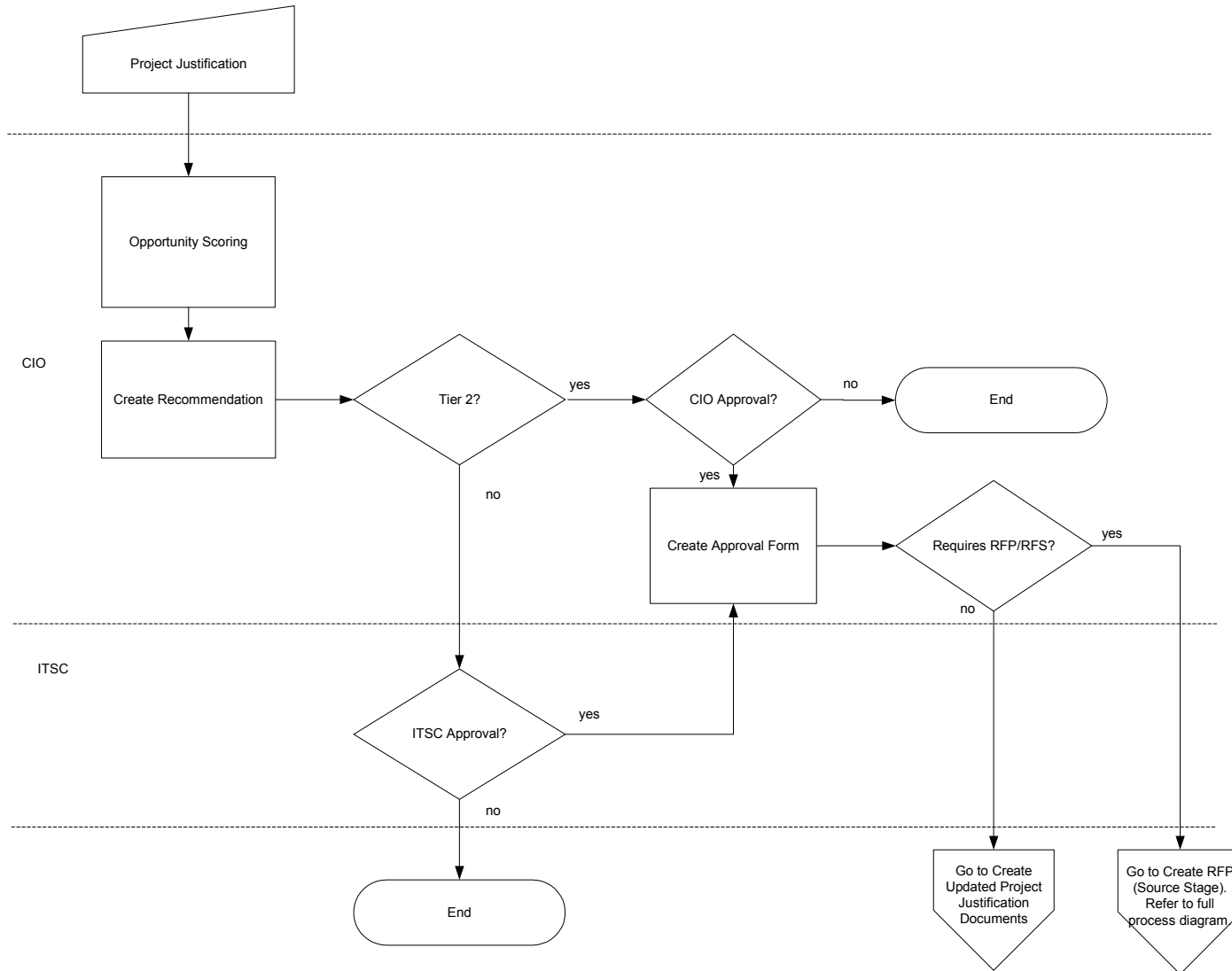




IT Investment Process

Module 5– Approve and Prioritize

May, 2003





MODULE 5 – Approve and Prioritize

Description	This module discusses the components of the Approve and Prioritize stage. The process and tools used for scoring opportunities are discussed. In addition, this module covers the actions required once an approval decision is made, including making a sourcing determination.
Module Topics	Topic 5.1: Opportunity Scoring Topic 5.2: Approval and Prioritization of Project
Target Skills	Upon completion of this module, you will be able to: <ul style="list-style-type: none">• Describe the process for opportunity scoring;• Describe the tool used for opportunity scoring and prioritization;• Discuss the procedures to be taken once the Approval and Prioritization decisions have been made.
Module Tools	<ul style="list-style-type: none">• Opportunity Scoring Form• Approval Form• Approved Project List

Topic 5.1

Opportunity Scoring

After the Project Justification has been submitted to the CIO Office for review, the project approval decision must be made. If the project has been categorized as Tier 2, the review is completed by the CIO Office. The CIO Office's review of Tier 2 opportunities should be completed within 2 weeks of receipt of the Project Justification.

If the project is Tier 1, the CIO Office creates a recommendation and schedules the project for review at the next available ITSC meeting, at which the ITSC makes the approval decision.

Questions to be considered as part of the approval process are:

- Do we have the right resources?
- Do we accept the risks?
- Is this a good investment to make?
- Will this investment bear acceptable benefits to the



department?

To facilitate the approval decision, the CIO Office, ITSC, or designated sub-committee will complete the Opportunity Scoring Form. The Opportunity Scoring Form is a tool to rate the Enterprise possibilities; costs, benefits, risks, project readiness, and risks. The template is an Excel spreadsheet.

The Project Justification is the primary resource to gather information for completing the Opportunity Scoring Form. The Opportunity Scoring Form is based on a total maximum score of 100 points. In general, an average score of 50 or higher from completed Opportunity Scoring Forms indicates that the project should be included in the IT Investment Portfolio. This is a guideline that should be used with discretion.

Topic 5.2

Approval and Prioritization of Project

Once the approval decision is made, the CIO Office communicates the approval decision to the Project Sponsor. If the project is approved, an Approval Form is completed, on which any provisos for project execution are documented. The project status will be updated on the Project Portfolio Candidate List to show the project has been approved.

The priority of the projects is also based on the score from the Opportunity Scoring Form. In general, a score of 50-59 would indicate a low priority project, 60-69 indicates a medium priority project and 70 and above indicates a high priority project. This is a guideline that should be used with discretion.

Based on the resource information in the Project Justification and the Opportunity Scoring Form, the determination is made whether the project will require outside resources and if a Request for Proposal (RFP) or a Request for Services (RFS) is required.

If it is determined that the project should be outsourced, the project progresses to the Source stage. If the project does not require outside resources, it progresses to the Commit/Launch stage.

END OF MODULE 5.

CONTINUE to Module 6.



Approve and Prioritize Cover Sheet - Opportunity Scoring Form

Description

Upon receipt of a completed Project Justification, the CIO Office or ITSC (dependent on the tier level) must determine if the project should be approved for inclusion in the IT Investment Portfolio. The Opportunity Scoring Form provides a mechanism for scoring the information gathered in the Project Evaluation and Justification about an opportunity in the categories of:

- Department Strategic Alignment;
- Project Categorization;
- Enterprise Assessment;
- Potential Benefits;
- Net Present Value (NPV) Calculation;
- Project Readiness;
- Risk.

The Department Strategic Alignment section is completed by referring to the Project Evaluation and checking if the opportunity is aligned with each of the Department's strategies. If the project is not aligned with at least one of the Department's strategies, an explanation of why the project should proceed is needed.

The Project Categorization portion of this form is used to locate a project on a continuum from maintenance to innovation. This is useful for insuring DWD maintains the desired mix of investments.

The remaining categories are rated by assigning a Base Score based on Scoring Guidelines. Refer to the Project Evaluation and Project Justification for information to determine the score.

The Base Scores are weighted based on factors determined by Department executives. A total weighted score is calculated at the bottom of the page. This Total Weighted Score indicates if the project should be included in the IT Investment Portfolio and the priority of the project. A score of 50 or higher indicates that the project should be included in the IT Investment Portfolio. The scoring also points to a high, medium or low priority for the project.

Score of 50 – 60 indicates low priority;
Score of 60 – 70 indicates medium priority;



Score of 70 or above indicates high priority.

Timeframe

The Opportunity Scoring Form should be used after the Project Evaluation and the Project Justification have been completed and before the project is approved.

Owner

If the project has been categorized as Tier 2, the CIO office will complete the Opportunity Scoring Form.

If the project has been categorized as Tier 1, the CIO Office and the ITSC (or designated sub-committee) will complete the Opportunity Scoring Form.

Reviewer

CIO/ITSC

Inputs

Preliminary Project Evaluation, Project Justification



Approve and Prioritize Stage Cover Sheet - Approval Form

Description	If a project is approved, an Approval Form must be completed. The Approval Form documents any provisos for project execution along with the Responsible Party and Timeframe. If the project is going to be supplemented with outsourced resources this should be noted on the Approval Form. The information on this form is communicated back to the Project Sponsor and Project Team.
Timeframe	The Approval Form is used after the Opportunity Scoring Form is completed and an approval decision has been made.
Owner	The ITSC and/or the CIO Office.
Reviewer	N/A
Inputs	Resource Information from the Project Justification, Project Evaluation and Opportunity Scoring Form