IT Governance Committee

Monday, March 7, 2011
Goals

- Review and approve proposal for allocation of the FY 2012 $9.5 million software development budget
- Determine criteria, allocation, time frame and oversight for $9.5 million one-time Digital MIT budget
- Discuss challenges of aggressive investments in new software and services
® represents the revised FY11 SWD funding allocations that were approved by the IT Governance Committee at the November, 2010 meeting.

**Holdback** represents SWD budget dollars that may be used to fund SWD projects at the Head of IS&T's discretion.

**Carry Forward** represents SWD budget dollars that were not spent in prior fiscal years. These dollars are automatically carried forward to the current fiscal year and are an available SWD funding source.
# FY2012 Proposed SWD Allocation

## FY2012 IS&T Software Development Funding by Governance Committee

<table>
<thead>
<tr>
<th></th>
<th>FY10 Budget</th>
<th>FY10 Actuals</th>
<th>FY11 Budget</th>
<th>FY11 Forecast</th>
<th>FY12 Proposed Allocation</th>
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</thead>
<tbody>
<tr>
<td><strong>SSSC - Educational Systems (includes Stellar NG)</strong></td>
<td>$5.1 M</td>
<td>$3.8 M</td>
<td>$4.3 M</td>
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<td>Online Grading</td>
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<td>Online Registration Phase 1</td>
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<td>Electronic Transcript Request &amp; Retrieval Implementation</td>
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<td>Stellar NG</td>
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<td><strong>ASPCC - Administrative Systems (includes Data Management)</strong></td>
<td>$2.8 M</td>
<td>$2.4 M</td>
<td>$3.0 M</td>
<td>$4.5 M</td>
<td>$3.0 M</td>
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<td>Procurement System Improvements</td>
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<td>Appointment Process Redesign</td>
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<td>Enterprise Learning</td>
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<td>Cost Accounting for Institute Buildings</td>
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<td>Mobile devices for Repair and Maintenance</td>
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<td>Key process redesign</td>
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<td>Reporting and Forecasting Tool</td>
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<td>Data Warehouse Reporting Tool</td>
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<td>Managed Data Services</td>
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<td><strong>Community / IS&amp;T</strong></td>
<td>$1.1 M</td>
<td>$0.9 M</td>
<td>$1.2 M</td>
<td>$1.4 M</td>
<td>$1.2 M</td>
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<td>MIT Mobility</td>
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<td>Kerberos</td>
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<td>IS&amp;T Internal Improvement Projects</td>
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<td><strong>Holdback</strong></td>
<td>$0.5 M</td>
<td>$0.0 M</td>
<td>$1.0 M</td>
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<td>$1.0 M</td>
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<td><strong>Total IS&amp;T Annual Allocation</strong></td>
<td>$9.5 M</td>
<td>$7.1 M</td>
<td>$9.5 M</td>
<td>$11.2 M</td>
<td>$9.5 M</td>
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<td><strong>IS&amp;T Software Development Funding Carry forward</strong></td>
<td>$2.5 M</td>
<td>$0.0 M</td>
<td>$4.9 M</td>
<td>$3.2 M</td>
<td>$3.2 M</td>
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<tr>
<td><strong>Total Available Software Development Funding</strong></td>
<td><strong>$12.0 M</strong></td>
<td><strong>$7.1 M</strong></td>
<td><strong>$14.4 M</strong></td>
<td><strong>$14.4 M</strong></td>
<td><strong>$12.7 M</strong></td>
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*Please note that the above projects represent a sample list of requested projects and are intended to give the IT Governance Committee an idea of the types of projects that will be considered by each Governance Committee.*
Alternative SWD Allocations

Proposed:

• FY12 allocation is equal to the FY11 Budget Allocation (total allocation equals $9.5M)

Alternative Allocations:

• FY12 allocation is equal to FY11 Forecast (total allocation is $11.2M and includes usage of $1.7M in carry forward funding)

• Redistribution of funding between governance committees (total allocation equals $9.5M)

• Use of other funding sources to augment the FY12 SWD budget of $9.5M:
  
  International Initiatives (SMART)
  
  Digital MIT Monies - $9.5M total
Opportunity to Adjust FY2012 Allocation

Initial Request Proposed Timeline:

- Sponsor Submissions (Jan 2011)
- IT Governance Committee Review of Submissions: Sponsor Q&A (Feb – Mar 2011)
- IT Governance Committee Allocation Decision (Mar 2011)
- IT Governance Committee Allocation Communication (Apr 2011)

Mid Year Funding Assessment Proposed Timeline:

- Sponsor Submissions (Oct)
- IT Governance Committee Review of Submissions: Sponsor Q&A (Nov)
- IT Governance Committee Allocation Decision (Nov)
- IT Governance Committee Allocation Communication (Dec)
## Digital MIT Funding Allocation

### Potential Projects From Task Force

- Buy – pay / Improving the Procurement experience
- Budgeting
- Research proposal submission
- Vacation tracker for faculty and staff
- Graduate student admissions
- Key request process (workflow and paperless)
- Room scheduling and event registration

### Endorsed Task Force Principles

- Location-independent work
- Decustomization
- End support for selected IT products and services
- Remove pain points in using MIT enterprise systems
- Supporting standards
- User-centered system solutions

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Selected List of Project Candidates from the Task Force - provided by Israel Ruiz
DRAFT: Prioritization Criteria for Project Approval and Execution

- Improving or expanding service to wide segments of the community (e.g., MIT travelers, MIT AOs, MIT faculty, etc.)
- Reducing cost/pain in selected areas or processes (e.g., Global activities support, research administration, procurement, etc.) affecting MIT’s core mission
- Builds on priority areas connected to ITGC/ASPCC/SSSC/MITCET/…
- Advances or has the ability to demonstrate principles endorsed by the Task Force/IT Governance Committee
- Overall readiness
Digital MIT Funding Allocation Discussion Areas

• What period of time should funding cover?
• What are possible additional criteria?
  – Visibility
  – “Shovel ready” projects
  – Acceleration of projects/plans
  – Other...
• What is the effective level of allocation?
  – Projects
  – Roadmap/investment area
  – SSSC, ASPCC, MITCET
• Which areas should receive Digital MIT Funding?
  – IS&T
  – OSP
  – Business
  – Other
• What is the funding release schedule?
• What is the proper review cycle?
Aggressive Investment Challenges

Challenges related to aggressive investment in new software and services

• Capacity management
• Operational maintenance and enhancement expenses associated with new systems and functionality within a fixed (GIB) budget and headcount
• Difficult to retire systems/reduce support in decentralized environment
Challenges: Capacity Management

IS&T:

- Contracts with two strategic partners, Edgerock and EPI-USE, for development and enhancement assistance
  - Pre-negotiated consulting rates and terms & conditions for the next 16 months (rates represent a 20% discount from standard consulting rates).
  - Decrease in the amount of time needed to bring consultants onboard once need has been identified.
- Workflow modifications to improve throughput
- Additional strategic partners

Business Partners:

- How to acknowledge and incorporate benefits to the Institute
Challenges: Maintenance and Enhancements

• IS&T beginning to develop performance metrics
  – Development
  – Enhancements
  – Maintenance

• IS&T strategy: Invest in the future by “self funding” where possible
  – Communicate and monitor metrics
  – Reduce maintenance costs where possible
  – Work with customers to manage enhancements
  – Transfer savings to new functionality and systems

• Challenge: savings will probably not cover new operational costs
Ideas to Reduce Maintenance Costs

• Retire systems
• Improve/automate system development processes
• Automate testing (QA)
• Reduce customization
• Build better/more maintainable code
• Etc....
Decisions and Next Steps