

<b>TO:</b>	<b>CHAIR AND MEMBERS FINANCE AND ADMINISTRATION COMMITTEE APRIL 16, 2012</b>
<b>FROM:</b>	<b>JOSEPH EDWARD CHIEF TECHNOLOGY OFFICER</b>
<b>SUBJECT:</b>	<b>1<sup>st</sup> QUARTER REPORT INFORMATION TECHNOLOGY STRATEGY: ENABLING GROWTH AND SERVICE EXCELLENCE</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Chief Technology Officer, the following report **BE RECEIVED** for **INFORMATION** at the Finance and Administration Committee Meeting on April 16, 2012.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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City of London Strategic Plan – December 5, 2011

Information Technology Strategy: Enabling Growth and Service Excellence – January 16, 2012

<b>BACKGROUND</b>
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On January 16, 2012, Technology Services Division (TSD) submitted the 3-year City of London Information Technology Strategy to Council. In that report TSD committed to bringing reports to Council periodically to provide updates on the implementation of the Information Technology Strategy.

Even though the formal IT Strategy was submitted to Council three months ago, TSD has been working on establishing the foundations such as Project Management Office (PMO), IT Governance, Enterprise Architect Office, implementation of Information Technology Infrastructure Library (ITIL), etc. since April 2010. In the past three months, TSD further strengthened these foundations and established a Service Management Office (SMO) to align with the ITIL framework. In spite of several challenges, great progress has been made in the last two years on many fronts and TSD is on the verge of delivering great results to the Corporation and to the citizens at large.

In addition to highlighting the overall progress on IT Strategy implementation, some case studies are attached to highlight the value that TSD and IT investments create for our citizens and how these projects are aligned with City of London strategic plan and the IT Strategy.

This report provides updates on five major areas:

1. **IT Governance:** Aligning IT investment with City of London strategy
2. **Shared Services Strategy:** Developing collaborative opportunities to enhance value
3. **Funding/Reinvestment Strategy:** Finding operational savings and re-investing in growth
4. **Project Delivery:** There is no such thing as an IT project...All projects are business projects
5. **Staffing Strategy:** TSD enabling knowledge development and job growth

**IT Governance: Aligning IT investment with Corporate Priorities**

Having effective IT governance is critical to having an effective and efficient IT organization. IT governance ensures IT investments are aligned with the organization's strategy and that stakeholders get the highest Return on Investment (ROI) for their IT investments. Developing effective and efficient IT governance was identified in the IT Strategy. Appendix "A" provides more detail about how IT governance is being implemented within TSD and within the Corporation. This document also describes the IT maturity level TSD is striving to achieve.

### **Shared Services Strategy: Developing collaborative opportunities to enhance value**

TSD has identified shared services as a major strategy moving forward. TSD has practiced a shared services model for a long time. Many Boards and Commissions either share a common infrastructure and/or obtain direct IT services from TSD. The City is a member of LARG\*Net, a regional online network shared with UWO, Fanshawe College, London Health Sciences Centre and several not-for-profit entities in London and surrounding areas. This model has benefited the City and provided great value to our citizens.

For the past few months TSD has been actively engaged with London Hydro, looking for opportunities to share IT infrastructure, data centre space and other IT services. Our goal is to reduce IT costs for both organizations and provide better services and more value to our business divisions and citizens. TSD will bring more information to Council in May 2012.

### **Funding/Reinvestment Strategy: Finding operational savings and re-investing in growth**

In 2011 TSD realized close to \$1M in savings through rationalizing services, consolidating technologies, and cancelling software maintenance contracts for several applications where the IT investment was not aligned with the business value provided by them. On March 26, 2012, as part of the 4<sup>th</sup> quarter report, finance department recommended that Council establish a Technology Reserve Fund and set aside the surplus for business transformation projects. The recommendation was adopted by the Finance and Administration committee, however at the time of writing this report that recommendation had not yet gone to Council.

TSD will continue to streamline technologies, support agreements, etc. to find additional savings within our operational funds to invest in growth and service excellence projects. Recently Council accepted the recommendation made by TSD to continue with the existing desk phone system for a few more years and to obtain services from Telus on a month-to-month basis. This strategy will reduce operating costs by close to \$200,000. Appendix "B" illustrates the funding and reinvestment strategy included as part of the IT Strategy. One of our most important investments this year will be updating the City's website, which will be funded from TSD's 2012 operational savings.

### **Projects Delivery: There is no such thing as an IT project...All projects are business projects**

TSD has been working on several corporate and business division projects. After establishing a Project Management Office (PMO) in July 2010, six to ten months were spent developing project management skills among TSD staff and laying the foundation for long term success. On April 1, 2011, TSD adopted a matrix organizational model and moved ownership of all projects from various competency groups within TSD to the PMO. This strategy has brought transformative results. While three projects were completed in the first quarter of 2011, 29 projects have been or are close to being completed in the first quarter of 2012. Appendix "C" illustrates the number of projects within PMO and the state of these projects within the project lifecycle. Appendix "D" shows many of the major projects TSD will be involved in over the next three years and their tentative timelines. Appendix "E" describes some of the major business projects.

Appendix "F" highlights three case studies where TSD was an integral partner. These case studies represent a sampling of the ways in which TSD has helped improve operational processes, increase business engagement, and modernize design and development processes. In each case significant time and cost savings were realized, whether by reducing the amount of time required to complete administrative tasks or freeing up technological resources for alternative purposes. Each story illustrates that IT is more than simply technology; it is a tool that enables business transformation. These initiatives allowed clients to redirect time, energy and resources away from maintenance activities and towards more effective, efficient, and economical service delivery.

#### **1. Ontario Child Care Management System**

A secure attendance management and billing system benefits child care providers; security improvements developed in London have been adopted at the provincial level.

#### **2. Housing and Development Information System**

A centralized database gives Housing Division staff more immediate access to information about properties and projects, and up-to-date contact information for community partners.

#### **3. Implementation of iPads for Fire Inspectors**

Mobile technology leads to 25% increase in efficiency and a higher volume of site inspections.

### **Staffing Strategy: TSD enabling knowledge development and job growth**

TSD identified staffing as one of the major constraints for accelerating business transformation. Appendix “G” illustrates the staffing strategy TSD developed as part of the IT Strategy. Recognizing the current economic and unemployment conditions in London and to align with City’s Strategic Plan, TSD decided to create dedicated project teams of TSD staff and augment them with students from Fanshawe and UWO, and with unemployed but skilled personnel. Since TSD is too short-staffed to complete all projects outlined in the IT Strategy within 3 years, augmenting TSD staff with students and unemployed skilled personnel will be a win-win solution for all stakeholders. Not only will this approach assist the City to expedite business transformation, it will also give students and the unemployed hands-on experience and help them develop skills to find meaningful employment once the project is completed.

TSD has been an active participant in Fanshawe’s co-op student placement program for many years, bringing in up to four co-op students for four-month periods throughout the year. Recently TSD was recognized for Fanshawe for its invaluable contribution to this program. We have now expanded our scope to include students from UWO as well.

Recently TSD established working partnerships with London Unemployment Help Centre (LUHC) and WIL Employment Connections to identify appropriately skilled but unemployed Londoners to bring on board.

An additional six participants will begin six months internships with TSD. These candidates are skilled but currently unemployed. They will be involved in many projects from business process re-engineering to web development. These interns are partially funded by the Ontario Ministry of Training, Colleges and Universities. The rest will be funded through TSD’s operational savings.

This approach aligns with one of the five results that council is working to achieve: a strong economy through development of a skilled workforce. This also aligns with the trend of governments becoming a platform for citizens and other stakeholders for innovation and growth.

<b>CONCLUSIONS</b>
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Even though great progress has been made, there are still many significant challenges ahead to be dealt with to fully transform TSD as a business enabling division. This document has provided a brief status report on the implementation of TSD’s IT strategy to date. The second quarterly report will be submitted in July.

**Acknowledgement:**

S. Asheligh Weeden, Municipal Management Intern

<b>RECOMMENDED BY:</b>	
<b>JOSEPH EDWARD CHIEF TECHNOLOGY OFFICER</b>	