



KH's Information Technology (IT) Management Approach

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WHAT SETS KH APART

KH Consulting Group (KH) differs from other consulting firms in significant ways, including:

- We tailor our approach to meet your needs.
- We provide staff with a high level of experience.
- Our approach provides maximum flexibility with minimum “start-up” effort, and ensures smooth implementation.
- We serve to maximize the return on your organization’s investment in its existing staff.

The results of IT studies frequently involve the implementation of recommendations, some of which may include the acquisition of hardware and software, and the development and modification of application systems. Because of requests from our clients, KH’s IT services have been expanded to include management and technical assistance during implementation.

KH IT SERVICES

KH provides a full range of quality IT services in four broad categories:

- IT Consulting Services
- IT Planning, Design, and Project Management
- Outsourcing and Alternatives
- Operating Support Services

Services within each of these categories are provided on a time-and-materials or fixed-price basis.

IT Consulting Services

These services are oriented toward problem-solving, strategic positioning, or ongoing management of IT functions. Our scope of operations or organizational review services emphasizes improving productivity and effectiveness of applications development, end-user computing, and data center resources. Our extensive experience in working with a variety of large- and medium-sized IT organizations, including several of the “Fortune 500” companies in turnaround situations, allows us to determine issues quickly, identify “best practices alternatives,” and recommend action items to improve your IT organization. On addressing sensitive organizational issues, our team-oriented approach minimizes disruption and resistance, and helps to achieve “buy-in” to recommendations, while contributing to the professional development of your staff. In many cases these studies include working with user departments outside of the information services organization. Typical engagements include a mix of such activities:

KH Know-How

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- **Strategic Planning** to link business strategies to systems planning and development strategies by:
 - Assessing current and future technological alternatives, including ways to improve information retrieval and leverage existing investment in staff and equipment
 - Reviewing current and long-range systems and information needs to support company objectives relative to budgetary constraints
 - Identifying critical information needs for management decisions
 - Evaluating options available for competitive use of information systems
- **System Requirements Definition** to develop a system "blueprint" or conceptual target, define business area requirements, identify application functional and technical requirements, and select a processing platform
- **Vendor Software Selection and Tailoring** to develop systems specifications; prepare vendor Requests for Proposal (RFP); select candidates and selection criteria; screen responses; develop specifications for areas requiring customization; negotiate terms, discounts, and software acceptance criteria
- **Productivity Assessment Reviews** to identify areas of inefficiency, assess responsibilities and internal skill base, review organization and project budgets and plans, allocate financial and human capital among business areas, assess client service and quality assurance effectiveness, and benchmark performance compared to peers
- **Financial Management Reporting System Design** to develop report formats, information flows, market-based reporting mechanisms, executive information systems data models, and financial end-user applications
- **Information Systems Appraisal** to evaluate MIS capabilities in conjunction with short- and long-term business objectives and requirements
- **Disaster Recovery and Contingency Planning** by developing plans to recover from disasters, or to pursue alternative paths should critical milestones in a major project or activity be missed
- **Organizational Studies** to streamline IT organizational relationships by:
 - Enhancing IT's effectiveness and cost control
 - Improving interfaces and relationships with user communities
 - Evaluating reporting relationships
 - Determining whether to centralize or decentralize specific information resource activities
- **Customer Service Enhancement** by improving interfaces and relationships with internal and external customers
- **Total Quality Management** by assessing the quality of IT management activities and recommending and implementing improvements
- **Feasibility and Justification Studies** by determining costs and benefits for developed alternatives to select or justify MIS projects and activities
- **Standards, Policies, and Procedures** to develop or review IT and its interfaces
- **IT Tools, Techniques, and Methodologies** for evaluation, selection, and training (e.g., CASE support)
- **RFP Development and Proposal** evaluation by defining requirements, setting up evaluation committees, establishing evaluation criteria and procedures, developing the RFP, evaluating proposals, and assisting with selection
- **Hardware and Software Evaluation, Selection, Installation, and Training** for defined needs and user requirements
- **Project Support** including scope definition, planning, audit, leadership, management, and mentoring
- **In-House Seminars** on such subjects as IT directions, hardware/software environments, enhancing the relationship with user community, relational concepts, business applications, etc.
- **Definition and Development** of information needs and application requirements (functional specifications) including justification studies for office automation and data processing systems
- **Advice and Assistance** on technical problems with microcomputers, minicomputers, mainframe computers, and local area networks (LANs)
- **Development of Standards** for management planning and control, applications development user service, computer operations, data security, and project management
- **Design and Implementation** of data processing and management planning systems, support applications maintenance, and advice on programming standards and program design for all platforms
- **Development of Approaches** to provide special IT resources, such as information centers, office automation, network services, and personal computers and work stations
- **Improvement of Control** of the use of I/T resources, such as control of end-user computing, personal computers, database, capacity planning, charge-out, etc.

IT Planning, Design, and Project Management

The scope of our applications planning, design, and project management services includes the key areas of the systems development life cycle, from directional studies to specification, selection, and implementation of technology solutions. Emphasis within these areas is placed on definition of

business requirements and development of “business cases”, identification of current or anticipated system “gaps”, development and evaluation of alternatives, implementation planning, vendor negotiation, and implementation project oversight. We also manage application support projects to time and budget.

Much of KH’s applications work, however, focuses on the “front end” of the traditional systems’ development life cycle – the area where costly mistakes are typically made. These services relate to the analysis, design, specification, programming, documentation, training, maintenance, conversion, and reengineering of application systems. Specific services include:

- **Systems Development** encompassing the complete systems development life cycle
- **Requirements Definition** by conducting business area analyses, and preparing functional specifications
- **Conversion, Implementation, and Installation Support** including hardware/software conversion, application implementation, and hardware and software installation and upgrade
- **Systems/User Documentation and Training**

Outsourcing and Alternatives

Outsourcing, once considered to be in the same management decision arena as staff reductions and plant closings, is now gaining increased executive attention and acceptance. In mainstream business, outsourcing has gained this acceptance on the premise that a dedicated outside organization can perform the same basic services at lower costs, while allowing the client to concentrate its financial and management resources within its field of expertise, where it can compete effectively.

Is outsourcing for everyone? Changing technology, with its promises of more cost-effective

systems, creates doubt about the wisdom of signing a long-term outsourcing contract that might bind the customer to potentially obsolete systems. Further, information technology is so basic to the success and continuance of many enterprises that the loss of control is considered unacceptable by management, despite the lure of lower costs and potentially more efficient systems.

Properly planned for, these and related areas of potential concern can be evaluated and become the basis for precisely defining the relationship between an outsourcer and a client. In an even broader sense, many who are considering outsourcing should also consider alternatives and possible variations of a partnership with outsourcers.

The services offered by KH encompasses the following areas:

- Identification and evaluation of the **Potential Benefits of Outsourcing** in specific financial and operational terms
- Identification and qualification of **Outsourcers** who can meet the specific and unique requirements
- Identification and evaluation of the **Potential Benefits of Alternatives to Outsourcing**, including strategic alliances, virtual organizations, and partnership arrangements with outsourcers
- **Development of the RFP** for your organization and negotiation of the resulting contract with the outsourcer, when outsourcing is the appropriate choice
- Development and implementation of the **Interface with Strategic Alliances, Virtual Organizations, or Partnership Arrangements** with outsourcers

Because KH is not an outsourcing operation, we can bring the needed objectivity in analyzing the advantages and disadvantages of outsourcing and partnership options.

Operating Support Services

KH’s involvement in operating environment support often focuses on improving the efficiency (i.e., reducing the costs) and effectiveness (i.e., improving the service quality) of IT organizations. KH’s principals and consultants provide operating environment support services for:

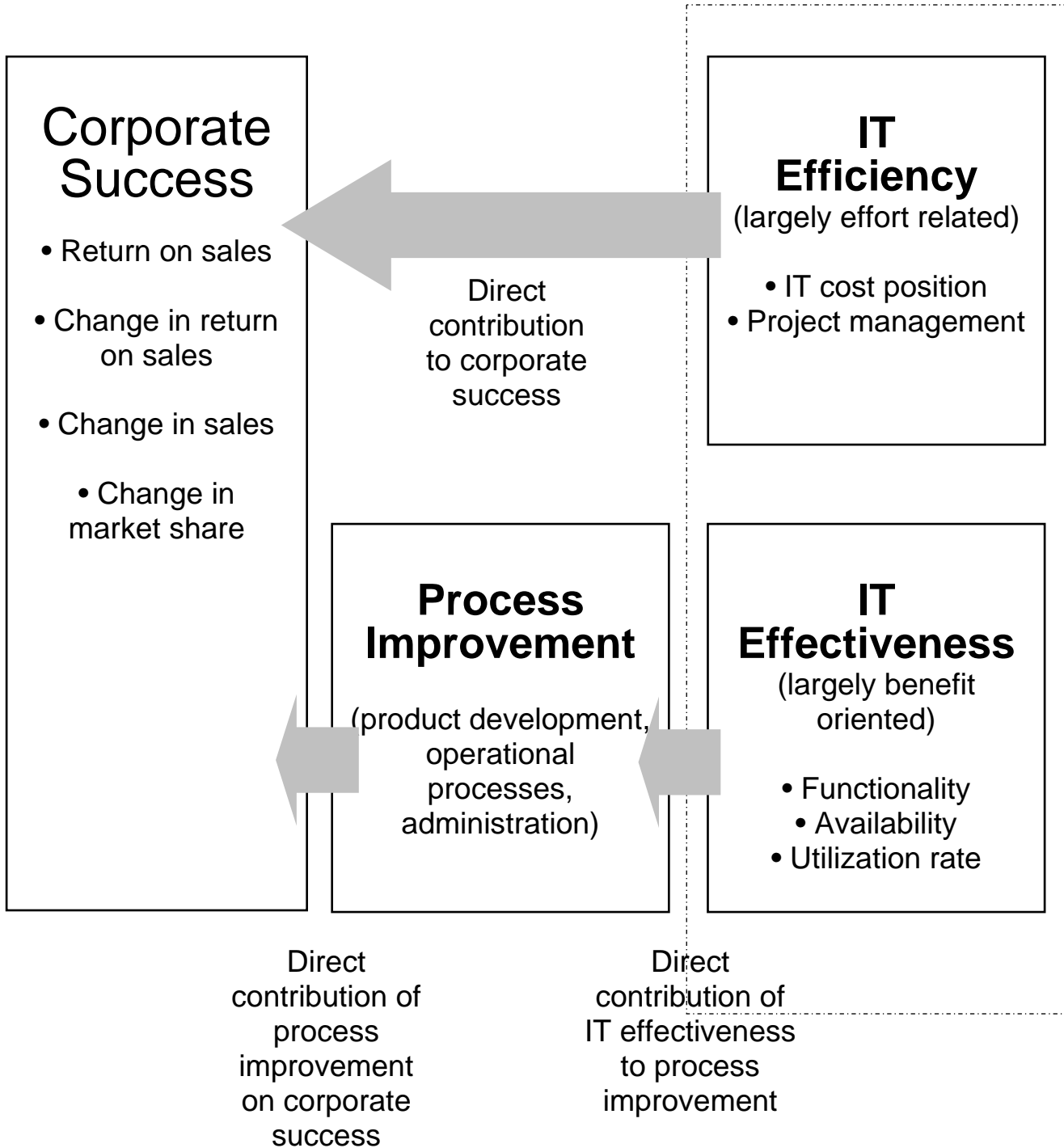
- Data Center Consulting, including automation, hardware installation, facilities management, security assessment, and capacity planning
- Network Consulting in either a LAN or WAN environment selection and installation of networks; telecommunications planning and installation; and EDI requirements definition, evaluation, vendor network services selection, and implementation support

IT TOOLS AND TECHNIQUES

On the basis of our consulting experience, we have developed computer tools and techniques that facilitate the consulting process. All of these techniques actively involve members of the client’s organization so they can readily understand and accept the recommendations. In the IT area, we use **Information Systems Improvements** which involve various management consulting tools, such as:

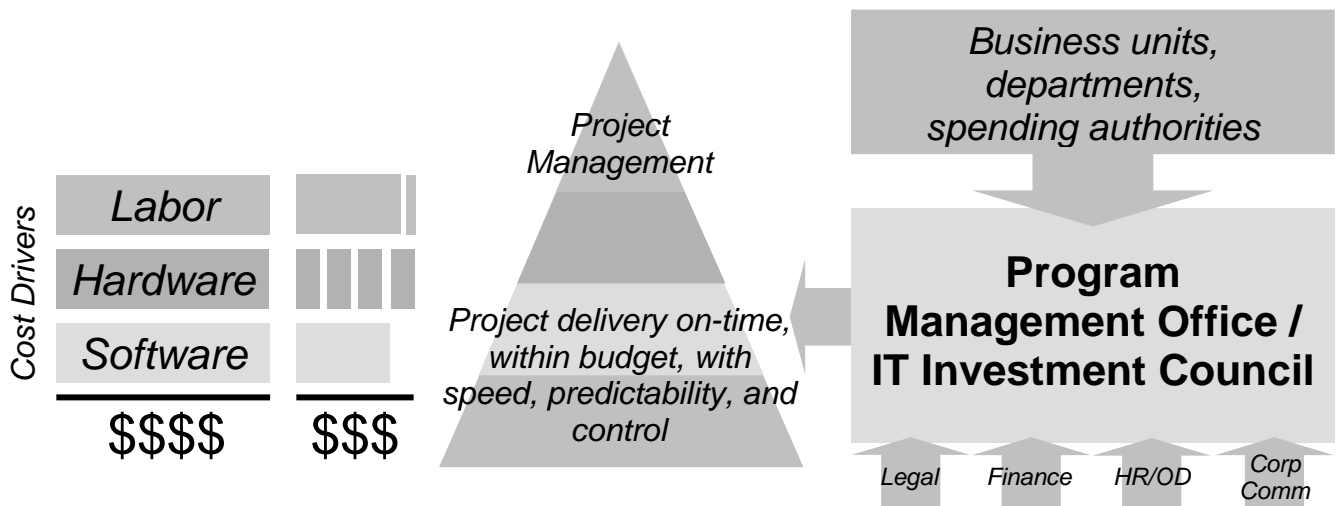
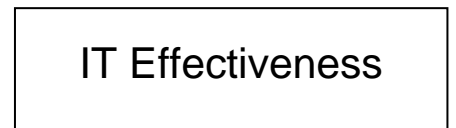
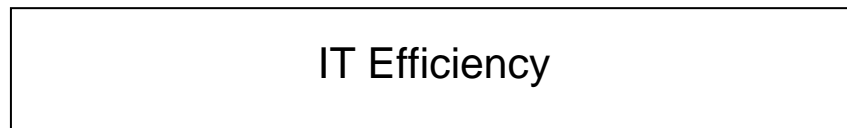
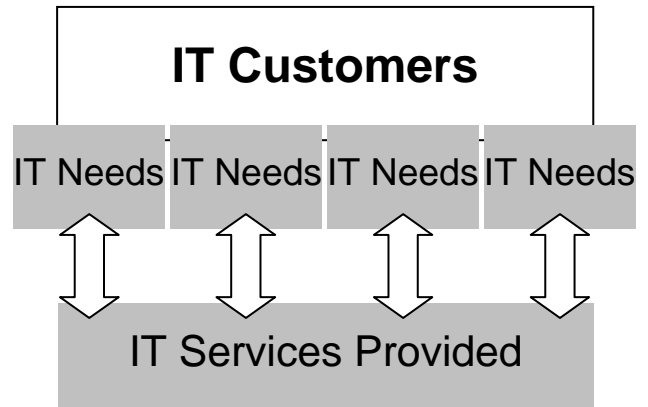
- **Computer Performance Appraisal** to check the overall “health” of information systems
- **Resource Deployment Analysis** to determine if hardware, software, organization, and staffing is competitive and suitable for the future
- **International Information Analysis** to plan and control worldwide operations better
- **Project Planning and Control** to manage projects on time and within budgets
- **Activity Analysis** to assess the efficiency and effectiveness of staffing levels, by function

Impact of IT on Business Success



Source: McKinsey & Company

Customer Focused IT Strategy



IT ROI & Cost Optimization

IT Delivery Excellence

IT Investment Council

Current & Future Cost Structure

On-Going IT Investments



Customer Focused IT Strategy

Problems (located in IT area):

- IT planning constrained by short time horizons
- Rate and complexity of technological change drives IT planning
- Lack of visibility into corporate strategy/planning constrains IT strategy
- IT is resource constrained with hiring process having short time horizons
- Time required to scale skill sets, processes, and technology exceeds time required to implement

Symptoms (appear in business area):

- Lack of alignment between corporate and IT goals and objectives
- Department going around IT for IT-related services (or developing their own IT function)
- IT moves too slowly to keep up with business change
- IT seen as being inefficient and non-responsive to business needs
- Lack of understanding by business executives in relationship between IT value and large on-going and recurring expenditures

Customer focused IT Strategy looks at the IT department from the perspective of people in the business units who pay for IT services for the next 3-5 years. From this position, customer segments are defined, with related service offerings, value delivery systems, capabilities, and skill sets required to bring the IT strategy to fruition.

Benefits:

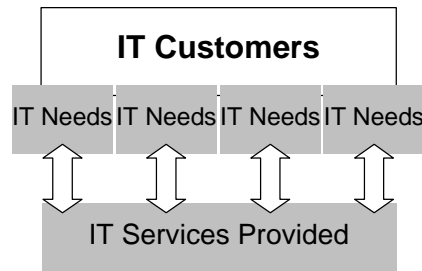
- Be in a position to be the provider of choice to the current IT customers
- Working from the perspective of your customers, be able to focus your efforts on addressing their needs effectively and efficiently
- Be able to predict the future service demand, preparing and scaling your organization accordingly
- Cascade strategy, policies, and goals into enterprise aligning the IT organization with enterprise goals
- Understand the capabilities and skills required in the future and assess which of those capabilities are best suited for in-house delivery vs. those which should be delivered externally
- Know where customer demand will come from, allowing the organization to build optimal systems to deliver value
- If appropriate, the IT organization may be in a position to take its services to market, turning itself into a profit center from a cost center

How We Will Deliver

Direct Setting: Through a series of interviews and workshops with current institutional IT customers and IT planners, a conceptual model is created of the future IT services to be requested. This will provide a contrast to the current services and where the gap needs to be closed.

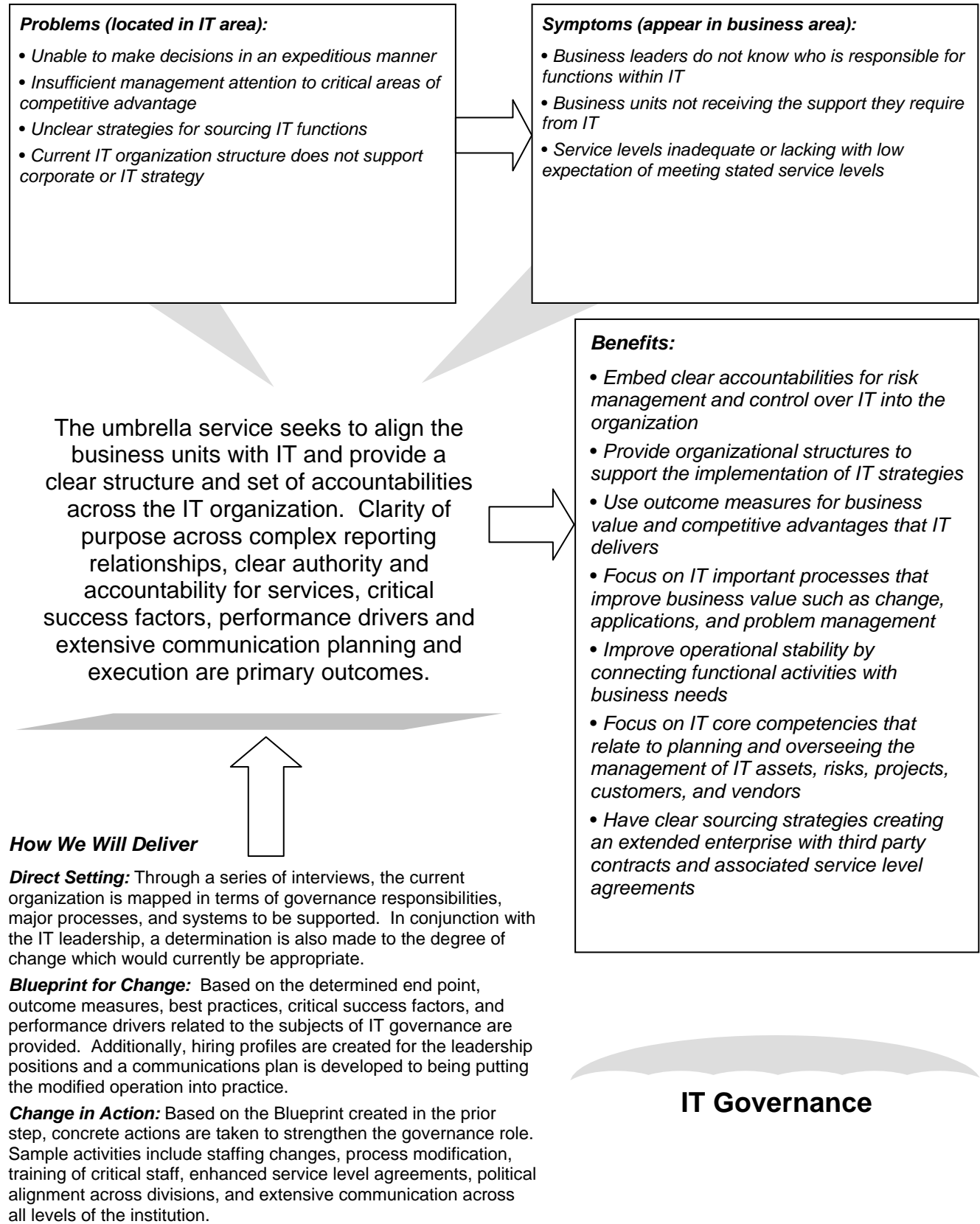
Blueprint for Change: IT services will then be expanded to determine the segments the customers fall into, the service offerings each would require, the value delivery systems for each service, and the capabilities and skill sets required.

Change in Action: Putting the conceptual model into reality will involve looking at the current organization and refocusing it towards the future needs addressing the people, processes, and technological needs the new strategy will require.



Customer Focused IT Strategy

IT Governance



IT ROI & Cost Optimization

- Problems (located in IT area):**
- Portfolio systems supported growing faster than the ability to provide support
 - Unable to produce a detailed and reproducible IT cost structure and analysis
 - Software license costs taking an increasingly significant portion of IT budget
 - Hardware investments quickly become obsolete
 - Sourcing strategies unclear for IT service provisioning
 - Unable to effectively reduce costs without sacrificing service levels

- Symptoms (appear in business area):**
- IT cost structure too high given current revenues
 - Out of date hardware/software impacting business operations
 - Computer systems on which business units are dependent, are unavailable or unreliable
 - Unable to measure the value by IT to justify the large expenditure

Looking at IT from a perspective of "Return on Investment," this service offering examines and communicates the value provided by IT expenditures. Given this perspective, this offering will increase the IT ROI by looking at the services IT will be expected to provide, and design a cost structure optimally suited for your organization, taking advantage of internal and external services, eliminating redundancies, and using Moore's Law to your advantage.

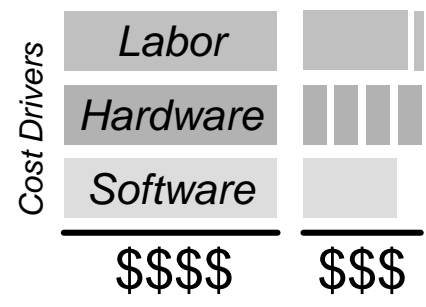
- Benefits:**
- Allocate IT dollars to areas with the greatest business impact without sacrificing service levels
 - Be able to always have the appropriate levels of hardware capability and capacity, taking advantage of business growth and technological advances
 - Make best use of scarce IT labor force by deploying people to the highest value services
 - Optimize IT spending through modeling of technology cost drivers in your organization, and how future changes will affect your costs
 - Clearly communicate to executives the business value of investments in enterprise software infrastructure and capital assets

How We Will Deliver

Direct Setting: Through a series of interviews with the chief financial people in the IT organization an assessment is performed to map the current cost drivers against the services provided, providing a baseline for cost improvement.

Blueprint for Change: In conjunction with key personnel from your firm, a conceptual model of your future cost structure will be developed along with a project plan, deliverables, and detailed cost estimates for executing this cost optimization project.

Change in Action: Based on the model and plan designed in the earlier phase, each cost driver will be addressed in the context of an IT services center. Labor will be optimized to high value areas and away from the commodity services, hardware will be financially structured in a manner which meets your on-going needs and growth curve, and general infrastructure will be consolidated to remove redundancies.



Current & Future Cost Structure
IT ROI & Cost Optimization

IT Delivery Excellence

Problems (located in IT area):

- Lack of qualified IT project managers
- Inadequate methodology for system delivery
- Project managers spread over too many projects
- Projects become derailed by internal or external issues
- Change in stakeholder requirements frequently jeopardize project success

Symptoms (appear in business area):

- Functions delivered by IT do not meet the needs of business
- Projects regularly exceed initial budgets
- Projects are frequently delivered late
- IT is inflexible in its delivery of services
- Lack of trust in IT delivery ability

In this offering, we will work with your IT project managers to initiate and institutionalize the best practices in project management. The resulting skill transfer will expand the type and scale of projects able to be delivered and allow your organization to deliver projects with speed, predictability, and control.

Benefits:

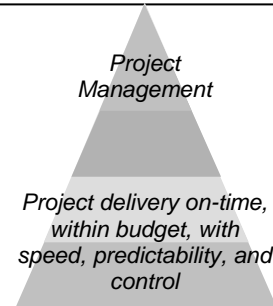
- Business goals will be met through the successful deployment of technology solutions
- Projects will be delivered on time allowing for accurate scheduling and integration with other business areas (e.g., operations, marketing)
- Projects will be delivered within budget avoiding costly overruns that reduce delivered project benefits
- Project risks will be proactively managed, ensuring that the business and project risks do not manage the project
- Evolutionary changes of the needs and priorities of the stakeholders will be accommodated in a manner which is efficient and effective to all involved
- Stakeholders will be clearly apprised on a regular and frequent basis as to the delivery status of the project
- Project management skill transfer will ensure your organization's project managers will continue to deliver projects with speed, predictability, and control

How We Will Deliver

Direct Setting: Through a series of interviews with IT project managers and business sponsors, the current project management function is examined across nine dimensions. From this assessment an evaluation is provided for each dimension with specific areas of improvement identified.

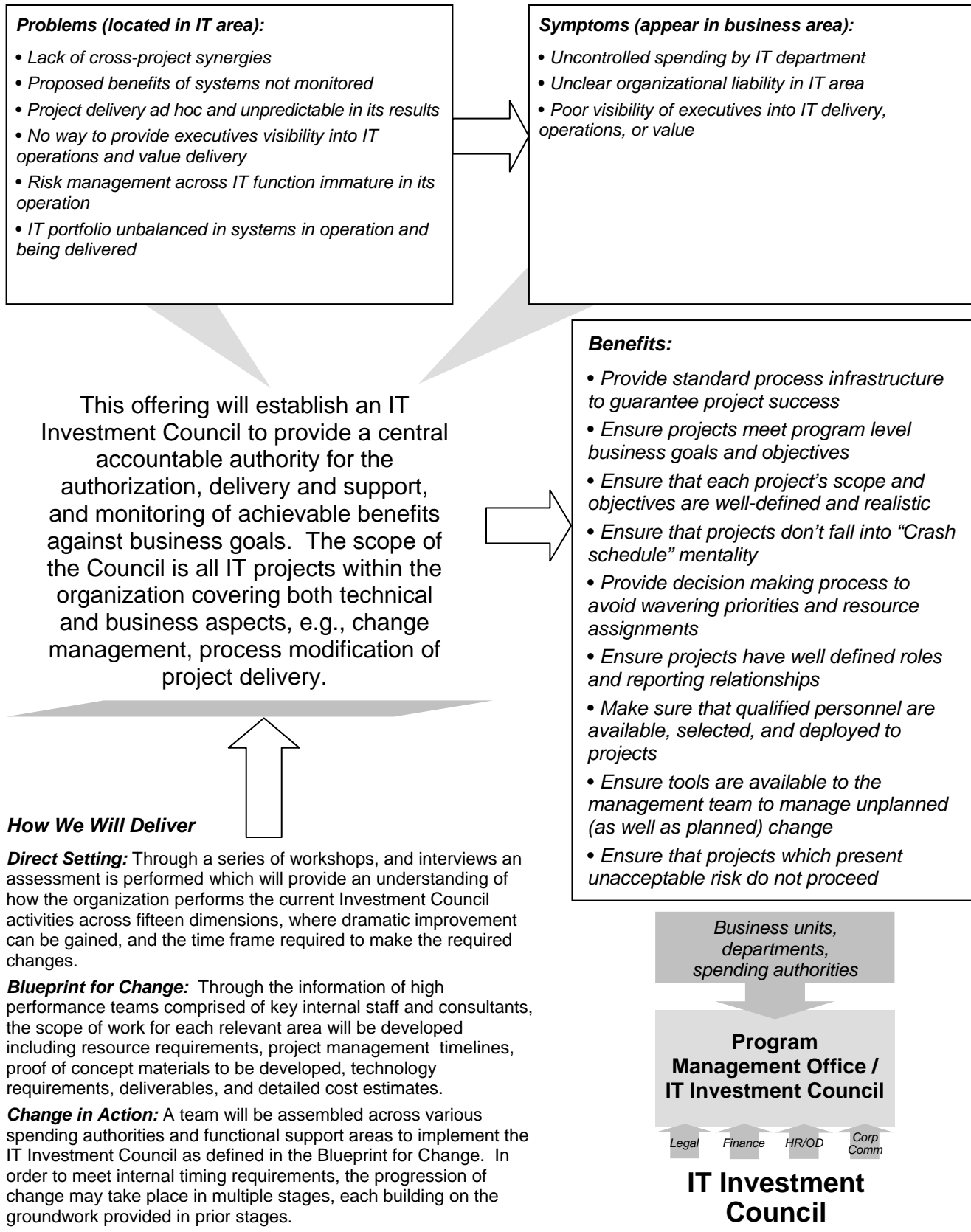
Blueprint for Change: Specific areas of change are addresses through seminars and coaching through real life examples taken from your organizations current project portfolio.

Change in Action: Taken the lessons learned in the blueprint for change, a high profile project is identified and hands-on project management is performed jointly by your firm and ours. Through this direct hands-on live experience, skills transfer will be performed in an optimal long-lasting manner.



IT Delivery Excellence

IT Investment Council



“By Your Side” Coaching & Support



This product provides you with a one year subscription to an on-going council for senior decision makers to turn to for advice and hands-on guidance in their critical decisions and management efforts.

Benefits:

- *Provide an external point of view towards addressing critical issues facing your organization*
- *Provide experienced council to leverage and enhance the skill levels of the executive management direct reports*
- *Provide a deep rolodex in bringing key people in to look at highly specific issues or to work in tandem with your people*
- *Develop executive action plans to help drive business results, enhance skills of team, plan for succession, manage costs, or increase ties with business units*

This service will be purchased on a subscription basis. At the beginning of each 12 month period, you will purchase a number of 10 day blocks to be used at your discretion.

These services may be provided either in person, or remotely, based on the type of service required and your convenience.

Representative KH Information Technology (IT) Projects

Some consulting firms list lengthy descriptions of work done during the last few decades; however, the proposed study teams frequently have little relevant experience. In contrast, KH performed the following projects in recent years; these projects show the size and scope of projects we can manage. We conduct small and large studies – both in terms of dollar amount and complexity of management issues. KH has performed consulting studies in 25 states of the United States and in 5 foreign countries.

We have a track record of providing our clients with a thorough and well-documented set of alternatives for their consideration. The detailed processes that lead to the conclusions ensure that the alternatives developed are all feasible and applicable. Our approach to sharing developing ideas with you throughout the study ensures “buy-in” and commitment to the final recommendations, thus facilitating implementation.

City of Los Angeles, Department of Airports (Los Angeles World Airport (LAWA))

► Organizational Review of LAWA's IT

In reviewing the LAWA IT organization, KH examined several aspects of IT from both the internal and IT customer perspective.

- **IT Organizational Performance.** KH captured both quantitative and qualitative information in this area. The quantitative information was collected via a survey that rated several standard IT areas. This survey was provided to both the CIO direct reports and representatives of the IT customer base. KH obtained the qualitative information through one-on-one interviews with the same group of people.
- **IT Operational Performance.** As part of understanding the operational side of the IT organization, KH surveyed the degree of formality and ability to audit aspects of the IT organization across the CIO's direct reports.
- **IT Accountability, Responsibility, and Decision-Making.** A final part of the review was to address the areas of accountability, responsibility, and decision-making within the IT organization. For this review, KH used a combination of interviews and a survey of IT process areas assigned to the CIO's direct reports.

The Community Redevelopment Agency of the City of Los Angeles (CRA/LA)

► Information Technology (IT) Audit

CRA/LA (or “The Agency”) retained KH to audit its IT function. This IT Audit focused on documenting the current IT situation, reviewing progress made against the IT strategic plan, and analyzing the effective use of the IT budget during the past three fiscal years. The approach included extensive reviews of CRA/LA documents; interviews with management, IT employees and IT contractors; and a customer-user IT survey.

This analysis covered a three-year prior period and focused on recommendations to improve IT within the next one to three years.

San Bernardino, County of, General Services Group, Department of Information Services

SAN BERNARDINO, CALIFORNIA

► Strategic Planning Offsite

KH facilitated a Strategic Planning Offsite organized by the new Director and Division Chiefs of this \$30 million IT organization. Over the course of the two-day session, KH identified and discussed numerous issues and developing trends which either currently or in the near term affect the County of San Bernardino and its Information Services organization and operations. Issues discussed included IT cost containment, reengineering of platforms and applications to use new development in technology (e.g., client/server computing, etc.), and upgrades to the infrastructure to support new diverse technologies.

Deliverables from the session included a “target” for the new organization and a high-level tactical plan to guide key activities over the upcoming 18-months. In addition, KH prepared an informal report outlining key issues, areas to consider for outsourcing or privatization, “best practice” alternatives for administrative functions, areas of technology or infrastructure needing to be addressed (i.e., as prerequisites to migration into client/server computing), and an outline of roles/responsibilities for a new “matrixed” organization structure.

U.S. Department of Labor (USDOL), Employment and Training Administration, Unemployment Insurance Service

► Contingency and Disaster Recovery Planning

USDOL retained KH to assist the 53 State Employment Security Agencies (SESAs) in developing contingency and disaster recovery plans. Phase I involved documenting what the SESAs were doing regarding contingency and disaster recovery planning. KH conducted site visits at six SESAs and surveyed nine other SESAs. During Phase II, we prepared a Technical Assistance Guide (TAG), outlining how SESAs could develop their recovery strategies, prepare their own Disaster Recovery Plans (DRPs), test and train their SESAs on the DRPs, and update and disseminate DRP information. Phase III entailed conducting two two-day workshops – one on the East Coast and one on the West Coast – on the TAG for more than 100 SESA and USDOL attendees. KH is in the process of preparing an on-line version of the TAG.

Zenith Insurance

► Reengineering of Workflows and Implementation of a New System

KH assisted this leading California worker’s compensation insurance carrier in reengineering claims branch workflows and implementing a new claims processing system. Workflow reengineering focused on the larger branches and regional processing centers, and resulted in consolidation of responsibilities and streamlining and standardization of claims branch functions. Additional benefits included increased use of real time data collection and claims file administration techniques to improve customer services and reduce clerical support requirements through document scanning, online creation of examiner diaries, etc.

Concurrent with the reengineering study, Zenith’s IT staff members were completing the initial design, coding, and testing of the company’s new online, real-time claims processing system. KH assisted in testing the prototype of the new system, and helped Zenith to tailor the design to meet key users’ needs and accommodate the reengineered workflows.

Subsequently, KH was asked to assist in providing project management and technical assistance to the implementation team. This assistance included development of detailed implementation plans and conversion schedules, development of test plans, resolution of design and operation issues, oversight of user training and testing programs, and conversion of the new systems at the “alpha” site. KH also assisted in developing user and technical documentation for the new system, and in developing specifications for design enhancements for “Phase II” of the system.

As a result of KH’s involvement, Zenith expedited implementation of what had probably been perceived as a “runaway” systems project by several months, for a savings of approximately \$200,000 per month.

Information Technology Service (ITS) in the Internal Services Department (ISD), County of Los Angeles

ITS is one of four services in the ISD in the County of Los Angeles. It provides data processing, customer applications, computer operations, and telecommunications services to County departments. In total, ITS has a staff of more than 850 professional and technical employees. KH assisted this large government services organization (\$180 million in revenues) with strategic planning, project management, and technical assistance during a series of projects to restructure the IT organization and operations and launch new, downsized lines of computing business.

▶ ISD: Master Agreement for Information Services Consulting

Because of KH's extensive information systems (IT) experience, KH obtained a three-year master agreement in the county of Los Angeles to perform technical systems consulting.

▶ ISD: Restructuring of IT Organization

Initially, KH assisted senior ITS management in identifying and evaluating different models for this organization. This study focused on analysis of the current practices versus "best practices" for private industry. A range of scenarios was developed and tested over a three- to four-month period to identify workable alternatives, while the organization concurrently benchmarked its performance against other large mainframe computing centers. In addition, KH developed financial frameworks to test the impact of restructuring operations, improve efficiencies, and communicate financial implications to this client's supervisors and customers as an alternative to outsourcing the data center and related operations.

Subsequently, KH assisted management in the computing services branch of the organization in developing cost savings ideas and related implementation plans using MS-project workbench, reengineered workflows, accelerated the implementation of advanced systems administration tools and techniques, and improved the degree of standardization and customer service throughout the operation.

▶ ISD: Market Study

In addition, KH conducted an external market study to determine receptivity of other public sector or non-profit entities to use a facility similar to ITS (as a non-profit entity) for outsourcing services. Such a facility would compete with private sector corporations vying for public sector contracts.

▶ ISD: Launching of New Lines of Computing Business

KH also worked closely with ITS management to implement a new line of business for UNIX-based computing services. Initial assistance included definition of production roles and responsibilities, standards, production turnover procedures, conversion cost/benefit frameworks, production workflows, and staffing levels. Ongoing assistance included development of a two-year tactical plan for the multi-million dollar line of business, selection and implementation of operations and systems administration tool sets, development of marketing plans, etc.

▶ ISD: Tactical Planning for Mid-Range Services, Application Downsizing Feasibility Study

KH developed a tactical plan to guide deployment of UNIX lines-of-business and related staff functions. As part of this project, KH worked closely with client and vendor technical and managerial staff to design the configuration of the new processing center, assess cost/benefit factors to guide conversion of mainframe operations to Hewlett-Packard UNIX platforms, and establish distributed and client/server computing policies and infrastructure requirements. KH also assisted in the development of financial projections and customer services agreements for key systems and supporting components of the infrastructure. Deliverables included a comprehensive report outlining mid-range systems tactics, revenues, operating costs, and required investments. As a result of this project, management rationalized and continued funding support for mid-range initiatives, while most other areas underwent dramatic budget cut-backs due to the financial conditions within Los Angeles County.

In addition, KH assisted in the ongoing analysis of feasibility for conversion candidates, and designed a reusable analytical framework and standards to help guide the conversion planning process. KH also helped to plan for reengineering of data center facilities, relocation of certain components to new data center facilities, and the establishment of network monitoring and control facilities.

▶ ISD: Streamlining and Competitive Advantage Analysis

KH worked with ITS management to identify strategies to reduce its operating costs by 10 percent per year for the next ten years, for a total ten-year reduction of approximately 65 percent. Moreover, the organizational alignments and staffing levels were adjusted to be more supportive of models found in private outsourcing companies.

University of California at Los Angeles (UCLA)

► Multiple Studies

Over the years, KH has performed a number of special studies for UCLA's Campus Human Resources, Administration, and Student Affairs divisions. In the area of information technology, KH worked with UCLA Student Affairs to conduct an "Organizational Effectiveness and Systems Pre-Implementation Review" project.

UCLA employs more than 450 full- and part-time staff members who provide student services through Student Affairs. When UCLA began implementing a new series of distributed processing information systems, significant opportunities to restructure and reengineer staff functions and processes became feasible throughout the organization.

KH reviewed the present distribution of workload and staff functions involved in fiscal and personnel management, using Activity Analysis to quantify workloads and staffing patterns. In addition, KH worked closely with a task force of senior management from key areas of the organization to identify service objectives, organizational alternatives, and opportunities for reengineering critical processes. KH also conducted an assessment of the new distributed systems to confirm impact, identify organizational implications, and revisit operational and managerial philosophies and alternatives.

As a result of this study, Student Affairs strategically identified priority areas and organizational options to be addressed in implementing the new systems, aiming to:

- Improve quality of processing
- Reduce errors
- Improve efficiency of staff functions
- Improve managerial control

KH then assisted UCLA in implementation of key opportunities, reengineering of lower-level processes, and planning for implementation of the new systems.

As an extension to our contract in Student Affairs, KH conducted a review of fiscal management and administration within the Cultural and Recreational Affairs organization. This assignment included evaluation of all human resources, finance, budgeting, cashiering, and enrollment management functions within programmatic and facilities management operations, including consideration of "best practices" alternatives. Recommendations addressed leveraging efficiencies through technology, information, and program/support services consolidation and integration.

Los Angeles Community College District (LACCD)

► Data Processing Strategic Study and Work Simplification Approach

LACCD, with its 9 colleges, is the world's largest community college district, with student enrollments greater than 100,000.

Phase I – Information Systems Strategic Plan.

During Phase I, KH evaluated LACCD's academic, student records, and administrative computing needs. We determined the extent to which current data processing capabilities met these needs as well as projected future needs. We then interviewed more than 200 LACCD representatives and surveyed 1,700 faculty members regarding their computing requirements. The outcome was a five-year strategic information systems plan.

Phase II – Implementation of the IT Strategic Plan.

During Phase II, we worked with more than 90 LACCD administrators and faculty members to define information system (IT) needs and desires. This list was first compiled into a Request for Qualifications (RFQ) for vendors to review. Multiple vendors were screened and, on the basis of the qualified vendors, a Request for Proposal (RFP) was prepared.

Phase III – Work Simplification. Simultaneously, KH monitored general progress of LACCD in addressing identified problems from Phase I. A key concern during Phase I was that improved data processing would not alleviate all of the problems, particularly those directly attributed to cumbersome work procedures and policies. Consequently, as part of Phase III, we worked with an internal task force of finance, accounting, and personnel administrators to develop simplified and enhanced work procedures for improving productivity and central office services.

KH presented the study process at the Society of College and University Planning (SCUP) national conference in Atlanta, Georgia.

Confidential Client (a large international engineering and consulting firm)

► Downsizing from a Mainframe

KH evaluated outsourcing and downsizing options and advised on policies and resource requirements for the new environment.

Bank of America

LOS ANGELES, CALIFORNIA

► Extension Staffing Services

KH furnished a programmer to assist with the migration of a major suite of programs from a mini-computer to a mainframe computer, and ultimately to cooperative processing with personal computers.

City of Los Angeles, Personnel Department

► Two Projects

KH has conducted two separate projects for the Personnel Department of the City of Los Angeles. In the area of information technology, KH conducted a training needs assessment. Skill areas studied were computer technology, human relations, and administration. Working with panels of employee work groups, KH developed dictionaries of skills and adapted the Activity Analysis approach to assess the current skill repertory, the criticality of the skills, and the frequency of use of the skills among a sample of managers from a variety of City departments. Skill repertories of the same managers were also evaluated by their supervisors. Areas of deficiency were identified and training recommendations across the 38 departments were developed.

Confidential Client

► Alternative to Outsourcing

KH was retained to develop alternatives to outsourcing proposals for a large IT activity, including the establishment of a separate company, the consideration of virtual corporation, and associations and partnerships with selected outsourcing companies. We conducted a study covering the potential market for such services, concentrating on Western states.

Internal Services Department (ISD), County of Los Angeles

In 1987 the Board of Supervisors in the County of Los Angeles merged six departments to form the ISD, offering County departments a range of services, including purchasing, data processing, telecommunications, architecture and engineering, construction project management, safety policy, maintenance, custodial services, and mail services. A part of this new department's mandate was the requirement that it become customer service oriented and entrepreneurial – the net result was to be “zero net added cost” to the County. Simultaneously, the other County departments – ISD's customers – were told that they could purchase services from ISD if they desired and found their costs and services with outside vendors and suppliers. In the area of information technology, KH performed the following projects:

► Organizational Structure

As an outgrowth of this study, KH analyzed approximately 320 management positions and restructured the first four management levels under the Executive Director. By widening spans of control, a management level was eliminated, resulting in \$2.6 million in savings.

► Generic Job Classifications and Compensations

The overall objective of this management study was to minimize and “deep class” a number of classifications in ISD. The scope of the study was limited to 63 management classes with 209 incumbents, 18 marketing classes with 20 incumbents, 116 professional and technical classes within ISD's Information Technology Service (ITS) organization with 1,352.16 incumbents, and all 21 purchasing and contracting classes with 88 incumbents. In total, the 320 classes were reclassified into 65 new generic or “deep class” Classifications. Prior to implementation of the generic job classifications, KH developed a Broad Pay Band (BPB) approach compensation.

Additional descriptions of KH firm capabilities, including a general KH firm brochure, are available upon request.

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