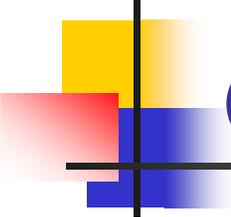


The Vision for FSA CIO

"FY '03"
Strategic Offsite
June 10-12, 2002

Confidential: For Discussion Purposes Only



Contents

- Why We Are Changing
- Matrixed Organization--What Is It?
- Business Alignment with an IT Strategy Plan
- Major Paradigm Shifts
- Service Management Strategy Plan
- Benefits
- Roles
- Key Challenges
- How Will This Work for Us?



To Set the Context...

- A number of changes are required within the CIO organization including:
 - Optimization/Budget Cuts/FTE reduction
 - Closer alignment to FSA business units
 - Incorporation of Modernization initiatives and enhancements
- Looking to form a matrix organization
 - The team-based structure of matrixed management would allow for a collaboration and a blending of skills to provide customer-focused services and results



Why Should We Change?

Business Challenges

- Business Alignment
- Rapidly changing IT environment
- Budget constraints
- Demand for improved and/or new services



Needed Response

- Service Management Strategy
- Rapid response to new requirements, business needs, technology
- Capitalize on resource skills and abilities
- Liaison with customers

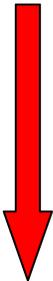


How do we get there?

Step 1: Business Goals



Step 2: IT Strategic Plan



Business Ops

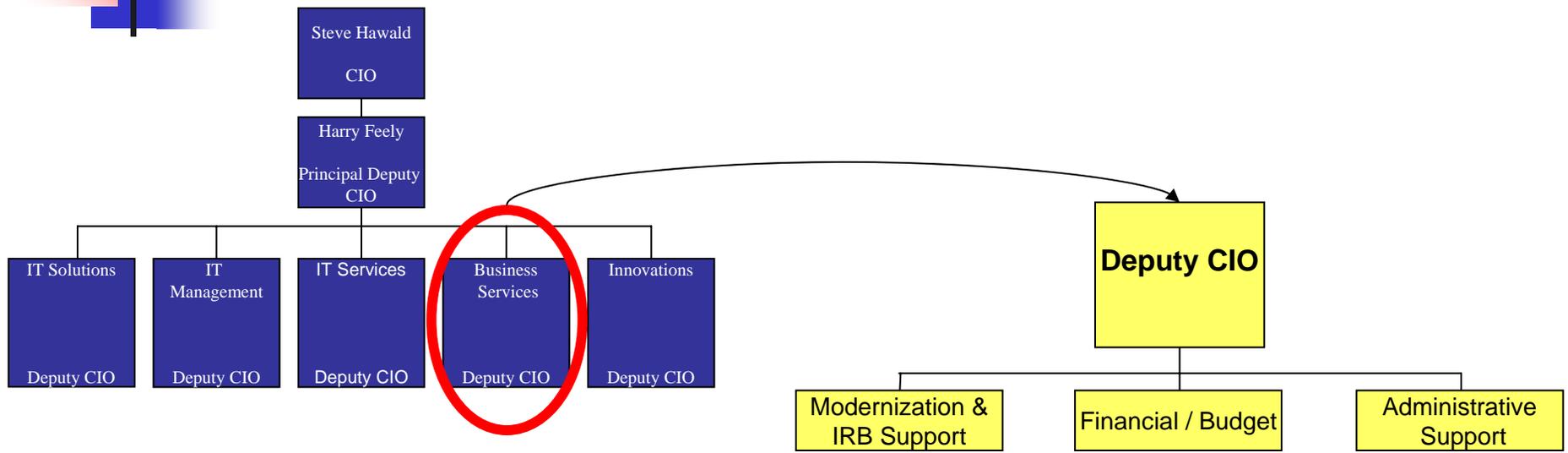
(Execution of Business Based Projects)

Step 4: Validate



Step 3: IT Enabling
Support Projects

Current "Stovepipe" Structure

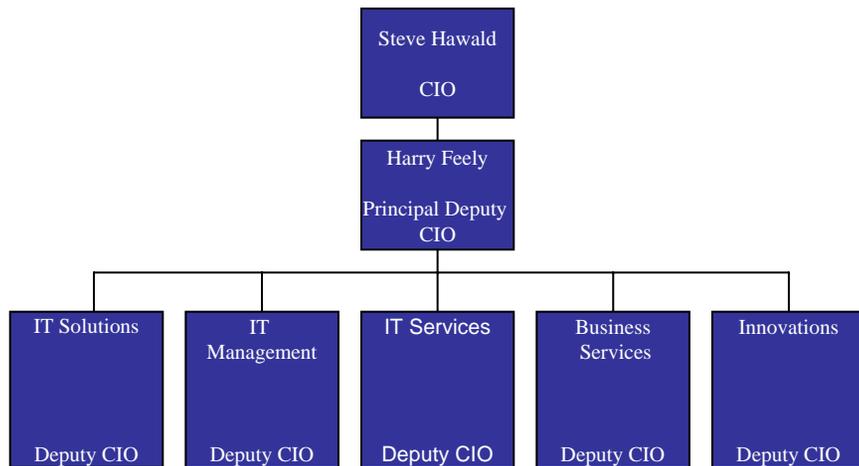


- Current approach functions within a stovepipe environment
 - Modernization & IRB Support is segmented from the Financial/Budget team and both are separate from Administrative Support
- The new organization will provide a flatter organizational approach with more integrated, streamlined processes & procedures

Why Change Our Structure?

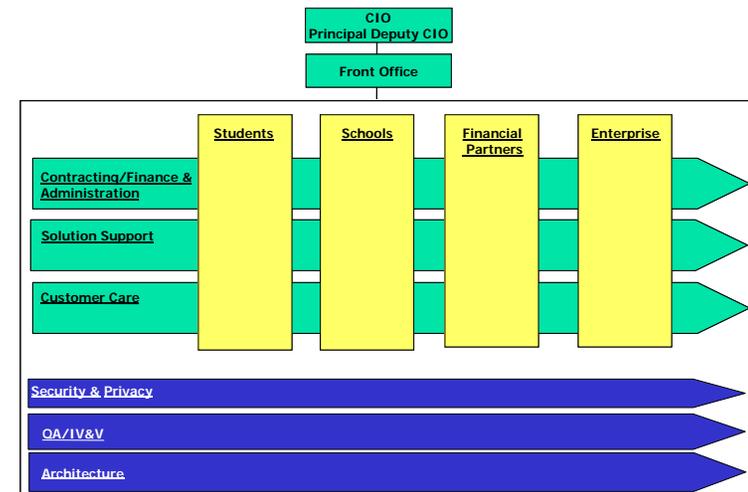
A new organization structure would utilize matrix management : a team-based structure which maximizes functional and service-based skills to provide end-to-end service to the customer (FSA's business units)

Where We Are



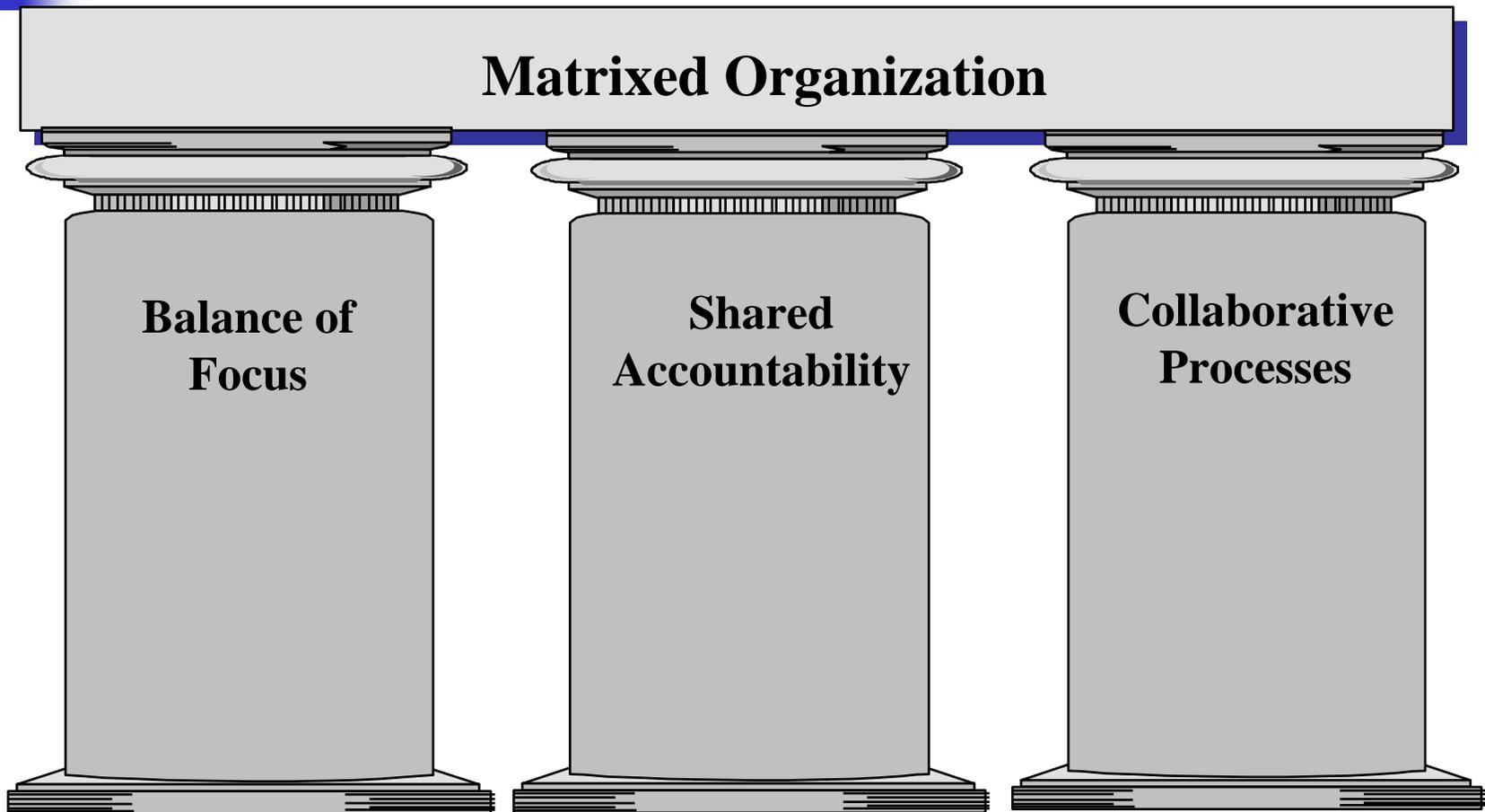
Functionally Oriented Structure

Where We're Heading

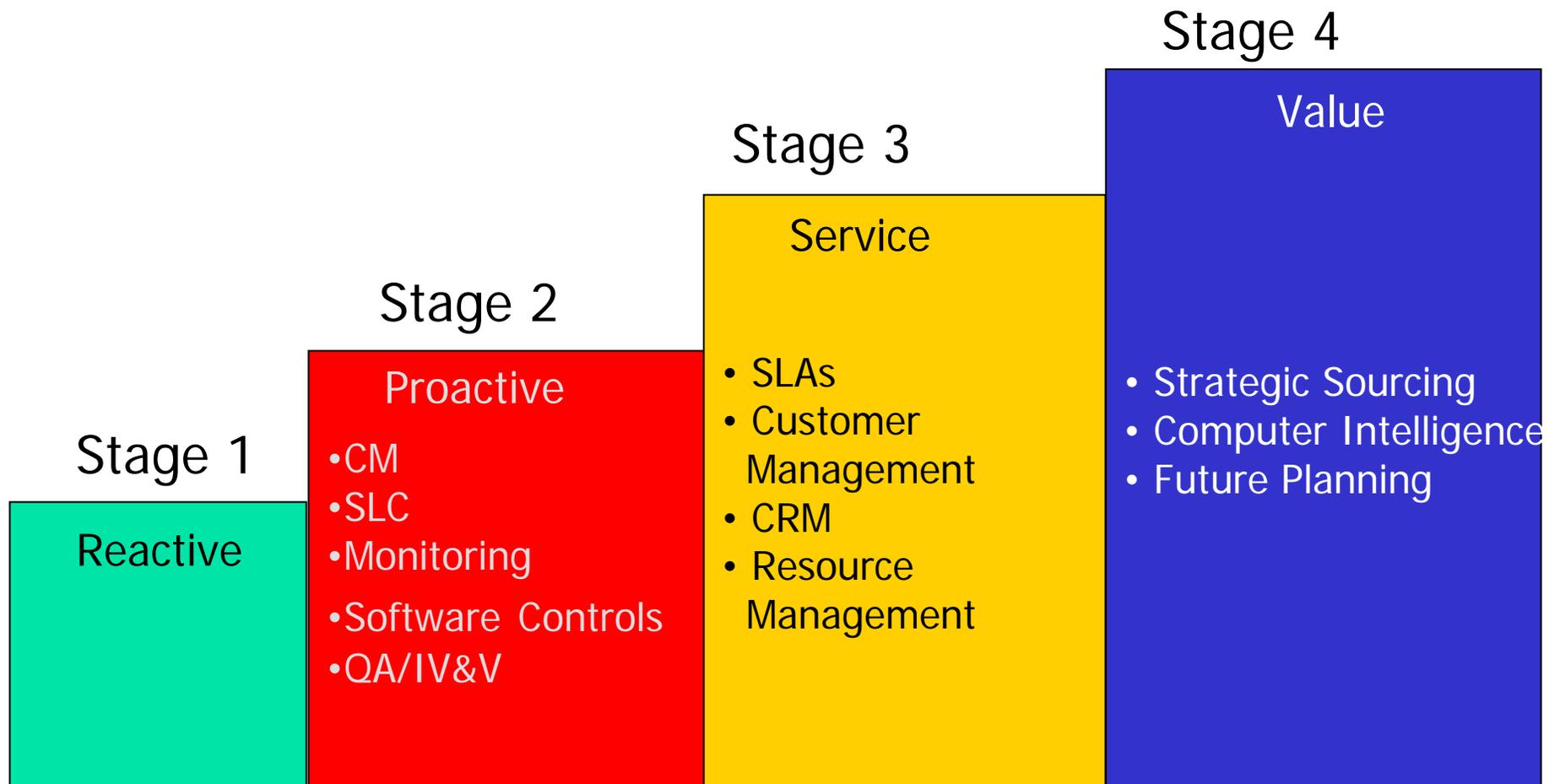


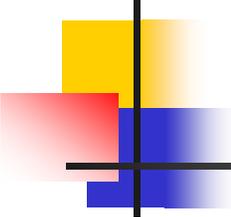
Service Team-Oriented Business Units

Critical Components of a Matrix Organization For a Service Mgmt Strategy

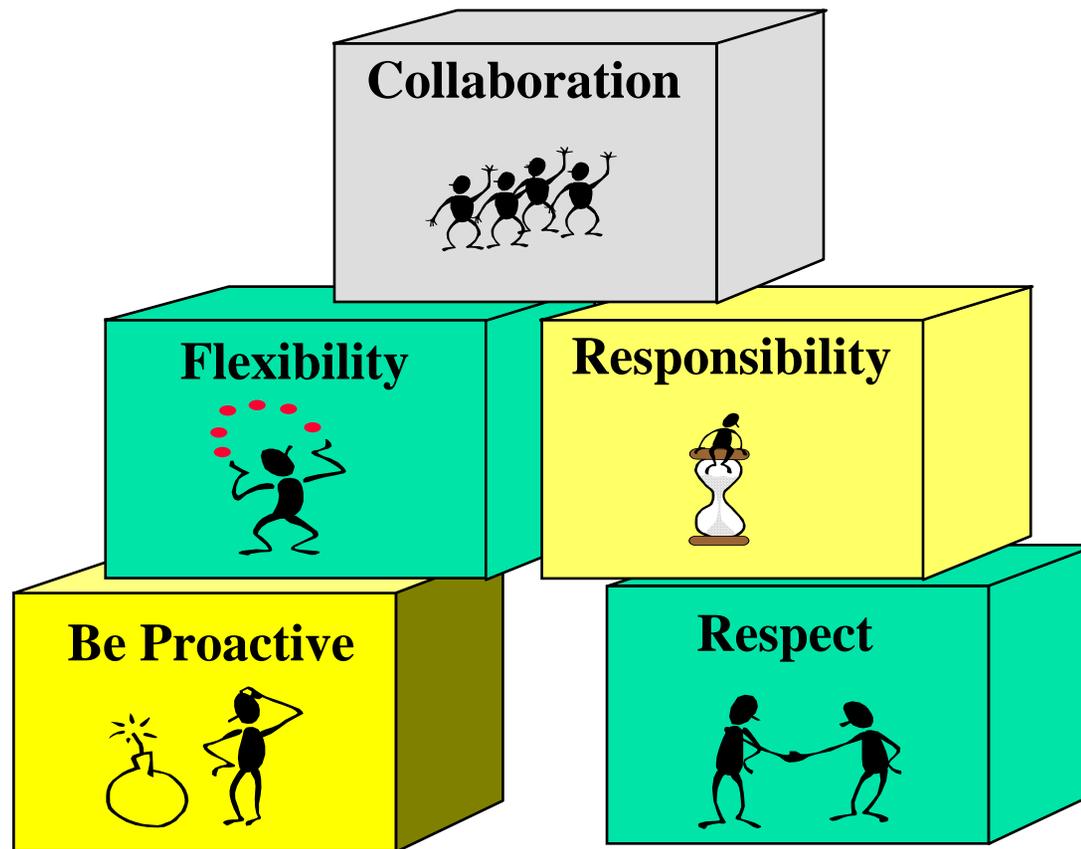


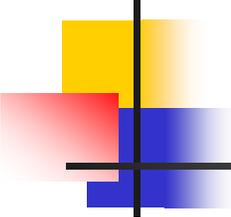
Maturing Customer-Centric Delivery Model and Process





The Essential Building Blocks





3 Legs of the IT Stool

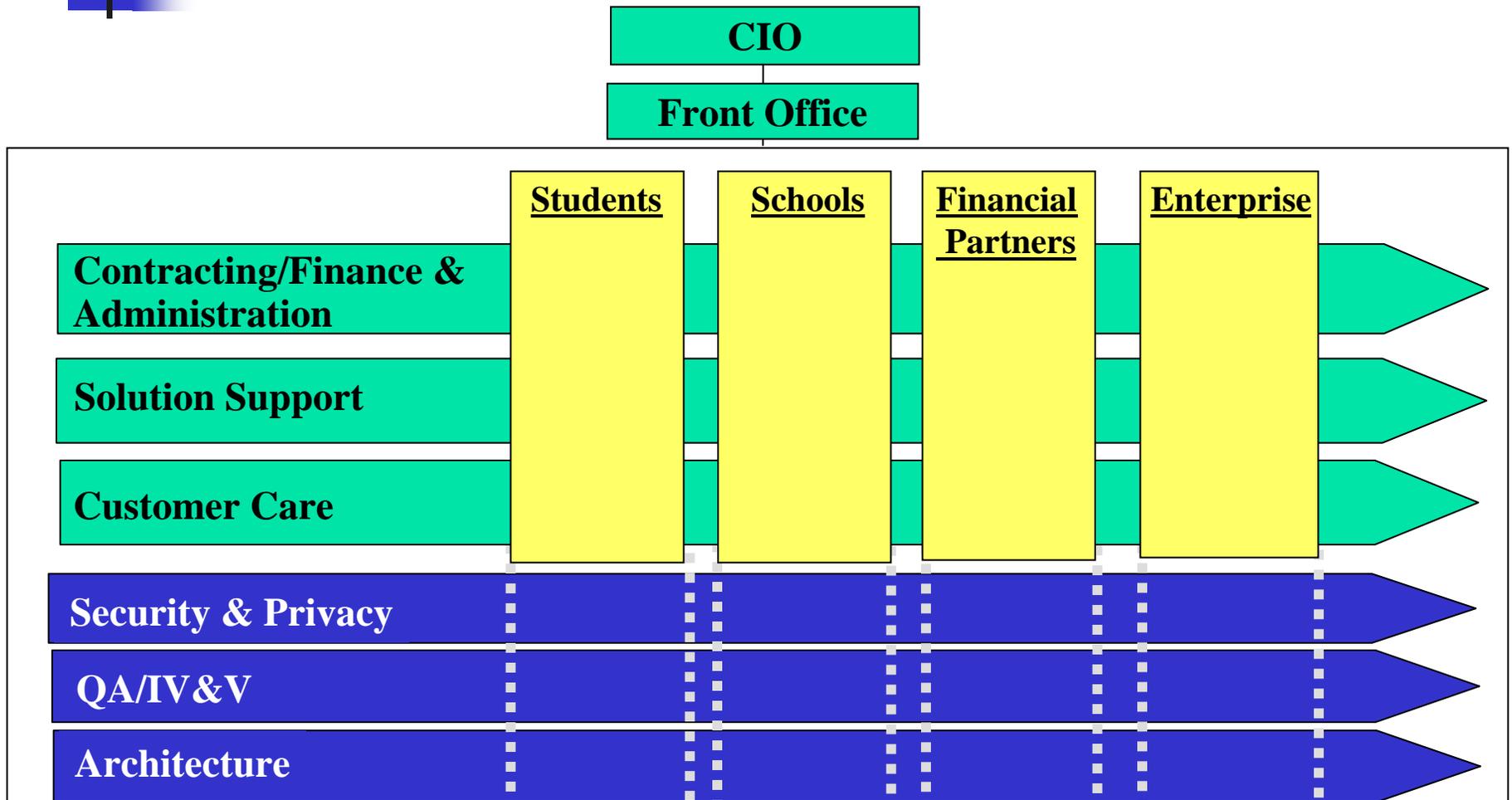


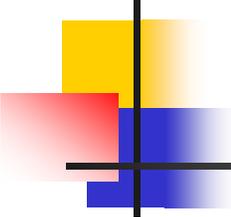
Governance

Enterprise
Architecture

Service Management
Strategy
(*Main Focus*)

Proposed "To Be" CIO Organization





Major Paradigm Shifts

From

To

“Not my problem”



“What can I do to help?”

“What does my boss need?”



“What does the customer need?”

“What’s my title?”



“What’s my role?”

“This is how we’ve always done it.”



“Let’s explore better ways.”

“Who is ultimately responsible?”

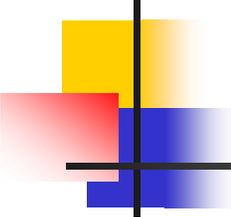


“We’re all in this together.”

Bottom Line: Stovepipe



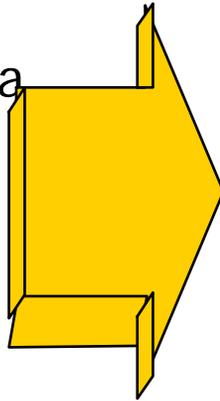
**End to end service model/
Delivery System**



Benefits of a Matrix Organization

Drivers for Change

- Business management in a rapidly changing IT environment
- Budget constraints
- Demand for improved &/or new services

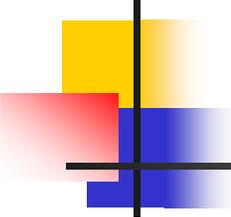


Better Enabling Us To:

- Adjust to an unpredictable environment using an enterprise architecture
- Capitalize on resource skills and abilities
- Ensure customer focus (FSA business units or business solutions)

“Matrix management is tough to administer, but it can pay off handsomely if done well.”

-- Diane McGarry, Chairman, President and CEO of Xerox Canada Inc.

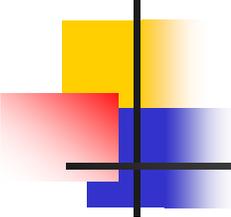


Working Draft: Individual Roles

CIO:

- Clearly set organization goals/services & priorities
- Ensure collaboration of business function and service management strategy through matrixed actions and direction
- Manage decision making process-- ensure issues are resolved in a reasonable and timely fashion
- Optimize IT assets/mgmt with balanced scorecard
- Work with team leads to ensure fulfillment of business & organization goals
- Etc...

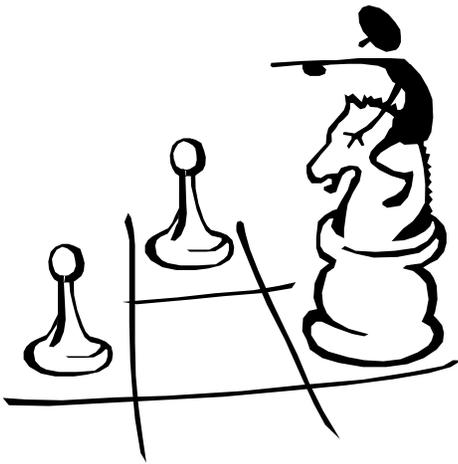


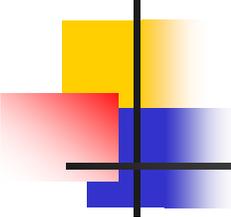


Working Draft: Individual Roles

Deputy CIO:

- Identify and manage specific functional expertise to achieve the service needs/offerings to our customers
- Ensure functional members are integrated, trained & working in the interest of the service
- Collaborate with Functional Team Lead to decide resources
- Provide Functional Team Leads with input for personnel performance reviews
- Etc...



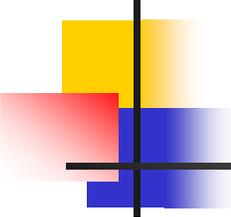


Working Draft: Individual Roles

Functional Team Leads:

- Monitor business functions
- Address cross-functional issues (e.g.: enterprise architect)
- Provide guidance & direction on functional operations, technical solutions & professional development
- Conduct team members' formal reviews with input from Service Line Team Leads
- Identify and track performance metrics
- Reinforce organizational values & collaboration
- Etc...



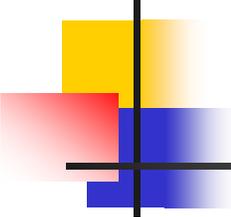


Working Draft: Individual Roles

Team Members:

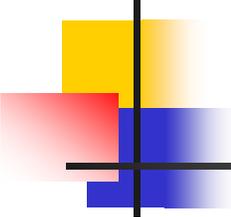
- Collaborate within and across teams to provide end-to-end services
- Balance functional and service input to decide upon best solutions (in-house/outsourced)
- Actively seek needed expertise/input from customers, Modernization Partner, industry experts, and other operating partners
- Leverage other team members knowledge to build functional and service expertise
- Etc...





Next Steps

- Align business goals to an IT strategy plan
- Define service management strategy flow
- Continue information exchange and fact gathering
- Continue to develop details around the organization and how it will work
- Continue dialogue with ED OCIO
- Initiate reorganization approval process
- Develop CIO communication plan for service offerings
- Begin transition process



Topics for today ...

This morning...

- How do we make these changes happen?
- What will be our key challenges?

This afternoon...

- How to more effectively serve our customers
- What are the CIO Service Offerings in our delivery model?