

Citizant's Portfolio Management Approach for Business Transformation

Background

For decades, Federal agencies have operated in stove-piped environments implementing custom-built, proprietary solutions with little regard for technical standards, reuse, or interoperability. Today, an increasing number of agencies are taking inventory of their IT portfolio and discovering duplicative and low-priority investments.

The Federal CIO Steve VanRoekel has challenged Federal agencies to “do more with less.” He has laid out plans and guidance to help agencies divest their portfolios of duplicative, antiquated technologies and invest in innovative, shared solutions that will optimize IT investments across agencies’ IT portfolios, improve services, and reduce spending.

Significant “smarter, leaner” government guidance has included several transformational initiatives such as the IT Shared Services and Digital Government Strategies and the Implementation of PortfolioStat.

Prior to the release of these strategies, Citizant had been working with Federal clients to integrate Enterprise Architecture (EA), IT Investment Management (ITIM), and Portfolio Management (PfM) using a “Middle-Out Approach” to support their business and IT transformational initiatives. The result is a decision-support solution that provides insight into key business questions, such as:

Bottom-up – What do we have?

- How many products have we purchased and currently pay to maintain within each core technology category? How many versions of these products do we pay to maintain? What is the cost?
- What are our technology standards to approve new investments? What is the technology roadmap to retire products and/or product versions to reduce the cost and complexity of our IT Portfolio?
- What is the impact of retiring products and/or product versions on our IT application portfolio and investment decisions?

Top Down – How are we spending our IT investment dollars today?

- What percentage of our IT dollars are we using for maintaining legacy systems versus investing in improved mission effectiveness?
- Do we spend too much on commodities, too little on mission-critical capabilities?
- Are our IT assets achieving performance goals?

Middle-out – How can we optimize our IT investments?

- How can we reduce the cost and complexity of our infrastructure? How can we align IT investment with mission-critical services?
- Are there new capabilities or current business processes that we can leverage as “as-a-service” solutions? Can we mitigate business and technology gaps using “as-a-service” solutions?

CONTACT US

15000 Conference Center Dr.

Suite 500

Chantilly, VA 20151

www.citizant.com

703-667-9420

info@citizant.com

CONNECT WITH US

 twitter.com/Citizant

 [linkedin.com/company/Citizant](https://www.linkedin.com/company/Citizant)

Citizant's Integrated PFM Approach

Our approach integrates EA and ITIM with enterprise PFM to lay the ground work for an agency's mission-critical transformation initiatives and integrated decision-support capabilities. Citizant's enterprise PFM practices use EA to enable IT portfolio management, business analytics, technical interoperability standards, and more transparent IT spending. This includes conducting a baseline assessment of the current state of an agency's IT portfolio and management practices; building a roadmap as the foundation for future investments; improving IT agility and interoperability by transitioning to shared enterprise services; and reducing the cost and complexity of the IT infrastructure. Our approach focuses on:

- Evolving from a program-centric to a mission-focused target architecture as a foundation to restructure and rationalize the current IT investment portfolio;
- Developing an integrated, mission-focused decision-support tool to provide authoritative data to make future IT divestment and investment decisions; and
- Helping to define, manage and measure the progress of IT investments to deliver tangible business results in short increments.

Specifically, the steps of our approach include:

- **Realign the Target EA:** Ensure that the target architecture is mission-focused and integrates commodity business and IT services that can leverage "shared-first" strategies.
- **Restructure the IT Portfolio:** In Federal agencies it is common to rationalize several sources to develop a master list of IT systems and project investments. Once the "master list" is compiled, mapping each investment to the target architecture, specifically the mission-enabling business and IT services architecture.
- **Enable Communication and Collaboration:** Once the "master list" of current investments is identified and mapped, it is critical to validate IT investment mapping with mission programs. This includes aligning investment structures with OMB 53 investment reporting, and enlisting executive owners and program stakeholders to manage, integrate and improve this set of mission-centric investments.
- **Adapt Integrated IT Project and Portfolio Management Reviews to be Outcome-focused:** Integrate PFM into the agency's Enterprise Lifecycle to reduce IT project risks and ensure alignment with mission performance goals. This integration includes reviewing and possibly adjusting requirements for solution acquisition and delivery in increments, each delivering tangible business capability in months, rather than years.
- **Simplify Governance Structures to Expedite Decision-Making:** Reduce the number of committees and expedite decision-making authority using new decision-support capabilities. Amend charters to focus on assessing IT portfolio performance and aligning IT services to support critical mission needs.
- **Integrate OCIO Functions to Improve Mission Services:** Work transparently through

"When forced to do more with less – when there is no alternative but to create a better way to get things done – that is when the real breakthroughs occur."

Steve VanRoekel
Federal CIO

OCIO functions (e.g., EA, ITIM, Security, IT Operations) to plan and implement new technologies, and standardize security and technical architectures to provide enabling services across mission areas. These efforts will highlight risk within the infrastructure, and promote standards to improve interoperability and reduce the cost and complexity of the infrastructure.

- **Manage Future Investment Plans to Optimize Mission Results:** Develop and manage to plans that define and quantify IT expenditures for future investments and collect metrics on current delivery performance.

Federal agencies' transformation initiatives change the way they do business and manage IT investments. These changes include managing IT assets at the granular system and project level to provide visibility and transparency into investment decisions which has not existed before. This approach includes reassigning the ownership of the IT investment portfolios from the program-level to an executive mission owner responsible for a shared set of enterprise business services. This significant change to the way Federal agencies have traditionally managed investments is often initially met with resistance.

To overcome this resistance, Citizant performs detailed analysis and due diligence to confirm the appropriateness of the restructuring, develops executive and detailed visual aids to present the "ugly truths" and potential outcomes. We work closely with Federal executive management to ensure the approach and consistent messaging remains aligned with the CIO and executive leadership plans including commitments made to Congress, OMB and GAO.

Results

We have helped our customers achieve dramatic results with Federal PFM requirements. Recent customer feedback on our efforts include:

In response to a Citizant Customer Survey sent in May 2011, Ylanda Ford, HUD's Chief Architect, provided **a perfect score of 5.0 out of 5.0** for project performance and delivery. She expressed her satisfaction the following comments accompanying this survey:

- "Professional, high-quality products and service."
- "Always complete and succinct. Well versed and timely."
- "Utmost high-quality and professional staff!"

OMB feedback from the Chief Enterprise Architect on 2012 HUD EA Roadmap submission includes:

- "Outstanding alignment from Strategy to Performance to Business architecture and lifecycle processes."
- "Integrated Sequencing Plan provides a template for other Departments to follow and provide."

"PortfolioStat examines the portfolio as a whole and draws on the agency's enterprise architecture to help identify and eliminate areas of duplication and waste."

Steve VanRoekel
Federal CIO

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Information about Citizant is available at www.citizant.com