# State of Hawaii digital transformation benefits employees, citizens, and state budget

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—**Todd Nacapuy, Chief Information Officer, State of Hawaii**

The State of Hawaii had a decentralized IT structure and its 13 agencies ran a wide variety of email platforms and productivity software. To improve communication and collaboration, the state migrated almost 12,000 employees to Microsoft Office 365 and plans to move more in the future. Staff now find it easier to collaborate with colleagues, track legislative information, and work on mobile devices. Additionally, citizens can communicate better with state government and participate more in governmental processes.
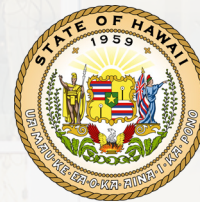
State of Hawaii

21,000 employees
portal.ehawaii.gov
United States
State Government

Company profile

The volcanic archipelago of Hawaii is located in the Pacific Ocean, approximately 2,500 miles west of the continental United States. Hawaii has a population of nearly 1.5 million residents.

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IT trouble in a tropical paradise

Hawaii is famous for the beautiful beaches, active volcanoes, and lush forests that make it a highly popular tourist destination. The state's almost 1.5 million residents welcome more than 11 million visitors annually to six main islands and numerous smaller islands that stretch over 1,500 miles in the Pacific Ocean. Keeping the commerce across Hawaii running smoothly and ensuring that the state's citizens receive excellent services is the responsibility of the state's 21,000 employees, who are divided into 13 different departments.

Coordinating the work of all of these agencies across multiple islands requires a robust communication and collaboration infrastructure, but in the past the state had some challenges in that area. "Each of the agencies had a high degree of autonomy when it came to IT planning and management," says Todd Nacapuy, Chief Information Officer for the State of Hawaii. "As a result, we had as many as 13 different email systems at a time, and some departments were running very old versions of software from multiple vendors. It was a very cost-inefficient way to handle IT, and we weren't able to take advantage of the economies of scale that come with bulk purchasing."

This mixed IT ecosystem created day-to-day challenges for state employees. "A task as straightforward as looking up someone's email address was complicated by the fact that there was no single mail directory, so you'd have to try to find them on the agency website or call someone in the department," explains Nacapuy. "We had no instant messaging system and no way to see each other's calendars—the state had a tremendous number of secretaries just because something as simple as scheduling a meeting took so much time. Too many processes were done manually, because our system just wasn't up to the task of automating them"

A trusted partner and a comprehensive solution

In 2013, the state engaged the services of Microsoft Gold Certified Hosting Partner and Silver Cloud Productivity Partner Pacxa to establish an enterprisewide Microsoft Active Directory to connect all of the state agencies. Over the course of the project, the state and Pacxa discussed additional ways to improve on the existing—and in some cases outdated—software that the various agencies were using. "We started out by looking at the ease of using Microsoft Exchange Online with the new identity platform, and from there the discussion expanded into a broader digital transformation that would include messaging and SharePoint Online to streamline document management," says Kelly Ueoka, President at Pacxa. "We wanted to provide them with new and better ways of doing things."

Online solutions also became part of a broader discussion about moving to cloud services, not only to offer staff additional productivity tools, but also to help the state comply with regulations. "We had a lot of compliance requirements, and in some cases, we just had no easy way to satisfy them," says Nacapuy. "Departments would get cited and then find it challenging to fix the issue with their existing tools. And with systems like that, a lot of the work had to be done by hand and there was no easy way to do e-Discovery to provide necessary data."

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Adds Ueoka, "We were able to make a compelling argument for adopting the complete cloud-based Office 365 suite of online productivity tools because of the extensive work that has gone into making it highly secure, which helps organizations comply with major regulations like HIPAA for healthcare and CJIS for criminal justice and public safety. We were able to show Hawaii what other states and customers were doing from a compliance perspective, and that was enough to counter any reluctance that people had about moving the state's data to the cloud."

In 2014, the state moved forward and licensed 14,000 seats of Office 365, including Skype for Business Online for instant messaging, and Exchange Online for email and calendaring. Pacxa was retained to help with the migration from end to end, beginning with a pilot program for 500 employees. Additional staff were migrated over the following year, but on the whole, adoption was fairly slow. When Nacapuy was hired in 2015, one of his first projects was to speed up the deployment. "Part of the delay was just because people weren't familiar with all of the features and advantages of Office 365," he explains. "And part of it was resistance to the cultural shift, changing the way that people worked with this new set of highly integrated tools and moving more of our work processes into the digital realm."

To counter that resistance, Nacapuy and his team met with each individual department to understand its specific business needs. They then appointed a solution delivery manager whose job was to understand the business goals and processes and introduce Office 365 in a way that would work best for each group. As more departments started adopting the solution, word of mouth spread. "When people started using Outlook Groups—as part of Office 365 ProPlus—and sharing OneNote notebooks and public calendars to simplify collaboration across departments, that's when it really took off," says Nacapuy. "Employees were going back to their managers and saying, 'We've got to hurry up and get this!'"

Increased adoption leads to a burst in creative ideas

In the course of just six months, Hawaii rolled out Office 365 to an additional 11,000 employees, bringing the total to almost 12,000, with plans to continue expanding that number. As the user base increased, the state found new and innovative ways to share benefits with all branches and levels of government, and with the state's citizens as well.

For example, more than 2,500 bills are introduced during each session of the state legislature, and keeping track of them poses various challenges. The State of Hawaii used SharePoint Online to create a new way of tracking the flow of each individual bill. Each department also has a OneNote notebook based on a standard template and with just a click, that department's staff members can download the details of each bill they are interested in and then track it through the entire legislative process. "It's hard to even quantify how much more efficient the system is now that we are tracking bills digitally, rather than manually," says Nacapuy.

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The state is also using Office 365 to respond to urgent changes in citizen services. For example, when the state healthcare insurance exchange closed in December 2015, five different state agencies had to band together to maintain communication with the federal exchange, preserve all necessary documents, and produce a 1095-C healthcare tax form for all relevant Hawaii taxpayers. "We had just over a month to do all of that and we completed the job in time," says Nacapuy. "If we didn't have a suite of tools like Office 365, I have no idea how we would have done it. I have people at the director level telling me regularly that Office 365 and tools like OneNote have changed their lives."

For the state's 800 IT workers, Office 365 has introduced a fundamental shift in the work that they do. "Because Office 365 is a hosted platform, we are able to free our workers from the responsibility of things like the day-to-day management of email systems," says Nacapuy. "As a result, they are not administering software and troubleshooting problems, they're working on tasks that add value to the state and finding innovative new ways to manage and deliver information and services."

Along with its Office 365 subscription, Hawaii also acquired the Microsoft Enterprise Mobility Suite (EMS), and this is leading to new ways of working for state employees. The suite includes identity and access management with Microsoft Azure Active Directory Premium, mobile device and application management with Microsoft Intune, and information protection with Azure Rights Management, all of which the state is using.

"When I first started going to meetings here, every single person brought in printed agendas and took notes by hand on paper," explains Nacapuy. "Nobody even brought a laptop—even though we had Wi-Fi in every building, it wasn't integrated with the state network and staff couldn't connect back to their own servers. Now, just a year later, having the Enterprise Mobility Suite has led to a marked increase in mobile computing. Half of the attendees show up with iPads, iPhones, Android Phones, Microsoft Surface Devices, and Windows Phones, and that number just keeps increasing—it has fundamentally changed the way a lot of people work, saving them time and making them more effective, which has made them happier in their jobs. We have a bring-your-own-device arrangement for mobile devices, so employees can choose from multiple platforms, but more and more the go-to solution for our users is the Surface devices—they love them so much that it's almost become the de facto standard."

Hawaii's digital transformation includes making it easier for citizens to interact with the state through new SharePoint Online applications that have been deployed to the state extranet. The state is also looking at Skype for Business Online as a way to increase citizen participation in government. "We want to include a Skype for Business Online link for every single live meeting of the next legislative session," says Nacapuy. "Citizens will be able to listen to hearings, interact with legislators, and even provide testimony, regardless of which island they're on. It will not only increase community participation, but it should speed up the process significantly because people won't have to travel from outer islands to take part."

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The success of the Office 365 deployment has been recognized all the way up to the highest levels of state government. "With Office 365, state employees can interact with the public like never before," says David Ige, Governor of the State of Hawaii. "Modernized and unified communications will result in greater efficiencies as state employees collaborate using Office 365 tools, improving the delivery of government services. Transmission of information and data can be done more seamlessly and more securely, while safeguarding personal information to which the state is entrusted."

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