



VA CIO Conference Framing IT Success



IT Project Management Oversight

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Outline

- **Background**
- **Framework**
- **Governance**
- **Integrated Process**
- **Support Systems**
- **Project Management Oversight Specifics**
- **Objectives**
- **Action Items**



Background

- **Legislation & Guidance**
- **Annual Lessons Learned**
 - Minimal Investment at Concept Phase
 - Eliminate IRM Approvals for Approved Capital Investments
 - Reevaluate Criteria
- **New Administration**
- **VA Track Record**



IT Project Performance – All Industries

- **30% of all projects are canceled**
- **75% of completed projects are late**
- **61% of originally scheduled features / functions make it to the end product**
- **Cost overruns average 189%**
- **Schedule overruns average 222%**

Standish Group survey



Legislation & Guidance

Clinger-Cohen Act requires Federal agencies to:

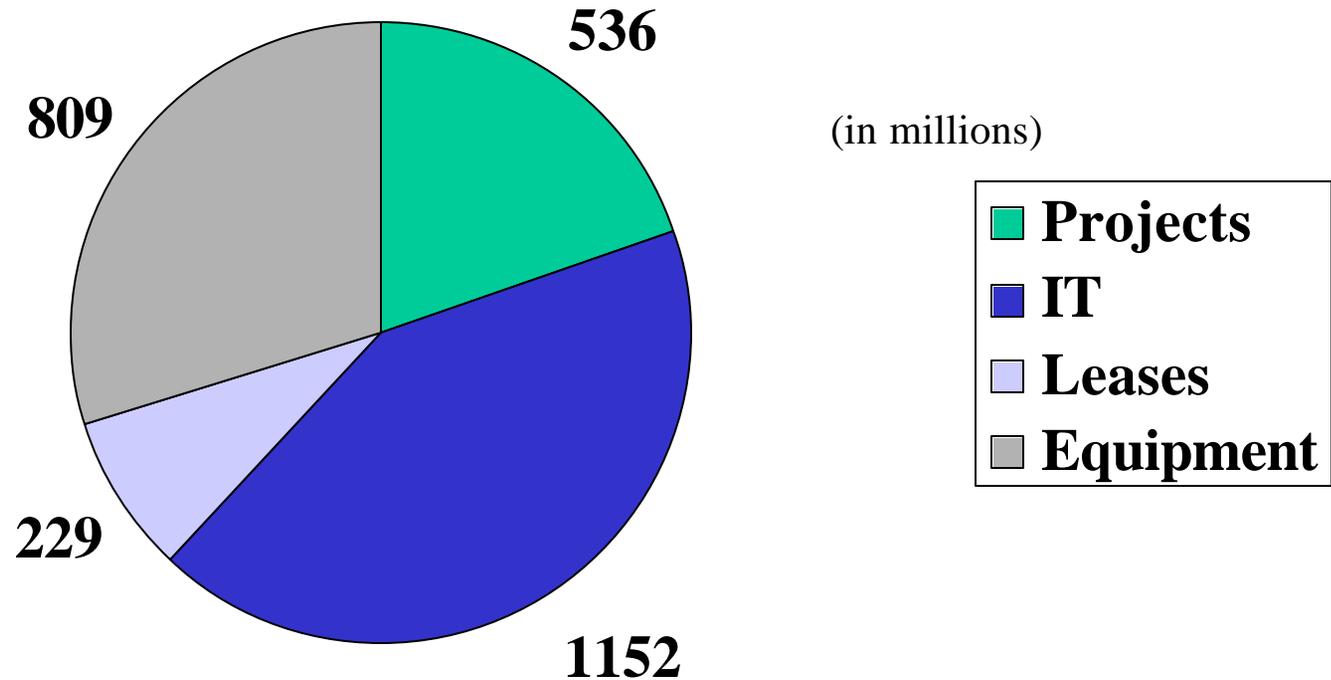
- Make the CIO the proponent of the IT strategic view, before investments are made;
- Establish budget-linked capital planning and investment control, coupled with performance and results-based management;
- Require the CIO to monitor and evaluate IT program performance and recommend to the agency head the modification or termination of problem projects; and
- Shifts the focus of IT acquisitions from one “grand design” solutions to modular contracting, where each element can function independently of the others yet contribute to the success of the project.

OMB Circular A-11 , Part 3, Planning, Budgeting, and Acquisition of Capital Assets, provides Capital Asset Management Guidance



FY 2001 Capital Budget

Capital Asset Distribution = \$2,726 million

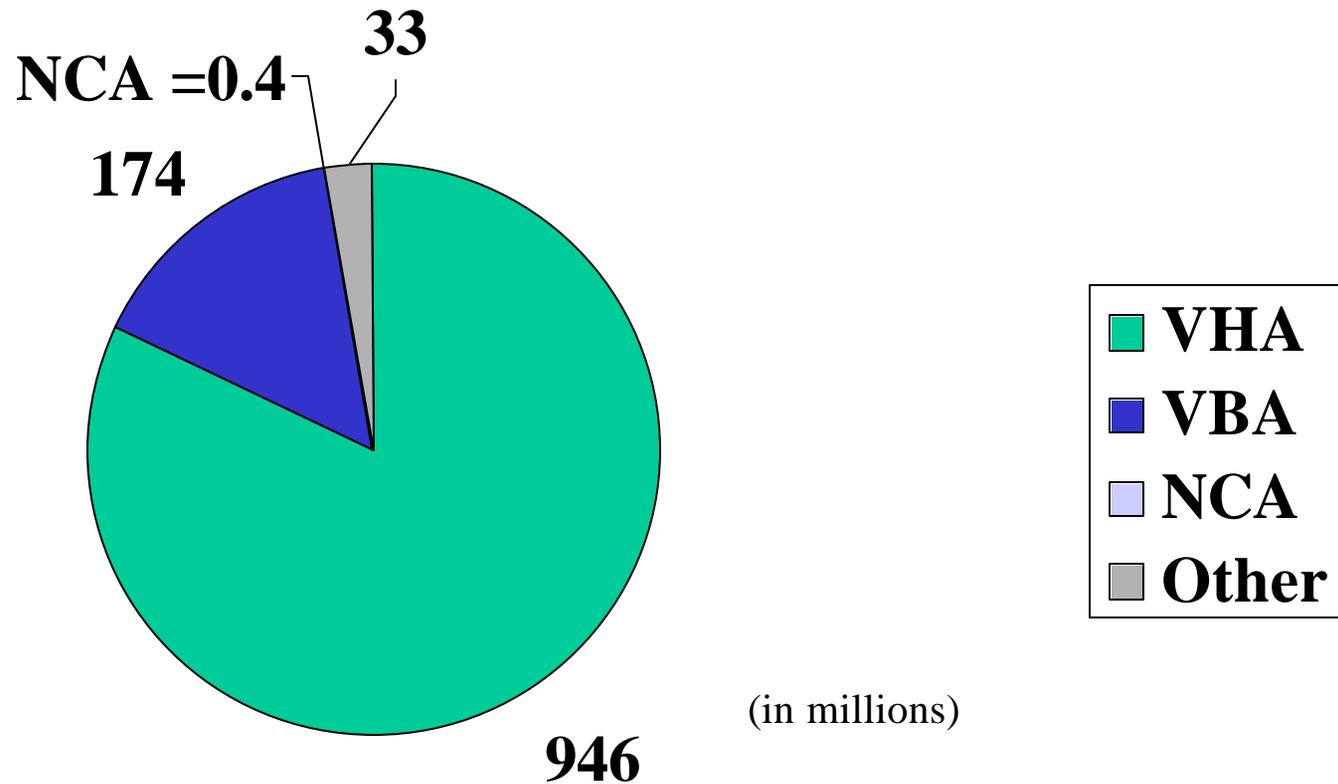


Note: Figures for Leases and Equipment for FY 2001 are not yet final. These represent the Department's current best estimates of the final numbers.



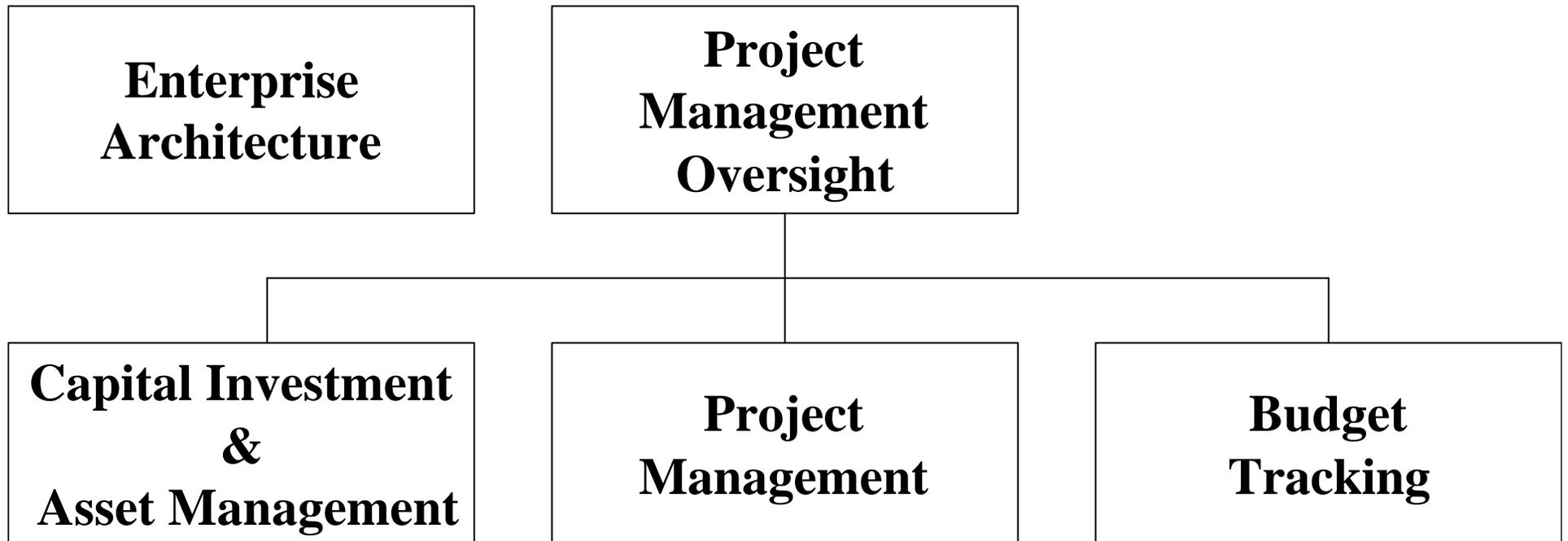
FY 2001 IT Budget

IT Budget = \$1,152 million





Framework





IT Governance

**Strategic
Review**



**Technical
Review**



**Functional
Development**

Strategic Management Council

Information Technology Board

VA CIO

CIO Investment Panel

Administration/Staff Office CIO

Project Manager



IT Capital Investments Categories

(OMB Circular No. A-11)

- “**Major** IT System means a system that requires special management attention because of its important to agency mission; its highcosts; or its significant role in the administration of agency programs, finances, property, or other resources. Large infrastructure investments (e.g., major purchases of personal computers or local area network improvements) should also be evaluated...”
- “**Significant** project means an information technology project or investment that is significant to the business of the agency, may require greater visibility, and does not meet the requirements of ‘Major’.”
- “**Small Other** means all other small or individual projects that do not meet the criteria for ‘Major’ or ‘Significant’ but is part of the agency’s overall IT portfolio.”



IT Review Levels and Thresholds

Major IT System

\$ Threshold
High Visibility
Cross Cutting



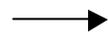
Information Technology Board
VA CIO

Significant Project



Administration CIO

Small Other



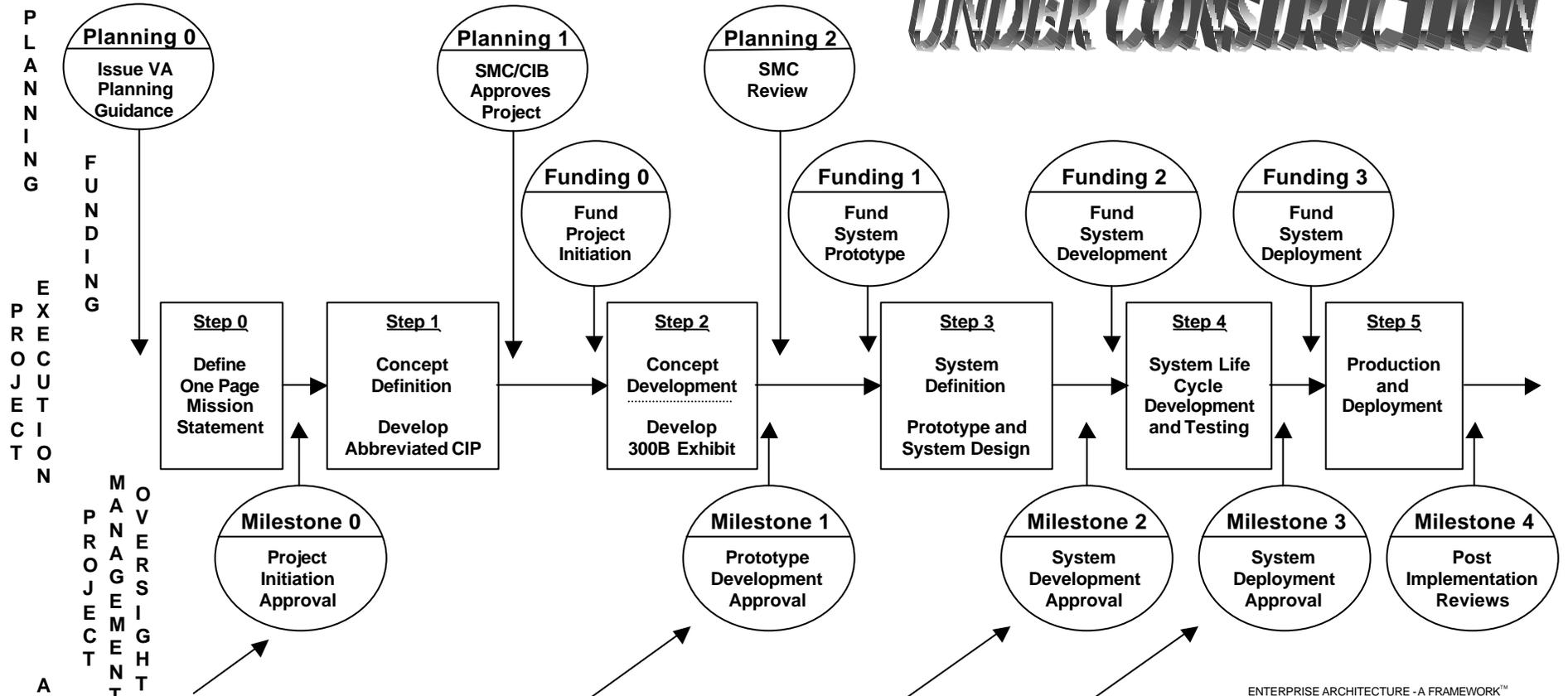
Information Technology Board
VA CIO

Information Technology:	<u>VHA</u>	<u>VBA</u>	<u>NCA</u>	<u>Staff Offices</u>
Total Acquisition Costs	\$10M	\$2M	\$1M	\$1M
or Life-Cycle Costs	\$30M	\$6M	\$3M	\$3M
All Financial Systems > \$500K				



Integrated Process Flow For VA IT Projects

UNDER CONSTRUCTION



ARCHITECTURE

- M1 – List of Business Goals / Strategies
- T1 – List of Events significant to the business
- T2 – Master Schedule
- P1 – List of Organizations important to the business
- N1 – List of Locations in which the business operates
- N2 – Business Logistics System
- N4 – Technology Architecture
- F1 – List of Processes the Business performs
- D1 – List of Things important to the business

- M2 – Business Plan
- T3 – Processing Structure
- P2 – Work flow model
- F2 – Business Process Model
- D2 – Semantic Model

- M3 – Business Rule Model
- M4 – Rule Design
- T4 – Control Structure
- P3 – Human Interface Structure
- P4 – Presentation Architecture
- P5 – Security Architecture
- N3 – Distributed Systems Architecture
- N5 – Network Architecture
- F3 – Application Architecture
- F4 – System Design
- D3 – Logical Data Model
- D4 – Physical Data Model

- M5 – Rule Definitions
- T5 – Timing Definitions
- F5 – Programs
- D5 – Data Definitions

ENTERPRISE ARCHITECTURE - A FRAMEWORK™

	DATA	FUNCTION	NETWORK	PEOPLE	TIME	MOTIVATION	SOUP
SCOPE: CONCEPTUAL	Entity - Class of Entities	Function - Class of Functions	Network - Class of Networks	People - Class of People	Time - Class of Times	Motivation - Class of Motivations	SOUP: CONCEPTUAL
ENTERPRISE MODEL: CONCEPTUAL	Entity - Class of Entities	Function - Class of Functions	Network - Class of Networks	People - Class of People	Time - Class of Times	Motivation - Class of Motivations	ENTERPRISE MODEL: CONCEPTUAL
SYSTEM MODEL: LOGICAL	Entity - Class of Entities	Function - Class of Functions	Network - Class of Networks	People - Class of People	Time - Class of Times	Motivation - Class of Motivations	SYSTEM MODEL: LOGICAL
TECHNOLOGY MODEL: PHYSICAL	Entity - Class of Entities	Function - Class of Functions	Network - Class of Networks	People - Class of People	Time - Class of Times	Motivation - Class of Motivations	TECHNOLOGY MODEL: PHYSICAL
DETAILED REPRESENTATION: CONCEPT	Entity - Class of Entities	Function - Class of Functions	Network - Class of Networks	People - Class of People	Time - Class of Times	Motivation - Class of Motivations	DETAILED REPRESENTATION: CONCEPT
FUNCTIONAL ENTERPRISE	Entity - Class of Entities	Function - Class of Functions	Network - Class of Networks	People - Class of People	Time - Class of Times	Motivation - Class of Motivations	FUNCTIONAL ENTERPRISE

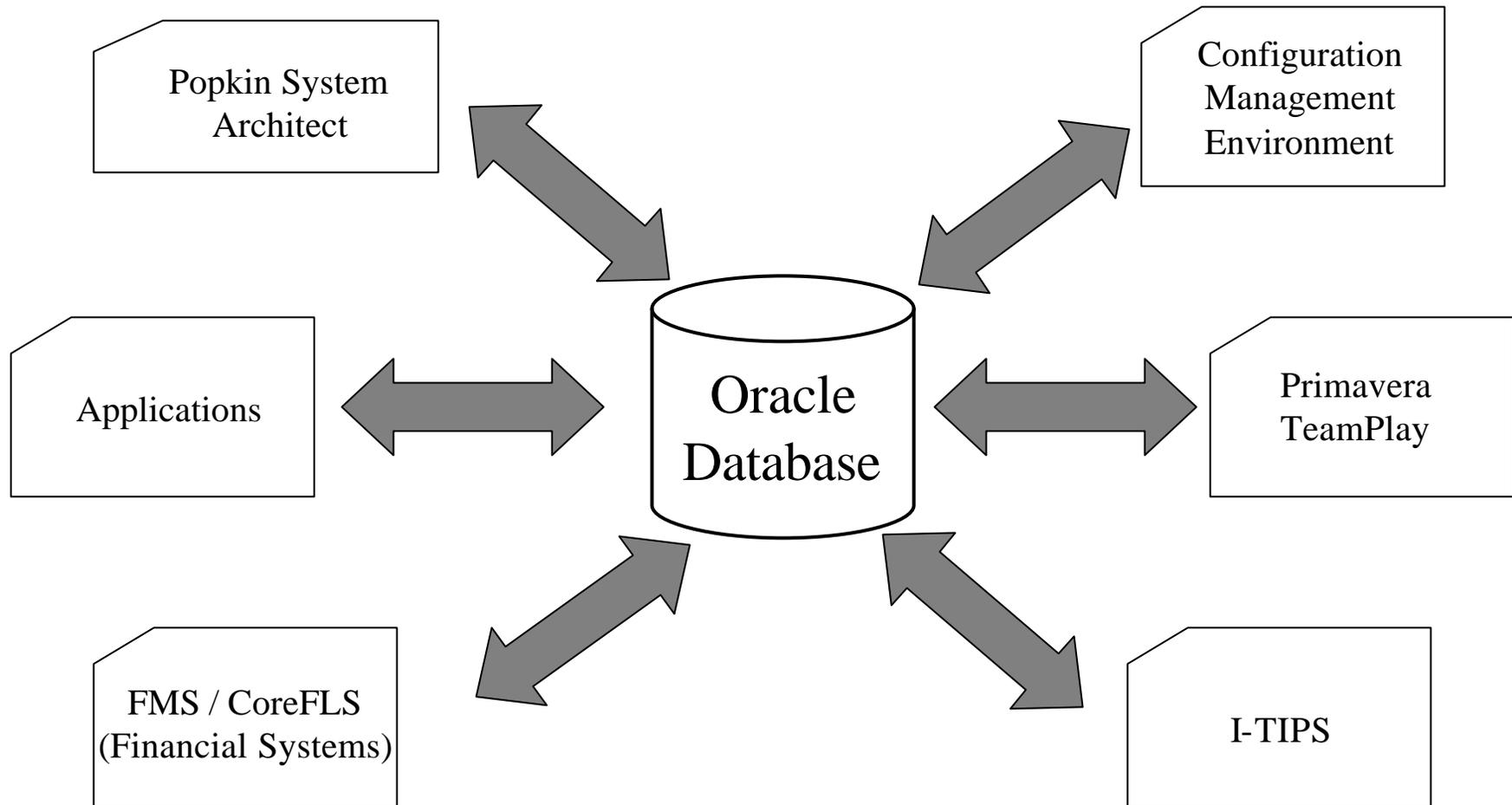


Review Milestones

- **Concept Review** (35 Questions)
- **Abbreviated Proposal** (Exhibit 300)
- **Quarterly Execution Reviews** (cost, schedule, and performance status)
- **CIO Decision Briefing** (Updated Exhibit 300 at critical project milestones)
- **Post Implementation Review**

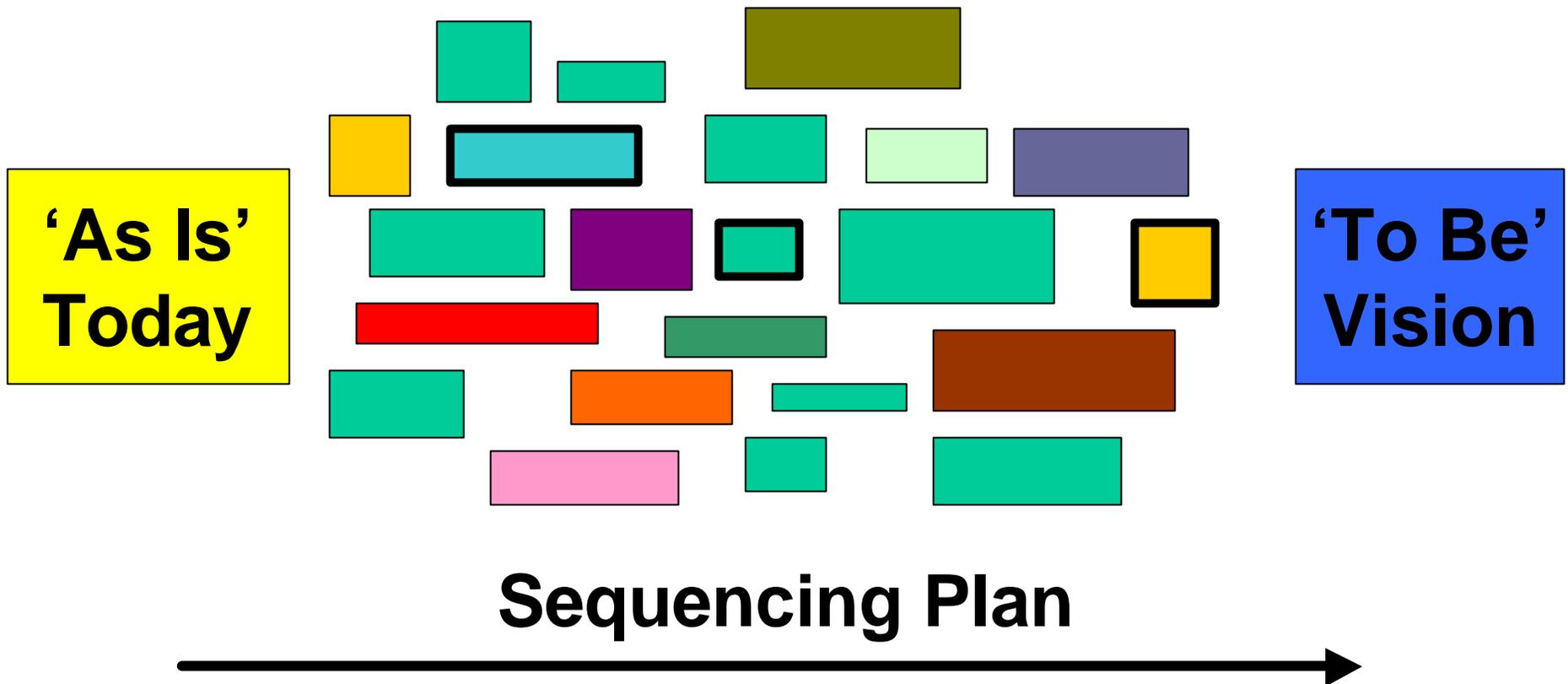


IT Asset Management Systems





Enterprise Architecture Project Portfolio Management





Why Project Management Oversight?

- ✍ **Ineffective Project Management is a leading cause of project failure**
- ✍ **Need for Consistency and Visibility of reporting for all VA projects**
- ✍ **“Ripple” effect of one project failure can impact the entire Enterprise Architecture Sequencing Plan**
- ✍ **Change and Complexity continue to increase**
- ✍ **Requirements now change at an average rate of 2% per month — *Capers Jones, Software Productivity Research***
- ✍ **Cost to fix a defect is 10x the cost of the previous step**



Emerging Best Practices

- ✍ **Focus on Project Portfolio Management**
- ✍ **Use of consistent metrics, balanced scorecards, and web dashboards to facilitate communications**
- ✍ **Focus on Risk Evaluation and Management**
- ✍ **Early intervention to “Fail Faster”**
- ✍ **Frequent business / IT realignment milestones**
- ✍ **Professionalization of PM – PMI, PMP, etc.**
- ✍ **Repository of PM “Lessons Learned”**



Project Management Oversight Objectives

- ✍ **Maintain a One VA Project Portfolio**
- ✍ **Integrate Enterprise Architecture and Project Management**
- ✍ **Provide Consistent Project Framework**
- ✍ **Provide Visibility to all stakeholders**
- ✍ **Provide Freedom to Execute**
- ✍ **Provide Qualified Project Managers**
- ✍ **Manage Project Specific Thresholds**
- ✍ **Eliminate Redundant Reporting**
- ✍ **Ensure Accountability for results**



Top Things You Should Know

Capital Investment process is being revised

- Provide CIO oversight at major milestones
- Streamline the Capital Investment Selection process

Visibility to all Stakeholders

- Internal within VA
- External – OMB, GAO, Congress

Accountability for Results

VA Project Management Office

- Standardize PM reporting, processes, and tools across VA
- Mentoring and ‘best practices’ repository



Project Management Metrics

✍ Metrics provide the facts to manage projects

- Cost
- Schedule
- Scope / Requirements
- Quality

✍ Detailed Work Breakdown Structures are key

✍ Since labor is the majority of VA cost, time reporting by project task will be required for all VA staff and contractors

✍ Primavera TeamPlay provides this capability



Relationships

- ✍ **Project Management, Metrics, and Enterprise Architecture are strongly linked, with many of the same objectives**
- ✍ **Enterprise Architecture Sequencing Plan is dependent upon successful completion of component projects – on time and on budget with required functionality**
- ✍ **Any device or system that touches or could touch the VA network must be managed as a project with Enterprise Architecture and Security oversight**



Project Management Office

- ✍ **Provide a holistic view and coordination of the project portfolio across the organization**
- ✍ **Provide project management expertise and mentoring to VA administrations and offices**
- ✍ **Ensure consistent PM processes and tools across VA**
- ✍ **Leverage scarce project management skills**
- ✍ **Help optimize resource utilization across the One VA project portfolio**
- ✍ **Focus on “winning the war” – One VA mission and Secretary priorities**



How Will We Proceed?

- ✍ **Coordinate with Finance group to revise the Capital Investment selection process for the 2004 Capital Call**
- ✍ **Coordinate with EA team on Zachman Framework deliverables integration with VA Milestones**
- ✍ **Coordinate with Administrations on PM and EA software selection, integration, and rollout**
- ✍ **Complete a Project Management Office Implementation Plan**
 - Define PM Office Roles and Responsibilities
 - PM Office Resource and Skill Requirements



Short Term Action Items

- ✍ **Complete design of integrated CI / PM process**
- ✍ **Obtain SMC approval for revised process and VA Asset Management System recommendation**
- ✍ **Obtain OMB approval for revised Capital Investment process**
- ✍ **Update VA IT Capital Investment Guide**
- ✍ **Provide Training on the revised Capital Investment process**
- ✍ **Rollout revised Capital Investment process for FY2004 Planning Cycle**