



ASET

Arizona Strategic Enterprise Technology

ANNUAL REPORT 2011 - 2012

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BY THE NUMBERS

ARIZONA



Became a state in 1912



6.5 million people
(26% increase in past 10 years)



Ranks 16th in population in the U.S.



15 counties – 45 people per square mile



Has three of the top 50 most populous cities in the U.S.



Maricopa/Pima counties account for 73% of total state population



14% of land is privately held



21 federally recognized Native American tribes

ASSET



137 employees



\$48M in state/federal programs



3-10-37-200 (Number of objectives, winning priorities, key initiatives, and projects that make up the Statewide Strategic Plan)

AZ GOVERNMENT



173 state agencies, boards, commissions, councils, divisions and offices

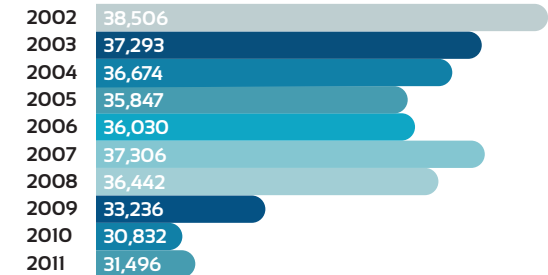


31,000 employees



\$26.9 billion budget in FY2013

NUMBER OF STATE EMPLOYEES



STATE DATA CENTER



141 customers



30,000 checks printed monthly



\$95M in transactions weekly

ENABLING EFFICIENT, INNOVATIVE AND SUSTAINABLE GOVERNMENT

I am thrilled to welcome you to the first ever ASET Annual Report. It has been quite a year for our organization and I am excited to share with you what we accomplished in 2011.

Last year, in her “Four Cornerstones of Reform” policy agenda, Governor Brewer laid out her plan to revitalize Arizona through comprehensive reform of state government. To support this initiative, we have been focused on enabling government services and leveraging technology as a catalyst for state reform.

As you are aware, the state of the economy has forced us to make hard decisions – we took furlough days, we stopped renewing hardware and software, we reduced staff without backfill, and ultimately stopped investing in the state’s core infrastructure. We must transform how we, as a state, do business. This is not just about technology – it is about efficiency and innovation driving sustainability.

So how do we accomplish this? It is imperative we clearly define our deliverables and execute. We have to evaluate every single project to ensure it is sustainable with a high potential for success. We must streamline our processes and embrace a culture of continuous process improvement. And, of course, we need to ensure we are staying aligned with the Governor, the agencies, and our customers.

We accomplished many things in 2011, however it was merely the beginning. With the new ASET organization established, and a long-term vision defined, we now begin the journey of execution.

We have identified, prioritized and scoped several transformational initiatives we plan to accomplish in FY2013. In addition, we are following several technology trends that affect us all including cloud computing, mobility and “big data.”

I hope you find this publication insightful. Together we will make this another successful year for Arizona.



A handwritten signature in black ink, appearing to read 'A. Sandeen'.

AARON V. SANDEEN

State CIO & Deputy Director, ADOA – Arizona

TRANSFORMATION

REFORMING INFORMATION TECHNOLOGY



THE MERGER

As part of her overall objective to reform and transform state government, Governor Janice K. Brewer drove legislation in early 2011 that merged three large technology groups – the Government Information Technology Office (GITA), Information Services Division (ISD), and the Telecommunications Program Office (TPO).

The merger better aligned the agency responsible for statewide strategic Information Technology (IT) planning with the operational groups managing the State Data Center (SDC) and network infrastructure.

This new innovative and technology-focused group was renamed the Arizona Strategic Enterprise Technology

(ASET) office within the Arizona Department of Administration (ADOA).

This merger aligned ASET to transform Arizona into a nationwide leader of advanced IT strategies, methodologies, services and business processes.

"To consistently rank among America's top economic-growth states, Arizona needs a modern State Government. Creating such a government requires a series of reforms in budgeting, programs and operations."

– Janice K. Brewer, Arizona Governor





THE TEAM

Managing change requires strong leadership, individuals who have both a detailed understanding of the current state of the organization, as well as the vision to identify the future state.

As part of the creation of ASET, Sandeen's first task was to structure a new management team. It was critical to ensure the continuity of operations was not impacted while the executive team defined the vision and strategy of the new organization.

Sandeen identified individuals both from within the new organization, as well as from the private sector, to manage these new divisions:

STI **Strategic Transformation & Innovation**
Phil Manfredi
Chief Strategy Officer

ECD **Enterprise Capabilities & Delivery**
Kiran Chinnagangannagari
Chief Technology Officer

SDC **State Data Center**
Lori Boak
Chief Operations Officer

EIC **Enterprise Infrastructure & Communications**
Gary Hensley
Chief Networking Officer

PHIL MANFREDI CHIEF STRATEGY OFFICER

Phil Manfredi is an innovative strategic leader with over 12 years of experience leading and executing new teams and initiatives. As the Chief Strategy Officer for the ASET office and Deputy CIO, Phil is in charge of communicating and executing the technology vision and strategy for the state of Arizona.

Prior to joining the state, Phil gained technology experience in sales, marketing and client relations.

His broad technical and business background, including executive-level roles in customer service, product management, professional services, and business development, brings to the state an individual who embraces a holistic approach to its long-term strategy and vision.

KIRAN CHINNAGANGANNAGARI CHIEF TECHNOLOGY OFFICER

Kiran Chinnagangannagari is a results-driven leader. With a blend of technical expertise and business acumen, he has over 13 years of experience leading teams successfully to improve IT performance. As the CTO for the ASET office, Kiran is focused on improving business processes and leveraging

technology to create a more efficient, innovative, and sustainable organization.

Kiran started with the state as IT Manager and his customer-centric approach comes from the valuable perspective and understanding he gained in this role.

Prior to joining the state, he successfully led and managed large scale projects, directed operations of global programs, and headed application architecture design and development.

LORI BOAK **CHIEF OPERATIONS OFFICER**

Lori Boak is an instrumental operational leader who is responsible for the Arizona State Data Center. As the COO and State Data Center Manager for the ASET office, she is responsible for operations, support services, facilities management, and disaster recovery.

Holding positions of increasing responsibility throughout her career, Lori has served the State of Arizona as both Deputy CIO and Interim CIO and has been involved in disaster recovery and business continuity planning for over 20 years.

With a distinguished background as an officer in the United States Air Force for eight years, Lori served and led during Operation Desert Shield and Desert Storm.

Her blend of technology and leadership drives her to continually research new ways of conducting

business, providing service, and better supporting state agencies and the citizens of Arizona.

GARY HENSLEY **CHIEF NETWORKING OFFICER**

Gary Hensley is a strategic leader in telecommunications and brings over 30 years of industry experience. As the Chief Networking Officer for the ASET office, Gary is responsible for program management, contract oversight, and enforcement of the state's outsourced voice and data services affecting over 31,000 state employees.

Gary is focused on leveraging technologies to better support customers and ultimately the

citizens of the State of Arizona. Before coming to the state, Gary gained breadth and depth within the telecommunications industry.

Working with industry leaders he gained experience in planning, designing, and engineering both copper and fiber based services. Gary also possesses an extensive background in vendor management and leading operational teams industry wide.

His experience and leadership drive his long-term vision of setting the state's telecommunication standards and offering cost effective voice and network services.



STRATEGY

SETTING THE VISION



THE STATEWIDE STRATEGIC PLAN

The first major objective for the new ASET organization was to develop the Arizona Statewide Strategic IT Plan for fiscal year 2012.

We utilized a Management By Objectives (MBO) approach to develop a long-term plan that identified both the current state of IT, as well as the roadmap to modernize state government over the next three to five years.

The Arizona Statewide Strategic Plan for fiscal year 2012 is built upon the Governor's four cornerstones

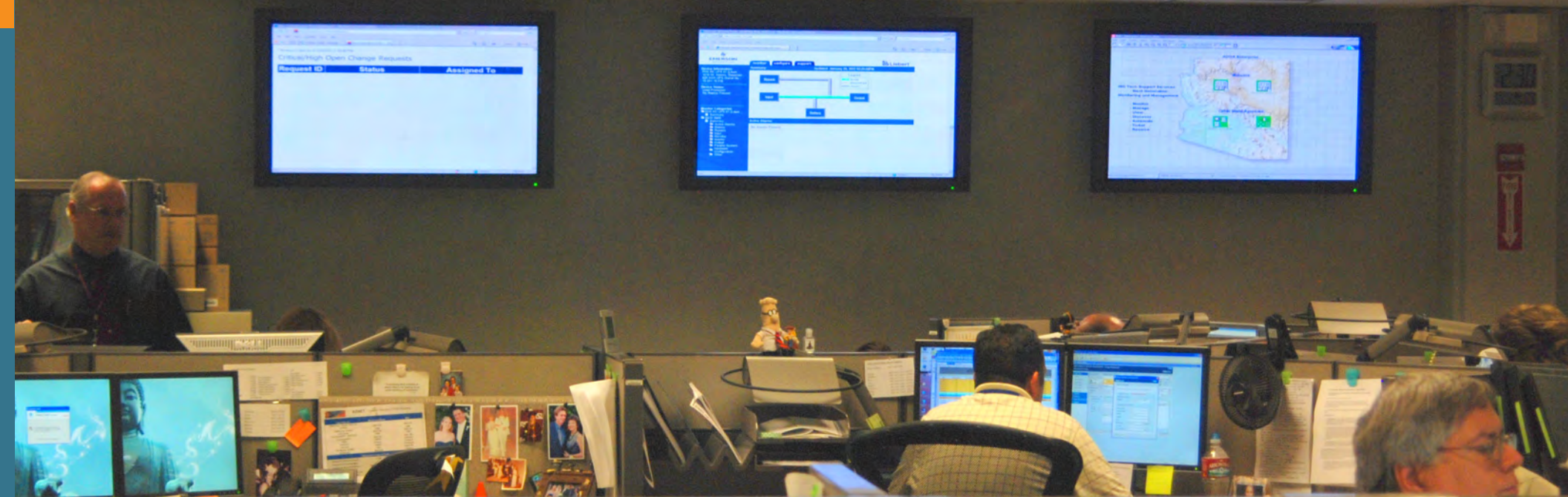
and expands on them with the themes of reducing unnecessary expenditures through comprehensive IT reform, leveraging technology as a force-multiplier for creating new jobs and businesses in Arizona, and protecting the security and privacy information of the state's citizens.

Our plan outlines three major objectives and their supporting priorities. These high-level objectives expand into 10 winning priorities, which equate to 37 key initiatives, which ultimately result in more than 200 individual strategic projects.

"The 2012 plan is not just about technology. It is a long-term strategy that also encompasses business enablement, process improvement, governance, and enterprise communication and collaboration."

– Phil Manfredi, Chief Strategy Officer, ASET





DELIVER ENTERPRISE BUSINESS CAPABILITIES

With support of the CIO Council, ASET will develop an Enterprise Architecture strategy to ensure statewide business and technology decisions are aligned prior to making IT investments.

With an increased focus on governance, communication, transparency, and proactive risk management, we will develop a portfolio of enterprise technology solutions that will truly transform how the state operates.

MODEL FISCAL RESPONSIBILITY AND QUALITY COMMITMENT

In today's challenging economic environment, there must be even greater focus on making smart business decisions while improving the quality of services provided.

To this point, ASET will launch initiatives to reduce the total cost of ownership of IT for the state, as well as adopt innovative sustainability models to support and expand the services currently provided. Lastly, we will continue to create a culture focused on continuous improvement to optimize operational performance and reduce unnecessary costs.

MATURE THE IT COMMUNITY

Taking an enterprise approach to technology results in a natural maturation of the entire IT community. By building engaged teams, sharing best practices, and strengthening program and project management capabilities across the state, ASET will improve the quality, capacity, and velocity of the business services it provides to its customers.

CULTURE

CHANGING THE MINDSET



THE MISSION

Change is never easy. However, with change comes opportunity. The newly formed ASET office had a new challenge – we needed to decide who and what we wanted to be as an organization. What is our mission? What are our core capabilities? Who are our customers? How do we continue to deliver our services while reducing costs and eliminating waste? How do we effectively drive change?

The path to changing the culture began in May 2011 when we brought in Ken Miller, the founder of the Change and Innovation Agency, for a half-day workshop. The workshop set the tone for change and we began defining the ASET culture.

We began by emphasizing the fact we are business enablers, not merely a technology shop. In addition to supporting and maintaining mission critical systems, we also aspire to be a center of excellence for collaboration, continuous process improvement, and innovation.

We identified several of our key principles including transparency, governance, sustainability, accountability, customer-centricity, and transformation.

We provided workspaces to inspire collaboration and innovation. We created a formal IT development program in which individuals worked with their managers to align their personal goals with the state's key initiatives. And finally, we launched an intranet site as our standard internal collaboration platform.



GOVERNANCE

With the culture inside the organization beginning to change, we began to focus on changing the culture outside the walls of ASET. Ultimately, the successful execution of the state's IT plan will rely on ASET being the quintessential example of governance, transparency, and communication.

We began by creating an enterprise governance model that officially established the existing CIO Council as the technology advisory group for Enterprise Architecture (EA).

EA provides guidance to ensure the sustainability, interoperability, and reliability of the state's IT investments.

ASET hosted a two-day EA training session in which more than 40 state employees from more than a dozen agencies participated.

This cross-agency group developed a statewide EA charter, an EA committee under the CIO Council, and elected to adopt The Open Group Architecture Framework (TOGAF) as the enterprise planning methodology for the state.

This governance model was then leveraged to establish additional committees for critical statewide assets including the State Data Center and the state web portal (www.az.gov). These groups all collaborate via a central CIO Council intranet site.



"Culture eats strategy for breakfast."
– Peter Drucker, Author

CONTINUOUS PROCESS IMPROVEMENT

Simply stated, lean times require lean thinking. In today's challenging economic times, every organization must find a way to reduce waste and improve quality. In order to do so, it is necessary to create a culture in which ongoing efforts to improve products, services, or processes are adopted by everyone involved.

To achieve this, ASET is working closely with the Governor's Office to implement a statewide Lean Six Sigma process improvement program.

As the result, a Government Transformation Office (GTO), within the Department of Administration, was formed by Governor Brewer to implement a statewide continuous improvement culture focused on education, process improvement projects, and capital impact.

Over the next three years, the GTO will:

- Implement a statewide training program to develop trainers and educate agency resources
- Develop a centralized team to support agency process improvement projects
- Develop tools and standardized methodologies
- Share best practices on a statewide collaboration platform
- Identify and facilitate prioritized process improvement projects
- Track and report on key metrics

MATURITY

STATEWIDE PROGRAMS & COMMUNITY OUTREACH



STATEWIDE PROGRAMS

In addition to supporting and maintaining mission critical systems across all state agencies, ASET also acts as an incubator for large, statewide programs. Among these programs are State 9-1-1, Public Safety Interoperable Communications, Health Information Exchange, and Broadband.



ARIZONA STATE 9-1-1 PROGRAM

The 9-1-1 Program office has oversight responsibility for the revenues that are collected through the Emergency Telecommunication Service Revolving Fund. Revenues are generated through a telecommunications services excise tax rate on wireline, wireless and Voice over Internet Protocol (VoIP) phones.

Funds are used to implement and operate emergency telecommunication services (911) through political subdivisions of the state.

In 2011, the program deployed wireless 911 capabilities in Mohave County and the City of Page and work is underway for deployment of wireless 911 in Yuma County. A Geographic Information System project was initiated to prepare Greenlee County for wireless 911.



PUBLIC SAFETY INTEROPERABLE COMMUNICATIONS

The Public Safety Interoperable Communications (PSIC) office serves as a leader for Arizona in advancing public safety communications interoperability – ensuring public safety agencies have the ability to talk across disciplines and jurisdictions via radio communications systems.

In 2011, the PSIC Office undertook a major effort to measure Arizona's progress towards meeting the goals outlined in the National Emergency Communications Plan (NECP). This statewide assessment of interoperability in Arizona systematically evaluated each county on critical elements necessary for successful demonstration of response-level emergency communications.



HEALTH INFORMATION EXCHANGE

Health Information Exchange (HIE) provides the capability to electronically move clinical information among disparate health care information systems while maintaining the meaning of the information being exchanged.

The purpose of the HIE Cooperative Agreement is to continuously improve and expand HIE services to reach all health care providers in an effort to improve the quality and efficiency of health care in Arizona.

It is a goal of ASET, through the HIE Cooperative Agreement funding, to ensure health care providers have viable

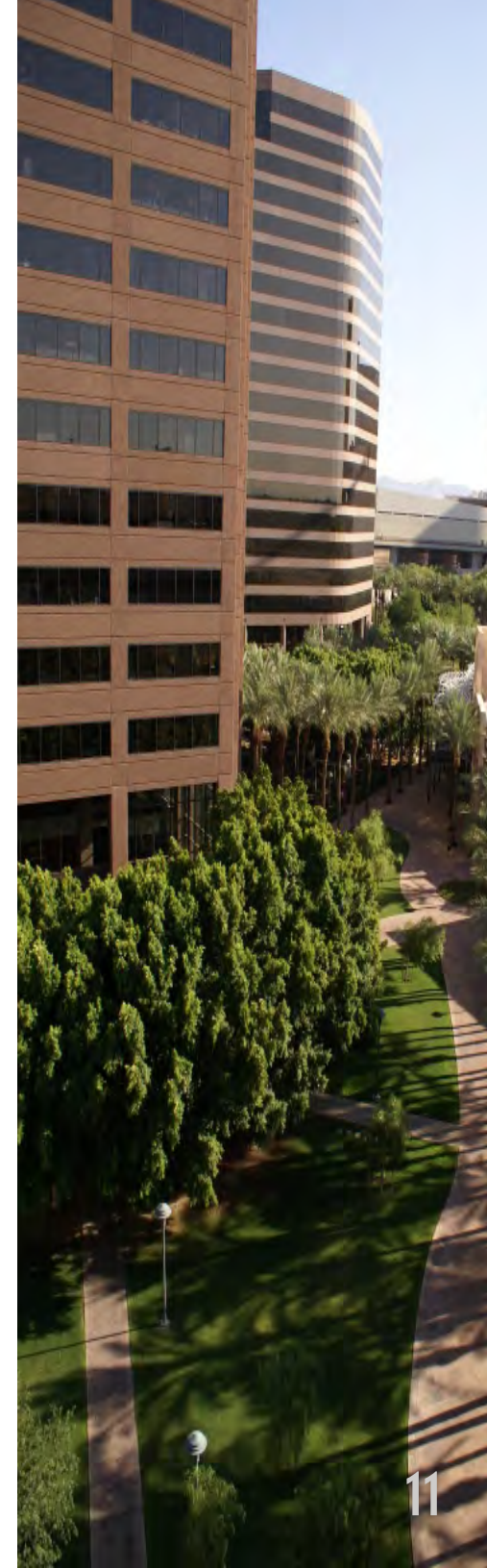
health information exchange options and ensure proper education for healthcare providers and consumers exists.



DIGITAL ARIZONA

The Arizona Broadband Project is a federally funded economic development grant initiative which will implement a sustainable, leveraged broadband plan for accelerating transformation of economic growth, education, healthcare, and business in Arizona. In 2011, the initial project phase, which was to create an interactive map and web portal detailing the current availability of broadband capacity and deficits throughout the state, was completed.

Future projects include the development and implementation of a plan to deploy conduit along frontage roads and state highways, substantially reducing the cost of connecting rural Arizona with broadband. As a result, all Arizona citizens and businesses will have the means to utilize high volume digital information and services at a reasonable cost – to create economic opportunity and improve quality of life for every person, organization, and community throughout the state.





COMMUNITY OUTREACH

The Security, Privacy and Risk (SPR) group within ASET has spent the past four months participating in a Cyber Security community outreach program in conjunction with the Arizona Attorney General's Office. SPR team members hit the streets to do formal presentations for agency employees, as well as set up informational booths in agency lobbies.

The purpose of the program is to educate all state employees on a variety of security topics including work vs. personal passwords, keyloggers, phishing scams, fake websites, social media, debit and credit card skimmers, and the dangers of peer-to-peer networks.

The program has been extremely effective and well-received by state employees. So far, the program has touched more than 1,500 employees and will continue throughout 2012.

In addition to the outreach program focused on statewide agencies, the SPR team was also awarded a federal grant in 2011 focused on Cyber Security awareness.

The grant, called the Community Cyber Security Maturity Model (CCSMM) and funded by the U.S. Department of Homeland Security, is a 12-18 month program consisting of Cyber Security awareness courses, exercises, and workshops.

The program is still in its early stages, but it is anticipated participation will include city, county and state officials, local private companies, universities, public safety officers and first responders.

EVOLUTION

MOVING FORWARD



PREPARING TO EXECUTE

With a comprehensive long-term plan completed, the individual divisions within ASET began the challenging task of prioritizing the strategic initiatives. Many factors were taken into consideration including priority, startup costs, staffing, timing, risk, sustainability, return on investment, governance, marketing, and success potential. As a result of the process, we identified, defined and scoped eight transformational initiatives to target in FY2013.



Transformation

Implement Government Transformation Office



Financial Systems

Implement New Statewide Enterprise Resource Planning (ERP) Solution



Enterprise Architecture

Accelerate Statewide Enterprise Architecture Adoption and Asset Management



State Data Center

Implement Critical Business Continuity Improvements at the State Data Center



E-Gov & Mobility

Expand E-Government and Mobility Capabilities



Infrastructure & Communications

Implement New Statewide Infrastructure and Communications Network



Project Management

Streamline Project Oversight, Improve Transparency and Strengthen Project



Enterprise Risk

Enhance Statewide Security and Privacy Capabilities and Training

In general, these initiatives focus on two major areas that will have significant impact on the state as a whole: ensuring business continuity and security of statewide assets, while providing citizens with the ability to access state services anywhere, and anytime.

FOLLOWING THE TRENDS

Although ASET is currently preparing to execute its FY2013 objectives, there are still several other areas of technology that are changing rapidly and we continue to follow these trends. As an example, the “cloud” continues to be a hot topic across the state. Although “moving to the cloud” can be interpreted in a variety of ways, ASET continues to look at areas such as infrastructure as a service, platform as a service, and software as a service.

With the goal of being the Center of Excellence in cloud computing, ASET will continue to invest in its cloud infrastructure, as well as act as a services broker to provide cloud solutions that meet the needs and price points of its customers.

In addition to cloud computing, mobility continues to be a challenge for all IT organizations. As mobile devices, such as smartphones and tablets, decrease in price and increase in capabilities, more and more consumers are using them.

As a result, many employees have the desire to bring in their own device to work as it allows them to be more productive. However, bringing a personal device to work begins to blur the lines between personal and job-related data.

ASET is in the process of completing a mobility pilot and plans to develop statewide policies for bringing personal devices to work.

And lastly, the amount of data being collected in both private and public organizations is growing exponentially.

Analyzing these large data sets, also known as “big data,” will become more challenging in the future. In addition, this growth will lead to storage and network capacity demands, as well as issues related to privacy, security, and intellectual property.

Managing and taking advantage of “big data” in a way that will be cost-effective, yet add value to state agencies, will also be a focus for ASET in the future.



ASET

Arizona Strategic Enterprise Technology

For more information on the Arizona Strategic Enterprise Technology office visit: aset.azdoa.gov.

