

Executive Summary

John Chiarelli and Associates

By Bob Tapscott
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Executive Summary

Bob Tapscott, through John Chiarelli and Associates, was retained to give an independent perspective on the Markham and York Region Joint Portal project. Efforts to date have included the review of IT strategy and directions documents of The Town of Markham and York Region, the RFP and vendor responses, various minutes and other related documents along with attending the presentations of the three short listed vendors. He has individually interviewed over a dozen people from both municipalities, and held separate priority setting sessions for both the town and the region as part of his review.

Based on the review of information the proposed approach to the portal build, is based on current best practice project management disciplines and is outlined in this document. It addresses the following key areas:

- Priorities for the delivery of the Portal capabilities and services,
- Elaboration on some portal requirements,
- Economic and Operational Impact,
- A technical architecture to guide the next steps,
- An estimate of development costs for the Joint Portal, and a
- A set of detailed recommendations and conclusions.

Vendor Review

Our review process concurs with the conclusion of the municipal Evaluation and Selection Committee, that, as presented, IBM is the most cost effective architecture on which to develop the regional and municipal portals. The IBM architecture is based on technologies, which are industrial strength, and are predominate in large scale web sites. This architecture has a proven track record, wide acceptance and in this instance, has the lowest of costs. IBM was the only vendor to offer vendor hosting capabilities. IBM's technology is broadly accepted and is used across Fortune 500 companies. It is important to note that it is the underlying technology for most of the Canadian Banks, and the Services Ontario portal. As such resources should be available locally (as opposed to offshore) for your development efforts.

A review of all three short listed vendors reveals a familiar "theme" relating to approach. The vendors want the municipal governments to, up front, commit to spending many millions of dollars for a massive development project, while there are still many unknowns. With this approach the community may not see tangible deliverables, for years.

Going forward with the IBM platform, we would propose that the project use emerging, more iterative flexible, "on demand" methodologies such as Agile, or a variant of what Kent Beck

popularized as eXtreme Programming (XP). These more collaborative approaches produce time boxed, incremental releases of the portal, at earlier dates. These iterations would each be smaller than the three vendors have proposed, and, as such, far more manageable. Each release defines certain requirements as mandatory, and certain requirements as desirable. Regardless, the release dates are near-fixed, and the variable is what may be in each release. Creating detailed requirements, and highly complex and difficult to manage processes, and managing them brilliantly, is one approach, but it is a more expensive and risky one.

The developmental approach suggested by all three vendors uses the more traditional non-iterative, less collaborative “Waterfall method”. We believe that simplicity of approach with simpler management processes that produce visible results earlier reduces the risk. This allows for more timely feedback and for the difficult to manage unknowns, to become known, much earlier. We believe that for a project of this magnitude that an “agile” approach is today’s best practice and is the most appropriate for this project.

By far the largest cost component of all three short listed proposals is the professional services component. We would recommend that the town and region manage the vendor, rather than the other way around. The recommended IBM technology is well understood by many in the local area, and through a separate RFP process, the municipalities should be able to find resources for professional services at far more competitive rates. A process to do just that has been undertaken by John Chiarelli and Associates, as part of our overall approach.

We strongly recommend a highly iterative approach, and believe that you can meet the majority of your relevant requirements, faster and cheaper with this agile method. RFPing smaller sets of requirements, in search of more cost effective resources, we believe, makes good business sense.

Priorities for the Delivery of the Portal Capabilities and Services

Interviews have been conducted with Markham and York staff from the numerous business departments, to establish the priorities for both The Town of Markham and York Region. This has been an important driver to the professional services plan, detailed in our Final Report. The business priorities have been sensibly blended with technical architectural considerations, and “out of the box” capabilities, to develop the overall joint portal development plan.

“The plan” takes into consideration not only external development capabilities but elaborates on what internal resources will be needed to develop and maintain the portal. It ensures that the portal continues as a living entity, as opposed to something that satisfies a set of requirements, at one point in time. Major priorities include payments, citizen engagement, and online information on community activities from transit schedules to events to garbage collection.

Moving forward, it is extremely difficult for anyone to determine what the capacity demand on this portal will be. As such, it is strongly recommended that minimal development, testing, and production environments be acquired as needed, on a just-in-time basis. It is likely, that for the

first few months in production, even if advertised, demand will be similar to what it is today. Only when resident's habits change, and more collaborative aspects of the portal are discovered, resulting interest communities built, and its use becomes a part of local life, portal transaction volumes will then climb. Future capacity increases will occur at a pace where computing power can be acquired later, at a better price.

Economic and Operational Impact

It is clear that the portal, as it is being articulated and defined, will create improved efficiencies, and in time, could well be transformational. It is difficult to predict how quickly traditional patterns of resident interaction will move from "lineups to online" interactions.

All of our best research efforts to date lead us to believe that improvement in the "service delivery" and reduction in costs are possible with a structured portal offering. Few will wait an hour in a physical lineup for a service that signs indicate is available from the comfort of your home. Other internal efficiencies including data harmonization / systemization are also planned.

For the business case, IBM provided the Town of Markham, through the Business Value Assessment, a study that asserts that six to eight million dollars in soft dollar benefits could be realized. We believe these are aggressive figures. We don't believe that the portal will actually reduce costs. Reduced time and effort for the residents yes, directly for the town in reduced staff, unlikely. Although there may be opportunities to charge for online fees, initially this would only discourage portal use. If new services can be discovered that are only available through the portal (such as car pooling collaboration, or new media library services) then there may be a potential for new untapped income.

In the post implementation phase, it is clear that these systems can support dramatic growth in service levels. The only impact should be in the graphs of income and service volumes that will appear in the to-be-developed Business Intelligence system.

With the interest and focus on costs and operational efficiencies, part of the plan as developed (and is optional) measures the current costs of today's processes, so that pre- and post-implementation, operational costs can be better known, measured and managed. However to proceed in this direction requires thoughtful consideration. The new system should help in cost containment, expand services to 7/24/365 and make payments more convenient through this new channel of service.

Graphs from other municipalities indicate that it took many years for their portals to be discovered and extensively used. For more details please refer to our final conclusions and recommendations in the Final Report.

Recommendations

In summary, we recommend that an agile approach be taken and decoupling deliverables into smaller more manageable phases. We further recommend that the RFP developed for the first iteration of the portal system be issued, and the first portal iteration be developed at a managed cost. We believe that the application of current project management methodologies, rigorously applied, along with a competitive bidding process for the development resources and a constant re-evaluation of needs, may result in cost savings of 30% or better.

Appendix A

Bob Tapscott's Background

Robert (Bob) Tapscott is a seasoned information technology strategist and leader with a diversified background in organizational creation and transformation having delivered bottom-line results from the successful design, construction, and implementation of new strategies, systems and processes. Bob has developed and managed banking and brokerage systems in Canada, the US and Europe, for a variety of different financial institutions. Bob's experience spans Institutional, Commercial and Retail Banking. In Canada, as a CIO he has led technology efforts at Citibank, North American Trust, Lloyds Bank, and the Hongkong bank (HSBC).

Bob ran Business Intelligence at Qwest; managing a variety of disparate technologies including Business Objects, SAS, Informatica and Information Builders. He has recently co-authored articles for SAP (and others) on Business Intelligence and Master Data Management. Bob was a member of the board and senior most committee's of the Canadian Payment Association, empowered with governing Canada's Clearing and Settlement Systems. Bob's extensive background in successfully leading large software projects goes beyond typical technology design, and development to include the training, organizational restructuring, and workflow design required to prove, and improve bottom line results. His strong analysis, communication, mathematical, and leadership skills have ensured his success as an agent of change at various Fortune 500 companies.