

## INTERVIEW WITH JOHN RATH-WILSON

Chris Bishop interviewed John Rath-Wilson in June 2009.

***Q. What do you bring to the position of Chief Operating Officer of ITSB?***

**A.** I have been in government since 1981, 28 years this year, and I have a lot of experience from the technology perspective; I spent twenty years or so in technology at [what became] Service Canada, working as the Chief Technology Officer then crossing the floor and working in a client branch within Service Canada. It brings a certain depth of understanding of the relationship between technology and the people that we deliver service to, having been one of those people, and a certain understanding of what a client is looking for. As Chief Operating Officer of ITSB, my focus is primarily on delivering services to PWGSC clients. I think that I am in a good position to be able to do that in a way that shows an understanding of both sides of the issues.

The two organizations are almost comparable in terms of reach. Service Canada has a 350-odd office location network, with computing resources to back up an organization of 26,000 people. Public Works and Government Services Canada has a large business in its own right, in terms of the number of transactions that we do for the specific branches, including Real Property and the Receiver General for Canada. Also, when you expand that to include the government services that we deliver to other government departments, I think the two organizations are comparable.

***Q. What are the key developments within ITSB this year? Can you tell me about the objectives of these developments and how they are working out in practice?***

**A.** I am going to take that to mean both sides of our organization. We have a mandate to provide other government departments services along our four lines of business – Telecommunications (Networks), Data Centre Services, Distributed Computing and IT Security Services. At the same time, we provide PWGSC with the technology it needs to fulfil its mandate.

So, let me start with IT Shared Services. Clearly, our prime objective this year is to get the Government Enterprise Network Services (GENS) launched. This is a project which I initiated back in Service Canada, as the DG of National Voice and Data Systems, as a way of moving towards a converged network within a department to provide Voice over IP, Video over IP, as well as data networking, in a way that would be cheaper and delivered as a managed service to provide guaranteed levels of service.

The initiative we have undertaken [in PWGSC] as GENS is a way of providing an enterprise network to government and necessitates examining the 124 networks that we have across government today. I am speculating that, with an enterprise network service offering as a business line, ITSB can effectively reduce those to a more manageable number. To do so, PWGSC is putting in place a contracting

vehicle to allow government departments to access this service on an optional basis. This is our number one goal on the IT Shared Service side.

Maintaining our service delivery of the four business lines that are in place today is a close second and a major priority for us – approximately half a billion dollars worth of business for government. On an on-going basis, the GENS initiative is simply a replacement of contracting vehicles where client departments can access a converged network service. We believe that GENS is such a strong and compelling argument that many departments will move towards this vehicle once it is in place. The added benefit to Government and Canadians is that we are going to have a consolidated network approach that will be more secure and provide a wider range of services than those in place today.

***Q. How does that fit in with the current Secure Channel; is it overlapping, replacing or adding to it?***

A. The Telecommunications and Network Services is a separate business line from our secure, networking business line. Today, we provide through Secure Channel certain authentication services for people using application services. This is layered on top of our Networking Services. Obviously, there is an evolution happening on the network security side as well. As we move beyond the architecture and infrastructure that was envisioned in the late 1990s for such an offering currently in place with Secure Channel, we will be looking at evolving that into a more modern technology approach. We believe that over the next couple of years we will be looking for alternative solutions to Secure Channel – one that is more flexible to departmental needs.

The data centre strategy is also moving along, and we will, of course, be consulting with industry as the feasibility study progresses and at each key stage in the process.

***Q. Less of a private network definition that you have now, more towards using a more public facility; is that what you mean?***

A. Well, I think it is more of a considered approach to security. If you looked at Secure Channel, we had one service offering for all security requirements. Therefore, by necessity, there was a fair amount of overhead because we were delivering a high level of security for everybody. As it turns out, with the application spectrum that is out there today, there are different requirements for security. What we are building into this new approach is the ability [for government departments] to choose from two or three levels of security. The incumbent costs of each one [of these services] would be charged to the client as opposed to the ‘one price fits all’ security services that we have today.

New technology lets us do this today. You’ve seen great progress in how banks are delivering secure services to their clients, and it is our intention to provide the same kind of services to government departments who want to engage with their citizen or their business clients in a way that meets their requirements.

In terms of other priorities – I have given you one on IT Shared Services side, which is GENS, and the work that we are doing involving industry consultations.

We see that as being a large focus of what we are going to be doing over the coming year for the other lines of business that we would like to evolve, such as data centre services and the desktop area.

As we look at each of these business lines in turn, there will be very specific and focused consultations with industry on deriving best practices and hearing their views on how we can best proceed. We will move on the advice from the results of these industry consultations at the appropriate time. GENS will proceed next year for sure, and we may look at moving on data centre services, depending on where we are with the Data Centre Feasibility Study we launched in summer 2009.

On the CIO side, and the work we do for PWGSC, we have a different set of objectives. Clearly, one of the things that we want to look at is our organizational design within ITSB. At one time, we were envisioning an organization much larger than we have today as the end state of ITSB as we deliver more common services and move technology resources from where they are today to an organization that is set up to deliver these common services across government. Given that we haven't arrived at where we thought we might be, we are looking at the structure of the organization to ensure that we are, in fact, right-sized for the business that we are doing today.

***Q. Do you mean that there will be fewer people coming from other departments into ITSB, which was the big plan at one time? That is, everybody will be over here and there will be just a few people out in the departments?***

A. That's right. I do not know that that the end state vision has changed, but I think it has taken longer than we expected it to take. The global economic challenges have had an impact. We are looking at the organization, both the IT Shared Services side as well as our own internal CIO side, to see whether or not there are duplicates and overlaps there.

At one point, it was envisioned that IT Shared Services would move outside of PWGSC, and by necessity, we built redundancy in the organization. With the planned split, PWGSC would be left without the IT Shared Services group, but would still need to have certain functions such as client-executive liaison embedded into it. PWGSC's CIO would need to have some operational capacity to support development environments and those kinds of things. In truth, there is some overlap, so we need to examine this and right-size the organization, making sure that it fits the reality of today, with the ability to move to where we want to be in the future.

***Q. So, that whole agency approach is dead?***

A. No, I wouldn't say it's dead at all. I just think that it may be delayed.

***Q. So, it is still on the table, but it is not in the immediate time-frame?***

A. No, I think we will see how our success with IT Shared Services evolves over the coming years. Who knows, with the economic changes that we have been experiencing, it may become more clear to organizations that their path to success

in being able to harness technology to deliver programs and services to Canadians may depend on their ability to use IT Shared Services at a lower cost for what they can do today inside their own departments. If that evolves, we may yet see a stampede towards shared services. I don't want to speculate, but I would say that we are on hold at the moment. We will just see how things play out over time.

The third priority within the CIO branch is IT optimization. With the downturn in the economy, with the squeeze that all Canadians are feeling, the government as a whole, and individual departments, are feeling the consequences of reduced access to cash. At the same time, during such a compression, economically speaking, we are also asked to do more because we are part of the recovery process. There are internal pressures within all departments and branches to find ways to do things more effectively and optimize the use of resources in order to reduce the demand for cash. ITSB is engaged in a program called the IT Optimization Program and is looking at ways where it can do things smarter, cheaper, faster and better. Of course, "cheaper" is the watchword at the moment in order to free up cash for other things that we are being called upon to do.

***Q. Is there any stimulus money coming your way at all?***

A. At the moment, no, not within ITSB. PWGSC, of course is stick-handling hundreds of millions of infrastructure dollars on behalf of the Government of Canada.

***Q. Is ITSB sufficiently well funded to deliver the expected results?***

A. We are funded and have the money that we need to do our core business. It is up to us to find ways to do it as effectively as possible. During the current year, we are taking steps to examine everything 'from soup to nuts' in this organization, about how we deliver technology services to PWGSC. We are looking at the applications that we support; we are looking at a review of legacy applications, and encouraging our business owners to turn off applications that are no longer needed.

We are looking at infrastructure improvements to virtualize our server environments. There is a secondary pay-off there. As we move to a platform that is virtualized, it both improves our ability to add services and allows us to easily add additional technology. In addition, it also moves us forward on the green front because virtualized services are far less power demanding than the older individual server environments were.

What else are we doing to cope with the economic challenges that we face? We are looking at the service levels that we offer. If I look at our current service levels, we are doing extremely well. Our performance indicators for operational availability are a target of 95%. However, we are at 100%! IT Shared Service client satisfaction is very high; in Shared Service Transformation, our target is 75% and we are over 87% today.

I think that as we improve our ability to do more with less, and to effectively manage the resources that we have, we will talk to our clients about service levels.

We need to ensure that the services we are offering are the services that are required and ones we can afford.

***Q. What are the key challenges for the leadership team and what desired outcomes and benefits are they seeking?***

- A. As I mentioned, we are looking at our organization and reviewing whether we are appropriately organized, both for IT Shared Service and the CIO function. When we talk about organizational review, it's because we want to create the environment – and this is important – we want to create the environment where people feel valued, but are challenged to work on projects that are interesting and do-able.

We want to create the environment where employees are well supported from both a training and career perspective. People really are the number one resource that we have in this organization. Part of going through this change means that the Management Team needs to be capable of protecting those values; that its not just lip service. We need to demonstrate to our employees that this is something that we consider to be very, very important.

We also know that we have a lot riding on our ability to continue to improve how we deliver services. With our processes and ITIL (IT Infrastructure Library) standards, we are moving on various fronts to ensure that we are a world-class organization, doing the fundamentals correctly. From a technology perspective, we want to ensure that we are moving with the times, that we have an investment in Government 3.0 –that was talked about at the University of Waterloo's Stratford Institute – and that we've embraced innovational change in a way that we can actually make it work for departments and Canadians.

***Q. ITSB has a large contingent of contractors; are you continuing with this trend or are you exploring alternative types of arrangements such as partnerships?***

- A. Yes, we have a lot of contractors. In many ways it is a very good thing because it allows us to quickly ramp up and ramp down depending on the business requirements or business demands of either PWGSC or other government departments.

However, we are taking a good, hard look at how we use the contracting resources that we have, ensuring that there is a balance of skilled employees, supplemented by on-demand resources as required. When we evaluate the kind of work being done by these external resources, it is clear that some of them may be doing work which could also be done by an employee. Where we can, we are moving towards resourcing those roles internally with employees, and if necessary, hiring people to come in and do those jobs for us, because, in the end, there is a financial benefit for the organization to do so.

There is a risk that we are increasing the overall size and strength of the workforce, but at the same time, with our current business view and future forecast, we know that we are going to need those resources - one way or the other.

***Q. What progress has been made in the provision of Shared Services?***

- A. The bottom line on this one, Chris, is that we've made progress, but not as much progress as we would have liked to have made.

The telecommunications area has always been a key to the business of PWGSC – springing from GTIS<sup>1</sup> and the original business lines. It is in very good shape, and I think it continues to deliver good services to government. Although we are always interested in more business on that front, we are quite happy with what we are doing on behalf of PWGSC and government.

On the data centre services part, the government has over fifty data centres in the National Capital Area alone, not to mention many more that are spread out across the country. All of these data centres are coming towards the end of their useful life, as both technology and the infrastructure behind the technology ages. We believe that it's important to provide data centre capacity that is world class for the departments that are currently using them. We think that this can be done most effectively and energy efficiently through a consolidation of facilities.

We have been given the green light by Treasury Board to go ahead with a feasibility study – which is what we are engaged in right now – to look at location, how we should approach the management of these data centres, what should be constructed, by what means, and how should they be powered; you name it. We're looking at all these options within a feasibility study. We are looking at all options in the data centre feasibility study, and we will have to wait to see what the recommendations look like before a decision is made on the next steps.

***Q. So, you're not just talking National Capital Area, but broader than that?***

- A. We are looking at the entire asset base of data centres and everything that Canada holds, and then looking at what is the most effective way for us to continue to support them. I know that many of our existing data centres require upgrades like new back-up generators. That's not a small investment; that's millions and millions of dollars to replace them. So, we need to do the refreshing of that infrastructure most effectively.

The data centre strategy is moving on, and we will, of course, be consulting with industry as the feasibility study progresses and at each stage in the process.

***Q. Do you have any timing on these initiatives?***

- A. For the feasibility study, the original timeline was about a year and a half to conduct the study. It looks like we'll be coming in somewhat faster than anticipated.

***Q. What is happening to make the next generation Government Enterprise Network a reality?***

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<sup>1</sup> GTIS refers to Government Technology Information Services, the precursor to Information Technology Services Branch

- A. As you probably know, there has been considerable interest from parliamentarians on what we plan to do with GENS. In fact, we tabled a report with the House of Commons on the industry consultations<sup>2</sup>. Basically, as a result of the consultations, we have somewhat tweaked our procurement approach.

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<sup>2</sup> Details of the GENS industry consultations are available on the PWGSC Web site at [www.tpsgc-pwgsc.gc.ca](http://www.tpsgc-pwgsc.gc.ca)

***Q. Does this mean there are now two contracts?***

A. As a result of the consultations, we are now proposing GENS adopt a two contract approach. However, I think that one of the more contentious issues was the perception that the GENS contract would focus on large professional services consulting companies, leaving a void for the small and medium-sized enterprises that are doing some of the work today. In fact, it was never our intention to do that. We have made it explicitly clear that we would be continuing to use TBIPS<sup>3</sup> and other existing vehicles like PS Online to hire professional services to support telecommunications types of activities.

So, that was one piece of it. It has been proposed that the contract duration be adjusted to eight years, plus seven optional years, because industry told us that that was a more reasonable timeframe. In addition, a formalised third party operational review has been proposed, as had offering sub-contracting opportunities for aboriginal firms. The detailed recommendations are covered and available in our report.

***Q. Is it planned to have them geographically spread?***

A. Everyone is aware that our top telecommunications firms are not capable of delivering from Victoria all the way through to St. John's and to the North. There are going to be some partnerships developed. We are not going to get involved with that at all; that will be up to the interested vendors themselves. There may be some consortiums put together specifically for this over a period of time. We don't know.

The next step is the solicitation of interest and qualification process in the Fall 2009 timeframe with the potential awarding of a contract, or contracts, sometime in 2010/2011.

***Q. What is the key project or challenge that keeps you awake at night?***

A. This comes back to the three priorities that I mentioned.

On the Shared Services front, broadly speaking, it is to continue the momentum that we have on Shared Services: to see them grow, starting with ensuring that we continue service on Secure Channel, that we get the momentum on GENS wrapped up – assuming that we get some traction there – and then we continue to work on data centre strategies. That's the IT Shared Services side.

We talk about organizational effectiveness within PWGSC itself and making sure that our organization is right-sized for the department, given our current success with Shared Services.

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<sup>3</sup> TBIPS – Task-Based Informatics Professional Services is a supply arrangement currently in place with PWGSC for professional services procurement.

Thirdly, there is the IT Optimization Program.

Of course, in recognition of the economic constraints that we are all facing, it is essential to adopt ways to do things that are smarter and cheaper and to free up that money for other important initiatives that we've been given to do.

***Q. Are there any other initiatives or issues that you would like to tell me about?***

A. It has been a pleasant surprise coming to PWGSC to find the calibre of management and employees that are in this organization. The dedication that they demonstrate in the delivery of their services is really quite remarkable. I am pleased and proud to be a part of PWGSC.

The "Workplace of Choice" is a major trademark of this organization's ability to provide the reliability that we have talked about. As the number of IT resources begins to dwindle in the marketplace, the way that we are going to attract good people to this organization is to go back to core values: building a place where people are respected, teamwork is a key principle and the integrity of the organization is clear. Those are the kinds of things that our "Workplace of Choice" campaign is really providing to our people. We are seeing success as we bring people in from other organizations.

PWGSC is a great place to work. There is no other department that has the same richly textured layer of challenges as in PWGSC. I say this with some confidence, having spent considerable time in other departments. With the work that we are doing on Parliament Hill to protect the precinct or to buying services and goods on behalf of the Government of Canada, it is really quite a remarkable place and it is a very interesting challenge to be working here.

***CB. Thank you.***