

Privatizing state's technology on track to deliver cost and operating benefits

A recent headline in the Atlanta Business Chronicle left the impression that the state of Georgia's technology privatization initiative is off track ["Outsourcing increasing, not lowering state's IT costs," Feb. 5-11]. In fact, we are on track to accomplish exactly what we set out to do: move the state's information technology (IT) operations out of their "horse and buggy days" and into the 21st century by turning to private-sector leaders in technology service delivery. The end result will mean saving money, staying current with modern technology, and ensuring that confidential data remain safe and secure from outside threats.

In privatizing the state's technology services, we are following the recommendation of business leaders who served on Gov. Sonny Perdue's Commission for a New Georgia. Since its inception in 2003, the Commission has challenged bureaucracy-style business as usual and advanced best practices and technologies to streamline government. In 2004, the Commission identified IT, data center, telecom, and network

services as candidates for privatization. An independent assessment confirmed that the state was carrying too much risk and the problems were too great for the state to solve on its own.

After a competitive and transparent procurement process, the Georgia Technology Authority signed contracts with IBM for IT infrastructure services and AT&T for managed network services beginning last year.

No business the size of the state of Georgia would tolerate the risk we have been carrying as a result of mismanaged technology. Many PCs have long been running operating systems too old to support software and security updates. The failure to adequately maintain backup power systems has led to the loss of critical IT operations when the commercial electrical power was interrupted. In one agency alone, as many as 50 servers used in field offices around the state to

backup critical data sat broken and inoperable for more than a year with no plan for repairs — until IBM assumed responsibility for IT infrastructure services.

As any business leader knows, correcting these kinds of problems requires

up-front investments, and we planned for the investments being made on behalf of the state. Not all agencies are seeing an increase in costs for technology services as a result of the investments. In fact, many agencies are seeing a decrease. But GTA, which has been leading the state's technology transformation for the past three years, is making up the difference for any agencies experiencing an increase — not through new appropriations but through its reserve using money generated from its own operations.

After making these investments in the early years of privatization, the state will be in a position to fully realize the cost efficiencies made possible by modern technology. The state is currently projected to save \$203 million over the 10-year life of the contracts with IBM and AT&T.

At the same time, we are positioning the state to take advantage of private-sector best practices and to improve our ability to secure sensitive information.

We have experienced transformations of this nature, and they are never easy, but we are well on our way to achieving significant benefits for Georgia citizens.

Williams is chairman of the board of directors of the Georgia Technology Authority. Rogers is chairman and CEO of Waffle House Inc. and co-chair of the Commission for a New Georgia.



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