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Description of document:	Federal Deposit Insurance Corporation (FDIC) (Information Technology) IT Modernization Plan 2020-2024, 2019(?)
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Source of document:	Federal Deposit Insurance Corporation FOIA/Privacy Act Group, Legal Division 550 17th Street, NW Washington, DC 20429-9990 Submit Electronic FOIA Request (PAL) COVID-19 pandemic preferred: Email: efoia@fdic.gov FOIA Public Access Link (PAL)

September 10, 2021

RE: <u>FDIC FOIA Log Number 21-0264</u>

This letter is in response to your August 16, 2021 Freedom of Information Act (FOIA) request, received in this office on August 17, 2021, seeking the *"IT Modernization Plan and Roadmap, 2020-2024."*

You also agreed to pay up to $30.00 for the processing of your request.

We have processed your request in light of the requirements of the FOIA and the FDIC's FOIA regulations.[1] The enclosed record, consisting of 28 pages, is being released to you in full.[2]

You may contact me by email at mtoland@fdic.gov for any further assistance and to discuss any aspect of your request. You may also contact our FOIA Public Liaison, FDIC Ombudsman M. Anthony Lowe at MLowe@FDIC.gov or by telephone at 312-382-6777.

Sincerely,

Michael J. Toland, Ph.D.
Government Information Specialist
FOIA/Privacy Act Group

Enclosure

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[1] The FDIC's FOIA regulations and FOIA Fee Schedule are available on our website at the Freedom of Information Act (FOIA) Service Center, https://www.fdic.gov/about/freedom/index.html.

[2] Because search time was under two hours and we are disclosing fewer than one hundred pages to you, there are no fees for processing this request.

CHIEF INFORMATION OFFICER ORGANIZATION

FDIC IT MODERNIZATION PLAN
V2.0

2020-2024

FDIC
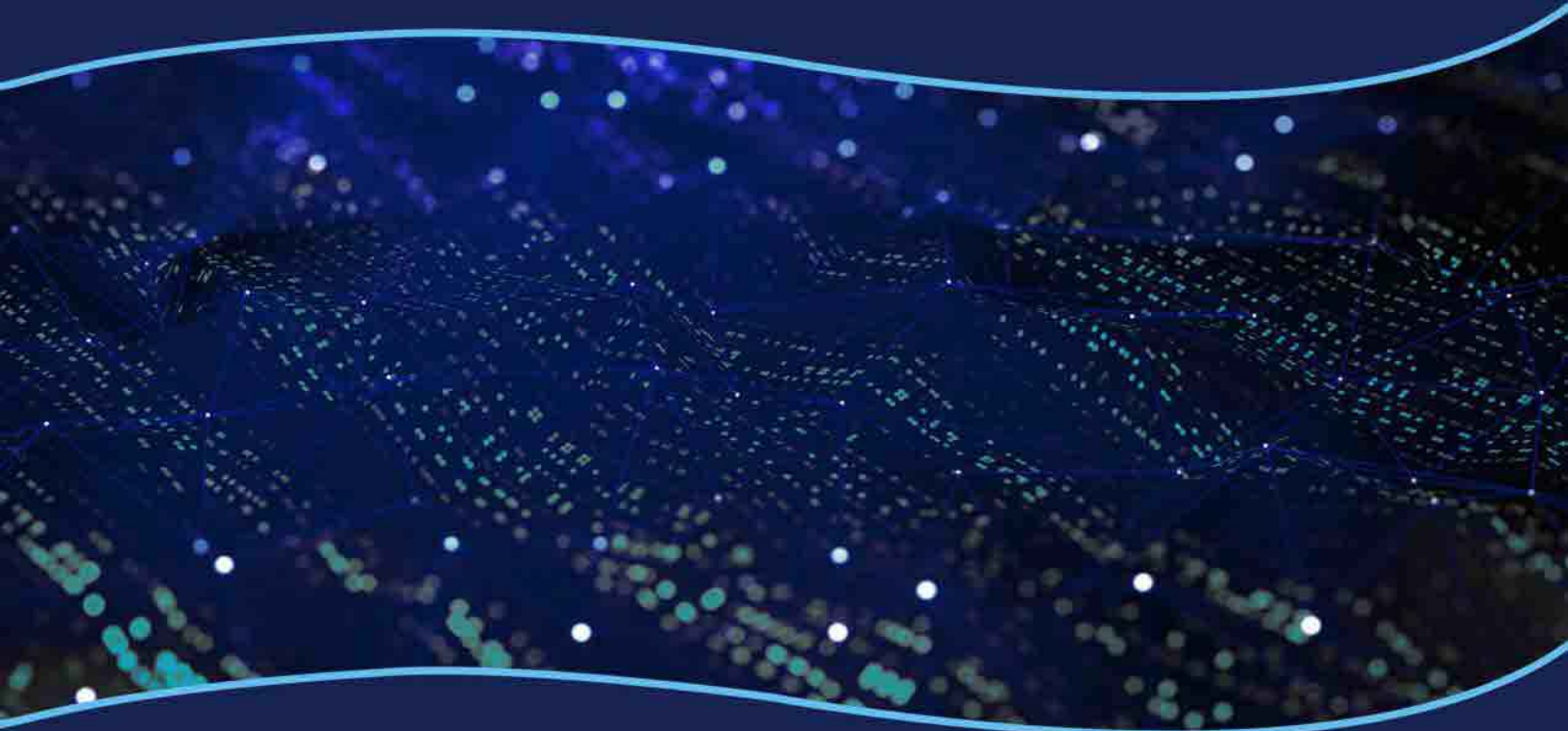
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1. EXECUTIVE SUMMARY

In 2019, the Chief Information Officer Organization (CIOO) undertook a comprehensive and strategic approach to planning and executing a roadmap to modernize information technology (IT) across the Corporation. This IT Modernization Plan (the Plan) establishes the priorities for IT projects and initiatives across a five-year time horizon (2020-2024) that implements the FDIC's target architecture, and creates a process for the Corporation to select, control and evaluate its IT investments and workload to drive the most important outcomes for the organization. The CIOO collaborated with the business to develop a full understanding of IT needs across the Corporation, and a shared view of the FDIC's business drivers and intended results. The Plan addresses these needs in a systematic, coordinated, and prioritized manner that ensures all IT efforts in the FDIC are properly sequenced, budgeted, and delivered.

Today, the FDIC's IT environment contains many diverse legacy technologies that were custom-developed to support the various business lines. Numerous systems critical to business operations are more than 20 years old. They are increasingly fragile, unreliable, and costly to maintain. A focus on mission outcomes, standardization, and strengthening security and privacy is vital to creating a healthy and stable IT environment in the long-term. This Plan is a living document rooted in the principles of agility and collaboration. To ensure it stays current with the evolving needs of the Corporation, the CIOO will validate the portfolio annually and use a centralized intake process to identify new needs for inclusion in the IT roadmap. The full portfolio of projects will be managed by prioritizing the most critical projects and creating a backlog that will be continuously managed based on available resources. As the Plan is executed, we expect to realize operational efficiencies, streamline service delivery, and maximize quality and performance. Realized savings can be repurposed to support emerging and evolving business needs, as well as continued optimization of operations and performance.

The CIOO is excited to embark on the journey to implement this ambitious plan and the improvements and benefits we anticipate for the FDIC. We are committed to do this as one unified FDIC team in partnership with our colleagues in the Divisions and Offices.

2. THE PATH TO MODERNIZATION

In 2019, the CIOO undertook the development of the five-year IT Modernization Plan (for 2020 to 2024) with constructive feedback from our customers and stakeholders, reflection on the history of IT at the FDIC, and the vision of FDIC leadership. In the past, the CIOO has found it challenging to keep pace with the evolving business needs of the FDIC while delivering new technology innovations that would improve the ability of the FDIC to execute on its mission more effectively and efficiently. While we have had many successful IT projects, systems, applications, and business capabilities, overall we recognize the need for more improvements in how we do our work and interact in true partnership with the business. The primary mission of the CIOO is to support the business—yet the IT environment is plagued with legacy applications and an overly complex infrastructure that inefficiently consume CIOO's resources, and do not adequately serve the mission in the modern day. We must change the way we conduct business to meet the mission demands of our customers and stakeholders, and keep pace with the dynamic IT marketplace and financial sector. The CIOO is committed to successfully undertaking this challenge and excited to set a new course for IT at the FDIC.

CURRENT STATE OF IT AT THE FDIC

The current state of IT at the FDIC is a hybrid of legacy applications and processes and new, forward-thinking, modern technologies and approaches. At present, the CIOO's workforce mostly sustains the legacy environment. However, a growing contingent in the workforce possesses new skills needed to implement and support low-code/no-code cloud-based platforms, including agile methodologies that work with human-centered design practices. The reality for the largest part of our current technical environment is that it is aging, unstandardized, and too complex. The technology landscape continues to change rapidly, and consequently our customers expect more of IT in terms of intuitive solutions, increased transparency, seamless and secure access to information, and the ability to work anywhere, at any time. While the CIOO has made inroads into modernizing the environment, benefitting FDIC stakeholders, it has also created additional challenges in terms of system integration and costly support requirements for the increased complexity of the hybrid environment.

HOW WE GOT TO THE CURRENT STATE

The FDIC has historically approached the delivery of IT services as point solutions to meet specific business needs for unique groups of stakeholders. This approach has resulted in a large portfolio of business applications and technology tools and stove-piped solutions that are plagued by integration challenges. The FDIC has adopted new technologies over the years to provide improved functionality and efficiency for stakeholders, while often leaving the older technology in place without a comprehensive approach for upgrading all stakeholders to the new technology. As we reflected on the history of IT at the FDIC while developing this document, we applied our learned lessons to the development of the Plan by approaching our challenges both strategically and architecturally.

2. THE PATH TO MODERNIZATION

THE NEED FOR MODERNIZATION

The case for modernization is clear. Our IT solutions need to deliver greater value to the business while ensuring sound financial stewardship in the process. The CIOO must be responsive to the dynamic business needs of the FDIC and address current challenges with the IT environment. These challenges include:

People

- The burden of maintaining the legacy environment limits the ability of staff to develop and practice new skills and pursue innovation;
- Immature processes around organizational change management, communications, and workforce development impact our ability to achieve maximum business value; and
- Lack of effective knowledge management practices hinders the sharing of relevant knowledge and experience, impacting staff development and operational efficiencies.

Process

- Structural gaps and silos exist across the organization that constrain cross-organizational collaboration;
- Overlapping, and at times conflicting, governance processes, delay acquisition, development, and implementation of technology solutions;
- Outdated policies, procedures, and standards lead to delays in decision-making and execution;
- Lack of enterprise-focused processes to consider comprehensive requirements (e.g., architecture, design, acquisition, implementation, and support) result in unnecessary duplication, complexity, and cost;
- Multiple uncoordinated and misaligned processes for stakeholder requests and engagement result in inconsistent and sub-optimal stakeholder experiences; and
- Significant reliance on manual processes.

Technology

- Obsolete and contained technologies that remain in the IT environment are difficult and costly to maintain;
- Need for modern, flexible, mobile-ready solutions to improve business and IT efficiency and effectiveness while strengthening information security and privacy protections; and
- Duplicative IT tools result in unnecessary technical diversity, increased architectural complexity, and an inability to support the products well.

Data

- Current Corporate governance and management of FDIC data does not enable seamless access to authorized users or strengthen evidence-based decision-making;
- FDIC employees, and the mobile workforce in particular, lack efficient access to information and resources when off the FDIC network;
- There is currently limited ability to perform self-service data analysis that would support the identification of new risks and opportunities; and
- Limitations of deployed technologies (e.g., network, Wi-Fi, transport, mobile computing) impede efficient transmission and manipulation of high volumes of data.

2. THE PATH TO MODERNIZATION

APPROACH TO DEVELOPING THE IT MODERNIZATION PLAN

The CIOO approached the development of the Plan as an opportunity to acknowledge the challenges with the current IT environment and services, and ask ourselves how we could fundamentally change the current paradigm to maximize benefit to the entire Corporation. We reviewed the Chairman's remarks on technology over the past year, as well as the 2019 FDIC Performance Goals (FPG) to deepen our understanding of the FDIC's priorities. We incorporated information collected from our CIO Council members during the development of the CIOO Strategic Plan as inputs to the Plan and continued our collaboration with Division and Office business stakeholders by collecting their insights on our IT challenges, needs, and opportunities. We worked with the CIO Council to develop a strategic view of where the business is heading in both the near- and long-term. We held discovery sessions with the business to understand their pain points and to elicit technology, service, and process improvement opportunities.

All of these inputs served as the basis for our Plan. We aggregated and analyzed the data and identified common themes, needs, and goals. We organized these around six business drivers: Supervision Modernization, Crisis Preparedness, Streamlined Stakeholder Interactions, Data as a Corporate Resource, Digital Workforce, and Resilient and Cost-Effective Corporate Support. We identified and defined intended results in each driver area, which helped to sharpen our vision for our target state architecture. Detailed information on the business drivers is provided in Section 3 of this document.

The definition of both the business drivers and respective intended results created a structure by which we evaluated business needs and coalesced them where we saw synergistic opportunities to reduce redundancies, consistent with our guiding principles. The business needs were prioritized and sequenced. The ability to consider all business needs - both for today and the more distant future - provided us with strategic context and a multi-year perspective to plan for the delivery of new or improved business or technical capabilities. Board-approved projects received top priority, while the CIOO leadership team validated and prioritized all continuing and new projects. The resulting five-year roadmap reflects both the prioritization and our assessment of our capacity to deliver on those needs.

In developing the Plan, we updated our guiding principles, which reflect our IT values and commitment to driving standards to reduce the technological diversity in the IT environment and minimize custom development in favor of commercially available solutions, e.g., Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS) solutions. The CIOO will maximize the implementation of common and shared IT solutions/tools that meet broad needs across the FDIC, while avoiding creating duplicative solutions to suit individual business functions or units. The approach to IT modernization will address the complete upgrade of legacy environments and technologies, avoiding past practices that resulted in the increase of our technical debt. This will significantly improve the reliability and quality of our IT services. We solidified our target architecture to state the vision for the future. We embrace modern approaches to development along with new service delivery solutions. This includes agile development methodologies that allow for us to incrementally deliver value to ensure a strong foundation for success, as well as human-centered design that puts us side by side with FDIC's mission delivery staff to keep us grounded in real work needs.

2. THE PATH TO MODERNIZATION

The Plan offers a holistic approach that establishes a new way for the CIOO to establish its work commitments and drive our future vision for IT. The prioritization of work will help us manage resource constraints and capacity limitations by identifying projects for immediate attention, as well as a backlog of important projects that will follow as resources become available. The Plan identifies opportunities for IT cost-savings and efficiencies, which are detailed in Section 4 of this document. Section 5 includes an assessment of IT acquisition needed to deliver on modernization in order to stay current with market supply channels and pricing models for PaaS and SaaS solutions. Section 6 examines IT workforce considerations and workforce planning efforts. Performance measurement is covered in Section 7, including metrics with targets that are aligned to our business drivers and intended results to drive and monitor the achievement of desired outcomes.

WHERE WE GO FROM HERE

The CIOO is preparing for the execution of the five-year roadmap. Beginning with prioritized work for 2020, we are establishing design and implementation teams to partner with the business. Organizing the work around our six business drivers, we will work as strategic partners with our business stakeholder to align with the FDIC's priorities now and in the future. The model we have developed allows us to shift our focus and resource allocations as priorities and needs change in the context of the dynamic banking and financial sector environment in which the FDIC operates. We envision an annual and ongoing process to validate and adjust our plans through a new central intake process that will capture new or unplanned needs.

Our leadership recognizes that we must transform to effectively fulfill our mission today and tomorrow. This means we must embrace change - whether to approaches and processes that no longer fit how the industry works, or to technologies that served us well in the past but no longer meet current or future needs. IT has become so integral to the business that partnership and collaboration between the FDIC business lines and the CIOO as a unified FDIC team is imperative if we are to be successful.

The CIOO has been listening to the business and learning from our history and challenges. Today, we have a mix of seasoned and new leaders, managers and staff who in combination enrich and re-energize our organization with institutional knowledge and fresh ideas and experiences to carry us forward. The Plan is our roadmap that sets our course into the exciting journey ahead.

3. BUSINESS DRIVERS & INTENDED RESULTS

As the banking and financial services industry that the FDIC regulates changes to meet demands of the marketplace, many of the Corporation's business lines are evaluating potential impacts to how they conduct mission activities to meet those demands. The significance and importance of modernizing the FDIC IT infrastructure has been widely communicated, both internally and with the public.

Chairman McWilliams has voiced, on numerous occasions, the IT challenges facing the FDIC, banking and financial services industries and what should be done to overcome these challenges.

January 11, 2019, to the American Bar Association Banking Law Committee Annual Meeting

CONSISTENCY

The FDIC has partnered with the FFIEC agencies on an examination modernization project that, among other things, is exploring ways to use technology in the exam process, without compromising on quality. For example, the project team is considering how technology can reduce regulatory burden by shifting examination work from on-site to off-site.

January 31, 2019, to the Florida Bankers Association Leadership Dinner

INNOVATION

Both the FDIC and the banking industry also need to respond to changes in consumer behavior. This means being accessible to both the millennial who has never stepped foot inside a bank branch and also the young immigrant who cannot afford a smartphone.

March 11, 2019, to the Institute of International Bankers

FINTECH

Another key issue the FDIC has been thinking about is innovation, both at the agency and in the banking industry. Investment in technology is critical to keep pace with competition, including competitive pressure on banks coming from non-bank FinTechs.

March 14, 2019, to the National Diversity Coalition

INNOVATION

The banking industry has always been innovative in working to meet consumers' needs. From the ATM to the credit card, innovation has made financial services more available, affordable, and convenient.

Fintech firms have developed new approaches to reach consumers, improve the customer experience, lower transaction costs, and increase credit availability. I want to see more banks leveraging technology to do the same.

3. BUSINESS DRIVERS & INTENDED RESULTS

October 3, 2018, "Trust through Transparency" at the Federal Reserve System, Conference of State Bank Supervisors, and Federal Deposit Insurance Corporation 2018 Community Banking in the 21st Century Research and Policy Conference; St. Louis, MO

TRANSPARENCY

To promote real trust, we cannot simply make data available, publish performance measures, and consider the job complete. That is not transparency or accountability. Instead, we must strive to be accessible to financial institutions, consumers, and the general public; understandable to most audiences; and responsive to new ideas and demands.

We designed the "Trust through Transparency" initiative to do just that. The FDIC will provide more data and make it easier to find. We will provide information that anyone – not just technical experts – can understand. We will solicit and respond to public feedback. We will provide real, quantifiable performance measures and set goals to surpass them.

Discovery sessions held with the business in 2018 and 2019 validated these same ideas and themes. These sessions provided an in-depth view of the challenges the business faces in performing its work. It revealed pain points, and yielded innovative ideas for improvement. The outputs from these sessions reinforce the Chairman's vision and were synthesized into six business drivers:

- Supervision Modernization (SM)
- Crisis Preparedness (CP)
- Streamlined Stakeholder Interactions (SI)
- Data As A Corporate Resource (DR)
- Digital Workforce (DW)
- Resilient and Cost-Effective Corporate Support (CS)

These business drivers express the optimal target states that would support the business, in order for the Corporation as a whole to meet and exceed its commitments to our stakeholders.

The list below identifies a subset of conditions and themes for each business driver, identified in partnership with the business, that will need to be addressed on our IT Modernization journey. By addressing these, the FDIC can continue to deliver on its mission with agility, responsiveness, transparency, and flexibility—both today and tomorrow.

Maturity and progress towards these business drivers will be managed through the IT Modernization Roadmap, which aligns resources within programs and projects to achieve the intended business results.

3. BUSINESS DRIVERS & INTENDED RESULTS

SUPERVISION MODERNIZATION (SM)

Examinations require the utmost in coordination and collaboration. They require significant commitments from the FDIC examination and supporting teams, as well as those of the financial institutions. To optimally support examiners and minimize regulatory burden on the financial institutions will require technologies and capabilities that facilitate remote examination, collaboration with internal FDIC and external stakeholders (banks and other federal and state regulators), decreased reliance on and production of paper artifacts, and predictive analytical tools that support mining large volumes of examination data.

The target state and observable, measurable results within Supervision Modernization are described as:

Description	Intended Results
In the ever-changing banking and financial industry landscape, bank supervisors can work effectively anywhere and anytime needed to identify, measure, monitor, and control financial institution risk, while reducing regulatory burden.	FDIC supervision strategy, policies, operations, and technology keep pace with the changing financial industry to manage risk.
	Examiners can securely access needed resources to conduct their supervisory responsibilities whenever and wherever needed.
	Examiners are equipped and trained to use new tools like Artificial Intelligence (AI) and Machine Learning (ML) to improve the efficiency and frequency of examinations.
	FDIC streamlines and automates business processes, and increases the use of collaborative technologies to reduce regulatory burden on insured institutions.

KEY ACTIONS:

- Increase staff efficiency to oversee and executive supervisory functions.
- Integrate examination tools and capabilities (i.e. document management, analytics, large file exchange) to provide end-to-end process and workflow.
- Streamline and automate processes related to compliance and risk examinations, reducing manual processing and overhead.
- Improve reporting, analytics, and easy access to data to improve decision-making.
- Consolidate and improve off-site exam review tools and connectivity to better support off-site examinations.

3. BUSINESS DRIVERS & INTENDED RESULTS

CRISIS PREPAREDNESS (CP)

The FDIC played a key leadership role during the 2008 financial crisis. This required a significant, rapid ramp-up of people, processes, and technology to serve and lead during the crisis period. The FDIC would benefit from pre-emptively preparing (during "peace time") to ensure our systems can scale and have required capabilities during critical times of need. Further, because the size and complexity of institutions are increasing, it is important that all processes and systems supporting all aspects of the closing process provide the highest degree of congruence, supporting a seamless exchange of information among all parties and ensuring steady completion of the closing processes. Crisis preparedness also ensures that post-closing processes, particularly those involving interactions with depositors and non-depositor claimants are transparent. This will bolster trust between the FDIC and our stakeholders. The ability to scale would need to be incorporated within not only resolution and receivership capabilities, but all areas within the Corporation that provide expertise and support.

The target state and observable, measurable results within Crisis Preparedness are described as:

Description	Intended Results
FDIC is prepared to appropriately scale its resources to effectively deploy people, processes, and technology to respond to a financial industry crisis in accordance with its mission and statutory requirements.	FDIC has the ability to scale availability of appropriately skilled human resources to adapt and respond as needed to high and low-demand periods, in a timely manner.
	FDIC has the mechanisms in place to quickly train a potentially large number of personnel in-person and remotely through physical and online media.
	FDIC has IT services in place to appropriately handle significantly high volumes of data in connection with supervision and resolution of applicable financial institutions.

KEY ACTIONS:

- Increase staff efficiency to oversee and execute resolution and receivership functions.

- Provide modern, integrated tools and capabilities to better scale and adapt to changes in the financial industry, address risk with legacy applications, and prepare for the next crisis.

- Streamline and automate processes related to receivership and resolution management, reducing manual processing and overhead.

- Improve reporting, analytics, and easy access to data to improve decision making.

- Ensure portfolio of services and tools can easily adopt and be responsive to change.

3. BUSINESS DRIVERS & INTENDED RESULTS

STREAMLINED STAKEHOLDER INTERACTIONS (SI)

As a federal agency charged with maintaining the safety and soundness of the financial system, the FDIC engages with financial institutions, the public, divisions and offices within the FDIC, and other regulatory agencies. Enhancing our interaction with stakeholders is of critical importance. We will improve public engagement and experience using a modern, mobile-ready portal that provides enhanced search and download capabilities. We will make new reports and dashboards available that can automatically drill down to more detailed information. Enforcement actions will be processed and published to a new public community portal. Facilitating engagement and making valuable information readily accessible will create an optimal engagement experience for our stakeholders.

The target state and observable, measurable results within Streamlined Stakeholder Interactions are described as:

Description	Intended Results
FDIC and its external stakeholders can easily find, access and exchange needed information and data, as authorized, to conduct ongoing business.	FDIC provides a seamless and effective "one-stop" digital experience for its stakeholders through an intuitive, modern portal strategy.
	FDIC has a comprehensive, 360-degree view of its stakeholder interactions to allow for improved service and oversight across the Corporation.

KEY ACTIONS:

- Improve customer service, promote transparency, and support collaboration through delivery of portals designed to significantly enhance the interaction with banks, depositors, the public, and other external stakeholders.

- Improve data and file exchange, ensuring that functionality can scale according to need, to support collaboration with external stakeholders.

- Support additional engagement capabilities such as live agent interactions, use of chat bots, and other self-service capabilities to provide better guidance promote self-service.

- Support 360-degree view of customer or institutions to improve responsiveness, decision-making, and engagement.

3. BUSINESS DRIVERS & INTENDED RESULTS

DATA AS A CORPORATE RESOURCE (DR)

The FDIC, like many organizations, is continually ingesting, analyzing, and producing new data. These data are not merely quantifiable gigabits, but provide the valuable foundation upon which we evaluate, analyze, and make decisions that support the mission of the Corporation. The cultural shift to viewing data as a valued and shared corporate resource, rather than one of business division ownership, is critical and we must develop the governance, processes, and technologies that support this.

The target state and observable, measurable results within Data as a Corporate Resource are described as:

Description	Intended Results
Data and information are managed and governed as a corporate resource that empowers FDIC staff to perform analysis, make decisions, support operations, and conduct research at the strategic, tactical, and operational levels.	FDIC has a coordinated, written enterprise data governance and management strategy with prioritized recommendations that are focused on business outcomes.
	There is a well-understood, and widely used process to make data available to the authorized staff to perform their work in supporting sound decision-making at all levels of the FDIC.
	FDIC has a published data catalog enumerating: (1) all data managed at the FDIC, with defined sources, owners, storage repositories, consumers, risk ratings, relationships, and flows across the business processes of the FDIC and its business partners, and (2) all commercially licensed data resources available to Corporation staff and the terms and conditions for their use.
	Data tools and services (e.g., "smart data", AI/ML) enable FDIC to maximize the value of its data.
	FDIC has the ability to proactively monitor, accurately detect, and quickly respond to changes in the financial markets through access to commercial information services that are licensed and purchased at both the enterprise level and individually for specialists where appropriate.

KEY ACTIONS:

- Develop and implement strategies, policies, processes, and governance for effective and secure management and sharing of data in a manner consistent with the OPEN (Open, Public, Electronic, and Necessary) Government Data Act.
- Effectively capture, manage, share, visualize, and leverage timely, secure, and accurate data to support ongoing research, analysis, operations, and decision-making.
- Prioritize and implement business-focused recommendations from the FDIC Data Strategy to improve data quality, integrity, security, reliability, and utility.

3. BUSINESS DRIVERS & INTENDED RESULTS

DIGITAL WORKFORCE (DW)

As we evaluate opportunities to improve or re-engineer our business processes, our effectiveness and efficiency can be constrained by the need to introduce intermediate manual or paper-based steps.   We must provide optimized capabilities and tools that allow staff to perform their work unencumbered by limitations on technology, geographic constraints, or process limitations.

The target state and observable, measurable results within Digital Workforce are described as:

Description	Intended Results
FDIC's workforce is equipped and trained to use current technologies to help improve their productivity in their daily work.	FDIC's culture and practices support the adoption of new and streamlined business processes, capabilities, and tools for the workforce, including the move to a digital workplace.
	FDIC embraces and seeks out opportunities for the continuous improvement and automation of our business processes, measuring efficiencies and productivity gains to the maximum practicable extent.

KEY ACTIONS:

- Support mobile workforce by providing the ability to use business applications from any device.

- Provide the ability to support off-line capabilities for business processes that have this need.

- Ensure reliable connectivity to support dispersed workforce, regardless of location.

- Provide capabilities that support a digital (non-paper based) communication model and workforce.

3. BUSINESS DRIVERS & INTENDED RESULTS

RESILIENT & COST-EFFECTIVE CORPORATE SUPPORT (CS)

Enabling the business to optimally perform its work requires all of the supporting services across the Corporation to be poised to flexibly evolve alongside of the business needs. It requires a thoughtful, delicate balance of technologies, governance, and processes -- without introducing unnecessary risk, cost, or complexity. This will require close partnership and collaboration across all of the FDIC's corporate support areas.

The target state and observable, measurable results within Resilient and Cost-Effective Corporate Support are described as:

Description	Intended Results
Corporate support services deliver fast, reliable, responsive, and secure services.	Customers are satisfied with the IT services and solutions they receive from the FDIC/CIOO. Increased partnership, collaboration and coordination between IT, other Corporate support service areas, and the business improve the quality of IT services.
	The FDIC/CIOO adopts technology that is aligned with strategy and continuously reviews, identifies, selects, prototypes, and delivers new technologies while adhering to standards.
	The FDIC maintains an effective continuous learning and development environment so that our workforce receives the needed training to help them effectively use the IT tools provided by the FDIC/CIOO to improve their productivity.
	Corporate support systems keep pace with the needs of the Corporation, changes in regulation and the financial industry.
	FDIC's IT solutions can scale to meet the demands of corporate services (i.e., Human Resource Management, Acquisition, Finance, Information Technology, Legal, and Learning Management) during a banking crisis.

KEY ACTIONS:
- Ensure that supporting services and systems can scale and adapt to service the FDIC's mission.
- Improve workforce training through better knowledge management, learning management, and career path management.
- Maximize the use of technology to support different learning styles and needs (e.g., virtual learning).
- Improve acquisition management processes and tools to better support agile delivery, transparency, and time to award contracts.
- Improve human capital management practices and capabilities to streamline the management of the workforce and improve the employee experience.
- Mature and streamline IT management and delivery practices across the Corporation.

4. COST SAVINGS: OPPORTUNITIES FOR IT COST-SAVINGS, CONTROL & EFFICIENCIES

Operations and maintenance (O&M) costs have steadily increased each year with minimal funding dedicated to modernizing legacy IT systems. IT Modernization will generate cost benefits to allow the FDIC to be more efficient, increase our capacity, and strengthen our ability to continuing multi-year modernization efforts. Investment in the modernization program will allow the FDIC to transition to common platforms, become more effective in efficient methodologies such as agile, consolidate infrastructure, and increase cloud-based collaboration tools.   Incremental development and agile practices will deliver improved functionality at a lower overall life cycle cost when compared to projected costs of legacy systems, reduce risk, and control costs. Our ultimate goal is to create a self-sustaining financial management ecosystem with early modernization efforts setting the stage for long-term benefits. Investment and reinvestment benefits will be more pronounced as modernization progresses with the possibility that IT cost savings can support future IT initiative funding needs. We will work toward good financial stewardship through transparency and partnership with the Divisions and Offices.

COST SAVINGS STRATEGIES

The Plan employs four cost savings strategies. Collectively, these strategies present opportunities to reduce costs associated with contracted personnel, hardware/software procurements, and hardware/software maintenance.

Cost Efficiency Strategy	Expected Impacts
Rationalize Business Solutions on Strategic Cloud Platforms	- Modernize mainframe-based solutions on more secure and efficient cloud platforms to eliminate mainframe-related costs - Reduce the number of on-premise business systems we manage reducing overall infrastructure and maintenance costs - Employ solutions on cloud platforms which will significantly reduce maintenance costs - Deploy solutions through low-code/no-code capabilities which will be faster - Reduce helpdesk load and costs resulting from brittle legacy solutions
Optimize Infrastructure	- Reduce regional office hardware/software infrastructure through consolidation - Drive efficiencies through network modernization with a system that is more streamlined, responsive and standardized, which will improve workforce productivity - Instrument virtual server deployments and use containers to use hardware in a more cost efficient manner - Remove costly extranet hardware/software as a result of community portal - Remove lab hardware/software and deploy on cloud infrastructure at a significant savings

4. COST SAVINGS: OPPORTUNITIES FOR IT COST-SAVINGS, CONTROL & EFFICIENCIES

Cost Efficiency Strategy	Expected Impacts
Process Improvements	• Automate technology provisioning/de-provisioning processes • Use automation to minimize manual development, test, and analysis processes • Continue to mature technology governance and planning to focus on value delivery and reduce risk
Drive Savings through a Cost-Conscious Acquisition Strategy	• Negotiate volume-based discounts • Leverage consumption-based pricing to pay less when you use less • Renegotiate maintenance costs for systems and software as solutions are simplified and consolidated

IT MODERNIZATION DELIVERS HIGHER PRODUCTIVITY, HIGHER QUALITY, AND LOWER COSTS
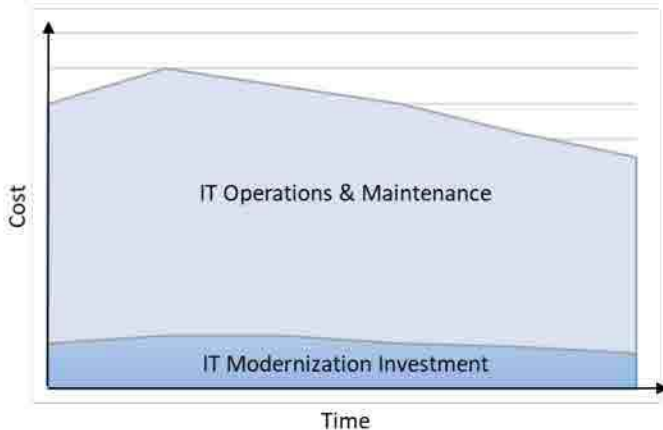
IT Modernization is targeting several specific change efforts that will deliver long-term business value. In 2018, IT operating costs represented 17.5% of the FDIC's operating budget[1]. Much of this cost was due to maintenance of aging business systems that are expensive to host and maintain. Through strategic technology investment, the Plan will deliver tangible business value and drive out costs tied to outdated technology and processes.

The Plan is geared to rethink how work is done using more efficient and resilient technology and practices.

Examples include:

- Retire the mainframe and eliminate related costs.
- Increase the use of "low-code/no-code' Customer Relationship Management or Business Process Management cloud platforms to drive out on-premises hosting, infrastructure, and support costs, to include related technology refresh.
- Automate technology delivery and management to drive out costly manual processes.
- Simplify contracting requirements around strategic systems with flexible, consumption-based costing models.

[1]Percentile excludes salaries

4. COST SAVINGS: OPPORTUNITIES FOR IT COST-SAVINGS, CONTROL & EFFICIENCIES

The sections below provide details about CIOO's cost savings strategies.

STRATEGIC PLATFORMS REDUCE EFFORT AND ERRORS

By the end of 2024, the CIO directed that up to 20% of FDIC's legacy business systems and tools per year migrate to these cloud platforms. Through this process, the CIOO plans to reduce the number of maintained business systems, thus reducing on-premises hosting costs, software licensing costs, and operational costs tied to the development and maintenance of these systems.

FDIC's shift to strategic platforms that offer "low-code/no-code" development tools will increase CIOO's delivery capacity. Forrester states that "low code" platforms can make teams 10 times more productive[2]. Projects delivered in 2019 on the Salesforce platform have already started to demonstrate shortened delivery times. Strategic platforms also reduce complexity while offering greater stability than legacy systems. Forrester estimates that Salesforce deployments realized up to 50% fewer helpdesk tickets related to application bugs and system stability. Bottom line: FDIC will be able to deliver more for every dollar spent through strategic platforms.

Furthermore, as legacy applications are rationalized into future ready business solutions, legacy support contracts can be eliminated or renegotiated to drive out complexity-driven costs. Salesforce migrations have demonstrated a significant increase in the speed of delivery, resulting in cost avoidance. So far the CIOO has been able to deliver new solutions 50-85% faster than traditional delivery for on-premise applications. Additionally, we have an overall reduction of 20% for direct maintenance costs, not including the operational savings to be gained by reducing the on-premise footprint. During the IT modernization effort, some applications will be eliminated altogether – completely eliminating related O&M costs.

FDIC spends more than $10 million annually to support mainframe and midrange computer resources. Today's commodity computational resources and open source software open the door for FDIC to eliminate significant hardware, software, facilities, and contractor support related to the O&M of these outdated technologies.

OPTIMIZING INFRASTRUCTURE THROUGH MODERN CLOUD-ENABLED SERVICES

IT modernization will enable FDIC to shift where and how services operate to be more responsive to business needs, while becoming more secure and cost efficient. The FDIC plans to move away from on-premises hosting and infrastructure to cloud based solutions. Doing so will allow CIOO to reduce expenditures in hardware and software maintenance and technology refresh. Technology refresh, in 2018 alone, totaled $17 million.

> Thirteen agencies reported $291 million in total savings tied to cloud adoption since 2014. They forecast an additional $150 million in savings for fiscal year 2018 and beyond.
>
> *Source: GAO-19-58 IT Cloud Computing*

Today, we pay ahead for capacity that we think we will need rather than the capacity we actually use. Cloud affords FDIC the opportunity to pay for service actually consumed, rather than paying for unused capacity. For example, dedicated servers (and related floor space, cooling, and personnel) are running constantly. In reality, development environments are only used during business hours,

[2] https://go.forrester.com/blogs/why-you-need-to-know-about-low-code-even-if-youre-not-responsible-for-software-delivery/

4. COST SAVINGS: OPPORTUNITIES FOR IT COST-SAVINGS, CONTROL & EFFICIENCIES

approximately 2,000 hours annually. FDIC pays for 8,736 (24x7, 365 days) hours of service – four times the capacity – by hosting and managing on-premises infrastructure. Cloud providers enable FDIC to turn servers on and off when development is needed and allow us to scale by allowing multiple teams to work on a platform. We would pay for what we consume – no more and no less.

Modern cloud tooling also enables FDIC to pre-configure and define server templates, which can deliver compute power in a matter of minutes –with just a few clicks. Today, FDIC servers must be ordered, configured, and deployed manually. In addition, space needs to be made available with sufficient cooling and network bandwidth so people can access the hosted resource. FDIC's strategy to more fully leverage cloud platforms will reduce the effort and risks associated with manual configurations and deployments – delivering reliable service for less. Cloud services also provide enhanced management information about services because they are metered for billing. Today, contractors must design and build monitoring solutions and dashboards for our legacy on-premises infrastructure.

> "By hosting FEC.gov on cloud.gov and moving its data to the cloud, the FEC anticipates saving 85% in hosting costs and is better pre-pared for peak traffic events."
>
> *Source: cloud.gov*

Cloud providers offer prebuilt dashboards to monitor and optimize services. Dashboard data helps operations managers understand infrastructure demands, forecast costs, and fine tune services to reduce overall cost.

DEVOPS AND PLATFORM AS A SERVICE CAN ELIMINATE COSTLY MANUAL PROCESSES

DevOps is a set of software development practices that combine software development (Dev) and information technology operations (Ops) to shorten the systems development life cycle while delivering features, fixes, and updates frequently in close alignment with business objectives[3]. Coupled with Agile delivery and IT delivery process automation, DevOps will drive reliable technology delivery to the business with fewer demands upon contractor staff to test and deploy provisioned services. In 2019, FDIC migrated public facing applications to the Cloud.gov platform. Operations teams were able to deploy needed compute capacity in a fraction of the time that on-premises systems have traditionally been deployed. Furthermore, the compute resources on cloud.gov require far fewer staff to monitor and maintain deployed resources.

DRIVE SAVINGS THROUGH A COST-CONSCIOUS ACQUISITION STRATEGY

IT modernization will provide opportunities for FDIC to benefit from advantageous consumption models and to renegotiate pricing on modernized service and support contracts. Specific cost savings opportunities include:

- Negotiate volume-based discounts as demand for as-a-service or commodity products increases. Providers are increasingly open to bulk and volume pricing discounts. As more users leverage cloud services, costs per user or transaction can be reduced.

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[3] https://en.wikipedia.org/wiki/DevOps

4. COST SAVINGS: OPPORTUNITIES FOR IT COST-SAVINGS, CONTROL & EFFICIENCIES

- Leverage consumption-based pricing to pay less when you use less. FDIC's strategic platforms also support "pay for what you use" models. That means when demand goes down, FDIC should only pay for what is consumed. Today, FDIC buys excessive capacity to reduce outage risks that simply do not exist on modern cloud platforms.
- Renegotiate maintenance costs for systems and software as solutions are simplified and consolidated. After five years, FDIC will reduce the number of business systems and related infrastructure managed on-premises. Future solutions will use platforms and services that are less prone to errors and simpler to manage. This will lead to lower ongoing support costs, as we have already seen with systems migrated to cloud.gov and Salesforce.

REDUCE CURRENT INFRASTRUCTURE COSTS BY IMPLEMENTING EFFICIENCIES

As the FDIC moves to eliminate its mainframe over the next five years, as well as other hardware, there are opportunities in the short-term to achieve cost savings by optimizing the current infrastructure:

- The FDIC currently operates over 3,500 physical and virtual servers, and utilization of these servers is quite low. These servers are dedicated to business applications with numerous redundant backup and development environments, resulting in extremely low per-server utilization and high cost. There are initiatives that could be undertaken to increase utilization of servers, by consolidating servers and allowing for the eventual decommissioning of a significant number, leading to a reduction in hardware, software, and maintenance costs.
- Considering that the FDIC currently operates substantial infrastructure of its own, there might be tactical, as well as cost, advantages to implementing a hybrid cloud environment. FDIC's enterprise strategy can evaluate what balance of cloud versus on-premise infrastructure would be most cost-effective, as well as productive and secure, for the Corporation.

5. ACQUISITION APPROACH

The Plan will deliver technology-enabled business value through investments in people, processes, and technology. This section outlines the CIOO strategies to support the modernization acquisition environment and deliver organizational efficiencies through timely and coordinated planning, collaboration, and management.

Change will not happen all at once. FDIC will need to sustain existing solutions while introducing new ones. This approach protects the business from disruptions and enables the workforce to safely transition to new tools. The five-year planning horizon for this modernization will require FDIC to be flexible and adaptive as program requirements evolve and as new technology solutions become available within the marketplace. The CIOO will employ the following strategies to deliver these results.

		STRATEGIES		
		Sustain Legacy Solutions	**Modernize Information Technology**	**Adapt to Change**
KEY FOCUS AREAS	**Strategic Alignment**	Ensure appropriate labor categories are included in program requirements to sustain established technology and solutions	Incorporate target competencies and technologies within contract program requirements	Employ vendor management disciplines to evaluate and inform evolving contract requirements
	Flexibility	Collaborate with ASB to explore service contracting solutions that ensure continuity of support	Focus services around standards-based technology that supports mobility, speedy access, and ease of use	Collaborate with program areas to continually monitor evolving needs
	Cost-Efficiency	Leverage options to right-size contracted support for remaining systems and supporting technology	Eliminate contracts and expenditures for retired or unused products and services	Include in program requirements the ability to renegotiate contract pricing or utilize demand-driven pricing models as appropriate

SUSTAIN LEGACY SOLUTIONS

Modernization is not a "big bang" event, which means legacy technology will require continued support while modernization planning and transition takes place. The CIOO will work with business representatives to prioritize technology modernization so that IT services meet the evolving needs of FDIC and its customers. Technology that is not targeted for modernization will require ongoing support. Future contracting will need to ensure that product and professional services support is right-sized for sustained technology. The following strategies address legacy technology sustainment.

- **Ensure appropriate labor categories are included in program requirements to sustain established technology and solutions.** Many existing solutions are homegrown or are commercial solutions that have extensive customization. Sustainment of these solutions will require skilled technical staff who have an understanding of current platforms, configuration, and technology. CIOO staff will ensure that skillsets are identified for sustained technologies.

5. ACQUISITION APPROACH

- **Collaborate with ASB to explore service contracting solutions that ensure continuity of support.** Legacy systems support capabilities may be limited to a single provider due to limited vendor support or diminished marketplace support for older technology. If technical staff are not available to support legacy technology, needed support or updates may not be available to the business. CIOO will collaborate with the Division of Administration (DOA) Application Services Branch (ASB) to identify contracting models that ensure continuity of service for sustained legacy business systems. In addition, CIOO will work with ASB to evaluate whether advantageous pricing can be captured through new product/licensing providers.

- **Leverage options to right-size contracted support for remaining systems and supporting technology.** As FDIC modernizes business systems and infrastructure service support needs for sustained legacy technology will likely diminish. CIOO will work with ASB to ensure that contracted labor and licensing can be right-sized for legacy systems and services. The CIOO's planned DevOps process improvements, to include process automation, also offer opportunities to reduce demand for professional services. Contracting requirements will reflect these shifts as DevOps maturity advances.

MODERNIZE INFORMATION TECHNOLOGY

The CIOO's IT Modernization Plan and roadmaps describe the purpose and timing of modernization initiatives. The Plan and roadmaps describe how and when future technology solutions will support business needs and priorities. They also frame when CIOO acquisition efforts must take place. The following strategies ensure that modernization is aligned to deliver timely business results, provides needed flexibility, and delivers value.

- **Incorporate target competencies and technologies within contract program requirements.** FDIC's target architecture coupled with business requirements will shape future-ready contract requirements. FDIC will need access to skilled workers to design, deliver, and support future solutions. CIOO will ensure that clear requirements are established for technology and competency needs to complete IT modernization initiatives. Selection of the right competencies will reduce the likelihood of costly modernization risks and accelerate the delivery of solutions on flexible and efficient strategic platforms – delivering greater value, faster.

- **Focus services around standards-based technology that supports mobility, speedy access, and ease of use.** FDIC's focus upon fast access to information for a distributed and mobile workforce underpins plans to employ high-throughput network services and cloud-based platforms that are easily accessed by personnel, wherever they work. Standards-based cloud solutions also serve to reduce technology complexity. Lower complexity solutions can be delivered faster and are less prone to errors and disruptions. These benefits result in lower costs of delivery and maintenance while enhancing the simplicity, availability, and satisfaction to end-users.

- **Eliminate contracts and expenditures for retired or unused products and services.** As new solutions are deployed FDIC has the opportunity to eliminate support for unneeded products and services. CIOO will identify opportunities to retire legacy solutions and related support as modernization activities unfold, driving out complexity and cost.

5. ACQUISITION APPROACH

ACQUISITION STRATEGY RESILIENCY

CIOO's acquisition strategy must be responsive to continually-changing environmental factors. The rapid pace of technology change makes it difficult to predict what new capabilities may be available to FDIC over the next five years. As a result, CIOO must continually monitor the technology environment and commercial service provider capabilities to ensure availability and delivery of capabilities that allow the FDIC mission to continuously move forward. Furthermore, FDIC's business needs continually evolve due to changes in the economy, banking practices, federal policies, and rapidly changing FinTech community. The following strategies address CIOO's acquisition approach to meet the challenges of FDIC's dynamic service requirements.

- **Ensure clearly articulated technical and functional requirements for each initiative.** For initiatives that have been included in the CIOO work plan, sourcing staff will work closely with project managers and business leads to ensure clearly articulated and measurable business and technical requirements. This will enable both the development of actionable project plans, but also ensure the ability to monitor and track progress against goals.

- **Design and deploy flexible methods for acquiring products and services that meet requirements.** Each requirement must be evaluated for the "best" way to acquire goods and services necessary to make the request a reality. Over time, the suite of repeatable and flexible methods will support increased agility through the contracting process and ensure that oversight methods match contract standards and risk mitigation practices.

- **Employ vendor management practices to evaluate and inform evolving contract requirements.** CIOO will employ technology vendor management practices that inform future contracting through engagement, measurement, and market research. In partnership with contracting professionals, proper vendor management practices will bolster awareness and management of risks and opportunities to support evolving business needs and ensure vendors can provide strategically-aligned products and services in a cost-effective way.

- **Collaborate with business areas to continually monitor evolving needs.** CIOO will continually engage with and collaborate with business areas to understand their evolving needs and to advance tools and services that help them rapidly deliver solutions.

- **Include in program requirements the ability to renegotiate contract pricing or utilize demand-driven pricing models as appropriate.** Modern technology enables organizations to consume services like a utility, so that you pay for what you use. Legacy, on-premises technology acquisition requires FDIC to buy capacity up-front with no option to enjoy savings resulting from low- or no-consumption periods. CIOO will work with ASB to identify solutions that provide consumption-based services that can provide cost efficiencies as demand fluctuates throughout project delivery. This approach will allow FDIC to negotiate advantageous per-unit costs as demand scales and will enable FDIC to benefit from economies of scale as demand for business system and infrastructure services rise and fall.

5. ACQUISITION APPROACH

DELIVERING IT MODERNIZATION RESULTS

The actions identified within this section collectively create the products and environment needed to deliver timely business results. These actions will provide dynamic, strategic support to address FDIC's modernization business drivers:

- **Supervision Modernization (SM)** will benefit from balanced support for legacy and new solutions, alike. Tailored skills and technologies will ensure that solutions deliver secure access to information, wherever work is performed. Cost efficiencies will be driven through dynamic pricing models, improved productivity, and elimination of outmoded solutions.

- **Crisis Preparedness (CP)** will be addressed through a scalable infrastructure and tools to support the FDIC workforce. Acquisition timing, priorities and requirements will be developed through close collaboration between CIOO and the program areas. This ongoing engagement will ensure that CIOO is aware of and prepared for the likelihood of another crisis.

- **Streamlined Stakeholder Interactions (SI)** are supported through target strategic platforms, such as commercial productivity suite applications. The FDIC business community is already realizing the benefits of these platforms. Ongoing planning, collaboration, and prototyping will expand these capabilities to reduce regulatory process burdens upon banks and lower travel costs.

- **Data as a Corporate Resource (DR)** is addressed through the planning for and procurement of high-speed network services, cloud-enabled solutions, and low-code delivery models. CIOO's continued expansion of these services, underpinned by a constantly-maturing IT governance model, will ensure that data is defined, discoverable, and accessible to the FDIC when and where it is needed.

- **Digital Workforce (DW)** is underpinned by FDIC target enterprise architecture, which defines an integrated digital work environment spanning people, process, and technology. CIOO acquisitions will leverage the target architecture within acquisition planning to shape solution requirements and deliver rich access to data, faster computing, and innovative uses of technology.

- **Resilient and Cost-Effective Corporate Support (CS)** is realized through the adoption of new consumption-based service and computing models. Strategic actions that plan for and tailor product and service requirements to maximize business value will continue to present themselves as the commercial solution landscape evolves.

6. WORKFORCE CONSIDERATIONS

The current CIOO workforce, by and large, is appropriately skilled to meet current requirements and customer demands, supported by a substantial contractor workforce. However, given rapid changes through emerging technology and plans for IT Modernization, there are concerns about future skill needs and potential loss of knowledge with an aging workforce eligible for retirement. As the CIOO modernizes, it will face significant changes in workforce requirements, including functions, how work is performed, and corresponding competencies and skills. To successfully support the workforce needs of the future, CIOO will implement a structured workforce planning process that will assess the readiness of the current workforce against future requirements, identify workforce gaps and design and implement action plans to close any workforce gaps.

The FDIC CIOO has patterned its workforce planning process after the Office of Personnel Management's model for federal Workforce Planning (see Figure below). The next section provides the required information, analysis approach, and outputs for each major step.

- **Step 1: Set Direction Based Upon Strategy**

  Strategic direction is the underpinning of a successful workforce planning effort. Through the review of current strategy documents and related sources, the workforce planning process will generate a summary of the current and future direction in concise statements, labeled as "drivers". These strategic drivers[4] once validated and approved by CIOO leadership, will serve as the foundation for preparing the CIOO Workforce Plan.

- **Step 2: Conduct Workforce Analysis – Evaluate Workforce Composition, Capability and Capacity**

  This is one of the most crucial steps of the workforce planning process as it documents the current condition of the CIOO workforce, and compares it to future needs. In this comparison, the workforce planning process analyzes the CIOO's organizational structure, demographics, and culture; examines the competencies, knowledge, skills, and abilities of CIOO staff, and whether staff possesses the right competencies for the current mission, as well as competencies needed for technology change and assesses the number of staff available to perform the work, and determines if there is an adequate supply to meet mission requirements. By completing a sound analysis of the workforce, CIOO will be ready to develop recommended interventions to close any identified gaps, and document these actions in Step 3.

[4]Why use "drivers?" Drivers include attributes of action, direction, and destination. These statements are a more accurate summary of desired end state, instead of a goal, which may not include all of these attributes.

6. WORKFORCE CONSIDERATIONS

- **Step 3: Develop Actions**

  Step 3 produces strategies to close gaps, plans to implement the strategies, and measures for assessing progress. Strategies will be based on specific workforce gaps, and may include recruiting, training/ retraining/reskilling, realigning functions, addressing position management, contracting out or insourcing, and succession planning. The CIOO may also need strategies or recommendations to improve, or enhance, employee engagement and morale, employee growth and development, hiring for improved workforce diversity, or addressing employee and supervisory accountability. The strategies will be prioritized based on the strategic drivers identified in Step 1. Since resources for implementation might be limited, the most significant or problematic gaps will be addressed first. In addition, the strategies or recommendations can be classified sequentially, or based on the length of time it takes to implement (i.e., 6 months or 1-2 years) and may include a Plan of Action and Milestones (POA&M) that consists of multiple steps, and requires different organizations or individuals to implement.

- **Step 4: Implement Actions**

  Step 4 promotes the implementation of actions to successfully close the identified gaps. This includes developing a communications plan for making everyone affected aware and describing how the actions affect the CIOO, its sub-organizations, supervisors, employees and customers. By implementing organizational change management practices, the CIOO will elicit buy-in from all stakeholders and ensure a smoother transition by mitigating resistance and providing relevant information or applicable training.

- **Step 5: Monitor, Evaluate, and Revise**

  As actions are implemented, there will be an on-going process to monitor and track actions, review the impact of the changes on closing the gaps, and make recommendations for revisions or adjustments that might become necessary. This step will include the opportunity to address problems that arise with responsible/accountable individuals with regular check-ins by senior CIOO leadership. Through a unified Workforce Planning process, with corrective actions and monitoring, the CIOO will increase mission success and improve stakeholder satisfaction by successfully uncovering and mitigating mission risks that result from workforce weaknesses.

7. PERFORMANCE MEASUREMENT

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The effectiveness of the CIOO's Strategic Plan and supporting IT Modernization Plan execution will be measured using Key Performance Indicators (KPI) within an overarching Strategic Performance Management (SPM) program. This SPM program will apply performance measurement to execution and evaluation of operational activities in a performance-based operating model that will become standard operating procedure for CIOO.

During the initial stages of executing the Plan, the intended results identified in the CIOO Strategic Plan and the IT Modernization Plan will be translated into specific KPIs. These KPIs will be designed to characterize and quantify progress made against the measures and, ultimately, the intended outcomes of the CIOO Strategic Plan and IT Modernization Plan.

Given the five-year time horizon for IT Modernization, these KPIs will be refined over time to set the expectations for, and capture, improving performance. Additionally, these measures and subsidiary KPIs will inform the FPGs through a collaborative process between CIOO and the Division of Finance (DOF). These FPGs will be designed to align performance to strategy, express relative and absolute priorities, and synchronize investments with business needs and attainment of mission outcomes.

For the CIOO, 2020 will be a transition year. As we move to an improved operating model, we will be modernizing and improving our technology, processes, and performance. We will identify elements hindering our progress and performance and work diligently to overcome them. Given the nature of our work, many of these elements (such as strategic planning, budgeting operations, performance management, etc.) will be interdependent to greater and lesser degrees. We may improve one element and find that others are impacted as well and must change to remain aligned and synchronized.

Within this interdependent environment, we will measure our progress and performance iteratively, remaining at all times anchored to the Corporation's goals, and holding ourselves accountable for meeting these goals. To facilitate this high degree of accountability, we will provide improved transparency into our operations and the progress of our effort to modernize. Through this transparency, we will express our collaborative and open approach and will invite our colleagues across FDIC to work with us in using technology to deliver superior services and value.