



WaTech Executive Board

January 23, 2017



Agenda

- Internet usage follow up
- Cloud enablement update
- Financial review
- Strategy and Key Performance Indicators

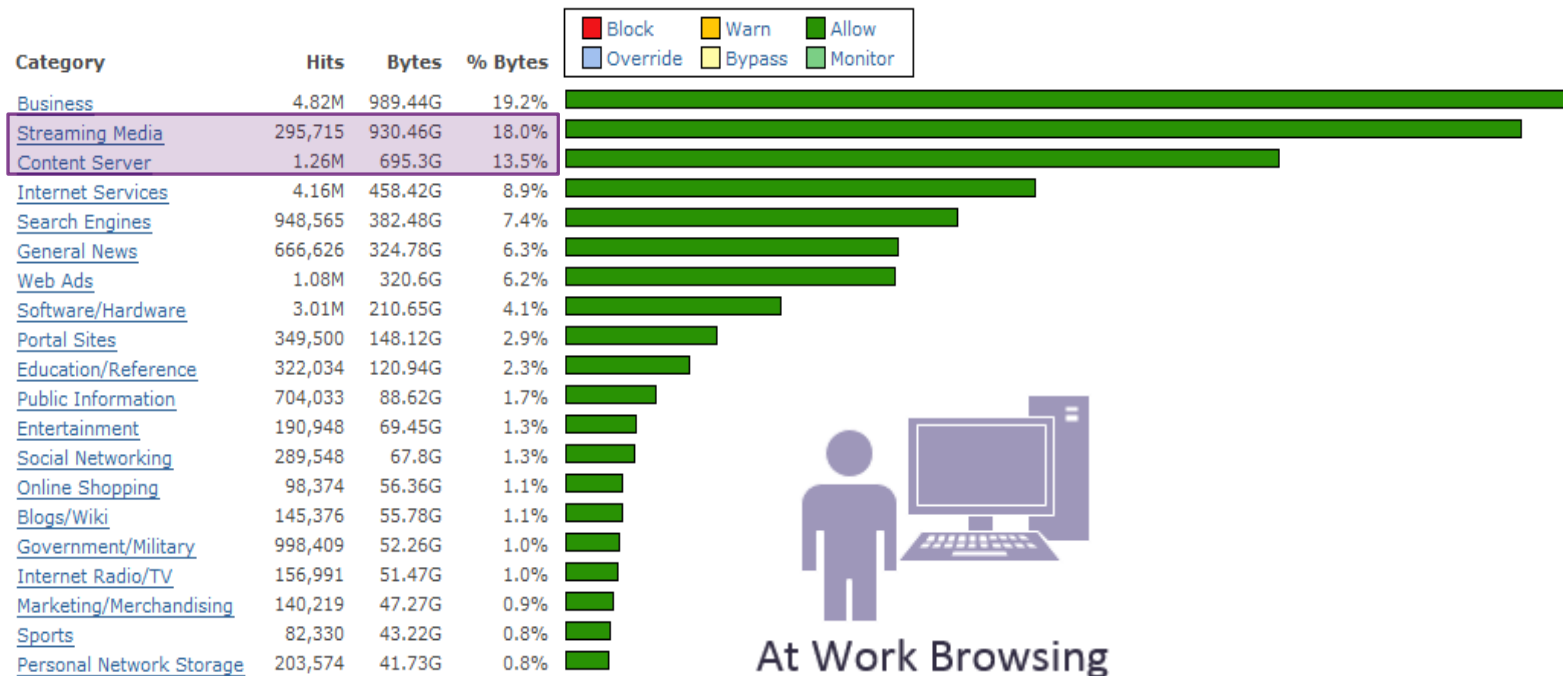
Internet usage follow up



The Problem

Category activity for all web access

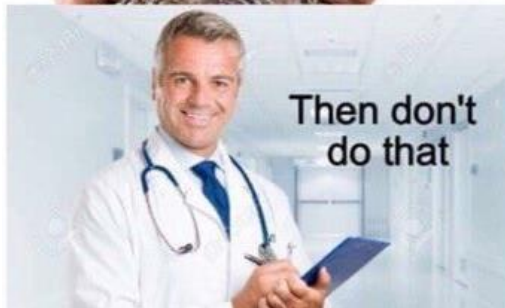
6/5/16 - 6/11/16



► Security Precautions “fail open” on high usage days



Final Solution



► Proposed Draft E-mail

Cloud Enablement Review

Dan Mercer - CTO



"the consolidated technology services agency -RCW 43.105.006"

Status Update: Program Initiation

Cloud Enablement Program

Identity and Access Management

- Approved and funded
- Targeted completion: 3rd Qtr. 2017

Office 365

- Project initiation
- Non-funding dependent planning

Infrastructure for Cloud Services

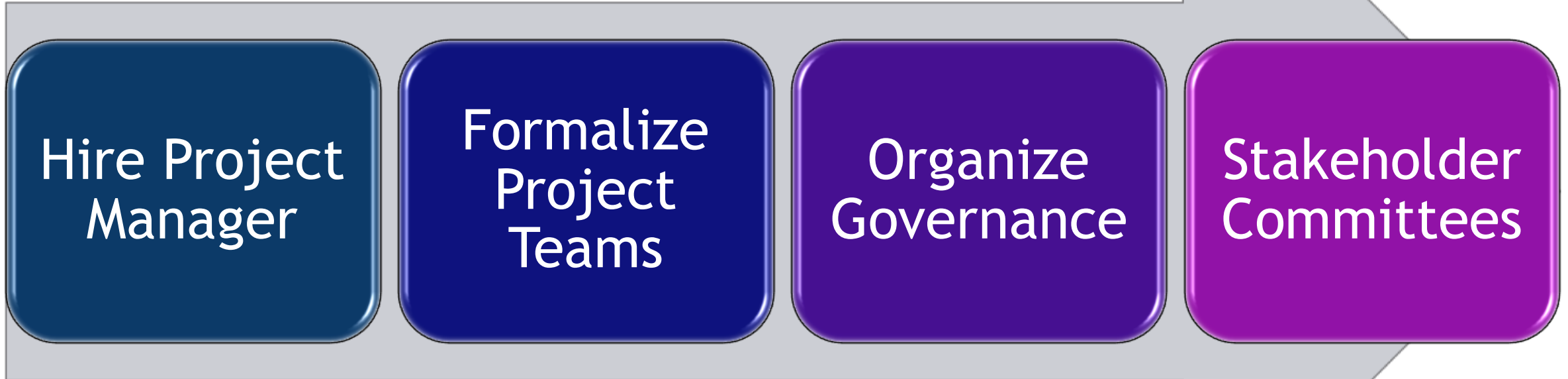
- DP submitted
- Non-funding dependent planning

Cloud Broker Services

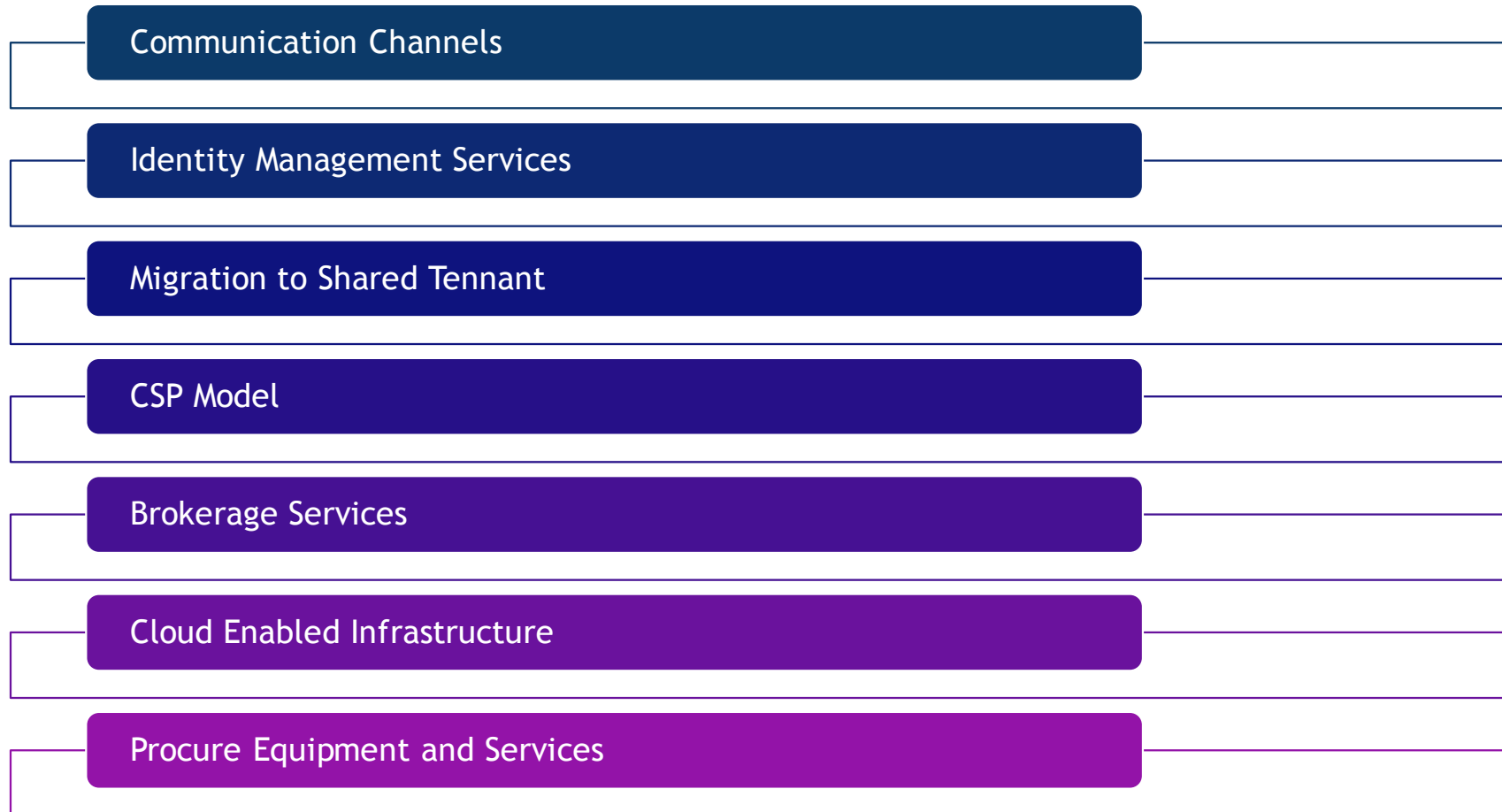
- Non-funding dependent planning
- Beta of CSP

Program consists of four enterprise projects

Status Update: Program Organization



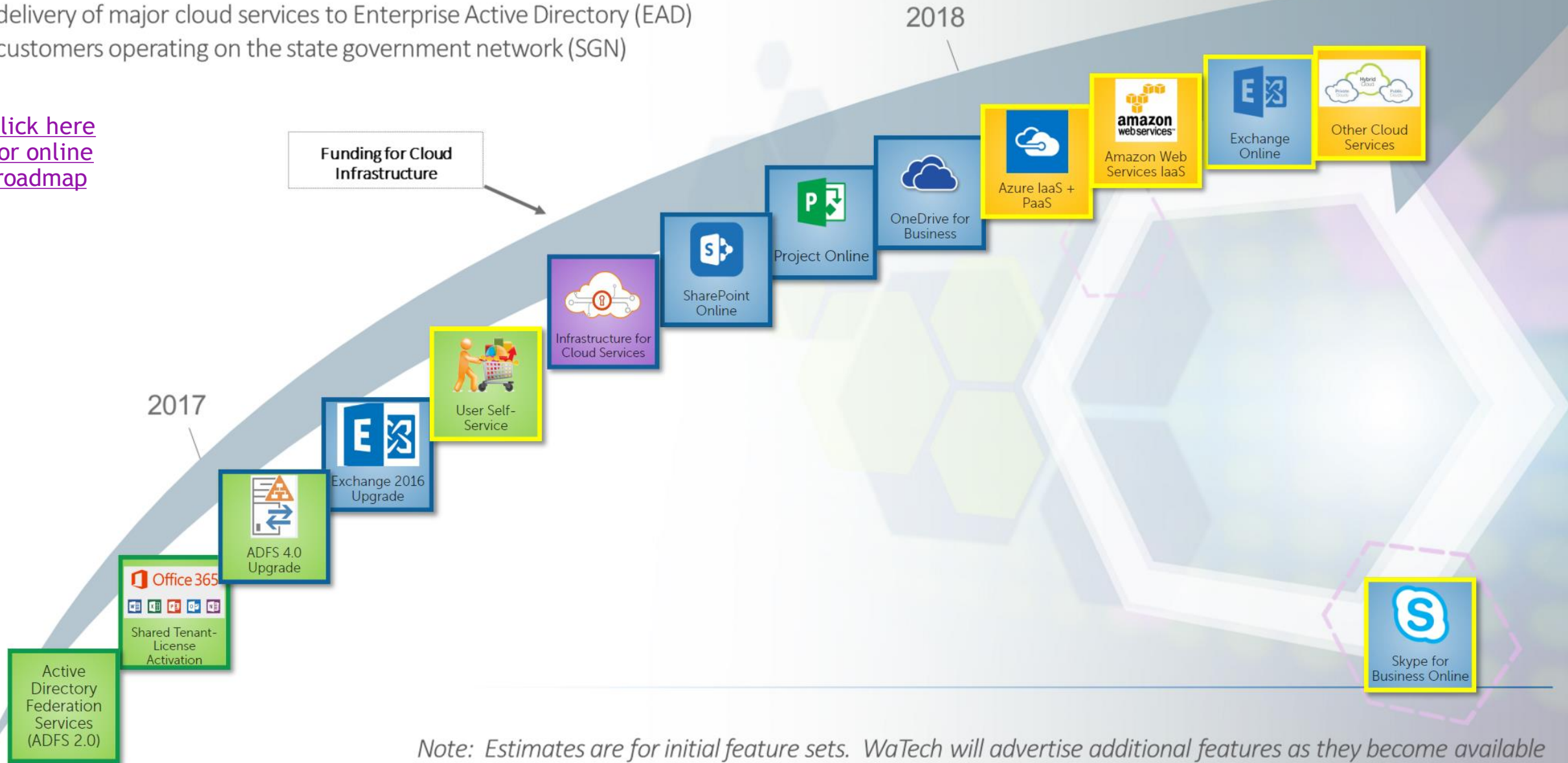
Work Swim Lanes



Cloud Services Roadmap, January 2017

This roadmap depicts WaTech's milestone activities leading to delivery of major cloud services to Enterprise Active Directory (EAD) customers operating on the state government network (SGN)

[Click here for online roadmap](#)



Note: Estimates are for initial feature sets. WaTech will advertise additional features as they become available

Resources

- Cloud Enablement Program website online
<http://watech.wa.gov/about/projects/cloud-enablement>
- Cloud Services Roadmap with updates published monthly
- Secure agency collaboration site established (SGN or SAW only)
<https://watech.sp.wa.gov/ask/CloudEnablement/SitePages/Home.aspx>
- Cloud Services Strategy document published
- Interactive Roadmap <http://www.govsharpcloud.com/html/>

Financial Review

Wendi Gunther - CFO



"the consolidated technology services agency -RCW 43.105.006"

Financial Review

WaTech Budget

- History
- This Year
- 17-19 Biennium

2017-19 Biennium

- OFM Proposal
- Strategies for Sustainability/Areas of Concern

History



13 - 15

15 - 17

17 - 19

7/14

7/15

7/16

7/17

7/18

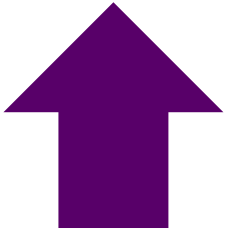
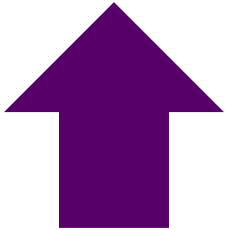
7/19

-\$17.8m

-\$9.9m

-\$13.1

Durable Fix



FY17 Current Projection

Coming Budget

What are we doing today

What can we do in 17-19

FY16 and FY17

Revenue and Expenditure Comparison

FY16 & 17 Exenses vs. Revenue			
	FY 16 Actuals	FY 17 (Projections)	Projected Variance
Revenue	\$164,245,045	\$155,056,663	(\$9,188,382)
Expenditures	\$174,192,056	\$168,156,923	(\$6,035,133)
Losses	(\$9,947,011)	(\$13,100,260)	
FTEs	538.8	540.7	1.9

Fiscal Year 2017 Reductions Underway

Reduction Discussion...

17-19 Biennium Goals

Align financial architecture with business strategy and org

Cost recoverable for each LOB

Reduce negative fund balance by at least \$1m

17-19 OFM Proposal

OFM Help

Network core adjustment

Mainframe allocation for lost revenue

Help with Jindex shortfall

OFM Help-Results

Network core adjustment included

Mainframe allocation helps significantly, but will still likely require rate adjustments

Jindex step will cover costs

- Eliminates multiple funds to help increase transparency

Strategies for Sustainability

What stops, what starts, what changes, what stays the same?

Partner or stop non-strategic services

- Sharepoint, Lync
- Mainframe, POTS Voice, Computer Based Training

Increase customers on strategic services

- WiFi, Co-Lo, VOIP, Network

Adjust rates

- eMail, Wireless, Network

17-19 Continued FFS Areas of Focus

Data Center: Strategic, Customers ↑ Rates ↑

Mainframe: Not Strategic, Partner, Customers ↓ Rates ↑

Messaging/Email: Strategic, Partner, Customers ↑ Rates ↑

Network: Strategic, Invest, Customers ↑ Rates flat

Server Hosting: Strategic, Three cloud platforms into one, Customers ↑

Storage: Strategic, Unify platform, Customers ↑ Rates review

Wireless: Strategic, Unify systems Customers ↑ Rates ↑

Key Performance Indicators



"the consolidated technology services agency -RCW 43.105.006"

WaTech Dashboard

Finances

Service
Expansion

Operations

Customer Care

Employee
Satisfaction

Human
Resources

Finances

Finances

Agency Overview (Current Month & Year-to-Date)

Oct 2016*

Revenue
\$13,460,094

Expenses
\$14,338,173

Net Operating Income/**Loss**
(\$878,079)

YTD Jul-Oct**

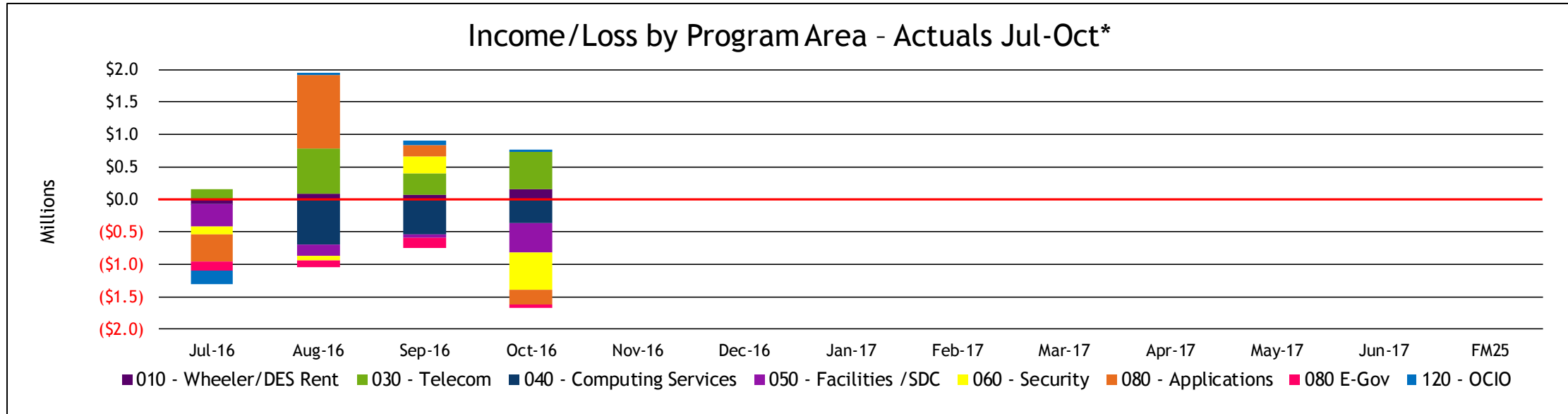
Revenue
\$52,835,237

Expenses
\$53,801,160

Net Operating Income/**Loss**
(\$965,923)

Finance

Program Area Details Income/Loss FY17



Program Area	October Income/Loss	Year-to-Date (Jul-Oct)
010 - Wheeler / DES Rent	\$160,542	\$238,376
030 - Telecommunication Services	\$571,056	\$1,753,106
040 - Computing Services	(\$371,112)	(\$1,605,842)
050 - Data Center Facilities	(\$454,219)	(\$1,033,318)
060 - Security	(\$577,585)	(\$591,805)
080 - Applications	(\$224,239)	\$661,743
080 - E-Gov	(\$37,872)	(\$422,572)
120 - Office of the Chief Information Officer	\$55,350	\$34,389
Total	(\$878,079)	(\$965,923)

*Actual program area income/loss by month. Mouse over each color to see individual actuals. Target is to have all program areas above red line.

Service Expansion

Criteria for Service Expansion



Customer Demand



Capital Expenses



Customer Value



Scalability



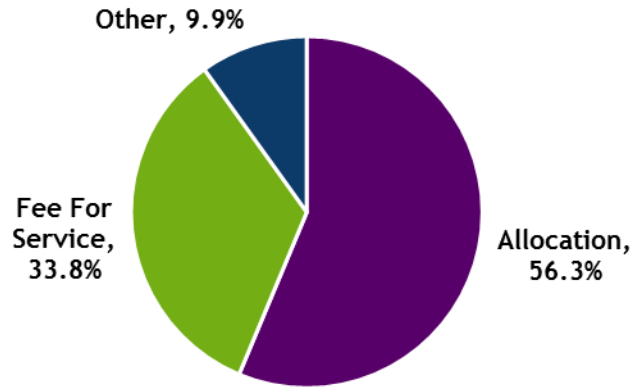
Revenue Sustainability



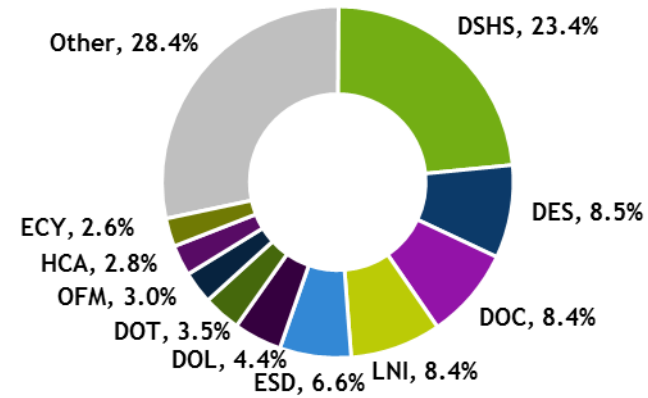
Ability to Execute

Service Expansion General Sales Information

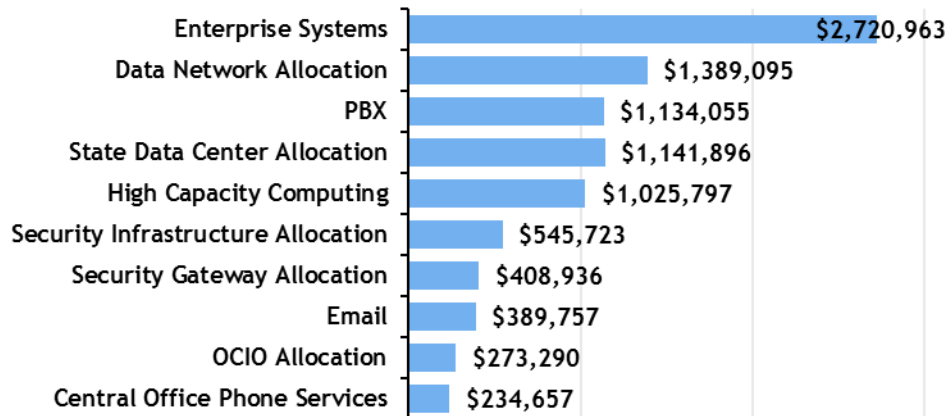
Monthly Revenue Sources - Nov '16



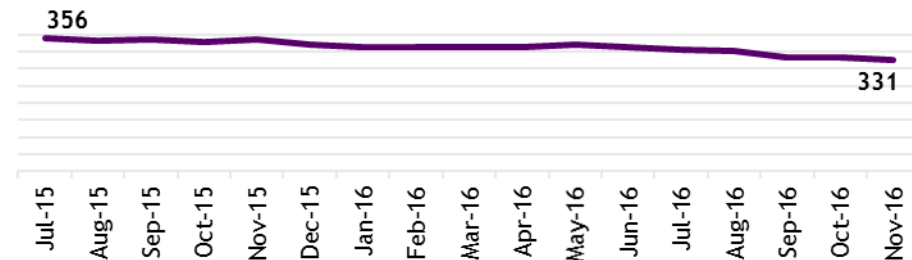
Top Customers by Billing - Nov '16



Top 10 Billed Services - Nov '16



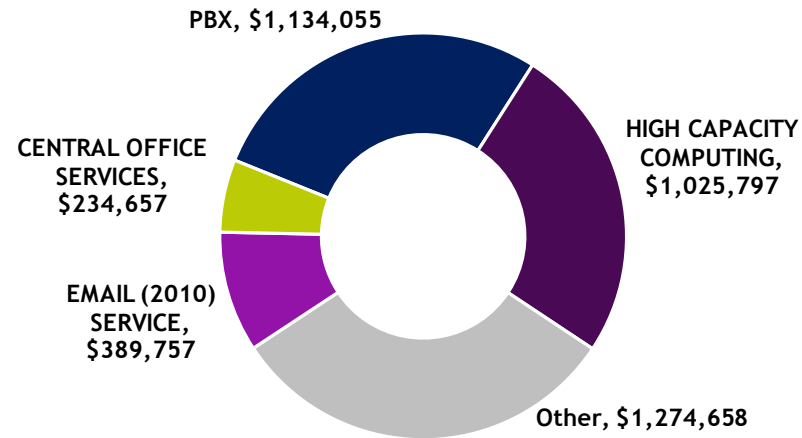
Number of Customers Trend



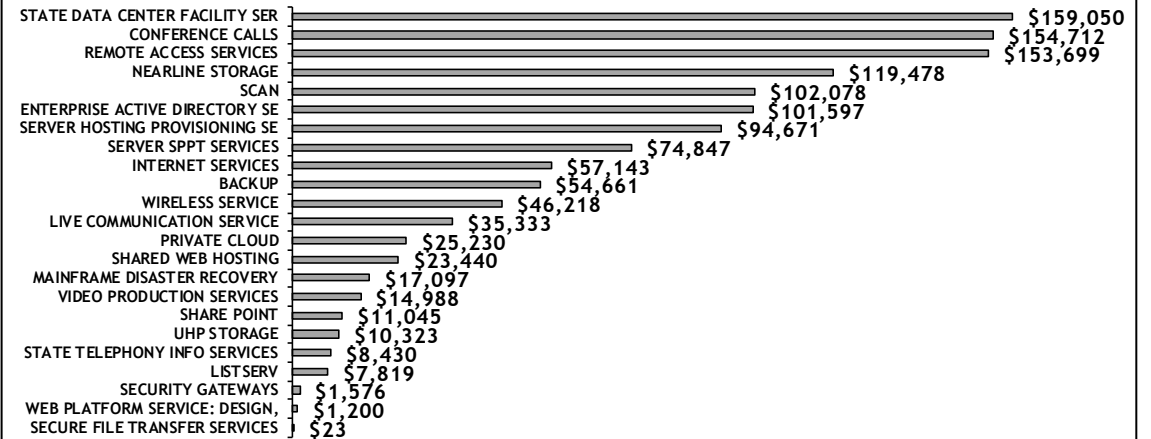
Total Customers Lost = 29
Associated Monthly Revenue = \$9,800 (.07%)

Service Expansion Fee-for-Service Revenue

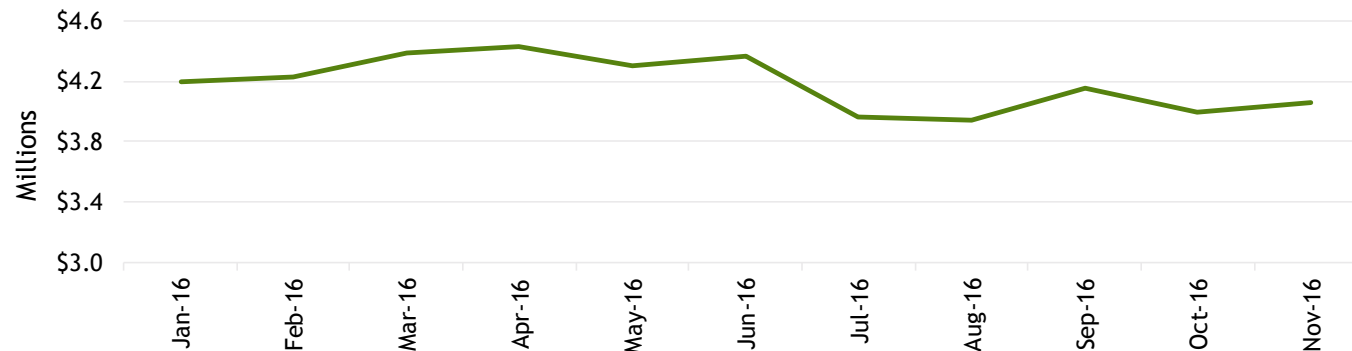
Top Fee-for-Service Revenue Generators - Nov '16



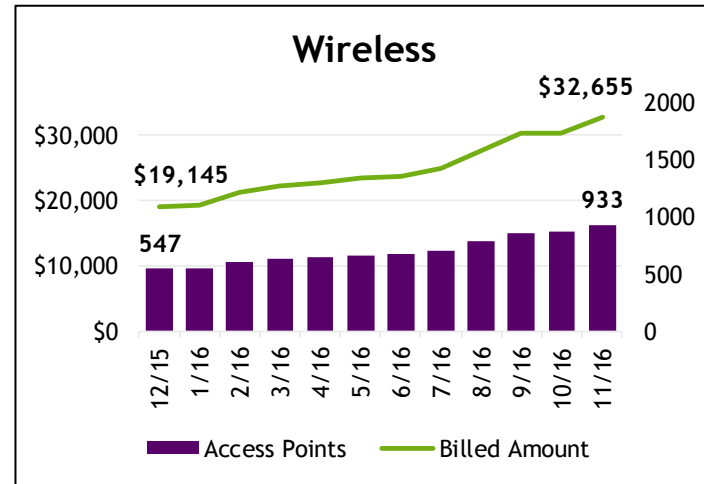
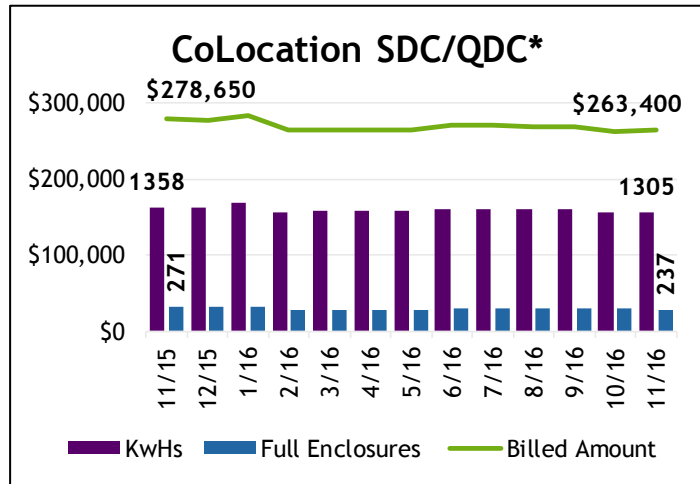
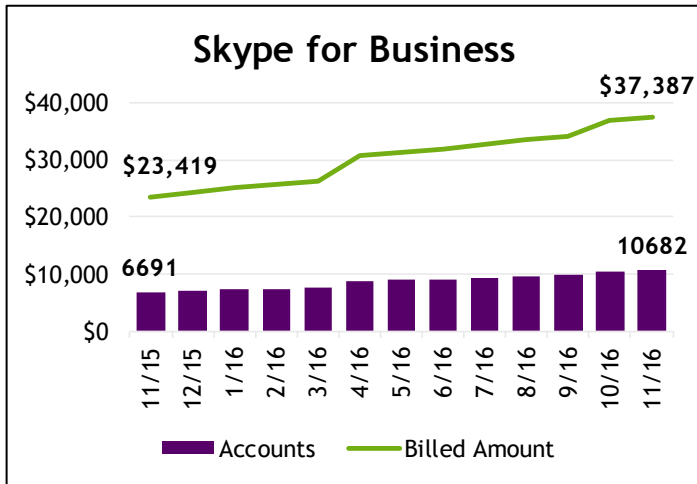
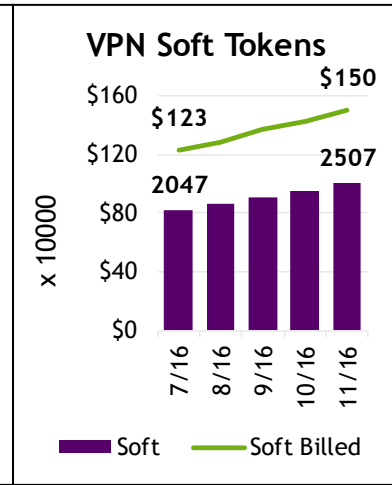
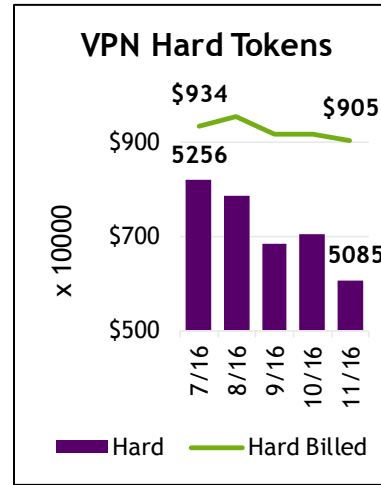
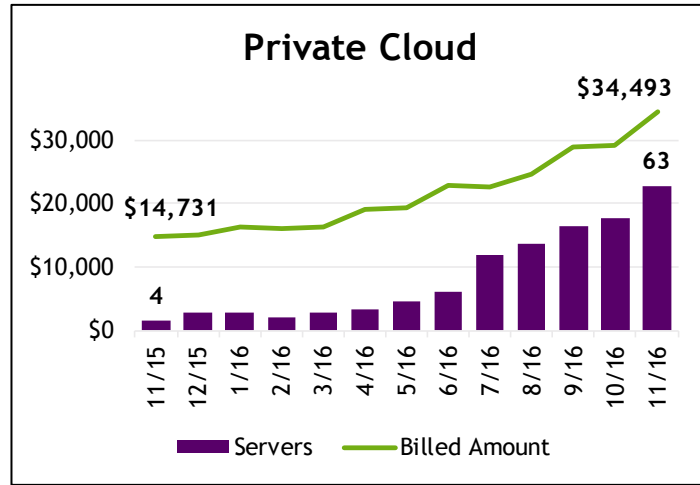
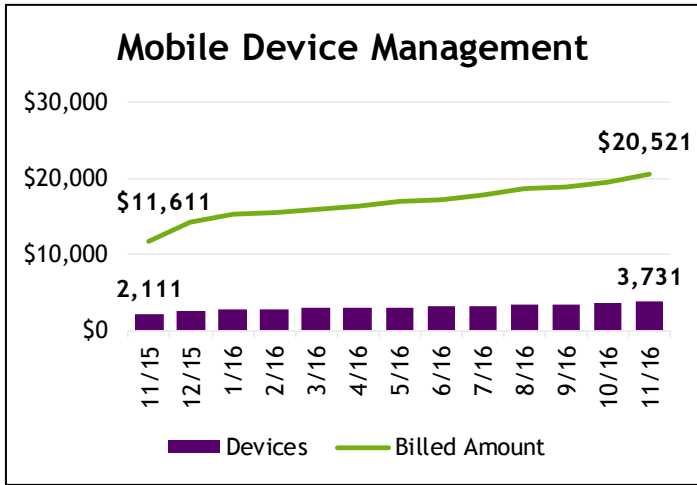
Remaining "Other" Fee-For-Service Revenue Generators



Fee-for-Service Billed Revenue Trend



Strategic Service Expansion Fee-for-Service Trends

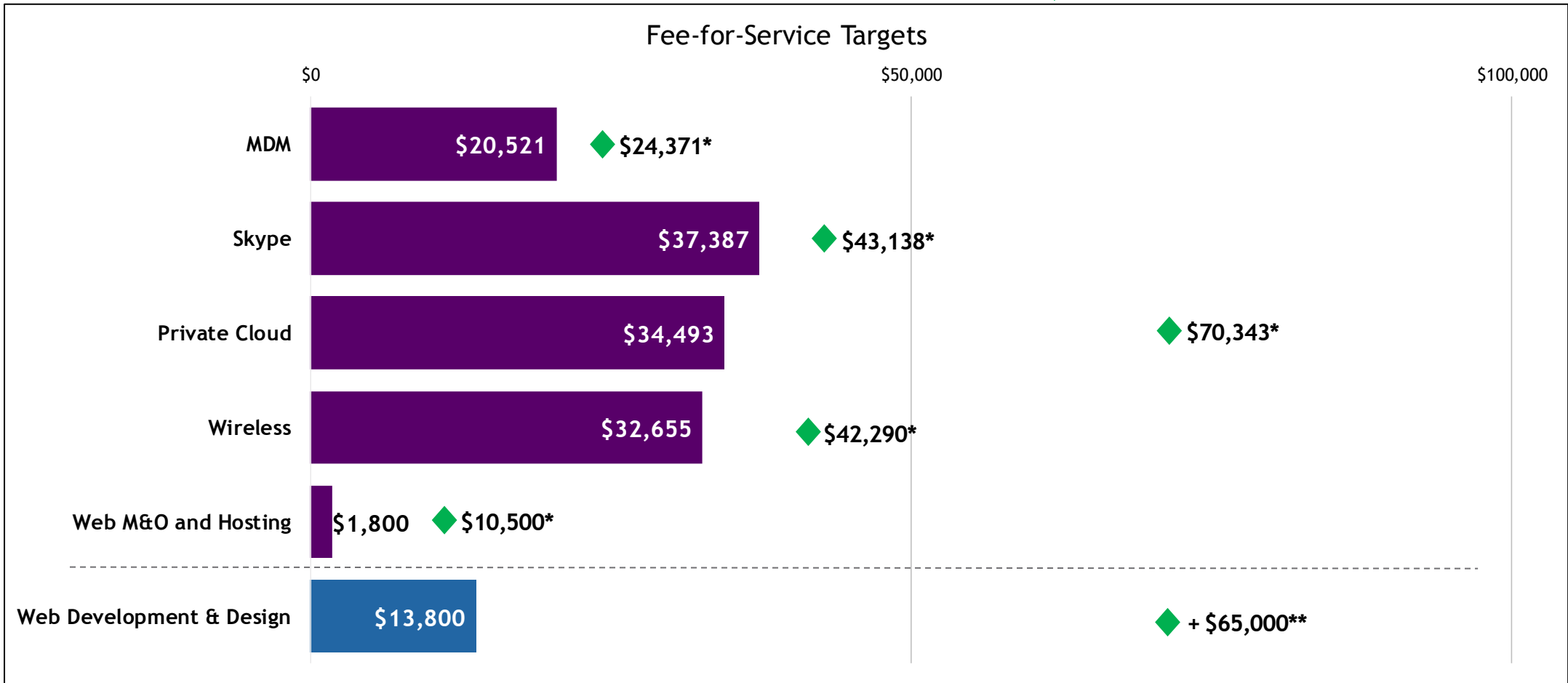


* SDC = State Data Center / QDC = Quincy Data Center

Source: Aptio

Strategic Service Expansion Fee-for-Service Targets

■ = Current Monthly Billed Revenue
 ■ = One-Time Revenue Billed in November
 ◆ = June 2017 Target



* Increase in Monthly Recurring Billed Revenue ** Total New Cumulative One-Time Revenue that will be billed between January 2017 - June 2017

Source: Aptio & Service Owner Calculated Targets

Operations

Operations KPI Strategy

Goal - Increased customer satisfaction with better operations

- Perception of downtime problem
- Real downtime problem

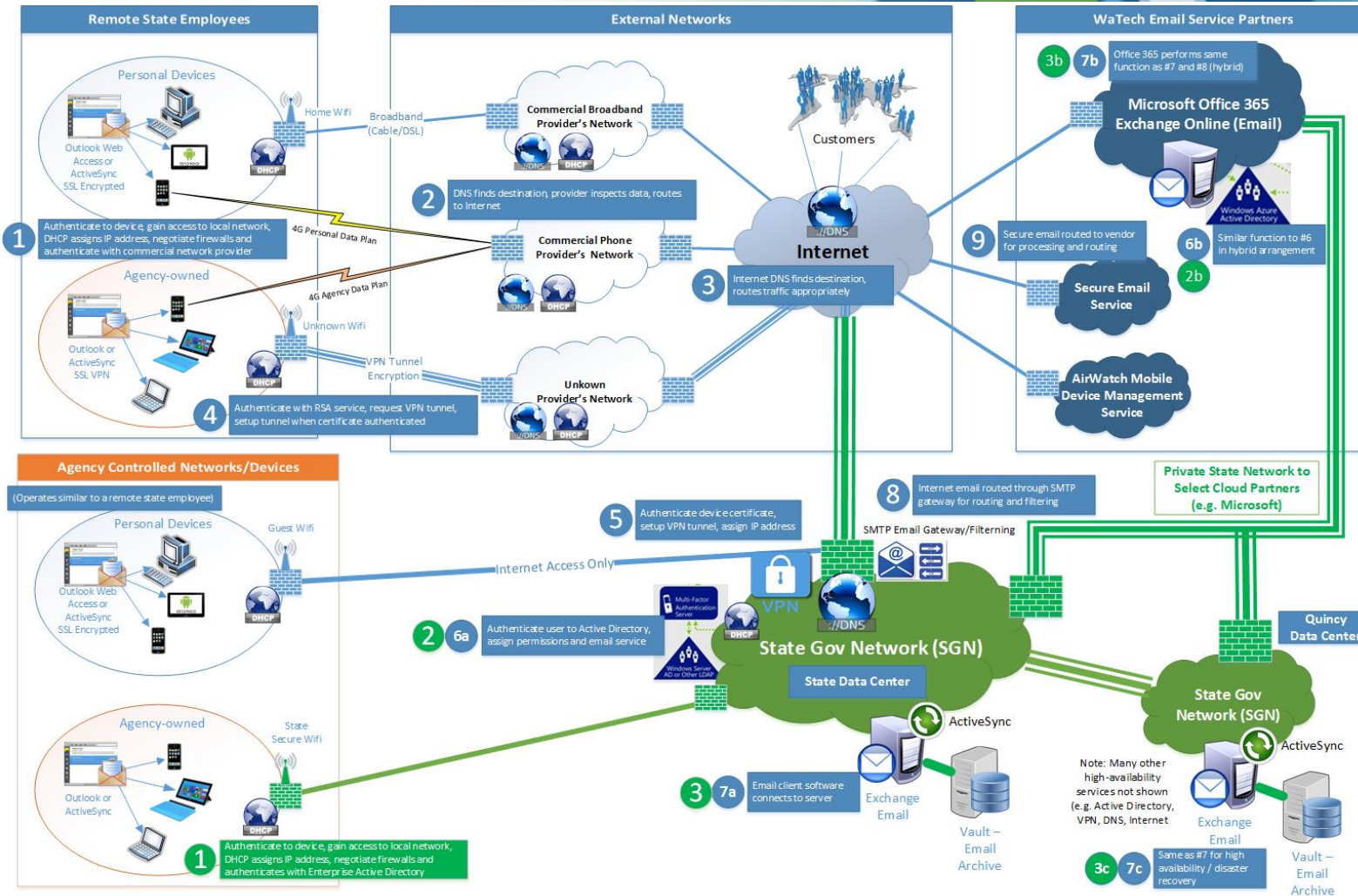
Over-communication Issue

Evolve from 'Up-Time' of services to new metrics

Email - Complexity Example

- 52 - WaTech Services
- 23 – Agency Services
- 23 – third party controlled

Enterprise Email Topology



WaTech Controlled Components - 52

Active Sync Service	Enterprise Firewall service	Virtual Hosting Environment
Anti Virus / Anti Spam	Intrusion Protection Service (IPS)	<i>SGN network Circuits*</i>
<i>External Certificate Authority*</i>	Internet email gateway/filtering	<i>SGN circuits to the Internet*</i>
Internal Certificate Authority	Load Balancers	Watech Wireless Service
<i>Datacenter Interconnect (DCI)*</i>	Remote Office VPN system	<i>Mobile Device Management service*</i>
Dedicated Network switches	Outlook Web Access servers	Additional with Office 365
Domain Name Service (DNS)	<i>Quincy Data Center (QDC) facilities*</i>	Network switches/routers at colocation vendor
Edge Proxy Devices	<i>Secure Email Service*</i>	<i>Network circuits to aggregation vendor sites and cloud providers*</i>
Internet Email Gateway Services	Secure RSA Tokens	<i>Office 365 Shared Tenant Configuration*</i>
Enterprise Active Directory (EAD)	State Data Center (SDC) facilities	<i>Exchange Online hybrid and global configurations*</i>
Email Server Hardware and O/S	<i>State Metro Optical Network (SMON)*</i>	<i>Azure Active Directory hybrid configuration*</i>
Exchange Server Software	Traffic Filtering and Threat Mgmt	<i>Cloud Access Security Cloud Broker (CASB) administration*</i>
Email Storage Systems	Multi-factor VPN Client Authentication	<i>Office 365 license management*</i>
Email Vault (WaServ)	Vault Storage Infrastructure	<i>Cloud Enabled Vaulting management*</i>

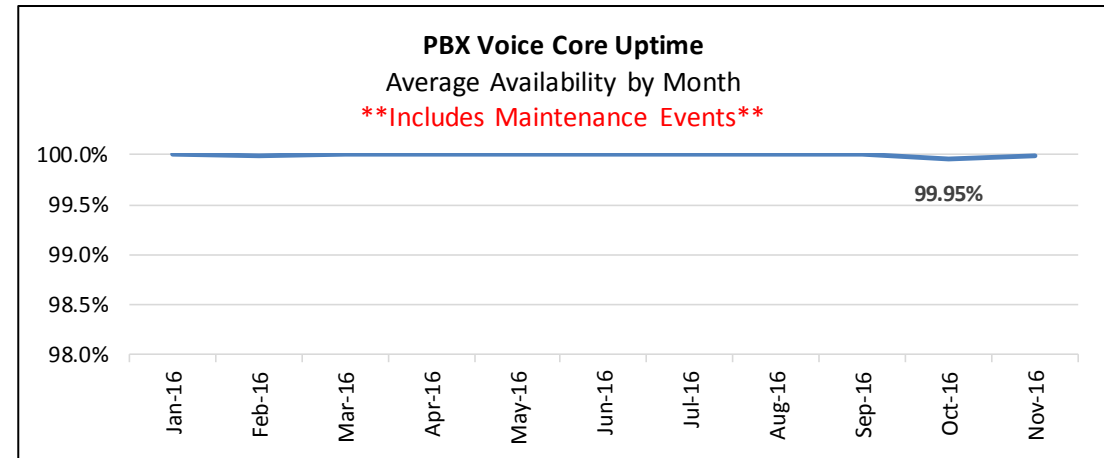
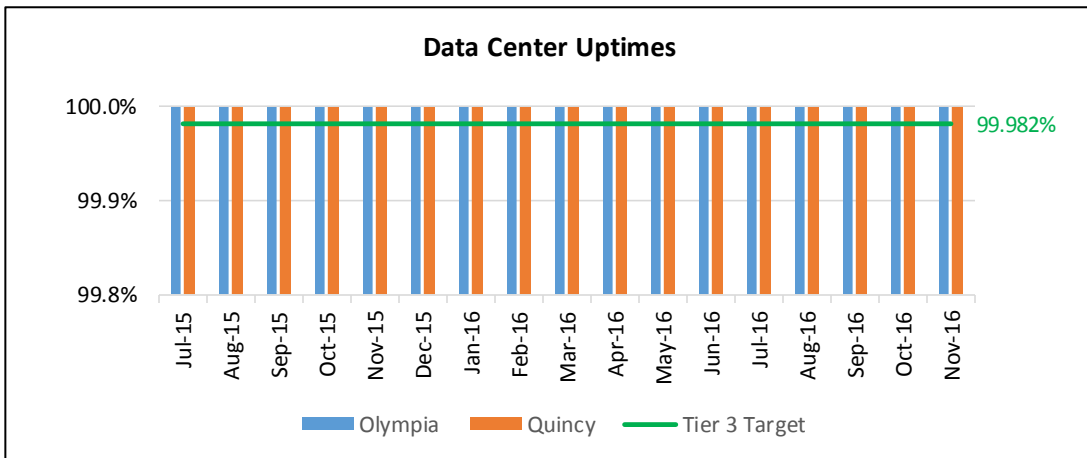
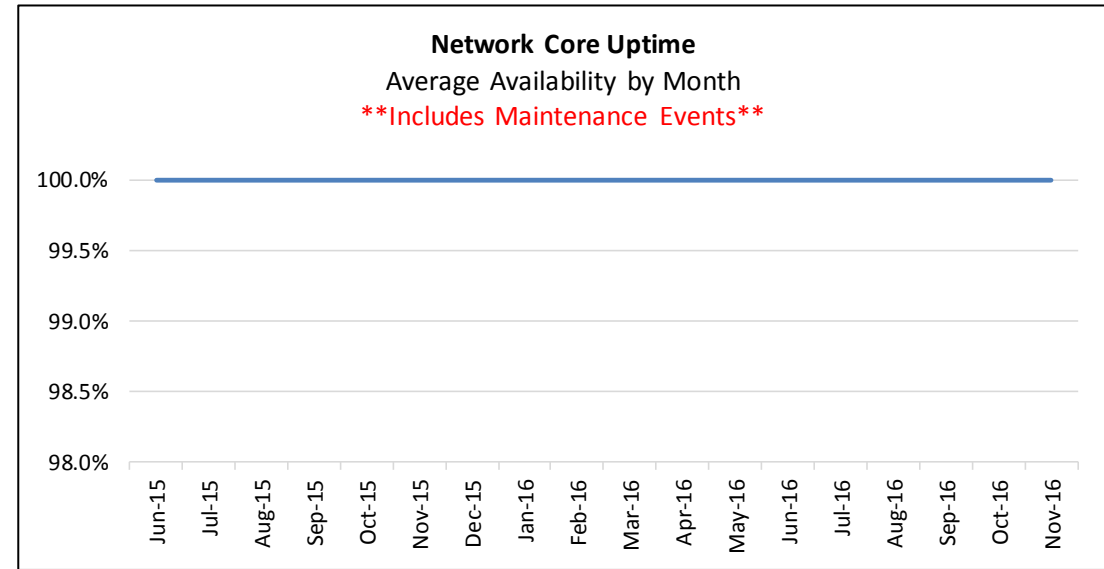
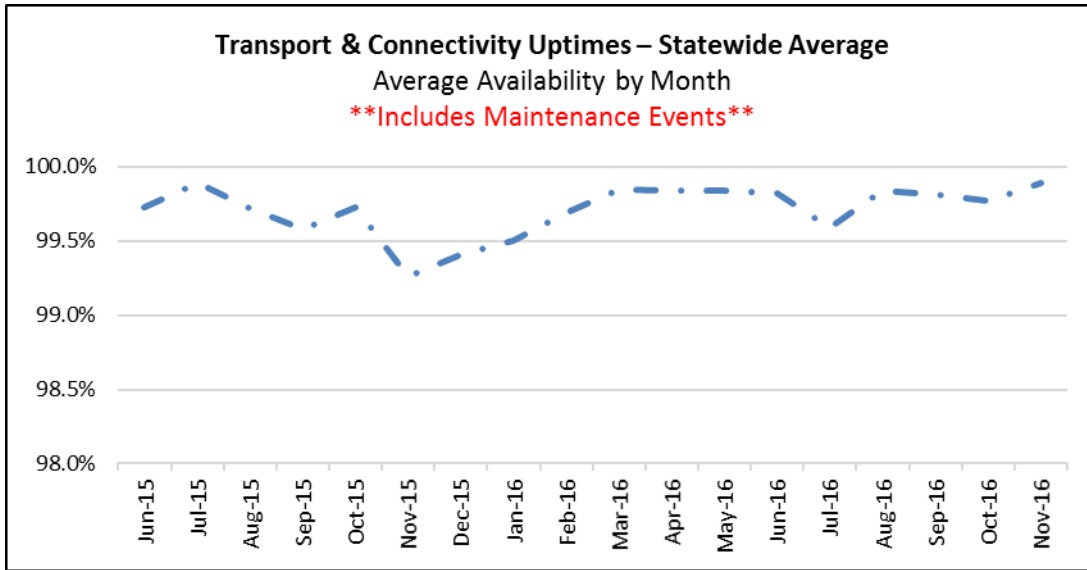
Agency Controlled Components - 23

Agency Certificate Authorities	PC/mobile device configuration
Agency delegated DNS	Operating systems
Agency DHCP	Outlook email client configuration
Agency Domain controllers	Delegated administration Exchange Online services
Agency managed SGN edge routers	Network and security rules for hybrid configuration
Agency managed firewalls/rules	PC/mobile device configuration for Exchange Online
Local network routers/switches	End-user training
Local agency WiFi service	Additional with Office 365
Delegated Firewall Administration	Delegated administration Exchange Online services
Exchange/AD Delegated Administration	Network and security rules for hybrid configuration
Local Area Network (LAN)	PC/mobile device configuration for Exchange Online
State-owned PC and mobile devices	End-user training

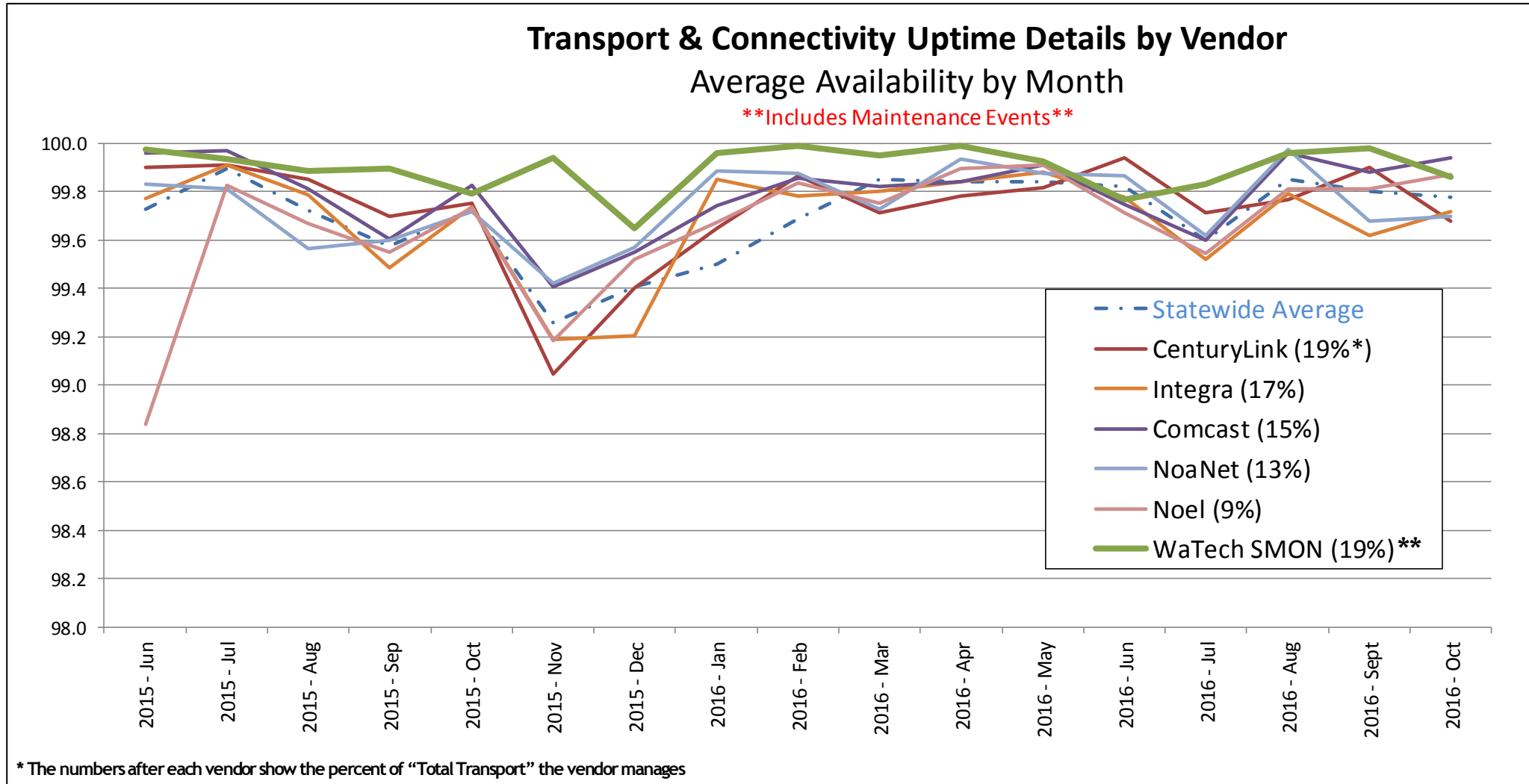
Components Outside Control - 23

Broadband provider networks and firewalls	Recipients email provider/system/security/software
Wireless phone provider networks and firewalls	Internet-wide cyber security event (e.g. denial of service)
Internet Service Provider Services (e.g. DHCP/routing)	Level of non-state user training
Remote location DNS	Additional with Office 365
Remote Location firewalls	Exchange Online Service hardware/software/operations
Remote location networks/Wi-Fi	Cloud internal networking infrastructure
Personal PC/portable hardware	Microsoft controlled networking with aggregation vendor
Personal Smartphone hardware	Cloud edge connectivity (Express Route)
Multiple operating systems (Windows, IOS, Android)	Identity management infrastructure
Multiple browsers (Edge, IE, Safari, Chrome, Firefox, etc.)	Microsoft security infrastructure
Multiple native email clients	Cloud Exchange service hardware/software
Multiple client firewalls/antivirus/anti spam products	Overall Office 365 and Exchange service uptime

Transport, Network Core, Data Center, PBX



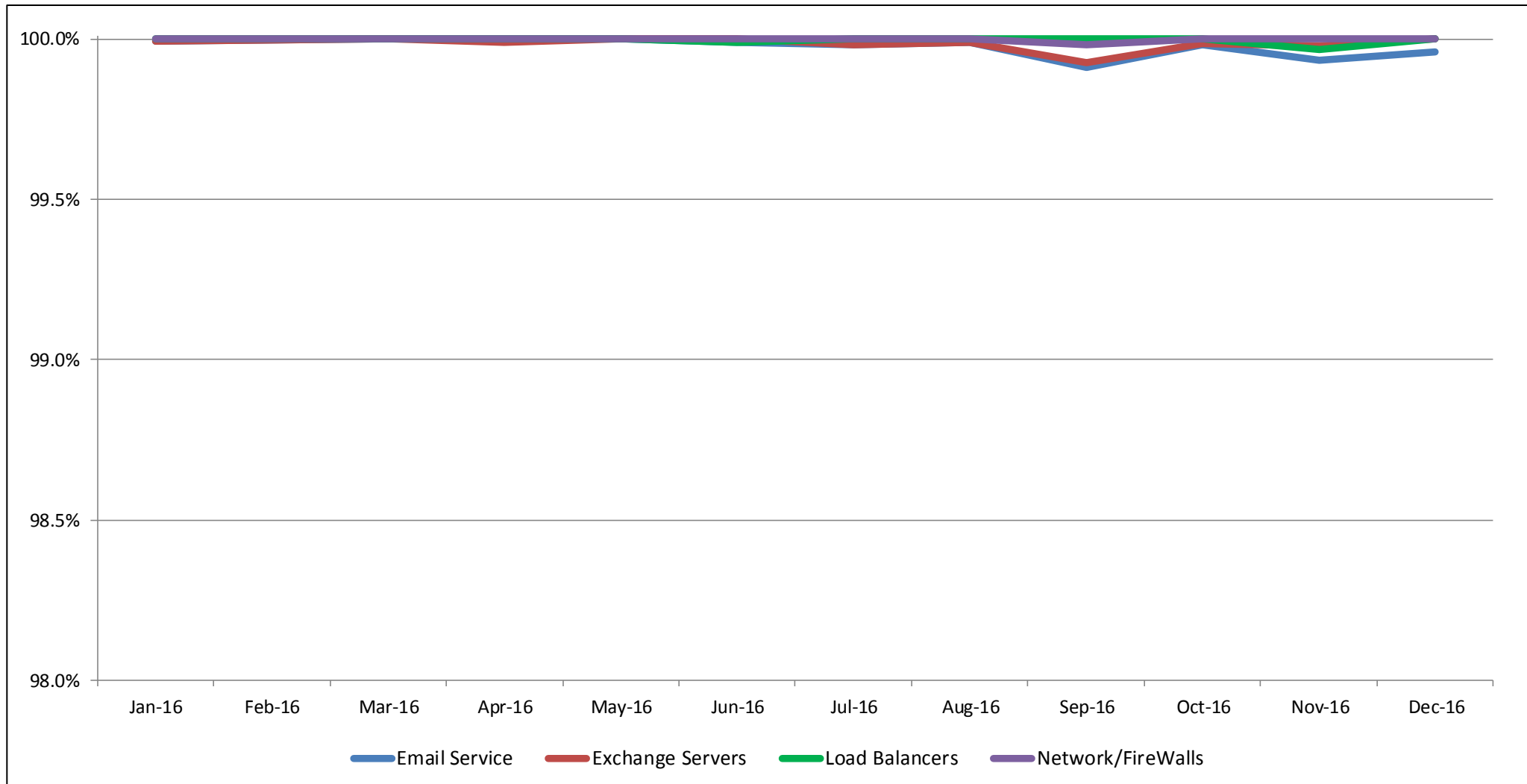
Transport by Vendor



** WaTech manages the State Metropolitan Optical Network (Olympia, Tumwater, Lacey). WaTech consistently outperforms vendors managing other parts of the complete state network

Source: Orion & Service Owner Measurement Report

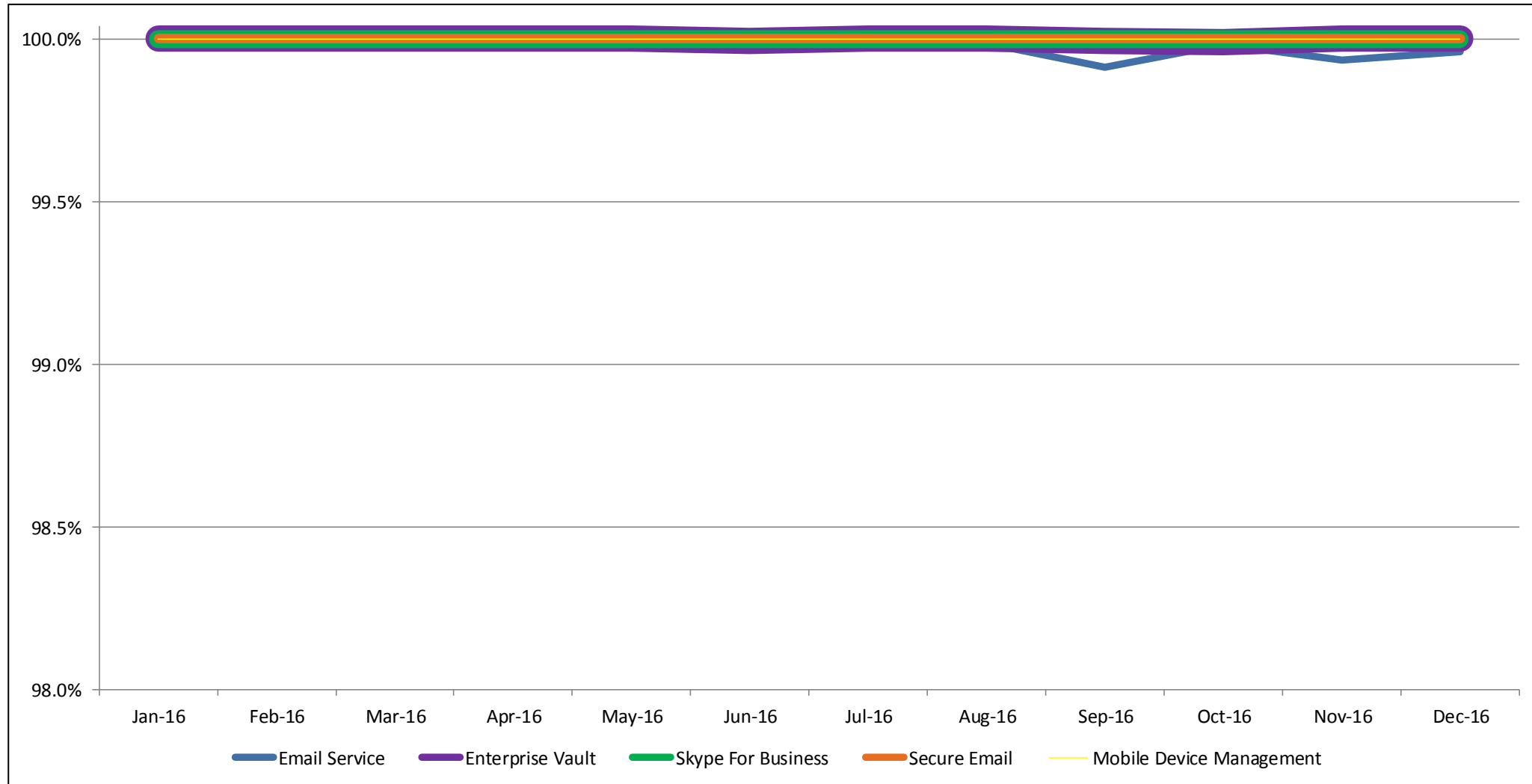
Shared Services Email*



* Email Service is made up of Exchange Servers + Load Balancers + Network/Firewall

Source: Service Owner Calculations based on ESP Incident Ticket Data

Messaging Suite

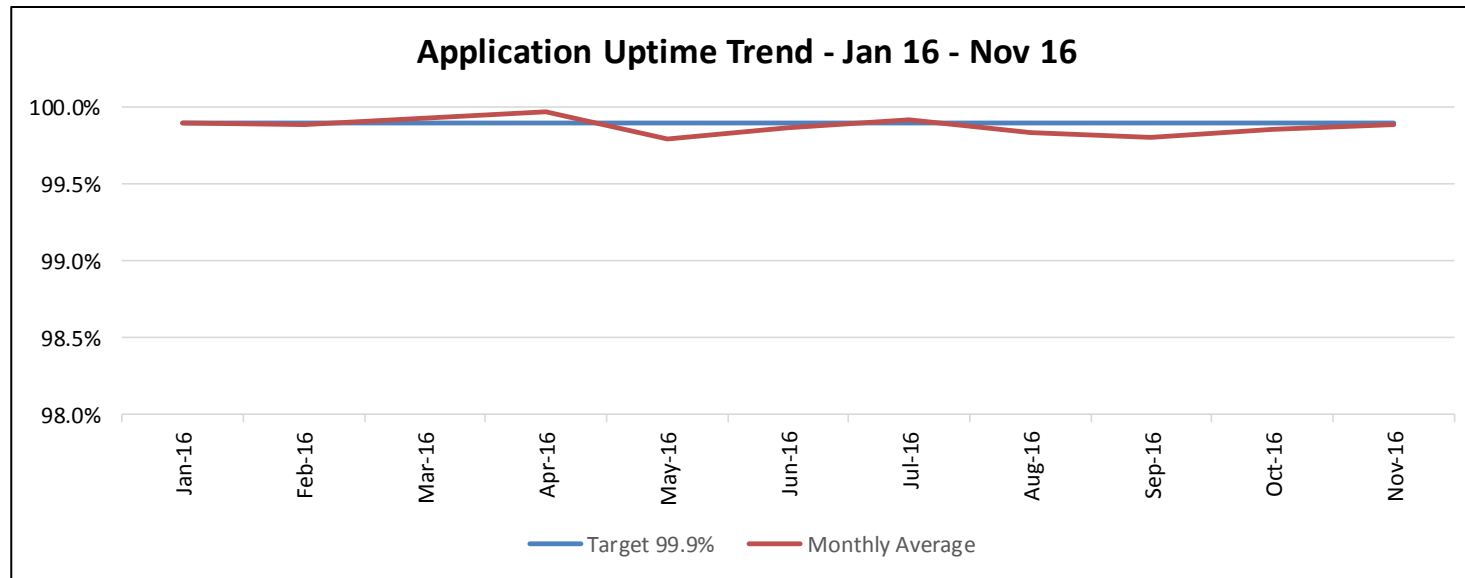


* WaTech Messaging Suite of Services includes: Email Service, Enterprise Vault, Skype, Secure Email, and MDM

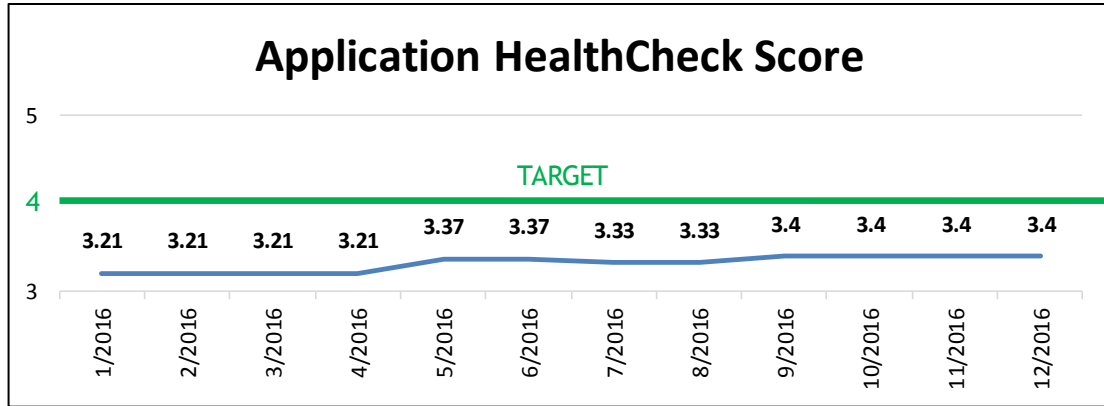
Source: Service Owner Calculations based on ESP Incident Ticket Data

Applications

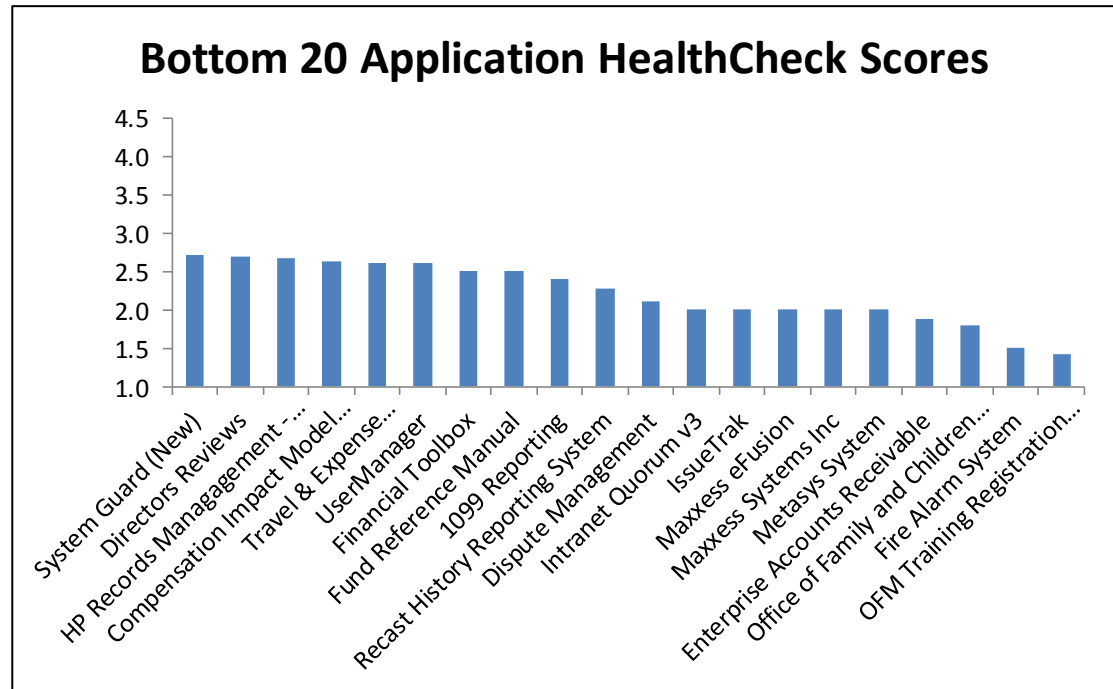
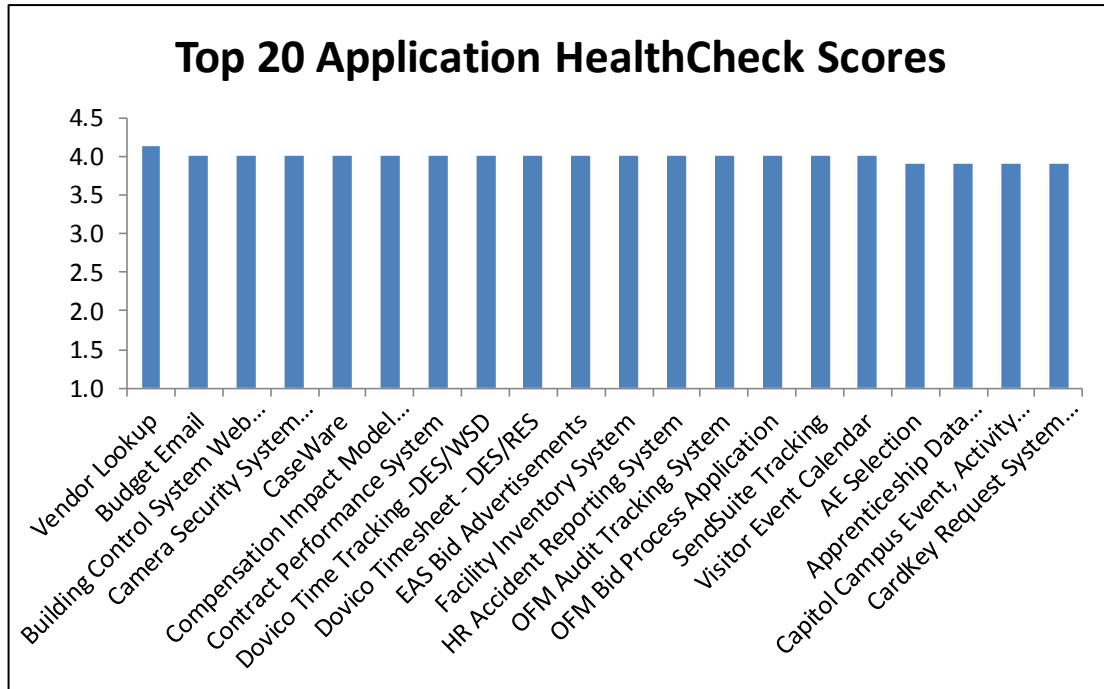
Apps Monitored = 201
Average Uptime November = 99.89%
Apps Above 99.9% Target = 191
Apps Below 99.9% Target = 10



Application Health Check

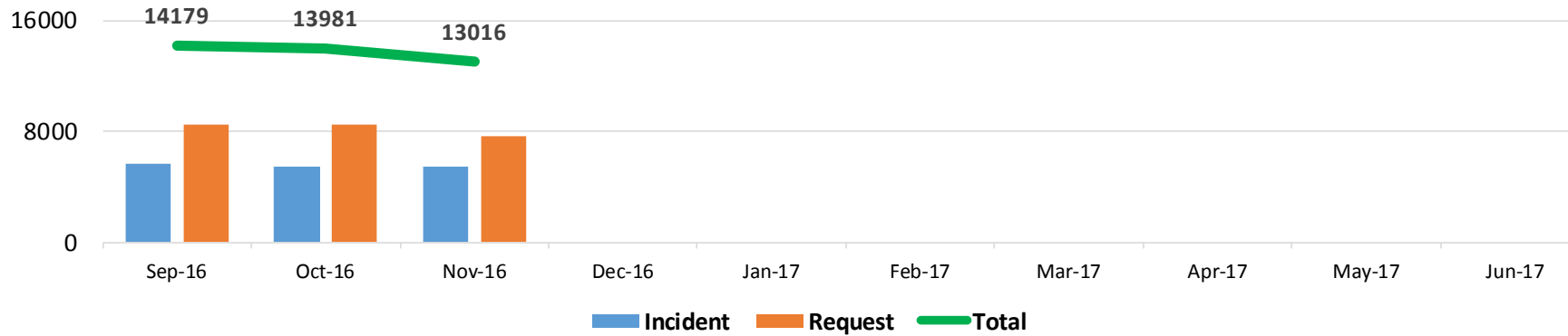


- ### CRITERIA
- Support Skill
 - Ease of Change
 - Application Stack
 - Authentication
 - Coding Language
 - Client Interface
 - Client OS
 - DBMS
 - IDE
 - Server OS
 - Web Interface

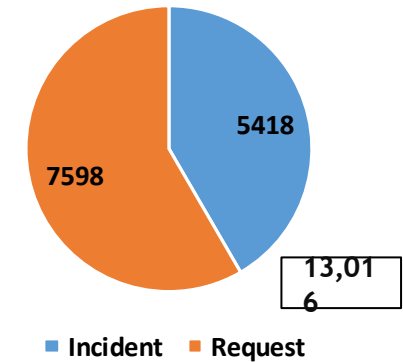


Ticket Trends

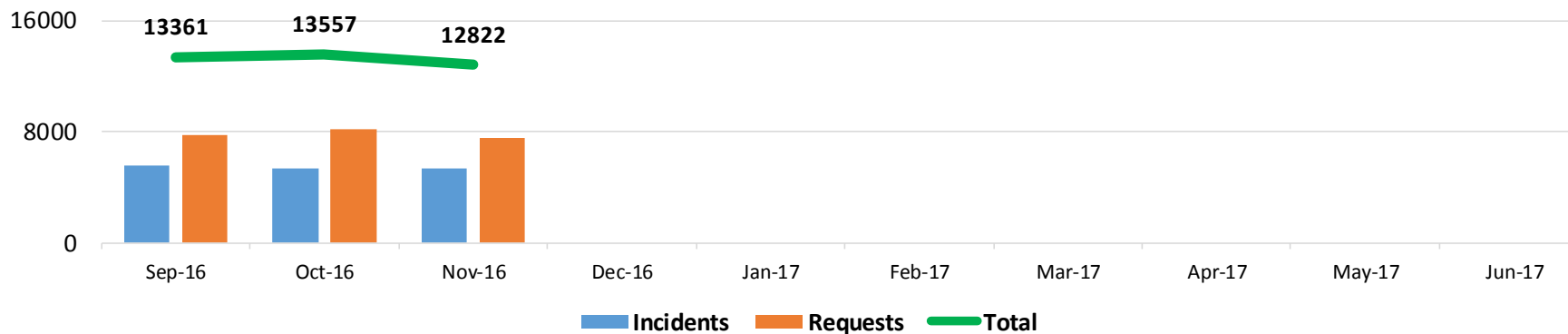
Tickets Created* -Trend



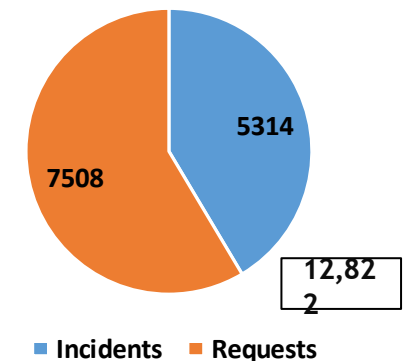
of Tickets Created - Nov 16



Tickets Closed - Trend



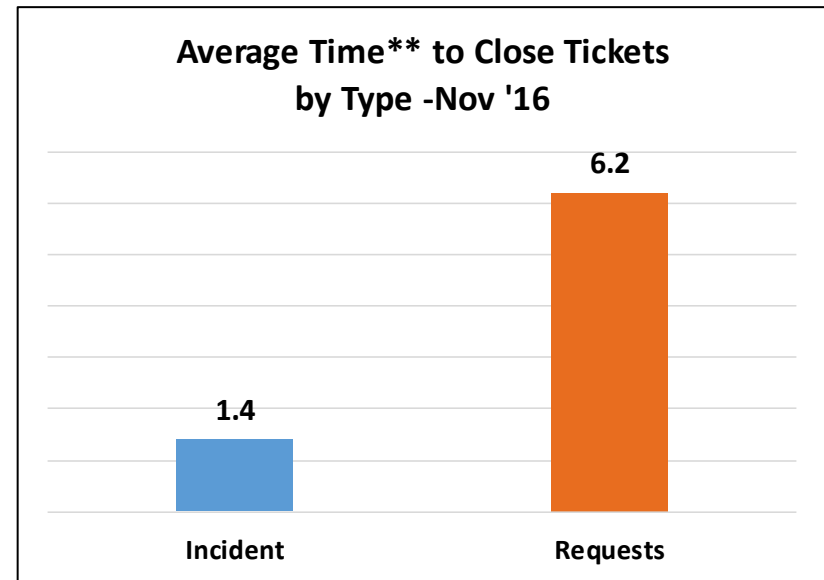
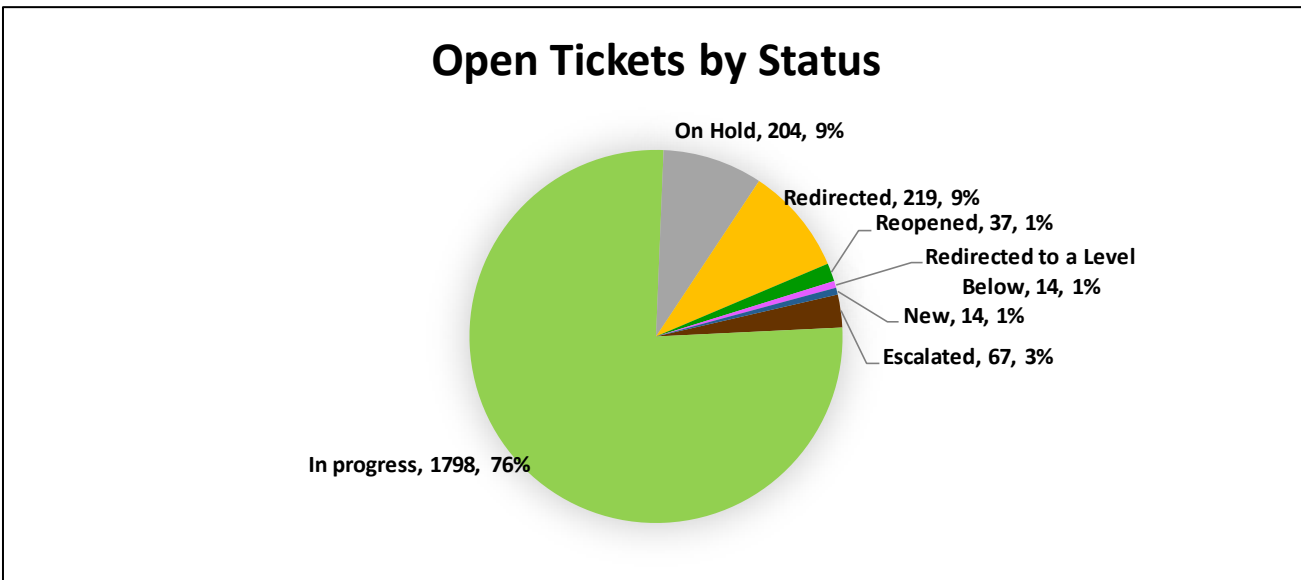
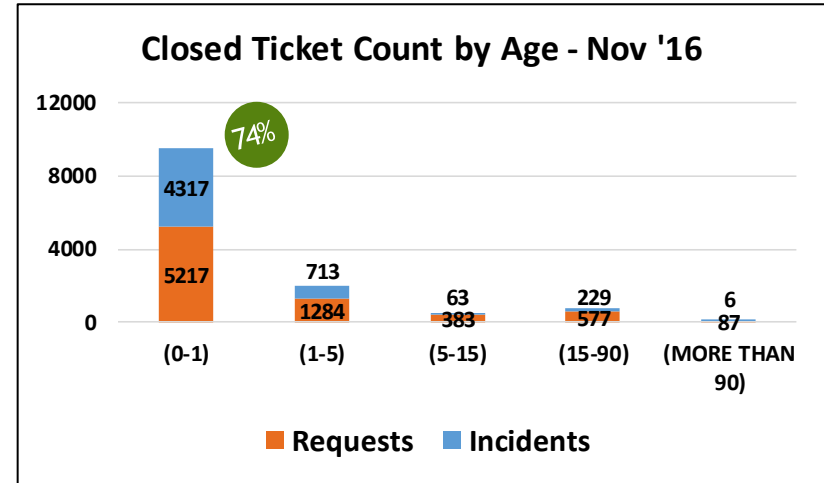
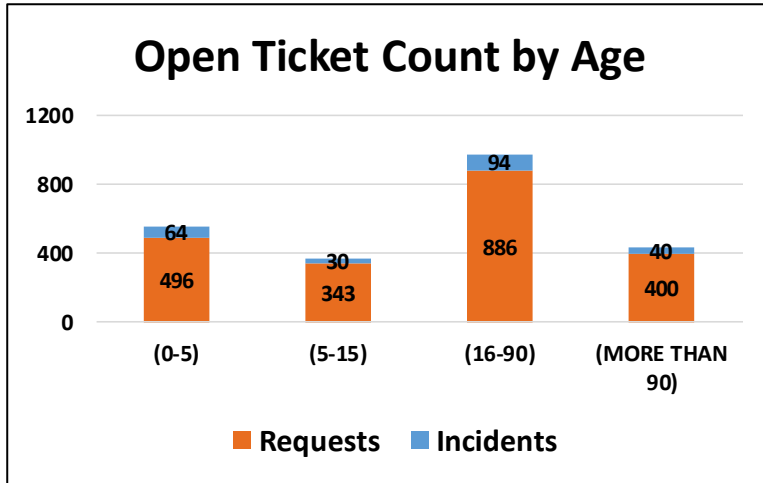
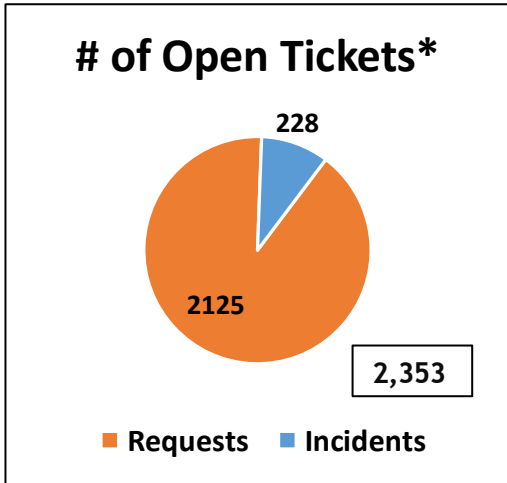
of Tickets Closed - Nov 16



* Incident = An unplanned interruption to or reduction in quality of a WaTech service.

* Request = A request from a user/customer for information, advice, standard change to, or for access to a WaTech service.

Ticket Status and Age



*On 12/20/16 **In Days

Source: ESP & Agency Ticket Tracking Process



Customer Care

Customer Care Annual Customer Survey (March 2016)

Annual Survey Overall Score

C+

Survey Category	Score
Service Security Compliance	A-
Technology	B-
Service Impact Resolution	B-
Customer Relationship	C+
Support for Agency Outcomes	C+
Maturity as IT Service Provider	C+
Communications	C-
Value and Fee Structure	C-

Strategic Focus Areas of Continuous Improvement

- Improve Communications
- Create Customer Portal
- Define & Update Service Catalog
- **Communicate Cloud Services Strategy ✓**
- **Modify Customer Meeting Structures ✓**
- **Improve Ticket Monitoring ✓**
- Customer Service Training
- Solicit Customer Feedback
- **Audit Invoices ✓**
- **Invoice Training ✓**
- Reduce Staff Barriers

✓ = Completed Activity

Alerts Demo

Systems Status

Active Alerts

Enterprise Systems — IN1612_08754
Email notifications within the Travel Expense Management System (TEMS) are not being sent to the Requestor or Preparer/Submitter when the Reimbursement Request is approved by either the Approver...

Incident start time
Tue, Dec 20, 2016 - 12:00pm

Last Update
Wed, Jan 18, 2017 - 2:00pm

[View Details](#)

Recently Closed Alerts

Private Branch Exchange (PBX) — IN-1701_13308
Local calls to the Seattle area may not connect.

Incident start time
Thu, Jan 12, 2017 - 9:45am

Time Incident Closed
Fri, Jan 13, 2017 - 11:15am

[View Details](#)

Customer Portal Demo

The screenshot displays the WaTech Customer Portal interface. At the top left is the WaTech logo with the tagline "Washington Technology Solutions". The top right shows a user profile for "enduser" and a "Create a New Incident [Alt+Shift+N]" button. A left-hand navigation menu lists options such as Home, New Incident, My Incidents, New Service Request, My Service Requests, My Change Requests, My Approvals, Knowledge Base, and Search. The main content area, titled "PORTAL PAGE", features several colored tiles: a green "Submit a Service Request" tile with a description and a list of services (System Support, Network Password Reset, IT Purchasing, SharePoint Access & Setup, Email Permissions & Sharing, More Services...); an orange "Report an Incident" tile with a description and a list of incident types (Outage, Service Interruption, System Bug, Other, More...); a purple "My Service Requests" and "My Incidents" tile; a blue "Get Help Using ESP" tile; a grey "Contact Us" tile with the phone number "(360) 407-9100"; and a dark blue "Aeris Wifi" tile with "Aeris Wifi: alki1889" and "Guest Wifi: alki1889". A maroon "FAQs" tile contains questions like "What's the difference between a service request and an incident?". A large maroon banner in the center reads "Welcome to the Enterprise Solutions Platform (ESP)". The background of the main content area is a close-up of a computer keyboard with a green "solutions" key. At the bottom, the "easyVISTA" logo and a taskbar with several application icons are visible.

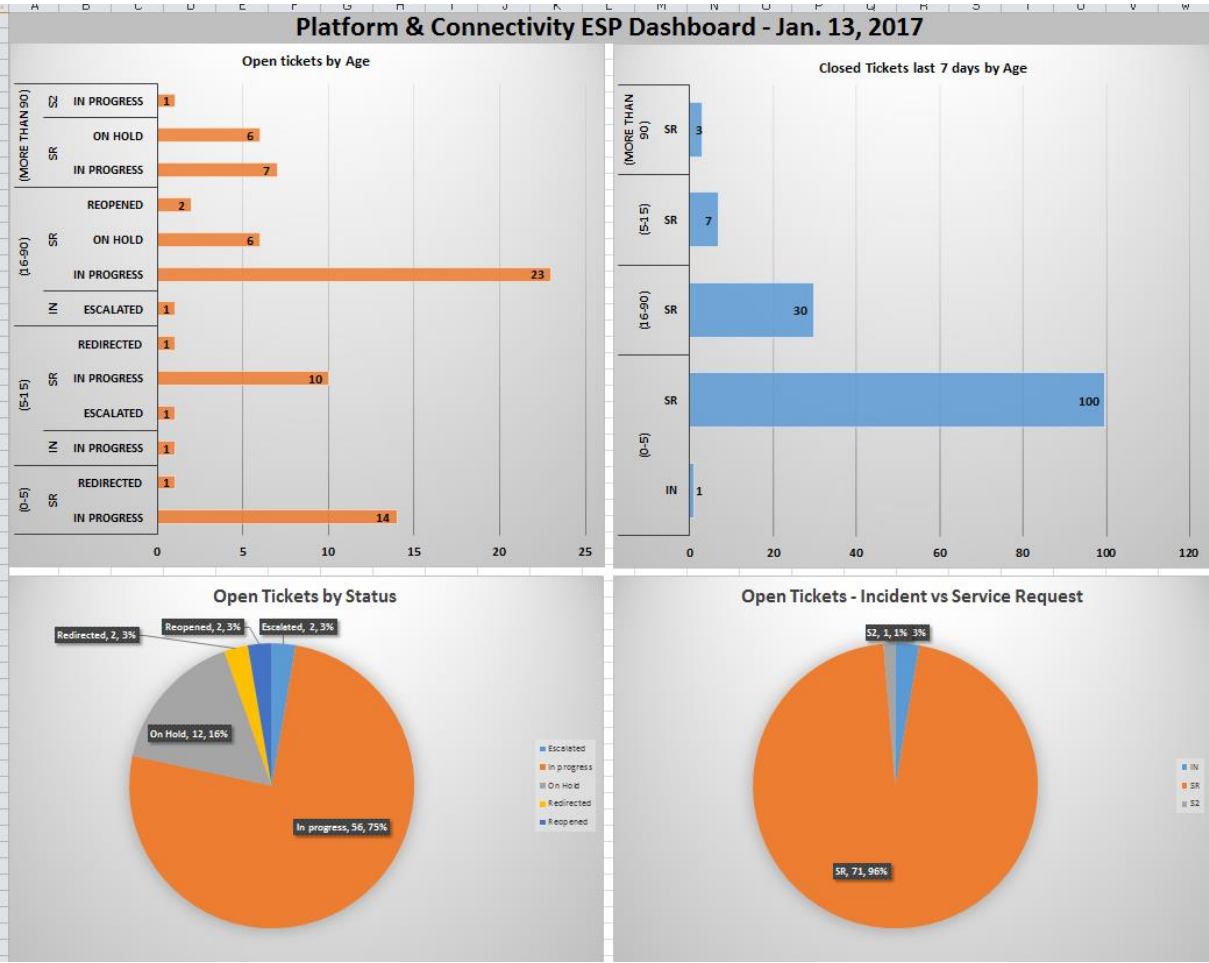
Customer Care

Ticket Monitoring



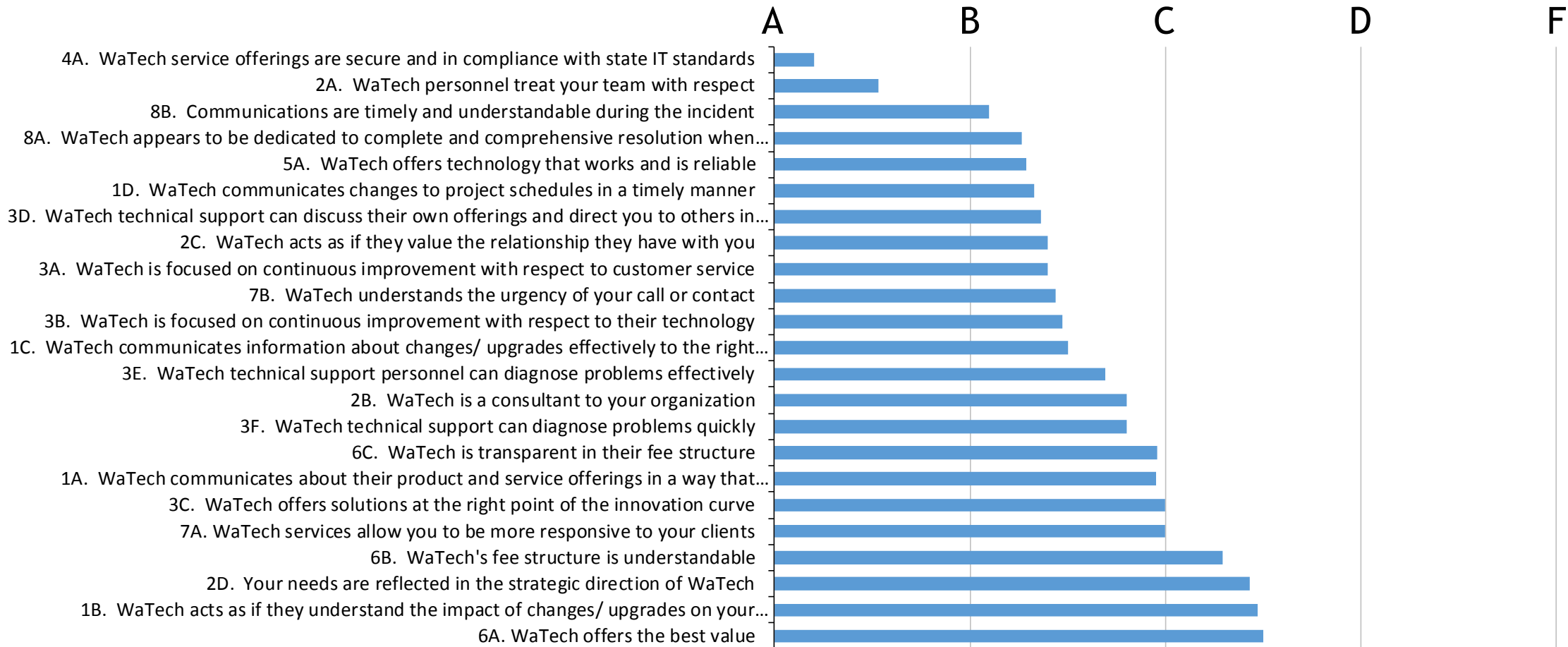
Customer Care

ESP Dashboard



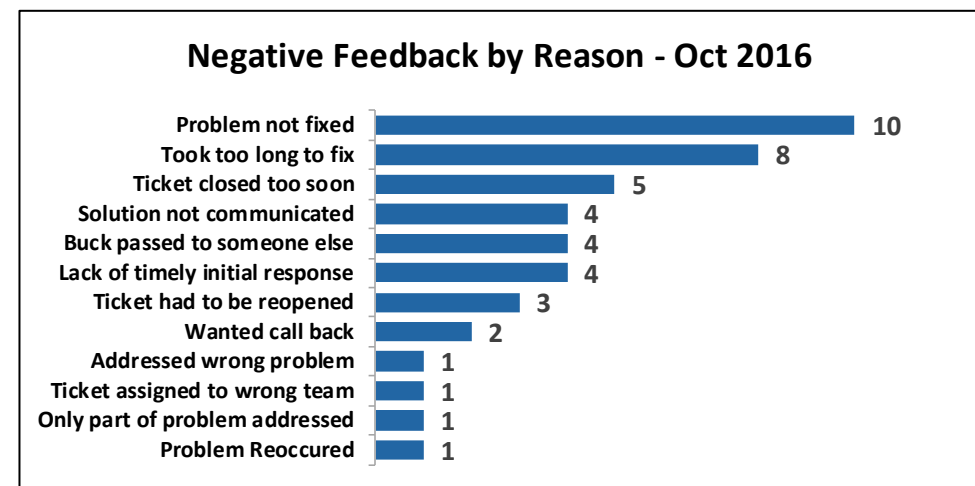
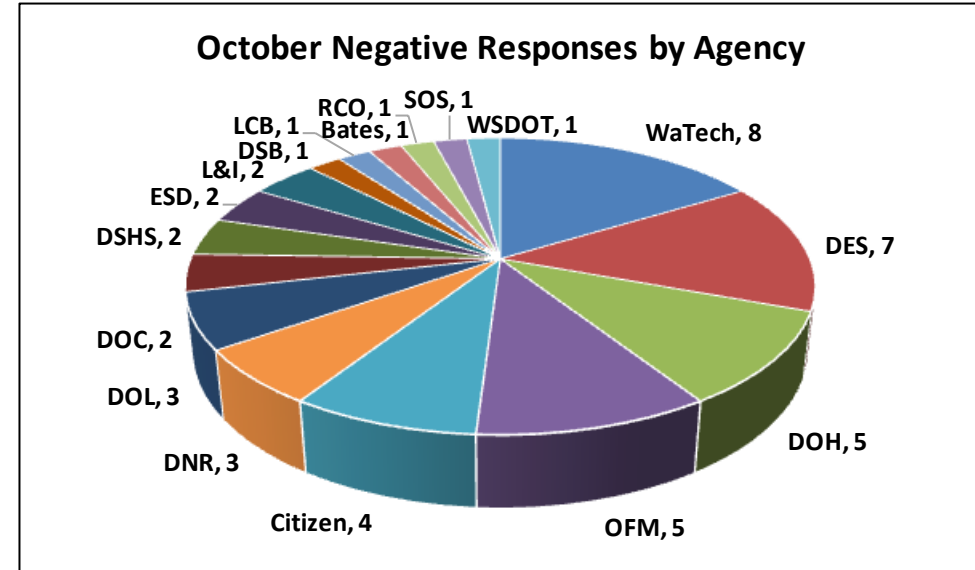
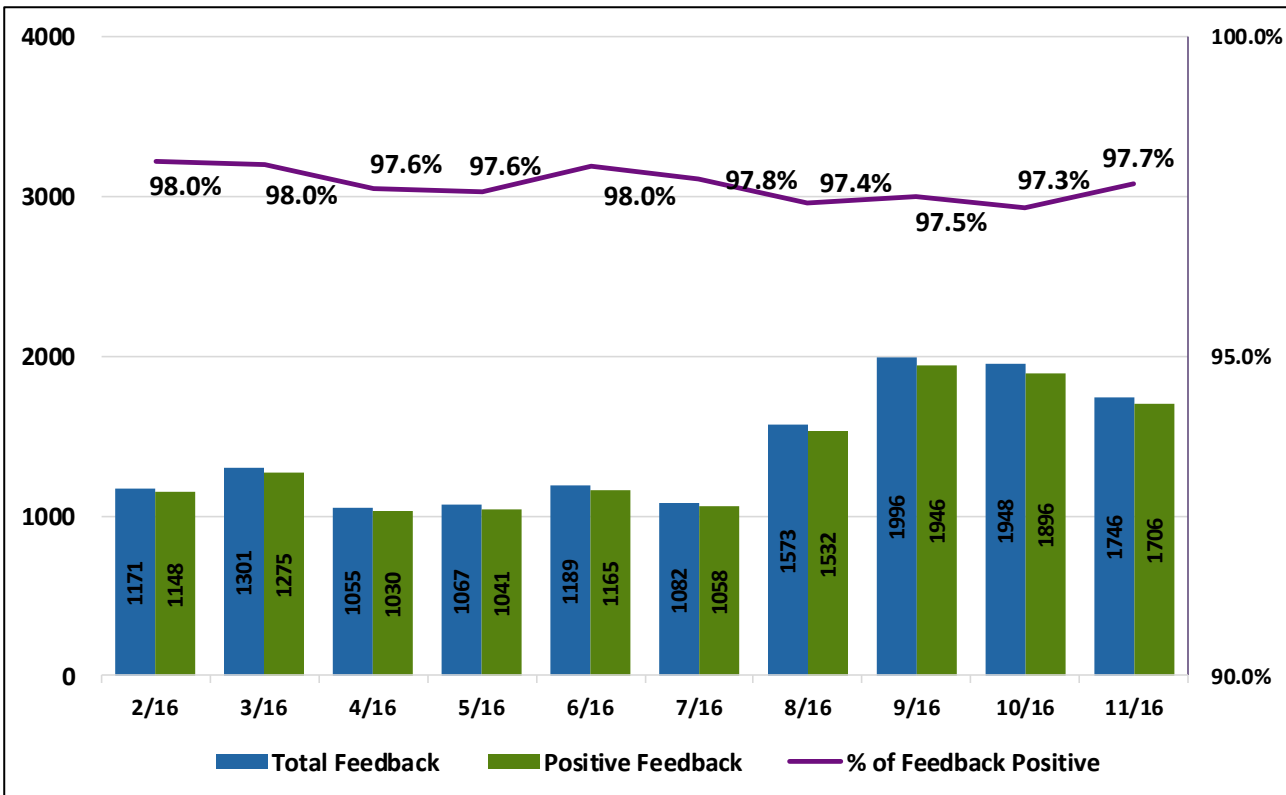
Customer Care Annual Survey Question Details

Individual Question Scores



Customer Care End of Transaction Survey Scores

% of Closed Tickets With Feedback = 14%
 Positive = 97.7%
 Negative = 2.3%

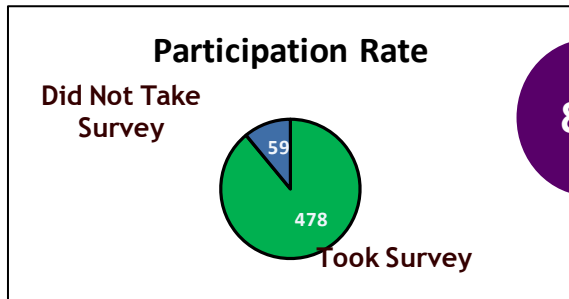




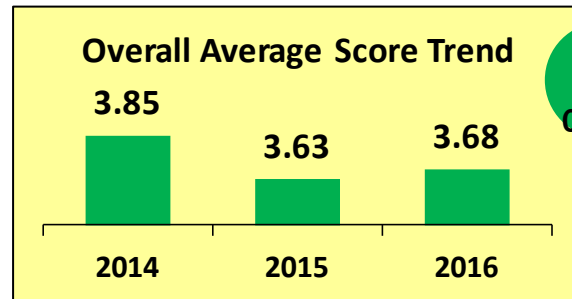
Employee Satisfaction

Employee Satisfaction*

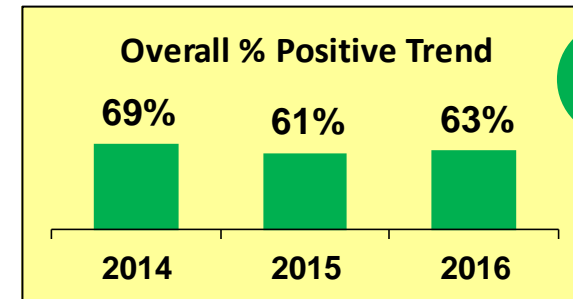
*as measured by the statewide employee survey



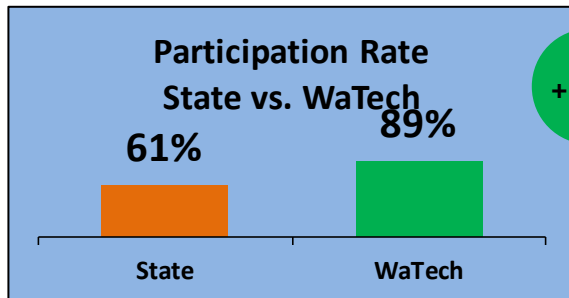
89%



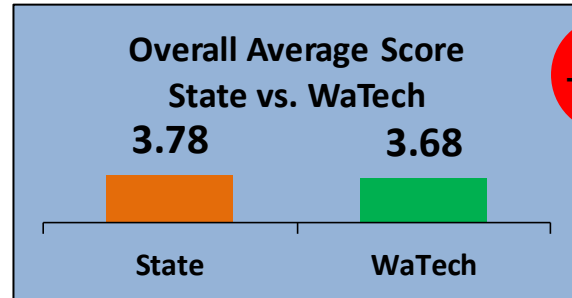
+0.05



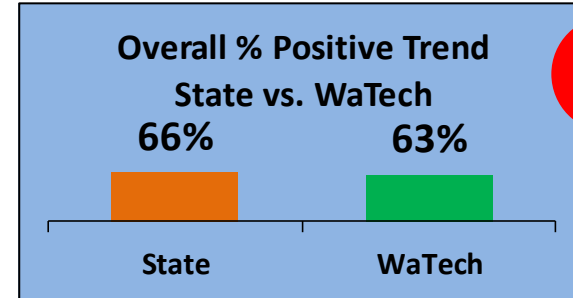
+2%



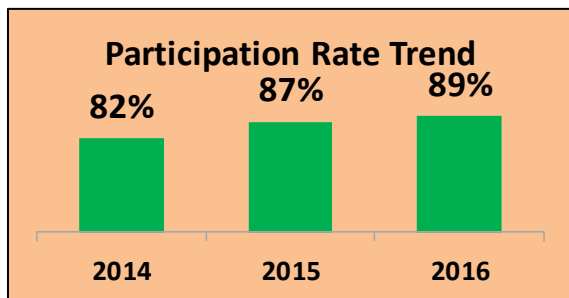
+28%



-0.10



-3%



Goal Focus Areas Being Addressed*

1. Opportunities to learn and grow
2. Coming up with better ways to do things
3. Communicate missions, vision, direction
4. Transparent communications
5. Leverage employee talent
6. Support diverse workforce
7. Employee recognition
8. Improve cooperation and teamwork
9. Create sense of purpose and belonging in day-to-day activities
10. Supply tools and resources to do job
11. Improve workplace flexibility

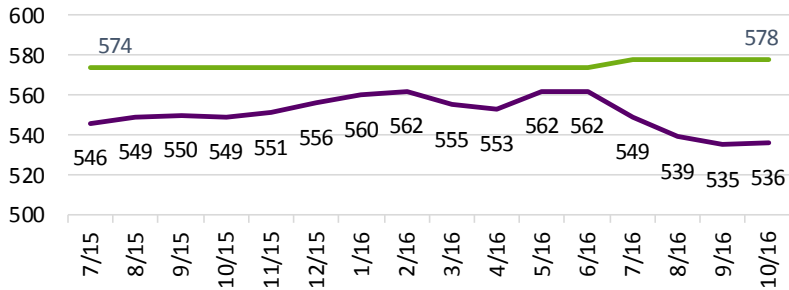
* by enterprise and divisional teams



Human Resources

Human Resources

of FTEs Trend



7.4% below authorized level

Recruitments in 2016

71

Average Time-to-Fill

71 Days

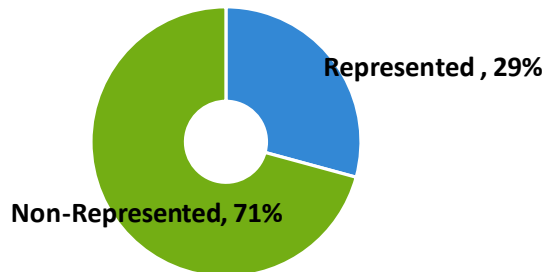
Employee Separations 2016

84

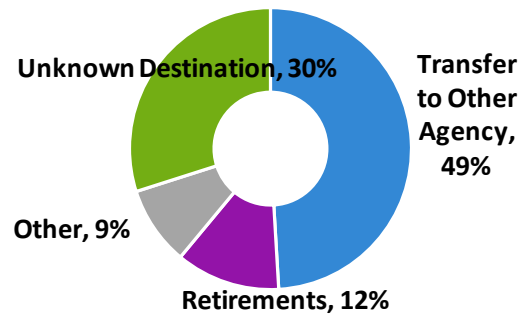
Turn-Over-Rate

15%

Employee Representation



Reason for Separation



Turn-Over-Rate by Reason

