

FSA Modernization Program
US Department of Education
Federal Student Aid



CIO Business IT Planning Meeting

Task Order #112
Deliverable #112.1.1

July 18, 2002

FSA CIO Business IT Planning Event

July 8 – July 12, 2002

SUMMARY

As part of IT and enterprise infrastructure support to the FSA business channels, the FSA CIO continuously examines other world class organizations within both the Government and commercial sectors and maintains continuous dialogue with customer organizations to help future planning activities. This year, a technology event planned during the week of July 8 included discussions with the CIO & CFO at the Federal Reserve Bank in Cleveland, CIO & Network Manager at Massachusetts Institute of Technology (MIT), Distinguished Fellows at IBM, and senior executives at Accenture's Financial Ideas Exchange. The meetings at MIT included senior management from EDUCAUSE and CREN.

The meeting provided a valuable forum for many FSA CIO executives to discuss directions of initiatives already underway as well as validate many aspects of future plans that will continue to optimize the business value of FSA's IT investments. The meeting was able to cover a wide variety of pertinent areas within the allotted time. Among the objectives achieved were -

- *IT metrics and balanced scorecard* implementation guidance;
- An explanation of various practical aspects and lessons learned from implementing state-of-the-market *security and authentication technologies*;
- A long term view of the *FSA ITA and EAI strategy* using WebSphere and MQ-Series. The discussions also included the future directions that may include Tivoli security components as well as the potential for using web services; and,
- An *ideas exchange with other financial services* executives using Accenture's Financial Ideas Exchange facility. Specific areas of focus included CRM, IT Metrics and the Balanced Scorecard and technology futures in the financial services arena.

The FSA CIO direction in both technology and business alignment is sound both for the near term as well as the future. Implementations of the balanced scorecard can be escalated to the next level of business alignment maturity.

At the Federal Reserve Bank in Cleveland, Mr. Lawrence Cuy provided an interesting perspective given that he is Senior Vice President for the bank and is also its CIO and CFO. An FRB senior executive with responsibilities for both FRB Cleveland and FRB National Enterprise initiatives, his focus on continuous process improvements and discussion on implementation of metrics and the balanced scorecard was insightful. Ms. Jean Burson, Director of Strategic Planning provided the landscape for FRB Cleveland's Strategic Plan and how it dovetailed into the Balanced Scorecard developed for the FRB Board of Directors. Finally, Sam Harshman provided an insightful view of how the IT Metrics were developed, modified and adopted by the IT staff in its efforts to fulfill FRB Cleveland and FRB National Enterprise initiatives.

The FRB Cleveland utilizes the balanced scorecard to drive business process improvements. The metrics are refreshed through an institutionalized process on a monthly basis. The scorecard is reviewed with the FRB Board of Directors and it is integrated with the business strategy. Other observations and lessons learned include a collaborative effort to develop the metrics, establishment of baseline and target limits that can be used for value-added supervision, the need to keep metrics simple, a focus on continuous process improvement and leadership by senior-most executives.

At MIT, Mr. James Bruce – CIO and Jeff Schiller – Network Manager, gave insightful perspectives on their implementations of security and authentication. Jeff, one of the authors of Kerberos technology helped explain the need for authentication gateways and the use of PKI technology (digital certificates) for certain business-to-business transactions in the case of FSA. Since MitreTek is supporting multiple federal authentication efforts, an action item includes scheduling of a discussion with appropriate personnel.

MIT has implemented PKI and issues digital certificates to everyone at MIT. The certificates have an expiration date which is typically 15 months. CREN and EDUCAUSE are specifically focused on a higher education bridge that can cross-certify users among organizations with digital certificate implementations.

IBM provided a good overview of various technologies and their future direction. Their commitment to FSA's investments in Websphere, DB2 and MQ-Series was evident. One area for further investigation included the potential use of Lotus QuickPlace as a self-service web tool for team collaboration to some or all of (1) coordinate (people, tasks, resources, plans), (2) collaborate (share ideas and discussion, co-author/exchange files, and (3) communicate (actions, decisions, lessons learned and publish knowledge). Web services is another emerging technology that FSA can leverage and assist in the establishment of standards.

Accenture's Financial Ideas Exchange was able to demonstrate the business technology alignment that is key to providing higher quality customer service. The FIE was able to provide practical insight into experiences from other financial services organizations, both Government and commercial. Of particular value were demonstrations of different technologies, their business impacts and the lessons learned from Balanced Scorecard implementations. One follow-up action is to further share Balanced Scorecard experiences.

Specific FSA follow-up items:

1. Mitretek communication – regarding implementation of security and authentication at CREN and EDUCAUSE.
2. More detailed examination of Lotus QuickPlace.
3. Additional lessons learned regarding Balanced Scorecard implementations from Accenture executives in conjunction with GIGA's balanced scorecard experts leading to prototype CIO scorecard and templates for an FSA and ED CIO scorecard.

SCHEDULE & ATTENDEES

ORGANIZATION/SCHEDULE	LOCATION	INITIAL CONTACT	TOPICS	SPEAKERS	TIME	CONFIRMATION
Federal Reserve – Monday July 8	Cleveland	Yes	Y	Y	10 – 4:30	Y
MIT/EDUCAUSE – Tuesday July 9	Boston	Yes	Y	Y	9 - 4	Y
IBM – Wednesday July 10	Cambridge	Yes	Y	Y	8 – 5:30	Y
Accenture FIE – Thursday July 11	New York	Yes	Y	Y	9 - 5	Y

AGENDA

DATE	ORGANIZATION/LOCATION	HOST(S)
Monday July 8	FEDERAL RESERVE BANK – Cleveland <i>1455 East Sixth Street, Cleveland, Ohio 44101</i> IT Metrics Balanced Scorecard	Lawrence Cuy, Sr. VP – CIO & CFO Larry.Cuy@Clev.FRB.Org 216-579-2194 Karen (EA) 216-579-2347
Tuesday July 9	MIT – Boston <i>304 Vassar Street – Building W92-203</i> <i>Cambridge, MA 02139¹</i> <ul style="list-style-type: none"> • E-Authentication • Security Authentication/Bridge • Web Services • Decentralized vs. Centralized Operations • Infrastructure Plans • Other Schools • Business Impacts • Student Impacts • Cost Trends • Utility Computing 	James Bruce <i>Vice President for Information System</i> jdb@MIT.EDU Jeff Schiller Network Manager jis@mit.edu 617-253-0161 Susan Manai Azary <i>Director, IT & Infrastructure</i> azary@MIT.EDU 617-253-7013 Robert Rippondi <i>Director, Student Services</i> <i>Information Technology</i> robertr@mit.edu 617-258-6421 Elizabeth Hicks <i>Director of Student Financial Services</i> emhicks@mit.edu 617-253-4090 David J. Hogarth Administrative Assistant davidh@mit.edu 617-253-1514

¹ MIT Building W92 MAP at
<http://whereis.mit.edu/bin/map?state=0&pri.x=124&pri.y=130>

DATE	ORGANIZATION/LOCATION	HOST(S)
Wednesday July 10	<p>IBM – Cambridge</p> <p><i>IBM/Lotus Executive Briefing Center One Charles Park 1st Floor Cambridge, MA 02142</i></p> <ul style="list-style-type: none"> • IBM Business Intelligence (Data Management) Futures • Knowledge Management & Collaboration • Lunch / Executive Roundtable • Tivoli Systems Management & Security, SSO • Web Services • Websphere / MQ Futures 	<p>Dion Rudnicki – Host 301-803-2740 240-461-7733 (cell) 617-693-8565</p> <p>Jennifer Long, Program Manager/Briefing Coordinator 617-693-4435</p> <p>Don Graham Chris Crummey Larry Prusak Al Zollar Will Martin Michael Connor Sharon Forsythe forsythe@us.ibm.com 301-803-1965 - office 703-216-7714 – cell Mary K. Dohini(secondary) 301-803-3004</p>
Thursday July 11	<p>ACCENTURE – Financial Ideas Exchange</p> <p><i>Accenture 623 5th Avenue, 19th Floor, New York, NY (located between Madison and 5th Avenue) 917-452-3040</i></p> <ul style="list-style-type: none"> • CRM • IT Metrics • Balanced Scorecard • Financial Services Technology Futures • Customer Insight • Demonstrations • Interactive Discussion 	<p>Peter Larsen peter.n.larsen@accenture.com 917-452-3008</p> <p>Ellen Dougherty 917-452-3007</p> <p>Julie O'Brien Doug Kasamis</p>

ATTENDEES

<u>Attendees</u>	<u>Name</u>	<u>Federal Reserve - Cleveland</u>	<u>MIT/IBM/FIE – Cambridge/New York</u>
FSA	Stephen Hawald	Y	Y
	Kay Jacks	Y	FIE ONLY
	Jennifer Douglas or Representative	Y	FIE ONLY
	Harry Feely	Y	Y
	Charlie Coleman	Y	Y
	Robert Jamroz	Y	FIE ONLY
	Mary Haldane	Y	FIE ONLY
	Steve Allison	Y	FIE ONLY
	David Moore	Y	Y
	Denise Hill	Y	Y
	Andrew Boots	N	MIT ONLY
	Ganesh Reddy	Y	Y
		Steve Fletcher	N
<i>Department of Education</i>	Deputy Assistant Secretary for Process Improvement, Office of the Deputy Secretary for Management		
<i>Accenture</i>	Mark Snead	Y	Y
	Elisabeth Schmidt	Y	FIE ONLY
	Rob O’Keefe	Y	Y
	Yateesh Katyal	Y	Y
	Martin Renwick	N	FIE ONLY
	Paul Peck	Y	Excluding FIE
CSC PoC – June 202-842-7392	Jeff Robinson	Y	Y
	Richard Jarmuzik	Y	Y
	Carl Porter	Y	Y
<i>CREN</i>	Judith V. Boettcher jboettch@cren.net 202-293-6867	N	MIT ONLY
<i>EDUCAUSE</i>	Mark Luker 202-872-4200 x 5351	N	MIT ONLY