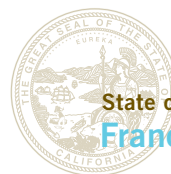


2008 ■ 2013

Information Technology

Strategic Plan

EXECUTIVE SUMMARY



State of California
Franchise Tax Board

2008  2013

Information Technology

Strategic Plan

EXECUTIVE SUMMARY

Message from the Chief Information Officer

The recession that grips California today has lasted longer and been more severe than any other since the Great Depression of the 1930s. Nearly every industry has been affected, and the Franchise Tax Board (FTB) and California State government are no exception. The decline in business activity and lack of consumer spending, has led to reduced tax revenue for the State of California. The current California budget reflects this economic reality, and is projected to continue over the next several years.

In the words of our Chief Executive Officer, Selvi Stanislaus, “2009 has been a difficult year. Nationally, the United States is struggling with a recession... Here, in California, we are facing record deficits, revenue losses, and cash flow problems.” We have responded to the budget cuts and resource reductions with both reactive and proactive approaches.

Now is the time for us, especially in our IT delivery, to be innovative, efficient, and resourceful; finding ways to achieve more with less; consolidate while modernizing; simplify while reengineering; and, centralize while upgrading services for the entire enterprise. We must remain focused on the strategic direction of the department and accomplish our Information Technology Strategic Plan (IT Strategic Plan).

I believe that two major trends are influencing the needs of our customers, as well as the IT solutions we deliver to them. These are the expectations of collaboration at all levels of government (FTB and taxpayers, FTB, and other agencies), and the desire for modern enterprise solutions (providing solutions that are consistent, timely, and agile). Acting on these two trends is necessary in order to meet the ever-changing demand of California taxpayers.

This IT Strategic Plan is the result of the Technology Services Division's (TSD) dedicated and hard working staff. Starting with business needs, goals, and problems, we developed a comprehensive IT Strategic Plan that communicates the vision for meeting the department's needs. From a strong IT infrastructure to automated/managed business processes, accomplishing these strategies allows us to provide new and improved services in more effective and efficient ways. In light of this, we have already embarked on several enterprise-wide projects, such as the Enterprise Data to Revenue project.

These are, no doubt, challenging times. However, we look forward to collaborating with business partners, employees, vendors, and other stakeholders in this journey to make a difference for the taxpayers of California!

Cathy Cleek
Chief Information Officer (CIO)
Franchise Tax Board



Message from the Chief Architect

As we embark on the future, TSD is tasked with the annual refresh of the department's five-year IT Strategic Plan. This evaluation and refresh process began by reviewing our business needs, technology progress, architecture advancement, and the progress of strategic projects. The review also included a comprehensive view of the state, department, and division's funding, resources, and capabilities; and, in addition to leveraging a business problem analysis for each system of work (e.g., filing, audit, and underpayment). This analysis assisted with identifying realistic challenges and opportunities that lie ahead for IT.

The past year's efforts have resulted in significant progress regarding the IT Strategic Plan implementation. We implemented a number of efforts, focused on internal organizational improvement, and enhanced services for the department. Our IT is continuing to: establish consistent and repeatable processes; provide improved IT governance; and better manage the IT resources from an enterprise perspective.

Additionally, by evaluating performance metrics, based on the IT Operational Model, we are becoming a fact-based organization; allowing management to make informed decisions regarding IT spending, organizational structure, resource allocation, business reengineering, and IT services.

Other initiatives have served to advance the department's IT strategies. The IT Capital and IT Acquisition Plans (adopted by California's Office of the Chief Information Officer) increased levels of reporting and accountability. Additionally, the Enterprise Architecture Council's (EAC) Centers of Excellence (CoE) established new lines of communication and understanding between FTB's business areas and the Technology Service Division (TSD). CoE's improved data and technology awareness, advanced IT governance and data administration, and introduced foundational components of business process management (BPM) and service oriented architecture (SOA). All of this unified the department in the direction of "one TSD," and furthermore "one FTB."

In refreshing this IT Strategic Plan, our intent is to ensure continual alignment with the department's mission, vision, and strategic goals. Therefore, the IT goals specified in this plan focus on furthering our operational effectiveness by maximizing cost savings, optimizing resource utilization, increasing transparency, and significantly decreasing the current tax gap.

**Carl Engel
Chief Architect
Franchise Tax Board**

1.0

Executive Overview

The IT Strategic Plan is a visionary approach that helps make measurable advances to progress us towards our key initiatives and strategic goals over a five-year time frame.

In addition to setting a long-term IT vision and future direction for FTB, this document outlines the corresponding operational, governance, and technology targets used to align our business goals and opportunities with our agency and state IT strategic direction.

In the creation of this IT Strategic Plan, the department critically examined business problems, processes, data, and technologies. This document systematically identifies strategies and solutions that accomplish the department's target architecture, which is described by IT goals and strategies, target

models for IT Governance, FTB IT Operations, and future Enterprise Architecture. While the target architecture and its components do not represent requirements, they provide context for all business reengineering, projects, and IT deployments.

The IT vision, goals, and principles were created and validated through the collaborative efforts of key FTB personnel, comprised of business and IT staff. Furthermore, the goals and principles support the State of California's IT Strategic Goals, as well as FTB's Strategic Plan 2007-2011.

1.1 // Vision

We will be a proactive IT leader that continues to develop and support a strong IT workforce, establish management-approved IT governance, and deliver innovative IT solutions that support the department's core mission of collecting taxes.

2.0

IT Strategic Goals Overview

The IT strategic goals outlined in this document set measurable advancements that progresses us toward our IT vision. Additionally, this section provides more details on the proposed strategies for each of our IT goals and objectives including suggested metrics to track progress.

3.0

Strategic Goals and Objectives Summary

The following table (Table 3.0-1: FTB IT Strategic Goals) summarizes our IT goals and definitions. Subsequent sections of this document provide additional details on how we plan to meet the objectives and metrics to achieve these IT goals.

■ Table 3.0-1: FTB IT Strategic Goals

#	GOAL	DESCRIPTION
1	IT Return on Investment: Maximized	Return on investment strives to realize revenue and decrease costs by committing our IT investments to the following three areas: <ol style="list-style-type: none">1. Standardize processes to increase revenue by 5%.2. Reduce technology variance to eliminate 10% of IT spend.3. Improve business operations and standardization to reduce IT operating costs by 10%.
2	IT Systems: Modernize	Systems strive to implement modernized IT solutions which result in advancement in the following four areas: <ol style="list-style-type: none">1. Improve data quality and availability by 75%.2. Increase self-service offerings and functions by 300%.3. Increase number of automated business processes by 75%.4. Implement green technology that reduces our carbon footprint by 25%.
3	IT Delivery: Secured	Secured delivery strives to improve IT security in three areas: <ol style="list-style-type: none">1. Implement security architecture at all levels of IT.2. Adopt and implement a departmental Identity Access Management standard.3. Develop and implement a test-proven disaster recovery solution for all mission critical systems.
4	IT Workforce: Right People, Right Skills	Right people, right skills strives to improve IT workforce satisfaction and innovation potential to: <ol style="list-style-type: none">1. Reduce IT employee turnover rate by 20%.2. Improve/modernize the skills of our workforce.

When we focused on the department's business vision and goals, as well as analyzed the department's core business problems, we identified a number of IT goals, objectives, and strategies. The strategic goals we depict in the following three tables illustrate a cohesive and collaborative target and show alignment with the State of California's IT strategic goals, FTB's strategic goals, and FTB's core business problems.

3.1 // Alignment with State of California IT Strategic Goals

■ Table 3.1-1: FTB IT Strategic Goals Alignment with California IT Strategic Goals

State of California IT Strategic Goals	FTB IT Goals			
	#1	#2	#3	#4
Make government services more accessible.		✓		
Implement common business applications and systems to improve efficiency and cost-effectiveness.		✓		
Ensure state information assets are secured and privacy protected.			✓	
Lower costs and improve the security, reliability and performance of the state's IT infrastructure.	✓		✓	
Strengthen our technology workforce.				✓
Establish a technology governance structure.	✓			✓

3.2 // Alignment with FTB Strategic Goals

■ Table 3.2-1: FTB IT Strategic Goals Alignment with FTB Strategic Goals

FTB Strategic Goals	FTB IT Goals			
	#1	#2	#3	#4
Improve customer service		✓	✓	
Increase fairness and compliance with tax law.	✓		✓	
Increase transparency.		✓		
Create a great place to work, contribute, and learn.				✓
Demonstrate operational excellence.	✓	✓		
Protect taxpayer information and privacy.			✓	

3.3 // Alignment with FTB Core Business Problems

■ Table 3.3- 1: FTB IT Strategic Goals Alignment with Core Business Problems

Core Business Problems	FTB IT Goals			
	#1	#2	#3	#4
Lack of complete and integrated single view of information and services to internal users and external customers.		✓	✓	
Lack of effective tools and platforms to engage customers and enhance customer participation and feedback.		✓	✓	
Limited self-help services and tools for customers.		✓		
Lack of effective data management, quality, availability, integration and utilization of FTB data.		✓		
Lack of tools and platform for effective management, availability and use of third party and government agency data.		✓		
Lack of enterprise-wide modeling approach.		✓		
Lack of employee engagement and staff development tools and solutions for employees at central office and remote locations.				✓
Lack of common consolidated and shareable enterprise services.		✓		
Lack of sufficient independence from paper and conversion from paper to electronic format.		✓	✓	
Lack of workflow design, optimization and automation, and the effective management of business rules.	✓	✓		
Lack of availability and utilization of business intelligence.		✓	✓	
Lack of adoption of state-of-the-art security technology to enable solutions.		✓	✓	

4.0

FTB IT Goals and Strategies

In the sections that follow, we took a visionary approach to achieve the department's key initiatives and strategic goals in light of four IT goals and the associated strategies. We developed these goals through a collaborative effort of the department's strategic IT governance bodies: Technology Action Committee (TAC), Centers of Excellence (CoE), and the Enterprise Architecture Council (EAC). In addition to setting a long-term IT vision and future direction for the department, these goals take into account the changing workforce, technology, and application environments.

GOAL 1 IT Return on Investment: Maximized**Definition**

Return on investment strives to realize revenue and decrease costs by committing our IT investments to the following three areas:

1. Standardize processes to increase revenue by 5%.
2. Reduce technology variance to eliminate 10% of IT spend.
3. Improve business operations and standardization to reduce IT operating costs by 10%.

Strategies

- Mature IT Operational Model to provide more optimized division wide planning, building and support.
- Improve IT Investment Planning by maturing IT portfolio management and capital spending management.
- Implement tools reduction strategy to reduce supported technologies and set department IT standards.
- Optimize IT service management capabilities to deliver standard and reliable services.
- Improve and standardize software development process and methodologies.
- Reengineer business processes to reduce the tax gap.

Metrics

- Duration and quantity of unplanned outages.
- Number of incidents and the time to complete the resolution.
- Number of incidents escalated beyond first level support.
- Reduce the number of supported technologies.
- Number of Technical and Service Reference Model categories with defined standard.
- IT expenditures to revenue collection trend.

GOAL 2

IT Systems: Modernize

Definition

Systems modernization strives to implement modernized IT solutions which result in advancement in the following four areas:

1. Improve data quality and availability by 75%.
2. Increase self-service offerings and functions by 300%.
3. Increase number of automated business processes by 75%.
4. Implement green technology that reduces our carbon footprint by 25%.

Strategies

- Implement the Enterprise Data to Revenue (EDR) Project.
- Implement an enterprise data warehouse and deploy Master Data Management processes for all data.
- Implement Taxpayer Folder e-services and comprehensive Identity Access Management.
- Hire and train IT staff with the skills required for emerging technologies, modern development techniques, and service deployment.
- Retool with energy-efficient and waste-minimizing technologies.

Metrics

- Data redundancy and quality.
- Duration of time to backup and recover data.
- Number of taxpayer accessible e-services.
- Number of applications required to accomplish tax processing.
- Age and efficiency of deployed technologies.

Strategic Plan

EXECUTIVE SUMMARY

GOAL 3

IT Delivery: Secured

Definition

Secured delivery strives to improve IT security in three areas:

1. Implement security architecture at all levels of IT.
2. Adopt and implement a departmental Identity Access Management standard.
3. Develop and implement a test-proven disaster recovery solution for all mission critical systems.

Strategies

- Provide a self-registration and authentication solution for taxpayers, business entities, or authorized representatives to secure all information and e-services.
- Establish an internal single sign-on service that secures access to applications, federated partners, and web services.
- Adopt an encrypted information transport standard for data sharing.
- Maintain compliance with California's Information Security Strategic Plan (ISSP).
- Focus the Disaster Recovery group/section to develop, certify, and expand disaster recovery methodologies.

Metrics

- Number of registered users in the Identity and Access Management Solution.
- Number of exceptions to internal data transfer standards.
- Number of security vulnerabilities identified on departmental system security assessments.

GOAL 4

IT Workforce: Right People, Right Skills

Definition

Right people, right skills strives to improve IT workforce satisfaction and innovation potential to:

1. Reduce IT employee turnover rate by 20%.
2. Implement innovation opportunities.

Strategies

- Develop IT workforce and succession planning to improve staff utilization, workload priorities, and promotion opportunities.
- Advance technical training efforts to align employee's core competencies and skill sets with the department's technical direction.
- Reengineer employee recruitment and retention methods to mature and maintain a strong technical workforce.
- Implement an IT cultural change management process that continually informs IT staff of architecture advancement, project efforts, and technology improvements.
- Support IT classifications that further align with our IT Operational Model.

Metrics

- Employee turnover rate.
- Time to fill employee vacancies.
- Employee satisfaction.
- Increased IT value due solely to employee efforts.

5.0

Conclusion

The IT Strategic Plan outlines the direction for the department's programs and services in the years ahead.

While we may amend and expand the tactics as we move forward, this document provides the department with a blueprint to accomplish our business and IT goals.

Management, staff, and stakeholders need to collaborate in the execution of the IT Strategic Plan to make us a stronger, more successful organization.

To view or download a copy of FTB's entire IT Strategic Plan, go to ftb.ca.gov and search for IT Strategic Plan 2008-2013.

