

## SBA and Cisco Help Blaze the Trail for the Connected Agency of the Future

### Executive Summary

#### CUSTOMER NAME

Small Business Administration (SBA)

#### INDUSTRY

Public Sector

#### CHALLENGE

- Increase services despite shrinking budgets
- Address network security scorecard
- Rapid response to customer requests

#### SOLUTION

- Assessment to identify strategic out-tasking
- IT security assessment and strategic planning
- Development of a robust, scalable call center
- Continuity of Operations plan

#### BUSINESS VALUE

- Increased customer satisfaction
- Estimated cost savings up to US\$3 million/year
- Network compliance with OMB requirements
- Telework and business continuity

Coping with budget cuts, outdated business processes, and a downgraded Presidential Management Agenda (PMA) IT security scorecard, the Small Business Administration needed to upgrade its infrastructure, reduce costs, and be more responsive to a growing number of small business owners reaching out for help. Teaming with Cisco IBSG, the SBA began to transform its business strategy and look for process innovation opportunities to achieve its goals. With IBSG's help, the SBA successfully upgraded its PMA scorecard back to "green" in the area of IT security, developed a strategic out-tasking strategy that would facilitate cost reduction and increased operational efficiency, and developed the foundation to become the model for the "Connected Agency of the Future."

### CHALLENGE

One of President Bush's top three priorities for the nation—expanding economic opportunity—depends heavily on the role that America's small businesses play in creating opportunities and leading economic recovery. Dedicated to creating an environment of support for the nearly 23 million small businesses that exist in the United States, the [Small Business Administration \(SBA\)](#) helps them to flourish, take risks, and achieve the American dream. Since its founding in July of 1953, the SBA has delivered over 20 million loans, loan guarantees, contracts, counseling sessions, and other forms of assistance to small businesses. In 2004, the SBA's Website recorded more than 54 million visits and the agency responded to nearly 2.5 million entrepreneurs requesting business counseling and technical assistance.



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Internet Business Solutions Group

In 2003, with growing numbers of small businesses reaching out to the agency for support and significant budget cuts hampering the SBA's ability to respond, Jerry Williams, the SBA's new Deputy CIO, quickly recognized that the agency's IT infrastructure and business processes were out of date and inadequate. Williams heard complaints from SBA employees that the Help Desk was understaffed, underskilled, and only available during East Coast working hours. Network security and reliability, a critical element of e-government IT security, was insufficient and resulted in a downgrade on the President's Management Agenda (PMA) scorecard from green to yellow in 2004. And the organization had no standardized process to evaluate and approve proposed IT initiatives or to measure its success afterwards.

"We were also dealing with a reduced IT budget, requirements that were being levied on us by the [Office of Management and Budget \(OMB\)](#), and a growing constituency that was looking for more functionality from us," says Jerry Williams, deputy CIO of the SBA. "We knew we needed help."

Williams felt the SBA's options were limited due to the organization's budget cuts and connected with the [Cisco Internet Business Solutions Group \(IBSG\)](#) to discuss opportunities for improvement. "We had to figure out how to address all of those issues even in a declining budget environment," Williams says.

**"I LOOK AT WHAT CISCO DID AS A QUANTUM LEAP FOR OUR SUCCESS. WHAT THEY BROUGHT TO THE TABLE WAS CRITICAL TO THE WAY WE THINK, THE WAY WE PROCESS, AND THE WAY WE PRIORITIZE."**

**Melanie Sabelhaus, Deputy Administrator, Small Business Administration**

## SOLUTION

The team identified three primary goals—improve IT security and performance, enhance operational efficiency and cost reduction, and execute an agency-wide strategic business transformation.

### Improve IT Security and Performance

An aggressive strategy for improving the management of the [Federal government](#), the [President's Management Agenda \(PMA\)](#), announced in the summer of 2001, focuses on five areas of management, including human capital, competitive sourcing, financial performance, e-government, and budget performance. According to Clay Johnson, deputy director for Management at OMB, "The President's Management Agenda helps the government be more results-oriented, so taxpayers get more for their money."

When the OMB inspector general audited the SBA's IT security system in December 2004, several significant weaknesses were identified and the score downgraded from "green" to "yellow." The results of these audits are posted quarterly on the White House Website and Williams wanted to begin the agency's transformation by raising its PMA scorecard status. Starting with IT security, Williams asked IBSG to conduct an independent assessment.

IBSG's assessment identified 53 systems that had been designated during a previous administration as "mission critical," a burdensome and highly unmanageable situation. The process for tracking and resolving issues with those systems was largely paper-based and multiple databases were not being reconciled. The assessment evaluated the current system, processes, and IT business strategy, and reduced the 53 systems down to 16 that were truly mission critical. IBSG presented its findings to SBA's executive board and an electronic tool was implemented to enable the SBA to track the Plan of Actions and Milestones (POAM) and resolve IT security issues.

A subsequent audit conducted by the inspector general resulted in the SBA's status once again achieving the coveted PMA "Status Green."

**"AT THE END OF THE DAY, HECTOR BARRETO (SBA ADMINISTRATOR) AND I ASK OURSELVES IF WE (THE SBA) DID A GOOD JOB. THE 'GOOD JOB' IS TO SCORE GREEN ON THE PMA BECAUSE THAT'S THE AGENDA FOR THIS AGENCY."**

**Melanie Sabelhaus, Deputy Administrator, SBA**

### **Enhance Operational Efficiency and Reducing Cost**

Next the team looked at cost reduction and increased operational efficiency. "We knew that, in an organization the size of the SBA, you shouldn't have to do everything in house, particularly those functions that aren't core to your business," Williams says. At the time, SBA's internal help desk provided support only to headquarters employees and only during East Coast business hours. In addition, the cost per call was more than twice the industry average, and quality of support was unsatisfactory. The SBA wanted to expand business hours, improve quality, and provide a superior experience to users throughout the organization—all at reduced cost.

Over a period of four months, IBSG held strategic out-tasking workshops with representatives from the Office of the CIO. The team prioritized focus areas, mapped functions and processes, and delivered a final out-briefing and roadmap that would drive improvements in [productivity](#), customer [satisfaction](#), time to resolution, business efficiencies, and significant cost reductions. SBA now has a clear understanding and strategy for development of an Internet-based, nationwide call center.

### **Transform business strategy**

Utilizing industry and governmental best practices, the IBSG team then focused on the transformation of SBA's business strategy and the technology that would enable the agency to better serve the millions of small business owners it supports. The SBA wanted to develop its ability to become a virtual SBA by Web-enabling common infrastructure, adding services, improving functionality, and increasing ease of use and accessibility to entrepreneurs so resources are available to them when they need it, day or night. "As small business owners, they want to know what the trends are, where the money is, how they can get healthcare," Sabelhaus says. "And they may be looking for that information at ten o'clock at night. So the Internet is critically important to us."

Also critical to the SBA's business transformation was laying the foundation to allow employees to work from home. "From a performance standpoint, my sense is that [telework](#) would enhance productivity," Williams says. "Giving employees the flexibility to work from home, they typically work more than a normal eight-hour day because they're connected all the time. And from a business continuity standpoint, if a scenario such as 9/11 occurs, we're still connected and can still perform the mission of the SBA."

## BUSINESS VALUE

The partnership has enabled the SBA to build foundational capabilities that will move them toward becoming the "Agency of the Future." The foundation will facilitate the delivery of more client services with greater accessibility, lay the groundwork to use strategic partnerships, gain greater control over network [security](#), and increase operational efficiencies through employee teleworking and a [connected republic](#).

The SBA is well on its way to realizing dramatic improvement in critical areas, including the following:

- IT Security audit was completed in four weeks. Based on the changes implemented by the SBA in April 2005, SBA was notified that their e-gov score had improved from yellow to green.
- The SBA should realize over US\$1 million per year in savings after implementing the Help Desk roadmap, which includes nationwide expansion and full 24-hour-a-day, seven-day-a-week availability.
- Achieving compliance with the Presidential Directives and federal policy, the SBA is moving toward a Telework and Continuity of Operations plan which is projected to realize an estimated US\$50 million in cost reduction a year, including real-estate savings.

"The SBA provides an immeasurable value to small business America," Sabelhaus says. "Just ask [Intel](#), [Nike](#), [Compaq](#), [Microsoft](#), or [Ben & Jerry's](#). Each got its start with help from the SBA. And, thanks to Cisco help with our strategic plan, the SBA will continue to open those doors."

## A Strategic Roadmap

When Jerry Williams arrived at SBA, he faced significant challenges in achieving the Office of the Chief Information Officer's (OCIO) mission with shrinking budgets and increased oversight from OMB. With a clear set of goals and objectives in mind, he quickly built a team of experienced personnel to help him execute the plan and engaged IBSG to work in partnership with the OCIO on industry best practices and strategic planning. As a small agency, Williams' goal was to transform SBA into a model agency for U.S. Federal. The pro bono nature of IBSG's engagement allowed both parties to approach the challenges in an objective, results-oriented way. The SBA now has a clear strategic roadmap for transforming the agency to best serve its constituents.

## NEXT STEPS

The SBA plans to complete deployment of the key initiatives currently underway to ensure that the agency continues to utilize the improvements achieved and to measure results. “We will look at data center operations and begin to conduct the same types of assessments to understand where our opportunities are,” Williams says.

“We also want to do a better job of codifying our business practices and involving the different business units within the SBA. What does this mean? Instead of simply saying yea or nay to a system, we need to understand the underlying data that supports the systems and the interconnectivities between that capability and other capabilities.”

## MORE INFORMATION

For further information on Internet business solutions, visit <http://www.cisco.com/go/ibsg>



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