



## **Implementation Status of Recommendations in Gartner's Review of the Information Technology Division**

**Project # 16-04**

**Prepared by**  
Office of the Inspector General

**J. Timothy Beirnes, CPA, Inspector General**  
**Daniel Sooker, CPA, Chief Investigator**



## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

January 5, 2017

Audit and Finance Committee Members:

Mitch Hutchcraft – Chair  
Rick Barber – Vice Chair  
Sam Accursio, Member  
Clarke Harlow, Member  
James Moran, Member

Re: Implementation Status of  
Recommendations in Gartner's  
Review of the IT Division-  
*Project # 16-04*

This review was performed pursuant to the Inspector General's authority set forth in Chapter 20.055, F.S. Our objective was to assess the implementation status of the recommendations made in the Gartner report.

Sincerely,

A handwritten signature in blue ink, reading "J. Timothy Beirnes".

J. Timothy Beirnes, CPA  
Inspector General

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## **BACKGROUND**

In FY 2014, the District engaged Gartner Inc. (Gartner) to perform a comprehensive review of the District's Information Technology (IT) Division. Gartner is an industry leading information technology research and advisory firm that helps companies use and manage their IT resources efficiently. The objectives of Gartner's review were as follows:

- Review and assess the maturity and capabilities of the District's IT Division.
- Measure the efficiency of the District's IT organization as compared to similarly sized and complex peers in order to determine the extent to which IT services can be delivered more efficiently and at lower costs.
- Develop prioritized recommendations and high-level plans for improving IT service efficiency.
- Conduct a health check of the SAP environment to better understand its business value, and identify potential alternatives to SAP and the upfront costs of switching to alternative platforms.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

Our objective was to assess the implementation status of the recommendations made in the Gartner report. In order to accomplish our objectives we performed the following procedures:

- Reviewed the Gartner report as well as the IT Division's responses.
- Interviewed staff responsible for implementing the recommendations to determine the status.
- Reviewed various documents supporting implementation status.

Our review was conducted in accordance with the Principles and Standards of Offices of Inspector General promulgated by the Association of Inspectors General. These standards require that we plan and perform the review to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives and report the results in a timely manner. We believe that the evidence obtained will provide a reasonable basis for our findings and conclusions based on our review objectives.

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## **FOLLOW-UP RESULTS**

### **Executive Summary**

Overall, Gartner found the IT Division is cost-effective and efficient. Gartner's assessment indicated that the IT Division spending on capital and operations was lower as a percentage of operating expenses and on a per employee basis when compared to similar organizations. Further, SAP benchmarks indicate that the District has lower support costs than its peers on average. Gartner determined that SAP is providing value at reasonable costs and should not be replaced at this time.

The Gartner report also identified areas for improvement. The report contained 29 recommendations that focused on the IT Division evolving into a strategic partner to the District, improving efficiency, and aligning resources and processes with District goals. For 8 of these recommendations, the IT Division determined that the cost to implement these recommendations outweighed the benefit; thus, these recommendations were not implemented. Of the remaining 21 recommendations, 18 were fully implemented and 3 were in process of implementation. See Appendix 1 for a detailed summary of Gartner's recommendations that indicate the status as fully implemented, in process of implementation, or not recommended for implementation.

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## **Implementation Status of Gartner Recommendations**

Gartner completed its comprehensive review of the District's IT Division and issued a report dated November 2014. The report contained 29 recommendations in 9 disciplines of which, 18 recommendations were fully implemented, 3 were in process of implementation and 8 were not recommended for implementation. For the 8 not recommended for implementation, IT Division management determined that the implementation cost outweighed the benefit. The Gartner recommendations are as follows:

### **1. IT Strategy**

- a. Define understanding of District needs and IT capabilities.**
- b. Develop Master IT Strategic Planning and IT Capital Planning.**
- c. Review, finalize and communicate Strategic Plan.**

**Status:** IT Division has implemented recommendations **a&b**. The IT Division has developed a draft of the Master Strategic Plan and the 5-year IT Capital Plan to align IT activities with the overall strategic direction and priorities of the District. The plans will be submitted to the governance committee for review and approval. Thus, recommendation **c** is in process and will be implemented by the 1<sup>st</sup> quarter of FY 2017.

### **2. Portfolio Planning and Governance**

- a. Define and expand IT priorities to align investments with the overall IT strategy and technology direction.**
- b. Initiate capital planning practices to manage the IT Investment portfolio.**
- c. Establish District and varying division levels of portfolio dashboard data.**

**Status:** IT Division has implemented all three recommendations. The IT-Business Collaboration Framework has been developed and is being practiced to align investments with the overall IT strategy and technology direction. The Application Portfolio has been developed and efforts are underway to streamline the applications based on business value. The District dashboard is designed and developed.

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### 3. Resource Management

- a. Review the IT Division's current and future needs against the current staff's skillset.
- b. Review current resource management processes to meet IT priorities.
- c. Integrate and balance resource capacity with portfolio and demand management processes.

**Status:** IT Division has implemented all three recommendations. The IT Division finalized review of IT Division's needs against the current skills of staff. Also, they completed the retention portion of the review in February 2016. IT Division continues to invest in training for staff.

### 4. Application Portfolio Review and Rationalization

- a. Evolve current application portfolio review and rationalization activities into a formalized program across key divisions.
- b. Develop a formal program and set of projects to establish and address the application portfolio rationalization approach.
- c. Create an application strategy that supports IT and District goals.
- d. Design the solution and manage the execution of the portfolio rationalization solution.
- e. Manage the execution of the portfolio rationalization solution.

**Status:** IT Division has implemented recommendations a through d. They formalized program and application strategies that support the IT Division and District goals. Further, the IT Division has reduced investment in low priority hardware and software. Implementation of recommendation e is in process and will be accomplished by 3<sup>rd</sup> Quarter FY 2017.

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## **5. Business Relationship Management**

- a. Define business relationship manager role, processes and participation to further align IT with the divisions.**
- b. Define business relationship manager processes and procedures.**
- c. Conduct business relationship manager training.**

**Status:** IT Division has implemented recommendations **a&b**. Six Business Collaborative Managers (BCM) have been identified to align with the 12 IT-Business Functional Domains. Implementation of recommendation **c** is in process.

## **6. Architecture Discipline**

- a. Consider a greater role for Enterprise Architecture across IT.**
- b. Establish and expand architecture principles and standard.**
- c. Integrate architecture into overall IT Governance.**

**Status:** IT Division has implemented all recommendations. IT Division identified and staffed the Application, Infrastructure and Commercial off the Shelf architecture roles. Current process ensures that Architecture Principles and Standards are part of each project.

## **7. Agility within Application Development**

- a. Explore more areas to expand agile practices within IT to drive quicker delivery of incremental functionality to the District.**
- b. Expand IT's quality assurance practices to drive elements of business value and performance quality across the District.**

**Status:** IT Division has implemented recommendation **a**. IT Division management determined that the cost to implement recommendation **b** outweighs the benefit.



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## 8. IT Service Management

- a. Align goals and objectives for Service Desk functions to specific success criteria, policies, key performance indicators, metrics and basic incident and requests/services.
- b. Outline knowledge management data and practices to increase call handling practices at Tier 1 (e.g., basic services and call support online, increased resolution searches and data, etc.).
- c. Integrate workflows for incident and change within updated tool sets with specifics for better resolution data (e.g., growing the knowledge base).
- d. Introduce problem management practices within support/operations as a mechanism to maximize service management while minimizing impact on resources.

**Status:** Not recommended for implementation. Recommendations **a** through **d** will not be implemented at this time. IT Division management determined that the cost to implement the recommendations outweighs the benefit.

## 9. Service Level Management

- a. Outline common internal and Service Level Agreement (SLA) reporting functions within across the District.
- b. Review SLA reporting capabilities based on data collection and refinements from ongoing implementation of standard tool (e.g., Remedy/Service Now).
- c. Integrate internal management reporting for better visibility into workloads and cost of maintenance activities.

**Status:** Not recommended for implementation. Recommendations **a** through **c** will not be implemented at this time. IT Division management determined that the cost to implement the recommendations outweighs the benefit.

## Detailed Summary of Gartner Recommendations Status

Recommendations	Status	IT Division Action
<b>IT Strategy</b> (Defining IT Division direction based on the District needs.)		
a. Refresh and define understanding of District context and IT capabilities (Pre-planning).	Implemented	
b. Consider developing Master IT Strategic Planning and IT Capital Planning documents (Planning & Execution).	Implemented	Draft of IT Strategy is complete. Five-year IT Capital Plan is updated annually.
c. Review, finalize, and communicate the Strategic Plan (Communication).	In Process	The Draft IT Strategy will be submitted to IT-Business Governance for review and feedback. Implementation is one month late because the key resource resigned and the IT-Business Governance meeting was delayed one month.
<b>Portfolio Planning and Governance</b>		
a. Define and expand current IT prioritization practices to address investments across the IT portfolio and how they align with the overall IT strategy and technology direction.	Implemented	The IT-Business Collaboration Framework has been developed and is being practiced. The IT Business Collaboration site was released and various self-paced videos were developed to explain the process of prioritization.
b. Initiate a capital planning practice to manage the IT investment portfolio to further determine and balance demand with capacity to deliver.	Implemented	The Applications Portfolio has been developed and efforts are underway to streamline the applications based on business value. A portion of the IT budget has been moved from one-time funding to recurring funds. The initial effort in Application Rationalization was focused on desktop software. The next effort will be on web-based software.
c. Establish a District and varying Division levels of Portfolio dashboard data.	Implemented	District dashboard has been designed and developed. The website was released in May 2016.

Recommendations	Status	IT Division Action
<b>Resource Management</b>		
a. Review organizational skill sets as part of outlining resource allocation and utilization processes; categorize and prioritize skills based on current and future needs within the IT Division and the District (e.g., service desk, BRM, planning, technology outside of IT, etc.).	Implemented	Reviewed IT Division needs against current skills of staff. Outside IT skills were brought into IT Division in February 2015. Completed the retention portion of the review with the February 2016 merits. IT Division continues to invest in training for staff.
b. Investigate and mature current resource management processes to balance the program priorities.	Implemented	IT Division management continually reviews staff retention and needs to meet IT-Business priorities. Converted three contract employees to FTEs and opened technical FTE positions for recruitment.
c. Integrate and balance resource capacity with portfolio and demand management processes.	Implemented	During the IT management resource evaluation, necessary IT skills were identified. IT Division is currently recruiting for six positions.
<b>Application Portfolio Review and Rationalization</b>		
a. Evolve current application portfolio review and rationalization activities into formalized program across key division areas.	Implemented	The Application Portfolio has been baselined. The Business Collaboration Managers (BCMs) rationalize all requests against the strategy of the application.
b. Develop a formal program and set of projects to establish and address the application portfolio rationalization approach for the District. Prioritize this program amongst IT demand.	Implemented	This has been developed and the first key effort is the Desktop Reduction Effort to reduce the number of applications and/or installs.
c. Create an application strategy that supports IT and District goals.	Implemented	A strategy has been established and aligned with IT Roadmaps. This moves into annual lifecycle where IT Roadmaps will be reviewed, updated and/or created as necessary.
d. Design the solution and manage the execution of the Portfolio Rationalization Solution.	Implemented	Included in the IT-Business Collaboration Framework.
e. Manage the execution of the Portfolio Rationalization Solution.	In Process	Also part of the IT-Business Collaboration Framework.

Recommendations	Status	IT Division Action
<b>Business Relationship Management</b>		
a. Define Business Relationship Manager (BRM) role, processes and participation to further align IT Division with the Divisions.	Implemented	Six BCMs have been identified and aligned with the 12 IT-Business Functional Domains. As of December 13, 2016, two have resigned and the IT Division is actively recruiting for the positions.
b. Define BRM processes and participation.	Implemented	The IT-Business Collaboration Framework has been developed and is being practiced. District-wide communications is being developed.
c. Conduct BRM Training within the District to communicate the value and roles that will support ongoing IT partnerships.	In Process	The IT-Business Collaboration Framework communications has been developed and rolled out via one-on-one meetings and training materials.
<b>Architecture Discipline</b>		
a. Consider a greater role for Enterprise Architecture across IT (e.g., start and grow the Data Architecture to manage efficient storage).	Implemented	The IT Division identified and staffed the Application, Infrastructure and Commercial off the Shelf architecture rolls. The security architecture roll was already in place. The data architect still resides outside of IT Division and operates independent of IT.
b. Establish and expand architecture principles and standards (e.g., set technology direction across the District).	Implemented	The architects meet on a regular basis and ensure principles are part of each project.
c. Integrate architecture into overall IT Governance.	Implemented	IT Division brought architecture into the IT portion of governance but will not bring architecture issues to the business governance.

Recommendations	Status	IT Division Action
<b>Agility within Applications Development</b>		
a. Explore more areas to expand agile practices within IT (applications and infrastructure) to drive quicker delivery of incremental functionality to the District.	Implemented	In July and August of 2016, the IT Division brought in an Agile coach. She assisted with getting Kanban boards implemented with all section leaders and assisted us in conducting a Scrum of Scrums for the top priorities. Fifteen individuals were trained and certified as scrum masters.
b. Expand IT Quality Assurance (QA) practices (i.e., test metrics, QA compliance metrics) to drive elements of business value and performance (quality) across the District, especially where business testing is limited.	Not Recommended for Implementation	This issue was observed by IT Division's Agile coach as well. She provided ideas on how to absorb this with our current staff. However to properly address this, additional resources would be required.
<b>IT Service Management</b>		
a. Align goals and objectives for Service Desk functions to specific success criteria, policies, Key Performance Indicators, metrics and basic incident and requests/services.	Not Recommended for Implementation	The IT Service Management recommendations will not be implemented. It will take too many staff resources for low yield results. Service management will continue to be monitored for efficiencies.
b. Outline knowledge management data and practices to increase call handling practices at Tier 1 (e.g., basic services and call support online, increased resolution searches and data, etc.).	Not Recommended for Implementation	
c. Integrate workflows for incident and change within updated tool sets with specifics for better resolution data (e.g., growing the knowledge base).	Not Recommended for Implementation	
d. Introduce Problem Management practices within support/operations as a mechanism to maximize service management while minimizing impact on resources.	Not Recommended for Implementation	

Recommendations	Status	IT Division Action
<b>Service Level Management</b>		
a. Outline common internal and Service Level Agreement (SLA) reporting functions within across the District.	Not Recommended for Implementation	The Service Level Management recommendations will not be implemented. It will take too many staff resources for low yield results. Service management will continue to be monitored for efficiencies.
b. Review SLA reporting capabilities based on data collection and refinements from ongoing implementation of standard tool (e.g., Remedy/Service Now).	Not Recommended for Implementation	
c. Integrate internal management reporting for better visibility into workloads and cost of maintenance activities.	Not Recommended for Implementation	