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State of Illinois
Department of Innovation and Technology
Organization Structure and Talent Recommendations

April 15, 2016

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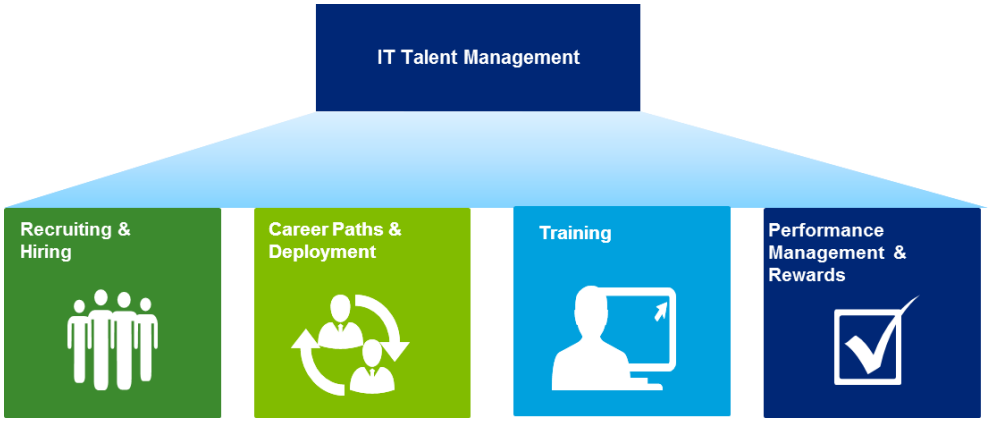
Talent Recommendations Executive Summary

DoIT Transformation presents the opportunity to address key challenges resulting from years of budget restrictions and a large number of retirement eligible workers.

The proposed IT Talent Management approach focuses on aligning the existing IT workforce with the needs of the new IT environment. This includes:

- Defining career paths based on industry standard job families and functions
- Identifying existing skill and competency gaps and addressing these gaps through training and external recruitment
- Providing continual training opportunities to IT staff
- Enhancing the performance management process for IT staff



Most immediately, this plan will identify staffing needs for the IT Consolidation services and source these needs as necessary

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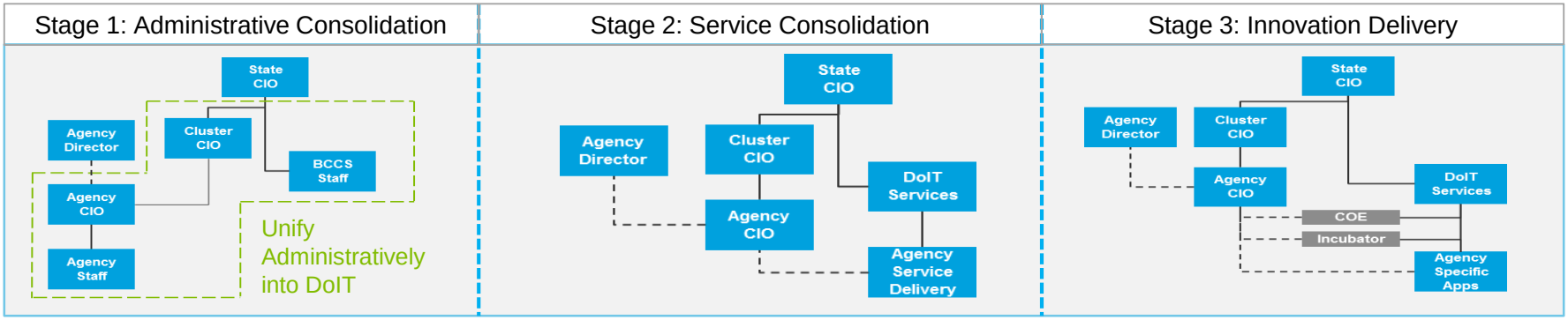
Org Structure Executive Summary

DoIT Transformation cannot be completed without a total redesign of the organizational structure and associated operating model.

The new DoIT organization must be able to deliver high quality services to a greater number of end users, with consistency and transparency. IT must be adaptable and focused on continuous improvement, with the idea that transformation is never complete. This is a tenant of leading edge organizations—rather than stagnate once they are unified, successfully consolidated organizations continue to improve over time. This is a keystone of the proposed organizational structure. The model takes three different forms, strengthening its customer engagement and delivery of innovation as it matures.



Stage 1—A short term administrative consolidation, wherein staff move to the DoIT organization but services remain relatively unchanged.

Stage 2—Services will be built out with a focus on high quality service operations and a strong agency relationship management function to drive customer engagement.

Stage 3—Service delivery will be provided centrally through DoIT with innovation driven at the Agency edge.

Paramount to the success of this plan is the active and ongoing support from State leadership and the implementation of the talent management plan to support IT staff maturity and long term organizational cohesion.

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IT Talent Management

Overview of Talent Recommendations

Approach	Select Recommendations	Future State Outcomes
Recruiting and Hiring • Comprehensive and centralized recruiting program • Build a model that enables on demand organization scaling through project based contingent labor / Multi-Step • Revaluation of job classifications and grading	Build partnerships and internship programs with local universities and industry to create strong ties for hiring staff   Review job classification and Titling schematic, reevaluate Grading process  Leverage project based contingent workforce through Multi-Step and Staff Augmentation contracts  Create new specialized options with a skills assessment as a pre-qualifier	• Consistent reliable pipeline for IT talent • Consolidated process for hiring within DoIT • A common understanding of the new IT / organization and operating model • Increase usage of contingent labor through staff augmentation contractors / multi-step
Training • A short-term training program to address skills gaps and training differences among consolidating agencies • A long term on-going training program to allow State staff to be regularly trained in key areas • A mix of online, self-directed and in-person training opportunities	 Identify common skills gaps in the newly consolidated workforce Build an IT Training program leveraging external vendors such as CBT Nuggets   Offer a cost effective mix of training methods to cater to different training needs of staff Leverage state-wide Learning Management System currently being developed 	• Staff moving to DoIT to understand IT in a common way • Staff with up to date, consistent skills and knowledge base • Workforce that keeps pace with innovation and standard technologies • A flexible training approach to meet the needs of different types of IT workers
Career Paths and Deployment • Industry standard job families and functions • New models for deploying staff and new ways of working • Recognize the new ways of working, especially in IT, and create opportunities for all staff	 Build out job families and job functions along with associated career paths and job descriptions Use the four flexible deployment models to shift resources according to priorities   Expand use of dual track model and create opportunities for staff at all levels Identify incentives to take on management roles 	• Job titles that provide clarity to workers and job applicants about how they spend their time • Keep low attrition rates for high performing staff • Clarity on a standard career progression
Performance Management & Rewards • Update performance management approach to align with industry standards • An incentive program to reward performance	 Employees set goals against common and updated expectations framework Use analytics to identify common workforce skills gaps, needs or strengths   Develop a culture of Performance and Success Strengthen the linkage between promotion and performance 	• A detailed understanding of workforce effectiveness and gaps • Ability to encourage top performers and address underperformance

Recruiting and Hiring

Desired Future State

- **A consistent reliable pipeline for IT talent**
  - Mitigate the risks created by a large population of IT employees eligible for retirement
  - Continuous needs evaluation using retirements and attrition to balance the staffing mix
  - Enable the State to bring in new talent, new skills and new ideas for a rapidly changing IT environment based on increased visibility into organizational skill gaps
- **A consolidated process for hiring for the Statewide IT organization, replacing the decentralized agency based model**
  - Enable better staff planning and provide equal access to specialized skills to all agencies irrespective of budget constraints
  - Streamlined grading process aligned with more defined job classifications
- **Increase usage of contingent labor to address skill gaps**
  - Help supplement current workforce to scale up talent, enabling the ability to flex up and down as new needs arise
  - Build a stable and skilled workforce with an optimal ratio of state employee and external expertise

Indicates Key Fundamental for Future State Success

Potential Approach

- **A comprehensive IT pipeline**
  - Build partnerships and internship programs with local universities and industry to create strong ties for hiring staff
  - Build a talent referral program for the State staff to help build the pipeline
  - Create a flexible, Statewide-need focused on Talent strategy
  - Leverage contingent workforce to
- **Review Job Classification and Titling Schematic, reevaluate Grading process**
  - Build a system accelerating the current hiring process

Recommended Prioritization

Immediate
April '16 –July '16

- Post needed positions simultaneously for key roles including PMO, Security, and Business Analysts
- Use unique hiring advantages of agencies/clusters to accelerate organization development and growth
- Realign job classifications

Short-Term
July '16 – July '17

- Create different options for Job Titles e.g., Option N = Network
- Develop targeted skills assessment per option
- Increase usage of Student IT Workers where possible
- Reevaluate Grading process and design online grading / tests
- Create a more targeted onboarding program for new IT Staff

Long-Term
July '17 and Beyond

- Leverage standard staff augmentation contracts
- Utilize internships to bring in new talent, posting IS intern jobs with several job titles, placing interns in the best fit job
- Develop a formalized talent referral program

Options to Build a Talent Pipeline

Research into alternative training / learning opportunities revealed several options other government agencies use around the world.

An essential element to an effective workforce, is a robust talent pipeline.

Effective government IT organizations including those with similar labor conditions to Illinois, build partnership models to bolster their pipelines.

Traineeships

Trainees are required to complete their formal qualifications through recognized training organizations.

Eligibility:
- Current university students

Duration:
- 3-6 Months

Postdoctoral Fellowships

Fellows undertake a defined research activity around a specific topic which impacts the State's current challenges / needs.

Eligibility:
- Postdoctoral Students

Duration:
- 12-24 Months

Apprenticeship

Apprentices learn a wide range of skills while rotating through technical workshops and smaller projects.

Eligibility:
- Current university students
- Recent graduates

Duration:
- 3-6 Months

Year in Industry Program

Full-time placements for up to 12 months where students will take a break from studies and return at the close of the year.

Eligibility:
- Current university students at least in second year of study
- Recent graduates

Duration:
- 12 Months

Cadetship

Cadets work a minimum of 2 days per week within an a specific Agency. During the cadetship, students receive a study allowance to support university costs.

Eligibility:
- Current university students who have completed at least one year

Duration:
- Remainder of time at university up to three years

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Hiring Process Recommendations

In addition to streamlining the grading process and job classifications as tools to improve hiring, the Talent Working Group identified opportunities to focus the candidate pool on the most qualified candidates.

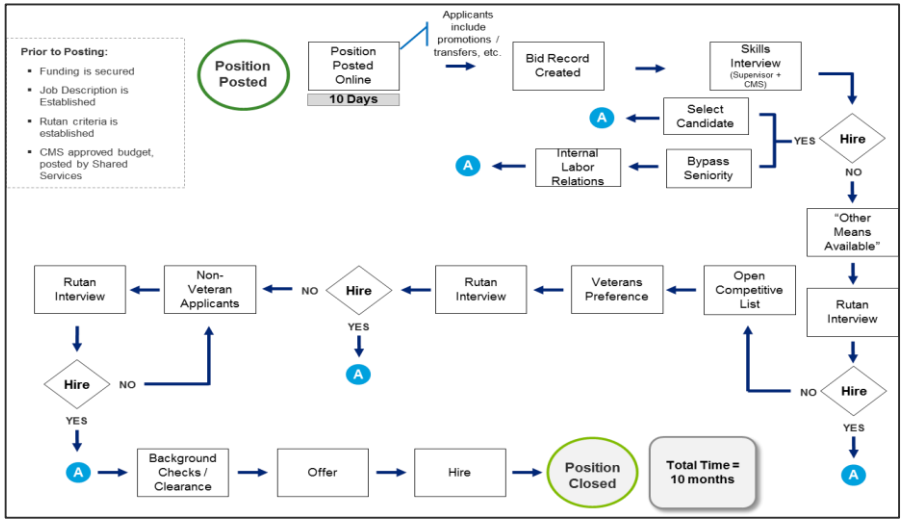
Current Hiring Process Challenges

- Diluted candidate pool including several unqualified applicants who meet generalized classification requirements
- No upfront skills assessment resulting in extensive bid record and longer interview cycle
- Complex and inefficient grading process resulting in increasing overall hiring process timeline
- Generalized hiring Options that are not comprehensive across all IT Functions

Proposed Hiring Process Solutions

- Highlight / bring attention to specific job requirements on the actual job posting to encourage employees with those specific skills to apply
- Create new job options and include skills assessment based on newly created job options
- Post several jobs simultaneously limiting the number of "casual" applicants who meet the basic classification requirements
- Streamline grading by creating online exams to speed assessment time
- Reclassify IT Titles to better align with industry families and functions (long-term described elsewhere)

Standard AFSCME Hiring Process



IT Options

Option	Description
A	Application Services
C	Client Services
J	Java Application Developer
M	Multi-Other
MCA	Manual Communications / Application Services
MCC	Manual Communications / Client Services
MCM	Manual Communications / Multi-Other Services
N	Wide Area Networks
S	Systems Services
W	Web Developer
3	Management Info Sys / Data – Telecom

Career Paths & Deployment

Desired Future State

- **Job titles that provide clarity to workers and job applicants about how they spend their time**
  - Clarity on what each IT employee does
  - More flexible deployment based on known functional skills
- **Keep attrition rates low for high performing staff**
  - Retain the State's high performing IT staff in support of a robust workforce
- **Clarity on a standard career progression from new hire to retirement**
  - Clarity on what a career path looks like for each function
  - Employee growth and development for the full span of their careers with the State
  - Development of people leaders and support for a specialist career track
  - Aligned span of control to benchmarks enabling managers to truly manage employees
- **Understanding on the true level of effort needed to support IT and it's different functional areas**
  - Clarity on the components needed to fully support DoIT in each function to provide the approriate level of support for staff

Indicates Key Fundamental for Future State Success

Potential Approach

- **Industry standard job families and functions**
  - Build out job families and job functions along with associated career paths and job descriptions
- **New models for deploying staff and new ways of working**
  - Use one of the four flexible deployment models to shift resources according to priorities
  - Develop spans of control dependent on supervisory burden
- **Recognize the new ways of working and create opportunities for all staff including**
  - Use dual track career progression and matrixed mgmt. model
  - Incentivize employees to take management roles

Recommended Prioritization

Immediate
April '16 –July '16

- Create job descriptions for roles where position descriptions do not currently exist
- Initiate classification study

Short-Term
July '16 – July '17

- Develop appropriate service performance measurements for the Deployment model to ensure quality of services provided
- Create programs targeted for management roles

Long-Term
July '17 and Beyond

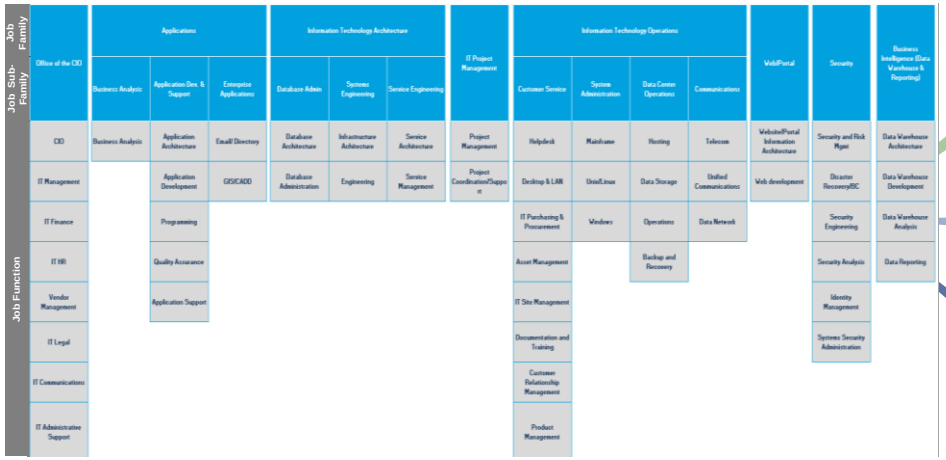
- Set up prequalification for promotion grades in advance
- Create dual career path for technical leaders and people leaders
- Embed Interns into the deployment model to enable a wide breadth of learning and experience

Career Paths Recommendations

In the future, the State should consider using an industry standard approach to IT job titles based on common standard job families and functions, similar to the one below.

Families and Functions Framework

It is recommended that the State use an industry standard Job Functions and Families framework (below) when reassessing IT Job Titles



Career Paths and Deployment

Unification of all staff with common titles enables:

- *A foundation of common expectations*
- *Clarification of roles and responsibilities*
- *Increased efficiency by reducing task redundancy and confusion*

Broader Implications

Clarification of Job Titles will impact all areas of the Talent Management Framework

Recruiting and Hiring

Clearly defined job titles feed into job requirements allowing the State to build a pipeline of appropriately skilled talent

Training

As the organization matures, customized training can be offered targeting jobs with functional similarities

Performance Management & Rewards

By defining roles and responsibilities, performance management can be refined to measure against strategic KPIs

Deployment Models *(See also slides 67-71)*

Service will be provided to clients through one of the four following deployment models.

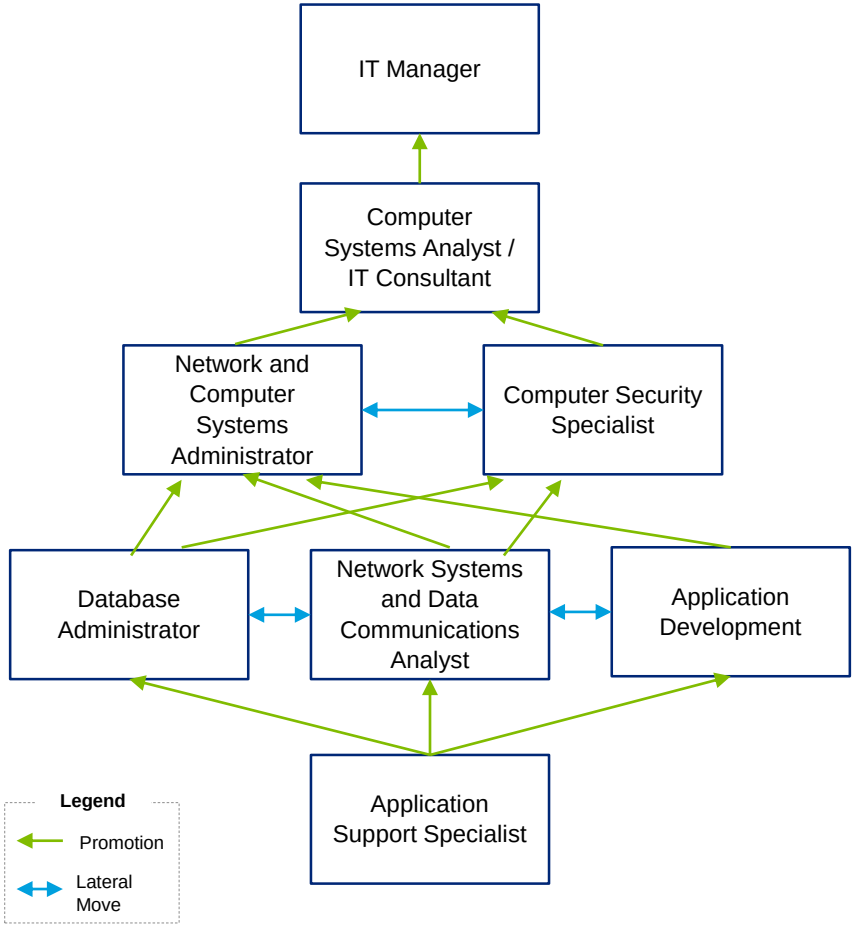
	Model	Org Unit	Reporting Relationship	Work Flow	Accountability
Horizontal Services *Capability leveraged internal to DoIT to provide cross functional capabilities*	• Horizontal Matrix	• Service Planning And Management	• State CIO	• Defined on annual cadence	• IT Governance Boards • Enterprise Services Board (IT Governance)
Agency Center of Excellence *Community of practitioners with similar unique skillsets deployed as needed*	• Agency Owned Capabilities Contracted Out	• GIS • Mobile Center of Excellence	• Agency CIO	• Ad Hoc Projects	• Agency Owner • DoIT Service Owner
Project Based *Core capabilities provided through consultative services from DoIT to the Agencies as a centralized resource*	• DoIT and Agency Projects	• Applications • Business Analysts • PMO • QA	• Report to CTO or Enterprise Applications / Project Sponsor	• Ad Hoc Projects	• Agency • EPMO • DoIT Service Owner • IT Board of Directors (IT Governance)
Incubator *Project ideation originates at the Agency level and are deployed as an Agency COE or Enterprise Application*	• Agency Innovation	• Cluster / Agency CIO	• N/A	• Ad Hoc Projects	• Agency Owner • DoIT Service Owner

Standard & Defined Processes For Each Deployment Model

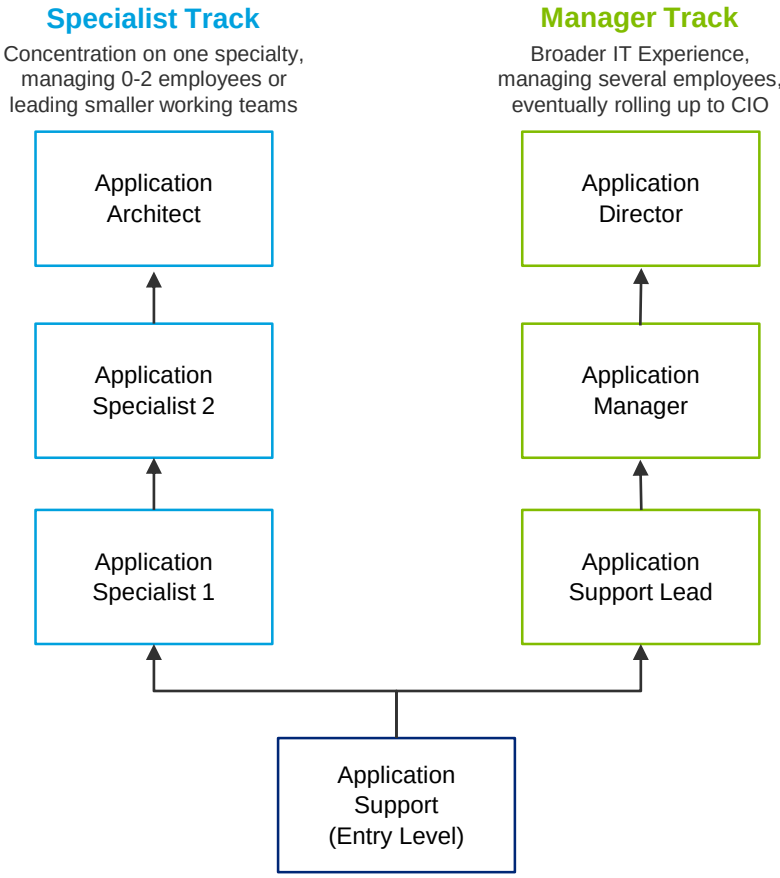
Functional Career Paths and Dual Tracks

The new DoIT career path structure should enable employees to drive their careers based on desired career goals. This can be done through a structured Career Ladder / Lattices and / or Dual Career Tracks for specialized skills.

Sample Career Ladder / Lattice



Sample Dual Career Track



New Ways of Working: Success in a Matrixed Model

1. Source talent with the right of set of capabilities to lead, manage, and execute through consultation

Description

Achieving results in a matrix environment means having the right people that are comfortable with multiple managers, **adaptive to functionally dispersed team members**, and **consultative in achieving competing priorities**

Workforce Considerations

- A defined set of capabilities and skills is required to fill both leadership, management and staff level roles. These include:
  - Executing on competing priorities to achieve a common strategic goal
  - **Consultative decision-making skills** focused on collective results
  - Collaboration and team orientation
  - Negotiation skills to **influence without direct authority**
  - Driving desired business outcomes while managing risks
  - Promoting team behaviours and **managing conflict across functional boundaries**
- DoITs talent management, recruiting and hiring efforts must incorporate the right mechanisms to source talent with these capabilities and experiences
- Leadership recruiting, specifically, should cast a 'broad net' and aim to source talent with the right experiences (e.g., management within a matrix), attitudes, and approach that drive the organization's mandate

Matrix calls for a flexible workforce empowered to make decisions

2. Clearly document roles and responsibilities, but do not become "hand-cuffed" by them

Description

- The complexity of matrix management necessitates **clear documentation of roles, interactions, and decision rights** relative to specific decision areas to ensure that staff have the guidelines required to complete tasks (regional and functional) and make decisions in a complex environment
- At the same time, **flexibility and discretion** must be available to ensure all staff employ a consultative approach to achieving objectives and making decisions, while **not becoming overly reliant on static documents**

Workforce Considerations

- Documented high level mandates, job descriptions, and required interactions require development at all levels, with specific attention on identifying unique accountabilities of roles relative to their multiple supervisors.
- Clear **decision rights** for roles are required relative to specific process areas / topics such as:
  - Strategic planning: Departmental level thresholds and approvals for rolling up to the annual plan
  - Policy: Determine whether to develop or amend regulations or policies
  - Risk Management: Risk identification, prioritization, and recommended actions
  - Compliance: Determine the priority and nature of standards and protocols
  - Budgeting: Determine the priority of reviews and resulting recommendations

This structure works best in in a when expectations are clearly defined

Legend

Org. Consideration | Culture Consideration

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New Ways of Working: Success in a Matrixed Model

3. Recognize and develop specific behaviors required to perform effectively in a matrix environment

Description

The matrix organization will require leaders to drive results in an environment where staff must report to multiple managers and **understand the needs of multiple stakeholders**. DoIT's leaders and staff will need to be **influencers, facilitators and persuaders** in order to handle conflicting priorities and make shared-decisions

Workforce Considerations

- Leadership and talent development programs will have to emphasize the right experiences, attitudes, skills and behaviors required to effectively lead a matrix organization, including:
  - Creating **alignment across competing priorities** (e.g., ensuring the success of DoIT and the Agencies)
  - Leading and executing in ambiguity
  - Communication and consultation to drive clarity around competing priorities
  - **Resource management** (e.g., managing and ensuring the effectiveness of scarce resources)
  - Promoting quality and innovation (e.g., managing cross-functional work and cross-functional mobility)
  - Empowering people in a **distributed environment** (e.g., ability to lead teams across functions, and, through technology)

As new competencies are required, additional leadership training may be needed

4. Deliberately build in tension and enable leadership with the right balance of power

Description

Organizational tension must be built into the design empowering leaders to drive towards different priorities, while being held **accountable for collaboration and overall alignment to the same goals.** A common pitfall is an imbalance of power between functional heads and their counterparts. As a result, these roles must have sufficient and equal authority to deliver on their respective component of the overall strategy

Workforce Considerations

- There are "anchor" roles for the organization's matrix design which have competing priorities; namely, the multiple functional leaders. To enable both of these roles, a balanced degree of authority has been built into the design:
  - The **functional leaders are each responsible for developing functional business plans, budgets, policies, standards and common processes,** with accountability to make operational decisions impacting that function
  - Leaders have **shared accountability** to ensure the effective delivery of their functions through the designated staff

To reduce silos, functional business plans and policies must align amongst functions

Legend

Org. Consideration | Culture Consideration

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New Ways of Working: Success in a Matrixed Model

5. Identify Matrix Champions at all levels of the organization (especially during transition phase)

Description

The matrix requires individuals that are focused on ensuring its success, especially in the midst of transitioning, by **measuring matrix performance, modeling and encouraging the right behaviors, and identifying emerging issues and challenges.** In the short term, formal **Matrix Champions should be identified** at various levels of the organization to drive towards the desired end state. Explicit definition of these accountabilities (although not a full-time role) will be critical to formalize and make prominent in the early days of the organization

Workforce Considerations

- The functional leaders, as well as **select middle and lower level management roles should be identified as formal Matrix Champions**, responsible for:
  - Identifying emerging issues and developing strategic and tactical plans to mitigate them
  - Discouraging political and legacy cultural barriers to the success of the matrix structure
  - Demystifying the matrix and communicating its benefits and pitfalls
  - Proving clarity on managing competing priorities
- Matrix Champions must have a forum to discuss the health of the matrix organization and be **empowered with the right authority to resolve issues** such as, elevating issues to senior levels, recommending employee communications and developing special initiatives (e.g., training programs for effective communications)
- Although formal roles will be essential to the success of the matrix in the transition phase, the accountability to ensure the success of the matrix should not be mandated only to designated individuals, but should rather become part of the State's culture. This requires **a matrix scorecard that measures all individuals down to the front line** on their ability to execute on matrix behaviors

Relevant KPIs require revisiting performance mgmt. to ensure execution of matrix behaviors

Legend

Org. Consideration Culture Consideration

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Training

Desired Future State

- **Centralized DoIT staff with a cohesive understanding of IT processes and languages**
  - Expand employee fundamental knowledge and skills enabling cross-agency support under the new operating model
- **Staff with up to date and consistent skills and knowledge base**
  - Increase service levels and capabilities around services offered
- **A workforce that keeps pace with innovation and standard technologies**
  - Capabilities to implement continuous improvement in IT in support of cost reduction, efficiencies and interoperability
- **A training approach that is flexible to meet the needs of different types of IT workers**
  - Bridge the skill gaps and provide opportunities to each worker to develop a sustainable career at the State
  - Provide opportunities for all IT employees to demonstrate leadership and grow their careers through a mix of training opportunities

Indicates Key Fundamental for Future State Success

Potential Approach

- **A short term training program to address skills gaps and training differences among consolidating agencies**
  - Identify common skills gaps in the newly consolidated workforce
  - Enable a smooth transition to a new operating model by increasing consistency of skills across staff
- **A long term on-going training program to allow state staff to be regularly trained in key areas**
  - Continuous up-skilling of workforce to improve performance and service levels
  - Build training for key roles (next slide)

Recommended Prioritization

Immediate
April '16 –July '16

- Leverage existing training resources Develop standardized training for managers to operate in the new matrixed environment
- Develop standardized training for managers to operate in the new matrixed environment
- Send out skills survey and identify gaps and training solutions

Short-Term
July '16 – July '17

- Invest in CBT Nuggets at the Enterprise level $12k/year

Long-Term
July '17 and Beyond

- Continue building strategic partnerships with universities around potential course training
- Utilize state-wide Learning Management System (under development) to deliver consistent training to all levels
- Develop program around supporting employees taking courses / certifications at universities related to current job

Immediate Training Needs

Through current state analysis, specific talent gaps were identified which should be addressed prior to employees performing work on behalf of DoIT.

In order to successfully execute on products and services within DoIT, key talent gaps need to be addressed in the short-term.

Ideally, all DoIT employees should have the same level of basic training in order to deliver consistent service across all agencies.

Key Skills Gaps:

- Business analysis
- Project / Portfolio management
- Service Management
- IT Finance
- IT Procurement

Key Technical Gaps:

- ITIL
- PMP
- .Net
- ABAP
- Msft Server
- SQL
- VB.net

Training Options:

Vendor Offered

Online Training

Instructor Led

The state should leverage current online training courses such as CBT Bits to address immediate training needs until the LMS is fully functioning

Sample Training Courses

Course Name	Description
Service Management	Provides basic training on ITIL IT Service Management best practices. This course offers a general awareness of the key elements, concepts and terminology used in the ITIL Service Lifecycle, including Lifecycle stage linkages, the processes used and their contribution to Service Management practices.
Project Management Foundation	The following are general topics and goals of the course: Create a scope statement with measurable project deliverables; Develop a work breakdown structure with project tasks; Identify stakeholders and personnel, equipment, and material requirements; Discover, identify, document, and satisfy customer requirements; Build a network diagram with critical path and resource leveling; Develop time and cost estimates; Generate project budgets and calendar-based schedules; Identify risks and create a risk management plan; Create a project communications plan; Use project baselines and milestones to manage change and control projects; Develop and manage effective project teams; Close out the project and conduct a post-project review; Understanding the five phases of a project lifecycle; Understanding the nine PMBOK Guide Knowledge Areas.
Introduction to Programming Microsoft .NET Applications with Microsoft Visual Studio 2005	This five-day instructor-led course enables introductory-level developers who are not familiar with the Microsoft .NET Framework or Microsoft Visual Studio 2005 to gain familiarity with the Visual Studio 2005 development environment. Students will also learn basic skills using either Microsoft Visual Basic or Microsoft Visual C# as a programming language. This course covers both C# and VB.net. All examples in the book and all of the labs show the code both in VB.net and C#.

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Long Term Training Needs

As DoIT matures, a long term training program should be developed which is designed to maintain and augment skills aligned with newer technology.

In order to successfully execute on products and services within DoIT, key talent gaps need to be addressed in the long-term.

Based on future talent needs and planned services provided, DoIT should develop a robust training program

Key Role Gaps:

- Security
- Architecture
- Technology and Innovation
- ERP
- Business Intelligence
- Leadership

Key Technical Gaps:

- Virtualization
- Big Data Analytics
- Business Intelligence
- Cloud Technologies
- Mobile application development
- Web Development

Training Options:

Vendor Offered | **Online Training** | **Instructor Led**

The state should leverage various modes of training customized to IT Staff needs and skill gaps

Example State Training Program

LearnIT! Overview

LearnIT! is the Commonwealth of Massachusetts' IT Learning Program, available to all current IT staff in the Secretariats and ITD. **LearnIT!** aims to ensure that IT staff are prepared to provide high-quality service to our Commonwealth customers. There are three components to the **LearnIT!** program:

1. Training
- Supports career development for IT employees
- Provide an array of core, advanced, and supplemental training opportunities

2. Mentoring
- Reinforce training opportunities by pairing staff with senior mentors
- Strengthen the IT community through cross-Secretariat relationship building

3. Knowledge Sharing
- Organize special interest groups focused on IT and business topics
- Present a speaker session each quarter on hot IT topics

The initial focus of the **LearnIT!** program will be on the Training component. Future course offerings will be adjusted based on feedback from FY11.

Training Goals

LearnIT! Training
- Establish core curriculum of courses available to all IT staff
- Provide training to fill skill gaps in the current workforce
- Leverage vendor training and certification programs

Training Curriculum

Core Training
- Courses to help IT staff develop an awareness of fundamental skills
- Courses available to the entire IT workforce
- Courses range from 1.5 to 4 hours in length and are mostly online

Advanced Training
- Courses to develop advanced job function-based skills for IT staff
- Course selection and participation managed by the CIO Cabinet
- Classroom courses range from 3 to 8 full days

Supplemental Training
- Courses to develop a specific skill set related to a vendor or Secretariat
- Course participation managed by SCIO and IT Steering Committees
- Courses vary in duration and cost. Please refer to the course catalog for additional details

LearnIT! Courses

Legend: Online Course | * New Course

		FY2016 Q3	FY2016 Q4	FY2017 Q1	FY2017 Q2	FY2017 Q3	FY2017 Q4	FY2018 Q1	FY2018 Q2	FY2018 Q3	FY2018 Q4
Core Training		ITIL Awareness		ITIL Awareness				ITIL Awareness			
				CommonWay Project Management Training				CommonWay Project Management Training			
				Information Security Basics				Information Security Basics			
					Quality Customer Service in the Commonwealth			Quality Customer Service in the Commonwealth			
						Collaboration and Communication*		Collaboration and Communication*			
						Accessibility and Usability*		Accessibility and Usability*			
Advanced Training	Dev.			Introduction to .NET				Introduction to .NET		Intermediate .NET	
								Introduction to Java		Intermediate Java	
	Project Mgmt.			Project Management	Project Management			Project Management	Project Management		
	Business Support			Software Quality Assurance (Testing)		IT Procurement Awareness		Software Quality Assurance (Testing)		IT Procurement Awareness	
	IT Mgmt.					Supervisor and Manager Certification Programs		Management Training for IT Professionals		Supervisor and Manager Certification Programs	
Supplemental Training	Vendor Specific			Vendor Specific Training (e.g. Microsoft)				Vendor Specific Training (e.g. Oracle)			
	Secretariat Vendors			Secretariat Specific Courses (Availability may be limited to certain Secretariats)				Secretariat Specific Course (Availability may be limited to certain Secretariats)			
	Tuition Remission			100% tuition remission is available for regular state-supported courses or programs at public community colleges, state colleges or universities. 50% tuition remission is available for programs or courses offered through continuing education				100% tuition remission is available for regular state-supported courses or programs at public community colleges, state colleges or universities. 50% tuition remission is available for programs or courses offered through continuing education			

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Performance Management & Rewards

Desired Future State

- **A detailed understanding of workforce effectiveness and gaps**
  - Identification of workforce strengths and development needs
  - Staff own their performance and goals as part of the system
  - Differentiation between top and bottom performers
  - A unified performance management process for all IT staff
  - Ability to use performance data to enhance training program and conduct workforce planning
- **Ability to encourage top performers and address underperformance**
  - Connection between performance and rewards and promotion
  - Management tools to address under performance

Indicates Key Fundamental for Future State Success

Potential Approach

- **New approach to performance management**
  - Build a modern and cohesive expectations framework
  - Employees set goals against common and updated expectations framework
  - Use analytics to identify common workforce skills gaps, needs or strengths
- **Build a culture that rewards excellence**
  - An incentive program to reward performance
  - Create a stronger, more transparent link between promotion to performance through non-monetary incentives

Recommended Prioritization

Immediate
April '16 –July '16

- Publish "quick wins" for DoIT

Short-Term
July '16 – July '17

- Develop Mentoring program for management staff, targeting new hires
- Create training around performance management in a matrixed environment
- Develop a program for top performers based on recognition by leadership

Long-Term
July '17 and Beyond

- Combine agency reward programs into one consolidated DoIT program
- Develop skills assessment, expectations framework, and union engagement prior to rolling out processes

Performance Management Elements

An effective performance management process needs to align to career paths, define high performance, clearly link performance with rewards.

Performance management is essential to ensure that staff capabilities are growing and that human resources are well-aligned to organizational goals.

Performance expectations should be refined at each level of the organization with established mechanisms to monitor and respond to changes in performance.

	Team Member	Team Lead	Project Manager	Service Manager
I. SERVICE EXCELLENCE				
Serving the Customer	* Understands and begins to effectively communicate processes to customers	* Acts as first line of contact for assigned customer	* Acts as primary contact on project issues	* Resolves critical functional delivery issues
II. MANAGEMENT EFFECTIVENESS				
Implementing	* Strengthens time management skills so as to perform basic functions of the job with supervisor/teamleader guidance	* Demonstrates ability to manage daily work with additional work as appropriate	* Manages the project team. Utilizes time management skills to successfully manage and complete multiple projects effectively	* Manages multiple customer engagement teams. Budgets project time effectively and monitors overages
III. LEADERSHIP EFFECTIVENESS				
Achieving Results	* Understands how work impacts the success of department goals and works to achieve desired results. Begins to contribute to the overall achievement of team results and success	* Begins to identify barriers to achieving department goals and communicates to management	* Identifies barriers to achieving department goals and communicates appropriately. Holds self and other accountable for ensuring results are achieved	* Identifies barriers to achieving department goals and communicates appropriately. Holds self and other accountable for ensuring results are achieved
IV. TECHNICAL PROFICIENCY				
Technology Skills	* Seeks to develop new technical skills (i.e., new programming language, new software package or operating system)	* Describes technical problems and solutions at a detailed level	* Manages technology driven processes and supports users	* Demonstrates strong knowledge of intricate business processes and the impact of system changes on other systems

In order to strengthen performance management the State needs to:

Build a modern and cohesive expectations framework

Set goals for each job family / function against common and updated expectations frameworks

Analyze common workforce skill gaps, needs, or strengths

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Driving Performance Through Employee Incentives

Non-monetary employee incentives are key to motivating behaviors aligned to the DoIT strategic vision.

Formal Leadership and Peer Recognition

Examples:

- Recognize top performers through leadership acknowledgement (e.g., emails, letters. etc.)
- Recognize teams for excellent work / service

Expected Outcome:

- Widespread recognition allows employees to visualize what success looks like

Rewards

Examples:

- Reward behaviors through a formalized recognition program
- Allow managers to work from home once a week
- Enable accessibility to leadership. For example, a managers lunch with the Cluster CIO

Expected Outcome

- Positive reinforcement allows employees to feel the impact of their actions

Open Work Environment

Examples:

- Create a “modern” office space (e.g., open workspaces, updated furnishings, bright wall paint colors)
- Video conferences and meetings

Expected Outcome

- Enables DoIT to establish an inclusive and modern culture.

Opportunity

Examples:

- Allow employees to drive their career through opportunities to interact with leadership
- Internal Leadership forums
- Mentoring programs targeted towards high performers

Expected Outcome:

- Employee trust in the ability to control careers, a key to operating in a matrixed environment

While seemingly small these changes contribute to building a culture of technology innovation.

Building a Culture of Performance and Innovation

The Talent Working Groups discussed how to build a culture of performance and innovation. Below are the outputs from that discussion.

Theme #1: Employee Empowerment

- Clarify the overall role of employees within the organization and how they “fit”
- Increase visibility into strategic plans and overall State and IT Vision
- Create a proactive feel through increased training opportunities so employees have ownership of their careers
- Allow employees to have buy-in and ownership of success – share successes with the broader organization

Theme #2: Collaboration

- Create a sense of team unity despite physical separation through virtual communities
- Build virtual team identities through the use of social media and technology
- Create cross-functional teams that collaborate together on projects
- Empower managers to share in this culture and set the vision

Theme #1: Possible Solutions

- Quarterly virtual Town Halls with Leadership to share strategic vision
- Digital communications highlighting DoIT wins and updates

Theme #2: Possible Solutions

- Build social media communities through existing technology e.g., Jabber
- Create cross-functional Tiger Teams or COEs focused on a topic or task for example IDOT COEs

DoIT Organizational Model

Design Considerations

Design Criteria and Guiding Principles

When designing the future state DoIT organization, the below Design Criteria and Principles were adhered to in order to ensure a consistent, strategic approach.

Design Criteria

Clear, simple and flexible organization

- ✓ DoIT will utilize flexible processes that meet both short term and long term needs of the organization
- ✓ Managers will have right sized span of control
- ✓ Customers should clearly understand who is their contact for DoIT related requests

Cleary defined accountability

- ✓ Decision domain authority should be clearly defined and at the right level
- ✓ Align workgroup and individual metrics to outcomes
- ✓ Design and apply measures of customer satisfaction, delivery, and service levels

Group similar capabilities

- ✓ Business demand planning process should be consolidated and integrated with the strategic planning process
- ✓ Project management, requirements definition, and other activity groups should only appear in one groups' charter

Guiding Principles

1. Design a scalable, flexible, and responsive organization
2. Agree upon, grow, and develop critical capabilities
3. Clarify and optimize interactions and hand-offs
4. Provide clear governance responsibilities and processes
5. Focus on innovation and strategic partnership between DoIT and the Agencies
6. Create stronger oversight for and governance around vendor relationships
7. Align the IT organization to optimize customer focus
8. Provide opportunities for career progression and skill development
9. Design a structure that is directionally aligned to the State's future operating model
10. Delegate and enable decision making at appropriate levels

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Key Considerations for IT Organizational Layers

IT Organizations are typically built in layers.

Each of the elements diagramed below will be important to consider when building the new organizational structure. Certain elements will evolve over time and other elements will be taken on in later stages of organizational maturity.

Clients
What entities does the IT organization provide services to?

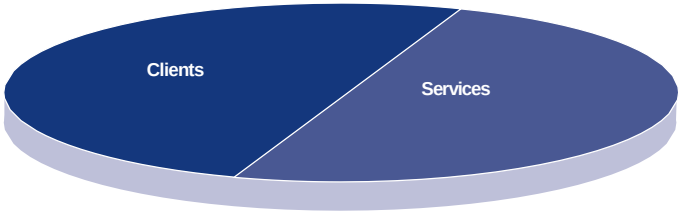
Funding
How will IT be funded? Is this consistent across all services and clients? What happens with over/under funding?

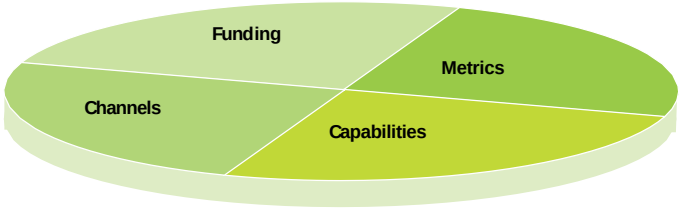
Channels
What channels do clients interact with to obtain the defined services?

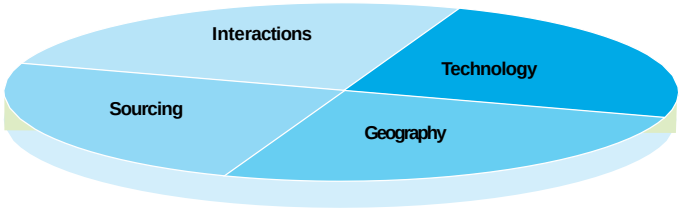
Interactions
How do the capabilities interact to deliver the services?

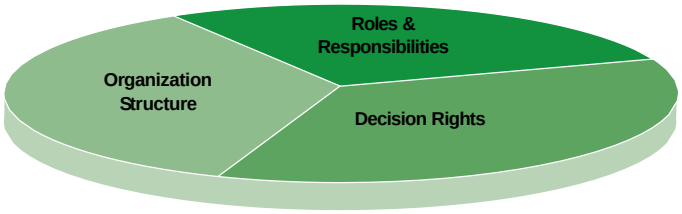
Sourcing
How will capabilities be provided:
In house, vendor, hybrid?

Organization Structure
What does the IT organization structure look like?









Services
What macro level services does IT provide to the organization as a whole. What does IT not provide?

Metrics
What metrics need to be measured and reported on to managed the IT organization delivering its required services?

Capabilities
What capabilities does IT need to have in order to provide its services?

Technology
What underlying technologies are required to deliver the capabilities/services?

Geography
What services are provided in which locations?

Roles and Responsibilities
What are the specific roles and responsibilities of the organization elements/departments in executing the operating model?

Decision Rights
What authorities/authorizations are distributed throughout the organization?

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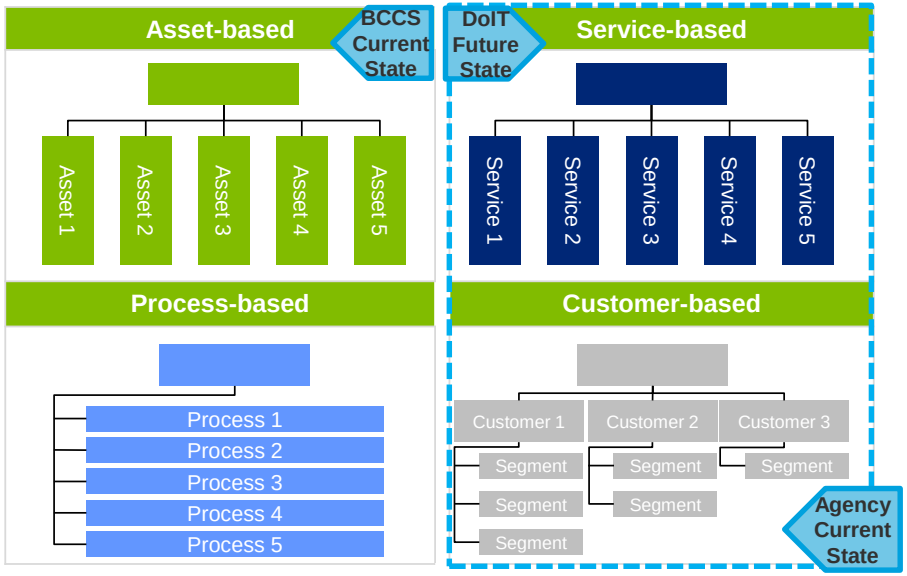
Operational Orientation

- There are four different orientations an IT organization may have. Today, BCCS operates with an Asset orientation where as the agency model is customer oriented.
- The proposed model incorporates two of the orientations, changing as the organization matures.
  - **Stage 1**: Will remain primarily a customer based orientation similar to the existing agency based model today, only with unified management.
  - **Stage 2**: DoIT will operate as a hybrid of the customer and service orientations, with a strong focus on customer engagement and orientation towards service delivery
  - **Stage 3**: The organization will move to even more of a service based model, keeping the focus on customers, but increasing its drive towards efficient delivery of service excellence



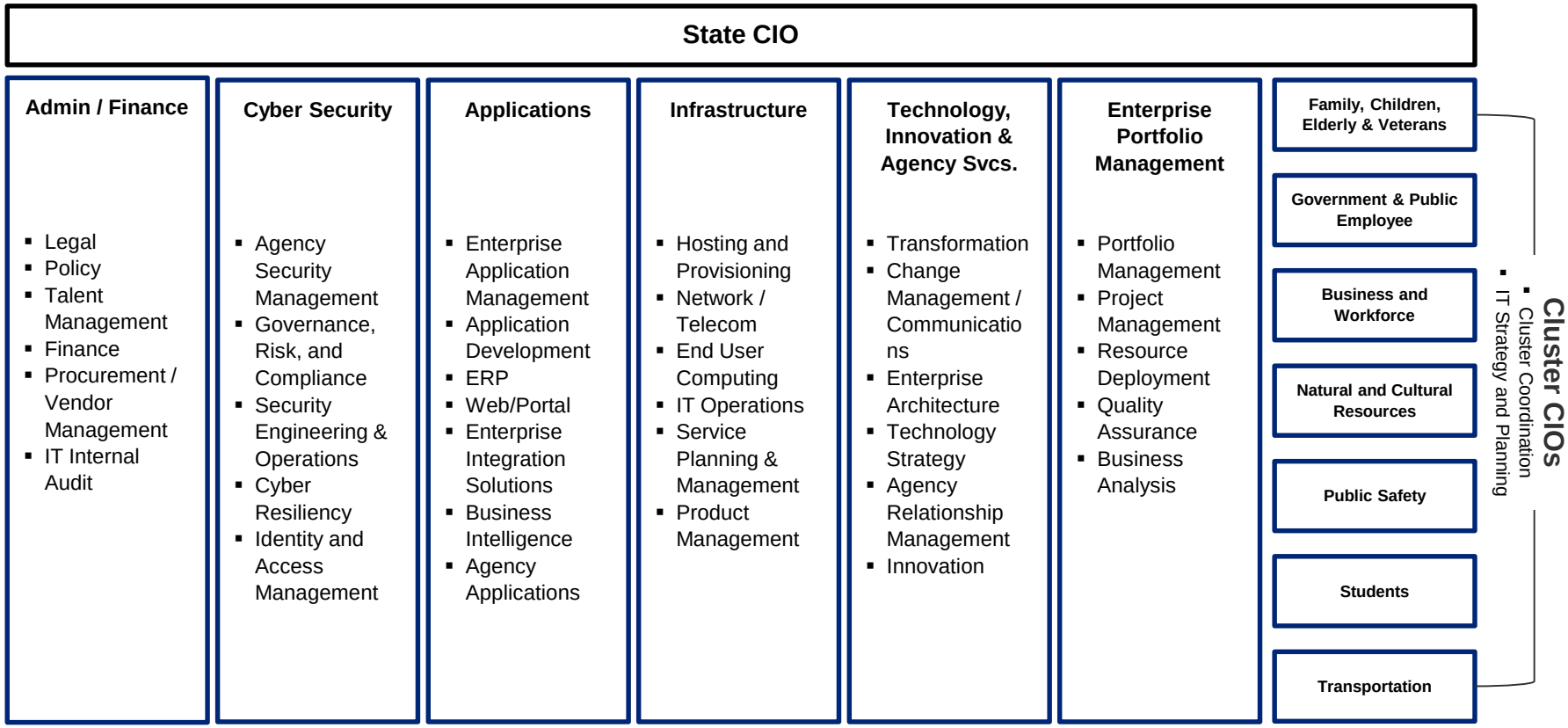
Summary of different archetypes emerging from above approach

	Asset-based	Process-based	Service-based	Customer-based
	Group like activities, keeping similar skill sets within groups to create economy of scale	Group like processes to focus on efficiency by optimizing processes, activities, and service delivery	Group like services to focus on key offerings	Group like customers together to enable customer focus and response
Advantages	• Best suited to organizations with few service lines and undifferentiated customer bases • Ideal and flexible when specialized resources are required • High accountability and role clarity	• Enables the organization to develop a customer perspective • Technical expertise maintained through process CoEs • Business organized horizontally around end-to-end processes with focus on value chain	• Best suited to an organization with multiple services and differentiated customer base • Ideal when generalist resources are required • Collaboration and quality occurs within each service line	• Flexibility to respond to an environment that is dynamic with a need to be highly customer-interactive • Potential for rapid customer service cycles
Disadvantages	• Communication barriers may exist between groups; silos may form • Lack of end-to-end process accountability and/or ownership • Optimized group performance, but sub-optimized process and business performance	• More difficult to maintain skills or functional expertise • Roles and responsibilities must be redefined • Difficulty in coordination between centers of excellence and process areas	• Communication barriers between service lines • Lack of end-to-end process accountability and/or ownership • Optimized service delivery, but sub-optimized process and functional performance	• Communication barriers between customer groups • Lack of end-to-end process accountability and/or ownership • Optimized service delivery, but sub-optimized process and functional performance

DoIT Future State Model

DoIT Organizational Model – Future State

The DoIT organizational model will have seven main functional groups with an industry standard set of capabilities, though capabilities will be rolled out over time.



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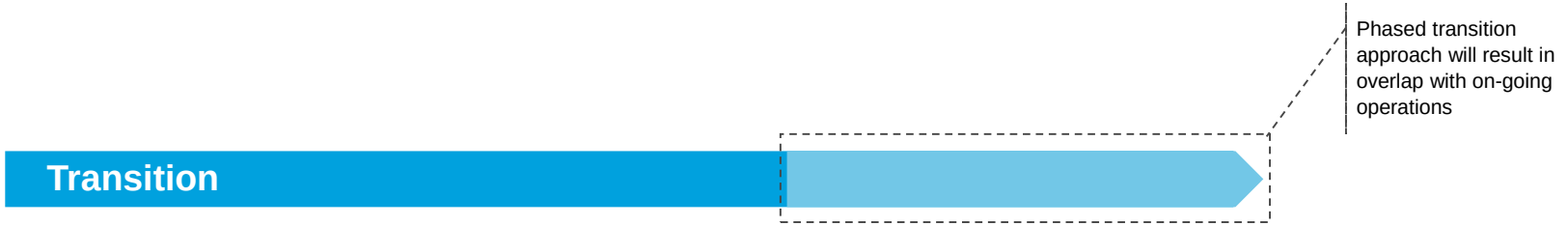
Staffing Mix

Recommended Staffing Levels

Though detailed analysis needs to be conducted to evaluate the true current state allocation of staff to various IT functions, initial observations suggest the state needs to realign its staffing mix to better support future state operations.



For the period of time immediately surrounding the transition to future state, the State should conduct a full staff assessment to understand depth of skills sets of existing state staff, as well as enable an effective knowledge transfer from entrenched staff to the new organization.

With known skills gaps, the state should begin to hire or seek contingency staffing to fill the most pressing needs.

As the new organizational model is implemented the State can take two distinct steps to create a more optimal organizational mix of staff aligned to specific functions. Two primary drivers for changing staffing levels will be to:

1. Be prepared to respond to the potential for retirement and attrition as opportunities to reconsider open roles and skill sets to align with service needs
2. Potentially utilize project based contingent work force through vendors to address short term solution requirements while focusing full time staff on long term skill requirements

Note: Recommended staffing levels found on next slide. Transition to the new model will come through the *Transition Plan* deliverable.

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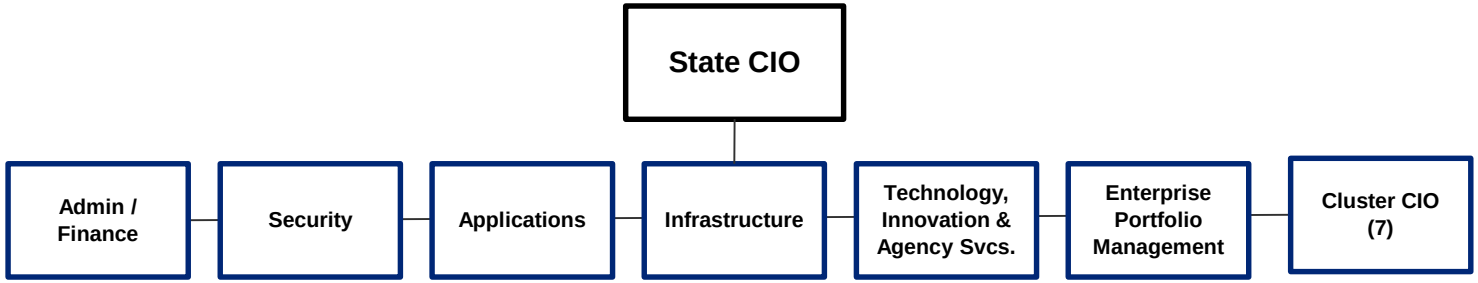
DoIT Staffing Mix

The recommendations below are based on industry benchmarks staffing levels, it is not the immediate leveling for DoIT but one that will be achieved over time.



		Recommended Staffing Mix
A	Admin / Finance	02%
B	Security	03%
C	Applications (Inlcudes total pool of agency level resources in addition to enterprise)	28%
D	Infrastructure	39%
E	Technology / Innovation	05%
F	Enterprise Portfolio Management	12%
G	Management* (Across all Functions)	11%

Total = 100%

Distribution shows optimal future state, a current state skills assessment needs to be completed prior to allocating staff. Details can be found in the DoIT Transition document.

*Management is highlighted as it can span across functions

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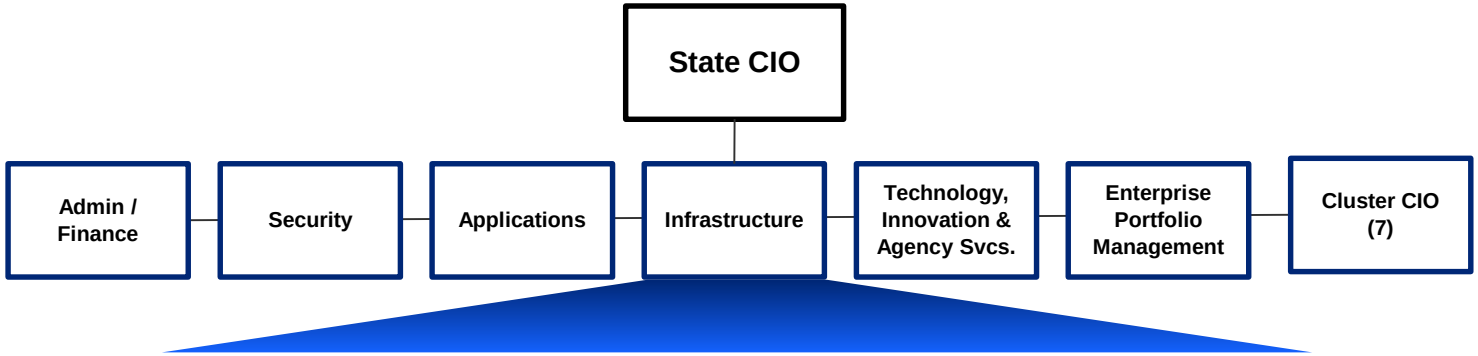
DoIT Staffing Mix - Infrastructure

Because it is a combination of may large functions, DoIT's largest grouping is Infrastructure.



		Recommended Staffing Mix
A	Hosting and Provisioning	08%
B	Network / Telecom	05%
C	IT Operations	06%
D	End User Computing	15%
E	Service Planning & Management	02%
F	Management (Across all Functions)	03%
		Total = 39%

Distribution shows optimal future state, a current state skills assessment needs to be completed prior to allocating staff. Details can be found in the DoIT Transition document.

*Management is highlighted as it can span across functions

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Deployment Models

Deployment Models

Service will be provided to clients through one of the four following models. Projects will be delivered to the State through these deployment models.

	Model	Org Unit	Reporting Relationship	Work Flow	Accountability
Horizontal Services *Capability leveraged internal to DoIT to provide cross functional capabilities*	• Horizontal Matrix	• Service Planning And Management	• State CIO	• Defined on annual cadence	• IT Governance Boards • Enterprise Services Board (IT Governance)
Agency Center of Excellence *Community of practitioners with similar unique skillsets deployed as needed*	• Agency Owned Capabilities Contracted Out	• GIS • Mobile Center of Excellence	• Agency CIO	• Ad Hoc Projects	• Agency Owner • DoIT Service Owner
Project Based *Core capabilities provided through consultative services from DoIT to the Agencies as a centralized resource*	• DoIT and Agency Projects	• Applications • Business Analysts • PMO • QA	• Report to CTO or Enterprise Applications / Project Sponsor	• Ad Hoc Projects	• Agency • EPMO • DoIT Service Owner • IT Board of Directors (IT Governance)
Incubator *Project ideation originates at the Agency level and are deployed as an Agency COE or Enterprise Application*	• Agency Innovation	• Cluster / Agency CIO	• N/A	• Ad Hoc Projects	• Agency Owner • DoIT Service Owner

Standard & Defined Processes For Each Deployment Model

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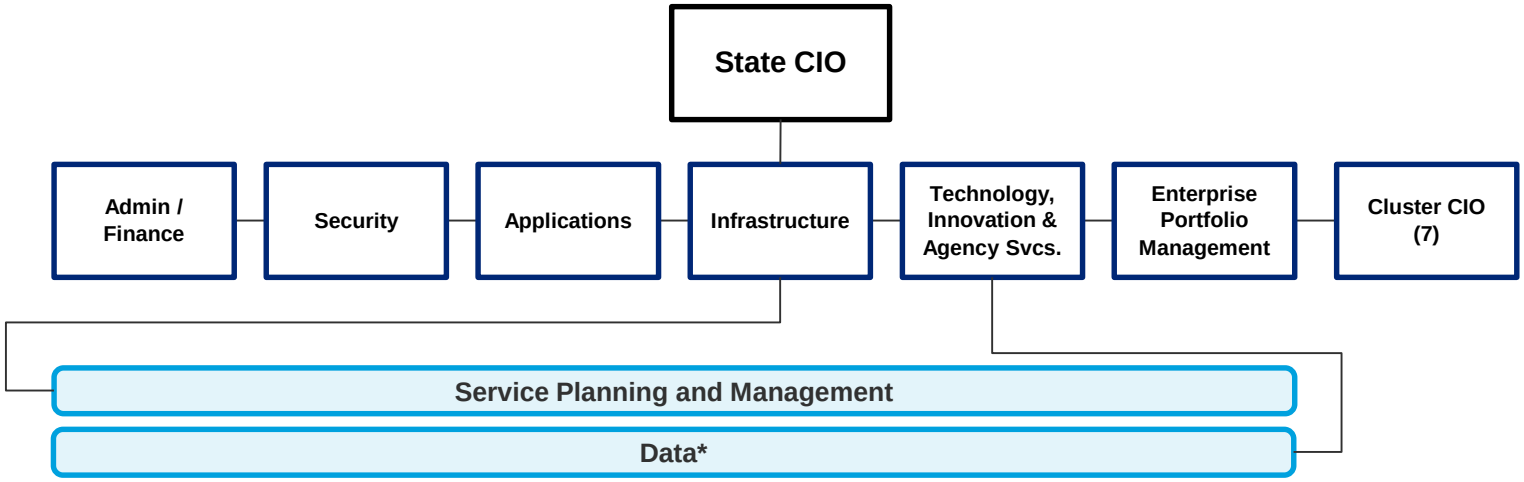
Deployment Model 1: Horizontal Services

Capabilities are leveraged across the organization to ensure alignment between DoIT services, providing support as needed.



Model Elements:

- Facilitates work across DoIT service groups
- Enables effective strategy and oversight through standardized management of a cross functional area

Considerations:

- Requires process maturity to function effectively
- *May begin as a CoE or incubator and transition into a fully functional horizontal enterprise organization once mature

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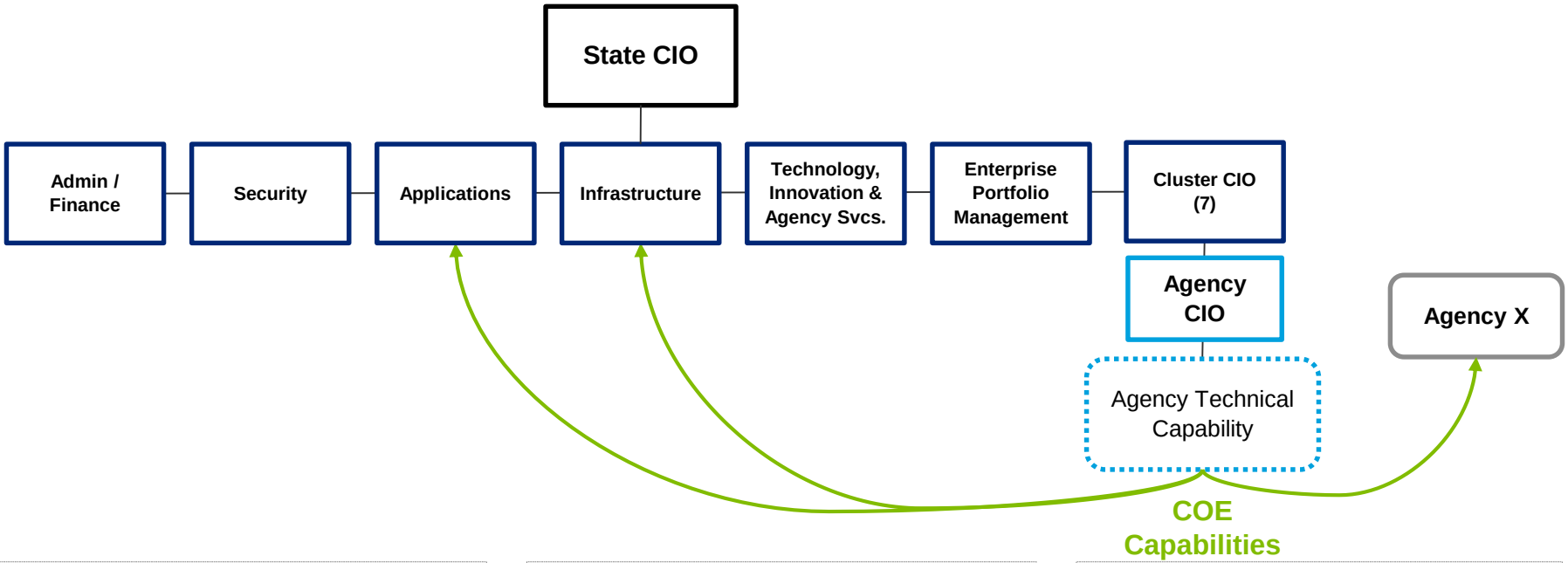
Deployment Model 2: Agency Center of Excellence

Community of practitioners with similar unique skillsets deployed as needed. The COE may be comprised of employees from various agencies.



Model Elements:

- Oversee project management / implementation, support, communication, and knowledge sharing for a specific / specialized capability
- Dual reporting to Project Sponsor
- DoIT manages workload and priorities for COEs

Considerations:

- Billing models will need to be developed
- CoE should have sufficient controls over project outcomes
- Role of DoIT is to facilitate support, manage dependencies and make connections between demands and supply
- DoIT acts as the agent to prioritize the CoE activities

Use Cases:

- GIS at IDOT
- Mobile at ISAC

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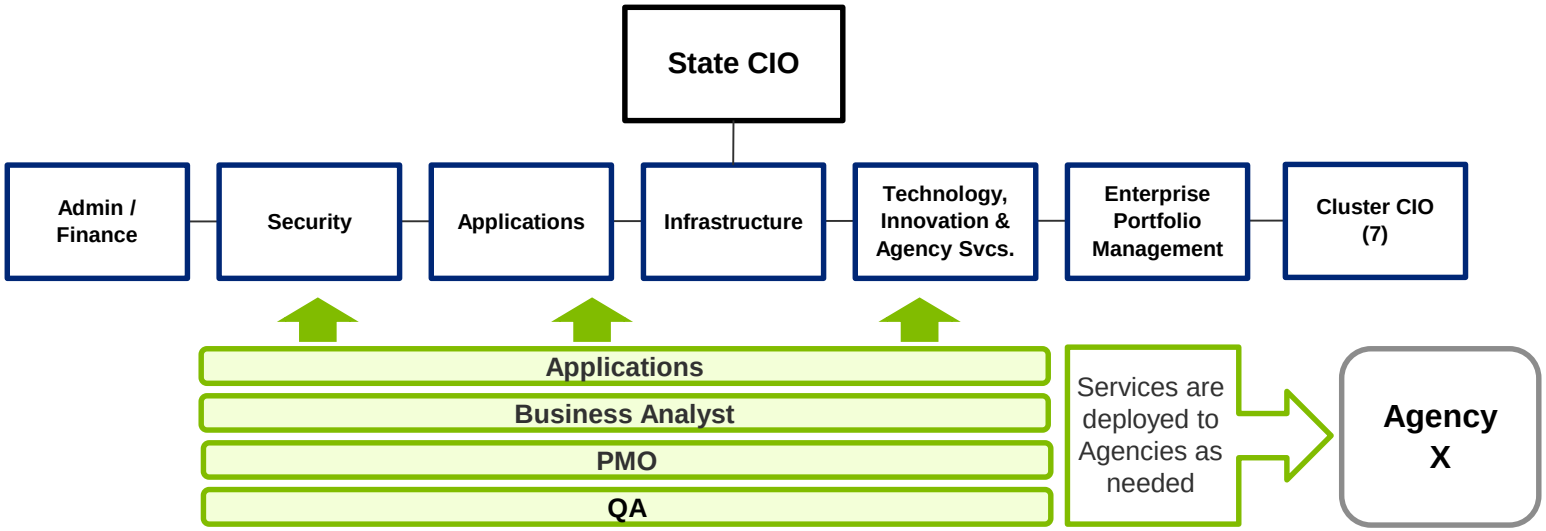
Deployment Model 3: Project Based

Core capabilities provided through consultative services to DoIT and the Agencies as a pooled resource.



Model Elements:

- Capabilities are centralized and deployed to work on projects throughout the organization
- Functions and projects can be tracked and reported on, enabling organizational-wide transparency

Considerations:

- Projects leveraging shared capabilities may have to adjust project needs due to constrained resources
- This model can result in an excess of support for Agencies willing to pay, not necessarily in areas of most strategic importance to the organization

Use Cases:

- Cluster focused application
- Agency specific application for which Agency does not have resources

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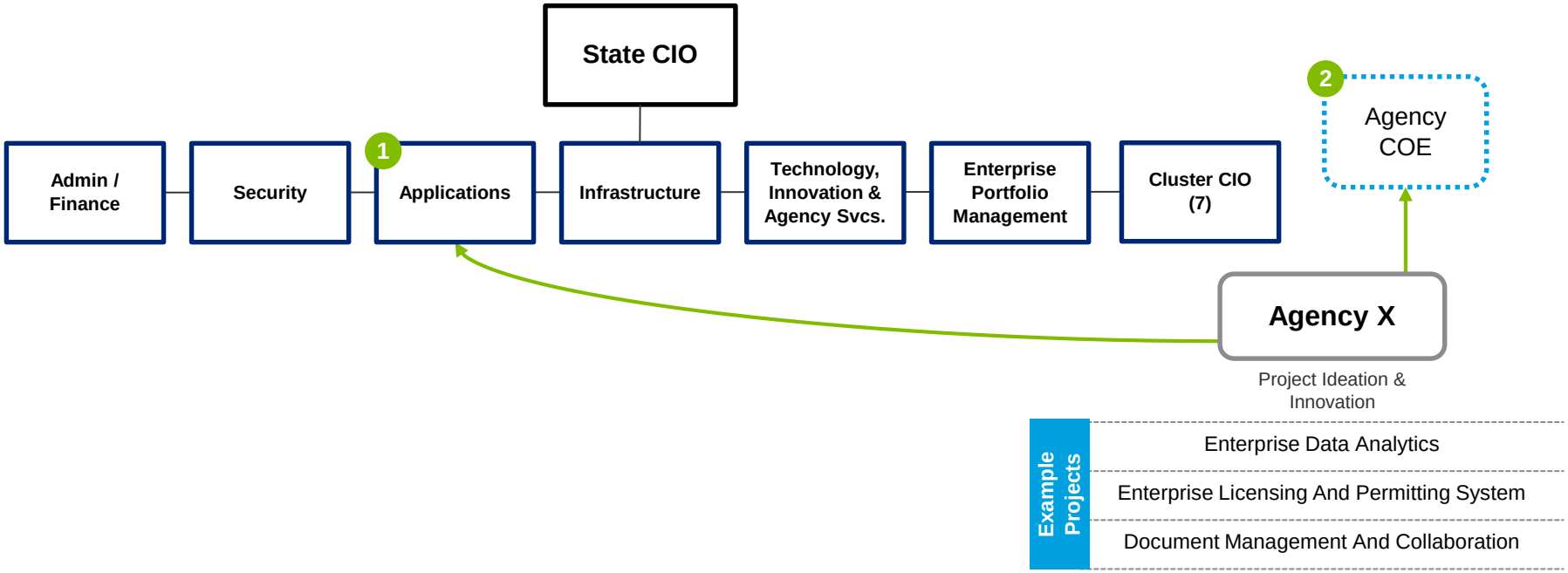
Deployment Model 4: Incubator

Project ideation originates at the Agency level based on federal requirements or innovation opportunities and are then deployed as an Agency COE or Enterprise Applications.



Model Elements:

- Innovation and project ideation remain at the agency level. Once complete projects move to:

1. Centrally managed applications
2. Agency deployed capability which may eventually become a core service

Considerations:

- Possible increase of customized solutions housed at each agency
- Knowledge and capability transfer to centralized DoIT function

Use Cases:

- DoR Fleet Tracking – currently housed in agency, may be matured and leveraged across agencies as a CoE or rolled into a full DoIT Service

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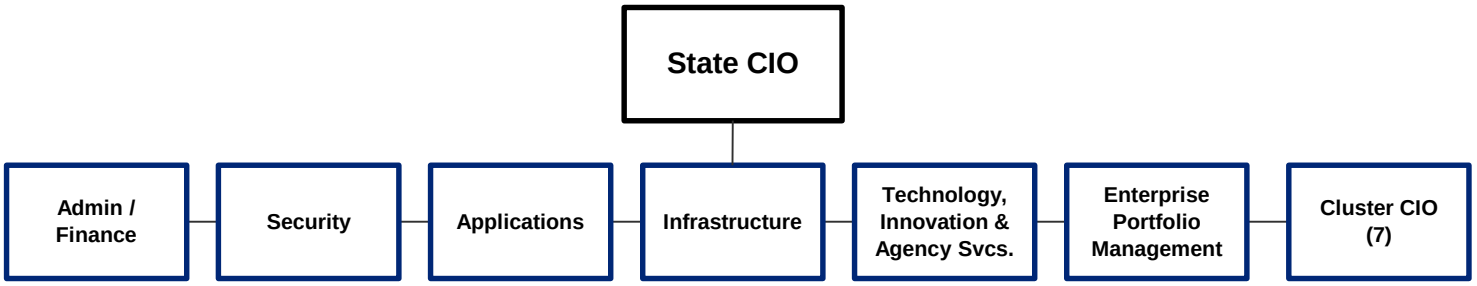
Project Completion Through DoIT

Each deployment model will help DoIT accelerate and deliver projects. They enable joint collaboration between different functions across the organization working together in a matrix style to deliver best in class products and services.



State-Wide Enterprise Solutions

- ERP
- State-wide Time And Attendance System
- State-wide Enterprise Licensing And Permitting System
- Document Management And Collaboration
- Case Management
- Workflow Automation
- Enterprise Learning System
- State-wide Public Safety Network
- State-wide Alerting And Notification Platform
- Enterprise Data Analytics

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Agency Engagement Mechanisms

Cluster CIO (CCIO) Profile

Cluster CIOs will report directly to the State CIO and serve primarily in a strategic capacity.

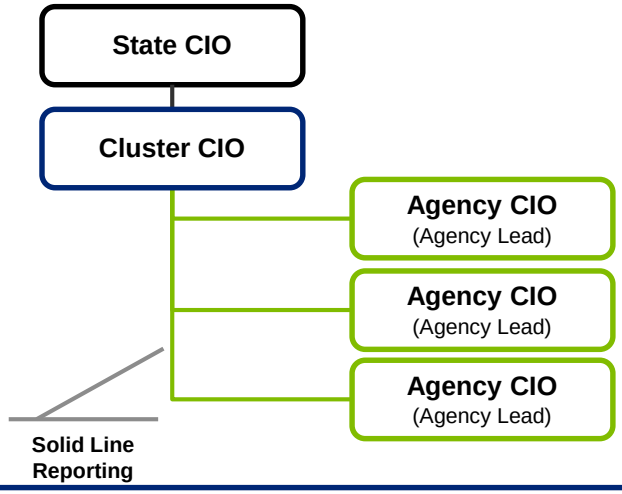
Role

- Collaborate and advise Agency Leadership and CIOs on aligning IT investments, services, and projects
- Bubble up priorities from the Cluster to DoIT service providers
- Liaise with governance committees, other Cluster CIOs and State DoIT Leadership team-to support alignment of Agency strategy with DoIT services and capabilities
- Drive interoperability

Responsibilities

- Oversee operations across Agencies within the Cluster
- Support strategic planning
- Facilitate Cluster and enterprise level investment decision making
- Help set priorities for shared or significant projects
- Provide guidance and direction to Agency CIOs within the Cluster

Reporting Relationships



Key Considerations

- The Cluster CIOs are standalone positions with a strategy focused role advocating cross Agency needs at the Cluster level and managing DoIT priorities
- The right individual should be able to look across all Agency needs, and represents the appropriate Agency priorities
- Individual should have experience developing IT strategy and deep technical knowledge to ground ideas in technical reality
- Position to be interviewed and filled by each individual Cluster as led by the ITT steering committee Agency cluster appointees
- Candidates do not have to be CIOs currently to be considered, may play dual role with Agency CIOs

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Agency CIO (Agency Lead) Profile

Agency CIOs will have a solid line to the Cluster CIO and dotted line to Agency Directors.

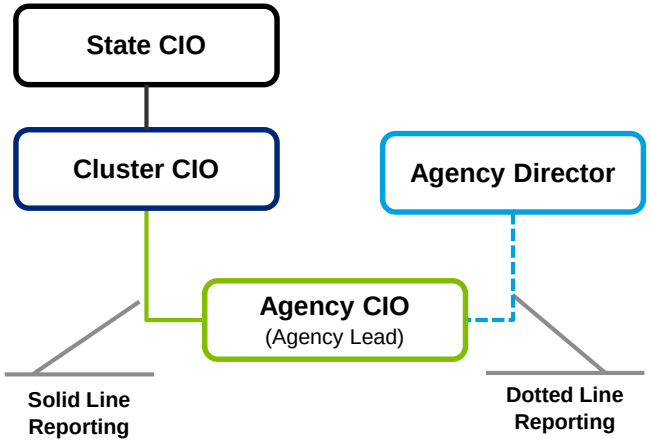
Role

- Understand strategic Agency direction, maintain Agency specific applications, and advocate for Agency needs
- Manage priorities between Agency needs and DoIT resources and priorities
- Liaise with Cluster CIO to ensure alignment of strategic priorities between their Agency and DoIT

Responsibilities

- Agency specific application maintenance and development
- Local point of contact for administration of Security controls at the Agency level, particularly the application layer
- Strategic alignment between Agency and DoIT leadership
- Maintain Agency specific CoEs as applicable, supporting statewide projects

Reporting Relationships*



Key Considerations

- For certain Agency CIOs this model creates changes in reporting relationships and management layers, for some Agencies it may be a promotion or elevation of the role, for others it may be the reverse
- Agency CIO title may not be appropriate as role will eventually shift to becoming largely an application manager, may consider levelling and title evaluation
- Agency CIOs must be able to balance the needs of their Agency with the scope of DoIT's strategic direction
- Opportunity to eventually consolidate entire Agency IT groups based on size and risk (2018 and beyond); as a result this role may not be necessary at all Agencies

*For detailed reporting structure see Slide 4

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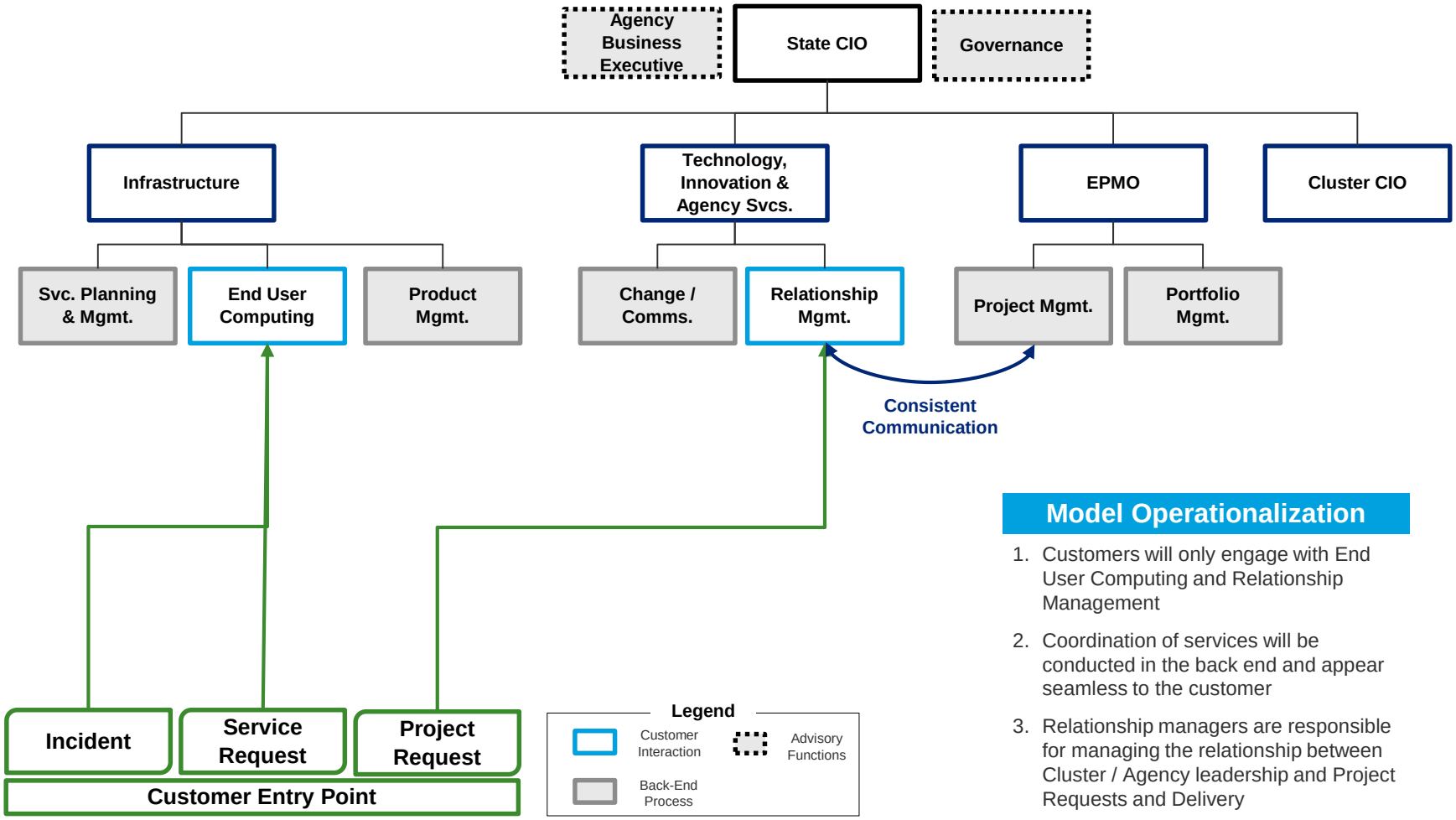
Customer Engagement Model

The customer experience will appear unified with only two direct touchpoints enabling consistent entry points for all Incident, Service, and Project Requests.



Model Operationalization

1. Customers will only engage with End User Computing and Relationship Management
2. Coordination of services will be conducted in the back end and appear seamless to the customer
3. Relationship managers are responsible for managing the relationship between Cluster / Agency leadership and Project Requests and Delivery

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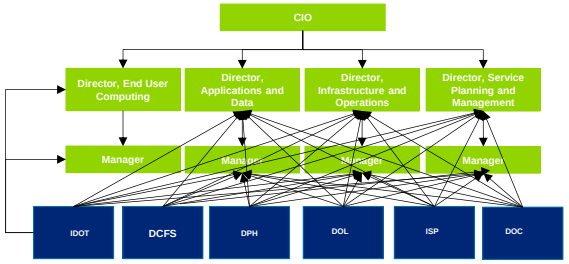
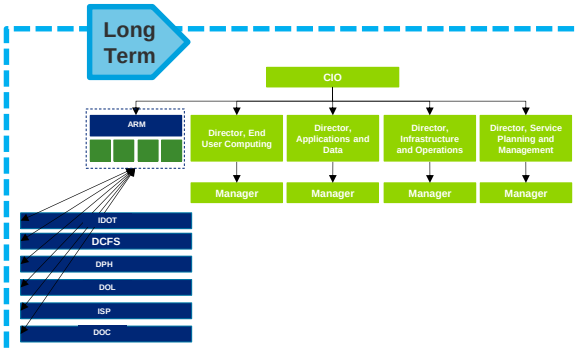
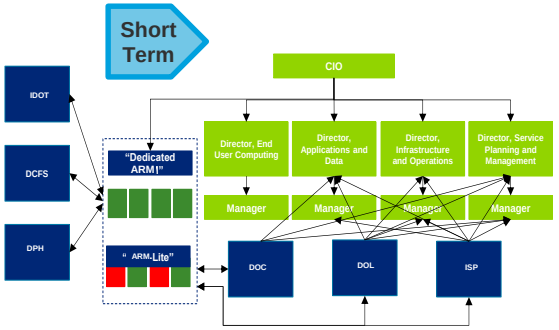
Agency Engagement Model Options

A core element of the new organization is an orientation on agency engagement.

There are typically three ways of delivering agency/customer relationship management and /customer engagement from a functional perspective. The model proposes use of a single point of contact approach to limit confusion, break down silos and streamline service orientation.







A. Competency

- This is the model Illinois uses today
- The ARM function is not organizationally structured separately from the agency or IT
- Each IT Director works with a peer agency contact within each agency, their accountability and responsibility is to IT Services
- Similarly each counterpart from the agencies have their accountability and responsibility to their business division

B. Single Point of Contact

- This is the model the State of Michigan uses
- The ARM function is accountable to both IT and the agencies, and is a retained function of IT
- The responsibility and accountability of the ARM is to ensure program success, by facilitating the communication between each agency and IT
- The ARM will provide all key BRM competencies to all agencies

C. Hybrid

- This is the model the State of Utah uses
- With the launch of ABE, Illinois is implementing this model in the short term
- The ARM function and IT are accountable to both the IT and the agencies, but are all part of the organizational structure of IT
- Agencies that want to remain status quo from a service perspective can use the same approach they have grown accustomed to, while other agencies that use the single point of contact approach
- Each agency will receive different amounts of ARM support based on needs

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Agency Business Executive (ABE) Launch

Scope and Objective

Scope:
- Provide comprehensive executive level consultation between DoIT and the Agencies at the highest technical level on all phases of Information Technology Utilization for the transition period.

Objective
- In order to meet the business needs of the agencies a senior level member of the DoIT Leadership team will work directly as a liaison to the agency secretary, directors and chiefs of staff to establish a personalized “high-touch” trusted business advisor relationship.

Governors Office	**Hardik Bhatt – Secretary DoIT**		
Governors Advisory Boards	**Marian Cook**	**CIO Council**	**Mike Wons**

Jonelle Brent	**Mike Wons**	**Kirk Lonbom**	**Lori Sorenson**	**Prasad Alavilli**	**Monica Carranza**	**Keith Schoonover**	**Dominic Saebeler**
Admin and Govt. Services	Technology and Services	Public Safety	Education	Government and Public Employees	Business and Workforce	Family, Children and Elderly	Agencies Boards and Commissions
AG, GOMB, CMS, DOI	IDOT IDPH EPA ISAC DVA	DJJ, ICJIA, DOC, PRB, Fire Marshall, IEMA, ISP, Military Affairs	ISBE, ICCB	CDB, DOL, DFPR, DNR, Lottery	DCEO, IDOR, IDES	Aging, DCFS, DHS, HFS	Smaller Agencies

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Agency Business Executive (ABE) Playbook

ABE Playbook	
Introduction	▪ Introduction to agency leadership ▪ Provide update on progress with DoIT ▪ Establish a deeper understanding of the Agency strategic plans and priorities ▪ Bridge CIO to Agency Leadership to DoIT…with a goal of winning the hearts and minds of "Agency" leaders
Ongoing	▪ Once a month touch point, no more than an hour ▪ Follow-up regarding strategic projects across the state that may be of value to Agencies ▪ Understand contracting underway and RFP's planned ▪ Assist in follow-up and any escalation necessary by executive team ▪ Educate on the value that DoIT is providing, highlight wins ▪ Participate in Executive Leadership meetings at the Agency 1x a month. ▪ Communicate progress on DoIT ▪ Provide input into strategic communication plan based on finding ▪ Gather common questions of interest and submit to be added to FAQ's ▪ Assist agencies in citizen and business outreach strategies ▪ To continue for the duration of the transition, post-transition frequency / responsibility TBD

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Organizational Transition

Change Management

Change Management Overview

During transformations, effective change management strategies maximize adoption by minimizing disruption to the Agencies.

Many transformation efforts fail because they do not effectively address the people aspects of change. In fact, organizations that lead their people through change with an effective change management strategy are more likely to achieve their transformation objectives than those that lack an effective approach to change management.

Effective change management drives results by:

- Reducing the **productivity gap** that will occur as a result of changing how people do their jobs and leads to a less disruptive change window
- Reducing the **risk of the transformation failing** and requiring significant additional costs to “fix it” after the fact
- Reducing the risk of **employee turnover** due to stress/anxiety around the change
- Increasing employee commitment to the change, resulting in **increased engagement** through making the initiative a success
- Increasing **organizational effectiveness**
- Reducing the likelihood of a **disruption to the customer experience**

Successful Organization Transformation

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Key Considerations

Change management for a transformation as large as the one planned by IT Transformation can be understood in terms of three dimensions and nine elements.

Dimension	Element	Key Consideration
Change Leadership	Culture ★	▪ Moving from a dispersed operating environment to a consolidated service oriented organization will require significant culture change. Culture change must be addressed during implementation.
	Stakeholder and Customer Engagement ★	▪ Throughout the process, the communications plan should be used to engage stakeholders and the customer engagement plan should be used to engage customers. External support is essential.
	Change Readiness ★	▪ Throughout the process, it will be important to know how ready the organization is for change. This can help leaders preempt challenges and address concerns before they become problems.
Organization / HR	Organization Structure ★	▪ The new organization should strike a balance between adding new capabilities and drawing from current strengths. The right balance will help both effectiveness and change readiness.
	Workforce Transition ★	▪ The new model is only as strong as the workforce. Effective transition of the workforce requires effort but can speed up stabilization and reduce risks to the future state organization.
	Supporting HR Programs and Processes ★	▪ As described in other sections of this document, a unified IT organization will require a unified HR program and IT Talent Management processes.
	Talent Mgmt Programs and Processes ★	▪ As described in the Human Capital Management plan, a consolidated IT organization will require a comprehensive talent management program and associated human capital processes.
Capabilities	Training and Learning ★	▪ An effective change management approach includes a strategy for training and learning that addresses both short term needs and long term employee development.
	Develop Capability Transfer Process / Plan ★	▪ Staff moving into the consolidated organization will leave tasks behind and take knowledge with them. An effective change management plan will support capability transfer to limit knowledge gaps.

★ Indicates Element covered in this deliverable, remaining elements covered in this IT Talent deliverable

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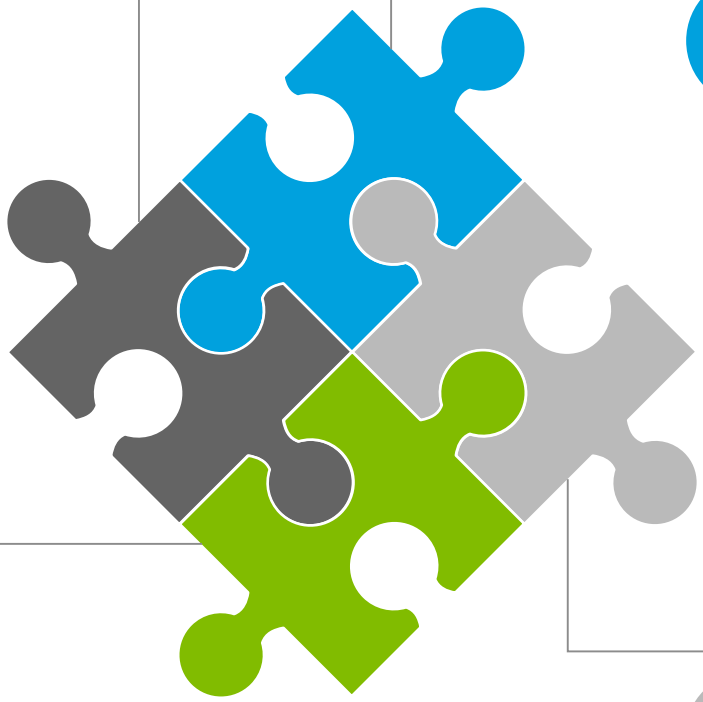
Transition Planning Guiding Principles

Transition planning enables a repeatable process for moving staff into new roles. A repeatable process reduces complexity and allows for effective change management.

Equity
All staff are treated the same regardless of role.

Predictability
Staff understand what is happening and how; there are no surprises in their transitions.



Transparency
Communications to staff are clear, accurate and direct
.

Consistency
All transitions are the same; remediation or other processes to deal with unique situations or constrains are defined and implemented and followed

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State Experiences with Transition

While transition must be carefully planned, is no “right way” to transition. The State of Illinois should choose a process that best fits its culture and builds on lessons learned from the past.

Once planning is complete and indicators suggest staff are ready for change, staff can be transitioned following the process defined. In order to address their unique cultures and constrains, different states have elected to take different approaches for the actual staff transitions. There is no “right way” to transition staff. Below are a few examples of different transition approaches.

Massachusetts

Elected to have staff apply for new roles in the central IT service providing organizations allowing them freedom to select new roles or seek new exiting opportunities that may be more in line with their desired career paths. The State has a number of town halls where central IT service leaders provided agency staff with information about the new organization and its opportunities.

Michigan

Used a big bang type approach. Rebadged all IT staff into the new organization, reducing the time required for change that could cause staff anxiety.

Louisiana

Rebadged all IT staff mid-way through strategy development, but left them in their existing organizational structures and agencies. Addressed staff transitions incrementally by unit, allowing a slow shift into the new organization, but with controls in place over staffing and spending.

Each of these approaches had benefits and challenges which we can share with Illinois as we move through decisions around staff transitions

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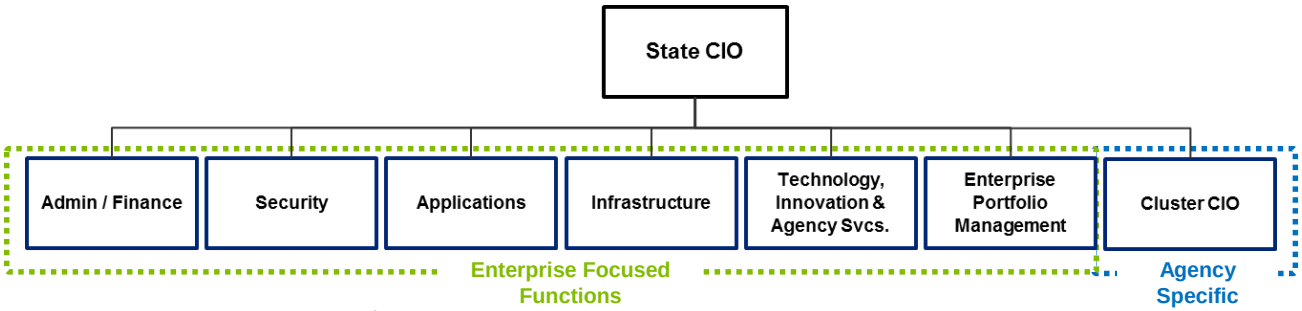
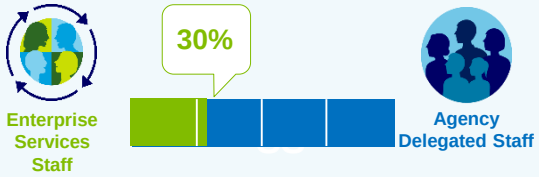
Organizational Transition Vision

DoIT Staff Transition Plan Overview

Although all employees transition to DoIT on July 2016, full functional transition will take place over the course of three to five years mirroring application modernization and rationalization.



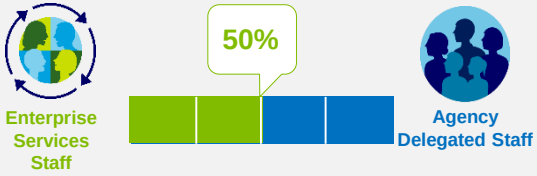
Stage 1 – FY17



Stage 1 Actions:

- Administrative consolidation

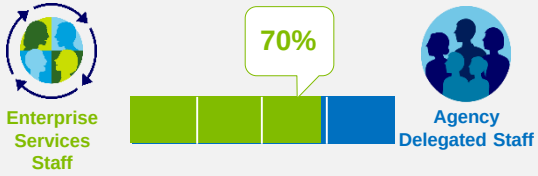
Stage 2 – FY18



Stage 2 Actions:

- Agency staff roll into enterprise services as agency specific technologies and services are consolidated or rationalized

Stage 3 – FY19



Stage 3 Actions:

- Transformation continues inline with modernization and rationalization

Consolidation assumes aggressive modernization and rationalization

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DoIT Staff Transition Plan Overview Continued

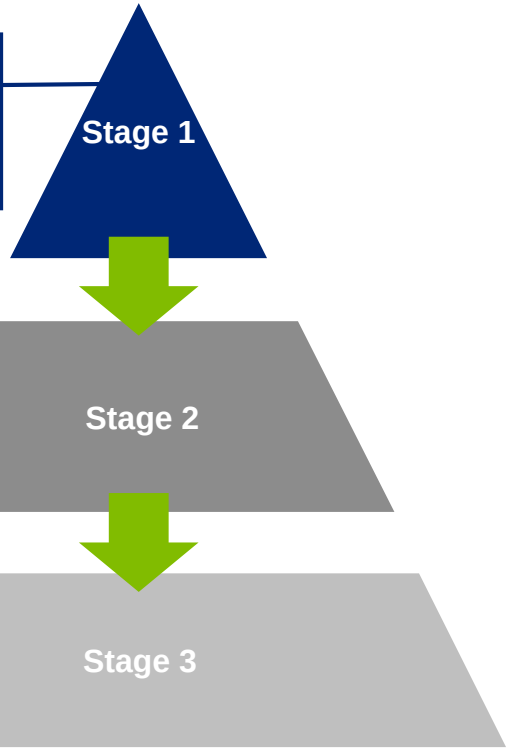
Based on current understanding of the organizational model and agency staff alignment, as well as initial consolidation strategies, the below presents the roll-out of functions as aligned to phases.

Staff transition will take place in three stages starting by addressing immediate skill gaps for roles crucial for DoIT functional enablement

July 2016
- Rebadge all staff
- IGA back to Agencies
- Administrative staff supporting IT

Jan 2017
Move Agency IGA-ed Staff into services and start transitioning onto payroll

July 2017
Continue to transition staff and build out core innovation functions



Functions Established from:
July 2016 - Jan 2017

- Application Development
- Hosting and Provisioning
- End User Computing
- Service Planning and Management
- ERP
- Enterprise Applications Mgmt
- Network and Telecom
- Transformation
- Change Management and Communications
- Agency Relationship Management
- Quality Assurance
- Business Analysis
- IT Operations
- Portfolio / Project Management

Functions Established from:
Jan 2017 – July 2017

- Audit
- Agency Security Mgmt
- Governance, Risk, Compliance
- Security Operations
- Agency Applications
- Web / Mobile
- Enterprise Architecture
- Technology Strategy
- Resource Deployment
- Security Engineering
- Cyber Resiliency

July 2017 and Beyond
Continue Improvement

Functions Transitioning from:
July 2017 and Beyond

- Identity and Access Management
- Enterprise Integration Solution
- Business Intelligence
- Product Management
- Innovation

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Transition Planning

Effective planning mitigates tension and reduces staff confusion during transition.

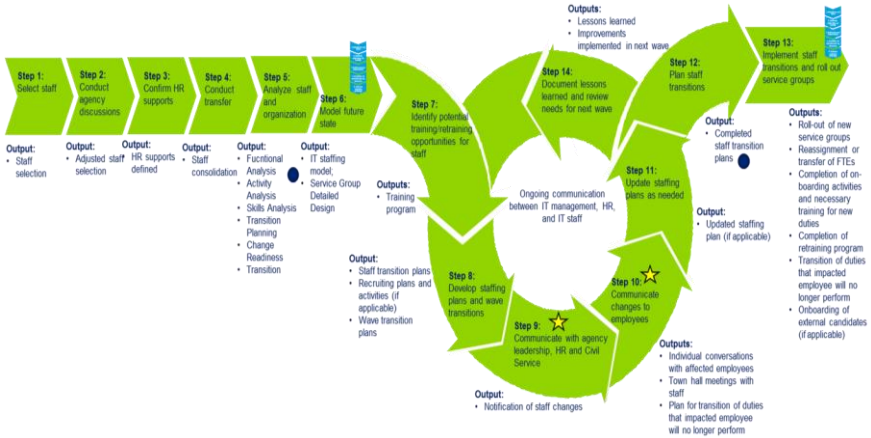
Transition Planning Approach

Transition planning helps establish a repeatable process for moving staff into new roles. In addition to reducing complexity, establishing a repeatable process allows for:

- **Equity** All staff are treated the same regardless of role
- **Predictability** Staff understand what is happening and how; there are no surprises in their transitions
- **Transparency** Communications to staff are clear, accurate and direct
- **Consistency** All transitions are the same; remediation or other processes to deal with unique situations or constrains are defined and implemented and followed

Staff transition planning is done with tight coordination between the IT Transformation program team, the State/agency/DoIT HR organizations and union representation such that processes are compliant with state rules and labor contracts at the outset.

Transition Planning Roadmap



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Transition Process

Transition Stages

Deloitte recommends staff to be transitioned using a staged and modular approach. The three stages below will help support the smooth transition of staff.

Stage 1: Administrative Consolidation

- This stage will result in the administrative consolidation of staff
- This is a tactical process to change funded positions and reporting relationships of all agency IT staff to DoIT
- It will enable identification of staff for consolidation as well as the HR supports required for transition

Stage 2: Transition Planning

- This stage serves as a detailed planning period
- It will involve individual level analysis of existing IT employees and result in detailed future designs for the new organization along with waves for transitioning staff
- It will also help identify the organizational readiness for change and help cultural elements that should be built into the new organization
- In support of changes in staffing and organization, training and transition plans will be identified

Stage 3: Implementation

- This stage is the implementation of the new organizational and operating model
- It includes realignment of staff and build out of services
- Use of consistent and repeatable process for transitioning waves staff to the new organizational model will allow for iterative learning and reduce organizational and service impacts during the transition
- Transition cycles will take place Agency by Agency, starting with mid-size agencies until all of DoIT is operating independently

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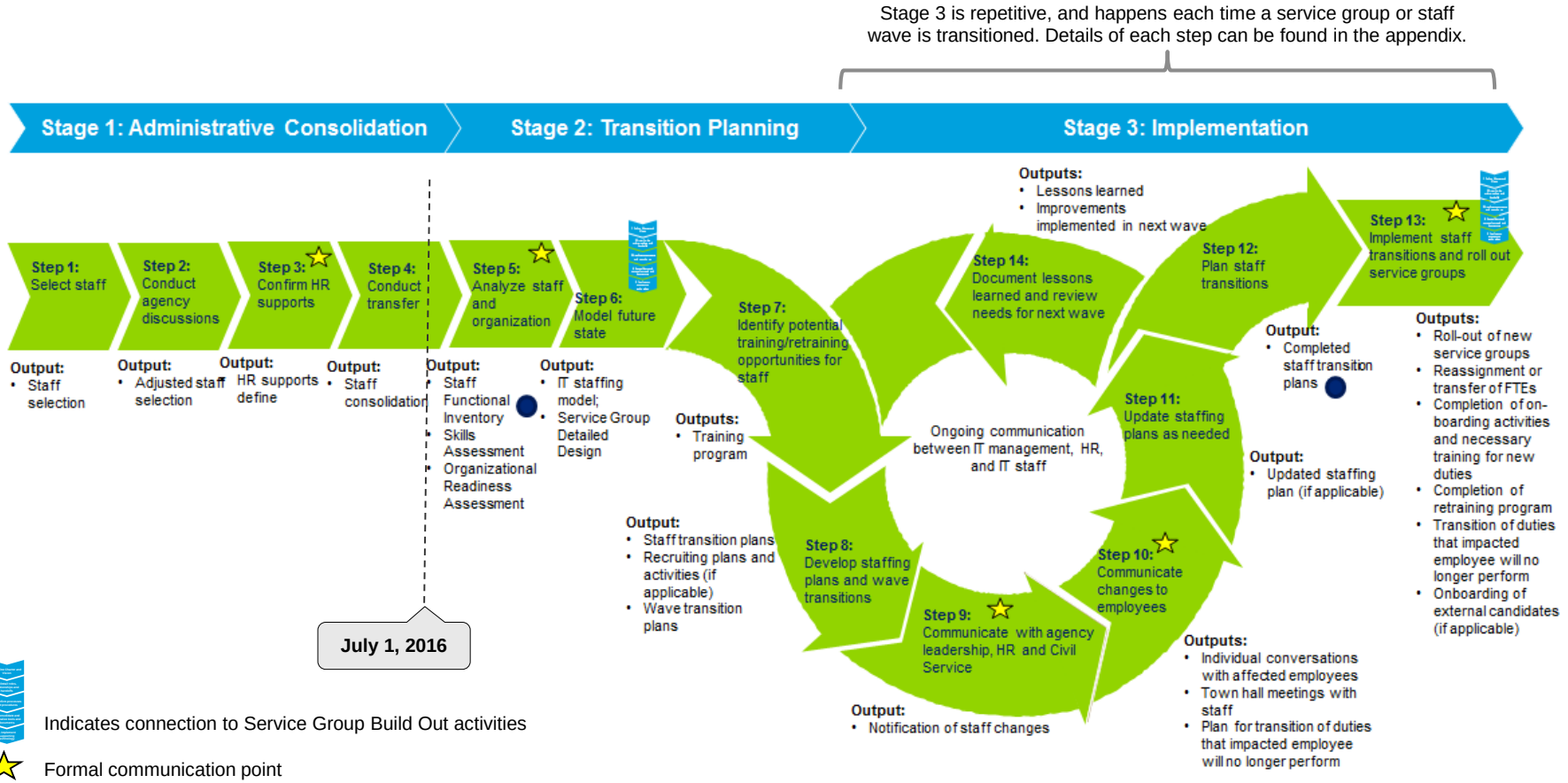
Transition Process

The diagram below provides the step by step detail of the change management process. The process is relatively linear in Stages 1 and 2, and iterative in Stage 3.

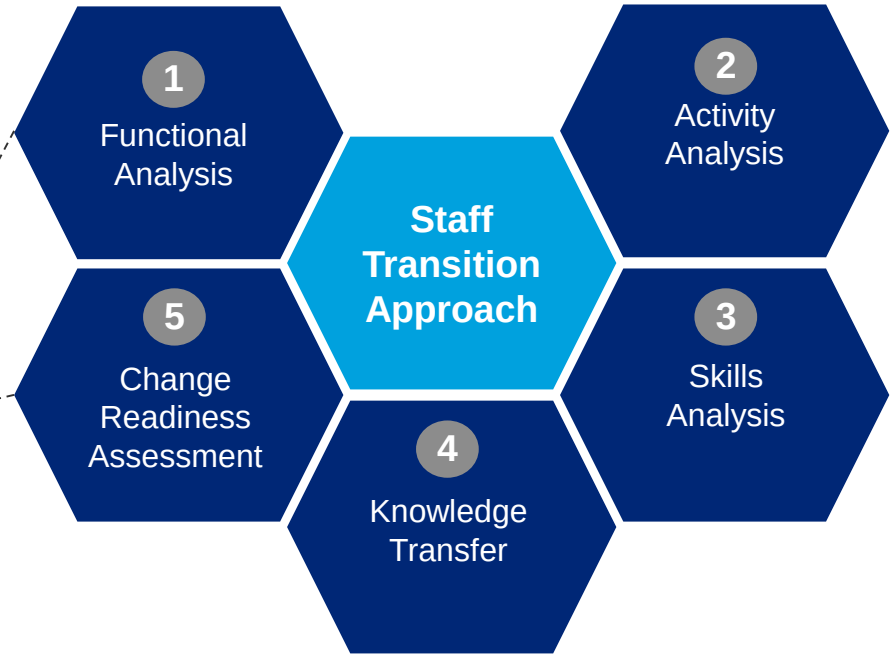
The process includes engagement with many stakeholder groups including: labor, civil service, human resources and employees. Formal communication points are noted.



Essential Transition Information

As identified in the change management process, effectively transitioning staff will require not only process but high quality information and documentation.

Each of these areas of analysis provide a different view into transitions for staff by defining 1) what work staff are assigned to now, 2) the level of effort required to deliver IT in the future, 3) the skills available for delivery and 40 the readiness of staff to transition



Each step must be supported by a robust communications plan to be successful

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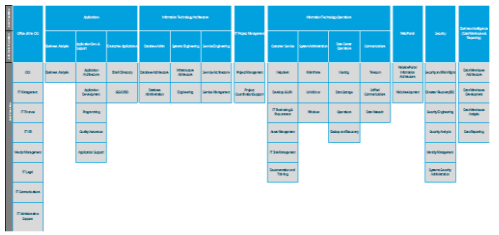
Functional Analysis

A functional assessment will help the State understand what work is actually performed, how many staff perform many different types of functions and the State's functional gaps.

A structured approach to functional assessment accomplishes the following:

- Helps the organization understand the staffing levels necessary to support the future state organization, as well as the division of labor and needs for staff transition planning
- Begins to illuminate how work is fragmented and dispersed across the state, and helps to identify the degree to which staff are "wearing multiple hats" (i.e. doing many different types of IT work, such as end user support and application maintenance)
- Aligns state IT staff to Deloitte's standard IT job families and functions for ease of understanding (see below) and clarity of analysis as many state's IT job titles do not necessarily describe the work being done

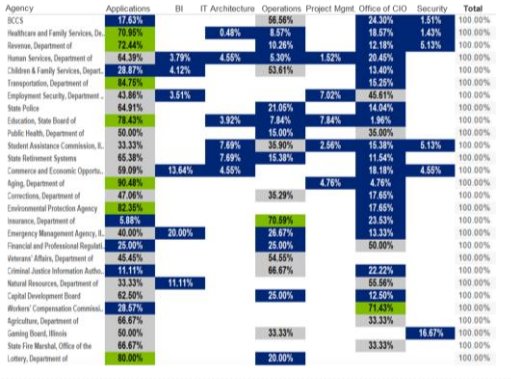
Family & Function Model



We typically conduct functional analysis to illuminate many current state conditions of IT staff including:

- Benchmarking staffing levels against industry and peer states to understand gaps, challenges and needs
- Evaluating use of staff augmentation contractors, to identify areas where contractor dependence signals limited institutional knowledge, risks, or opportunities for greater leverage
- Geographic dispersion of staff, understanding what types of staff are dispersed throughout the state and what services/functions they are performing
- Understand key areas of risk regarding recruiting and hiring gaps on the front end, and retirement eligibility on the tail end
- Determine pay gaps and equity across functional types as often in very dispersed IT operating environments staff in performing the same role at the same level in different agencies have large pay gaps, and as a state moves to consolidate them, pay equity becomes both a necessity and often a financial challenge

Job Family by Agency



Agency	Applications	BI	IT Architecture	Operations	Project Mgmt	Office of CIO	Security	Total
BCCS	17.63%			56.56%		24.30%	1.51%	100.00%
Healthcare and Family Services, De...	70.96%		0.48%	8.57%		18.57%	1.43%	100.00%
Revenue, Department of	72.44%			10.26%		12.18%	5.13%	100.00%
Human Services, Department of	64.39%	3.79%	4.55%	6.30%	1.52%	20.45%		100.00%
Children & Family Services, Depart...	28.87%	4.12%		53.61%		13.40%		100.00%
Transportation, Department of	84.76%					15.25%		100.00%
Employment Security, Department ...	43.86%	3.51%			7.02%	45.61%		100.00%
State Police	64.91%			21.05%		14.04%		100.00%
Education, State Board of	78.43%		3.92%	7.84%	7.84%	1.96%		100.00%
Public Health, Department of	50.00%			15.00%		35.00%		100.00%
Student Assistance Commission, II...	33.33%		7.69%	35.90%	2.56%	15.38%	5.13%	100.00%
State Retirement Systems	65.38%		7.69%	15.38%		11.54%		100.00%
Commerce and Economic Opportu...	59.09%	13.64%	4.55%			18.18%	4.55%	100.00%
Aging, Department of	90.48%				4.76%	4.76%		100.00%
Corrections, Department of	47.06%			35.29%		17.65%		100.00%
Environmental Protection Agency	82.35%					17.65%		100.00%
Insurance, Department of	5.88%			70.59%		23.53%		100.00%
Emergency Management Agency, I...	40.00%	20.00%		26.67%		13.33%		100.00%
Financial and Professional Regulati...	25.00%			25.00%		50.00%		100.00%
Veterans' Affairs, Department of	45.45%			54.55%				100.00%
Criminal Justice Information Autho...	11.11%			66.67%		22.22%		100.00%
Natural Resources, Department of	33.33%	11.11%				55.56%		100.00%
Capital Development Board	62.50%			25.00%		12.50%		100.00%
Workers' Compensation Commissi...	28.57%					71.43%		100.00%
Agriculture, Department of	66.67%					33.33%		100.00%
Gaming Board, Illinois	50.00%			33.33%			16.67%	100.00%
State Fire Marshal, Office of the	66.67%					33.33%		100.00%
Lottery, Department of	80.00%			20.00%				100.00%

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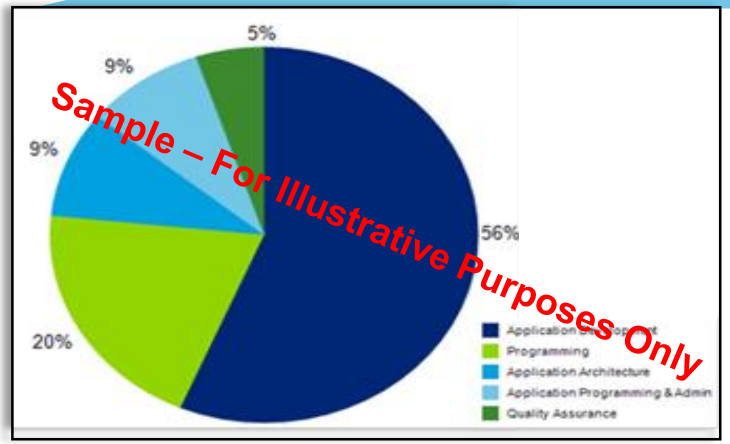
Activity Analysis

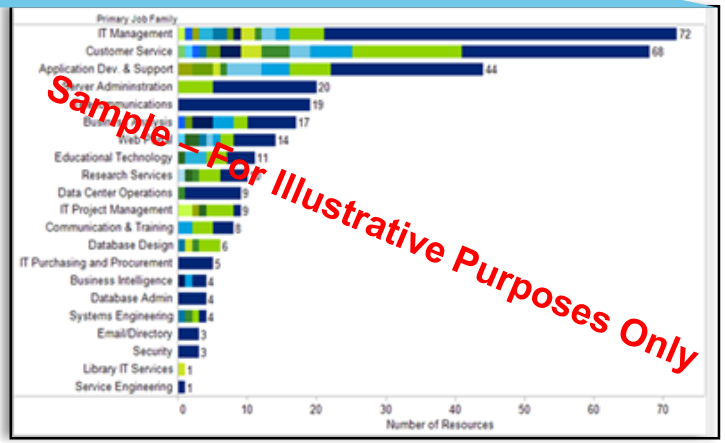
An activity analysis takes the functional analysis to the next level of detail to show who is doing what and the level of effort required.

- Provides better information as to the staffing levels that may be necessary in the future state based on how many hours (and FTEs) are required to provide services today.
- Activity analysis also helps to show how much time IT staff are spending on non-IT functions (administration, program support, etc.) so that staffing levels are not over inflated.

A sample output for activity analysis assessing time spent across activity types is represented below.



Example Deliverable



Example Deliverable

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Skills Analysis

The skills analysis presents an opportunity to understand the specific competencies of the State's talent landscape.

- Based on Illinois's unique labor environment, the below approach should be considered in order to accurately assess employee skills
- Whereas functional analysis will reveal how many staff are in various roles, a skills assessment will reveal if the right people are in the right roles and what skills the state has in total
- A skills assessment, which will tie to many elements of the transformation process, will provide an important input to identification of training needs—an essential element to staff transition and establishment of a sustainable IT organizational model

IT Competencies

Soft Skills

Technical Skills

Certifications

Management Competencies

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Knowledge Transfer

In addition to the knowledge and work that will transition with the employee, there is also work and knowledge that will need to remain with the original agency.

In addition to transitioning into new roles, in many cases, staff will be leaving work behind or work that will be shifted to a different service provider. To mitigate loss of business continuity the State should proactively capture and transfer knowledge. Typical knowledge to be transferred includes

1

Program Related Work
Some IT staff are shared between IT delivery and program delivery. For these staff, a program peer will need to serve as the recipient of the knowledge and appropriate safeguards put in place such that workload is manageable.

2

Institutional Agency Knowledge
For some agencies, IT staff may be a significant portion of agency staff, and carry with them significant amounts of native agency knowledge. Because agencies in Illinois do not typically have updated business process documentation, some time may need to be spent moving institutional knowledge into formal documentation.

3

Other IT Functional Duties
Many agency IT staff perform multiple types of IT work and support different functional duties. As staff transition into the future state organizational model, this multi-hat approach will no longer be the case. As a result, staff will need to transition the functional IT duties they are not taking with them to staff that are staying or who will be owning that information in the future.

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Change Readiness

Utilizing the Implementation Readiness Report will give data that will help the state have a successful change.

Each element of staff transition will be embedded with core change management principles and indicators. The State needs to have the capability to track progress in terms of readiness overall. States that do change management effectively used Change Readiness Survey to determine organizational readiness.

Example Outputs

An effective Change Readiness Survey:

- Measures employee perception of a change at a single point in time
- Helps to determine a baseline for successful change factors at the outset of planning
- Validate and monitor the success of change initiatives on an on-going basis
- Allows for a clear understanding of employee, management, and leadership perceptions of change
- Helps identify key barriers and enablers to success
- Guides recommended strategies and actions for increasing engagement and willingness to change

Based on the survey responses, key themes can be derived for various stakeholder groups and action plans targeted specifically at these groups' needs. Recommendations for improvement to the change efforts should then be clearly linked to project implementation activities in an actionable format.

Effectively managing change is dependent upon identifying the barriers and enablers across an organization as it relates to individual readiness.

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Service Group Design

As part of the change management process in (Steps 6 and 13), services and supporting structures should be designed and rolled out.

As with staff, services should be built out based on a repeatable process to minimize service disruptions and allow for stabilization to occur before launching into the next build out. Once designed, services can be rolled out in parallel with staff training and wave transitions.

1. Define Charter and Vision

- Identify service group design leaders/owners
- Define if service is an Incubator, COE, or central service under the new vision
- Create a specific charter and vision for the service including goals, expectations and direction
- Define relationship of the service to other services

2. Detail roles, relationships and handoffs

- Define specific / individual roles and responsibilities of staff in each service
- Define handoffs and dependencies between indidviduals and functions within services and between them

3. Define processes, procedures and tools

- Identify existing processes and procedures that need to be updated or defined
- Inventory technologies and tool(s) and related documentation currently in use
- Define the tool(s) for use in the future state including opportunities to consolidate
- Redesign processes, as necessary, to support each service

Considerations for Training

The most essential element in a successful organizational transformation is having staff that are well prepared for transition and fully trained to be a part of the new organization.

Training For Transition

To prepare staff for their new roles and a new organization all staff need to be trained on:

- Their new roles and responsibilities
- New processes and procedures within their service
- How their new service works
- How their service fits within the broader IT organization

For some staff taking on new roles, they may need to be retooled and trained on new skills required for their new responsibilities

Staff transition training needs can be identified as part of the overall staff transition process outlined on other slides.

Training for Effectiveness

At present, agency level IT staff use different processes, tools and approaches for delivering services. As discussed in the Talent Management section, investing in training by building consistency and standardization of skills across staff, will be important to long term organizational success.

As suggested in the Talent Management section, the State should consider building a comprehensive staff training program to continually develop staff.

- A first step in this program would be to train all staff on ITIL, which would help foster a common language for providing service, a standard set of processes and common understanding across the entire organization
- A long term training program would address the skill gaps prevalent among staff and help foster development for all staff over the course of their careers