



IT Backgrounder

April 16, 2007



Purpose of Presentation

- Put Forth Strategic Directions to provide Background



Perspective

- “It is not technology, but technology in use that creates value.¹”

1. - McGee and Prusack – *Managing Information Strategically*



Examples of Technology Providing Value

- Managing Assets, Costs & Revenue Opportunities
- Managing Projects
- Customer Service
- Human Resource System Uses



I.T.'s Goals

- ***Help Operating and Shared Service Business Units meet their goals :***
 - Operations
 - Customer service
 - Asset management
 - Project management
 - Work force management
 - Better decision support information
 - Productivity improvements
 - Streamlined budgetary controls
 - Succession planning
 - Talent acquisition
 - Training management

- ***Obtain value from I.T. infrastructure***
 - Leverage key IT assets / focus on core technology
 - Meet business needs
 - Control I.T. costs
 - Consolidate obsolete/stray systems into core systems



IT Goals

- Take “enterprise view” where possible
- Provide accurate, consistent, controlled information
- Focus on execution



Key Strategies

- Work together to identify high-value ideas/activities/projects
- Leverage our large / high quality investment in people and infrastructure



Strengths

- Excellent people
- Good relationships with internal clients
- District has deployed utility industry standard IT infrastructure/assets
- IT governance in place (continuous improvement is key)
- In position to help District B.U.s meet strategic & tactical goals



Utility IT Benchmarks

	District (2006)	LPPC Metrics (2005 / 2006)	Gartner Metrics (2005)
IT O&M \$ / Employee	\$7,264	\$7,359	\$6,816
IT Cap \$ / Employee	\$1,311	\$5,286	\$3,657
# IT Employees	33	117	185
# Employees	709	2,067	3,000
IT Employees % / Total	4.7%	5.6%	5.7%
Revenue	\$222m	\$938m	\$1,097m



2007 Planning Tasks

1. "Sync" IT Strategy map with Utility Services, Generation, Finance and others
2. Interviews with all IT staff members
3. Interviews of Steering Committee, Directors and other District staff members
4. Meetings with Utility Service and Generation personnel
5. Literature and Gartner research review
6. Review Balanced Scorecard Metrics
7. Discussions with other utilities
8. Request for Action (RFA) Review
9. Review of Application Software
10. Preliminary Review with IT staff members
11. Preliminary Review with IT Steering Committee
12. Final Review with IT Steering Committee



IT Governance

Focus on:

- Meeting District needs
- Cost / Benefit Orientation of RFAs
- Feasibility Studies
 - Justification
 - Include long-term impacts



Hardware - Best practices / Total Cost of Ownership

- Optimize
- Total Cost of Ownership (TCO)
- Flexibility
- Operational ease
- Disaster Recovery Planning
 - Redundancy



Leverage Assets / Make Choices

- Leverage existing infrastructure and staff
 - Avoids bringing in new apps, unless required
 - Avoids costly efforts to build and maintain integration
 - Use custom development where most effective
- Build/Buy applications as approved by the Steering Committee
 - Use feasibility studies to make business case



Post Implementation Reviews

- Continuous Quality Initiatives
 - Inventory
 - Contracts
- CAD Management (next)
- Internet project
- Primavera
- HR Upgrade
- Maximo Upgrade
- Financials Upgrade



7 * 24 * 365 Support

- Constrained
- Staff Expectations
- Rotating Duty Supervisor
- Current Redundancies
 - Clustered Servers
 - Fail-over hardware
 - Hardening desktops
- Planned Redundancies
 - Data Center Move
 - Clustered Servers
 - Storage Area Network



Planned Resolutions

- Q3
 - Enterprise Tiered Storage - \$200k
 - Primavera - \$80k
 - Unix Server - \$70k
 - Forecasting Software? - \$150k

- Q4 / Q1 - 2008
 - Maximo Contractors - \$200k



Long-Term Considerations

- Maintain our significant investment – upgrades
- Leverage our investment – integration/reporting
- New applications



Potential Long Term Projects (3-5 years)

- CIS Upgrade
- GIS Enhancements/Upgrades - Continuous
- Maximo Enhancements/Upgrades - Continuous
- MS Office / Vista upgrade
- Oracle Fusion
- Automated Metering Infrastructure



Questions?
