

UI Technology Connection Conference

Whitefish, Montana

IT Investment Process and Portfolio Management

June 2003



Department of Workforce Development

IT Investment Process

Goals:

- ☐ Supported by Secretary's Office & DWD Management
- ☐ Be more productive with less resources
- ☐ Create standard process for DWD
- ☐ Review projects based on total dollars, IT hours & risk analysis



IT Investment Process

Divided into Modules:

Division Development

Department Screening

Project Justification

Approve and Prioritize

Outsource

Commit/Launch

Deliver the Project

Evaluate the project



Module 2: Division Development

Initiative may arise as result of:

- New idea
- Federal/state mandate
- Strategic plan
- Annual budget plan



Division Development

Begins with project sponsor:

- Completes Project Evaluation Form
- Indicate alignment with IT strategies and standards
- Identify high level benefits and costs; funding; risks; and key resources



Module 3

Department Screening

CIO Reviews:

- Alignment with Department & Division Strategy
- Compliance with IT standards
- Enterprise level opportunities
- Benefits Outweigh Costs
- Waiver requests



Module 4: Project Justification

Project has been approved to proceed
Project Justification provides detail:

- Are there sufficient resources?
- What are the benefits of the project?
- What are the risks?
- What are the cost estimates?



Project Charter

An Overview of the Project

- Scope
- Objectives
- Resources
- Relationships w/other projects
- Timeline
- Communication Plan
- Assumptions



Project Work Plan

Establishes Baseline Objectives

- Scope
- Budget
- Parameters

Use MS Project or Excel (or other tool)
to illustrate the Work Plan



Risk Analysis

Project Team:

- Identifies potential risk
- Analyzes risks
- Assesses impact
 - and -
- Develops Mitigation Strategies



Cost Benefit Analysis (CBA)

Estimates Project Costs for Alternative Solutions

Two templates:

Excel Spreadsheet Captures:

- One-time Costs
- On-going Costs
- Staff Savings
- Operational Savings
- Revenue Changes

Word Narrative Captures:

- CBA Summary
- Describes Current Process
- Estimated Future Requirements
- Identification of Alternatives
- Evaluation of Alternatives
- CBA Comparisons



Executive Summary

Provides Overview Information on:

- ▶ Project Description
- ▶ Strategic Alignment
- ▶ Project Schedule
- ▶ Cost/Benefit
- ▶ Budget
- ▶ Risks



Module 5

Approve and Prioritize

- Opportunity Scoring Form is an Excel Spreadsheet used to rate the Enterprise possibilities; costs, benefits, risks, project readiness, and risks.
- Completed by the CIO Office or Steering Committee
- Primary information resource is Project Justification forms



Module 6

Source

Project or parts of project are out sourced

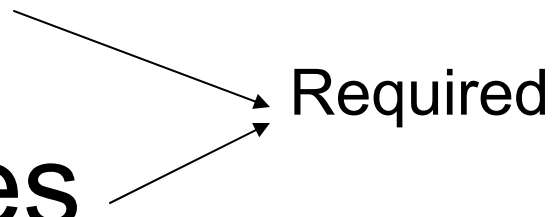
Process facilitated by Procurement

Request For Proposal or Request For
Services is prepared



Module 7

Commit/Launch Components

- Refined Work Plan
 - Update Cost Benefit Analysis
 - Update Risk & Severity Analysis
 - Organization Chart
 - **Statement of Work**
 - **Contract for Services**
- Required
- 
- ```
graph LR; A[Statement of Work] --> B[Required]; C[Contract for Services] --> B;
```



# Refined Work Plan

- Work Plan from Module 4
- Use MS Project, Work Plan Template or other approved form
- For each phase detail the specific tasks; beginning & end date and required staff



# Cost Benefit Analysis

## Cost Benefit Analysis

Added Workplan tasks may indicate new or additional costs and benefits

Update with current cost information



# Risk & Severity Analysis

## Risk and Severity Analysis Form

Modify form as risk and/or severity increase or decrease based on updated refined work plan and cost benefit analysis



# Commit/Launch

Project Manager updates documents and creates a new baseline with the significant changes.

In the end project will be measured against the most recent baseline. Unrecorded baseline changes may adversely impact the projects final evaluation.



# Organizational Chart

- Graphical representation of how project organized
- Identifies roles & responsibilities
- Is not required if completed in the Project Charter and staff have not changed



# Statement of Work

- Agreement between business unit & party developing the system (BITS or vendor) to provide services
- Defines exactly what is to be completed to deliver the project/system
- Lists project scope, budget, timeframe, resources prior to starting project
- Clearly lists project expectations



# Variance

Forms required and sent to CIO, if:

- Refined Work Plan - Hours deviate 10% from original Work Plan
- Updated Cost Benefit Analysis - increase or decrease in Net Present Value
- Updated Risk and Severity Analysis - new risk or severity assessment moves project to a higher review level on grid



# Module 8

## Deliver the Project

- Monitor (Schedule, Budgets, Risks)
- Evaluate
- Communicate (Regular Meetings, Reports)
- Control (change)



# Sample Forms

- Project Status Report
- Project Change Request Form
- Change Request Log



# Project Status Reports

- Based on Team Input/Team Meetings
- Submitted to Appropriate Parties for Review
- Frequency Varies Based on Size/Cost/Risks



# Tracking Project Change

- Use any reasonable change control process
- Must be agreed upon by sponsor and team



# Change Control Process Must

- Document requested change
- Monitor approved changes
- Establish a review process for approving/rejecting/deferring changes
- Applied consistently throughout the project
- Involve Division Administrator and Steering Committee if significant



# Module 9

## Evaluate the Project



# Evaluate the Project

## Purpose:

Determine if system achieved expected value

Identify Best Practices

Formulate better project management

Effectiveness of tools and templates



# Evaluate the Project

## Document Lessons Learned

- \* As soon as project implemented
- \* Completed by Project Manager & Team
- \* Share experiences with others
- \* List what worked & what did not
- \* Submit to CIO



# Evaluate the Project

## Customer Deliverable Review

- Within 3 months of Implementation
- Use Project Evaluation Scorecard
  - ☐ Were Goals from Project Charter achieved?
  - ☐ What measurement tools used?
  - ☐ Outcome details how goal achieved
  - ☐ Compute project score



# Evaluate the Project

## Project Justification Review

- 12-18 months after implementation
- Completed by Business Division
- Does project continue to meet expectations
- Revisits Customer Deliverable Review
- Uses CBA to determine if savings realized
- Submitted to CIO



# Questions

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