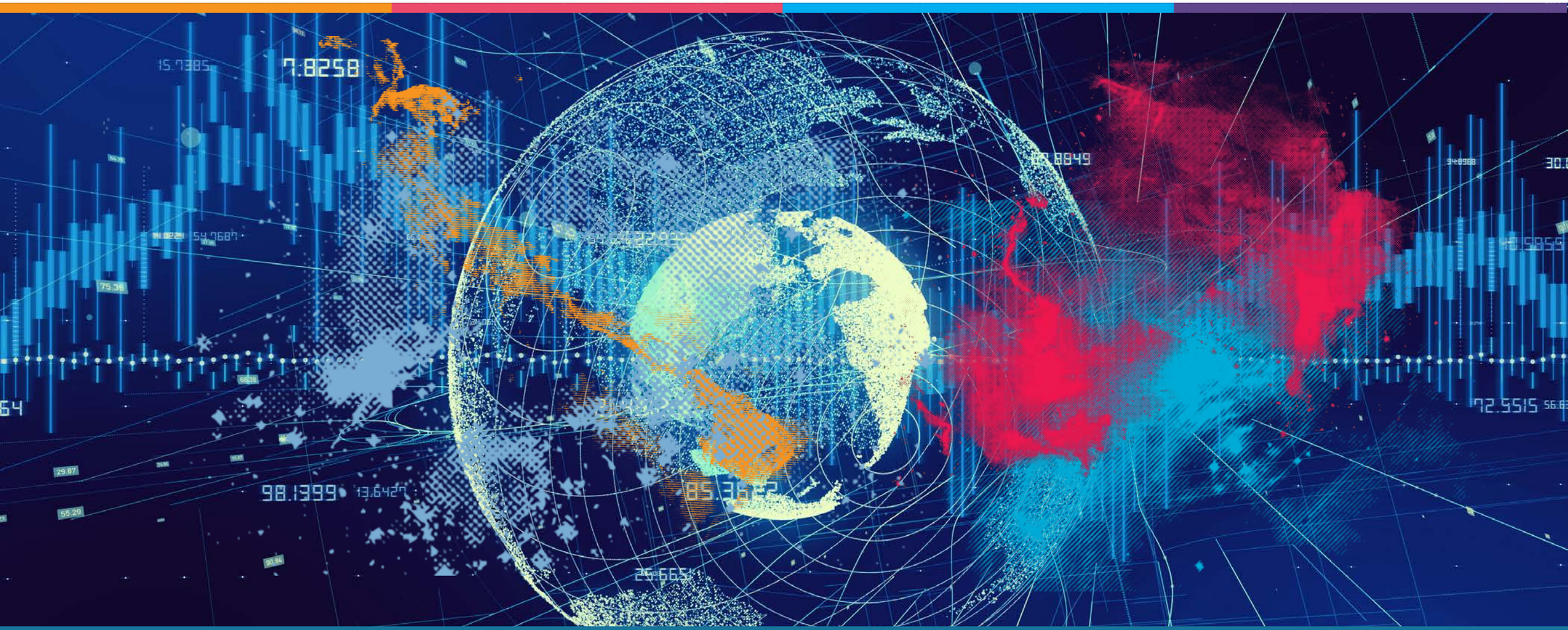
FISCAL SUSTAINABILITY AND TECHNOLOGY

LEVERAGING IT STRATEGIES FOR FISCAL HEALTH

Thursday, January 10, 2018 – 1:45 PM

SDI PRESENCE LLC

GUARDIANS OF THE FINANCE GALAXY
THE 2019 CSMFO ANNUAL CONFERENCE



INTRODUCTION

Terry Hackelman
Senior Vice President
SDI Presence LLC

Mr. Hackelman is a Senior Vice President at SDI Presence LLC with more than 30 years of experience in IT service and solution delivery. His area of expertise includes helping state and local governments plan, implement, manage, and govern technology solutions.

He spent most of those years focusing on public sector agencies at the federal, state, and local government level, where he successfully developed, planned, and managed innovative technology solutions for sector clients.

Terry specializes in technology project management, procurement and selection, requirements facilitation, strategic planning, systems analysis and design, business process re-engineering (BPR), and IT assessments (i.e. organization, service level, and project). He brings hands-on knowledge and experience related to the planning, procurement and implementation of complex public sector applications (e.g. financial, human resources, payroll, utility billing, enterprise asset management, websites, etc.).

Terry manages SDI's local government line of business and has worked with more than 120 agencies. In addition to his extensive professional experience, Terry holds a degree in accounting and has passed the CPA and Certified Management Accountant (CMA) exams.

INTRODUCTION

Patrick Griffin
Vice President
SDI Presence LLC

Patrick Griffin is a Vice President for SDI Presence LLC (formerly NexLevel), having joined the firm in 2012 after retiring from a 31 year career in municipal government. Over the course of his municipal career, Patrick served in a variety of capacities, including leadership positions in Finance and Community Development, finishing his local government career as the Assistant City Manager for the City of Chino.

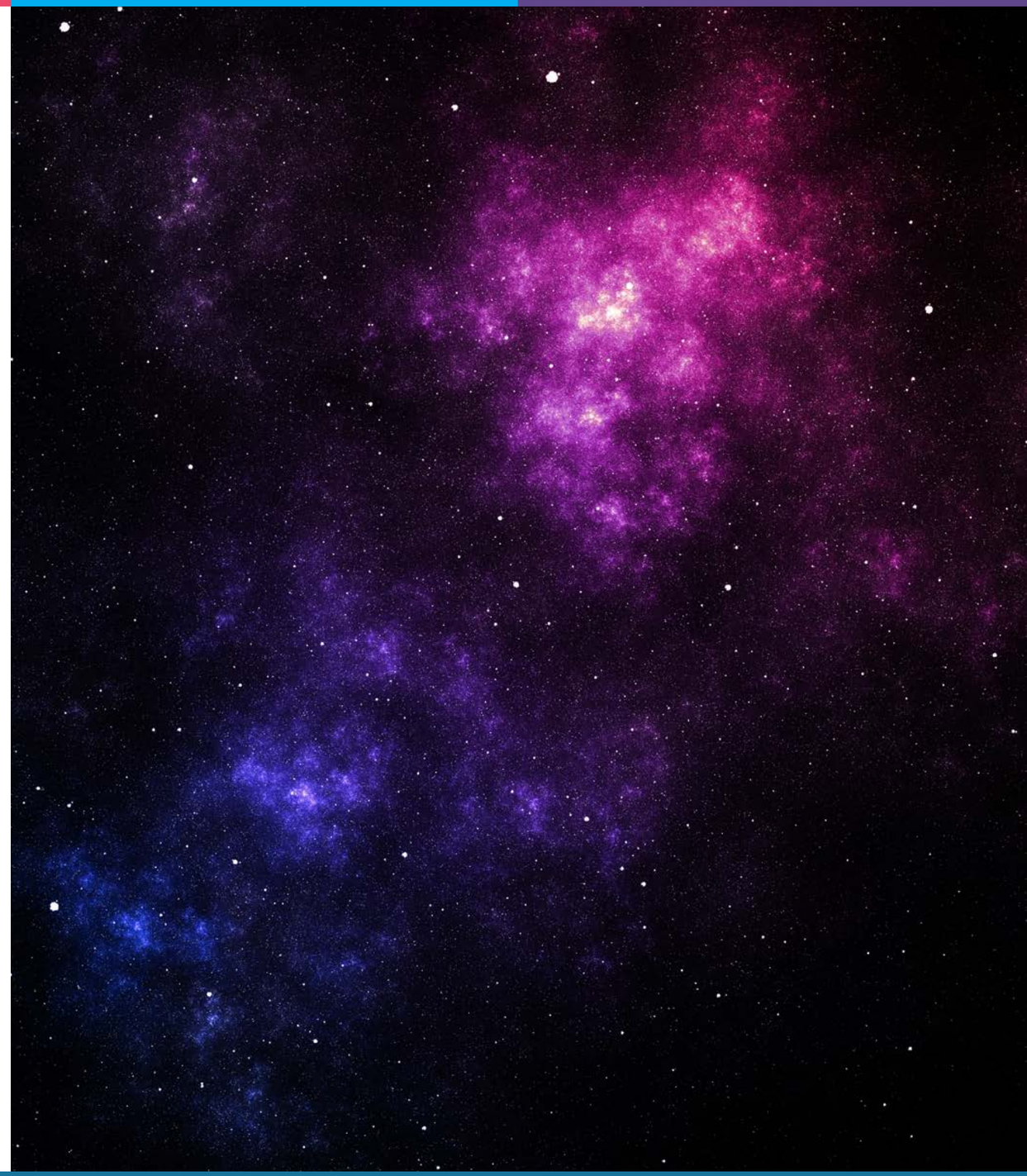
Patrick entered the field of City government after obtaining his Bachelor's degree from Cal State Fullerton in 1980. In 1993, he completed a Master's degree in Public Administration at Cal State Long Beach.

In addition to his strong track record in finance and information technology, Patrick served as the interim Community Development Director in Chino for two years, which provided the opportunity to become familiar with a variety of development related software processes, including permitting and code enforcement systems.

Since joining NexLevel in 2012, Patrick has led projects throughout California, Washington and Idaho, which have included IT Assessments and Strategic Plans, ERP system procurement and selection projects, and land management system replacement projects.

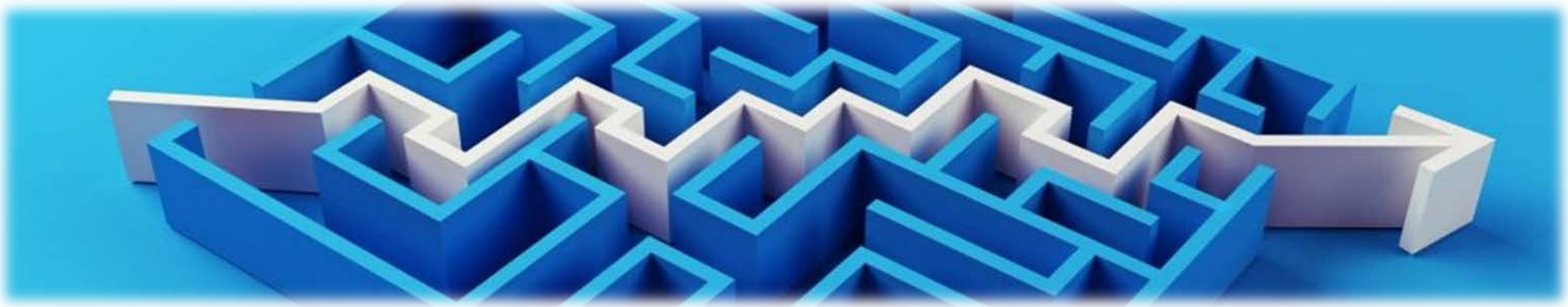
AGENDA

- ✓ Session Objectives
- ✓ IT Sustainability Definition
- ✓ IT Sustainability Importance
- ✓ Technology Framework
- ✓ Technology Cost
- ✓ Changing Role of IT
- ✓ Important IT Skills
- ✓ Defining Technology Value
- ✓ Steps to IT Sustainability Plan
- ✓ IT Sustainability Strategies
- ✓ Open Discussion



OBJECTIVES OF SESSION

- ✓ Understanding the cost and value of technology
- ✓ Providing a framework for assessing IT sustainability
- ✓ Identifying IT sustainability strategies



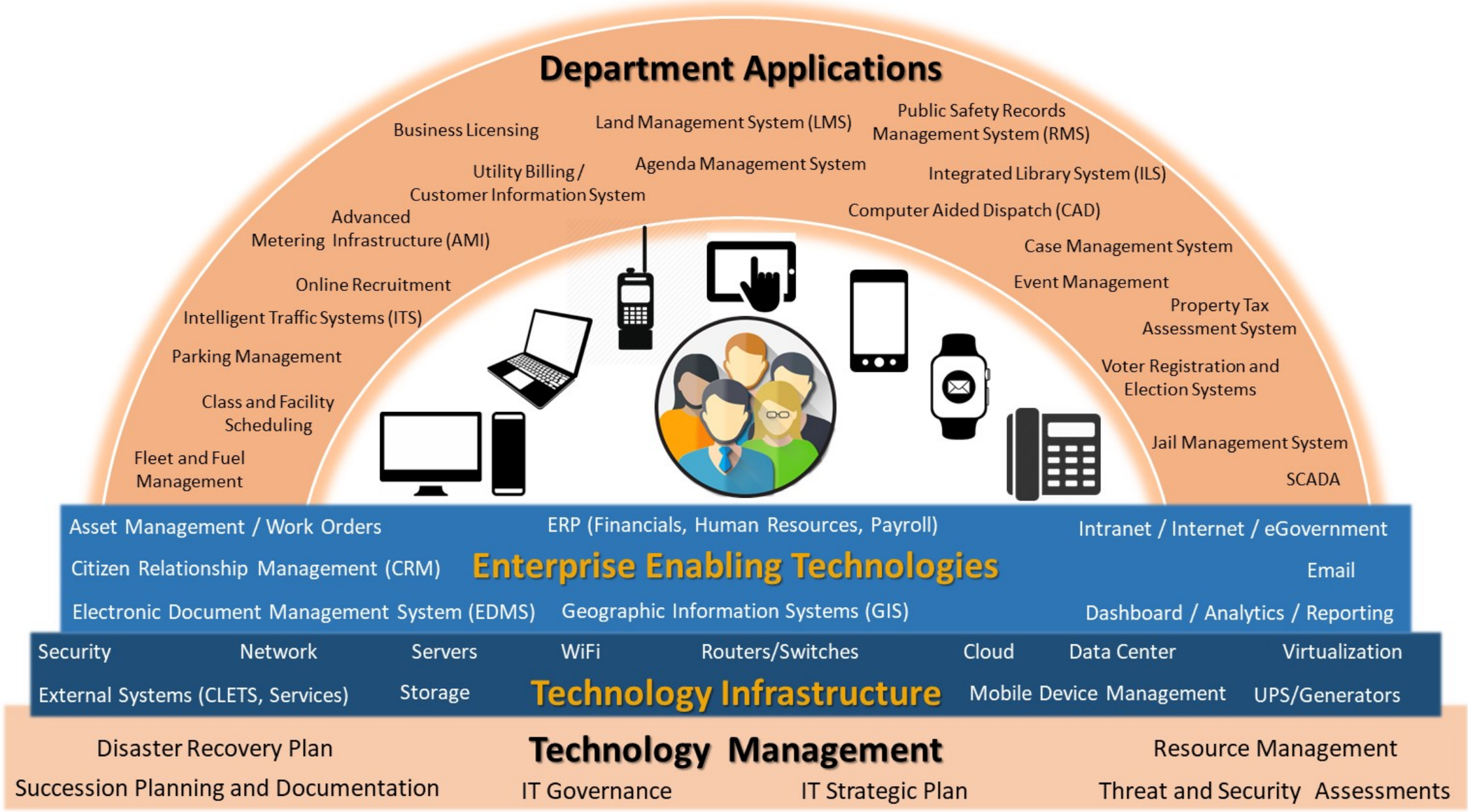
WHAT IS IT SUSTAINABILITY?

- ✓ For today's purposes, IT Sustainability is technology that meets today's needs…
  - Without compromising the ability to meet future budget pressures
  - While allowing you to take advantage of future innovation in a cost effective manner

IMPORTANCE OF IT SUSTAINABILITY?

- ✓ Increased technology reliance
- ✓ Significant technology investment represents critical assets
- ✓ Continuous technology expansion forecasted
- ✓ Effective technology use must survive economic downturn
- ✓ Past cost control or reduction strategies may no longer be viable

UNDERSTANDING YOUR TECHNOLOGY PORTFOLIO



COST OF TECHNOLOGY

- ✓ One-time Cost
  - o Software, Hardware, Integrations, Data Conversion, Training, Staff Backfill, Project Management, etc.
- ✓ Ongoing Cost
  - o Maintenance, Upgrades, Renewals, Enhancements, Managed Services, Cybersecurity, Technology Refreshment, Training, DR/Business Continuity, etc.

CHANGING ROLE OF IT

- ✓ Past (Great Recession – 2008/09)
  - o In-house resources
  - o Premise-based commercial-off-the-shelf (COTS) solutions
  - o In-house developed and owned solutions
  - o Informal or limited technology governance
- ✓ Current and future
  - o Service broker
  - o Cloud/hybrid compute models
  - o Managed services
  - o Cybersecurity
  - o Shared roles between IT and departments
  - o Agility and resilience
  - o Department ownership of technology

IT SKILLS REQUIRED FOR FUTURE SUCCESS

- ✓ Critical skills (core competencies)
  - o Cybersecurity
  - o Service brokers
  - o Portfolio managers
  - o Project managers
  - o Business and process analysis
  - o Integration
  - o Organization change management
  - o Enterprise architects
  - o Data and business intelligence and analytics

APPROACH TO DEVELOPING AN IT SUSTAINABILITY PLAN

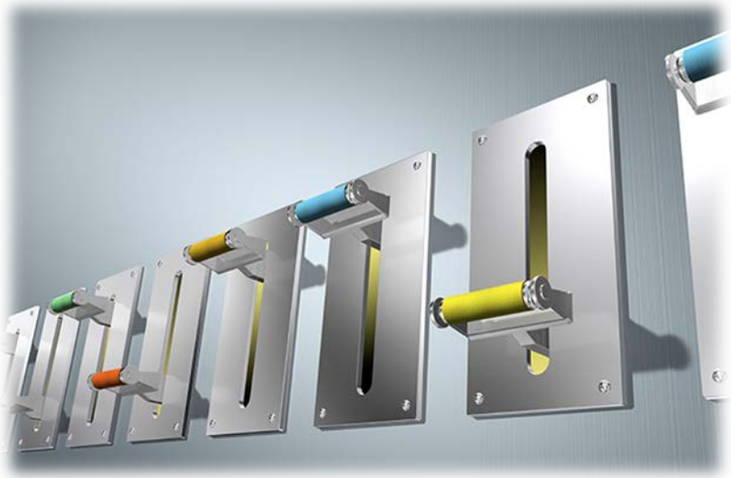
- ✓ Step 1 – Define value proposition
- ✓ Step 2 – Create catalog
- ✓ Step 3 - Evaluate business impact
- ✓ Step 4 - Define “cost”
- ✓ Step 5 - Prioritize
- ✓ Step 6 - Develop strategies

PAST STRATEGIES IN BUDGET CONSTRAINED TIMES

- ✓ Freeze vacant positions
- ✓ Eliminate IT management or supervisor levels
- ✓ Consolidate roles
- ✓ Cancel maintenance agreements
- ✓ Freeze technology refreshment
- ✓ Eliminate use of consultants or outside services
- ✓ Cut training budget
- ✓ Cut conference budget

TIMES HAVE CHANGED

- ✓ Past strategies may not work
- ✓ Past strategies may carry a much higher risk than previously
  - o Cybersecurity
  - o Cloud solutions
  - o Resiliency
  - o Business interruption



IT SUSTAINABILITY STRATEGIES

- ✓ Engage enterprise technology governance
- ✓ Consider and leverage multiple delivery models
- ✓ Strategically use managed service providers
- ✓ Negotiate agreements w/ IT sustainability in mind
- ✓ Cross train and implement a succession plan
- ✓ Identify and leverage agency-wide resources
- ✓ Engage peer agencies
- ✓ Prepare an IT sustainability plan
- ✓ Ensure transparency
- ✓ Continually revaluate IT sustainability posture

GROUP DISCUSSION

Contact Us

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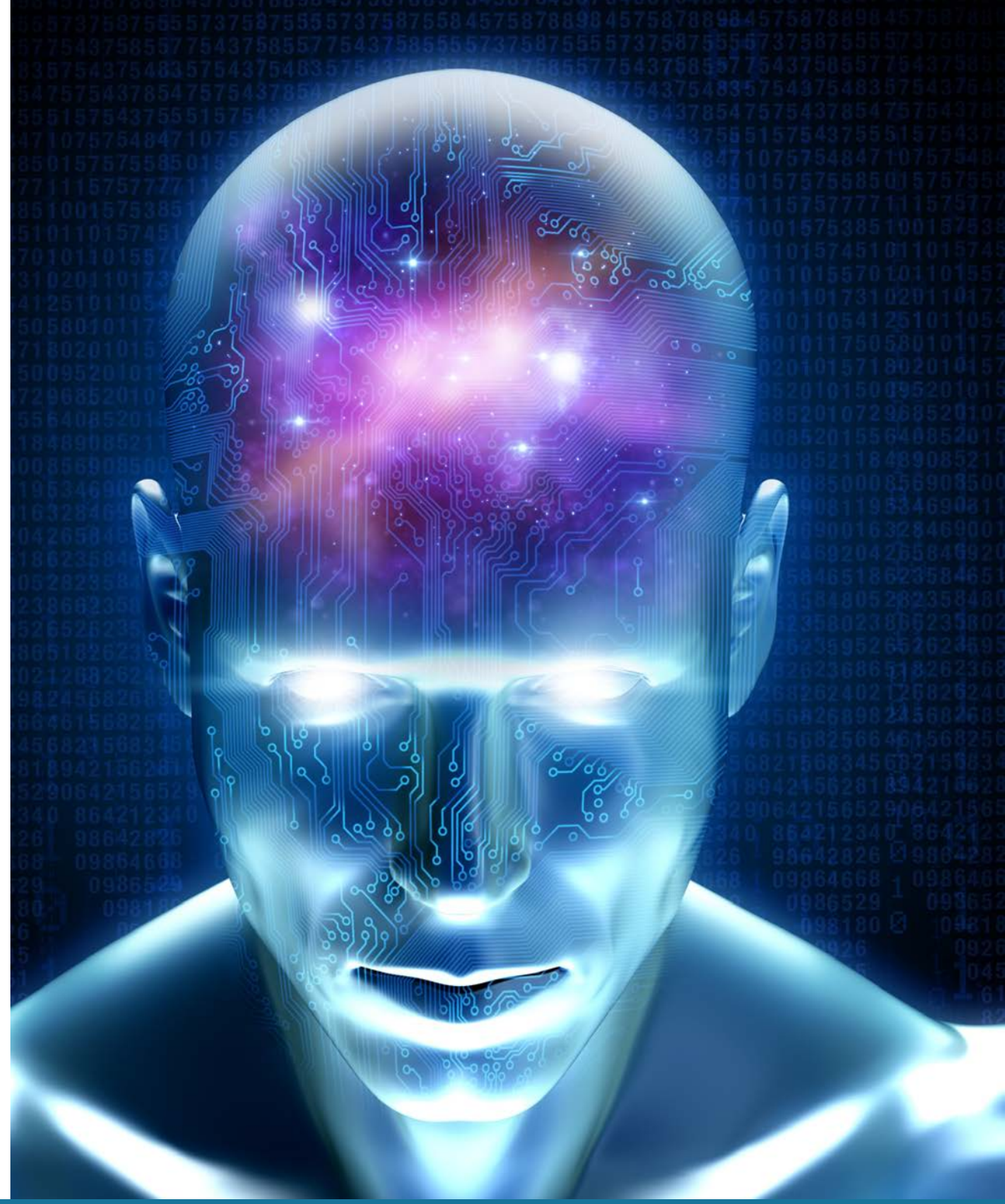

SDI CORPORATE OVERVIEW

- IT managed services provider and consultancy - design, build and operate IT systems primarily for governments and utilities
- Formerly **NexLevel**, offering the same IT consulting expertise, client commitment, and company team, now offering even more technology solutions / services
- Over 20 years of experience serving local government agencies
- 140 technical and business professionals, averaging over 25 years of experience in IT and Project Management
- Offices in Chicago (HQ), Los Angeles and Sacramento

SDI

SDI PRESENCE LLC

SDI SERVICE OFFERINGS

CONSULTING

- IT Strategic Planning
- IT Assessments
- Application Selection and Procurement
- Business Process
- Change Management Consulting
- Enterprise Application Services
- Analytics/BI
- IT Portfolio/Project Management Office
- Interim CIO/CTO
- Digital Transformation
- Systems Integration

INFRASTRUCTURE

- Traditional/Legacy Networks
- Hybrid Cloud Services
- NOC
- Virtualization/SDN
- Storage & Resilience

MANAGED SERVICES

- IT Managed Services
- Applications Managed Services
- Managed Security Services
- Real Estate Managed Services
- Talent Augmentation
- MSP Consulting

SECURITY

- Cyber Vulnerability Assessments
- Remediation/ Compliance
- DR/Business Continuity
- Identity Management
- Physical Security