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Seat Management Is Not Only Expanding in Government but Is Maturing Too. This was the message delivered at a conference in Washington, where experts discussed evolving projects in federal agencies and the “lessons learned” from Seat implementations.

“Seat” is the outsourcing-based approach to acquiring IT services that still faces “cultural and political resistance at many levels,” said Charles Self, assistant commissioner of the General Services Administration, Federal Technology Service. “It’s still a very emotional issue.”

Generally, Seat is perceived as a challenge to traditional IT procurement. Advocates believe that agencies need to get out of the business of specifying technology—a process that might begin with selecting desktop hardware and application software but will likely...
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demand expertise in servers, databases, operating systems, network management, Help Desk, training, software distribution, security, IT asset management, and so on.

Focus on Core Business Concerns
Instead of requiring that industry meet standards for each of these different disciplines, Self and others who spoke at the “Are You Ready for Seat Management?” conference believe agencies should express requirements focused only on the government’s core business concerns. Contractors can then meet the overall IT support need with technology best suited to the level of service required.

“Seat Management is really a way of shifting the accountability for the unified delivery of desktop and network services to us,” said Teresa Weipert, a Unisys vice president and general manager. Unisys provides Seat services to the Bureau of Alcohol, Tobacco and Firearms (ATF).

What Weipert called a “commodity service that’s more than just people and products,” Patrick Schambach, the ATF CIO, called a “full partnership with our contractor.”

Among the many “lessons learned” discussed at the conference, Weipert stressed that Seat gives each side of the contracting paradigm a reason to “communicate both the good and the bad to each other, and not hide problems.” An effective Seat Management contract is in a constant state of review, Schambach said.

The TCO at Randolph AFB
There is no doubt that Seat can result in significant cost savings as federal employees turn their attention away from IT glitches and back to their “real jobs,” Self said. Seat advocates in GSA and other agencies are now armed with dramatic Total Cost of Ownership (TCO) studies to support their case.

Lt. Col Alvin Lee, a technology branch chief and program manager at the Air Education Training Command, riveted the conference’s attention on a TCO study he led at Randolph Air Force Base.

Officials found that “soft costs” per client in a desktop environment can spiral as high as $12,000 per year—a situation that is exacerbated by inadequate and/or duplicate hardware, poor or non-existent IT support and help desk, inadequate training, weak network management, persistent security problems, and so on, Lee reported.

He envisions an effort to implement Seat for 60,000 AETC users at 53 bases. Any such effort would no doubt gain insight from that of the Housing and Urban Development Department, Office of the Inspector General. This 62-location
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“Government won’t be able to hire enough expertise to run their own IT shops and will have no choice but to outsource its desktop support and service needs.”

Charles Self
Assistant Commissioner,
Office of Information Technology,
GSA

“An effective Seat Management contract is in a constant state of review.”

Pat Schambach
CIO,
Bureau of Alcohol, Tobacco and Firearms
Seat Management is beginning now with a pilot rollout in New York, said Fred Gantzler, senior vice president at DynCorp, the OIG contractor.

Getting Exec Buy-In

Using the GSA Seat Management program, the OIG opted for a broad solution built on a virtual private network. Except for the VPN, however, HUD OIG might typify Seat. It encompasses the boundaries of IT support, from headquarters-based servers to notebooks and desktop access, all contractor-provided and maintained, Gantzler said.

The system also might typify Seat’s grind through cultural blocks as it has arrived in government. The HUD OIG project snagged as designers sought to plan necessary interfaces to other areas of HUD, where older contracts remain in place. Gantzler said the participation of the Inspector General and the Deputy Inspector General of HUD was essential in smoothing out such problems.

“It’s very important to have buy-in and support from the executive level in an agency,” he said. “If you don’t have it, things can get out of control.”

Life In a “Steady State”

In 1998, using the NASA Outsourcing Desktop Initiative (ODIN) program, the Goddard Space Flight Center in Maryland implemented a 9,000-seat configuration that also provides a model for how other agencies might proceed.

The configuration was devised to meet specific levels of service as spelled out by NASA officials, said Mark Silverstein, the Goddard ODIN project manager. Mission-related user interests at the Center range from general use PC tasks to one of the most advanced scientific/engineering communities in government.

The ODIN contractor at Goddard, Intellisource Information Systems, provides a full menu of desktop support services that leads to “a steady state of operations in a stable seat services environment,” Silverstein said.

Mars Mariano, the Intellisource Goddard project manager, reported that Intellisource and NASA measure “support delivery” against service level agreements (SLAs) on a monthly basis. He gave the conference a brief glimpse of the factors that have led to monthly success rates ranging from 90 to 99 percent, and noted that areas of improvement are often identified as service is measured.

Soften Your Soft Costs

“Seat Management is not the solution itself but the framework for the solution,” said Jeff de Pasquale, a TCO expert and vice president with Gartner. He expects that 70 percent of the Fortune 500 companies will have fully adopted Seat by 2002, as the IT personnel crunch further stresses in-house resources.

While conceding that Seat might have gotten off to a rocky start, Self and others pointed out that if the Fortune 500 won’t be able to hire enough expertise to run their own IT shops then government will have no choice but to outsource its desktop support and service needs.

But even if this were not the case, advocates point to TCO studies that show how soaring soft costs can only be corrected with better hardware and support. Soft costs of $10,000 and more are emerging in many agency studies, which look especially harsh alongside ATF’s recent finding of less than $5,000 with Seat in place.

Soft costs are the costs agencies incur as a result of IT use. GSA, the Air Force, the Treasury Department and other agencies that have rolled up their sleeves and closely examined TCO have uncovered staggering productivity losses in current environments.

Lt. Col. Hill found that the average desktop user at AETC spends 9.3 hours per month fixing his or her own IT problems and spends another 9.2 hours per month helping coworkers with their IT problems. The productivity loss is 15 percent or three days per month lost for each employee. Pitted directly against these kinds of problems, the case for Seat Management begins to make itself.

The Technology Excellence in Government seminar was presented by the Council for Excellence in Government, the Digital Government Institute, the GSA’s Federal Technology Service and GCN. It was sponsored by NCI Information Systems Inc., Unisys, DynCorp, and Intellisource.
Top executives from some of the leading companies serving the Seat Management marketplace give their views.

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**EXECUTIVE VIEWPOINTS**

There is evidence Seat Management will lead agencies to better technology quicker. What are some of the enhancements agencies that employ Seat can look forward to?

“The budget constraints faced by most federal agencies make it difficult to upgrade existing infrastructure and replace equipment. Seat Management provides a mechanism to upgrade the most neglected users immediately to the current technology without any capital outlay. The ‘seat price’ includes the use of the desktop and peripheral equipment and the services that are needed to support the user of that equipment and technology refreshment of the equipment at a pre-set rate.”

“Seat Management ensures a high degree of consistency in configurations through asset management. This allows the agency’s leadership to think strategically about IT. Broad, far-reaching enhancements such as security improvements, thin clients using web-based communications, and upgrades through push technology are examples of what an agency can look forward to.”

“The structure of the SM contracts gives the provider an incentive to continuously upgrade the customer’s IT infrastructure to support the rapid changes in desktop technology. The contracts encourage early rollout of new software and hardware. Enhancements can include interoperability, security, end-user productivity and new technologies such as e-commerce and wireless computing.”

“There are several that occur right away. First, the desktop environment is unified into a much smaller number of tested user configurations and tech refresh will tend to standardize hardware over the refresh cycle. Second, servers are almost always consolidated into a smaller number of larger, robust, fault tolerant machines. Finally, failure points and bottlenecks in the infrastructure are discovered and eliminated. All of these changes happen as a normal consequence of well-written and enforced service level agreements (SLA’s) and all work together to provide a much more stable IT environment for the user.”
A federal budgeting process that often isolates IT seems to be at cross-purposes with how Seat ROI is measured. Can this obstacle be hurdled?

“Better Training and Help Desk seem to be critical elements of Seat. But will these services ever be properly valued by organizations?

“Help Desk calls will actually increase if an operation is performing well. The ‘No-Help’ Help Desk is gone and the user community actually uses the Help Desk to solve problems. Conversely, if the users are trained in the applications, then this reduces the calls to the Help Desk overall. The intent is to improve the productivity of users and increase the level of service delivered to an agency — through training and effective Help Desk support.”

“A Total Cost of Ownership analysis is important to put this into perspective. It will expose an agency’s “soft costs” as they relate to IT, and permit the agency to compare its total IT costs to the cost of a Seat approach. Because the Seat approach is a long-term arrangement, the long-term savings will be evident due to asset management and standardization of the seat configurations.”

“Here is where agencies that have already taken the plunge into Seat can provide a vital service. Their lessons learned can help to highlight the importance of early training and of the Help Desk implementation. Agencies planning to move to a Seat approach can benefit from these lessons learned as they plan their procurements. As we all know, as soon as budgets get cut, training dollars are cut. However, Seat Management provides a fixed price per month for each desktop support and the savvy vendor will build some training into the Seat price.”

“We believe that the SM approach will ultimately be reflected in the federal budgeting process and that this is only a temporary issue. As more agencies adopt SM as their business model, total cost of ownership will be better understood and the real cost savings of SM will become evident.”

“Seat is a big cultural change for most organizations. The Outreach Program of the Seat vendor is perhaps its most critical element. An Outreach program that focuses on well-trained staff and a responsive Help Desk can facilitate the move to Seat through its empowement of the end-user.”

“That is certainly the promise of Seat Management. By moving to fixed price per Seat and including as many of the IT components as possible into the Seat contract, an agency really can see what IT is costing them. But only if they do not fragment the support by mixing and matching Seat concepts with traditional methods. In the later case, much less precision is possible.”

“I think many organizations moving to Seat see a dramatic improvement right away and are delighted by the change. Much depends on the sophistication of the Help Desk operation. When Help Desks have integrated access to asset management information and can user remote control tools, then a much higher level of service is possible. In these cases, the Help Desk can often close the ticket on the phone without a user visit, dramatically increasing overall customer confidence and satisfaction.”
Measure your contractor’s performance based on your ability to get the mission accomplished.

Whether you are considering using the GSA Seat Management contract or NASA’s Outsourcing Desktop Initiative contract, the decision to employ Seat Management for your agency activity will put you in a new IT milieu.

First, you will be replacing the older hardware and software you own for contractor-supplied technology. In many cases, this will be state-of-the-art stuff, though it might be better termed “state-of-your-requirements.”

That’s because Seat Management is IT configured not against technical requirements but, rather, the levels of service you need to get your job done. With Seat Management you tell the contractor what you need as it relates to government business, not IT metrics. You then measure your contractor’s performance based on your ability to get the mission accomplished.

Get “Partnered”

The contractors who provide Seat services under the GSA and NASA programs believe they have the experience and expertise to develop a full “partnership” with you based on Service Level Agreements (SLAs) that reflect your business priorities. These service levels might occur in a wide range of disciplines and task areas, and include:

- The centralized planning, implementation and management of PC operations and maintenance services; software installation; automated inventories; and PC technology refreshment. These are provided by Intellisource Information Systems in its ODIN contract with the Goddard Space Flight Center.

- This multiplatform Seat partnership gives NASA personnel access to MS Windows/NT, Novell, IBM, and MAC OS environments as well as 7x24 Help Desk and consultation. Tools used to manage and maintain the Goddard Seat contract include Oracle databases and HP Openview systems. LAN/WAN support is also provided for Goddard IT users.

- The implementation of a nationwide Seat configuration includes; a Virtual Private Network; a full menu of desktop hardware and software; and remote access capability. These are provided by DynCorp to the HUD Office of the Inspector General (OIG) as part of the GSA Seat Management contract.

OIG’s Seat infrastructure is being configured by DynCorp to accommodate standard desktop as well as traveling users and remote or field users. The basic Seat platform will support 62 locations nationwide with enterprise level workflow systems, databases, and mass storage. End-to-end encryption is incorporated across the VPN, which runs on GTE’s global system.
The creation of a standardized workstation environment that brought 5,000 ATF users, at 188 locations new hardware; coherent e-mail; Internet access; faster processors; new LANs; enhanced security; user and administrator training; and online help. These are all provided by Unisys Corporation.

ATF’s Seat arrangement pre-dated the advent of SLAs under GSA Seat or ODIN, but has nevertheless given the agency a framework for planning technology refreshment and solidifying asset inventories and management. This lowers the Total Cost of Ownership of IT by effectively transferring to its Seat contractor many of the tasks that drive “soft costs” up in other agencies.

Get Implemented

The decision to move to Seat Management is often the result of a realistic Total Cost of Ownership study of exactly how much IT support (or, the lack of it) is costing agencies. Once the decision has been made to adopt Seat, the effectiveness of the partnership an agency forms with its contractor is considered essential by Seat advocates.

Seat Management projects often hinge on challenges that involve “cultural versus technological change,” said Fred Gantzler, Senior Vice President, Seat Programs at DynCorp. This dramatic transition is eased as “the contractor manages the expectations of users and matches the service requirements,” said Teresa Weipert, a vice president and general manager at Unisys Corp.

There is no question that Seat differs from conventional “outsourcing” to the extent that agencies and contractors maintain a closer interaction throughout the life of a contract.

Karl Leatham, a technology office vice president at NCI Information Systems, called Seat implementation “a two-party operation.” NCI is a GSA Seat Management contractor that also provides IT support to the Defense Department, VA, and numerous other agencies.

“If you look at successful Seat implementations you will find they were well planned and phased, both by the contractor and by the agency,” Leatham said. “Moving to Seat requires large process changes that displace existing contractors and government staff from entrenched roles and relationships. This takes political will, commitment, and a lot of flexibility on both sides. Good planning is the key element.”

But if you have the will, Seat Management might very well be the way.
Seat Management is sometimes thought to be a variation of “leasing.” This is only true if you give the idea of leasing a very wide berth in your imagination. Seat contractors and many federal officials prefer to use the phrase “managed services.”

These services might merely begin with an agency deciding to rely on contractor-supplied IT assets. What you might have perceived as “leasing” encompasses the complete management of those assets—from inventory to software distribution to enterprisewide tech refresh.

A “lease” is of little help if you are wondering whether you will need an extra gig of storage capacity on the app server by November. (By the way, you will.) Seat Management, on the other hand, is a form of contracting for IT that is structured around the functional requirements of agencies. Thus, Seat encompasses IT strategy.

“O.K. It’s Outsourcing, Isn’t It?”

Seat Management is also sometimes referred to as “outsourcing,” which is the contracting “out” of tasks usually performed in-house. Seat is, in fact, a form of outsourcing that is much like the arrangement you make with a telephone company.

You outsource your telephone requirements in the respect that you do not build your own phone lines, rights-of-way, switches, sub-stations, etc. But you do make your own phone calls.

The idea behind Seat is that you need IT support the way you need a dial tone. You are going to USE desktop computers, software, the Internet, other nets—but the cost of operating and maintaining all that infrastructure is high. And the work is time-consuming. And it requires massive expertise in different technical disciplines. It is all so very “people-intensive.”

You can keep trying to buy, upgrade, tweak and run it all yourself. Or, you can contract with a company to manage those services.
Let’s Talk About SLAs

I can hear you asking now—"But how in the world am I going to tell this company the exact number of bits, bauds and bytes I need for operational tasks, the processor speeds I need for offloading the nightly batch runs to the LAN, the different operating environments security issues force me into, the interfaces I use to make legacy data available to citizens on the Web, versus the ones I use to keep my remote users active in the workgroups, versus the ones they use in our overseas liaison offices...?"

No. You’re not gonna. In fact, your days of counting up your “bits and bauds” shortfall and dividing by the dollars left in the IT account at the end of fiscal year are all done. Instead, you are going to look at the business your agency does, its mission requirements, and you are going to say to your new contractor, “I need to do this mission.”

Specifically, you are going to take all your requirements and roll them into Service Level Agreements (SLAs), which are the core currency of Seat Management. “SLAs are a measure of the expected performance for the service provider,” says a Unisys white paper.

Define Tasks, Define Services, Define SLAs

SLAs essentially replace the labor-hours form of contracting, in which contractor performance was not measurable in relationship to agency mission accomplishment.

Karl Leatham, vice president, technology office, at NCI Information Systems Inc., a GSA Seat Management contractor, explained it this way: “If an agency is thoughtful and diligent about its definition of measurable SLAs, it is easily possible to tie them directly to the agency’s mission. Indeed, this would be the normal outcome of good SLA definitions.”

The tasks you seek to support will determine the services you contract out for via Seat
Management. Across your various activities, these tasks might vary in terms of the service levels required to meet them. So be it, say Seat advocates, because SLAs can be applied in accordance with particular needs and changing missions.

“The principle of the Seat Management contract is that users pay for what they need,” said Tor Opsahl of Intellisource. “Not all users require the same level of service. The flexibility of the ‘levels of service’ model allows the customer to adjust the original level of service to reflect changes in the agency’s business missions.”

Let’s Talk Tech And SLAs (And “Finger-Pointing”)

Contractors as well as those who advocate Seat solutions in GSA, NASA, the Air Force and the Treasury department all note that the more encompassing you are in shifting IT management to a contractor, the better the economy of scale will be for you.

To do your agency’s business you might need: tech refreshment; OS support; application software; mainframe access tools; distributed apps; COTS and custom databases; email and web access; intranet and VPN access; video conferencing, remote learning, and image management; and access to classified or secured data.

Hardware-wise, in addition to newer stuff, you might need installation and configuration support; moves, adds and changes management; network integration and configuration; full maintenance; Help Desk, Help Desk and Help Desk support.

(We haven’t even mentioned training yet, but don’t get us started on that one.)

The SLAs you work out with a Seat contractor will not amount to a glorified accounting of your theoretical IT processing capability as reflected in all of the above services operating at 95 percent efficiency. Rather, it will measure those services in accordance with your ability to perform agency business. Just as your functional requirements are drawn from core business needs, so too are new SLA-based metrics rooted in business function, not IT form.

In fact, Seat advocates believe SLAs will ultimately alter the nature of the agency-contractor relationship. “Properly constructed, the SLA is not subject to interpretation,” said Fred Gantzler of DynCorp. “It is clear both to the agency and to the vendor when the standard has been met and when it has not. This helps to eliminate finger-pointing.”

Why It Works When It Works

Even contractors admit Seat is not for everyone. Conversely, many CIOs who have given Seat a try now swear by it. So, when it works, why does it work?

One reason might be that Seat puts an agency’s ability to do business and a contractor’s baseline incentive on a parallel course. A Seat contractor does not just plug in a Pentium III and walk off having fulfilled the deal. Seat and SLAs bring you new ways to really measure contractor performance and system support for the business mission.

In essence, performance of a Seat contract is only measured when the day’s work is done. The AGENCY’S work. Simply, did the IT infrastructure effectively support the work that needed to be done? Or, was the government PC user able to stay focused on the core mission and not get snagged by one techno crisis after another?

In fact, SLAs can be seen to represent a marked departure from what was “a constant debate on immeasurable or inconsequential performance metrics,” said Teresa Weipert, a vice president at Unisys Corporation’s Global Network Services division.

“With managed services in place, the emphasis is on meaningful metrics,” she said. “Vendors want to perform well in relation to their contracted levels of service for expansion of their business, and their agency customer is the ultimate beneficiary.”

Your Seat contractor might bring resources from 100 different vendors into play, but you don’t have to keep a long rolodex of names updated to pursue potential problems. It is your Seat contractor who is ultimately responsible for making sure that your IT capability accords to your SLAs—which, of course, encapsulate the requirements that underpin your agency’s core mission.

Maybe it’s going out on a limb to say so, or maybe not, but it’s possible that Seat contractors take more responsibility for IT than anyone ever has before. And that largely explains why it works when it does.
Unisys U.S. Federal Government Group has been serving the federal market for more than four decades and is currently a leading information technology services and solutions provider to the federal government. Unisys provides fast-cycle, value-added high-volume technology products; e-action solutions, and professional services worldwide to help transform the way U.S. federal government agencies, selected U.S. public sector organizations and state Medicaid agencies manage information and improve responsiveness to their customers.

NCI Information Systems Inc., is an enterprise management services and business solutions provider to government and commercial markets. NCI services include: remote administration, network management and Help Desk support, information security support and asset/configuration management services.

NCI has built a fully integrated technology center that tracks, monitors and manages servers, networks, and business applications down to an individual’s desktop using fully integrated management solutions. The center conveniently located at NCI’s corporate office in McLean, Virginia.

DynCorp, a leader in IT and outsourcing services, offers customized solutions that are multifaced to ensure our customers receive best-in-class services. We understand the outsourcing environment, in fact we revel in it. We combine commercial best practices with proven performance in the federal IT marketplace. DynCorp gives you the freedom to focus on your mission.

Intellisource is a technology solutions provider principally engaged in Information Technology (IT) outsourcing and related engineering services. We provide distributed computing, communications, and engineering solutions to customers in both the public sector and private industry. Intellisource is a respected leader in the Enterprise Services arena due to our unique model that managers the cost, quality, and complexity of information and technology resources.

With over 20 years of experience, Intellisource is now a corporate family of nearly 700 professionals located in offices across the U.S.