The Georgia Technology Authority saves taxpayer money across 119 state agencies by implementing a process for project evaluation, review, governance, and tracking.

The Art of Project Governance

by Phil Weinheimer

I am certain you have read about the 25-35% failure rate for IT projects. One could logically ask: how can this be when there are dozens of project management solutions in the marketplace, used by thousands of companies that focus on achieving project success? Yet, these statistics have become the standard and acceptable norm for project management organizations. As a CIO or PMO Director, are you ready to write off millions of dollars of inefficiencies and waste?

This is not the case for the Georgia Technology Authority (GTA), which manages information technology for the state of Georgia. Calvin Rhodes is the CIO, and Tom Fruman is the Director of Enterprise Governance and Planning. “We are the stewards of taxpayer dollars and need to manage project risk,” says Rhodes. Fruman’s team provides governance for the 200-450 million dollars of critical projects executed each year by the 119 state agencies. Fruman believes “project success is based upon applying a discipline of process and insight to the management of project portfolios.” It’s all about reducing risk and uncovering “what’s really going on behind the numbers that are typically reported by Project Managers.” So, after a number of failed project portfolio solution implementations, he found the perfect governance solution – The CAI ITBuzz Enterprise
Management Suite. “This solution provides a governance layer of process discipline, best practices, and predictive analysis to reduce risk and improve project success, regardless of the PPM tool used by agency project teams,” says Fruman.

“\textit{This solution provides a governance layer of process discipline, best practices, and predictive analysis to reduce risk...}”

-TOM FRUMAN
Director of Enterprise Governance and Planning

To clearly understand how Fruman and his team found a solution that worked for them, we need to look at how the State of Georgia manages its information technology organization, the project governance process and its challenges, the implementation process, and the value of the ITBuzz Enterprise Management Suite.

The Office of the CIO at the State of Georgia

\textbf{CALVIN RHODES WAS APPOINTED} to the role of Chief Information Officer in January, 2011 for the Georgia Technology Authority (GTA). His team of 165 IT professionals (plus another 1000 IT members from its two primary service providers) deliver information technology solutions and services across the state’s 119 agencies. Rhodes has extensive business and technology experience. He established Paladin, a private investment firm, and was executive vice president at Fulton Paper Company, where he held a number of executive positions in operations and IT. With a technology and business background, his mission for the state of Georgia is to “connect Georgians to their Government by leveraging technology.” It’s all about “enabling citizens to access government services more easily.” One quickly learns after speaking with Rhodes that he views the state of Georgia Information Technology Organization as a business by “providing value to its customers.” Rhodes has three main strategies for the GTA

1. Consolidate state agency IT infrastructure and network services into an enterprise shared services model to enable improved efficiencies.
2. Implement a full IT governance structure, providing transparency across state agencies so everyone can see anything relative to spend.
3. Enable agencies to provide on-line services which improve value and empower the citizen.

As you would imagine from an executive with a strong business background, Rhodes is all about improving processes. “We are aligning IT with business processes and goals and providing technology innovation through leadership and collaboration with our strategic agency customers, vendor partners, and key stakeholders,” says Rhodes in his 2012 Annual State IT Report.
The Project Governance Process

TOM FRUMAN IS DIRECTOR of Enterprise Governance and Planning (EGAP) and reports to the state CIO. He leads the organization that works with the state agencies to promote an enterprise approach to technology. “We provide policies and standards, education and awareness, and advisory services to these agencies to enable them to plan, manage, and deliver technology to their constituents.” Fruman’s team operates as an oversight group across several disciplines including security, strategy, planning, data governance, and portfolio management. “Our goal is to leverage IT dollars which provides the best value for the business while managing risks.” His team accomplishes this through a governance philosophy that “brings good process to ensure the success of IT investments.”

Each of the 119 state agencies operates as independent divisions, similar to a federated model. For the largest state agencies, a commissioner heads each agency with a management team that executes the agency mission. IT projects are identified, developed and implemented within the agency. Each agency has a CIO.

To help state agencies achieve success for their IT projects, Teresa Reilly-Director of the Enterprise Portfolio Management Office (EPMO) – the organization within Enterprise Governance and Planning (EGAP) – provides oversight, training, and consulting. When asked about the objective of the EPMO, Reilly said the following:

Our objective is to ensure IT project success and improve project management maturity practices through portfolio management, project assurance, and the development of policies, standards, guidelines. We also provide consulting, education and training in support of our core mission.

Reilly’s philosophy on project assurance can be summarized by a few of her major points:

» Project management is a defined discipline, but you need a balanced view of how the project is progressing.
» We need to provide a level of discipline in managing projects to reduce project risk.
» We need to help project managers become more proactive in responding to risks.
» Capturing views of the project from key stakeholders provides a more realistic view of potential project risks.
The EPMO is important in the governance of state agency projects because “we can help to improve the State’s capabilities to deliver business benefits through successful deployment of information technology projects,” says Reilly.

Reilly’s team focuses on state agency projects that are the most critical and complex.

These are usually projects with implementation costs of greater than 1 million dollars or have a major business impact to the state and citizens. For example, a project that provides for driver license renewal may not exceed 1 million dollars, but could be a disaster if implementation issues arise and create driver license renewal problems.

To achieve their goal, the EPMO employs the following four step process to provide governance for state agency projects:

1. **CAPTURE HIGH-LEVEL DATA** for the portfolio of projects that are identified by agencies as projects for investments.
   - Agencies provide information on projects they are considering for investment (Project Name, Objective, Investment Summary, Benefit, Business Case, etc.).

2. **EVALUATE AND IDENTIFY** the subsets of projects and associated data, reviewed by the Critical Project Review Panel on a monthly basis.
   - Criteria Project Review Panel (CPR) provides oversight for projects that are complex and/or critical:
     - Projects greater than 1 million dollars.
     - Projects with significant business risk that would impact the citizens of the state; regardless of project cost.
     - The GTA CIO (Calvin Rhodes) is the chair for the monthly CPR.
   - Attendees include GTA and Agency personnel
   - GTA Personnel: Calvin Rhodes(Chair) – CIO, Tom Fruman – Director EGAP, Teresa Reilly- Director EPMO
   - State Agency Personnel: state agency Project Manager, state agency business owner, and the vendor project manager, if there is one
   - A representative from the Governor’s office
   - The Independent Verification & Validation (IV&V) vendor (The GTA contracts with independent consultants (vendors) to conduct project reviews and recommend specific actions to improve project success), a representative from the Governor’s office
   - Teresa Reilly’s team (EPMO) prepares a projects review book that includes key information for the projects reviewed by the CPR
• Each project team (Project Manager, Business Owner) presents the project status to the CPR (approximately 20 minute sessions)
• Projects identified with significant risk are forwarded for a CPR review by the Governor’s office

3. **PROVIDE EDUCATION AND TRAINING** to state agency personnel to improve their skills in managing information technology projects.
   • Teresa Reilly’s organization (EPMO) includes highly experienced project management personnel who provide training to state agency project teams on the art of project management.

4. **ADVISE STATE AGENCIES** of industry frameworks and best practices to ensure successful project execution.
   • EPMO personnel have extensive project management experience and provide project teams with a variety of templates and best practices to minimize project risk and improve skills
   • Conduct project audits via the Independent Verification and Validation Program (IV&V).

Challenges with Enterprise Governance

**GOVERNING HUNDREDS OF PROJECTS** executed by 120 different state agencies has its challenges. To better understand the challenges faced by Fruman’s team in governing projects, let’s examine the following two areas:

A. Fruman’s philosophy on Governance, how each agency manages projects, and previous attempts at implementing project management systems

Fruman’s governance philosophy is based upon his project management and IT experience. “I believe people want to do the right thing, but sometimes need guidelines, training, and oversight to help them improve their skills, reduce project risk, and ensure a successful project outcome.”

“There is no enterprise project management tool used by the state agencies.

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-TOM FRUMAN
Director of Enterprise Governance and Planning
Each agency is responsible for project execution and can choose the project management tool to use. Most use Microsoft Project and/or the tools provided by the vendor performing the project implementation work.

Fruman’s team tried on two previous occasions to implement an enterprise project management tool for use by all the state agencies. Unfortunately, these implementations failed. Fruman believes “These robust tools are great, they capture a lot of information, but at the end of the day you are a slave to the tool. They are so rigorous, you spend a lot of time making the tool work, as opposed to making it work for managing the portfolio of projects.” So to summarize, the three main reasons for the failed implementations were:

- Tools were too complex
- Required a lot of training
- Needed a lot of effort to maintain

B. Major governance challenges faced by the Enterprise Governance and Planning (EGAP) team

The process for collecting and analyzing project data is critical for the EGAP team in effectively performing their governance role. There are three major barriers for any organization to overcome in performing this process:

- Make sure you are collecting the right data
- Minimize data gathering time
- Make sure you properly analyze the data

The EGAP team incurred a lot of time gathering data and wasn’t capturing the right data to apply proper governance. As a result, there were many challenges that Teresa Reilly’s team experienced in performing governance for the state agency projects. The six major challenges prior to the implementation of the CAI ITBuzz Management Suite are summarized below.

1. **GATHERING PROJECT DATA** from agency project managers is cumbersome and preparing monthly dashboard reports using excel is time consuming
• Every month project manager complete a manually generated Excel spreadsheet, with numerous tabs, which provides status for each project indicator (schedule, budget, business objectives, risk, issues, organizational readiness, etc.) as well as project financials.
• The collection of data from project managers and consolidated in a presentation package requires about 80 person hours of effort.
• Qualitative data, in the form or comments, provided by the project manager, represent the Program Manager’s view of the project.
• The project data is imported into a GTA spreadsheet that drives green, yellow, or red status.
• The GTA spreadsheets are consolidated into an overall document which is used by each Critical Panel Review (CPR) panel member during the monthly CPR reviews.

2. **PROJECT DATA IS PREPARED** by the project manager and doesn’t represent input from key stakeholders

   • Data is provided by each project manager and represents best efforts as to project status. However, it is only the view of the project manager. Lack of input from key stakeholders masks potential issues and increases potential for project risk.

3. **ACCESS TO DATA IS LIMITED** - It’s a push, not a pull, limiting access to only to those involved in preparing and reviewing the monthly data. It is not shared across the agencies to foster learning and continuous improvement

   • Data is captured in excel spreadsheets and therefore is static. It’s also not available to everyone. Data is pushed to users rather than pulled from a web based application.

4. **LACK OF PREDICTIVE PROJECT BEHAVIOR** limits risk assessment to current and past project activities

   • A picture only portrays current activity when capturing quantitative data. Projects behave in mysterious ways. A green project can turn into a red project overnight. We’ve all experienced this.
   • The ability to use current and historical data to predict project risk greatly improves the governance capability and more importantly helps project managers improve their skills in project management through developing risk mitigation strategies.

5. **LACK OF AN ADEQUATE ISSUE MANAGEMENT** capability prevents proper mitigation of project risk

   • Current system is cumbersome to use in capturing project issues
   • Lack of ability to easily record and assign tasks to mitigate issues increases project risk

6. **PROJECT REQUESTS FROM AGENCIES** do not capture pertinent data to rationalize investments decisions
The current process for capturing project request data is manual and doesn’t provide adequate information to assess risk, business alignment, and an overall opportunity. Lack of business case and associated data didn’t allow for proper analysis and comparison of multiple projects.

Selecting the Winning Solution

After two failed implementations, Fruman and his team were determined to find a solution that would work for the state of Georgia. Fruman decided to “keep it simple.” The team identified the following major requirement for the portfolio governance solution:

» Web enabled solution which is easy to use.
» Automated capture of data from the various state agency project management systems used to manage projects.
» Capture hard data from Project Manager as well as soft data from key stakeholders to provide 360 degree view of the project.

When he saw the demo, “the light bulb went off. This is exactly what we need to provide adequate project assurance and governance.”

-TOM FRUMAN
Director of Enterprise Governance and Planning

Implementation and Value of the CAI ITBuzz Management Suite

CAI was awarded a contract in March 2012 and implementation of the ITBuzz Management Suite commenced in July 2012. It’s common to use an acronym to name a vendor software solution, and the state of Georgia is no exception. The acronym chosen was Enterprise Management Suite (GEMS).

Hank Oelze, Program Manager-Enterprise Program Management Office (EPMO), working with CAI consultants, was responsible for the implementation of the GEMS solution. In May, subsequent to the
award, Oelze and colleagues prepared a presentation for the state Project & Portfolio Management Conference for state agency personnel. The meeting was part of the communication plan to orient the project managers of the new governance process. The goal was to set expectations and help the teams understand the value the new process would provide to the state agencies, GTA, Georgia citizens, and, most importantly, the project managers. Included in the presentation was a slide (below) that identified the reasons why a new tool was required.

The implementation began in July 2012. During any implementation there are always concerns about the vendor relationship, training, and implementation consulting. Following is a summary of the experience working with CAI on these three key areas.

**VENDOR RELATIONSHIP**

One major concern of organizations contracting with a solution vendor is the working relationship. Theresa Reilly said “CAI has been a great vendor and easy to work with. They bend over backwards to help us.”

**TRAINING**

During the implementation CAI prepared training videos that GTA used during the training. Reilly said that after an initial training session with the core implementation team, “we took over the training using our experienced project management personnel and videos.”

**IMPLEMENTATION CONSULTING**

The skill and experience of implementation consultants is always a concern. “The CAI implementation team was experienced and easy to work with,” says Reilly.

**Value of CAI ITBuzz Management Suite**

The value derived by the State of Georgia from implementing the CAI ITBuzz Management Suite provided value for the State of Georgia in the following seven ways.
At the end of this section I have compiled a set of 10 capabilities every governance tool should have. These should be helpful to those of you looking for a governance tool for your organization.

1. **Overall Value**

   The value of the CAI solution provides the State of Georgia with strategic and operational value for managing the portfolio of projects executed by state agency personnel. Hank Oelze, program manager at EPMO, describes the overall value as follows:
   - The monthly update process is easier than the previous Excel-based scorecard
   - Projects can be evaluated through the proposal stage
   - Projects are evaluated from several project roles versus just the project manager
   - Dashboard KPI dials are driven by qualitative and quantitative data
   - Issue tracking automates the reporting, resolving, and closing of Issues
   - The tool greatly enhances communication since the PM receives and assesses input from several roles
   - Stage Gate questionnaires enhance process compliance

2. **Data Gathering of Project Data for Governance Analysis**

   One of the major challenges faced by Reilly’s team was the time to capture data, prepare project dashboards, and properly display project status. The CAI solution overcame those challenges. For example, the 80 person-hour manual process of collecting project data from the project managers and consolidating into a presentation package for the Critical Panel Review now takes only about 4 hours of effort.

3. **Project Dashboards**

   The project dashboard (left) provides visual representation of the quantitative and qualitative data that drives the key project indicators gauges to reflect ranges within red, yellow, or green; a benefit they never had before. “visually displaying the range within each key indicator helps the project managers and Critical Review Panel interpret the degree of risk more effectively than the previous process,” says Reilly.
4. Predictive Analysis

The CAI solution uses a set of algorithms based upon completed assessments to predict the potential risk of the project for each key project indicator. This single capability makes the solution a proactive process of anticipating risk, and taking mitigating actions prior to the risks occurring.

5. Improving Project Manager Skills

Governance is more than just oversight. It should involve improving the skills and capabilities of project managers. People truly learn from experience. The assessment questionnaires, which focus on risk categories, are completed by key project stakeholders, providing a 360 degree view of the project. Over time project managers intuitively behave in a manner which addresses these potential risk areas in a proactive way.

6. Quantitatively Analyzing Project Requests

One of the major benefits is the process of reviewing and analyzing the business value for project requests. An Enterprise Pipeline Report for requested projects was manually prepared using excel spreadsheets and very time consuming (right):

The CAI solution automated the process to prepare. Now the CAI solution provides dashboard data for these requested projects, and provides an analysis grid to display the business alignment and risk score for the portfolio of requested projects.

**Governance Tool Capabilities**

**THERE ARE MANY PROJECT PORTFOLIO MANAGEMENT (PPM) SOLUTIONS** on the market. Most require lengthy implementations and training, and sometimes are overkill for what a PMO organization is trying to accomplish. The CAI solution chosen by the state of Georgia hit their sweet
spot of need. Easy to implement and use, regardless of the project management tools used by the state agencies.

So, if your organization is looking at project governance solutions, make sure they have, at a minimum, the following ten critical capabilities needed to minimize project risk:

1. **PROVIDE GOVERNANCE** for the portfolio of projects regardless of the project management tools used by the state agencies.
   - Each agency selects the tool they use for managing projects. To maintain the federated model used in the state, the GTA needed to find a tool which would easily provide governance for the state agency projects by easily capturing, analyzing, and displaying data in a dashboard.

2. **A SOLUTION THAT ISN’T OVERKILL** for the governance team and agency project management personnel.
   - Initial implementation accomplished in approximately 30 days with configuration occurring in the following 30-60 days.
   - Solution is intuitive and easy to use.
   - Training is not complicated and can be accomplished by company personnel.

3. **WEB BASED SOLUTION** that provides data to anyone, anywhere, and at any time.
   - Ability to access project and governance data by all personnel from any desktop at any time and from anywhere.

4. **CAPTURES QUALITATIVE DATA** from key stakeholders to provide 360 degree project perspective.
   - Ability to capture quantitative data from project management tool supplemented with cap-
ture of soft data from key stakeholders provides a more realistic view of the project and potential risks.

5. **EASILY IMPORT PROJECT DATA** into the governance solution.
   - Automated data import from state agency project management tools would eliminate manual and cumbersome effort.

6. **PROVIDES EFFECTIVE ISSUE MANAGEMENT** Capability.
   - Capture issues in automated environment, assign issues to owners, and provide issue status updates for all stakeholders to review.

7. **IDENTIFIES KEY RISK INDICATORS** and provide predictive risk scores based upon quantitative and qualitative data.
   - Provide summary metric for key project indicators.
   - Provide the predictive metric regarding future risk based upon quantitative and qualitative data.

8. **IMPROVES PROJECT MANAGER’S SKILLS** through self-learning and 360 degree feedback.
   - Project assessments which measure the key project indicators through a set of questions with a set of answer choices to provide insight to the project managers and implementation teams of the potential areas of risk.
   - Over time these assessment questions become intuitive and part of the daily activities performed by project managers in the execution of projects.
   - Provide the predictive metric regarding future risk based upon quantitative and qualitative data.

9. **DISPLAYS DASHBOARD METRICS** of key project indicators and automated reporting.
   - Display key project indicators in dashboard.
   - Provide for qualitative comments for each key indicator.
   - Provide for flexible reporting on key project data.

10. **CAPTURES KEY DATA** for project requests and analyze data based upon business need and potential risk.
    - Easily capture project request data in automated environment to properly analyze investment opportunity for risk and value.
Summary

The Georgia state agencies are reaping the benefits of the CAI ITBuzz Management Suite (known as GEMS within the state agencies). Now, project data is imported into GEMS and dashboard data as well as detail information is available for all to view in real time. Analysis of key project indicators is available to the Critical Panel for review of all the complex and critical projects. Most importantly, the solution uses algorithms to predict the degree of potential risk for each key indicator. This feature makes the solution a more proactive versus reactive solution.

Most importantly, the solution uses algorithms to predict the degree of potential risk for each key indicator. This feature makes the solution a more proactive versus reactive solution.

The GEMS project dashboard provides visual representation of the quantitative and qualitative data to drive the key project indicators gauges to reflect ranges within red, yellow, or green; a benefit they never had before. Knowing the range within each color helps the project managers and Critical Review Panel interpret the degree of risk more effectively than the previous process.

With an average of 200-450 million dollars of projects to govern each year the state can now look at ways to improve project success. They now have a solution that can minimize risk, improve governance, and improve project success

So, if your organization is experiencing project assurance and portfolio governance challenges, and is not willing to accept a 25-35% project failure rate as an acceptable norm, heed the lessons learned from the State of Georgia Technology Authority. Learn how they applied a solution to minimize risk, improve project management skills, achieve project success, and most importantly provide value to the citizens of the state.
About The Author

PHIL WEINZIMER is president of Strategere Consulting and works with clients to develop business and IT strategies that focus on achieving business outcomes. Previously Mr. Weinzimer was Managing Principal-Professional Services for IT Business Management at BMC Software. He also held Managing Principal positions in the Professional Services organizations for ITM Software, CAI, and Sapien and Unisys.

Mr. Weinzimer is author of *Getting it Right! Creating Customer Value for Market Leadership*, published by John Wiley, which focuses on transforming an organization along a 3P Strategy; helping people Prepare to work together as a team, Perceive customer needs, and Provide new products and services that create sustainable and profitable value.

His new book, *The Strategic CIO: Changing the Dynamics of the Business Enterprise* will be published in 2013 by Francis & Taylor. The focus will be on how the organizations are leveraging Information Technology for Creating Customer Value, Increasing Revenue, and Enriching Shareholder Value.

Mr. Weinzimer writes an ongoing column for AITS focusing on *The Strategic CIO*, and has written for CIO Magazine on the subject of *The Expanding Role of the CIO*. 
About CAI

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