IT STRATEGIC PLANNING – A VIEW FROM THE TRENCHES

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Speakers:
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Dave Ruch, Director Information Systems, Minneapolis St Paul International Airport
Dominic Nessi, Deputy Executive Director/Chief Information Officer, Los Angeles World Airports

Best Practices & Business Processes
Topics:

1) Determining the airport operating model
2) Determining the business model IT is supporting
3) Putting in place a sustainable IT funding model
4) Building and managing using an IT portfolio
5) Creating a workable IT Governance process
6) Mapping IT and business capabilities
7) Determining your core IT capabilities
8) Determining what can / should be outsourced
9) Pragmatic staffing: what the budget will support
10) Creating an IT Strategic Vendor List in public sector
11) Technical Reference Architectures
IT Strategic Planning: The theme so far…”

Topics:

✓ Determining the airport **operating model**
✓ Determining the **business model** IT is supporting
✓ Putting in place a sustainable **IT funding model**

4) Building and managing using an **IT portfolio**
5) Creating a workable **IT Governance** process
6) **Mapping IT and business capabilities**
7) Determining your **core IT capabilities**
8) Determining what can / should be outsourced

9) Pragmatic staffing: what the budget will support
10) Creating an IT Strategic Vendor List in public sector
11) Technical Reference Architectures
IT Strategic Planning: View from the trenches...

- Mapping Business
  - Mapping Business Capabilities
- Core IT Competencies
  - Determining your Core IT Competencies
- IT Portfolio
  - Cataloging your assets
- IT Governance
  - Getting engagement

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Mapping Business Capabilities

• Jim Miller
IT Strategic Planning

Helping to assure IT investments deliver what the business needs

Jim Miller, former Director of Enterprise Architecture, DEN
We speak in different terms

Platforms

Expectations
Strategic business goals?

- Quality Pax Experience
- Information Timely, Accurate
- Grow Revenue
- Match resources
- 24X7 Service
- Simplify business processes
- Inspiring our employees
- Winning the hearts of our customers
- Technologies for 2020
- Customer Satisfaction Score (under development)
- Excellent performance
- Return on Investment (ROI)
Business capability mapping

• Defines *what* your business does
  – A business capability is *what* a company needs to be able to do to execute its business *strategy* (Wikipedia)
  – A *process* is how a capability is executed. Business process reengineering focused on *how* to redesign business processes.
  – Organizations have capabilities, individuals have competencies at executing specific *processes*
Goals require capabilities
Run, Grow, Transform

Does it keep the lights on?
This supports or improves essential, non-differentiating business functions that do not directly increase revenue.

No

Does it make money?
This supports enhancing, extending, or differentiating existing business capabilities related to products, services or markets (improves profitability)

No

Is it revolutionary?
Relates to potential for new markets or industries, or displacement or elimination of existing industries.

Run the Business 65%
Grow the Business 20%
Transform the Business 15%
How much Run vs. Grow?

Source: Gartner - Global Transportation sector
Lessons Learned

- If you implement based on “best guess” of business capabilities you risk “missing the guess” – (IT missed “Solid waste” capability)

- Nightmare: Contract Manager/Document Mgt. project lacked business requirement from the start; implemented based on best guess; no user acceptance

- Technology began the business capability mapping process and then took it to the business. Pro: they have a model to discuss. Con: it may fragment the conversation (passenger experience teams)

- Select a model that is easy to understand – this is our third iteration of a “framework”
Linking to the Strategy

- Denver identified 6 major **Capabilities**:
  - **Customer Facing** (Passenger Processing and Queue Management; Concession Management) – Winning Hearts of Customers
  - **Operational** (Airside Operations) - On Time Performance
  - **Maintenance** - all achieved with Maximo or not strategic
  - **Planning and Development** (Development and Construction) – Financial Performance or Sustainability
  - **Environmental** (Add Solid Waste) - Sustainability
  - **Corporate** (Performance, Financial, Portfolio Management) – Financial Performance, Inspiring Employees
Core IT Competencies

• Royce Holden
Core IT Competencies

How do I get there... from here?

Royce Holden
Director of Information Technology
Greater Asheville Regional Airport Authority
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What happens when we don’t know?
Agenda

• DEFINE: CORE IT COMPETENCIES
• HOW IS AVL DOING IT?
• THE OLD WAY VERSUS THE NEW WAY (JUSTIFICATION)
• SEMI DEEP-DIVE: SCENARIO (EXAMPLE)
Define core it competencies

Let’s define it as...

A deep proficiency that enables your organization (AIRPORT) to deliver unique value to your customers.
How is AVL doing it?

- We first developed an Org Chart to help us find our way...
Progression towards core it competencies

Mission

• To provide an exceptional airport experience with a focus on people, service, commercial and general aviation and contributing to the regional economy

Vision

• To be a champion for exceptional customer experiences & economic vitality

Values

• Caring, Integrity, Excellence, Service, Adaptability, Respect, People
Old way versus new way (justification)

<table>
<thead>
<tr>
<th>OLD WAY</th>
<th>Identify Need</th>
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<tbody>
<tr>
<td></td>
<td>Calculate ROI Justification</td>
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<td></td>
<td>Take to Board For Approval</td>
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</tbody>
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Old way versus new way (justification)

<table>
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<tr>
<th>NEW WAY</th>
<th>Old way</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify Need</td>
<td></td>
</tr>
<tr>
<td>Align with Strategic Goals</td>
<td></td>
</tr>
<tr>
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Draft “BUCKETS” of categories

<table>
<thead>
<tr>
<th>Financial Stability</th>
<th>Administration</th>
<th>Operations</th>
<th>Facilities</th>
<th>Culture</th>
<th>Business Development</th>
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### Determining a core IT competency through business process management

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<th>Financial Stability</th>
<th>Operations</th>
<th>Facilities</th>
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<tbody>
<tr>
<td>Manage expenses responsibly</td>
<td>Improve mean time to repair (MTR)</td>
<td>Maintain existing facilities and infrastructure</td>
</tr>
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## Core IT COMPETENCIES vs. outsourcing

### Service Agreements
**Access Control/CCTV**
- Loading Bridge Maintenance
- Automated Doors Maintenance
- ~ $65,000 / year

### Airport Goals
**Manage Expenditures Responsibly**
- Maintain Infrastructure
- Reducing time to fix a component that may be part of life/safety

### Future Proof
**Future expenditures: Direct Impact**
- Gaining knowledge through experience
DEEP DIVE IN TO DETERMINING A CORE IT COMPETENCY (OR LACK THEREOF)

VERY SIMPLY

• If you can measure this process
• And report on it annually
• You can work towards
  – Process improvement
  – Streamlining Core IT Competencies

Measure (Helpdesk)

Work Order

Resolution

Hours

Hourly Rate

Specialty

Experience

Improvement
CASE IN POINT – fixing a ptz camera

Measure (Helpdesk)

- Hours – 8 hrs
- Heuristics – Had to call 3rd party vendor and use maintenance dept to reach camera

Work Order

- Hourly Rate - $90
- Specialty – skill set in programming camera

Resolution

- Experience – rate a 5 – had to wait 3 hrs for call back, 8 hrs for total resolution
- Improvement – request training in programming camera in-house
Creating your IT Portfolio

• Dave Ruch
Portfolio of What?

- Physical infrastructure
- IT infrastructure
- Data infrastructure
- Application or Services infrastructure
Physical Infrastructure
Data Infrastructure

• A data catalog - the Holy Grail:
  – Name
  – Definition / format
  – Owner
  – Used in – Updated by

• Tools: IBM Rational, Erwin, Riversand
Applications Portfolio Compared to What?

- Facilitate Flight
- Operate Facilities
- Administer Organization
- Provide Public Safety & Security
- Build and Maintain Infrastructure
Portfolios

• We’ve all got them BUT
• Do we know what’s in them and
• Can we compare them with something else to validate them?
• Suggestions - compare to
  – Functions
  – Strategies
IT Strategic Planning: View from the trenches…

IT Governance

- Dominic Nessi
A Successful IT Governance Approach

- You must have Top Management support
- You must have the key decision-makers in the organization on the committee
- Formal Charter
- Regular Meetings
- Real decisions must be made
- Continuous reporting
- Follow-up is critical
- Invest authority in the CIO/IT Director to make routine decisions
- Be willing to allow others input into your operation (transparency)
A Successful IT Governance Approach

Create standards that require a governance process
• Technical Reference Model – approved systems
• Control your environment – security and resource concerns
• Establish and Enforce an Enterprise architecture
• Organizational Policies
Governance Dashboard
1. BNA – Nashville
   – Vanessa Hickman, vanessa_hickman@nashintl.com
2. DEN – Denver
   – Les Berry, les.berry@flydenver.com
3. DFW – Dallas Ft Worth
   – William Flowers, wflowers@dfwairport.com
4. GSP – Greenville – Spartanburg
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   – Tony Chen, tchen@lawa.org
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Questions......