State Government Moves to Hosted Solution to Improve Cross-Agency Collaboration

Overview

Country or Region: United States
Industry: Government

Customer Profile
The executive branch of the State of Minnesota employs 35,000 people in 70-plus agencies who help deliver citizen services to more than 5.3 million state residents.

Business Situation
The State Office of Enterprise Technology (OET) decided to explore cloud-based services for its messaging, communications, and collaboration needs, as part of its continual service improvement process.

Solution
To deliver technology services as efficiently and cost-effectively as possible, the State decided to move the entire executive branch to the highly reliable and secure cloud-based services of Microsoft Office 365.

Benefits
- Improves cross-agency information sharing and decision making
- Provides enterprise-class reliability and security for business continuity
- Reduces IT administration
- Avoids hardware refresh, maintenance, and deployment costs

“We now have what we consider one of the most advanced communication and collaboration ecosystems in the public sector.”

Carolyn Parnell, Commissioner (OET) and Chief Information Officer, State of Minnesota

The executive branch of the State of Minnesota is made up of more than 70 agencies and employs 35,000 people. The State Office of Enterprise Technology (OET) provides services that improve government through the effective use of information technology. In 2008, OET led an initiative to replace many disparate messaging systems used by various state agencies with an on-premises Microsoft Exchange Server 2007 messaging and collaboration solution. In 2010, OET decided to move the entire executive branch to the cloud-based services of Microsoft Office 365. With a hosted enterprise solution, IT staff can provide a highly reliable and secure platform while decreasing administration and costs. It has also opened new possibilities for cross-agency communications and collaboration to improve delivery of citizen services.
Situation
The executive branch of the State of Minnesota employs 35,000 people who administer programs and services for more than 5.3 million state residents. Until recently, most state agencies had their own IT staff and systems. The Minnesota Office of Enterprise Technology (OET) was formed in 2005 as a cabinet-level state agency to provide oversight and leadership for information and telecommunications technology policy in state government. Many state agencies interact with each other frequently to handle state business, and they also must interact with state residents, other states, and federal agencies. Because of this, communications and collaboration systems are paramount to delivering citizen services. OET saw consolidating these systems into an enterprise solution as a high priority. Ed Valencia, OET Deputy Commissioner and Chief Technology Officer for the State, says, “Most government business involves the sharing of information either internally or with citizens, sometimes in matters of life and death. The speed at which the right people can connect with each other—and share data—to solve a problem is vital to providing good government service.”

In 2010, the executive branch completed an 18-month project to standardize on the Microsoft Exchange Server 2007 messaging and collaboration solution, converting from 30 disparate messaging environments including Novell GroupWise, IBM Lotus Notes, and multiple Microsoft Exchange Server versions. Upon completion of that project, OET began to focus on what it would take to upgrade the messaging solution, and to provide other collaboration tools, such as Microsoft SharePoint Server. The executive branch had about 20,000 employees using various versions of SharePoint for intranet, document management, and other collaboration solutions. IT staff from the different agencies managed each SharePoint instance. Tarek Tomes, OET Assistant Commissioner responsible for service strategy and delivery, says, “Agencies could not easily share information with each other. They had issues exchanging documents, which inhibited collaboration and led to duplicating work unnecessarily. However, we knew that different agencies were internally using SharePoint successfully, so we sought to consolidate to one enterprise platform in order to facilitate cross-agency work.” OET also explored adding Microsoft Lync Server 2010 so that agencies could use capabilities such as instant messaging and web conferencing to communicate in real time.

OET did its due diligence by scoping on-premises solutions for collaboration and real-time communications. It concluded that the staff did not have the capacity and budget to take on another consolidation project and manage the business-critical Exchange Server environment at the same time. Tomes says, “Our ability to consolidate and manage an enterprise SharePoint Server environment for all 35,000 state employees seemed out of our grasp. Many of our best and brightest people were tied up administering the Exchange Server environment. It was time for a new reality.”

Although OET was already working at capacity, it wanted to upgrade to Microsoft Exchange Server 2010 and replace some of its already aging servers. Plus, it wanted to re-architect its high availability messaging environment, because it believed the facilities where it had deployed Exchange Server 2007 were geographically too close to one another. Tomes says, “While the messaging platform met our project goals, we felt like the minute we finished the
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Tarek Tomes, Assistant Commissioner (OET), State of Minnesota

deployment, we were already faced with outdated software and hardware.”

OET decided to reevaluate its on-premises strategy and explore cloud-based services for messaging and for its other communications and collaboration needs. With communications related to sensitive information such as public safety, child welfare, and unemployment services, data protection is critical and highly regulated. OET needed to find a cost-effective solution that was reliable, secure, and enterprise-ready. Valencia says, “As the State continued to face reforms, we needed to rethink how we could broaden our delivery of IT services centrally, while meeting the demands of shrinking budgets. The private sector has been using technological advancements like cloud computing to realize operational efficiencies for some time now. We decided to explore how a move to the cloud could make long-term strategic and business sense for the State of Minnesota.”

Solution

OET announced in September 2010 that it had signed an agreement with Microsoft to deliver the State’s enterprise unified communications and collaboration services in a Microsoft hosted environment, making Minnesota the first state to announce an initiative to move all employees to a cloud-based environment. To deliver technology services as efficiently and cost-effectively as possible, OET decided to move the executive branch to the cloud-based services of Microsoft Office 365 (formerly the Microsoft Business Productivity Online Standard Suite). For organizations of all sizes, Office 365 unites familiar Microsoft Office applications with the power of Microsoft Exchange Online, Microsoft SharePoint Online, and Microsoft Lync Online into one connected, online solution.

Following a year-long process of testing and evaluating the solution, OET started the migration to Office 365 in October 2011. In six weeks, OET moved 100 percent of the mailboxes from Exchange Server to Exchange Online. The successful transition included 39,000 mailboxes, 4 terabytes of data, and 66.5 million items. "We didn’t just move some agencies or a subset of employees; we did a full migration," says Tomes. “Our employees went home in the evening and when they came back the next day, they started Outlook and they were on Exchange Online. Most did not realize they had been migrated.”

One of OET’s goals was to continue with the Exchange Server platform to ensure it could transition with minimal disruption to its employees. Tomes says, “With the familiar applications and the seamless interaction with applications like Microsoft Outlook 2010, we felt confident a move to Office 365 would not disrupt our employees.” The majority of employees use Microsoft Office 2010, which allows them to take advantage of the latest capabilities in the Office 365 online services, such as MailTips, Contact Cards, and offline access to SharePoint content.

Tomes says, “With Exchange Online, the most noticeable difference to employees is the additional email storage.” The move increased the size of employee’s mailbox from 100 megabytes (MB) to 5 gigabytes (GB). OET also provides a 25 GB mailbox size to a handful of employees with special storage requirements. Plus, with all employee mailboxes on Exchange Online, distribution lists can easily be created and maintained so that the Governor and other executives can now send messages to all state employees in one easy step. Valencia says, “If an emergency or another situation happens that requires an organizationwide communication, for the first time our
“For years, our IT staff has focused on ensuring that things work, not on how people use them. Because we are a consumer of Office 365, we can change the ratio of our services.”

Ed Valencia, Deputy Commissioner (OET) and Chief Technology Officer, State of Minnesota

leadership can send an email to all employees in the executive branch, without IT staff having to spend significant time to piece together multiple lists. The State government shutdown in summer 2011 is the most recent example where we needed to update all employees on information that was changing rapidly.”

As of December 2011, the State had also transitioned 50 percent of its sites to SharePoint Online and it expects to complete its migration in 2012. By using SharePoint Online, the State has a shared collaboration platform across all agencies. For example, the State recently mandated the consolidation of all IT staff from the state agencies to join the OET organization, increasing OET's size from 350 to 1,800 people. OET leadership uses an intranet portal and Team Sites in SharePoint Online to consistently communicate information to its consolidated team about how this new team will operate as a virtual organization.

Carolyn Parnell, who joined OET as Commissioner and Chief Information Officer for the State in February 2011, has used the social-networking-style discussion board capability in SharePoint Online to provide information for employees and to post questions for discussion. She listens to the responses to take advantage of the expertise of her staff. She believes the collaborative tool gives her a personal connection with her geographically dispersed team. The expanded OET organization also uses Team Sites to provide a shared view of the State portfolio of IT projects, including project status and content. Employees in all levels of the executive branch can easily access project information, share documents, and collaborate on project content. The project teams use role-based security in SharePoint Online to help control who can see what.

Parnell says, “We believe the intranet and Team Sites are primary tools to help us effectively manage the IT consolidation effort.”

By adding Lync Online to the enterprise hosted solution, state employees can view presence indicators in applications, such as SharePoint, Outlook, and Microsoft Lync 2010 client, to find available colleagues quickly and start an instant messaging session or a web or video conference.

Tomes says, “Once we fully deploy Lync Online, we believe Lync will have a significant impact on employee productivity because these real-time communication capabilities are new to the State. Employees who are already using Lync tell us they can’t wait for all agencies to use it so they can use instant messaging and video conferencing with everyone.”

OET has switched on Lync Online for 5,000 employees, and will provide it for the remaining 30,000 employees in 2012.

OET also started a pilot of Windows Phone 7 smartphones. Tomes adds, “We just started a pilot, and we can already see how this mobile tool enables employees to stay connected when away from their PCs. We are excited about accessing SharePoint content from our phones and using Lync 2010 for the Windows Phone client.”

Benefits
With the shift to Office 365, the executive branch has opened new possibilities for cross-agency communications and collaboration to improve how it delivers citizen services. The newly consolidated State IT organization can manage the Office 365 services locally, but relies on Microsoft to administer the hardware and software remotely in its world-class data center facilities. This combination immediately enables the IT staff to provide a flexible, highly secure and reliable enterprise platform, while decreasing administration and costs. Valencia says,
“Office 365 will provide tangible cost reductions through economies of scale. But we feel this shift to a cloud-based strategy is more about the benefits from an opportunity cost perspective. Being on an enterprise hosted platform means we no longer have to dedicate so much of our time and energy to keeping the system working, and instead we can focus our efforts on being more innovative with these tools and improving the effectiveness of communications and collaboration across state agencies.”

**Improves Cross-Agency Information Sharing and Decision Making**

By consolidating its systems on Office 365, OET has accomplished its goal for all 35,000 state employees to access a shared platform for communications and collaboration. In addition, employees will always have access to the latest capabilities in Office 365, because they will not have to wait for funding to be authorized and for OET to deploy the next major release on its on-premises servers every three to four years. The State also added functionality that can help agencies work together to make better decisions. Because employees can share documents and project team status through SharePoint Online and communicate in real-time through Lync Online, Parnell believes cross-agency efficiencies will improve greatly. Parnell says, “Whatever the focus—job creation, healthcare, law enforcement, or even our IT team’s recent consolidation, when we can collectively share information and accelerate communications across agencies, we put ourselves in a much better position to reform state government and better serve our state residents.”

Parnell adds, “Before we deployed Office 365, if a natural disaster or other crisis occurred that required an interagency response and up-to-the-minute information, we found it challenging to coordinate duties and share information effectively among agencies. Now that we have migrated 100 percent of the employees to Office 365, the Governor has the capability to send a single email or post a message to the intranet to all state employees to alert them and tell them what steps to take. The value comes from everyone communicating on the same platform.”

**Provides Enterprise-Class Reliability and Security for Business Continuity**

OET believes the highly secure architecture of Office 365 and the state-of-the-art physical security of data facilities at Microsoft helps to increase data security several fold, providing an instant upgrade to the State’s security profile.

OET also understands that providing a reliable environment is critical. If the State experiences downtime on its communications and collaboration solutions, it affects everyone. With Office 365, the State takes advantage of premium antispam and antivirus protection, georedundant data centers, 24 hours a day, seven days a week IT-level phone support, and a financially backed, 99.9 percent uptime service level agreement.

Tomes says, “The robust security and reliability that Microsoft was providing with Office 365 was essential—we would not have agreed to a hosted solution without making sure that the State’s data would be secure. The fact that Microsoft builds security into the service from the beginning, instead of adding it on later, and maintains security throughout the life cycle, allows our IT staff to focus on other security concerns that are our responsibility as a 24 by 7 operation.”

Carolyn Parnell, Commissioner (OET) and Chief Information Officer, State of Minnesota
Reduces IT Administration
With Office 365, OET has eliminated its need to staff major upgrade projects and build out future server environments. Microsoft now takes care of the servers and software administration, including common tasks like installations, patches, security updates, and server upgrades. With these time savings, OET will redirect the IT staff to projects that are more strategic for the State, such as helping agencies define new use cases for cross-agency collaboration. Valencia says, “For years, our IT staff has focused on ensuring that things work, not on how people use them. Because we are a consumer of Office 365, we can change the ratio of our services. Some of our top talent can reduce time they spend to keep systems running and focus more on innovation, efficiencies, and other core business processes of the State. This changes the value proposition of what we provide for the organization.”

Avoids Hardware, Maintenance, and Deployment Costs
OET expects to save millions of dollars related to avoiding future upgrade investments, repurposing hardware, and lowering ongoing maintenance of an on-premises infrastructure. OET plans to re-provision some of the 150 servers it deployed in its Exchange Server on-premises environment to other IT systems, and it will retire or resell the others. The team will avoid future server costs related to new hardware and time spent on maintenance. Tomes says, “We avoid significant costs simply by not having to maintain our on-premises, high-availability infrastructure.”

For future upgrades of Exchange Online, SharePoint Online, and Lync Online, Microsoft will manage the migration. For example, using an industry average upgrade cost for Exchange Server, the State can avoid approximately US$800,000 per upgrade. In addition, the State can take advantage of new releases faster.

Valencia says, “We looked at the costs of staying on-premises versus moving to Office 365. We found Office 365 to be the better deal when considering costs related to upgrades, updates, and other daily activities. We felt like there is also an opportunity cost associated with reducing the stress related to our IT staff that used to support these business-critical systems. We trust Microsoft will keep the services running.”

Parnell concludes, “I am personally very proud of the State of Minnesota for making the shift to the cloud; and I am proud of OET for completing the migration quickly and with no interruptions to our services. We now have what we consider one of the most advanced communication and collaboration ecosystems in the public sector. It is this kind of innovation that is going to allow the State of Minnesota to deliver services more efficiently in the 21st century.”
Microsoft Office 365 brings together cloud versions of our most trusted communications and collaboration products—Microsoft SharePoint Online, Exchange Online, and Lync Online—with the latest version of our Office desktop suite and companion web applications for businesses of all sizes.

Office 365 helps save time and money, and it frees up valued resources. Simple to use and easy to administer, it is financially backed by a service level agreement that guarantees 99 percent reliability. Office 365 features robust security, IT-level phone support, geo-redundancy, disaster recovery, and the business-class privacy controls and standards that you expect from a world-class service provider.

For more information about Microsoft Office 365, go to:
www.office365.com

Software and Services
- Microsoft Office 365
  - Microsoft Exchange Online
  - Microsoft Lync Online
  - Microsoft SharePoint Online
- Microsoft Office
  - Microsoft Lync 2010
  - Microsoft Outlook 2010

For more information about State of Minnesota products and services, visit the website at:
www.state.mn.us

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Document published January 2012