Technology Services Board Quarterly Meeting

March 12, 2019

9:00 a.m. – 12:00 p.m.

WA · Office of the Chief Information Officer

AGENDA

TOPIC	LEAD	PURPOSE	TIME
Welcome and opening remarks	Jim Weaver	Introductions	9:00
Project Update – Dept. of Labor & Industries • **Business Transformation Program** o **Joel Sacks, Director** o **Randi Warick, Deputy Director for Financial Mgmt.** o **Kathleen Nolte, Sightline, LLC, QA** o **Jill Satran, Sightline, LLC, QA**	Sue Langen Pamela Davis-Taggart	Update / Discussion / Feedback	9:10
Policy 121 – IT Investments	Sue Langen	Discussion	9:40
IT Portfolio Management • **Conceptual Model**	Cammy Webster	Discussion / Feedback	9:45
Decision Package Prioritization Analysis	Derek Puckett	Information	10:00
BREAK			10:30
IT Portfolio Management (cont.) • **Major Projects** • **Transparency (IT Dashboard)** • **Role of TSB in the above**	Laura Parma Amy Pearson Sue Langen	Discussion / Feedback	10:40
Public Comment			11:50

Current TSB Members

Industry Members Butch Leonardson– Leonardson Leadership Services Paul Moulton– Costco (via WebEx)	**Legislative Members** Rep. Zack Hudgins - House D Sen. Patty Kuderer– Senate D
Executive Branch (Agency Directors) Jim Weaver– State CIO & Chair David Danner - UTC Tracy Guerin– DRS Vikki Smith– DOR	**Other Government** Jeff Paulsen– Labor Rep

Members present
Members absent

Project Update

Discussion

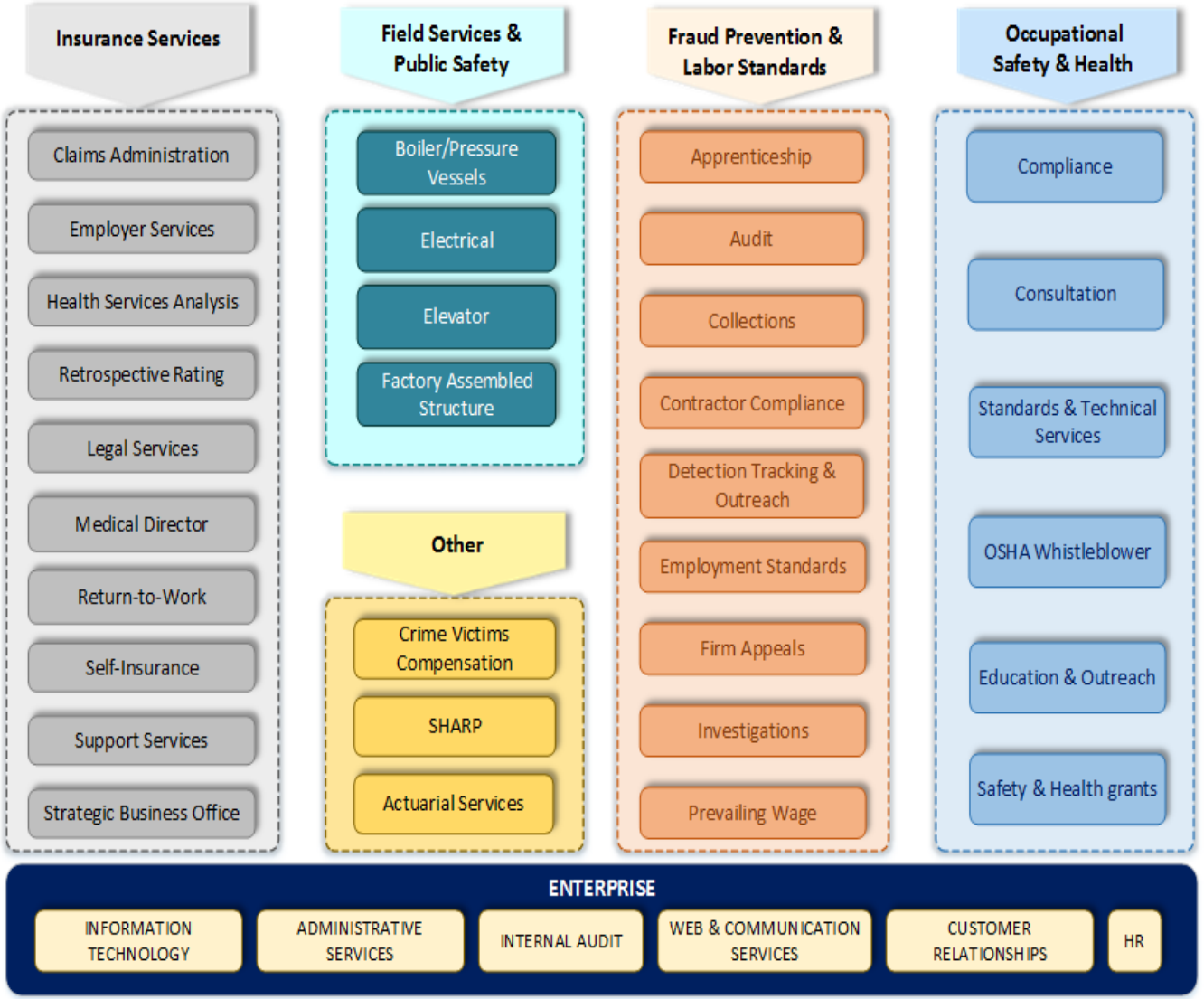
Washington State Department of
Labor & Industries

Business Transformation and Workers' Comp Systems Modernization

Presentation to
Technology Services Board

March 12, 2019

Who we are



** This is a high-level overview of programs and not a comprehensive, detailed list*

L&I overview

- 30+ programs
- 3,000 employees
- $798M biennial operating budget
- 200+ computer systems

Workers' Comp

- 176,000 covered employers
- 2.9M covered workers
- 110,000 claims/yr
- $2.1B/yr to providers, time-loss, pensions
- $2.25B premiums collected each year
- 104 IT systems w/ 500+ interfaces

Our journey and lessons learned

Focus on business, personnel and policy

2013 2014

- Agencywide goals
- First budget proposal

2015 2016 2017

- Non-IT changes to reduce disability
- Employer return-to-work incentives
- JLARC recommendations
- LINIIS migration
- Business transformation roadmap (w/ strategic partners)

Focus on IT modernization

2018 2019 & beyond

Foundational & 1st modernization projects

- IT assessment & readiness plan
- Data strategy & governance
- Web redesign & Provider Credentialing

Research/plan workers' comp project

- Business requirements
- Site visits (Ohio & Ontario)
- Business case
- Procurements (SI and COTS)
- Change management

Key lessons

- Minimize customization
- Incremental approach to flatten cost curve & allow course correction
- Expert project managers
- Clear, timely governance
- Business/IT partnership
- Change management
- Independent review/advice
- Vendor/contractor accountability
- Hire enough staff
- Realistic budget & timeline
- Comprehensive business requirements

Where we are: Status of Business Transformation

OCIO Status

Potential impact

No impact ● | Potential impact △ | Critical risk ■ | Not started ❍ | Increase in risk ↑ | Decrease in risk ↓

	Scope	Budget	Schedule	Resources	Change Management
Program Rollup (Does not include Provider Credentialing)	△	△	■	△	△
Enterprise Data Governance	●	●	●	△	●
Website Redesign	△	●	■	△	●
Worker's Compensation Systems Modernization	△	△	△	△	△
Web Portal and Application Requirements	●	●	△	●	●
System Integrator Strategy and Procurement	●	●	●	●	N/A
COTS Procurement Strategy	△	●	△	●	●
Resource Planning	●	●	●	●	●
Readiness	●	●	●	●	●
Governance	△	△	△	△	△
Oversight Procurements (QA, IV&V)	❍	❍	❍	❍	❍
Provider Credentialing (Not included in rollup)	●	●	△	△	△

Quality Assurance report: Risk analysis

	Overall Project	Governance	Minimized Scope	Time Management	Cost Management	Quality Management	Human Resource Management	Stakeholder Management	Communication Management	Integration Management	Risk Management	Procurement and Vendor Management	Standard Infrastructure	Formal Methodology
Website Redesign Project	Yellow	Green	Yellow	Red	Green	Green	Yellow	Red	Green	Green	Green	Green	Green	Green
Provider Credentialing Project	Yellow	Yellow	Green	Yellow	Yellow	Green	Yellow	Yellow	Green	Green	Green	Yellow	Green	Yellow
Workers Comp System	Red	Red	Red	Red	Green	Yellow	Yellow	Yellow	Green	Green	Green	Yellow	Green	Yellow

Assessment area is at LOW risk for impacting scope, schedule or budget
Assessment area is at MODERATE risk for impacting scope, schedule or budget
Assessment area is at HIGH risk for impacting scope, schedule or budget

Website Redesign Project: IMPLEMENTATION Phase

Risks and Mitigation Strategies

- Project schedule remains at risk, as there is little time to rewrite all the content.
  - *Mitigation*: L&I has prioritized content and is determining what the minimum viable product will contain.
- Stakeholders are concerned about whether the system will be ready in time.
  - *Mitigation*: An organizational change management strategy is in place. Project staff are addressing concerns as they are escalated.

Quality Assurance report: Risk analysis (con't)

Provider Credentialing Project: IMPLEMENTATION Phase

Risks and Mitigation Strategies

- Project controls are insufficient for a project of this size.
  - *Mitigation: The project is developing more mature project processes.*
- A critical project resource is no longer with the agency.
  - *Mitigation: New sponsor has been named. Team is onboarding her to the project. Additional business support may be necessary to ensure business processes between ProviderOne system and L&I are clearly understood.*

Workers' Comp Systems Modernization Project: PLANNING Phase

Risks and Mitigation Strategies

- Although not initially envisioned during the planning phase, the project needs an experienced project director.
  - *Mitigation: Sponsor is actively searching to fill the position.*
- Governance structure is new and not fully implemented.
  - *Mitigation: New structure has been unveiled, and team is just beginning to use it. Team is defining processes and roles, and a decision-making process is being developed.*
- Lack of clear decision-making processes is resulting in delayed decisions.
  - *Mitigation: Team is planning to develop a decision-making process that includes decision types, roles and responsibilities, and thresholds.*
- Roles and responsibilities are not fully understood.
  - *Mitigation: Project is developing a standard on-boarding process and clarifying roles and responsibilities.*

Policy 121 – IT Investments

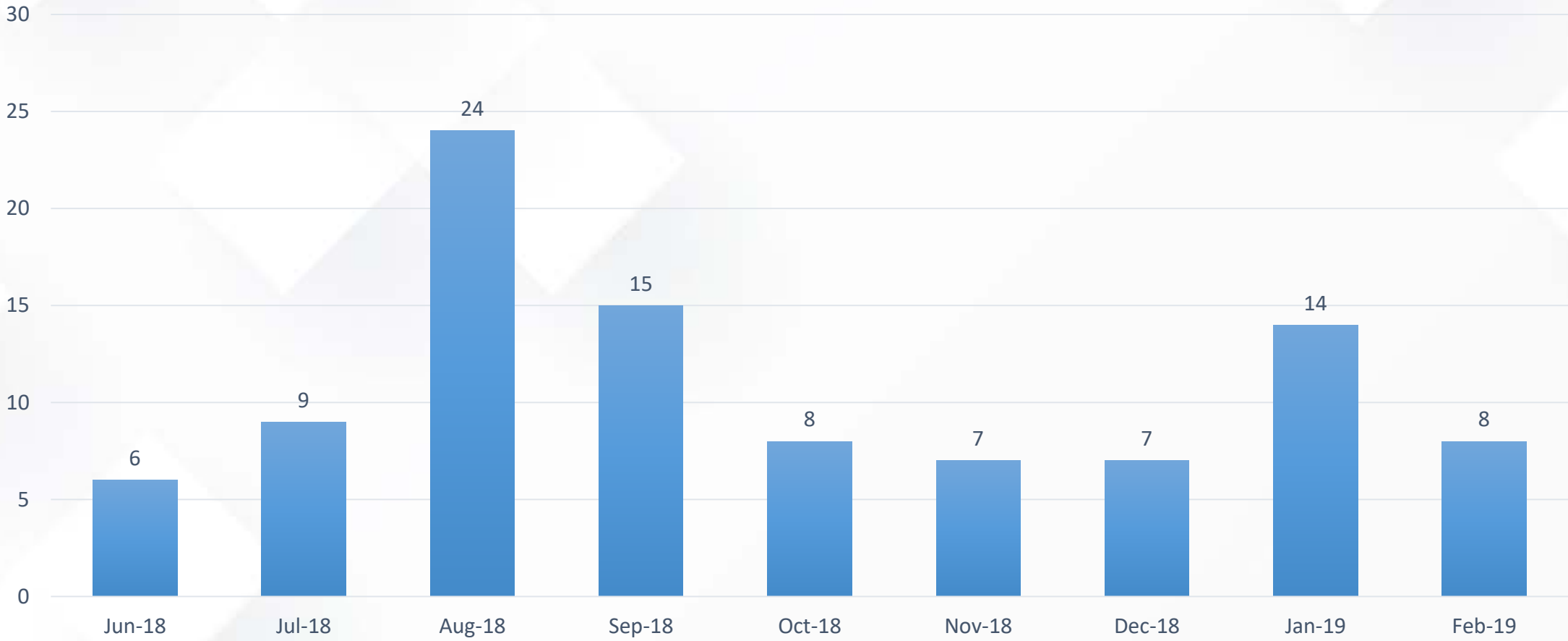
What Does Policy Do Now?

What Did Policy Change Do?

BEFORE: All investments must be assessed

AFTER: Investments under $500K total costs OR 4 months total duration do not need to be assessed

Assessments Submitted Since June 2018



Future Work: Finding Balance

Visibility into investments for portfolio management, risk management, architectural alignment

Don’t impede progress or create unmanageable workload

IT Portfolio Management (ITPM)

Discussion / Feedback

Why IT Portfolio Management

Enable Business & IT Partnership

- Tells how well the portfolio contributes to the agency's mission, business goals and objectives
- Provides insight and demonstrably link between technology investments with the business strategic plan

Do the Right Thing

- Can demonstrate whether technology is producing cost effective results
- Imparts awareness into how well technology investments are managed

At the Right Time

- Provides a foundation to assess health of legacy applications\systems and replacement lifecycle
- Permits view into redundant and low value systems aiding opportunities for consolidation or sharing

Achieve the Right Outcome

- Demonstrates whether technology investments are meeting mission, business goals and objects
- Supports the ability to provide appropriate public access to agency information

ITPM Problem Statement

Strategic Disconnect

- Technology may or may not be included in agency business plan
- Linkage to state technology plan also dependent on agency
- Agency and enterprise views of portfolio management not share

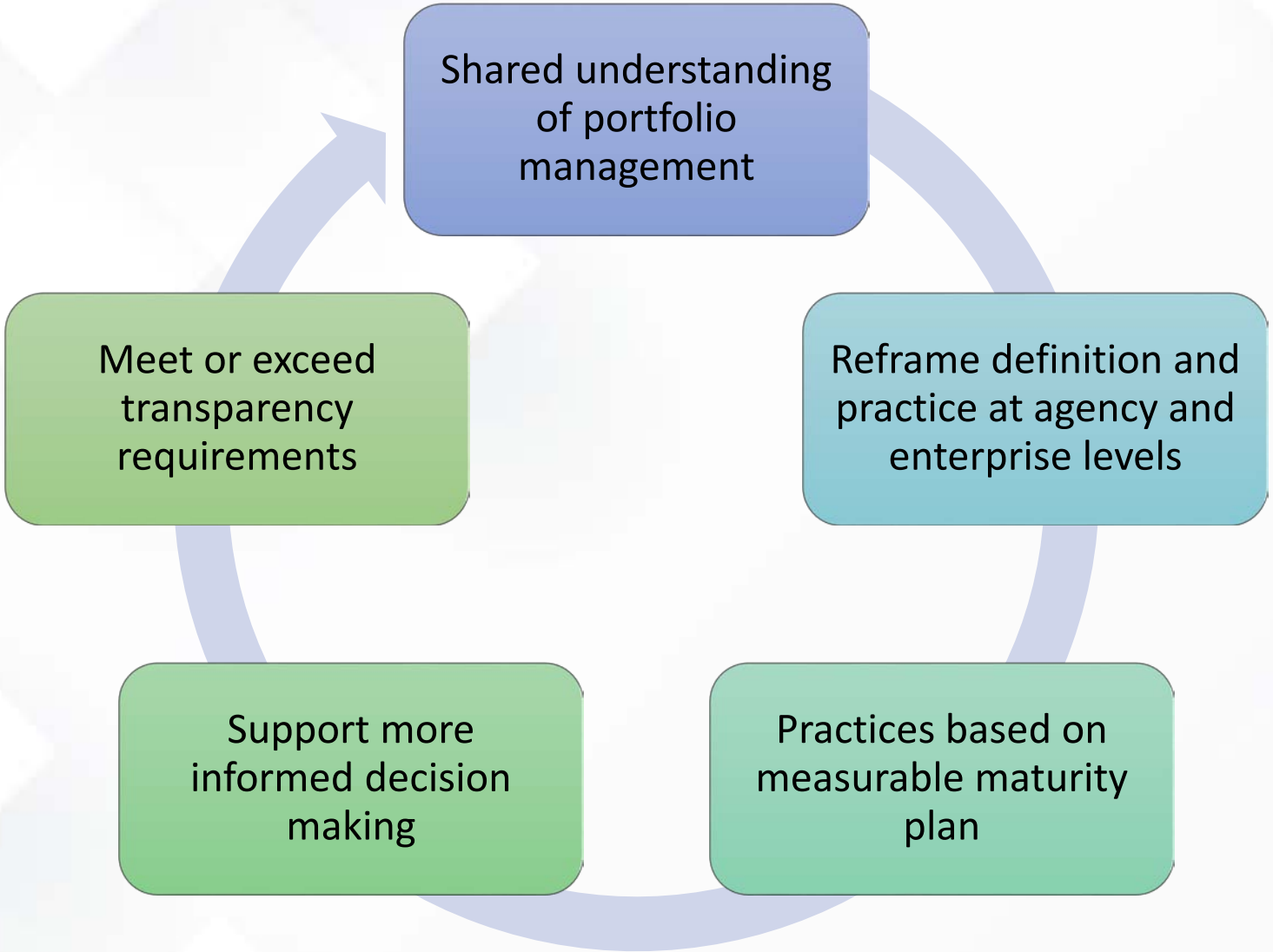
Inadequate Data & Metrics

- Key data needs not identified within or across agencies
- Supporting processes are not defined
- Data collection is manual and labor intensive
- Measures or targets tend to be operational/output focused rather than business/outcome focused

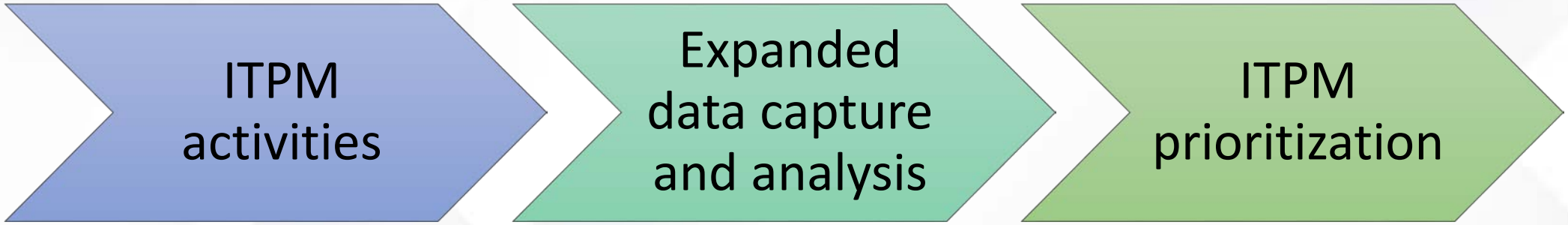
Confusion about role of Technology Business Management

- Perception that TBM is the state's portfolio management program and APPTIO is portfolio tool
- In reality, TBM is a facet of the overall program

ITPM Maturity Objectives



Initial Path to ITPM Maturity



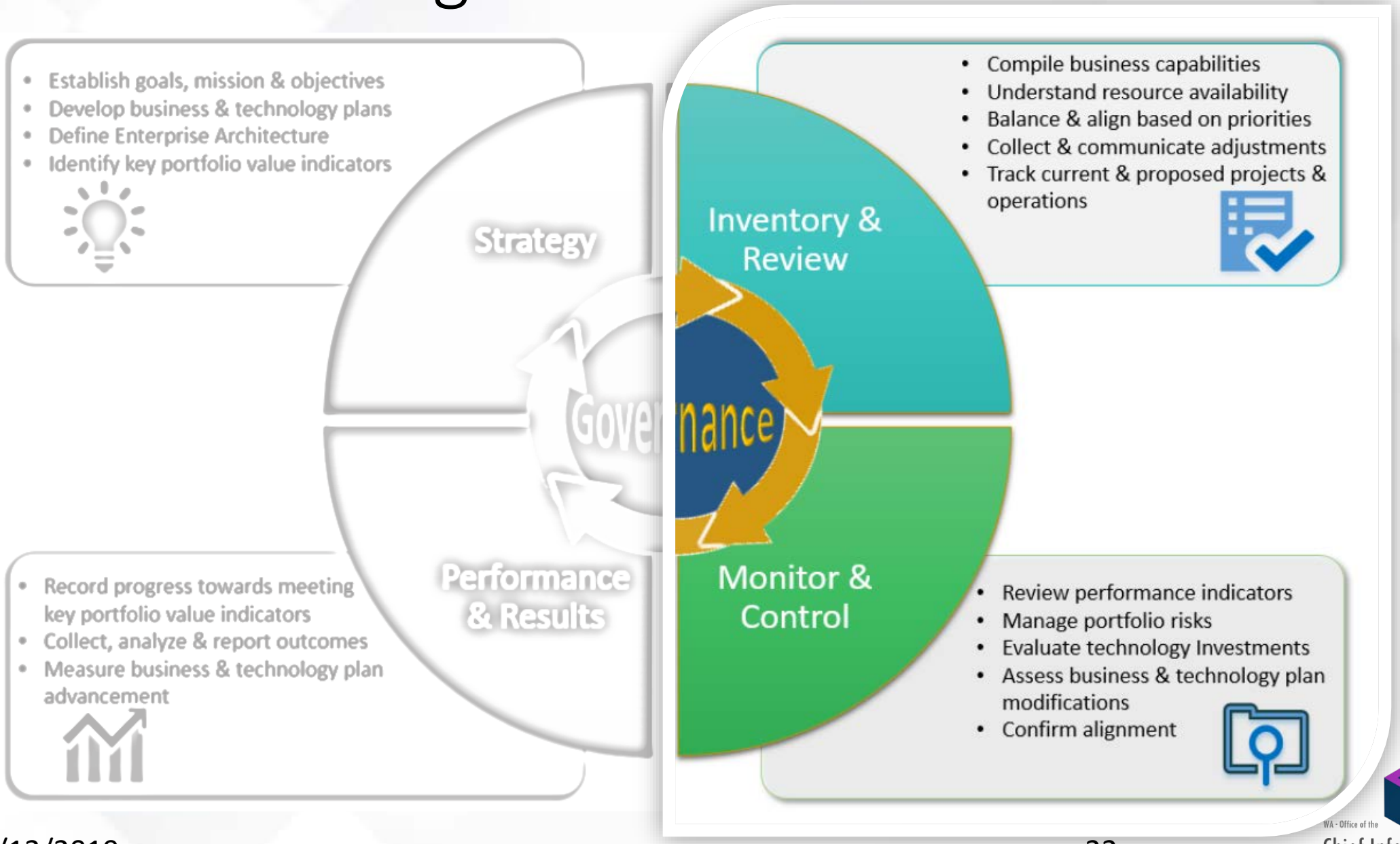
- Held IT community work sessions
- Completed AS-IS and TO-BE assessments
- Updated Conceptual Model

- Revised Decision Package ranking process
- Expanded application inventory capture and analysis
- Improved IT spend analysis

- Renew statewide ITPM policies
- Update project approval and oversight process
- Renovate IT Project Dashboard

ITPM Conceptual Model

Decision Package Prioritization



19-21 Biennial DPs by the Numbers

173 DPs with an IT Component

109 IT Project Related DPs in Ranked List

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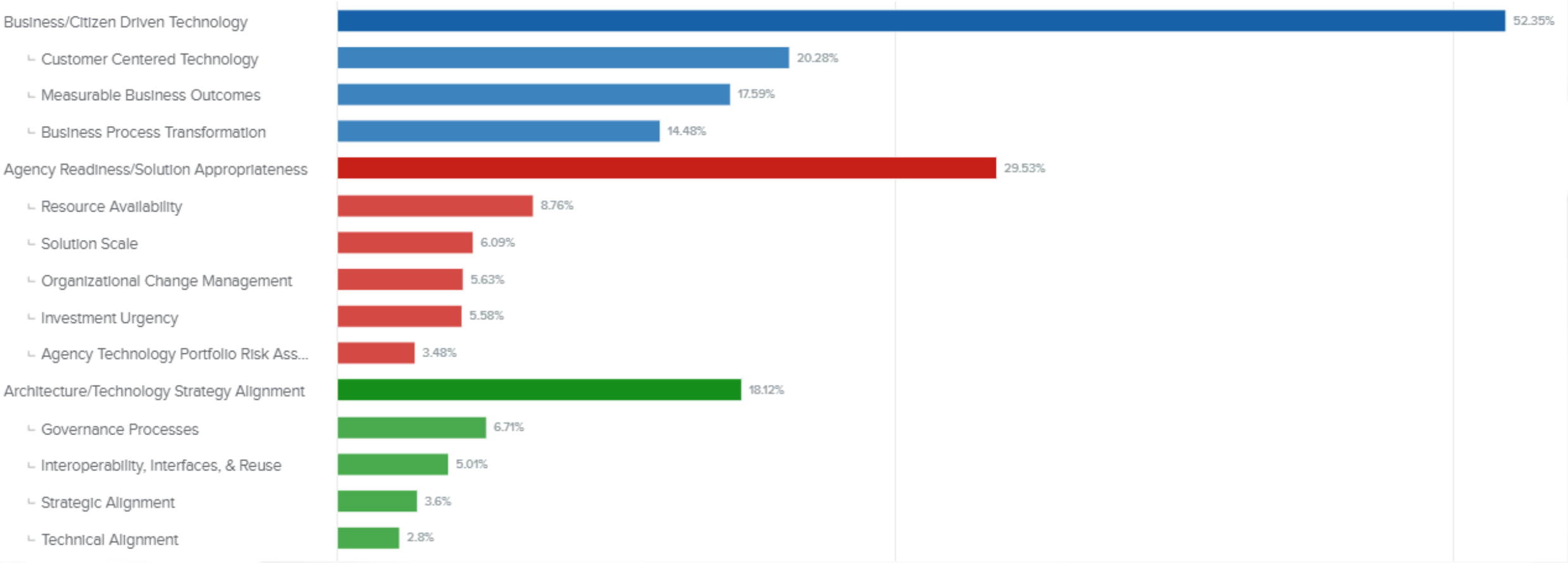
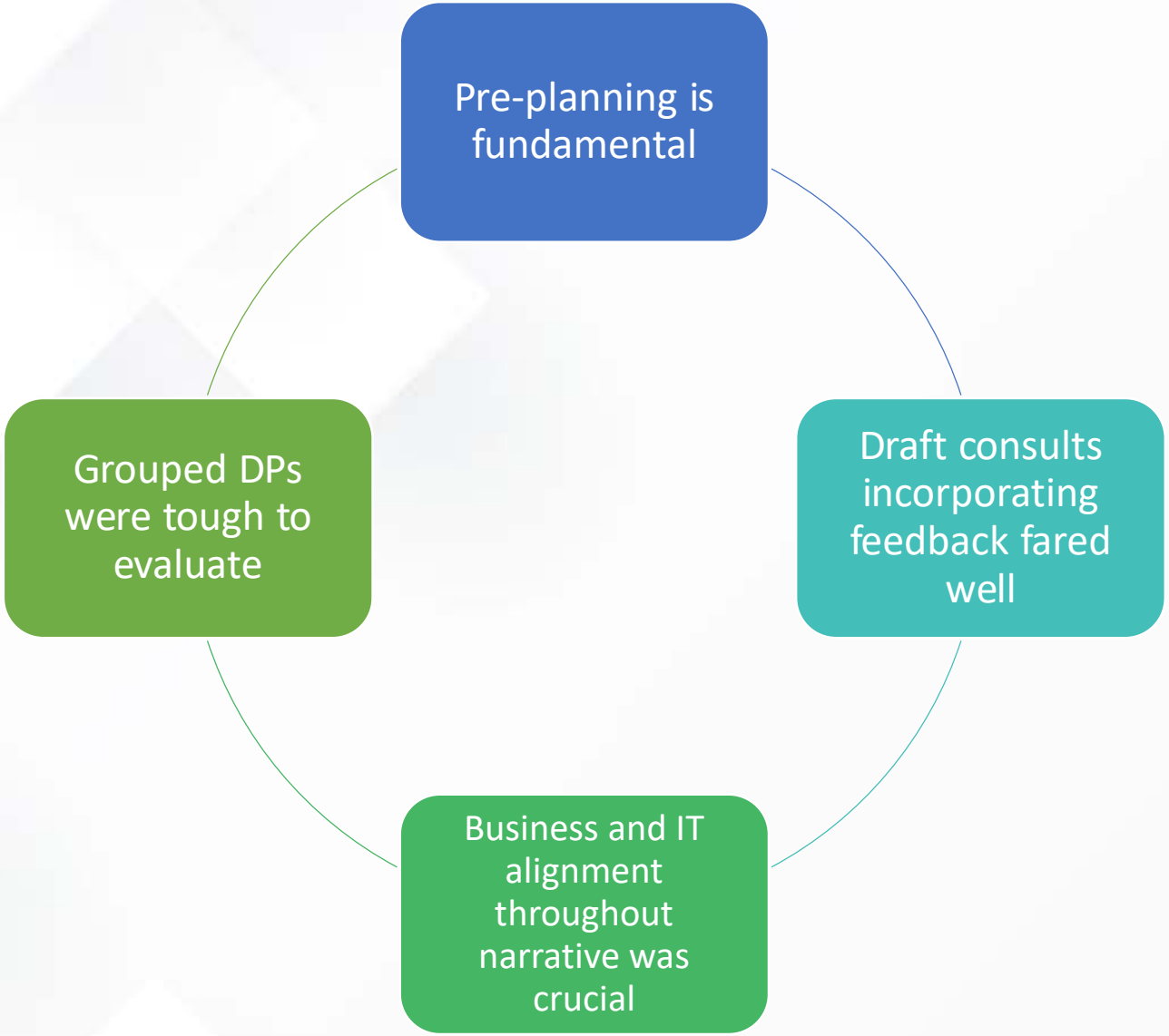
19-21 Biennial DP Criteria Weighting



Common Themes



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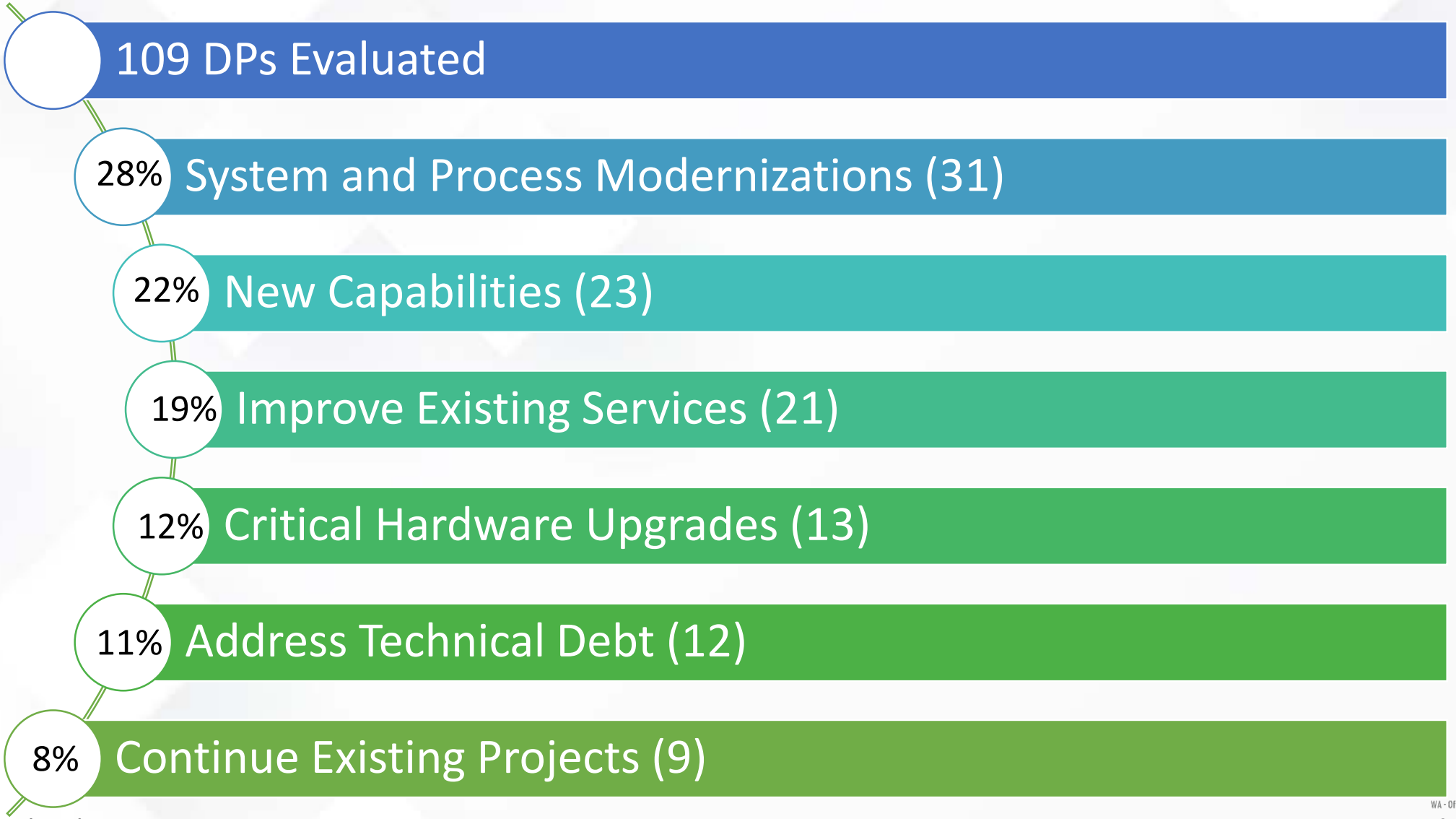
19-21 Biennial DPs by Category



Types of Recommendations

Fully Fund as Written

- DP contained all necessary information for evaluation
- DP appears likely to succeed if funded as written

Fund with Considerations

- Majority of success factors are in DP
- Split into 2 areas: lacking funds in key areas and additional detail was necessary to evaluate

Partially Fund

- Portions of package could be completed, or an incremental approach could be taken

Don’t Fund as Written

- DP lacked appropriate detail/budgetary items to be successful
- Strong strategic misalignment with enterprise technology strategy

Inclusion in Gov's Budget by DP Type – Funding provided to 63%

DP Type	DPs by Type	Fully Funded	Partially Funded	Not Funded
Overall	109 DPs	38 (36%)	30 (27%)	41 (37%)
System Modernization	31 DPs	14 (45%)	8 (26%)	9 (29%)
New Capability	23 DPs	3 (13%)	7 (30%)	13 (57%)
Improve Existing Service	21 DPs	5 (24%)	9 (43%)	7 (33%)
Critical Hardware Upgrades	13 DPs	6 (46%)	3 (23%)	4 (31%)
Address Technical Debt	12 DPs	2 (17%)	2 (17%)	8 (66%)
Continue Existing Projects	9 DPs	8 (89%)	1 (11%)	0 (0%)

Shading indicates area of interest

OCIO Funding Recommendation vs. Gov's Budget – 89% Alignment

DP Type	DPs by Type	Exact Match	Approximate Match	Total Mismatch
Overall	109 DPs	46 (42%)	51 (47%)	12 (11%)
System Modernization	31 DPs	18 (58%)	12 (39%)	1 (3%)
New Capability	23 DPs	6 (26%)	13 (57%)	4 (17%)
Improve Existing Service	21 DPs	7 (33%)	11 (53%)	3 (14%)
Critical Hardware Upgrades	13 DPs	8 (62%)	3 (23%)	2 (15%)
Address Technical Debt	12 DPs	1 (8%)	9 (75%)	2 (17%)
Continue Existing Projects	9 DPs	6 (66%)	3 (33%)	0 (0%)

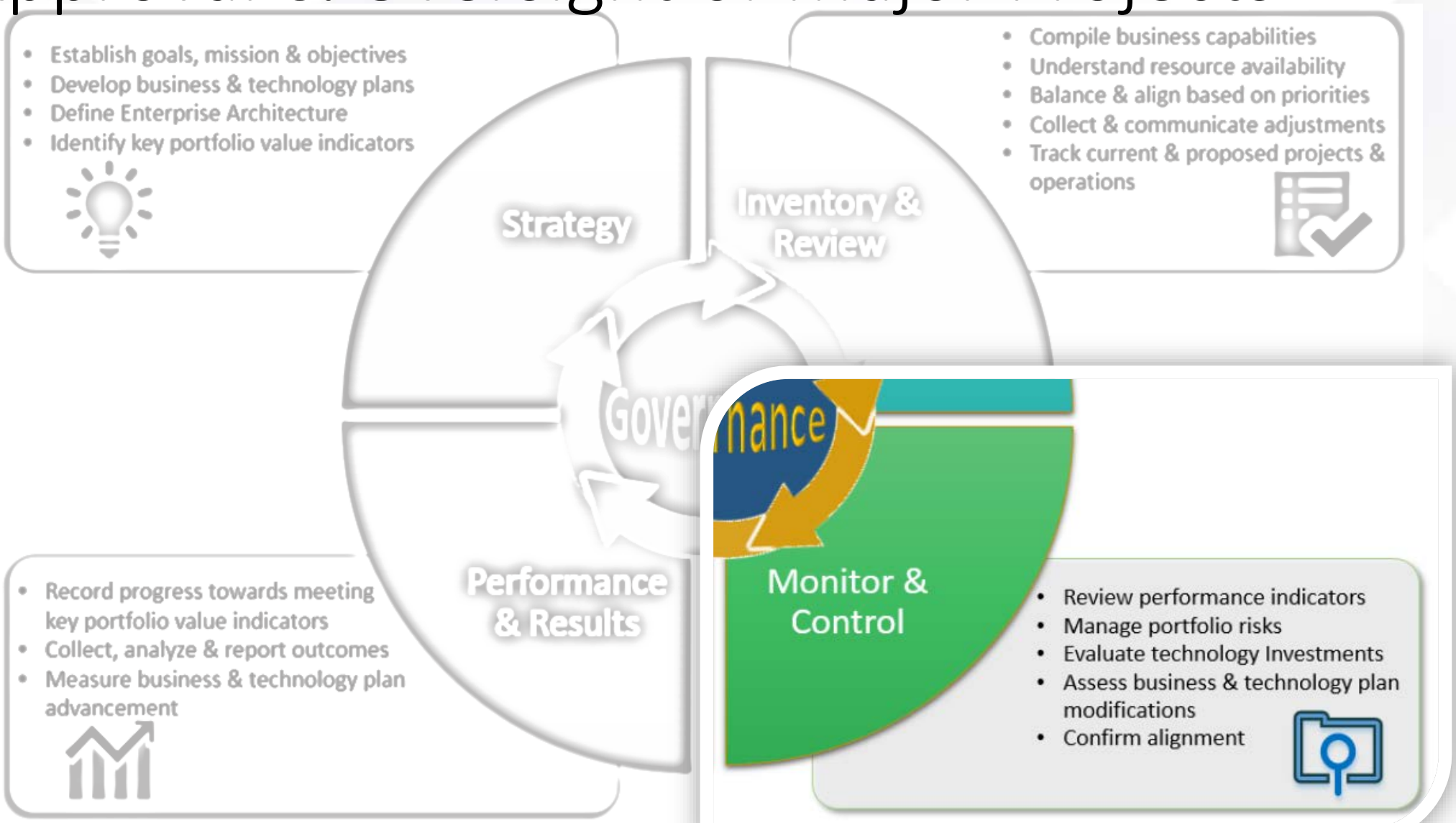
Shading indicates area of interest

Elements of High Ranking DPs

Break

ITPM Conceptual Model

Approval & Oversight of Major Projects



What We Do Today, Some Background

Risk Review for new Investments

- Agency submits an IT Project Assessment (ITPA) about their planned project
- The OCIO team reviews to assess risk level
- Determination made by the OCIO when a project is MAJOR and is then under OCIO Oversight
- Also is a time where review is conducted if the planned investment has an Administrative, Financial or Radio element

Major Projects under Oversight

- Project acquires external Quality Assurance
- Review expectations with agency about what oversight means
- Set the project up on the IT Project Dashboard

Project Approval

- External Quality Assurance performs Project Readiness Assessment
- OCIO reviews Project Investment Plan that reviews, project objectives, scope, schedule, budget, alignment with state strategy
- When financially gated, also establishing the Technology Budget, or project spend plan including key deliverables

Monitor Projects

- Monitor project over the life of the project
- Monthly project status and self assessment, QA monthly report delivered to project and OCIO, OCIO monthly assessment
- Go-Live Readiness Planning
- Project Closure activities

It is Time to Update and Improve Project Approval & Oversight

We want to engage the TSB in discussion

Gaps We Want to Address

Want to engage with agency work earlier, pre-feasibility study

Better use of project phasing and financial gating

Align our risk assessment with best practices

Better ways to track changes in the investment

Need to "right-size" Oversight for the project, example Technical Oversight

Major Project Work

Project Approval & Oversight Review Timeline

February 2019 | March 2019 | April - May 2019 | June 2019

Key Improvement Objectives

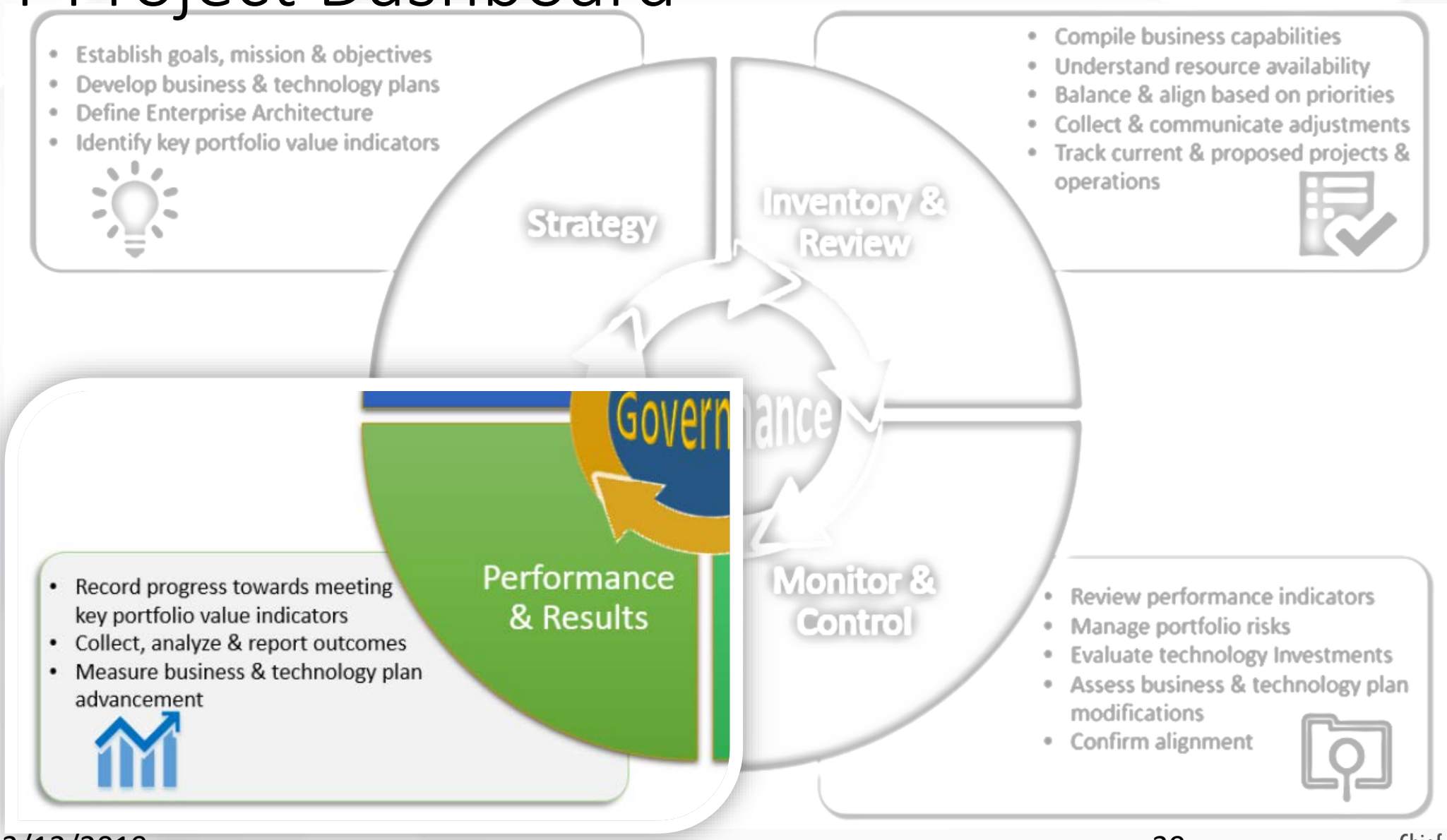
Redesign Practices

- Align with current best practices based on input from various sources
- Institutionalize financial gating into standard processes
- Require better feasibility studies and planning
- Evaluate & propose changes to the current risk based approach to oversight
- Consider models that allow for right-sized oversight instead of a one-size-fits-all

Improve Analytics

- Improve data collection for projects to support transparency, reporting & analysis
- Improve capture of lessons learned from projects to enable analysis & improve practices
- Identify key performance measures for oversight activities

IT Project Dashboard



IT Project Dashboard Enhancement – Update

Stakeholder Input & Priorities

- Identified key IT Dashboard pain points and future enhancement requirements
- Developed a prioritized set of front-end and back-end enhancement request

Vendor Negotiations

- Negotiations underway with vendor
- Develop a proof of concept based on requirements and future state work order
- Completed proof of concept anticipated by June 2019

Next Steps

- Determine short-term and long-term strategies to modernize the OCIO IT Dashboard

TSB engagement – ITPM work streams

Portfolio Management

- Review of policies and standards at May 2019 Subcommittee meeting
- Approval of policies and standards at June 2019 TSB meeting

Decision Package Criteria Weighting

- Prioritization exercise in April 2020

Approval and Oversight key stakeholder work sessions

- Work session at April 2019 Subcommittee meeting

Report out on technology Dashboard reports

- June 2019 and September 2019 TSB meetings

Q and A

Public Comment