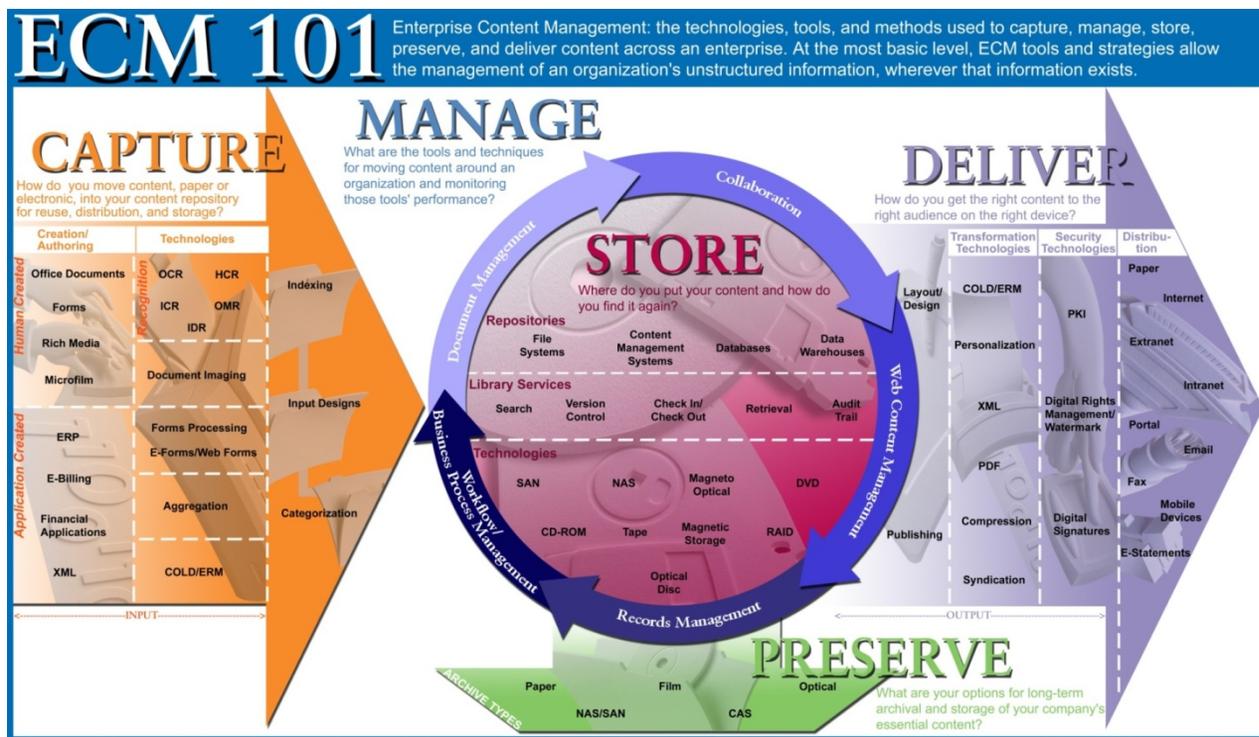


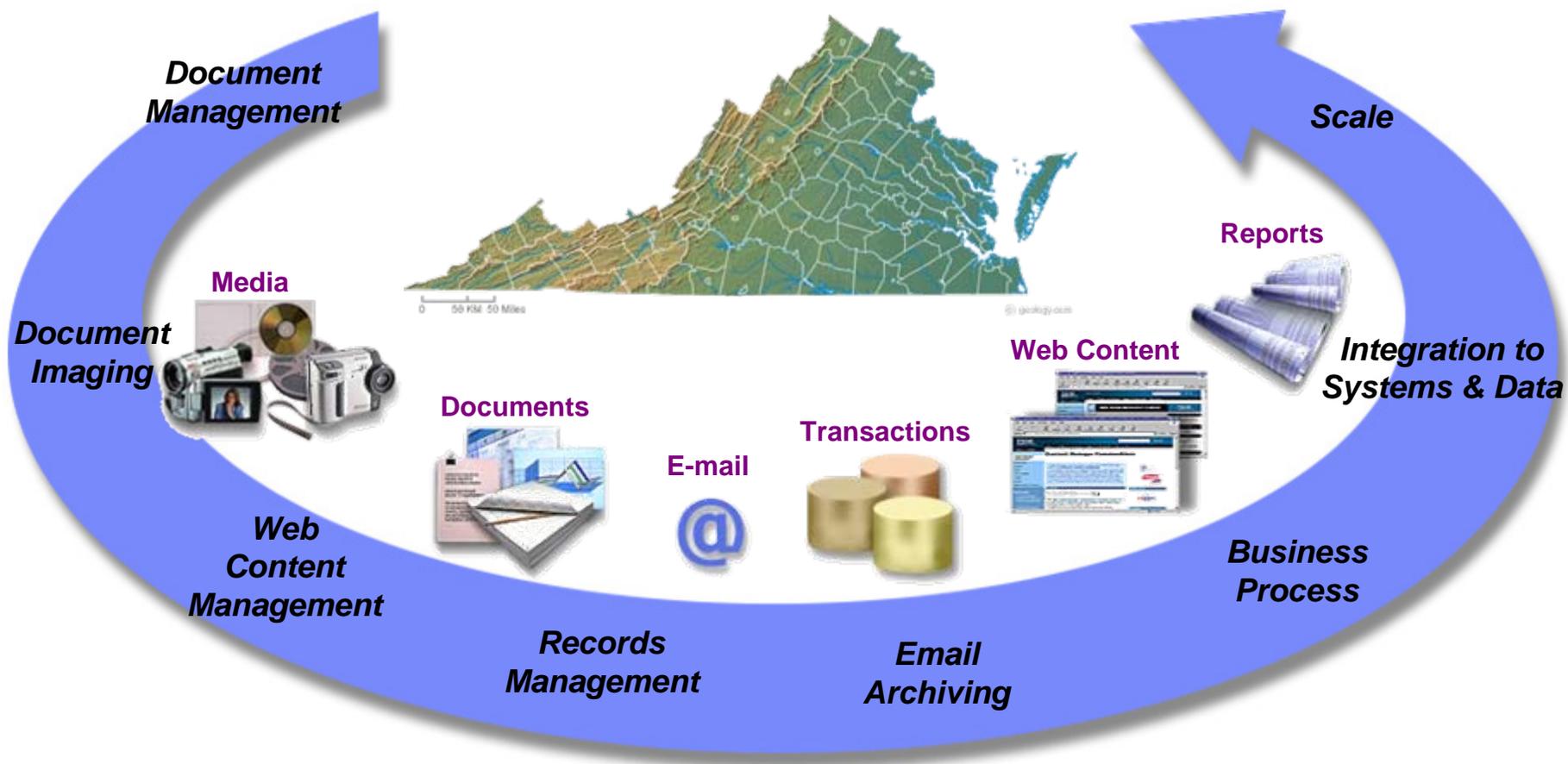
Shared Services Example Enterprise Content Management

ECM (Scope)

- Enterprise Content Management (ECM) is the technologies used to capture, manage, store, preserve, and deliver content and documents related to organizational processes. ECM tools and strategies allow the management of an organization's information.



ECM (Components)



- **Establish an ECM Shared Service**
 - Provide basic ECM functionality to agencies that cannot justify a full agency ECM implementation, wish to pilot ECM in a limited fashion, or simply want to take advantage of the lower per user cost of a Shared Services model
- **Establish an ECM Center of Excellence**
 - Maintain library of ECM implementation standards, best practices, & re-useable components
 - Staff ECM CentEx with admin(s), architect(s), business analyst(s), and project manager(s)
- **Establish an ECM Oversight Model**
 - Multi-agency representation
 - Provide strategic guidance; serve in an advisory capacity

ECM

(Business Case)*

- Reduce operating costs
 - In both the public and commercial sectors, *15-20% of an organization's revenue or funding* is spent creating, managing and distributing documents
- Do more with less
 - Reduce need to hire new employees as the workforce ages/retires
- Reduce risk
 - Aging population will increase demand for services
 - 67% of US workers are in positions where "*knowledge*" is the product
 - Assists in attracting young workforce by transforming image of state government as "paper pushers"
- Manage FOIA requests better
 - The average worker spends 50-80% of his/her time looking for information
 - PC users spend 7.5% of their time seeking misplaced files – at \$60K (\$30/hr.) annual compensation is *\$4,500 per person*
- Share information (collaborate)
 - 90% of a business's information is in documents, not database – or, '*90% of an organization's memory is on paper*'
 - 80% of digital documents are stored on local hard drives
 - 60% of people's "*time*" is spent working with documents



*Based on multiple industry sources, e.g. AIIIM, Gartner, PC Magazine, etc.

ECM

(Key Stakeholders)

Goal: Develop a recommendation to VEAP describing the desired model for shared services in the area of ECM.

- Agriculture and Consumer Services
- Aviation
- Conservation and Recreation
- Corrections
- Environmental Quality
- Juvenile Justice
- Social Services
- Transportation
- Library of Virginia
- Motor Vehicle Dealer Board
- Norfolk, Social Services
- Richmond, Social Services

ECM

(Financial Plan)

How will costs and revenues be handled?

- VCE and VEAP share in revenue and costs

What are VCE and VEAP providing for the cost of the service?

- Hardware (servers & disk space from VITA)
- Software (IBM FileNet, database, application server)
- Support resources (ECM CentEx)
- Initial implementation services to stand up platform

What do participating agencies pay for the service?

- Agency/locality pays flat monthly per user fee

How is the Shared Service governed?

- VCE and VEAP, with guidance from participant agencies, will govern the service and perform regular analysis to recalibrate the cost/revenue model

ECM (Financial Plan)

Estimated Cash Flow

ECM SHARED SERVICES COSTS AND RECOVERIES						
	YR 1	YR 2	YR 3	YR 4	YR 5	TOTAL
Software	\$916K	\$668K	\$221K - \$632K	\$632K - \$1.11M	\$700K - \$1.25M	\$3.14M - \$4.58M
Hardware	\$465K	\$569K	\$622K - \$726K	\$726K - \$934K	\$830K - \$1.14M	\$3.21M - \$3.83M
Support Resources	\$302K	\$556K	\$605K	\$605K	\$605K - \$970K	\$2.67M - \$3.04M
Implementation	\$250K - \$500K	0	0	0	0	\$250K - \$500K
Total Costs	\$1.93M - \$2.18M	\$1.79M	\$1.45M - \$1.96M	\$1.96M - \$2.65M	\$2.14M - \$3.36M	\$9.27M - \$11.95M
Total Recoveries	\$884K - \$922K	\$1.77M - \$1.84M	\$2.12M - \$2.95M	\$2.83M - \$4.42M	\$3.54M - \$5.9M	\$11.14M - \$16.03M
Number of Users	1,000 - 1,500	2,000 - 3,000	3,000 - 4,000	4,000 - 6,000	5,000 - 8,000	

Estimated Timing

2009										2010					
Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
		Implement Shared Service													
								Implement first Shared Service agencies			Go-Live				

Breakeven Point occurs between Month 42 and 45

ECM

(Summary)

- What have we accomplished to date?
 - ECM Shared Services Recommendation Report to the CAO
 - Progress towards 11 next steps indentified in the report:
 - Completed 3 next steps
 - Made significant progress towards 5 next steps
 - Working with VITA to clarify “Rough Order of Magnitude” RFS pricing for 4 different architectural configurations
 - Communication on the offering to potential user community
 - Upfront analysis assistance to several agencies

- What are our next steps?
 - Solidifying infrastructure pricing with VITA to firm up Shared Services participation fees
 - Initiate process to implement the ECM Shared Service
 - Establish ECM Center of Excellence and Oversight model

Back-up Slides

Shared Services Goals & Concepts

ECM Shared Services Goals

- Cost avoidance for smaller agencies
- Cost avoidance for the Commonwealth as a whole
- Advancement of the Governor's Paperless Government and Telework initiatives
- Use of shared resources – software, hardware, people, expertise

Key Concepts

- Based on the IBM FileNet P8 ECM solution suite
- Virginia Correctional Enterprises (VCE) is slated to provide the service in partnership with VEAP
- The ECM Center of Excellence will support ECM Shared Services
- Predictable per user costs to participants

Justifying ECM

What do agencies spend on...?

- File room/paper storage warehouse space
- File cabinets
- Supplies – paper and file folders
- Printing, filing, coping, retrieving, distributing, and mailing paper
- “Born digital” document storage

Other cost considerations...?

- Increased productivity (e.g. reduced cycle times, faster access to content, increased data captured in shorter time span, ability to work remotely)
- FOIA and legal discovery requests
- Legal and compliance exposure
- Disaster recovery exposure

Initial Analysis of Alternatives

Cost Differential

