



**Exhibit to Data Center Services
Service Component Provider
Master Services Agreement**

DIR Contract No. DIR-DCS-SCP-MSA-003

Between

**The State of Texas, acting by and through
the Texas Department of Information Resources**

and

Xerox Corporation

**Exhibit 20
Transformation Plan**

June 25, 2012

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EXHIBIT 20
TRANSFORMATION PLAN

Update Methodologies and Attachments to **Exhibit 20**

The following update methodologies and attachments are incorporated as part of **Exhibit 20:**

Title	Methodology for Updating Associated Exhibit Attachments
<u>Exhibit 20</u> Transformation Plan	<u>Exhibit 20</u> is updated in accordance with <u>Section 4.3(b)</u> of the MSA.
<u>Attachment 20-A</u> Transformation Milestones	<u>Attachment 20-A</u> shall be updated in accordance with <u>Section 4.3(b)</u> of the MSA.

1.0 TRANSFORMATION MANAGEMENT

1.1 Introduction

In accordance with **Section 4.3** of the Agreement, this **Exhibit 20** and the attached **Attachment 20-A** collectively constitute the Transformation Plan, and references to the Transformation Plan in this Agreement (including this Exhibit) shall be read and understood to collectively mean this **Exhibit 20** and the attached **Attachment 20-A**. Service Provider shall maintain and implement the Transformation Plan, and any modifications to the Transformation Plan shall be subject to DIR's review and approval in accordance with **Section 4.3** of the Agreement.

The provisions of the Transformation Plan are in addition to, and not in lieu of, the terms and conditions contained in the body of the Agreement and the other Exhibits and Attachments thereto; provided however, unless otherwise expressly stated, the provisions of this Transformation Plan shall not control over conflicting provisions of the Agreement. Unless otherwise expressly defined in the Transformation Plan, capitalized terms used in the Transformation Plan shall have the meaning assigned to them elsewhere in the Agreement. The dates in this document are intended to provide context and set expectations for the solutions described. Actual milestone dates are contained in the appropriate milestone documents (Attachment 19-A Transition Milestones and Attachment 20-A Transformation Milestones). In the event of a conflict in dates the dates in the milestone documents will control.

1.2 Document Overview

Transformation consists of activities necessary to evolve from DIR's existing environment (via changes to the infrastructure, processes, tools, etc.) to meet the objectives of the State.

Transformation consists of Stabilization, Optimization, and Consolidation.

2.0 TRANSFORMATION GUIDING PRINCIPLES

The Service Provider will:

Provide a customized approach to meet the needs of DIR which includes:

- ◆ DIR and DIR Customer transformation models
- ◆ Experienced transformation project managers
- ◆ Leveraging Service Provider's tools and templates customized to the DIR and DIR Customer environments

Establish strong governance, which includes:

- ◆ Clearly defined roles and responsibilities
- ◆ Jointly developed processes
- ◆ Effective meetings and reporting framework to minimize resource requirements while achieving goals
- ◆ Mechanisms in place to identify and address risks and issues early
- ◆ Support for OLA development

Maintain effective communication, which includes:

- ◆ Consistent delivery of key messages through well-defined communication plans
- ◆ Tailored communications to target audiences and stakeholders
- ◆ Mutually agreed frequency of communications to meet the needs of the stakeholders

Promote collaboration and teamwork, which includes:

- ◆ Detailed upfront project planning and feedback
- ◆ Joint agreement on status for reporting purposes
- ◆ Plans scaled to address DIR Customer differences in size and complexity
- ◆ Establishment and support for successful deliverable review process
- ◆ Feedback on deliverables throughout the life of the project.

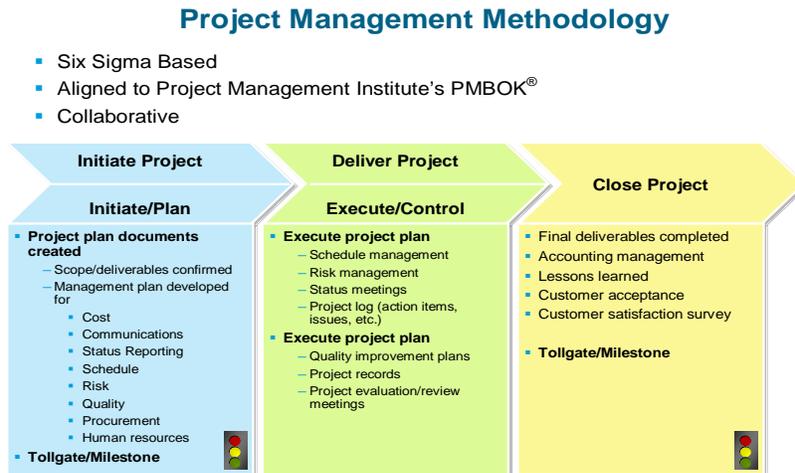
3.0 TRANSFORMATION OBJECTIVES

Service Provider will accomplish the following Transformation objectives:

- Provide required support for Cross-Functional Stabilization. Primary deliverables will be Disaster Recovery gap analysis and CMDB inventory true-up
- Support MSI and SCP Consolidation activities as needed
- Support MSI and SCP Transformation activities as needed
- Complete reoccurring deliverables as defined in **Exhibit 3**

4.0 TRANSFORMATION APPROACH AND PROJECT METHODOLOGY

The Service Provider Transformation effort will be managed by the Service Provider’s Service Delivery Executive (SDE). In addition to transformational responsibility the SDE has day to day operational responsibility allowing for the proper balance of real time customer service and Transformation of services. The identified operational tasks will be delivered by steady state staff and will utilize the MSI project management tools in conjunction with the Service Provider project management methodology documented below:



Key aspects of Service Provider methodology include:

- Six Sigma-based project management to provide detailed analysis during key decision points of the project
- Industry standard PMBOK methods
- Phase-gate reviews to improve communication and provide more project control

4.1 Transformation Program

Service Provider will participate in the three phases of Transformation as documented below:

- **Stabilization:** Service Provider will complete a disaster recovery gap analysis and complete a CMDB true up using wall to wall inventory data collected during Transition. Service provider will also support MSI and other Service Component Provider's Transformation planning and implementation as needed.
- **Consolidation:** Service Provider has no direct Consolidation tasks but will support MSI and other Service Component Provider's Consolidation planning and implementation as needed.
- **Optimization:** Service Provider will utilize Six Sigma methodology to support ongoing Optimization efforts as described in 7.0 below.

4.1.1 Annual Transformation Plan

As defined in **Exhibit 3** Service Provider has no requirement to deliver an annual Transformation Plan. The Service Provider will provide required support to the MSI and other Service Component Providers as needed to support their annual Transformation planning process.

5.0 STABILIZATION OVERVIEW

Service Provider will complete a Service Disaster Recovery gap analysis and complete a CMDB asset inventory reconciliation. Service provider will also support MSI and other Service Component Providers' Transformation planning and implementation as needed.

5.1 Stabilization Staffing

Stabilization efforts will be supported by the Service Provider SDE and steady state operations team.

5.2 Stabilization Coordination and Integration

Stabilization coordination will be supported by the Service Provider SDE and operational management team.

5.2.1 Cross-Functional Services Stabilization

The Service Provider will perform the following Cross-Functional Services Stabilization activities:

- **Disaster Recovery gap analysis:** The Service Provider will support the MSI to complete a gap analysis of the current Disaster Recovery Plan and Technical Recovery Guide compared to the requested recovery time objective as defined in **Exhibit 16**. The gap analysis will document the gaps and present to DIR and DIR Customers all gaps with proposed options to remediate, and provide DIR a

schedule for creating new or updating existing Technical Recovery Guides for all Applications.

- CMDB asset inventory reconciliation: The Service Provider will support the MSI to reconcile and validate that Print-Mail assets are appropriately listed in the CMDB and appropriate relationships exist for all DIR Customer CIs in the CMS. The Service Provider will also validate that CIs are properly mapped such as establishing Application to DR recovery priority. This information will be updated in the CMDB in order to support service delivery processes and Service Level measurements

5.3 Stabilization by Service Component

5.3.1 Print-Mail Service Component Stabilization

The Print-Mail Service Component Provider operation is stabilized and a Service Component Stabilization plan is not required.

6.0 CONSOLIDATION OVERVIEW

The Print-Mail Service Provider operation is Consolidated and a Consolidation plan is not required.

6.1 Consolidation Staffing

Consolidation efforts from other Service Component Providers and the MSI will be supported by the Service Provider's SDE and steady state operational management team.

6.2 Consolidation Coordination and Integration

Consolidation coordination and integration support required by other Service Component Providers and the MSI will be supported by the Service Provider's SDE and steady state operational management team.

6.3 Consolidation by Service Component

Consolidation by Service Provider is not required for Print-Mail. If Consolidation support is required by other Service Component Providers and the MSI, it will be supported by the Service Provider's SDE and steady state operational management team.

6.3.1 Print-Mail Service Component Consolidation

Service Provider Print-Mail operation is Consolidated and a Consolidation plan is not required.

7.0 OPTIMIZATION OVERVIEW

Service Provider utilizes a comprehensive, Six Sigma Quality Management Program, utilizing measurement tools and benchmarking to ensure that Service Provider meets Service Levels for DIR and DIR Customers as required. The onsite management team is responsible for fully implementing the Quality Management Program and is fully supported in regard to this initiative by Service Provider account operation managers and SDE. Six Sigma Quality Management tools and processes are the primary method used to provide continuous improvement and ongoing optimization.

There are four key components that comprise the Quality Management Program are:

- Establishment of the baseline
- Creation of performance targets
- Maintenance of quality standards
- Measuring quality success

Lean Six Sigma institutionalizes a systemic, disciplined, data-driven methodology. It combines the Six Sigma infrastructure and tools (to reduce variation and eliminate process defects) with Lean methods (to eliminate waste and increase process speed).

A critical feature of Service Provider Lean Six Sigma infrastructure is the industry standard DMAIC (Define, Measure, Analyze, Improve, and Control) process. DMAIC is a structured approach to process improvement, consisting of the five phases, with each phase flowing logically into the next phase. The main thrust of the DMAIC process is to give project teams a roadmap for uncovering and reducing errors, variation, and waste in Service Provider business processes, to provide greater customer value, and improve Service Provider business results. This process guides the project improvement team to define where the underlying problem within an operation’s work process is occurring; to measure it; to analyze the collected data; to improve the process; and to control the new process after a fix has been cut-in so that the improved process does not regress.

8.0 SERVICE PROVIDER TRANSFORMATION ROLES AND GOVERNANCE ALIGNMENT

Key roles during the Transformation phase include:

Role	Description
Service Delivery Executive	Overall Transformation responsibility for Service Provider
Project Manager	Ownership of project plans and validation of project progress
Operations Manager	Support of day to day service delivery and training existing team on new work processes

9.0 QUALITY CONTROL AND GENERAL RISK MITIGATION

Quality control and risk mitigation are key aspects of the Service Provider project management process. The first major aspect of quality control is the project leadership of the SDE. The SDE has overall relationship responsibility and will ensure alignment with the MSI and other Service Component Provider plans. Other key aspects of the Service Provider project management process include:

- Proven and structured approach ensure no details are overlooked
- Weekly meetings to review key actions, future actions and risks
- Phase-gate approval for movement between project phases.
- Commitment to Action Documents (CAD) are created and maintained to document key actions and action owners
- Risk Register generated from a Six Sigma FMEA process

10.0 COMMUNICATIONS

The Service Provider will work with the MSI to establish a communication plan that will include key stake holders, define content of required reporting, frequency of required reporting and meetings. Service Provider will provide project updates as required by the MSI to facilitate larger enterprise Transformation communication goals. .

10.1 Stabilization Communications

The Service Provider will work with the MSI to establish a Stabilization communication plan that will inform key stake holders, define content of required reporting, frequency of required reporting and meetings. Service Provider will provide project updates as required by the MSI to facilitate larger enterprise Transformation communication goals.

10.2 Consolidation Communications

Service Provider Print-Mail operation is Consolidated so no Consolidation communication plan is required.

10.3 Transformation Program Communications

The Service Provider will work with the MSI to establish a Transformation program communication plan that will inform key stake holders, define content of required reporting, frequency of required reporting and meetings. Service Provider will provide project updates as required by the MSI to facilitate larger enterprise Transformation communication goals.