Manitoba Public Insurance Information Technology Benchmark (FY2021/22)

Findings and Recommendations Report

Version 3.0
12 July 2023

MANITOBA PUBLIC INSURANCE

Gartner®

Version History

Version	Date	Details
V1.0	17 May 2023	First version delivered to MPI (Working Draft)
V2.0	19 May 2023	Updates made following workshop ▪ Remove page 12 (duplicate content)
V3.0	12 July 2023	Update to headcount for project Nova

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1. Introduction

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Purpose of this Report

- This reports contains V1.0 of the findings and recommendations resulting from the analysis conducted as part of the Gartner / Manitoba Public Insurance (MPI) Annual IT Benchmark for FY 2021/22

- The report contains an executive summary of the findings and recommendations, substantiation of the findings and details of the implementation of the recommendations

- A summary of the benchmarks completed to date is provided below

Year	Fiscal Time Period for Analysis	Financial Analysis	Maturity Assessment	Benchmark Delivery Timeline
FY 2018/19	Mar 1 2018 - Feb 28 2019	Yes	Yes	Delivered July 9th 2020
FY 2019/20	Mar 1 2019 - Mar 31 2020	Yes	Yes	Delivered July 4th 2021
FY 2020/21	Apr 1 2020 - Mar 31 2021	Yes	No (scores were carried forward from prior FY)	Delivered Jul 22nd 2022
FY 2021/22	**Apr 1 2021 - Mar 31 2022**	**Yes**	**Yes**	**Delivered May 2023**

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Benchmarking Approach - The recommendations contained in this report were developed in collaboration with MPI IT Management

Development Process

Benchmarking of IT Spending and Staffing

Discovery into the maturity of MPI's IT Service Management Processes

Interviews with ITBT Management

Validation of Results with MPI

Spending, Staffing and Workload Data Collection and Analysis

Gartner benchmarking draws upon a deep repository of IT spending to identify fact-based, optimization opportunities. For MPI, Gartner conducted an analysis of spending, staffing levels and IT workloads, comparing results with peer organizations.

IT Score Surveys

Gartner IT Score Surveys assess specific IT domains, by evaluating best practice activities performed in each function, and assigning a maturity level based on responses. For MPI, Gartner assessed the maturity of MPI's IT Service Management processes through IT Score Surveys.

Interviews with IT Management

Gartner's interviews helped understand the context behind MPI's current capabilities, identify business challenges, uncover pain points, and pin-point critical success factors.

Workshops with MPI IT Management to Validate Recommendations

Recommendations are based on accurate information, and are actionable, attributable, measurable and prioritized accordingly.

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2. Executive Summary

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An Information Technology Benchmark was independently performed by Gartner for MPI (4th benchmark in a series spanning 4 fiscal years)

The objectives of the IT benchmark are to:

- Establish a baseline of IT spending and staffing based on 2021/22 fiscal year data

- Compare IT spending and staffing levels with insurance industry peers

- Communicate the level of maturity of key IT domains within MPI relative to peers

- Identify the variances for areas that may have a potential for optimization

- Create a foundation for a continual change/ improvement program

- The benchmark has been expanded to show aggregate spending levels with and without the impact of project Nova

Assumptions:

- This is the 4th iteration in a series of benchmarks that will provide year over year comparisons

- The benchmark does not have visibility to Project Nova, and it does not show comparisons to peers for project Nova beyond the project's impact on aggregate spending or staffing

Successful Outcome:

The benchmarking report provides a fact-based assessment for communicating IT performance within MPI and contributes to informing future budget, staffing and investment decisions.

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Gartner's view of MPI's current state was informed by three distinct workstreams

Work Streams

Spending and Staffing Benchmark

- Peer groups were selected based on characteristics such as industry, size and geography
- Enterprise-level benchmarks for IT spending and staffing were developed using 2021/22 fiscal year data provided by MPI
- Comparisons were made to the averages, 25th, and 75th percentiles of the peer group and MPI's previous year levels, where applicable

IT Service Management Process Review

- IT domains included: Strategy & Execution, Applications, Data & Analytics, Enterprise Architecture, Infrastructure & Operations, Security & Risk, Program & Portfolio Management, Sourcing / Procurement, and Vendor Management
- Service Management Processes were evaluated based on survey results and maturity levels were calculated and compared to peers and MPI's past year maturity level
- Validation workshops for reviewing the assessment

Stakeholder Analysis

- A document review and 6+ interviews were conducted with key IT personnel
- The interviews were conducted to build a contextualized view towards MPI's strategy, processes, culture and past initiatives and were not used as part of the maturity assessment

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Gartner's Spending and Staffing Benchmark compared MPI with industry peers

11 Insurance Industry Peers

- Predominately firms which had automotive insurance business lines

- 11 of the same organizations were the same peers from the last year's benchmark

- Firm size range from 531 to 9586 full-time employees

- Benchmark data is from 2021 and 2022

Geographic Profile

UK, 9% Canada, 9%

USA, 82%

Enterprise Metrics

| Metric	MPI 2021/22	Current Peer Average	Last Year's Peer Average
Number of Peers	-	11	14
Total Revenue	$1,442.9 M	$2,558.4 M	$2,303.2 M
Total Operating Expense	$1,344.6 M	$2,666.2 M	$1,979.4 M
Total Number of Employees	1,879	2,418	2,106
Total Number of IT Employees (Including Contractors)	467	304	269
Total IT Operating and Capital Expenditure	$138.5 M	$118.7 M	$104.5 M

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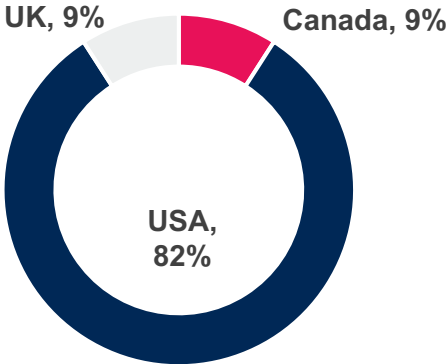
MPIs spending on IT is significantly higher than peers as investment in project Nova ramps up, however, within a normal range net of Nova costs

MPI's IT Spending as a percentage of OPEX is significantly higher than the peer average, but within a normal range when Nova investments are excluded

IT Spending as a Percentage of Total Operating Expense

- 10.3%
- 5.6%
- 5.1%
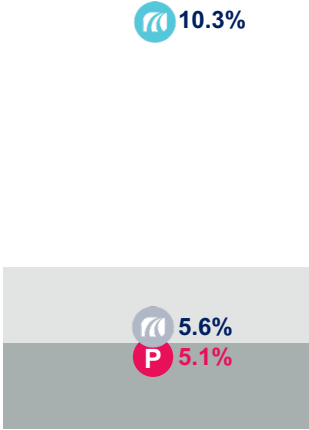
IT Staffing as a percentage of enterprise employees is significantly higher than the peer average, but within a normal range when Nova investments are excluded

IT Staffing as a Percentage of Enterprise Employees

- 24.9%
- 19.2%
- 17.2%
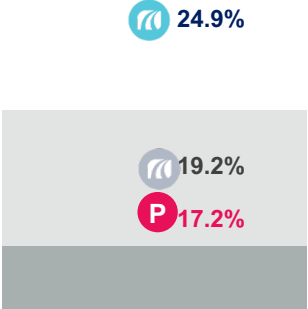
IT Spending per enterprise employee is significantly lower than average but below the 25th percentile of peer organizations if project Nova is excluded

IT Spending per Enterprise Employee

- $73,698
- $60,146
- $39,936
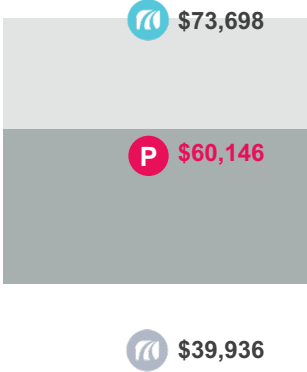
MPI allocates a significantly larger portion of the IT budget to support changes to meet business demands, reflecting the investments in project Nova

Percentage Spending on Run vs Change

	MPI	Peer Average
Change	83.5%	38.3%
Run	16.5%	61.7%

Legend:
- MPI (including Nova)
- MPI (w/o Nova)
- P Peer Average
- 25th to 50th Percentile
- 50th to 75th Percentile

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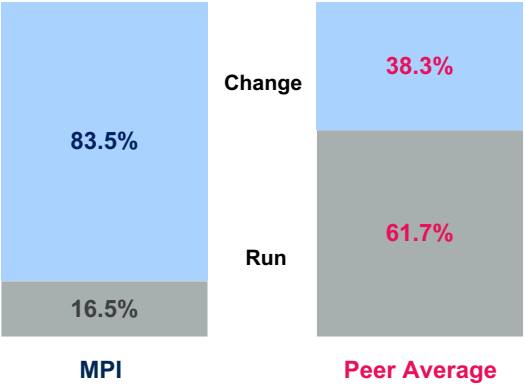
Levels of investment in IT must be in balance with value derived by the business: There is a cost to maturing IT Service Management Processes

Investments in IT

- IT Personnel
- Contractors
- Hardware
- Software
- Facilities
- Managed Services

Value Delivered

- Mature IT Service Management Processes
- Satisfied business stakeholders and end users
- Reduced risk
- Progress towards business outcomes
- Profitability *

(Applicable for commercial peers; not for MPI)

Since MPI is a Crown Corporation, it does not aim to maximize profitability; thus profitability may be a less applicable measure of value delivered

Within the current and previous benchmark peer groups, a trend was found that higher levels of profitability are typically achieved for firms with higher levels of IT Spending per employee

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IT investments have yielded mature IT service management processes, which position MPI well to address changing business demands. New baselines have been established in 7 of 9 areas.

Strategy and Execution is being formalized, and executive leadership changes have provided new directives within *Enterprise Architecture*

Applications has seen a complete reorganization and a true adoption of agile development

Enterprise Architecture has seen significant improvement, with efforts to align technical roadmaps to business requirements

MPI are currently in the process of significantly re-baselining capabilities in *Program Portfolio Management*

MPI's IT Domain Maturity Levels compared to Industry Peers and MPI's Previous Year's Levels

MPI's Current Overall IT Maturity Level: *2.75*
MPI's 2019/20 IT Maturity Level: *3.39*
Peer Maturity Level: *2.56*

Legend:
- 2019/20 MPI Maturity Level
- 2021/22 MPI Maturity Level
- Peer Maturity Level Benchmark

Domain	2019/20	2021/22	Peer
Strategy & Execution	2.99	1.32	2.65
Applications	3.31	2.57	2.41
Data & Analytics	2.71	2.59	2.10
Enterprise Architecture & Technology Innovation	2.86	3.20	2.37
Infrastructure & Operations	3.49	3.51	3.17
Security & Risk Management	3.57	3.22	3.02
Program & Portfolio Management	3.68	1.00	2.26
Sourcing & Procurement	3.61	3.40	2.57
Vendor Management	4.26	3.90	2.52

- Maturity scores are assessed on a scale from 1-5, with the score of 5 representing Gartner's best practices for the IT domain
- Year-over-year maturity changes may be attributed to:
  - Change in the levels of MPI's IT Service Delivery
  - Evolving criteria required to meet a level of maturity defined by Gartner

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IT has reset the baseline measurement of its service delivery capabilities and built roadmaps to address gaps

1.

Roadmaps have been created in each domain based on re-baselined capabilities

2.

MPI continues to plan for modernization of enterprise applications based on a user / customer centric design (Project Nova)

3.

Transformation is led by a chief transformation officer, portfolio managers have been appointed, but Project and Portfolio Management capabilities do not exist

4.

The IT operating model has been redefined to include guiding principles, standards and metrics

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The new recommendations for MPI's implementation roadmap are listed below:

1 Develop a complete view of MPI's project portfolio, supported by centralized governance and documented PPM processes and standards

2 Map initiatives and processes to measurable business impacts, prioritizing efforts based on an organizational strategy

3 Enable self-service reporting and automation as a means of addressing resource limitations and growing demand, aligning D&A efforts to strategic outcomes

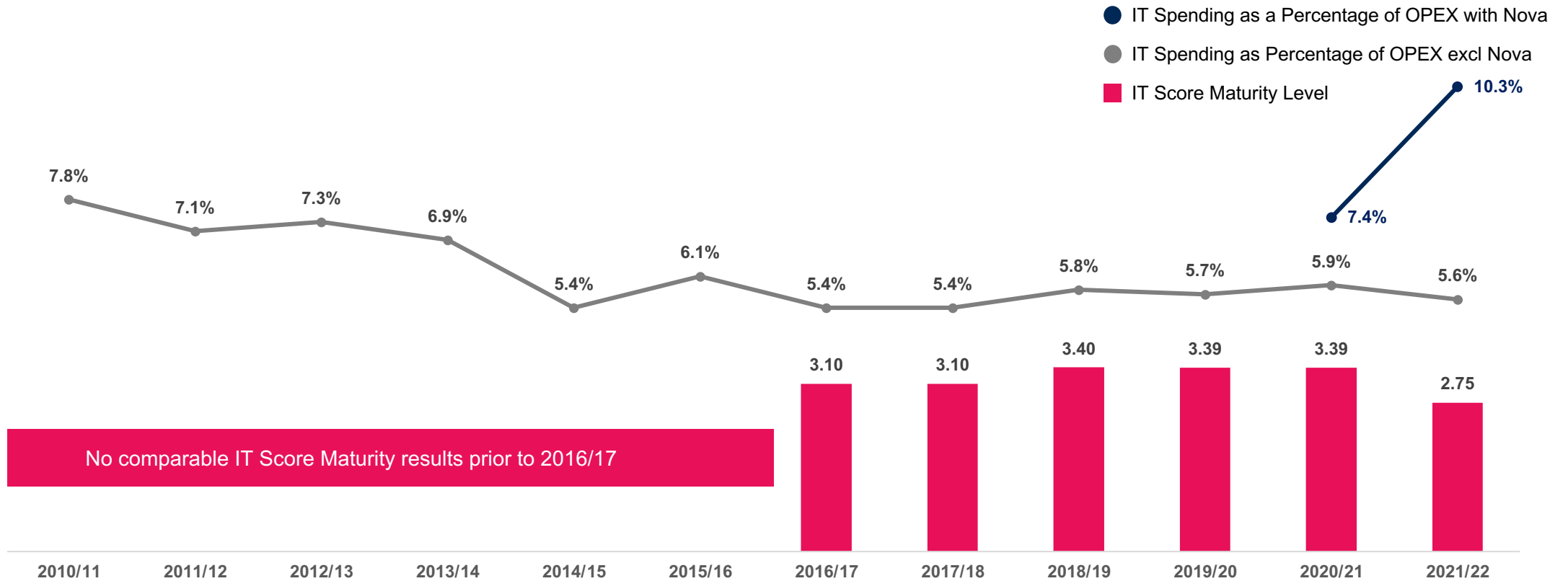**4** Apply best practices to attract and retain hires, evaluating critical skill gaps and staffing process fit against a workforce plan

5 Formalize a documented vendor risk management and supplier management framework

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Over recent years, MPI has demonstrated a stable trend of maintaining IT spending as a proportion of total business expenses, while focusing on IT management best practices

IT Spending as a Percentage of Enterprise Operating Expense and IT Score Maturity Levels

- ● IT Spending as a Percentage of OPEX with Nova
- ● IT Spending as Percentage of OPEX excl Nova
- ■ IT Score Maturity Level

10.3%

7.4%

7.8% 7.1% 7.3% 6.9% 5.4% 6.1% 5.4% 5.4% 5.8% 5.7% 5.9% 5.6%

3.10 3.10 3.40 3.39 3.39 2.75

No comparable IT Score Maturity results prior to 2016/17

| 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |

Note:
1. 2021/21 Maturity was not assessed – it was assumed to be the same as the previous year's assessment
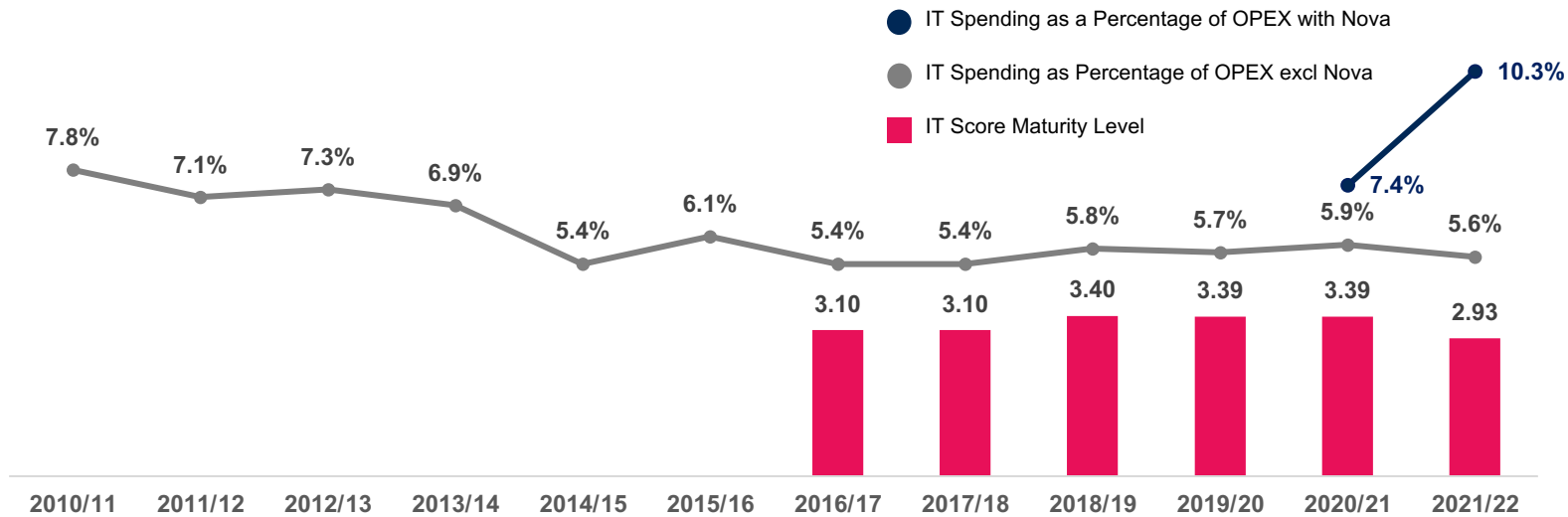2. Project Nova costs were not included in IT budget submissions prior to 2020/21

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3. Detailed IT Benchmark Findings

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3.1 Spending and Staffing Benchmark Findings

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Historical Trend on IT Spending and IT Score Maturity Levels

Over recent years, MPI has demonstrated a stable trend of maintaining IT spending as a proportion of total business expenses, while focusing on IT management best practices

IT Spending as a Percentage of Enterprise Operating Expense and IT Score Maturity Levels

Legend:
- IT Spending as a Percentage of OPEX with Nova
- IT Spending as Percentage of OPEX excl Nova
- IT Score Maturity Level

Data labels on chart:
7.8%, 7.1%, 7.3%, 6.9%, 5.4%, 6.1%, 5.4%, 5.4%, 5.8%, 5.7%, 5.9%, 5.6%, 7.4%, 10.3%
Bars: 3.10, 3.10, 3.40, 3.39, 3.39, 2.93

Observations:

- IT spend as a percentage of enterprise operating expense was lower in the current benchmark year compared to the previous year net of Nova costs (5.6% vs 5.9%)

- IT spend as a percentage of enterprise spending was higher including project Nova costs (10.3% vs 7.4%)

|	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Expense	$0.94 B	$0.76 B	$1.13 B	$1.23 B	$1.26 B	$1.15 B	$1.37 B	$1.29 B	$1.42 B	$1.35 B	$1.20 B	$1.34 B
IT Expense	$73.5 M	$54.2 M	$82.3 M	$85.0 M	$68.7 M	$70.7 M	$74.8 M	$69.7M	$82.5 M	$77.4 M	$70.2 M	$138.5 M
IT Spending as Percentage of OPEX	7.80%	7.10%	7.30%	6.90%	5.40%	6.10%	5.40%	5.40%	5.80%	5.70%	7.44%	10.30%
IT Score Maturity Level	-	-	-	-	-	-	3.1	3.1	3.4	3.39	3.39	3.39

Note:
1. 2021/21 Maturity was not assessed – it was assumed to be the same as the previous year's assessment
2. Project Nova costs were not included in previous IT budget submissions

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IT Spending and IT Budget Allocation

MPI's IT spending allocation as a percentage of the enterprise's operating expenses is higher compared to peers

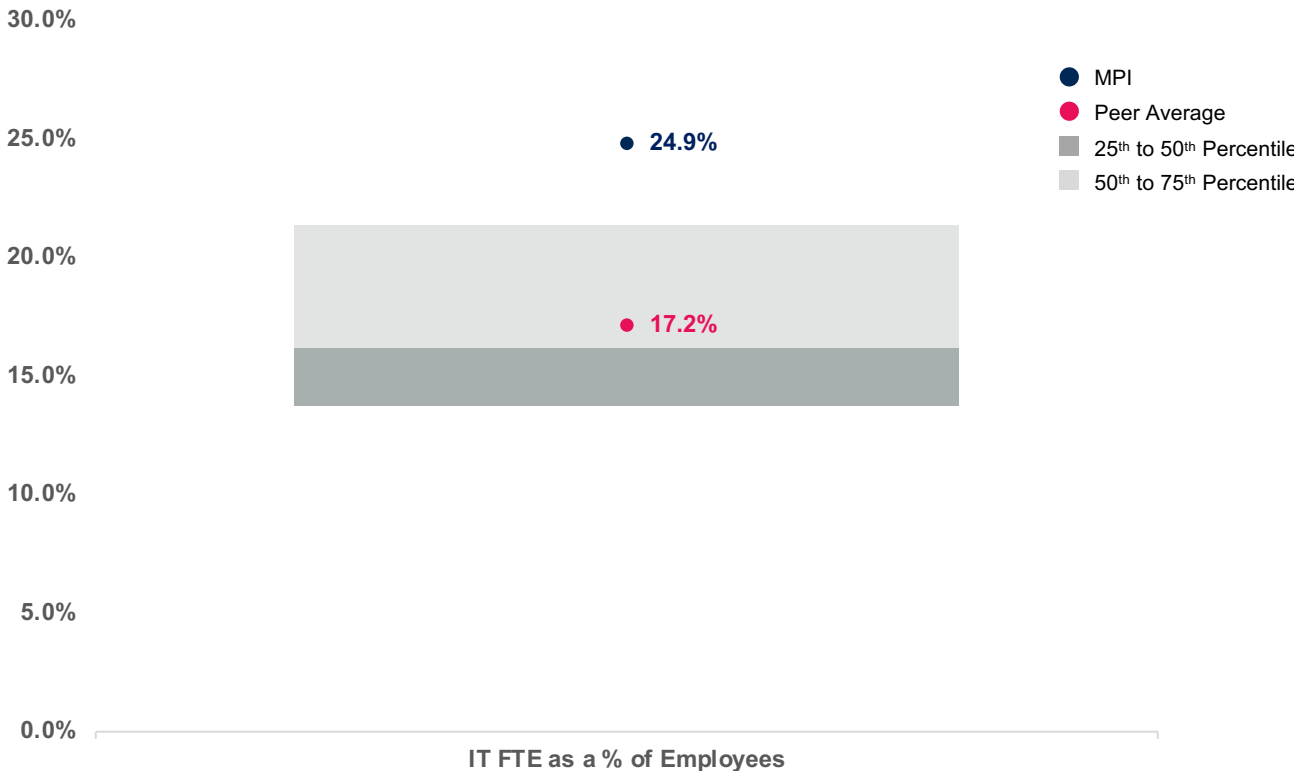### Enterprise IT Spending Metrics
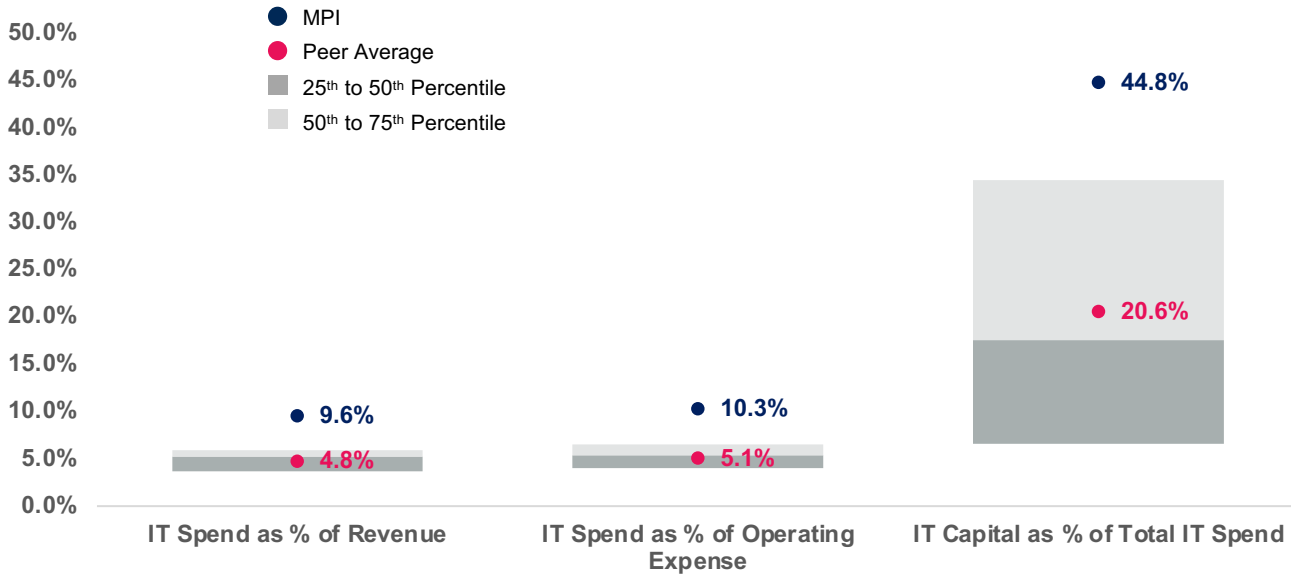
Observations:

- Project Nova costs are included in MPI spending metrics

- MPI's IT spend as a percentage of the Enterprise's total operating expenses is higher compared to peer average (MPI: 10.3% vs 5.1%)

- MPI's allocation to IT capital was higher than the peer average (MPI: 44.83% vs 20.58%).

- MPI's IT Spend as a percentage of revenue is higher than peers (this metric is less relevant since MPI does not have a focus on maximizing profit)

	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
IT Spend as a % of Revenue	5.20%	5.10%	5.71%	9.60%	4.79%
IT Spend as % of Operating Cost	5.80%	5.70%	7.44%	10.30%	5.11%
IT Capital as % of Total IT Spend	28.10%	21.80%	22.51%	44.83%	18.29%

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IT Staffing per Employee

MPI has a higher number of IT employees as a percentage of total employees relative to peers

IT Staffing as a Percentage of Organizational Employees

● MPI
● Peer Average
� 25th to 50th Percentile
▪ 50th to 75th Percentile

● 24.9%

● 17.2%

IT FTE as a % of Employees

Observations:

- Project Nova staffing is included in MPI staffing metrics

- MPI has a higher percentage (MPI: 24.9% vs 17.2%) of IT employees as a percent of organizational employees relative to the peer average

	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
IT FTEs as a % of Employees	18.4%	18.4%	22.8%%	24.9%	17.2%

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IT Spending per Employee

MPI has a higher cost per organizational employee relative to peers

IT Spending per Employee

● $73,698

● MPI
● Peer Average
■ 25th to 50th Percentile
■ 50th to 75th Percentile

● $60,146

Observations:

- Project Nova costs are included in MPI spending metrics

- MPI's IT spend per organizational employee is higher than the peer average (MPI: $73,698 vs $60,146)

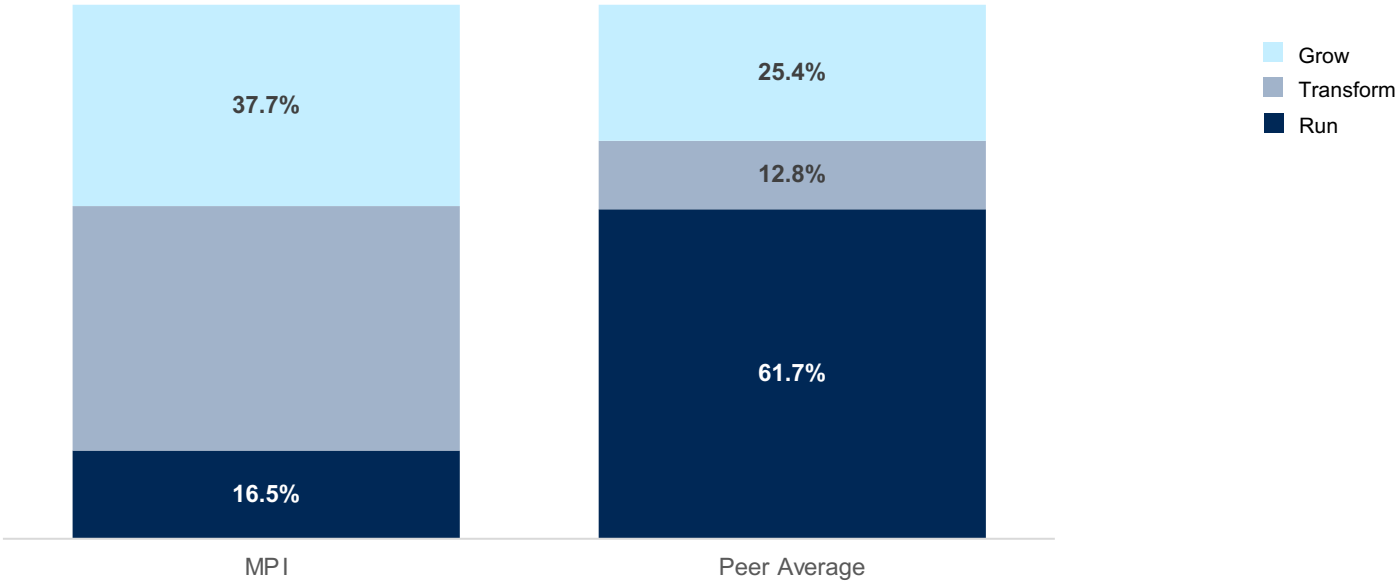| IT Spend per Employee					
	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
Spending per Employee	$46,613	$40,946	$38,974	$73,698	$60,146

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'Run' vs 'Change' Spending Distribution

MPI allocates significantly more funding to changing IT compared to peers and a smaller proportion of the budget to running IT

Run, Grow & Transform Spending

Legend:
- Grow
- Transform
- Run

MPI:
- Grow: 37.7%
- Transform (middle section)
- Run: 16.5%

Peer Average:
- Grow: 25.4%
- Transform: 12.8%
- Run: 61.7%

Observations:

- Project Nova costs are included in MPI spending metrics (categorized as 100% allocation towards transforming the business)

- MPI's IT spending allocation to "Change" initiatives is higher than the peer average (MPI: 83.5% vs 38.3%)

| Spending Distribution	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
Run	57.0%	64.7%	52.9%	16.5%	61.7%
Change (Grow + Transform)	43.0%	35.3%	47.1%	83.5%	38.3%

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Asset Category Spending Distribution – High Level View

MPI's allocation of spending is higher for external services and software, but lower for hardware and personnel compared to peers

IT Spending by Asset Categories
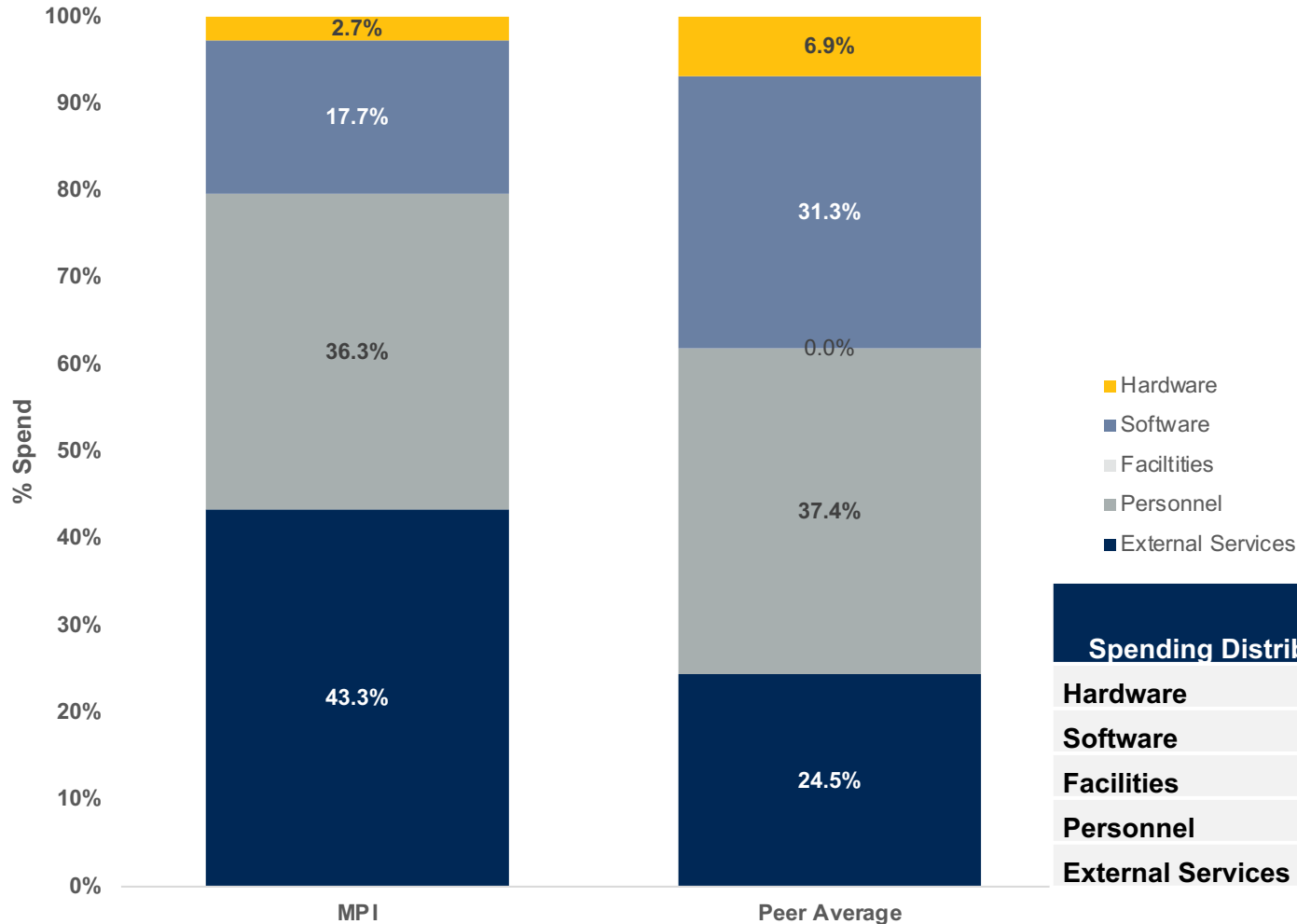
Observations:

- Project Nova costs are included in MPI spending metrics

- MPI's spending allocation to Personnel is lower relative to the peer average (MPI: 36/3 vs 37.4%).

- MPI's spending allocation to Hardware is lower relative to the peer average (MPI: 2.7% vs 6.9%).

- MPI's spending allocation to Software is higher relative to peer average (MPI: 17.7% vs 31.3%).

- MPI's spending allocation for external services is higher relative to peer average (MPI: 43.3% vs 24.5%)

Spending Distribution	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
Hardware	6.2%	6.4%	2.3%	2.7%	6.9%
Software	17.0%	19.7%	28.6%	17.7%	31.3%
Facilities	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel	53.9%	52.4%	39.4%	36.3%	37.4%
External Services	22.8%	21.5%	29.8%	43.3%	24.5%

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IT Functional Spending Distribution – High Level View

MPI's allocation of spending is lower for all categories, but higher for Applications compared to peers

IT Spending by Functional Group

Observations:

- Project Nova costs are included in MPI spending metrics

- MPI's spending allocation to Applications is higher relative to the peer average (MPI: 70.2% vs 51.2%)

- MPI's spending allocation Workplace is lower relative to the peer average (MPI: 4.9% vs 6.3%)

- MPI's spending allocation to Infrastructure is lower relative to the peer average (MPI: 9.8% vs 26.8%)

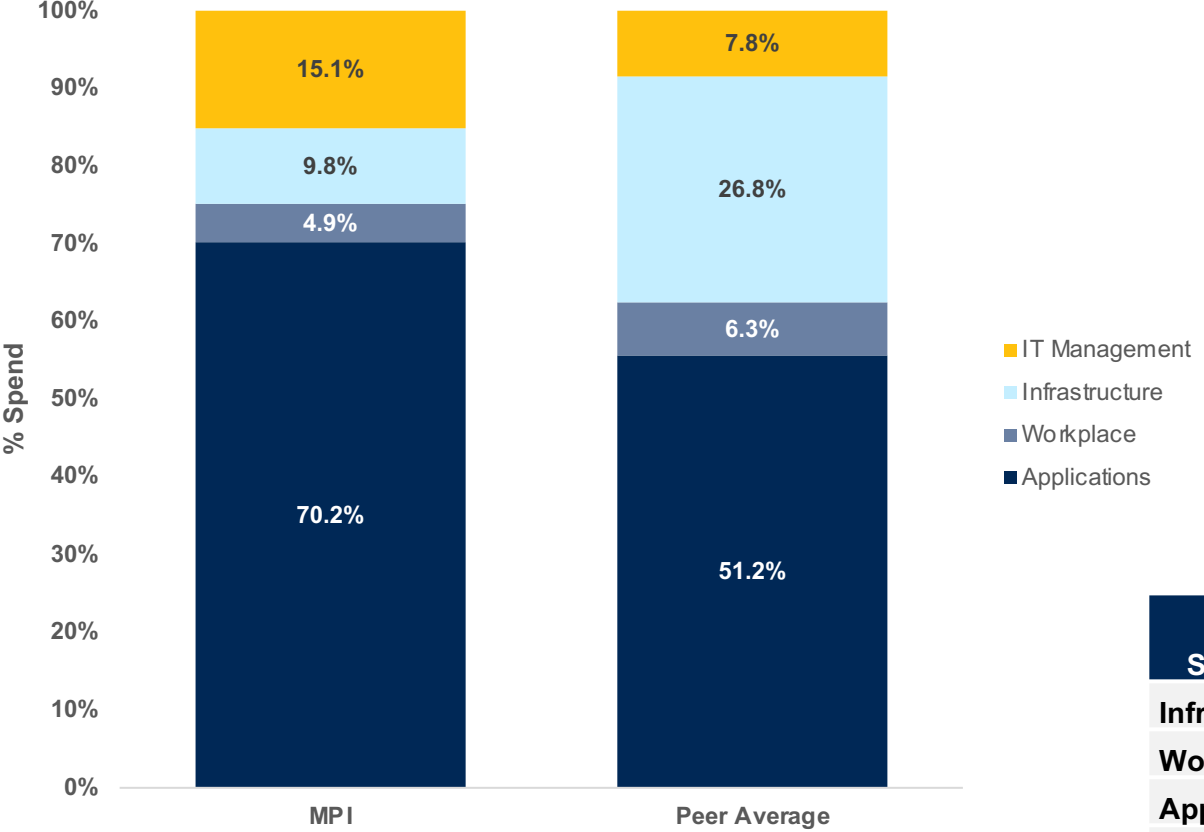- MPI's spending allocation to IT Management is lower relative to the peer average (MPI: 15.1% vs 15.7%)

Spending Distribution	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
Infrastructure	27.1%	25.3%	18.0%	9.8%	26.8%
Workplace	6.6%	7.8%	7.0%	4.9%	6.3%
Applications	51.0%	52.9%	63.0%	70.2%	51.2%
IT Management	15.2%	14.0%	12.0%	15.1%	15.1%

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IT Staffing Distribution – Use of Contractors

MPI has a higher percentage use of contractors as part of IT staff compared to peers

Distribution of Contractors as IT FTEs

- ● MPI
- ● Peer Average
- ▪ 25th to 50th Percentile
- ▫ 50th to 75th Percentile

● **23.1%**

● **19.8%**

Contractors as IT FTEs
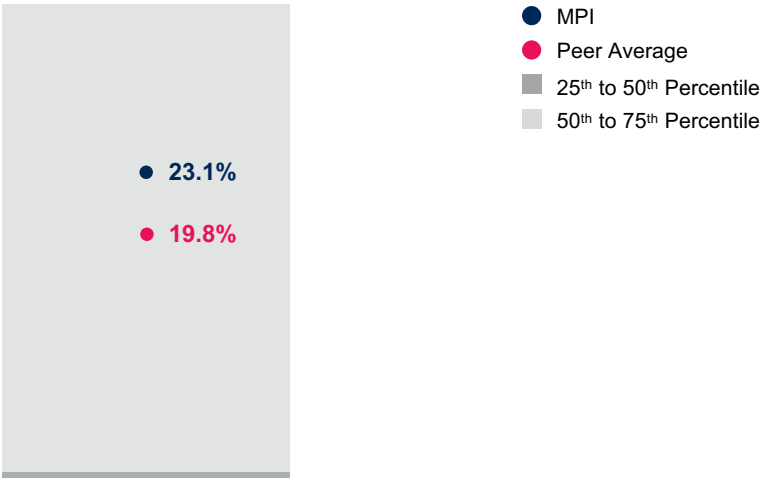
Observations:

- Project Nova staffing is included in MPI spending metrics

- MPI uses a higher percentage of contractors as part of IT staff relative to the peer average (MPI: 23.1% vs 19.8%)

Staff Distribution	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
IT Employees which are Contractors	24.9%	17.6%	15.9%	23.1%	19.8%

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IT Staff Distribution – Functional View

MPI's allocation of staffing for Applications is higher compared to peers and is lower in all other functional areas, reflecting the legacy modernization initiatives

IT Staffing by Functional Group
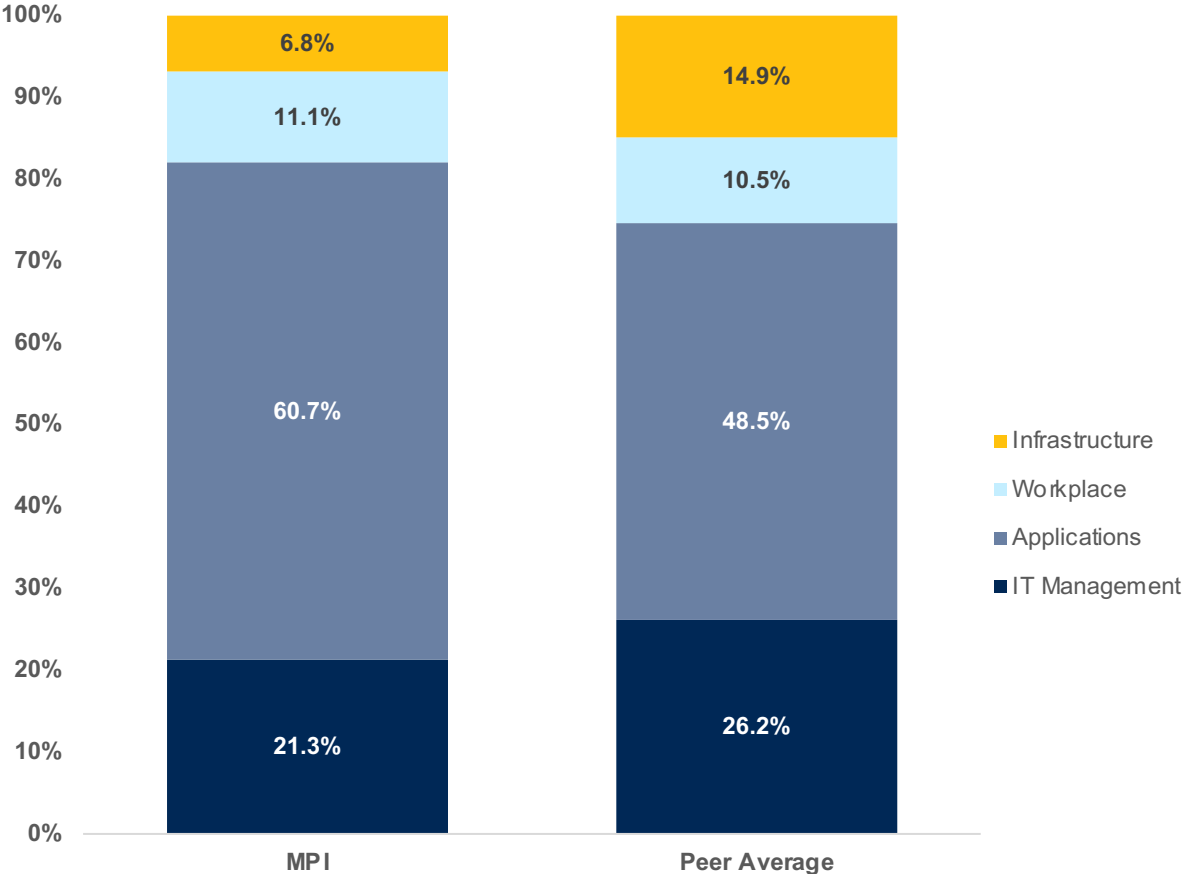
Observations:

- Project Nova staffing is included in MPI staffing metrics

- MPI's staffing distribution for Infrastructure is lower than the peer average (MPI: 6.8% vs 14.9%)

- MPI's staffing distribution for Workplace is higher than the peer average (MPI: 11.1% vs 10.5%)

- MPI's staffing distribution for Applications is higher than the peer average (MPI: 60.7% vs 48.5%)

- MPI's staffing distribution for IT Management is lower than the peer average (MPI: 21.3% vs 26.2%)

Staffing Distribution	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
Infrastructure	6.2%	7.0%	5.6%	6.8%	14.9%
Workplace	9.8%	10.6%	9.4%	11.1%	10.5%
Applications	59.8%	61.5%	61.9%	60.7%	48.5%
IT Management	24.2%	20.9%	23.1%	21.3%	26.2%

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Asset Category Spending Distribution – Detailed View

IT Spending – Percentage Spending by Asset Category
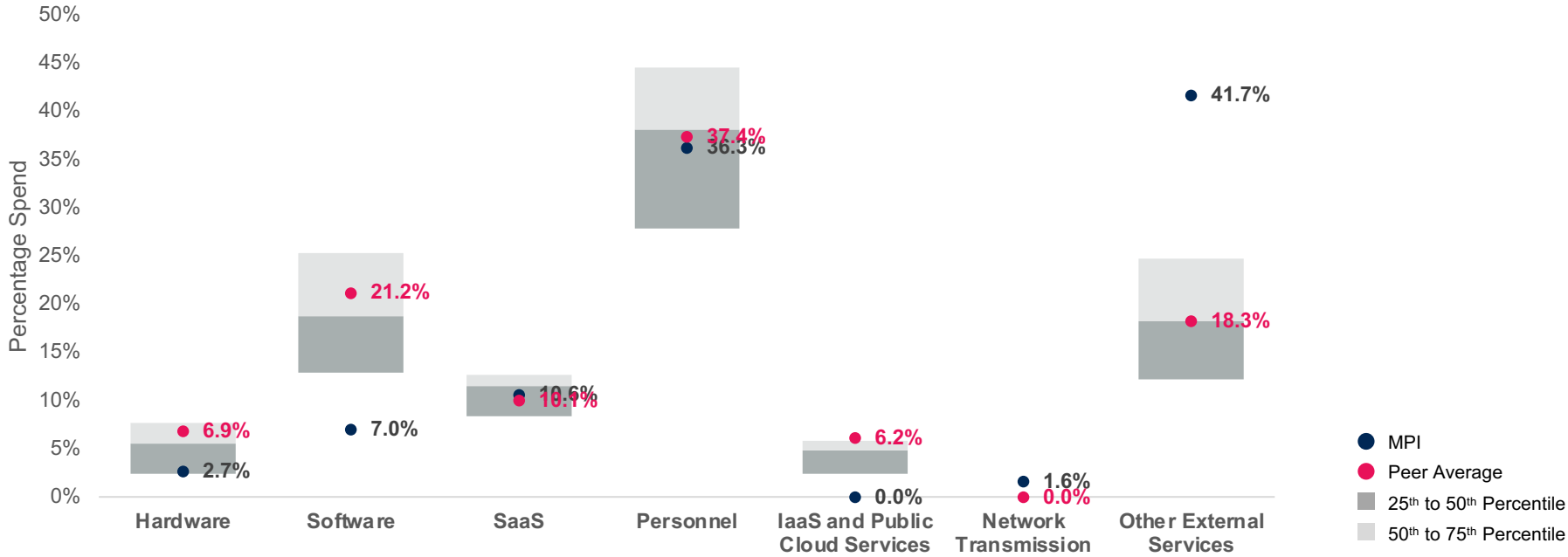
Observations:

- Project Nova costs are included in MPI spending metrics

- MPI's spend allocation for on premises software spending is lower than peers (7.0% vs 21.2%)

- MPI's spend allocation on other external services is higher relative to the peer average and is mainly attributed to the outsourcing service contracts (41.7% vs 18.3%)

Legend:
- MPI
- Peer Average
- 25th to 50th Percentile
- 50th to 75th Percentile

Group	Spending Distribution	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
Hardware	Hardware	6.20%	6.40%	2.25%	2.71%	6.85%
Software	Software	10.30%	12.40%	17.25%	7.04%	21.21%
	SaaS	6.80%	7.30%	11.34%	10.63%	10.05%
Personnel	Personnel	53.90%	52.40%	39.37%	36.30%	37.43%
External Services	IaaS and Public Cloud Services	0.00%	0.00%	0.00%	0.00%	6.17%
	Network Transport	2.60%	2.60%	2.39%	1.64%	0.00%
	Other External Services	20.20%	18.90%	27.40%	41.70%	18.28%

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IT Functional Spending Distribution – Detailed View

IT Spending – Percentage Spending by Functional Category
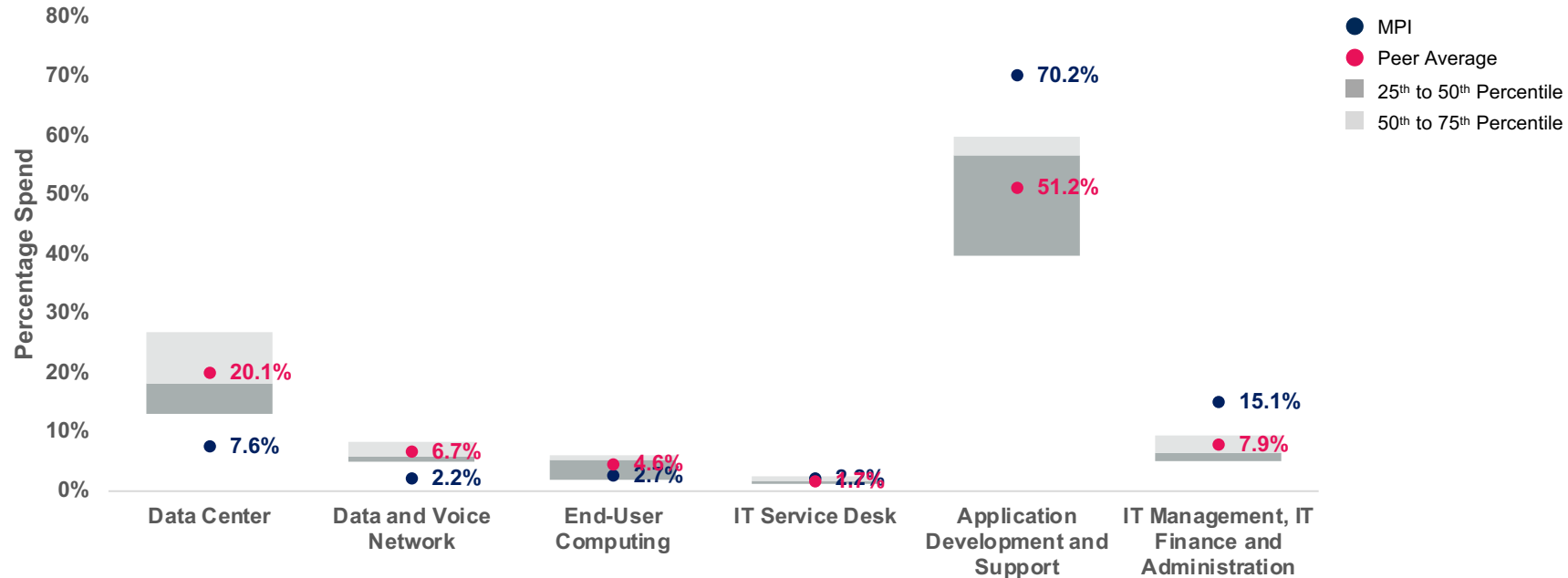
Observations:

- Project Nova costs are included in MPI spending metrics

- MPI's spending allocation to the Applications Development and Support is higher than the peer average (MPI: 70.24% vs 51.22%)

Group	Spending Distribution	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
Infrastructure	Data Center	18.70%	17.80%	10.25%	7.59%	20.06%
	Data and Voice Network	8.50%	7.50%	3.94%	2.17%	6.73%
Workplace	End-User Device & Print Management	4.90%	5.60%	3.15%	2.71%	4.61%
	IT Service Desk	1.70%	2.20%	2.36%	2.17%	1.69%
Applications	Application Development and Support	51.00%	52.90%	69.99%	70.24%	51.22%
IT Management	IT Management, IT Finance and Administration	15.20%	14.00%	10.31%	15.13%	7.90%

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IT Staff Distribution – Detailed View

IT Staffing Distribution – Percentage of FTEs by Functional Category

Observations:
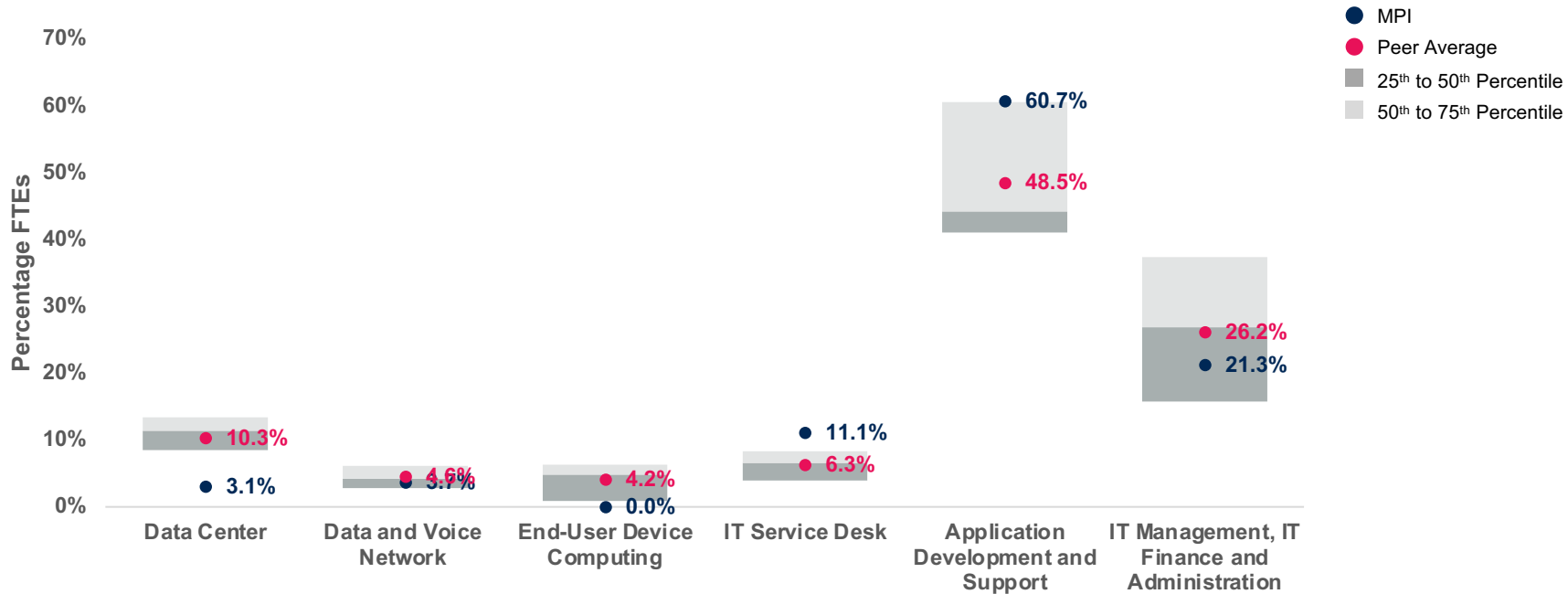
- Project Nova staffing is included in MPI staffing metrics

- MPI's allocation to Applications Development and Support is higher than the peer average (60.7% vs 48.51)

- MPI's lower staffing distribution in the Infrastructure category is mainly attributed to lower allocation to Data Center personnel relative to peers (MPI: 3.1% vs 10.31%)

- MPI's IT Management, IT Finance and Administration personnel are lower than peers (21.3% vs 26.2%)

Group	Staffing Distribution	MPI (2018/19)	MPI (2019/20)	MPI (2020/21)	MPI (2021/22)	Peer Average
Infrastructure	Data Center	2.5%	3.3%	2.4%	3.1%	10.3%
	Data and Voice Network	3.7%	3.7%	3.2%	3.7%	4.6%
Workplace	End-User Device Computing	4.9%	4.9%	4.0%	0.0%	4.2%
	IT Service Desk	4.9%	5.7%	5.5%	11.1%	6.3%
Applications	Application Development and Support	59.8%	61.5%	61.9%	60.7%	48.5%
IT Management	IT Management, IT Finance and Administration	24.2%	20.9%	23.1%	21.3%	26.2%

Gartner

3.2 IT Service Management Process Review Findings

Gartner

IT Maturity Level Methodology

- Maturity assessment results were collected via surveys using Gartner's proprietary IT Score Assessment Tool.

- MPI respondents for surveys were selected from MPI's IT management team, based on ownership and expertise in the particular domain.

- IT Maturity surveys evaluated 9 IT Domains, which are comprised of 51 Functions and 208 Activities.

IT Domain Level **Functional Level** **Activity Level**

Strategy & Execution	Engage Business Leadership & Stakeholders	Market IT Capabilities
	Perform Strategy and Planning	Assess and Manage Business Demand

- Maturity levels are measured on a scale ranging from Level 1 (Lowest) to Level 5 (Highest), and depict how advanced MPI's development in a domain, function or activity are relative to Gartner's Best Practice Research. These maturity level descriptions are dependent on the specific domain being assessed and may be subject to yearly updates to reflect modern best practices.

- Maturity level results were compared to a peer group which was selected based on survey responses from insurance companies which are 1B - 3B USD in size.

- For reporting simplification, only domain and functional level have been presented.

- ***Requirement to meet Gartner's defined level of maturity, and subsequently the IT survey questions evolve each year to reflect the changing industry standards as it pertains to IT service delivery worldwide.*** *As a result, the changes of IT maturity scores year-over-year, may be a result of: 1) Changes in the levels of MPI's IT Service Delivery or 2) Evolving criteria required to meet a particular level of maturity as defined by Gartner.*

- Recommendations were developed based the assessment of the IT Domains, Functions and Activities. Gartner's recommendations were guided by the level of importance to the organization (i.e., Activity Priority Index), the maturity level relative to peers and other factors such as MPI's organizational objectives, industry trends and insights uncovered through interview discussions and document review.

Gartner

Strategy and Execution

Strategy and Execution Maturity Levels

MPI's Maturity Level: 1.32
Peer Maturity Level: 2.65
Last Year's Maturity Level: 2.99

Legend:
- 2020 MPI Maturity Level
- 2021 MPI Maturity Level
- 2021 Peer Maturity Level Benchmark

Maturity Level	Engage Business Leadership & Stakeholders	Perform Strategy & Planning	Apply Technology Leadership & Innovate	Manage IT Governance	Manage IT Finance	Develop & Manage Talent	Manage Performance
Last Year Benchmark	3.28	4.17	2.86	2.67	2.39	2.33	3.27
MPI Maturity Level	1.80	1.39	1.69	1.00	1.39	0.60	1.40
Peer Benchmark	2.72	3.27	2.78	2.97	2.71	1.74	2.40
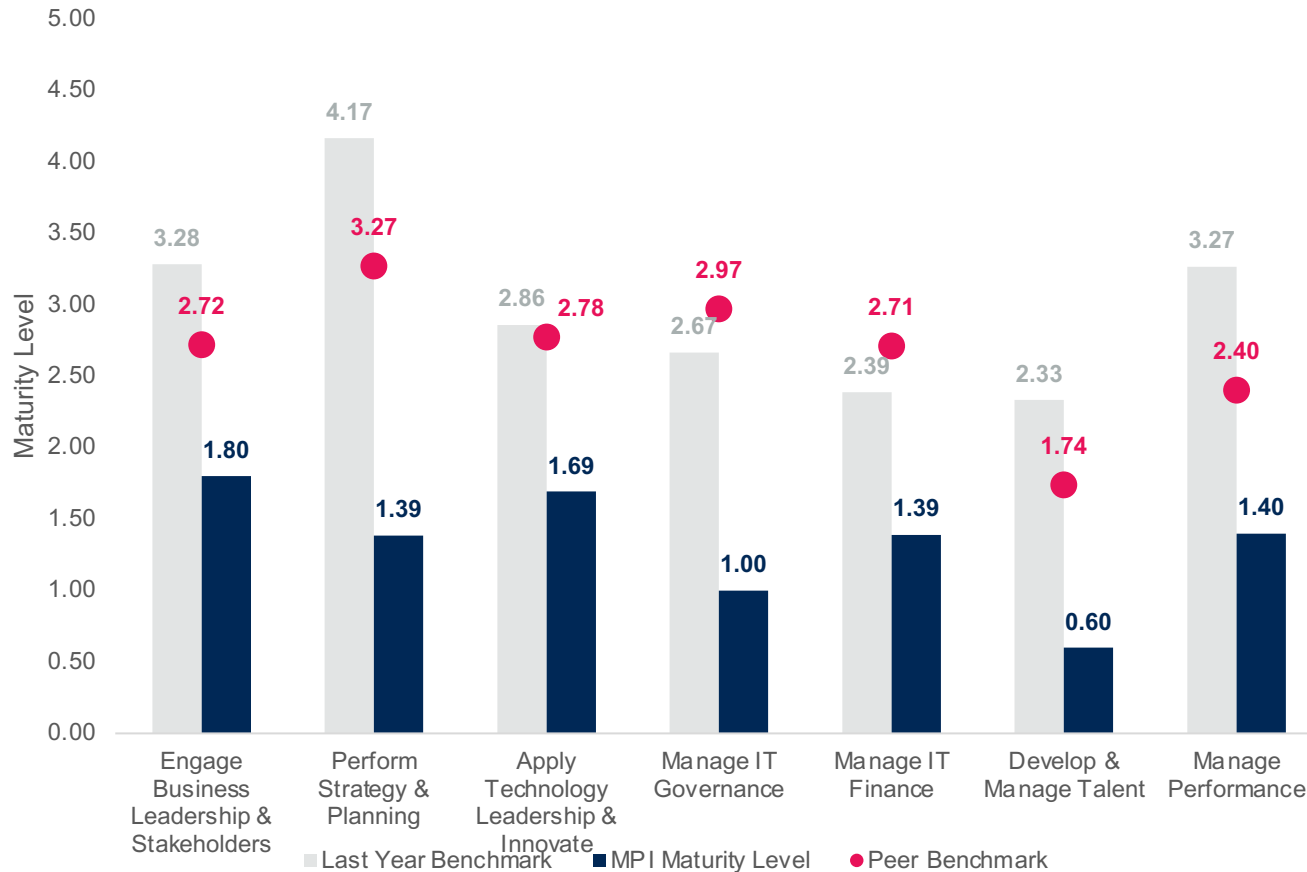
Strategy and Execution Activity Priority Index (API)

API order of priority is based on where the functions are least mature and of greater importance for MPI

(Highest to Lowest Priority Areas for Improvement)

Manage IT Finance	Develop & Manage Talent	Manage IT Governance	Engage Business Leadership & Stakeholders	Apply Technology Leadership & Innovate	Manage Performance	Perform Strategy & Planning
1.22	4.04	2.00	2.80	2.02	1.20	1.23
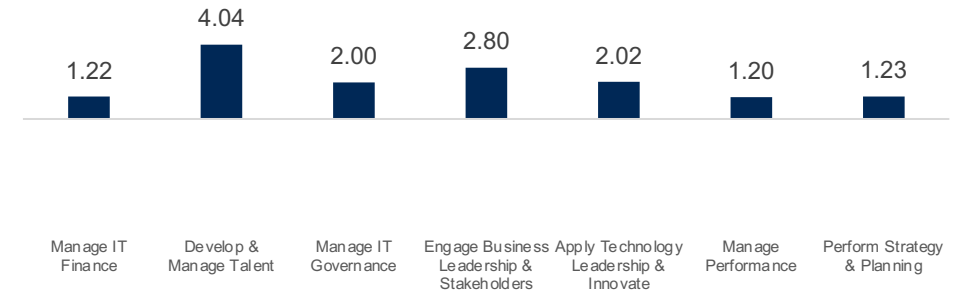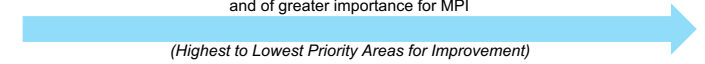
Observations:
- Overall maturity is lower than the peer benchmark
- Overall maturity has decreased from the previous year's maturity levels
- MPI's maturity is below the peer benchmarks across all functions.
- Note: Incomplete survey response for some functional areas (questions answered as 'Don't Know').

Gartner

Applications

Applications Maturity Levels

MPI's Maturity Level: 2.57
Peer Maturity Level: 2.41
Last Year's Maturity Level: 3.31

Legend:
- 2020 MPI Maturity Level
- 2021 MPI Maturity Level
- 2021 Peer Maturity Level Benchmark

	Build and Customize Products and Applications	Integrate Platforms, Products and Applications	Manage the Product and Application Portfolio	Manage Vendor and Sourcing Relationships	Manage the Product and Application Function
2020 MPI	2.67	3.56	3.83	3.70	2.79
2021 MPI	1.82	2.71	3.39	2.60	2.32
2021 Peer	2.06	2.41	2.54	2.88	2.17
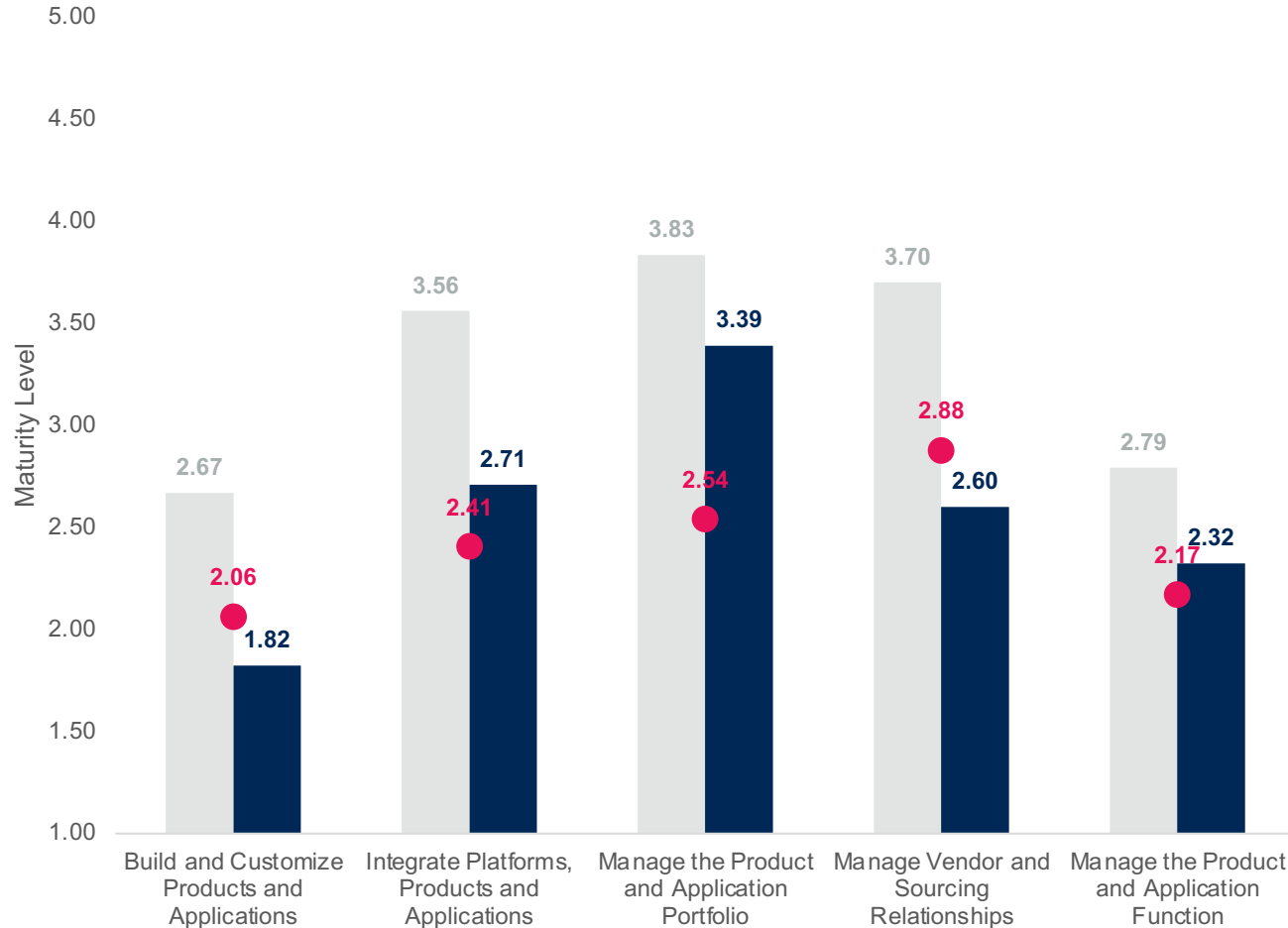
Applications Activity Priority Index (API)

API order of priority is based on where the functions are least mature and of greater importance for MPI

(Highest to Lowest Priority Areas for Improvement)

Build and Customize Products and Applications	Integrate Platforms, Products and Applications	Manage the Product and Application Function	Manage the Product and Application Portfolio	Manage Vendor and Sourcing Relationships
6.77	1.76	2.58	-1.17	1.20

Observations:

- Overall maturity exceeds the peer benchmark
- Overall maturity has decreased from the previous year's maturity levels
- MPI's maturity are below the peer benchmarks in the following function:
  - Build and Customize Products and Applications
  - Manage Vendor and Sourcing Relationships

Gartner

Data and Analytics

Data and Analytics Maturity Levels
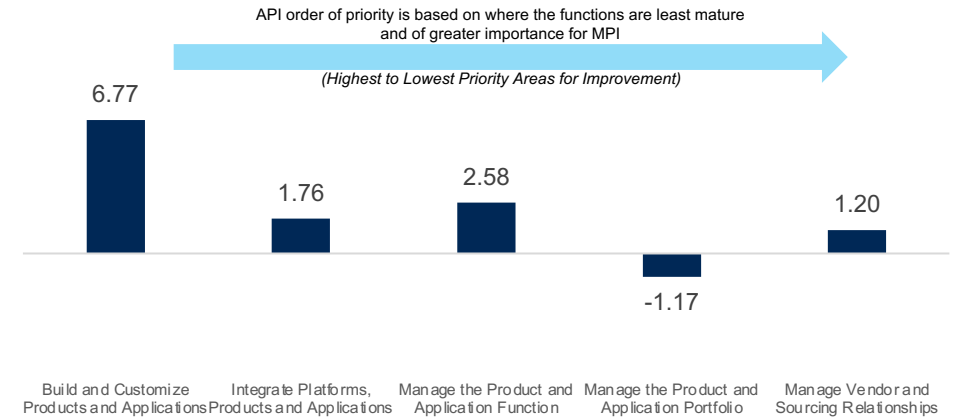
MPI's Maturity Level: 2.59
Peer Maturity Level: 2.10
Last Year's Maturity Level: 2.71

Legend:
- 2020 MPI Maturity Level
- 2021 MPI Maturity Level
- 2021 Peer Maturity Level Benchmark

Maturity Level chart values:

Function	2020 MPI	2021 MPI	2021 Peer
Create the Data & Analytics Vision and Strategy	2.25	3.81	1.95
Manage the Data & Analytics Function	4.00	3.00	2.59
Align Data & Analytics to Business Outcomes	2.33	1.67	1.82
Develop Data & Analytics Organizational Talent	2.67	2.42	2.14
Create and Maintain Analytics Content	2.81	2.19	2.40
Integrate and Manage Data	2.00	3.42	1.82
Govern Data & Analytics Assets	2.88	1.63	1.96

Data and Analytics Activity Priority Index (API)

API order of priority is based on where the functions are least mature and of greater importance for MPI

(Highest to Lowest Priority Areas for Improvement)

API chart values:

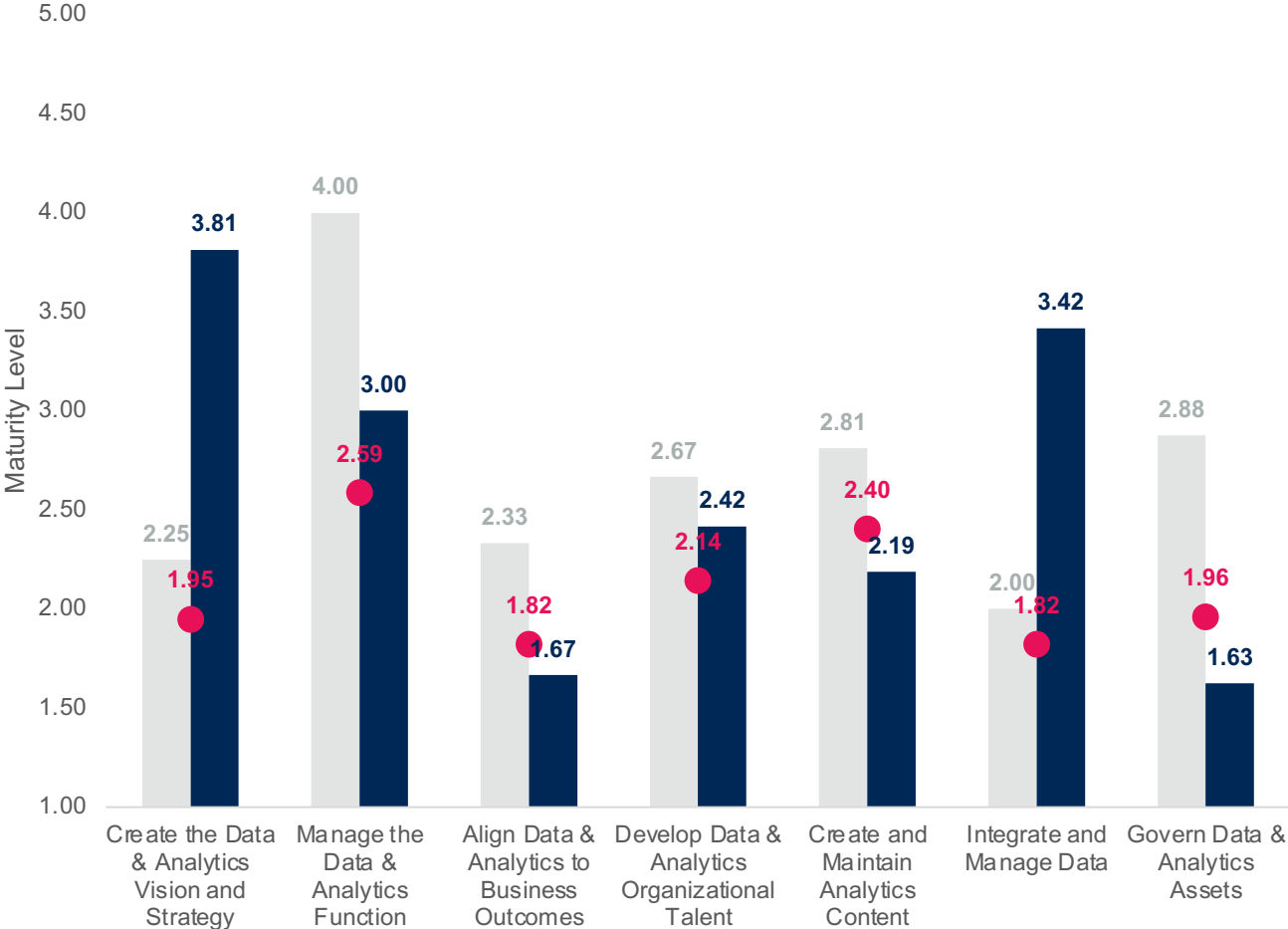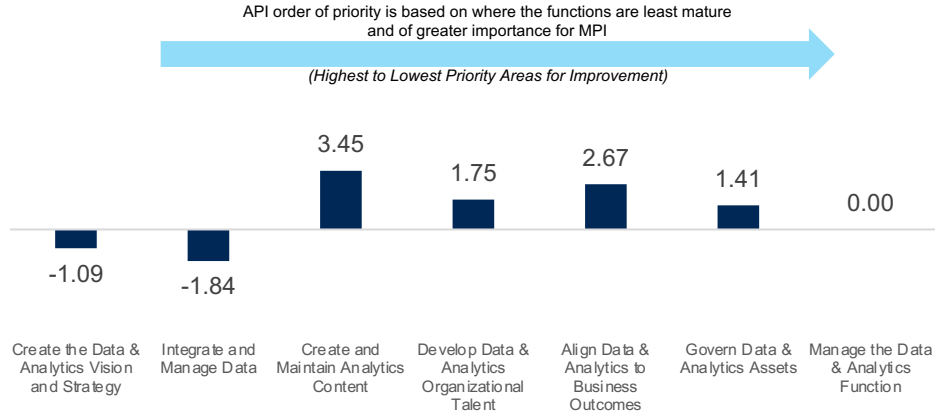| Function	Value
Create the Data & Analytics Vision and Strategy	-1.09
Integrate and Manage Data	-1.84
Create and Maintain Analytics Content	3.45
Develop Data & Analytics Organizational Talent	1.75
Align Data & Analytics to Business Outcomes	2.67
Govern Data & Analytics Assets	1.41
Manage the Data & Analytics Function	0.00

Observations:

- Overall maturity exceeds the peer benchmark
- Overall maturity has decreased from the previous year's maturity levels
- MPI's maturity are below the peer benchmarks in the following function:
  - Align Data & Analytics Business Outcomes
  - Create and Maintain Analytics Content
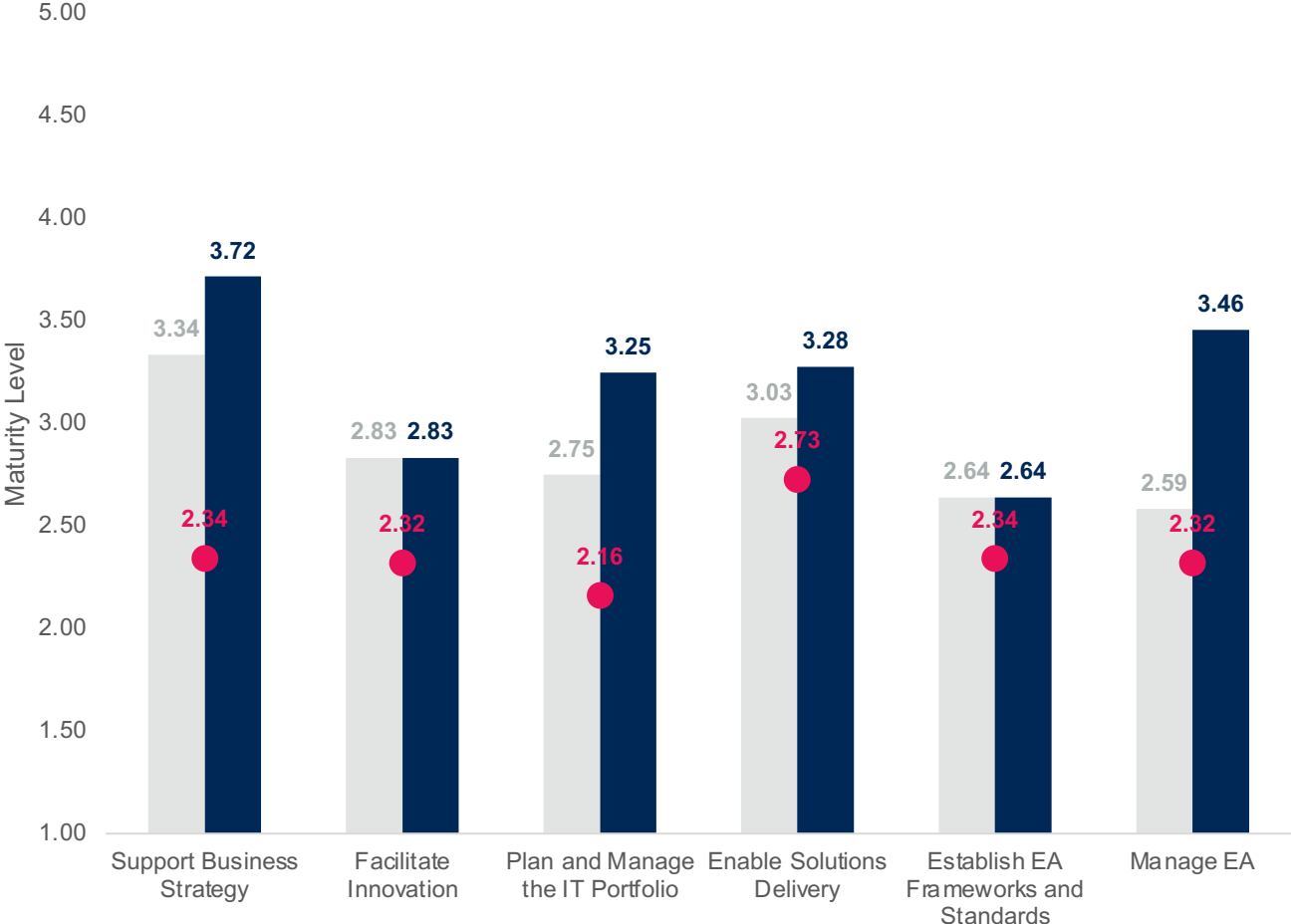 - Govern Data & Analytics Assets

Gartner

Enterprise Architecture (EA)

Enterprise Architecture Maturity Levels

MPI's Maturity Level: 3.02
Peer Maturity Level: 2.37
Last Year's Maturity Level: 2.86

Legend:
- ▉ 2020 MPI Maturity Level
- ▉ 2021 MPI Maturity Level
- ● 2021 Peer Maturity Level Benchmark

Maturity Level (Y-axis: 1.00 to 5.00)

Category	2020	2021	Peer
Support Business Strategy	3.34	3.72	2.34
Facilitate Innovation	2.83	2.83	2.32
Plan and Manage the IT Portfolio	2.75	3.25	2.16
Enable Solutions Delivery	3.03	3.28	2.73
Establish EA Frameworks and Standards	2.64	2.64	2.34
Manage EA	2.59	3.46	2.32

Enterprise Architecture Activity Priority Index (API)

API order of priority is based on where the functions are least mature and of greater importance for MPI

(Highest to Lowest Priority Areas for Improvement)

Plan and Manage the IT Portfolio	Manage EA	Support Business Strategy	Facilitate Innovation	Establish EA Frameworks and Standards	Enable Solutions Delivery
0.28	-1.95	-1.66	-1.17	-1.28	-0.83

Observations:
- Overall maturity exceeds the peer benchmark
- Overall maturity has increased from the previous year's maturity levels
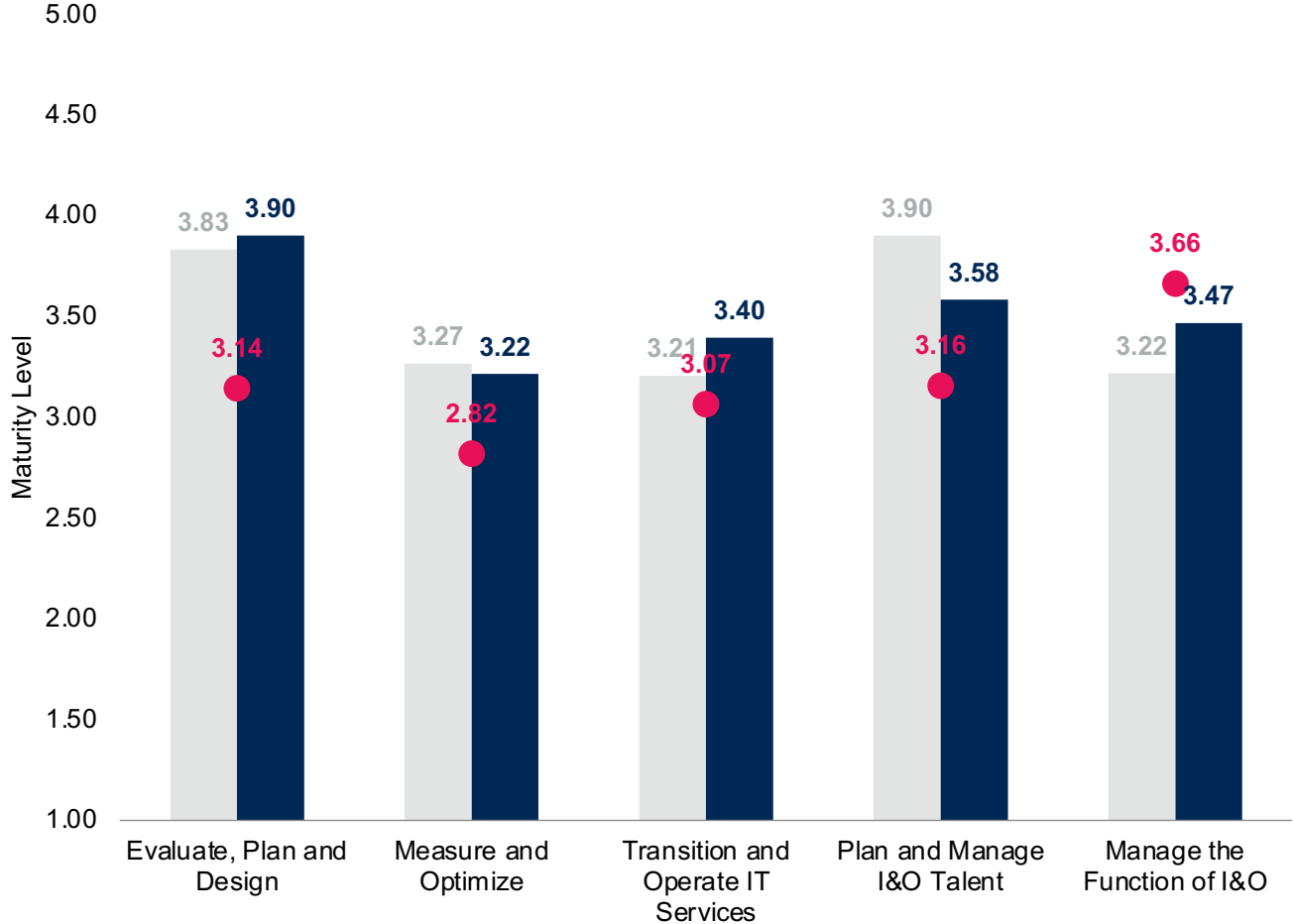
Gartner

Infrastructure and Operations

Infrastructure and Operations Maturity Levels

MPI's Maturity Level: 3.51
Peer Maturity Level: 3.17
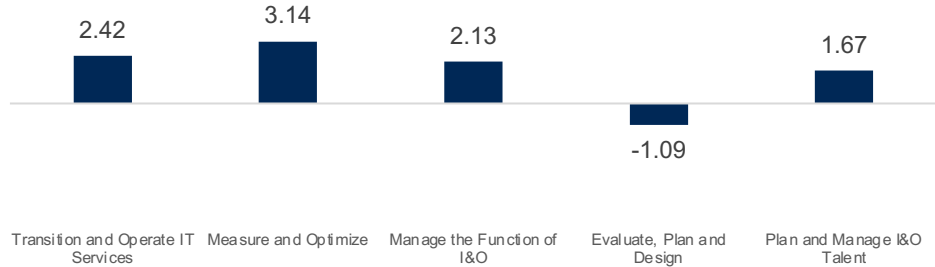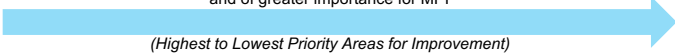Last Year's Maturity Level: 3.49

Legend:
- 2020 MPI Maturity Level
- 2021 MPI Maturity Level
- ● 2021 Peer Maturity Level Benchmark

Chart data (Maturity Level, y-axis 1.00–5.00):

Category	2020 MPI	2021 MPI	2021 Peer
Evaluate, Plan and Design	3.83	3.90	3.14
Measure and Optimize	3.27	3.22	2.82
Transition and Operate IT Services	3.21	3.40	3.07
Plan and Manage I&O Talent	3.90	3.58	3.16
Manage the Function of I&O	3.22	3.47	3.66

Infrastructure and Operations Activity Priority Index (API)

API order of priority is based on where the functions are least mature and of greater importance for MPI

(Highest to Lowest Priority Areas for Improvement)

Transition and Operate IT Services	Measure and Optimize	Manage the Function of I&O	Evaluate, Plan and Design	Plan and Manage I&O Talent
2.42	3.14	2.13	-1.09	1.67

Observations:
- Overall maturity exceeds the peer benchmark
- Overall maturity has decreased from the previous year's maturity levels
- MPI's maturity is below the peer benchmark in the following function:
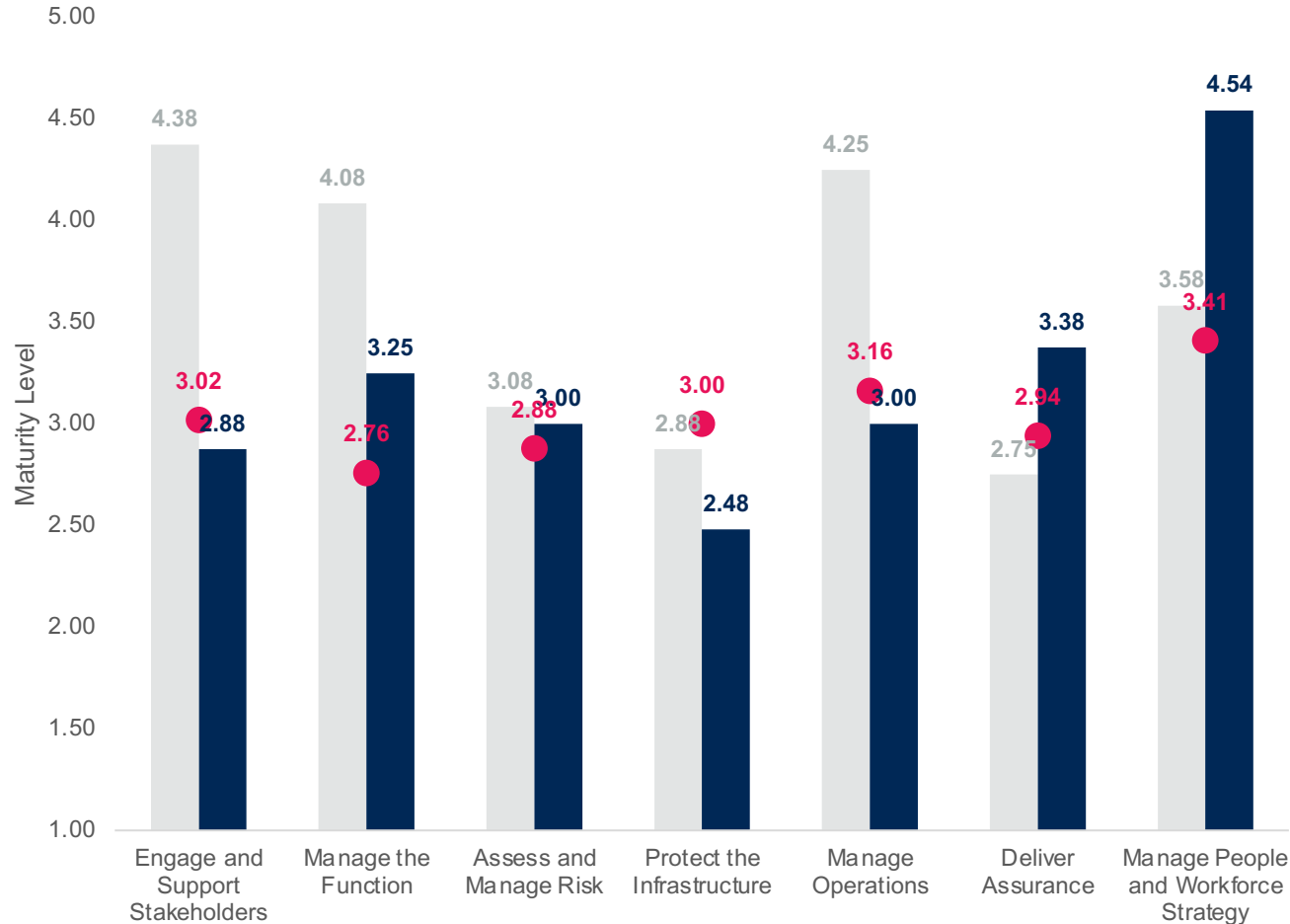 - Manage the Function of I&O

Gartner

Security and Risk Management

Security and Risk Management Maturity Levels

MPI's Maturity Level: 3.22
Peer Maturity Level: 3.02
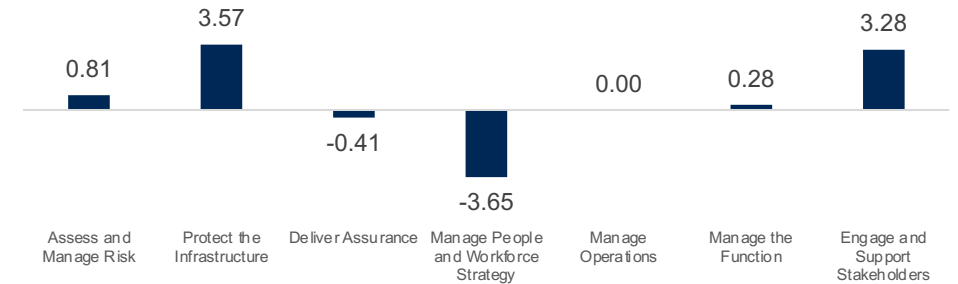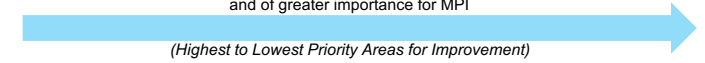**Last Year's Maturity Level: 3.57**

Legend:
- 2020 MPI Maturity Level
- 2021 MPI Maturity Level
- 2021 Peer Maturity Level Benchmark

	2020 MPI	2021 MPI	2021 Peer
Engage and Support Stakeholders	4.38	2.88	3.02
Manage the Function	4.08	3.25	2.76
Assess and Manage Risk	3.08	3.00	2.88
Protect the Infrastructure	2.88	2.48	3.00
Manage Operations	4.25	3.00	3.16
Deliver Assurance	2.75	3.38	2.94
Manage People and Workforce Strategy	3.58	4.54	3.41

Y-axis: Maturity Level (1.00 to 5.00)

Security and Risk Management Activity Priority Index (API)

API order of priority is based on where the functions are least mature and of greater importance for MPI

(Highest to Lowest Priority Areas for Improvement)

Function	API Value
Assess and Manage Risk	0.81
Protect the Infrastructure	3.57
Deliver Assurance	-0.41
Manage People and Workforce Strategy	-3.65
Manage Operations	0.00
Manage the Function	0.28
Engage and Support Stakeholders	3.28

Observations:

- Overall maturity exceeds the peer benchmark
- Overall maturity has decreased from the previous year's maturity levels
- MPI's maturity is below the peer benchmark in the following function:
  - Engage and Support Stakeholders
  - Protect the Infrastructure
  - Mange Operations

Gartner

Program and Portfolio Management
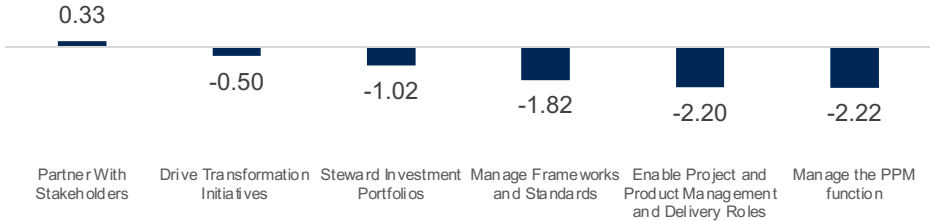
Program and Portfolio Management

MPI's Maturity Level: 1.00
Peer Maturity Level: 2.26
Last Year's Maturity Level: 3.68

Legend:
- 2020 MPI Maturity Level
- 2021 MPI Maturity Level
- 2021 Peer Maturity Level Benchmark

Maturity Level chart:

Function	2020 MPI	2021 Peer Benchmark	2021 MPI
Partner With Stakeholders	2.89	2.12	1.00
Steward Investment Portfolios	3.95	2.25	1.00
Manage Frameworks and Standards	3.77	2.17	1.00
Drive Transformation Initiatives	4.13	2.46	1.00
Enable Project and Product Management and Delivery Roles	3.86	2.17	1.00
Manage the PPM function	3.50	2.42	1.00

Program and Portfolio Management Activity Priority Index (API)

API order of priority is based on where the functions are least mature and of greater importance for MPI

(Highest to Lowest Priority Areas for Improvement)

Function	API
Partner With Stakeholders	0.33
Drive Transformation Initiatives	-0.50
Steward Investment Portfolios	-1.02
Manage Frameworks and Standards	-1.82
Enable Project and Product Management and Delivery Roles	-2.20
Manage the PPM function	-2.22

Observations:

- Overall maturity is below the peer benchmark
- Overall maturity has decreased from the previous year's maturity levels
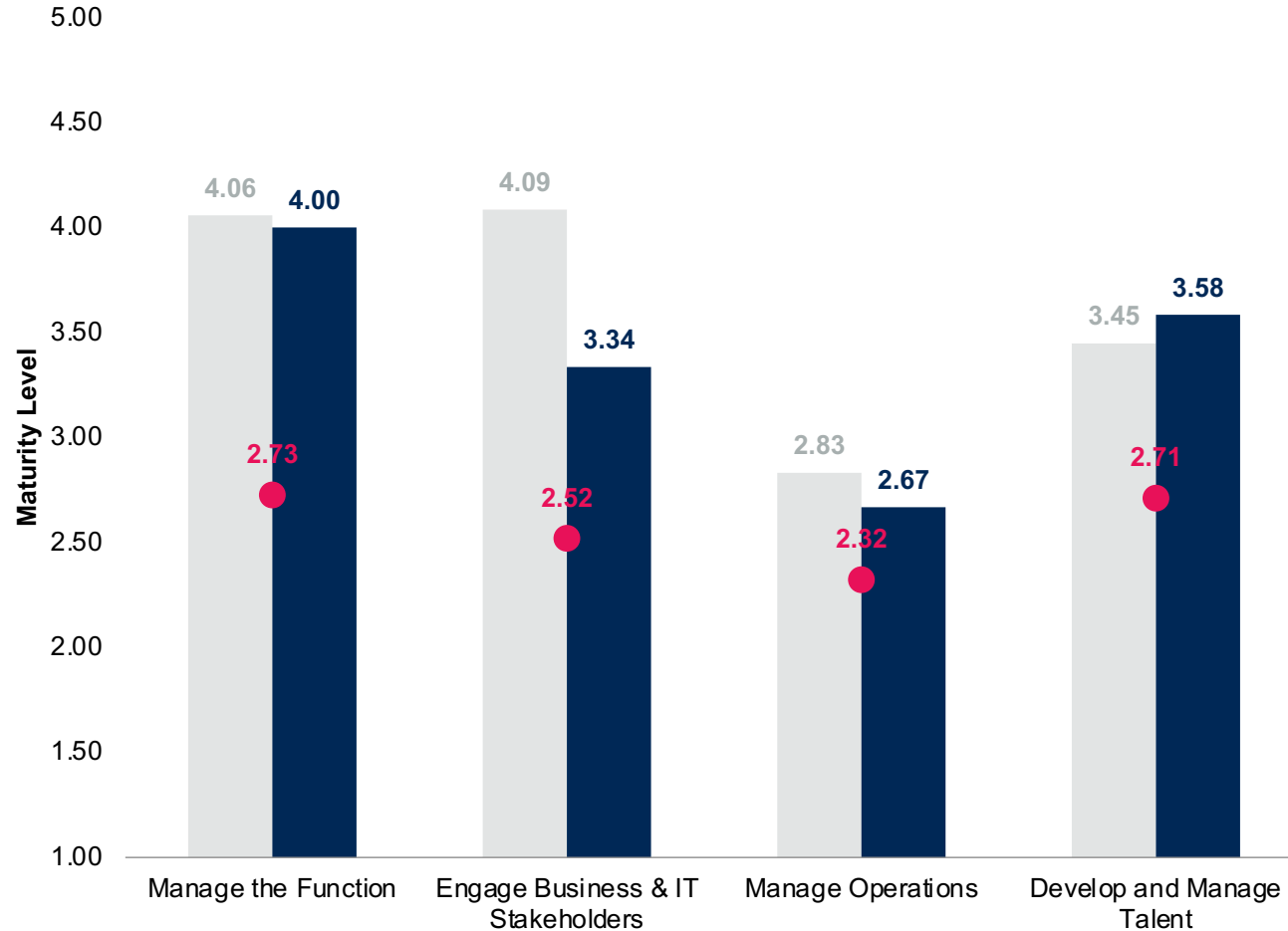- MPI's maturity are below the peer benchmarks in all functions.

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Sourcing and Procurement

Sourcing and Procurement Maturity Levels
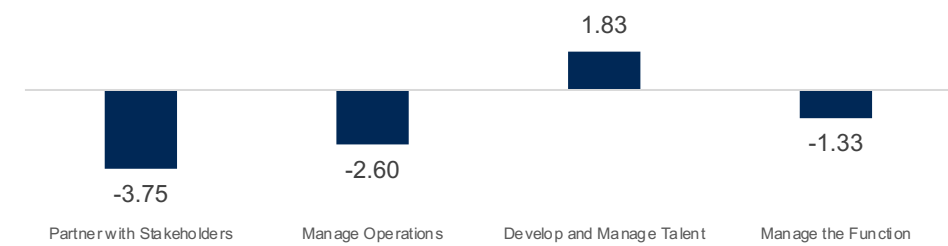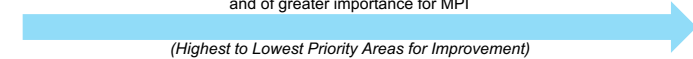
MPI's Maturity Level: 3.40
Peer Maturity Level: 2.57
Last Year's Maturity Level: 3.61

Legend:
- 2020 MPI Maturity Level
- 2021 MPI Maturity Level
- 2021 Peer Maturity Level Benchmark

Maturity Level	Manage the Function	Engage Business & IT Stakeholders	Manage Operations	Develop and Manage Talent
2020 MPI	4.06	4.09	2.83	3.45
2021 MPI	4.00	3.34	2.67	3.58
2021 Peer Benchmark	2.73	2.52	2.32	2.71

Sourcing and Procurement Activity Priority Index (API)

API order of priority is based on where the functions are least mature and of greater importance for MPI

(Highest to Lowest Priority Areas for Improvement)

Manage Operations	Develop and Manage Talent	Engage Business & IT Stakeholders	Manage the Function
3.67	-1.75	2.66	-2.22

Observations:
- Overall maturity exceeds the peer benchmark
- Overall maturity has decreased from the previous year's maturity levels

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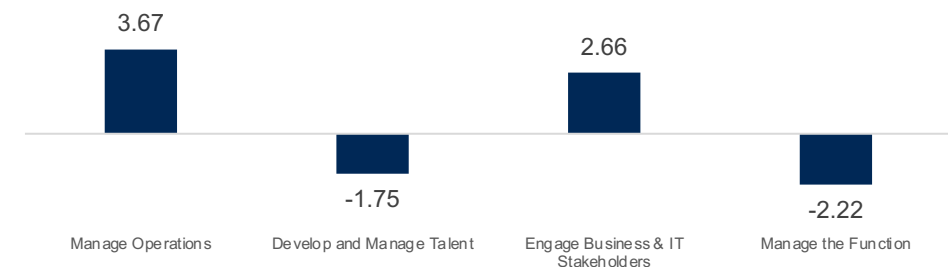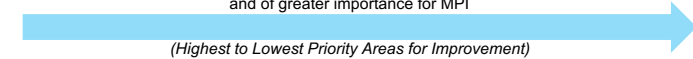
Vendor Management

Vendor Management Maturity Levels

MPI's Maturity Level: 3.90
Peer Maturity Level: 2.52
Last Year's Maturity Level: 4.26

Legend:
- 2020 MPI Maturity Level
- 2021 MPI Maturity Level
- 2021 Peer Maturity Level Benchmark

Vendor Management Activity Priority Index (API)

API order of priority is based on where the functions are least mature and of greater importance for MPI

(Highest to Lowest Priority Areas for Improvement)

Observations:
- Overall maturity exceeds the peer benchmark
- Overall maturity has decreased from the previous year's maturity levels

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Summary of Changes in Functional Level of IT Maturity Over the Past Year

Largest Increases in Maturity

IT Domain	Functional Level	2019 MPI Maturity Level	2020 MPI Maturity Level	Peer Benchmark	YoY Maturity Difference
Data & Analytics	Create the D&A Vision and Strategy	2.25	3.81	1.95	1.56
Data & Analytics	Integrate and Manage Data	2.00	3.42	1.82	1.42
Security & Risk Management	Manage People and Workforce Strategy	3.58	4.54	3.41	0.96
Enterprise Architecture & Technology InNovation	Manage EA	2.59	3.46	2.32	0.87
Security & Risk Management	Deliver Assurance	2.75	3.38	2.94	0.63
Enterprise Architecture & Technology InNovation	Plan and Manage IT Portfolio	2.75	3.25	2.16	0.50
Enterprise Architecture & Technology InNovation	Structure Business Strategy	3.34	3.72	2.34	0.38
Enterprise Architecture & Technology InNovation	Enable Solutions Delivery	3.03	3.28	2.73	0.25
Infrastructure & Operations	Manage the Function of I&O	3.22	3.47	3.66	0.25
Infrastructure & Operations	Transition and Operate IT Services	3.21	3.40	3.07	0.19
Sourcing & Procurement	Develop and Manage Talent	3.45	3.58	2.71	0.14
Infrastructure & Operations	Evaluate, Plan and Design	3.83	3.90	3.14	0.07

Largest Decreases in Maturity

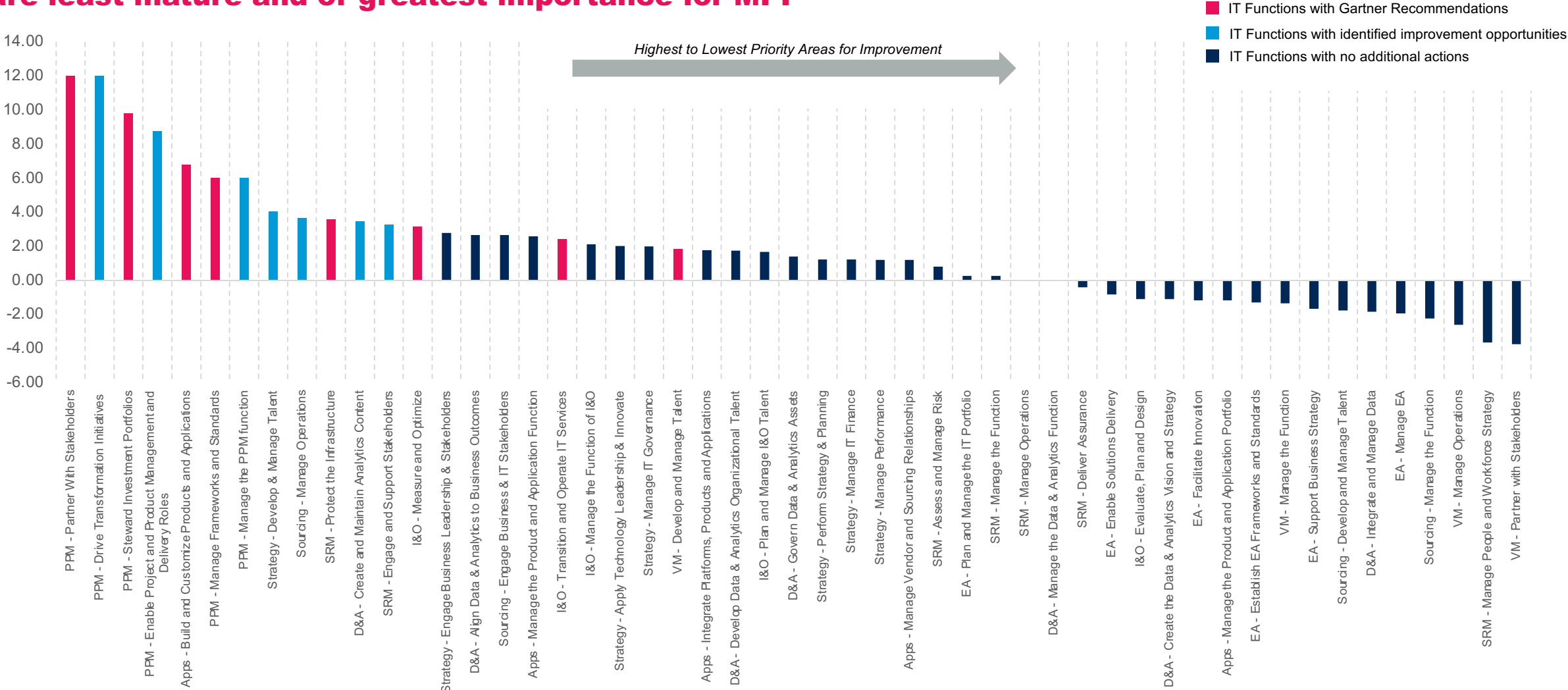| IT Domain	Functional Level	2019 MPI Maturity Level	2020 MPI Maturity Level	Peer Benchmark	YoY Maturity Difference
Program & Portfolio Management	Drive Transformation Initiatives	4.13	1.00	2.46	-3.13
Program & Portfolio Management	Steward Investment Portfolios	3.95	1.00	2.25	-2.95
Program & Portfolio Management	Enable Project and Product Management and Delivery Roles	3.86	1.00	2.17	-2.86
Strategy & Execution	Perform Strategy & Planning	4.17	1.39	3.27	-2.78
Program & Portfolio Management	Manage Frameworks and Standards	3.77	1.00	2.17	-2.77
Program & Portfolio Management	Manage the PPM Function	3.50	1.00	2.42	-2.50
Program & Portfolio Management	Partner With Stakeholders	2.89	1.00	2.12	-1.89
Strategy & Execution	Manage Performance	3.27	1.40	2.40	-1.87
Strategy & Execution	Develop & Manage Talent	2.33	1.00	1.74	-1.73
Strategy & Execution	Manage IT Governance	2.67	1.00	2.97	-1.67
Security & Risk Management	Engage and Support Stakeholders	4.38	2.88	3.02	-1.50
Security & Risk Management	Engage and Support Stakeholders	4.38	2.88	3.02	-1.50

Note: Year-over year maturity changes may be attributed to:
1. *Change in the levels of MPI's IT Service Delivery*
2. *Evolving criteria required to meet a level of maturity defined by Gartner*

Gartner

Improvement Opportunities: Activity Priority Index (API)

The Activity Priority Index (API) represents an order of priority for the IT functions, based on which are least mature and of greatest importance for MPI

Legend:
- IT Functions with Gartner Recommendations
- IT Functions with identified improvement opportunities
- IT Functions with no additional actions

Highest to Lowest Priority Areas for Improvement

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#	Domain	Function	Importance Level (1-4)	Activity and Improvement Opportunities
1	Strategy and Execution	Develop & Manage Talent	Important to key objectives	**Develop IT Workforce Strategy.** ▪ Develop the long-term, enterprise-wide I&T workforce plan and revise it regularly as business needs change with engagement from IT and business leaders. **Develop Skills and Competencies.** ▪ Integrate IT career paths with talent assessments that identify employees' skills gaps and prepare them for future roles and new organizational needs through learning and development activities.
2	Strategy and Execution	Apply Technology Leadership & InNovate	Important to key objectives	**Apply Analysis & InNovate.** ▪ Establish inNovation as a formal business capability with business ownership that drives business model evolution. **Optimize the IT Operating Model.** ▪ Define and document the IT operating model for the IT organization to clarify IT's role and value proposition in the business. Optimize all components of the I&T operating model collectively, as a system, driven by strategic planning. **Leverage Technology.** ▪ Inventory and map relationships between applications and infrastructure to increase efficiencies and resource utilization in delivering projects and support. ▪ Map business architecture to identify opportunities to optimize business capabilities and the enterprise operating model. **Develop the Technology Roadmap.** ▪ Include information and technology (I&T) across the enterprise in the technology roadmap, which that covers information systems, data and analytics, customer experience, and analytics and IoT platform. ▪ Define responsibility for updating the I&T roadmap for every dimension and layer. Update the I&T roadmap regularly, as often as needed.

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#	Domain	Function	Importance Level (1-4)	Activity and Improvement Opportunities
3	Strategy and Execution	Manage IT Governance	Important to key objectives	**Operate IT Governance Framework.** ■ Apply an adaptive IT governance framework balancing the risk and reward of I&T investments, enabling agile I&T decision making across the enterprise. **Manage IT Risk.** ■ Assign accountability for I&T risk and enforce an integrated IT risk discipline that considers both risk and reward across I&T decision making from a business perspective. ■ Assign accountability for continuously assessing I&T risks with a focus on the defensibility of decisions with key stakeholders.
4	Strategy and Execution	Engage Business Leadership & IT Stakeholders	Important to key objectives	**Market IT Capabilities.** ■ Develop a plan to consistently engage and learn about changing needs and define IT value contribution. **Assess and Manage Business Demand.** ■ Establish a formal relationship management role responsible for engaging with business stakeholders to assess and shape demand. **Enable Business IT Capabilities.** ■ Work with HR and business leaders to develop enterprise-wide digital skills, mindsets and competencies.

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List of Improvement Opportunities (3 of 8)

#	Domain	Function	Importance Level (1-4)	Activity and Improvement Opportunities
5	Applications	Build and Customize Products and Applications	Important to key objectives	Applications Manage the Delivery Methodology. ■ Ensure that each agile team adheres to defined SLAs for support work. Applications Manage Release Process and Release Frequency. ■ Develop a formal release process. ■ Streamline automated release processes to handle application release and configuration. Manage Test Process and Automation. ■ Optimize processes such that failed releases automatically roll back or their features are disabled by the production environment. ■ Add automated tests whenever a defect is found in manual testing or production. ■ Integrate smoke test into nightly builds Establish Code Quality Standards. ■ Perform static analysis of code
6	Applications	Manage the Product and Application Function	Important to key objectives	Monitor Product and Application Portfolio. ■ Ensure that business stakeholders have taken ownership of the product and application portfolio and regularly monitor its fitness.
7	Data and Analytics	Create and Maintain Analytics Content	Important to key objectives	Create and Maintain Enterprise-wide Reports. ■ Provide enterprise reports that are interactive, which users are able to sort and filter to customize their own view.
8	Data and Analytics	Align Data & Analytics to Business Outcomes	Somewhat Important to key objectives	Establish an Enterprise KPI & Metrics Framework. ■ Assign an owner to each tracked metric. Quantify the Value. ■ Create a ROI model for each data & analytics project.

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List of Improvement Opportunities (4 of 8)

#	Domain	Function	Importance Level (1-4)	Activity and Improvement Opportunities
9	Infrastructure and Operations	Measure and Optimize	Very Important to key objectives	Monitor Infrastructure and Operations Performance. ▪ Define service levels (such as availability and response time) at the application or project level. ▪ Use KPIs for automated problem detection and for future resource planning. Align I&O Metrics With Business Goals. ▪ Use information about business unit goals to define success metrics for new projects. ▪ Analyze IT end-user satisfaction, measured through regularly scheduled or incident-triggered surveys. Automate Operations. ▪ Advance automation as a formal discipline, e.g. I&O includes an automation role (such as automation engineer).
10	Infrastructure and Operations	Transition and Operate IT Services	Very Important to key objectives	Transition Services. ▪ Use approaches such as swarming, self-service and AI techniques such as chatbots to improve service support. Ensure Future Service Availability. ▪ Creating a complete topology view for alert, event and incident contextualization.

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#	Domain	Function	Importance Level (1-4)	Activity and Improvement Opportunities
11	Infrastructure and Operations	Manage the Function of I&O	Very Important to key objectives	Develop I&O Strategy. ▪ Use internal customer experience metrics along with technology-focused performance metrics to update infrastructure strategies and roadmaps based on what customers really want and need. Design and Evolve Organizational Models. ▪ Regularly update organizational models to enhance collaboration and drive alignment with business goals.
12	Project and Portfolio Management	Partner With Stakeholders	Very Important to key objectives	Engage Project Sponsors. ▪ Collaborate with sponsors to define their standard roles, responsibilities and decision ownership in initiatives.
13	Project and Portfolio Management	Drive Transformation Initiatives	Important to key objectives	Define Programs. ▪ Proactively define projects to manage resource and technical dependencies (e.g., dependencies on subject matter experts, dependencies on technical architecture, application environment and infrastructure) related to a common business objective.
14	Project and Portfolio Management	Enable Project and Product Management and Delivery Roles	Important to key objectives	Develop Project and Product Management Skills and Competencies. ▪ Provide and incentivizes learning and development opportunities. Support Agile Delivery Teams. ▪ Engage in the evolution of agile delivery practices.
15	Project and Portfolio Management	Manage the PPM function	Important to key objectives	Manage the Mandate of the PPM Function. ▪ Create a formally defined or documented mandate or charter. ▪ Track and report project metrics and leading indicators of benefit delivery to the initiative's key stakeholders to trigger any necessary corrective action.

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List of Improvement Opportunities (6 of 8)

#	Domain	Function	Importance Level (1-4)	Activity and Improvement Opportunities
16	Project and Portfolio Management	Steward Investment Portfolios	Important to key objectives	Steward Investment Allocation. ▪ Provide guidance/training to business stakeholders on creating business cases for their initiatives as part of the organization's investment allocation process. ▪ Collaborate with key business and IT stakeholders to define business-capability-informed funding models. Facilitate Prioritization Within Portfolios. ▪ Supply portfolio decision makers with standard evaluation criteria to assess and prioritize initiatives within the portfolio based on their relative impact on strategic business objectives. ▪ Provide a dependency view across the entire organization to help portfolio decision makers make work (re)prioritization and sequencing decisions. ▪ Provides tools and coaching to help other delivery roles effectively identify and mitigate initiative-level risks. ▪ Apply risk management rigor based on the initiative's size and complexity, with larger and more complex initiatives receiving disproportionate rigor.
17	Project and Portfolio Management	Manage Frameworks and Standards	Important to key objectives	Promote Delivery Methodologies. ▪ Define standard methodology for delivering initiatives for the organization. ▪ Aggregate feedback on process and methodology improvement from project/product managers, delivery teams and stakeholders to identify and address the most impactful improvement areas.

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#	Domain	Function	Importance Level (1-4)	Activity and Improvement Opportunities
18	Security & Risk Management	Protect the Infrastructure	Important to key objectives	**Secure the Network and Perimeter.** ▪ Explore machine learning capabilities to improve threat detection based on historic behavior. **Secure the Endpoints.** ▪ Use application control on endpoints to restrict applications that can be installed by users using either allow or deny lists. **Secure Applications.** ▪ Include deterministic security testing (SAST and/or DAST) before deployment as part of a formalized secure development life cycle. ▪ Implement application security monitoring on all critical applications. **Secure Data.** ▪ Develop a map of data assets and access policies including both structured and unstructured data. ▪ Identify sensitive datasets based on risk, considering the impact of regulatory compliance or intellectual property loss. ▪ Deploy data protection technology to control access to sensitive data, as well as basic data monitoring, prevention and audit control.

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List of Improvement Opportunities (8 of 8)

#	Domain	Function	Importance Level (1-4)	Activity and Improvement Opportunities
19	Security & Risk Management	Engage and Support Stakeholders	Important to key objectives	Structure Cross-Functional Risk Relationships. • Establish clear and formal roles and responsibilities for SRM across all business functions. • Clearly define criteria for participating in and influencing business decisions with risk implications across the decision-making process. • Implement a consistent methodology to identify, analyze and evaluate risk to aid business decision making.
20	Sourcing and Procurement	Manage Operations	Important to key objectives	Manage Vendor Spend Data. • Use IT vendor spend analytics to support the development of total cost of ownership (TCO) reports. • Analyze and report IT vendor spend data to identify cost optimization opportunities and financial forecasting. • Explore use of automation methods for tracking IT vendor spend data, contract life cycle management (CLM) and software asset management (SAM).
21	Sourcing and Procurement	Engage Business and IT Stakeholders	Very Important to key objectives	Communicate Value Proposition. • Measure and provide project-specific documented evidence of value delivered.

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3.3 Stakeholder Interview Findings

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Strategy and Execution

Findings
▪ Efforts have been made to further formalize the strategy practice, including building out roadmaps and advancing understanding of divisional plans, ensuring alignment to MPI 2.0.
▪ MPI is moving towards a lean portfolio management approach, standing up lean principles and mechanisms.
▪ While MPI is currently organized by divisions, it is evaluating the possibility of organizing around value streams.
▪ Progress has been made in defining an operating model which includes performance metrics, principles and standards.
▪ The strategy function currently reports to the Chief Transformation Officer (CTO).
▪ Although Nova is separated from the strategy work within scope, the impact of Nova on divisions is taken into consideration.
▪ MPI's strategy includes a focus on continuous improvement and quarterly planning reviews with senior leadership, including portfolio managers aligned by division.

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Applications

Findings

- MPI has undergone significant change, including a complete reorganization – working towards building maturity around prioritization of initiatives based on business needs, aligning teams to value streams.
- Quarterly planning session / three-month sprints are used to support iterative development and product management,
- Product owners and scrum masters have been centralized, creating communities of practice and reducing siloes.
- In Enterprise Application Management (EAM) has been restructured and five new departments have been created.
- Three Centers of Excellence (CoEs) have been established for digital solutions, quality, and integration. These CoEs have helped build standards, frameworks and governance across development platforms.
- MPI has prioritized maturing its agile practices towards built-in quality, working towards positioning its quality CoE as being a partner to development streams rather than a gatekeeper.
- Key initiatives planned for the quality CoE include testing automation, while improving MPI's ability to map processes traced to business stories (used to structure requirements).
- MPI has centralized its systems architecture under the SDO (software development and operations) in order to increase rigor and improve architecture thought leadership.
- Efforts have been made to forecast technical debt and enablers as part of the organization's roadmaps and business priorities, improving roadmap accuracy and reducing churn when prioritizing work.

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Infrastructure & Operations

Findings
▪ The I&O department at MPI has grown significantly, from zero to 38 FTEs.
▪ MPI has approved a cloud first strategy and is currently in the middle of a cloud migration (Azure) and digital transformation. To support these changes, the I&O department has established a Cloud Center of Excellence.
▪ A key aspect of the I&Os role has been managing and documenting services delivered by IBM, working towards a five-year roadmap to migrate date out of IBM data centers.
▪ Cost savings for the planned migration are estimated to be ~$25 million (taking into consideration additional staffing costs). In addition to reducing costs, improved responsiveness to business needs is seen as another important benefit, enabling MPI to decrease the time it takes to have a new server available from 6-8 weeks to less than a day.
▪ Attracting and retaining talent is a priority for MPI. There is currently a reliance on consultants to supplement the I&O team's needs.
▪ The I&O department seeks to increase the use of automation, creating new environments for Nova, doing more scripting, and improving the ease and timeliness of KPI reporting as well as build requests for new solutions.

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Data & Analytics

Findings
▪ The organization's data analytics capabilities are supported by 28 FTEs, including three managers reporting to MPI's new director of D&A. ▪ Data and analytics is divided into three key areas: data governance and architecture, data operations and business intelligence, and service delivery. ▪ MPI has a data governance framework in place and is in the process of drafting a new data strategy with an increased focus on business needs and value, e.g., talking to data modelers and actuaries to understand the business and data quality issues. ▪ Once the roadmap is developed, MPI plans to maintain quarterly reviews to ensure that it remains accurate and relevant. ▪ Microsoft Purview is used to support data governance, in addition to Idera which is also used as a cataloguing tool.

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Enterprise Architecture

Findings

- EA has been adapting its operating model in order to better align business capabilities to technical capabilities, meaning a significant shift in accountability as MPI works towards formalizing its EA function.
- MPI has developed an EA charter, documenting its mission and values as well as roles, assigning accountability for procedures and functions to architects.
- Maintaining reference architectures and reducing technology debt is a priority for the EA function, focusing on ensuring compliance to reference architecture and conducting periodic TIME assessments (~50 systems decommissioned for project Nova).
- System architects ensure that EPM entries are managed and updated to understand the health of key systems (system families owned by system architects).
- MPI has made investments in building the EA team, with three new enterprise architects (deliver VP needs), as well as two solution architects focusing on the development team.
- EA's overall approach signifies a shift in how it supports the business, moving towards making EA a trusted advisor and partner to the business, helping champion large solution deliveries and seeking to understand the business's long-term goals to align workloads and ensure EA has the right capabilities to support them.
- KPIs and performance measurement are in their early stage as EA gradually builds its ability to measure value (e.g., total cost of ownership, infrastructure and technology footprints). A target operating model has yet to be defined.

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Security & Risk

Findings

- A hybrid model is used of in-house, contractors, and managed services for MPI's Security Operations Center (SOC).
- Security operations include penetration testing, threat intelligence, security monitoring, 24/7 staff to monitor security incidents. MPI's internal team is responsible for security incident management and conducting vulnerability assessments (network incidents are a separate team).
- MPI has prioritized recruitment and talent management efforts to build its security team and improve risk management / assurance. The organization's compliance structure is an area for improvement.
- The security function has made progress by designing security patterns and defining risk management policies and standards.
- MPI conducts security maturity assessments quarterly using the NIST framework, actively monitoring improvement against defined targets reported to the CIO.
- A five-year roadmap of security initiatives has been defined, as well as a dashboard of key security metrics.

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Program & Portfolio Management

Findings

- The project management team consists of 9 FTEs (project/resource coordinators, control analysts). MPI has experienced significant organizational churn, particularly for leadership roles.
- PPM lacks a portfolio view of initiatives, central governance, or standardized communication processes (PPM team is in the early stages of addressing these gaps and updating documentation).
- The review process is not consistently applied (instances of projects going into pipeline while circumventing review). Project benefits are not routinely tracked.
- MPI is in the early stages of introducing lean portfolio management practices within a scaled agile framework (SAFe), involving weekly alignment meetings.
- MPI business leaders conduct planning meetings on a quarterly basis i.e., Program Increment Planning (PI). Decisions from weekly alignment meetings go to monthly meetings (VP committee) for approval before reaching the program backlog.
- Ongoing (re-)prioritization and removal of items is a key aspect of managing the backlog, as well as a focus on transparency (tracking votes for key decisions). Linkage to objectives is an important prioritization decision factor.
- Project financials are presented to senior leadership, in addition to a quarterly board report. Project status, resource allocation, risks and their mitigation strategy are formally documented.
- MPI is moving towards measuring performance at the team level rather than for individual resources and working to break down siloes.
- PowerBI is used for reporting (ADL as data repository tool).

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Sourcing, Procurement, and Vendor Management

Findings
▪ The vendor management function is involved in strategic planning, identify goals around contract negotiation, and setting guiding principles as part of cloud training. ▪ The function consists of three vendor management analysts and a contract advisor focused on Nova contracts. ▪ MPI does not currently have a supplier management program with scorecards (part of future roadmap). ▪ Responsibility for vendor management and strategic sourcing have both been aligned to IT, with a focus on understanding agreements with IBM and moving towards cloud. ▪ MPI is in the process of standing up SharePoint online (Azure), with roadmap exercises conducted August 2021. ▪ Maturity is early stage for vendor risk management. ▪ Long-term roadmap initiatives include focusing on improving the timeliness of the RFP process, being more proactive with resourcing, and getting the organization ready for cloud, including staff cloud training. ▪ While SharePoint is currently used as a repository for contracts, the organization is looking to move towards a contract management solution.

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4. Detailed Recommendations

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1 Develop a complete view of MPI's project portfolio, supported by centralized governance and documented PPM processes and standards.

Mgmt Domain	Program & Portfolio Management					
Benefit	Cost Optimization	Service Alignment	Employee Productivity	User Experience	Agility	Risk Mitigation
Complexity	Low		Medium		High	

Description / Rationale

MPI currently lacks a consolidated view of its project portfolio, as well as a project submission/review process which clearly links projects to strategic business objectives. Instances are cited where projects circumvent the formal review process. It is recommended that MPI consider opportunities to streamline the review process with a risk-based approach.

Initiatives	Activities	Deliverables / Outcomes
Develop a complete view of MPI's project portfolio, supported by centralized governance	▪ Establish foundational elements of PPM including a clear view of all enterprise-wide projects and initiatives. ▪ Create a PPM charter and establish a PPM function. ▪ Define personnel roles for PPM. ▪ Establish PPM governance process (roles and responsibilities, forums, decision rights).	▪ Project inventory / dashboard ▪ Formalized PPM charter and governance
Documented PPM processes and standards, tying project review to strategic objectives	▪ Review and update outdated documentation to accurately reflect PPM processes and standards. ▪ Provide guidance/training to business stakeholders on creating business cases for their initiatives as part of the organization's investment allocation process (linking projects to impacts and benefits). ▪ Enable PPM to track and report project impacts and benefits post completion, consistently capturing lessons learned.	▪ PPM standards and processes documentation
Implement risk-based project review processes, weighing business impact and strategic alignment	▪ Assess strategic alignment and business impact when reviewing projects. For instance, a project that scores below a certain strategic alignment level (which usually happens when a project is broader in scope) must be justified by a higher business impact score to receive funding. ▪ Implement a project risk monitoring plan by allocating resources to manage a project risk register, responding to changing risk factors or events, and reporting on risk compliance. ▪ Develop a risk-tiering system that identifies the type of risk, the likelihood of its occurrence, its impact to strategic goals, and the approach to risk mitigation. Measure impacts in terms of cost, impact to operations, and reputation.	▪ Project review criteria and documented review process ▪ Project impact/risk scoring methodology for approval and prioritization

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2 Map initiatives and processes to measurable business impacts, prioritizing efforts based on an organizational strategy.

Mgmt Domain	Applications					
Benefit	Cost Optimization	Service Alignment	Employee Productivity	User Experience	Agility	Risk Mitigation
Complexity	Low		Medium		High	

Description / Rationale

Build maturity in domain areas such as applications, I&O and PM by mapping initiatives and process to measurable business impacts and metrics. Provide strategic direction by developing a technology roadmap which includes long-term and short-term goals, including a documented framework for project prioritization criteria. Identify opportunities to apply automation and KPIs for data-driven decision making.

Initiatives	Activities	Deliverables / Outcomes
Align project metrics with business goals, measuring benefits realized.	▪ Use information about business goals to define success metrics for new projects. ▪ Analyze IT end-user satisfaction, measured through regularly scheduled or incident-triggered surveys. ▪ Use internal customer experience metrics along with technology-focused performance metrics to update infrastructure strategies and roadmaps based on what customers really want and need. ▪ Track and report project metrics and leading indicators of benefit delivery to the initiative's key stakeholders to trigger any necessary corrective action. ▪ Measure and provide project-specific documented evidence of value delivered.	▪ Project submission / review process to include documented metrics tied to business outcomes.
Facilitate prioritization guided by organizational strategy	▪ Supply portfolio decision makers with standard evaluation criteria to assess and prioritize initiatives within the portfolio based on their relative impact on strategic business objectives. ▪ Provide a dependency view across the entire organization to help portfolio decision makers make work (re)prioritization and sequencing decisions. ▪ Regularly update organizational models to enhance collaboration and drive alignment with business goals.	▪ Standardized evaluation criteria to assess and prioritize projects / initiatives.
Develop the technology roadmap	▪ Include information and technology (I&T) across the enterprise in the technology roadmap, which that covers information systems, data and analytics, customer experience, and analytics and IoT platform. ▪ Define responsibility for updating the I&T roadmap regularly (cadence based on organizational need). ▪ Identify opportunities for leveraging automation(e.g. failed releases automatically roll-back or their features are disabled by the production environment, add automated tests whenever a defect is found in manual testing or production, use KPIs for automated problem detection and for future resource planning).	▪ IT roadmap informed by strategic objectives and KPIs. ▪ Increased use of automation (e.g. problem detection).

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Enable self-service reporting & automation as a means of addressing resource limitations and growing demand, aligning D&A efforts to strategic outcomes.

Mgmt Domain	Data & Analytics					
Benefit	Cost Optimization	Service Alignment	Employee Productivity	User Experience	Agility	Risk Mitigation
Complexity	Low		Medium		High	

Description / Rationale

MPI has undergone significant organizational change and has identified the need for increased automation and self-service capabilities to improve data-driven decision-making across the organization. Areas of opportunity include improving enterprise-wide reporting and elevating the role of inNovation through clear ownership and measurement of ROI, as well as more input from the business towards prioritizing strategic initiatives.

Initiatives	Activities	Deliverables / Outcomes
Create and maintain enterprise-wide reporting.	▪ Provide enterprise reports that are interactive, which users are able to sort and filter to customize their own view. ▪ Evaluate D&A use cases that focus on a transition from a predominantly labor-based approach for simple and repetitive tasks to a more automated one, effectively freeing up talent for more challenging initiatives. ▪ Improve knowledge retention and automation by capturing human expertise (like data integration) and human understanding (like domain expertise) in reusable components/decision tools.	▪ Self-service reporting.
Optimize the D&A operating model.	▪ Define and document the D&A function's operating model, clarifying its role and value proposition driven by strategic planning. ▪ Ensure that the D&A function's operating model is enterprise-wide in scope and defines interdependencies across initiatives. ▪ Develop a time-phased plan to progress from the current state to the desired future state D&A operating model. ▪ Key operating model components include the development of design patterns and architectural principles that drive consistency and alignment of implementation.	▪ Up to date IT operating model. ▪ Strategic direction / thought leadership for data architecture.
Establish inNovation as a formal business capability, aligning D&A to business outcomes and metrics.	▪ Establish inNovation as a formal business capability with business ownership that drives business model evolution. ▪ Advance automation as a formal discipline, e.g. I&O includes an automation role (such as automation engineer). ▪ Make training programs available to staff to build capacity in coding and automation. ▪ Develop a plan to consistently engage and learn about changing needs and define IT value contribution. ▪ Establish a formal relationship management role responsible for engaging with business stakeholders to assess and shape demand. ▪ Work with HR and business leaders to develop enterprise-wide digital skills, mindsets and competencies. ▪ Establish an enterprise KPI / metrics framework, with an assigned owner to each tracked metric. ▪ Create a ROI model for each data & analytics project.	▪ Focus on inNovation driven by strategic outcomes and business needs. ▪ Clear accountability for key metrics/KPIs, measuring ROI on investment for D&A projects.

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4 Apply best practices to attract and retain hires, evaluating critical skill gaps and staffing process fit against a workforce plan.

Mgmt Domain	Strategy & Execution					
Benefit	Cost Optimization	Service Alignment	Employee Productivity	User Experience	Agility	Risk Mitigation
Complexity	Low		Medium		High	

Description / Rationale

MPI has experienced significant organizational churn, particularly in leadership roles across IT domains. Stakeholder interviews have identified outstanding skill gaps as well as opportunities to better algin existing staffing processes to urgent hiring needs and employee values. As recommended during MPI's previous IT maturity assessment, the organization should conduct a skills gap analysis and develop a workforce plan.

Initiatives	Activities	Deliverables / Outcomes
Evaluating critical skill gaps against a workforce plan	▪ Develop the long-term, enterprise-wide I&T workforce plan and revise it regularly as business needs change with engagement from IT and business leaders. ▪ Integrate IT career paths with talent assessments that identify employees' skills gaps and prepare them for future roles and new organizational needs through learning and development activities. ▪ Provide and incentivizes learning and development opportunities	▪ Workforce plan and skills gap analysis aligned to strategic objectives.
Apply best practices to attract and retain hires.	▪ Leverage skills gap analysis and strategic objectives as inputs into prioritizing staffing efforts. ▪ As part of workforce planning, use formal criteria to determine whether talent needs are best addressed through internal development, new hires, external sourcing or some combination. ▪ Continue current efforts in providing existing employees with training opportunities and participation in knowledge sharing. Include individual development plans to close skills gaps as part of employee coaching and mentoring. ▪ Use feedback from employees/potential hires to inform decision-making. Where possible, consider ways to align company culture with employee values and work preferences, like work from home.	▪ Targeted internal development opportunies and hiring. ▪ Formal criteria to evaluate how to address talent needs.
Align staffing processes to business needs.	▪ Gather and analyze feedback on existing staffing processes, including measures of timeliness and ability to meet critical/urgent business needs. ▪ Identify areas where staffing processes could be adapted to improve responsiveness. ▪ Consider opportunities to leverage technology to improve talent management and improve agility (e.g. streamlining HR's existing transactional workload, leverage automation technology to manage core HR processes and policies)	▪ Documented staffing processes. ▪ Consider leveraging talent managed tools to streamline HR processes.

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Formalize a documented vendor risk management and supplier management framework.

Mgmt Domain	Vendor Management / Sourcing & Procurement					
Benefit	Cost Optimization	Service Alignment	Employee Productivity	User Experience	Agility	Risk Mitigation
Complexity	Low		Medium		High	

Description / Rationale

MPI has yet to develop a documented risk management and supplier management framework, towards a consistent methodology to identify, analyze and evaluate vendor/supplier risk to aid business decision making. Opportunities exist to further training and accountability around risk management as well as formalize processes around supplier management, including areas such as IT vendor spend analytics

Initiatives	Activities	Deliverables / Outcomes
Establish a vendor risk management and supplier management framework.	▪ Define clear and formal responsibilities for vendor risk management and supplier management. ▪ Implement a consistent methodology to identify, analyze and evaluate vendor/supplier risk to aid business decision making. ▪ Use IT vendor spend analytics to support the development of total cost of ownership (TCO) reports. ▪ Analyze and report IT vendor spend data to identify cost optimization opportunities and financial forecasting. ▪ Explore use of automation methods for tracking IT vendor spend data, contract life cycle management (CLM) and software asset management (SAM).	▪ Vendor risk management framework ▪ Supplier management framework
Manage IT Risk through improved accountability and training.	▪ Assign accountability for I&T risk and enforce an integrated IT risk discipline that considers both risk and reward across I&T decision making from a business perspective. ▪ Assign accountability for continuously assessing I&T risks with a focus on the defensibility of decisions with key stakeholders. ▪ Provides tools and coaching to help delivery roles effectively identify and mitigate initiative-level risks. ▪ Apply risk management rigor based on the initiative's size and complexity, with larger and more complex initiatives receiving disproportionate rigor.	▪ Documented description of IT risk management roles and responsibilities ▪ Training plan to build IT risk management skills and improve adherence to organizational standards/processes
Establish an adaptive IT governance framework that includes vendor and supplier risk management.	▪ Apply an adaptive IT governance framework balancing the risk and reward of I&T investments, enabling agile I&T decision making across the enterprise. Assess the strategic and tactical fit of a governance mechanism with enterprise requirements in a continual way through internal evaluation. Implement and monitor governance mechanisms across the five recognized levers: rules, roles, processes, structures and culture. ▪ Implement a vendor risk monitoring plan by allocating resources to manage a vendor risk register, responding to changing risk factors or events, and reporting on risk compliance. ▪ Develop a vendor risk-tiering system that identifies the type of risk, the likelihood of its occurrence, its impact and the vendor's approach to risk mitigation. Measure impacts in terms of financial exposure, impact to operations, and reputation.	▪ Adaptive IT governance framework. ▪ Vendor risk register and risk-tiering system ▪ Risk monitoring plan with assigned accountability

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5. Appendix

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Efforts to build out new modernized applications have reached a new level of intensity at MPI, while existing IT management processes have been re-baselined

Investments in IT

- MPI's IT spending levels are significantly higher than peers, but are within a typical range of spending excluding investments in digital modernization

- MPI's IT staffing levels are higher than peers, but within a typical range when Nova staffing is considered

- MPI's IT spending per enterprise employee is lower and below the 25th percentile of peers when Nova project personnel are excluded

Value Delivered

- MPI continues to build out new, modernized applications

- MPI has adapted services to changing business requirements, adopted agile application development processes and implemented product management

- IT service management processes are more mature than peer organizations in 7 out of 9 domains

- MPI has re-baselined its level of maturity for IT service management and brought transparency improvement plans

Previous investments in IT have yielded high levels of maturity, however, service management processes were not conducted with the level of formality required and, in many cases, were not applied universally. This new focus on transparency will bring integrity to improvement roadmaps.

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The previous recommendations on MPI's implementation roadmap are listed below:

	Recommendation	Status
1	**Conduct a skills assessment and create a workforce plan to address the new skills required within the IT organization**	**On track** ■ Training plans for each directorate created and submitted to HR ■ Cloud skills determine to be an imperative
2	**Ensure IT Financial Management facilitates priorities for investments across products and services and has flexibility to adjust to changing business plans**	**On Track** ■ IT budget centralized within a single director ■ Agile business case process enables mid-cycle changes to funding allocation
3	**Increase the scope of delivery of the integration strategy for applications and continue to document the APIs**	**On Track** ■ Integration CoE established ■ Contractor engages to lead integration efforts
4	**Integrate third-party risk management into the IT Security Governance, Risk and Compliance (GRC) processes**	**On Track** ■ Risk policies established ■ Established recognition of the need to manage third party risk
5	**Formulate a sourcing and vendor management approach for utilizing cloud-service providers**	**On Track** ■ Market for infrastructure service provide in progress ■ Training on deal-making with cloud service providers

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Reconciling Past IT Benchmark Recommendations

**Past Benchmark Recommendations
(FY 2019/2020)**

1. **Conduct a skills assessment and create a workforce plan to address the new skills required within the organization**

2. **Ensure IT Financial Management facilitates priorities for investments across products and services and has flexibility to adjust to changing business plans**

3. **Increase the scope of delivery of the integration strategy for applications and continue to document the APIs**

4. **Integrate third-party risk management into the IT Security GRC processes**

5. **Formulate a sourcing and vendor management approach for utilizing cloud-service providers**

Completing a skills assessment and workforce plan is carried over as part of the current benchmark

Third-party risk management not yet fully integrated into IT Security GRC processes

**Current Benchmark Recommendations
(FY 2021/2022)**

1. **Develop a complete view of MPI's project portfolio, supported by centralized governance and documented PPM processes and standards.**

2. **Map initiatives and processes to measurable business impacts, prioritizing efforts based on an organizational strategy.**

3. **Enable self-service reporting & automation as a means of addressing resource limitations and growing demand, aligning D&A efforts to strategic outcomes.**

4. **Apply best practices to attract and retain hires, evaluating critical skill gaps and staffing process fit against a workforce plan.**

5. **Formalize a documented vendor risk management and supplier management framework.**

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IT Maturity Score Survey Respondents / Interviewees

IT Domain	Name	Title / Role	E-mail Address
Strategy & Execution	Dean Zarillo	Director, Strategy	DZarrillo@mpi.mb.ca
Applications	Peter Garn	Director, Applications	pgarn@mpi.mb.ca
Data & Analytics	Syed Qadri	Director Data Management and Analytics	sqadri@mpi.mb.ca
Enterprise Architecture	Shawn Campbell	Director, Enterprise Architecture	Scampbell2@mpi.mb.ca
Infrastructure & Operations	Dave Hunter Robin Hildawa	Manager, Agile Program Management Office	Dhunter@mpi.mb.ca
Security & Risk	Salman Ashraf	Director, Corporate Information Security Officer (CISO)	sashraf@mpi.mb.ca
Program & Portfolio Management	Ed Doer	Director, PPM	edour@mpi.mb.ca
Sourcing / Procurement	Chad Muir	Director, Strategic Sourcing & Vendor Management	cmuir@mpi.mb.ca
Vendor Management	Chad Muir	Director, Strategic Sourcing & Vendor Management	cmuir@mpi.mb.ca

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Glossary

- **Run:** IT resource which are consumed and focused on the continuing operation of the business

- **Grow:** IT Resources consumed and focused on developing and enhancing IT systems in support of business growth (typically organic growth or improvements in known business processes)

- **Transform:** IT resources consumed and focused on implementing information and technology systems that enable the enterprise to enter new markets, address new customer segments, create new value propositions and enact new business models

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