maturity.</p> <p><b>Future State (What we will do):</b> To continue the maturity of the City, the cloud readiness assessment provides a strategy to support transition with the following guiding principles:</p> <ul style="list-style-type: none"> <li>- 'Right cloud' not 'cloud first'</li> <li>- Business enablement (service delivery to the benefit of business area)</li> <li>- Focused on core competencies</li> <li>- Staff &amp; citizen empowerment</li> </ul>	<p><b>Impact:</b> The primary benefits of cloud migration are: improving business solutions accessibility (for citizens and City staff), enabling self service opportunities, improving delivery metrics, and significant cost savings (more easily afforded monthly payments for service, less support staff, and lower licensing fees).</p> <p>Additionally when using cloud vendors, IT project delivery timing is reduced, and technical support can be reduced to a minimum.</p>

<p><b>6</b>  <b>Agreements</b>  <i>Leverage purchasing networks &amp; standing agreements.</i></p>	<p><b>Current State (What we found):</b>  The City of Edmonton uses in-house expertise and independent agreements with vendors. Recently, the IT Branch began leveraging existing agreements already established by the Government of Alberta (with the same vendors) that are pre-negotiated at lower rates.</p> <p><b>Future State (What we will do):</b>  Vendor management improvements should continue and be expanded through strengthening external partnerships with provincial and federal purchasing and IT vendor management departments. The following activities are required:</p> <ul style="list-style-type: none"> <li>- Review of current licensing and maintenance agreements against standing agreements with provincial entities of the New West Partnership Trade Agreement (NWPTA)</li> <li>- Collective review of upcoming potential Requests for Proposals (RFPs)</li> <li>- Discussion of shared opportunities in the negotiation or extension of current services.</li> </ul>	<p><b>Impact:</b>  Ability for comparative fee shopping and greater authority to negotiate on fees quoted. Possible reduction on individual RFPs and maintenance agreements.</p>
<p><b>7</b>  <b>Transparency</b>  <i>Increase transparency and opportunities for involvement with citizens and external bodies within the Information Business Technology Strategy.</i></p>	<p><b>Current State (What we found):</b>  As part of Open Government, activities and major projects that are delivered through the Business Solution Service should be communicated to the public. Feedback on citizen facing applications should be encouraged to identify further improvements.</p> <p><b>Future State (What we will do):</b>  Opportunities to engage citizens and advance the principles of the Open City policy should be explored.</p>	<p><b>Impact:</b>  Increasing trust between citizens and government by making more information publicly available and engaging citizens and seeking their feedback on interactions with The City.</p>