



CIO Redefined **WORK IN PROGRESS**

Business Drivers for CIO Organization Analysis

The Student Financial Assistance (SFA) Chief Information Office is currently exploring ways to better serve their customers. There are several drivers behind this current exploration, which can be broken down into two groups: government-wide and SFA drivers.

Government-Wide Drivers

First and foremost, President Bush's government-wide initiative "Strategic Management of Human Capital" calls for flattening the Federal hierarchy, making Government more citizen-centric, and opening more government functions to private-sector competition calls. In addition, management of Federal agencies is encouraged to make better use of the flexibilities in place to acquire and develop talent and leadership (management flexibility, performance-oriented compensation, provide tools to recruit, retain and reward a high-quality workforce.) The expected results include:

- Link human capital to the mission, vision, core value and goals
- Determine core competencies and whether to build (recruit and train) or buy (outsource) these
- Flexibility for management to meet changing demands

The management of human capital over the past few decades has led to the current human capital crisis that the federal government faces. Specific practices that have led to the problems facing federal agencies include:

- Across-the-board reductions instead of targeted reductions aligned with agency missions which has led to an older workforce with increased layers of hierarchy
- Skills have moved out of balance with the needs of the public it serves
- One size-fits-all approach to compensation and HR policies (1945) which prohibits federal pay from reflecting the labor market and does not allow management the flexibility to make a large distinction between excellent and mediocre performers

The human capital crisis coupled with the initiatives laid out in President Bush's "Strategic Management of Human Capital" pose a serious challenge to all government agencies; to become more effective and efficient despite the drain on human capital due to the large percentage of government employees that are retirement-eligible within the next 10 years.

Student Financial Assistance Drivers

Across Student Financial Assistance (SFA), executive leadership has been responded to the impending human capital crisis by taking a closer look at workforce planning. Initial steps have been taken to reduce the hierarchy and bureaucracy within SFA and address the impending human capital crisis. Each organization has been provided with FTE targets that need to be met by September 2002. Specifically within the CIO, targets have been established to make the CIO organization leaner by moving from 90 FTES to 50 FTES by September 2002.



As the federal government's first performance-based organization, SFA is driven by a clear mission – "We Help Put America Through School." SFA is focused on this mission and committed to building a performance-based culture centered on accomplishing our three performance goals, known as SFA's balanced scorecard:

- Increase Customer Satisfaction
- Improve Employee Satisfaction
- Reduce Unit Cost

In light of these challenges, it is critical that the CIO examines how to better align capabilities and skills toward the achievement of these goals while determining the best way to streamline the organization given the FTE targets discussed earlier.

Addressing these challenges won't be easy given the additional challenges that CIO organizations face both in the public and private sectors. Information technology resources are scarce and even more difficult to attract given the lengthy recruiting process within the federal government. This makes it even more critical for the CIO organization to redefine its mission and retain and reward employees who possess the skills to help the CIO achieve its mission.

CIO Organization Redefined

In response to the current business environment, the CIO organization is taking a step back and exploring the best way to provide service to the business channels, enabling them to provide better service to "Help put America through school." The CIO is currently examining their role in achieving these goals and determining how they can enable the channels to meet their respective goals. Over the past few months, the CIO has been exploring different models for providing service to the channels. Discussions have occurred with the General Managers and a model is beginning to take form.

The outcome of these discussions has resulted in a redefined mission for the CIO:

Promote the effective use of technology to achieve SFA's strategic objectives through sound technology planning and investments, integrated technology architectures and standards, contract/provider management of development and integration efforts and production support.

The redefined mission brings many changes for the way CIO operates and works with the channels. The role of the new CIO can be defined in the following way:

- Broker of IT Services and Solutions
- Financial Advisor
- Enterprise Technical Architect

Broker of IT Services and Solutions

Broker of IT services and solutions means that the CIO organization serves as an agent/negotiator to identify and provide the channels with the best possible IT solution/service at the best possible price. CIO employee expertise is complemented by the use of operating partners where the capability doesn't exist within the CIO organization. By leveraging operating partners, CIO



employees can focus on the core functions of the CIO organization. The CIO plays a key role in monitoring the performance of operating partners to ensure that SFA business needs are met.

Financial Advisor

By serving as a financial advisor, the CIO organization proactively provides cost and forecast information to the channels. This will better equip the channels with accurate and timely cost information enabling smarter investment decisions. The development of a cost model for the Virtual Data Center (VDC) can eliminate the mystery behind VDC costs. Additionally, the CIO plays a key role in IT investment management, ensuring that IT investments are aligned to SFA business goals and are in agreement with the SFA enterprise-wide technology architecture. The CIO ensures compliance with Clinger-Cohen.

Enterprise Technical Architect

Lastly, the CIO plays a role of Enterprise Technical Architect. The CIO is responsible for the integration of enterprise-wide technology architecture and standards. This includes the data architecture, enterprise application integration (EAI) architecture, datawarehouse/datamart architecture, security and other architectures.

These three roles position the CIO organization as customer-focused and better aligned to the SFA mission and help the CIO organization respond to the current environment.

CIO Reorganization

The CIO organization needs to restructure to realize the new mission and new role it plays. By restructuring the CIO organization can be better positioned to enable SFA to meet its business goals. The CIO organization is structured around three major functions:

- Architecture and Standards
- Planning and Services
- Financial and Contract Management

Architecture and Standards

Architecture and Standards is responsible for providing enterprise-wide technology planning and oversight, development and maintenance of technology architecture, development and promulgation of technology standards, and the necessary processes and discipline to ensure that SFA is investing in and using information technology wisely.

The Architecture and Standards organization is targeted to consist of eight FTEs, primarily Senior Technical Architects (Computer Scientists) who serve as experts to develop and manage the SFA enterprise architecture. The Senior Technical Architects leverage operating partners to serve as the arms-and-legs for creating and maintaining the SFA architecture. Three FTEs are primarily focused on developing and enforcing enterprise-wide security standards.

Skills desired for SFA employees include:

- Data architecture



- Security
- EAI architecture
- Data warehouse
- Data mart
- CTI

Planning and Services

Planning and Services is responsible for

TO BE DETERMINED

Skills desired for SFA employees include:

- TO BE DETERMINED

Financial and Contract Management

Financial and Contract Management is responsible for proactively capturing and advising the channels on unit cost of IT services and solutions. Additionally, Financial and Contract Management is responsible for the management and oversight of enterprise-wide contracts that are intended to modernize SFA Information Technology (IT) while improving IT services to SFA customers and reducing SFA costs.

The Financial and Contract Management organization is targeted to consist of 10 FTEs, with a mix of contract management and financial management personnel. There will be one Contract Manager along with four Contract Officer Representatives (COR) who are responsible contract administration and management of enterprise-wide IT contracts.

The Financial Management staff is ultimately responsible for advising the channels on the current and forecasted costs of IT services and solutions, enabling the channels to more accurately and efficiently determine unit cost for unduplicated aid recipient. One FTE is focused on developing a cost model for Virtual Data Center services and advising channels on consumption and capacity patterns. Another FTE is focused on the formulation and execution of the CIO budget.

Skills desired for SFA employees include:

- Budgeting
- Accounting
- Financial Analysis
- Contract Administration
- Contract Development
- Contract Management
- Acquisition Planning
- Cost Modeling
- Investment Management