



# IT Investment Process

## Module 10 – Evaluate the Portfolio and Wrap-Up

---

May, 2003



**MODULE 10 – Course Wrap-Up**

**Description** This module briefly describes the System Assessment process and the use of ITPP, summarizes major concepts of the Investment Process, and reviews sources of assistance.

**Module Topics**

- Topic 10.1: What Did You Learn?
- Topic 10.2: System Assessment
- Topic 10.3: Help Sources Review  
Evaluation

**Target Skills**

Upon completion of this module, you will be able to:

- Describe major concepts of the IT Investment Process;
- Understand when to use ITPP;
- Complete a System Assessment;
- List several sources of help.

**Tools**

Biennial System Assessment

**Topic 10.1**

**What Did You Learn?**

**Purpose of Investment Process**

DWD created the IT Investment Process to ensure that DWD gets the best possible value from its IT expenditures and to identify and take advantage of department-wide and state-wide enterprise opportunities.



**How Does This  
Process Relate to  
Other DWD  
Processes**

The IT Investment Process is related to a number of other processes within the Department.

- **Strategic Planning.** DWD and Division strategic goals are a major criteria for selecting and prioritizing potential IT projects. Usually projects will not be approved if they do not align with strategic goals. At the same time, however, projects with clear value to the Department might trigger changes to strategic plans.
- **Biennial Budget Process.** The Project Evaluation and Project Justification documents may be used as justification for biennial budget requests. Project approval may be contingent on approval of funding in the biennial budget.
- **Annual Operating Budgets.** Divisions will budget based on the best information available at the time. As projects are prioritized and as justifications are completed budgets may need to be modified.
- **Business Process Re-engineering.** Business Process Re-engineering may be used to identify possible projects that will go through the Investment Process. Or Divisions may choose to do BPR during the justification stage to identify alternatives and better define potential project scope.



**TOPIC 10.2                      System Assessment Overview**

IT Investment Process: Beyond Projects      The focus of the IT Investment Process training thus far has been on projects – screening, selecting, delivering and evaluating them. Projects, however, are only one component of the Investment Process. Assets must also be reviewed periodically to see whether or not they still provide business value commensurate with their cost, and whether they still accomplish the objectives for which they were created.

The System Assessment form will evaluate existing applications.

Frequency of Assessment      DWD assesses existing applications at least every two years, as soon as actual costs for the prior fiscal year are available (generally in August or September). Business owners may choose to assess their systems more frequently.

Business Objectives      Existing applications are the result of at least one project to create or purchase the application. For most systems, there have been additional projects to maintain or enhance existing functionality, or to add new functionality. Each project identified specific business outcomes or objectives.

The business owner of the application lists those objectives in the Business Objectives worksheet of the System Assessment. For each objective, the business owner marks whether it is still a valid objective for the application and how well the application meets that objective.

The system owner also identifies the best metric to measure the volume of customers supported by the system. This might be a direct measure of individuals (like number of recipients or applicants) or a measure of workload impacting customers (such as number of payments or number of appeals). This metric will be used to track changes in use and/or cost of the system over time.

Business Value      Keeping the objectives assessment in mind, the business owner assigns a value from 0-4 to each of the questions on the Business Value worksheet. The worksheet calculates an average score for Business Value. The questions on this worksheet and the Technical Condition worksheet are based on draft criteria from the state of Washington, modified by DWD input. They may be changed over time to better represent DWD’s needs.

Technical Condition      The technical lead for the application assigns a value from 0-4 to each of the questions on the Technical Condition worksheet. The worksheet calculates an average score for Technical Condition.

System Assessment      Meta Group, a global IT advisory group, suggests a strategy for the existing asset depending on both Business Value and Technical



Condition. DWD's System Assessment tool plots the Business Value and Technical Condition scores on the assessment chart.

BITS and/or Budget will also provide cost information for at least the prior fiscal year, and for as many earlier years as possible. The spreadsheet will automatically calculate a cost per customer metric based on the entries made here and on the Business Objectives worksheet.

An assessment tool is just that – a tool – and cannot replace expert judgment. The business owner will use the chart and the costs and his/her own judgment in determining future direction for the application, and will discuss this direction with the Division Administrator.

After review and possibly modification, the Division Administrator will send the System Assessment form to the CIO for inclusion in the application portfolio. The CIO may discuss the Assessment further with the Division Administrator and/or business owner, or may bring the Assessment to the IT Steering Committee. The Assessment may be part of the justification for future projects to replace or enhance the system.

**TOPIC 10.3**

**Available Help**

**CIO Office**  
Ellen Vogel

Representatives from the CIO Office are available to assist if you have questions about the overall process or the content of the templates.

**WEB SITE**

Because the IT Investment Process is a work in progress, please check the ITIP web site for the most current information on the process, tools, templates, examples, and lessons learned.



**Additional Training**

The training you've received so far is an introduction to the IT Investment Process. Additional training will be offered in the future for Cost/Benefit Analysis and Estimating. Please indicate on the training evaluation forms any other training that would be useful to you.

**APPLICATION ASSESSMENT TOOL  
SUMMARY**

**System Assessment**

<b>Description</b>	Part of the IT Investment Process is evaluating existing applications/systems to ensure that they support DWD's strategic vision and contribute value to the organization. The System Assessment includes four sections: <ul style="list-style-type: none"><li>▪ Business Objectives;</li><li>▪ Business Value;</li><li>▪ Technical Condition;</li><li>▪ System Assessment</li></ul>
<b>Timeframe</b>	The System Assessment is completed during the biennial System Value Review.
<b>Owner</b>	Business Owner of the system
<b>REVIEWER</b>	CIO and ITSC
<b>Inputs</b>	System information, Business Drivers and Values, Customer Metrics.