

Department of Technology Management and Budget
Enterprise Portfolio Management Office (EPMO)
IT Project Management Processes
OAG Performance Audit

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PMO Audit Hearing - House Approps - General Government Committee
September 12, 2017



Introduction and Background

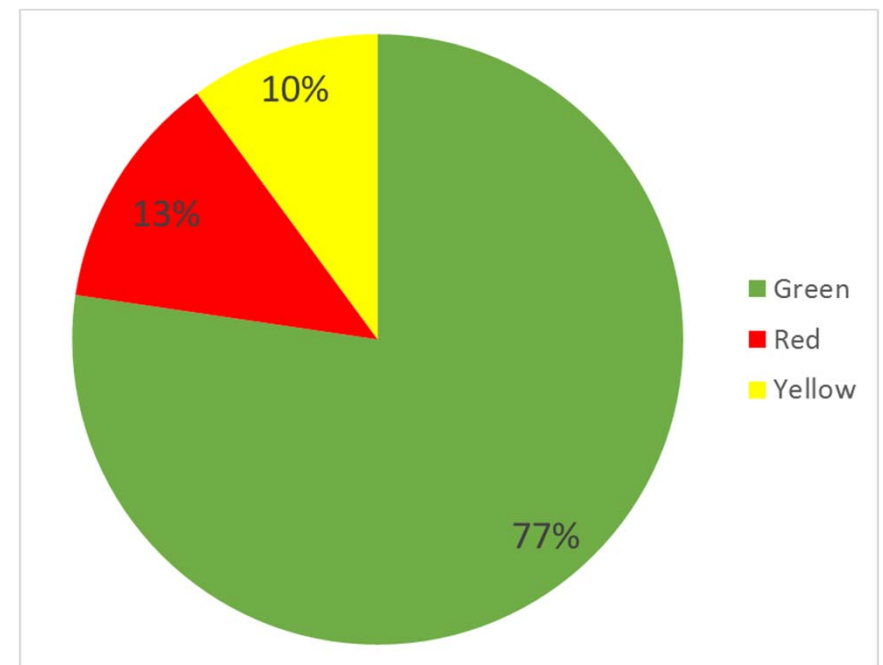
- DTMB agrees with the OAG audit findings
- DTMB began implementing OAG audit recommendations before the audit began
- OAG audit reflected recommendations from the 2012 Gartner Information and Communications (ICT) Assessment
- Timeline and context important
- 2011: At least 6-8 weeks to compile complete IT project report (manual)
- Today: Complete list of ~400 active IT projects are available with status
- EPMO as “honest broker” for all IT Project Management
 - Accountability, Transparency, Consistency
- EPMO Role – “building the house” / NOT “day-to-day operations of it”

Measuring Success

Michigan Enterprise Portfolio Management Office

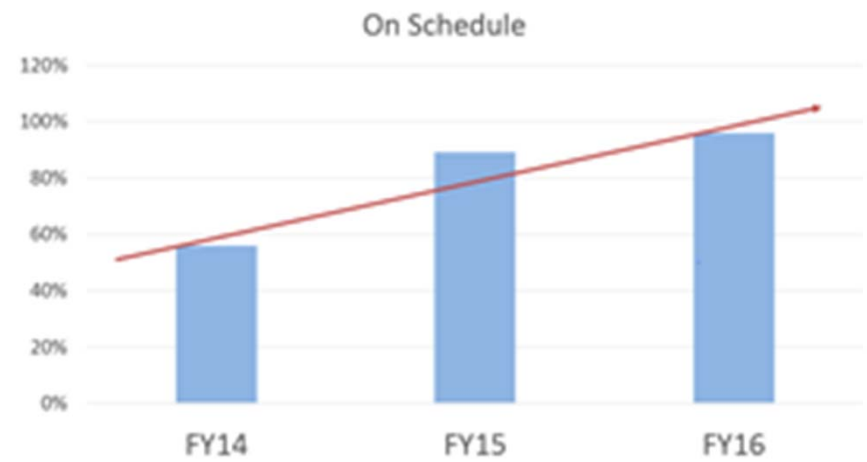
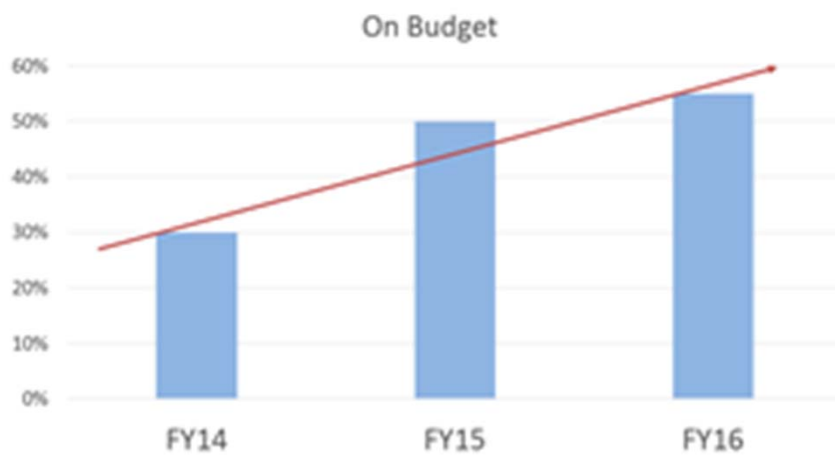
Vital Statistics

- Total Number of Active Projects: 397
 - Project Performance Status: Red: 50
 - Project Performance Status: Yellow: 40
- Fiscal Year FY17 Total Completed Projects to date: 169



Measuring Progress

On Time / On Budget Metrics



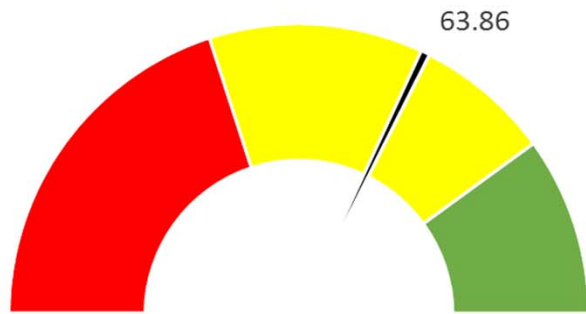
Industry Recognition

- Kentucky and Indiana Information Technology Departments are currently modeling their Project and Portfolio Management organization after components of the Michigan EPMO model.
- Government Technology Magazine – Featured Michigan EPMO and Project Management – June 2014
- Gartner 2017 ICT Assessment: By consolidating eight PMOs into single enterprise portfolio management capabilities, and establishing a Project Review Board to resolve and address project issues, DTMB has seen increased IT maturity and improved business relationships.

Project Success Metrics

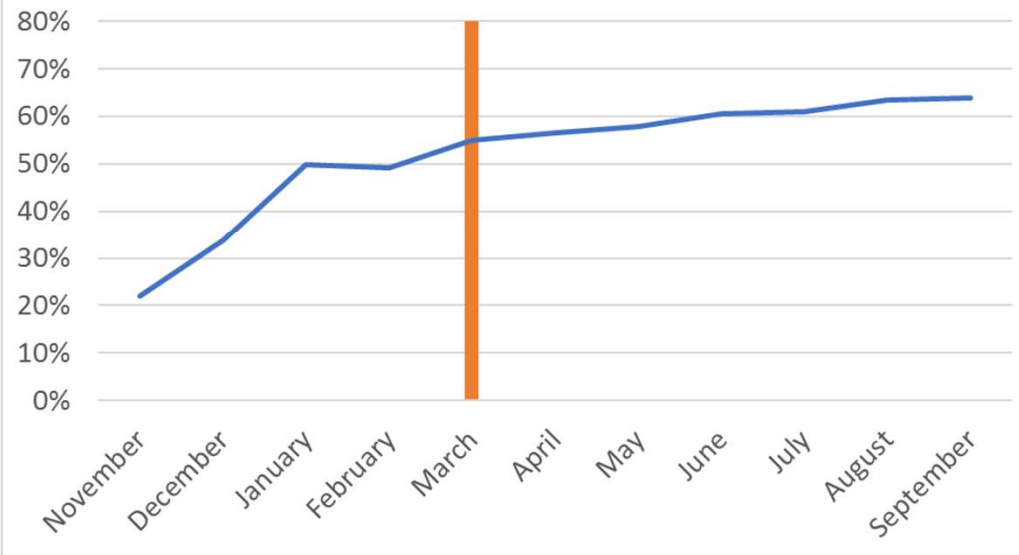
- To better realize the enterprise value on the Information Technology (IT) projects that DTMB delivers, we need to measure the quality and satisfaction of our completed projects. We are working to achieve this by focusing on key project success metrics to help us focus on how we are currently performing and what we can improve on. We have been collecting these project success metrics starting with projects that completed in January 2016.

Project Success Metrics



FY17 Project Success

FY17 Project Success by Month

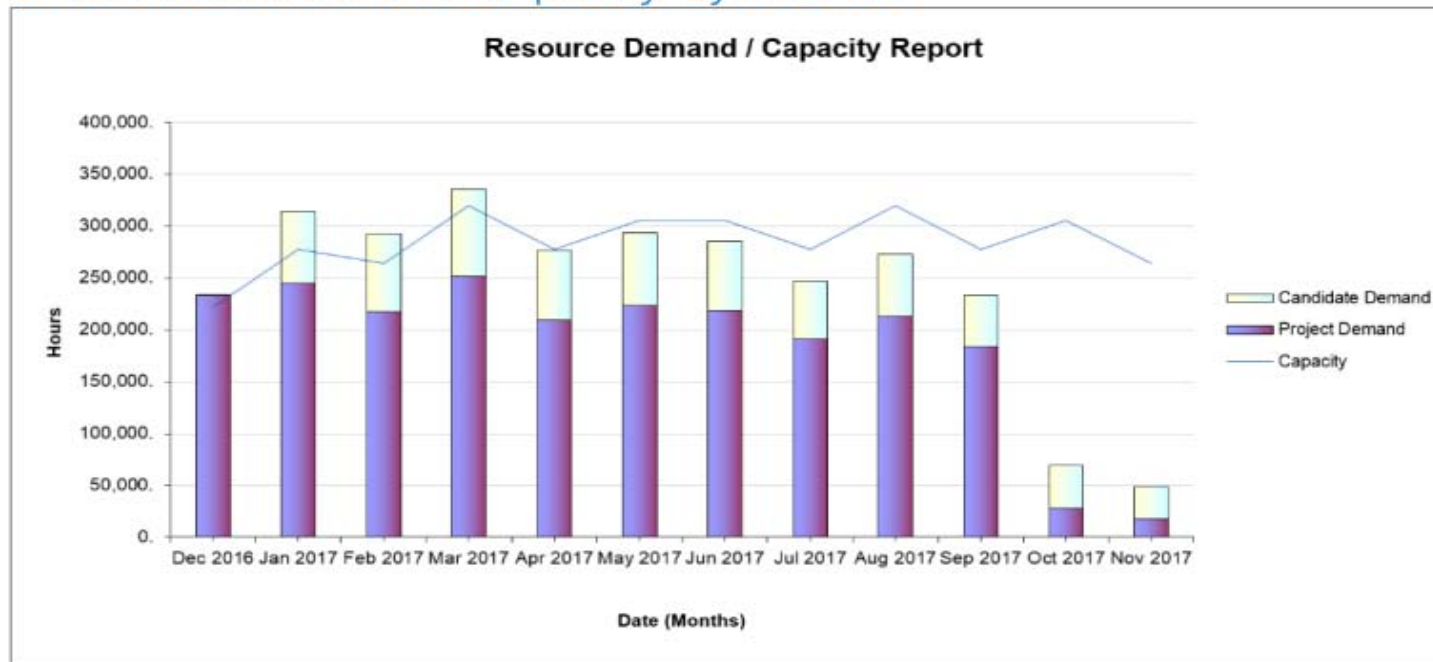


Resource Management Metrics

- Standardized resource management planning has been implemented for State of Michigan IT resources using our project and portfolio management (PPM) tool. This metric has been in place since March 2016 and reported monthly for the enterprise organization.
- DTMB reports monthly on the total demand and capacity of our IT resources at the executive leadership level and break out by director and their supervisory staff. More detailed reports are available in our PPM tool to help with the planning and prioritizing of staff time but our resource management metrics are showing high level overview of staff allocations.

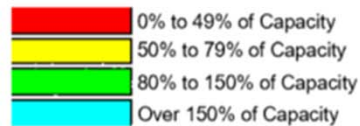
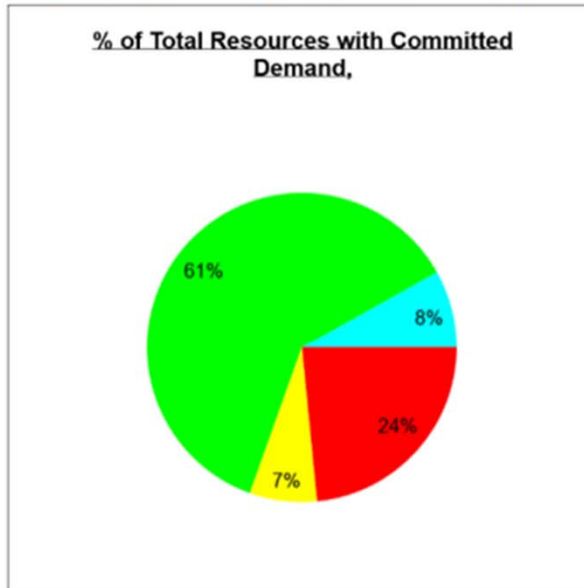
Resource Management Metrics

DTMB Demand and Capacity by Month



Resource Management Metrics

Resource Allocation for Next Month



View Resource Metrics by DTMB Area

Agency Services James McFarlane	Center for Shared Solutions Eric Swanson	Chief Deputy Director Brom Stibitz
Agency Services	Center for Shared Solutions	Chief Deputy Director
Chief Technology Officer Rod Davenport	Cyber Security and Infrastructure Protection Rajiv Das	
Chief Technology Officer	Cyber Security and Infrastructure	

The data on this site is refreshed on the first Monday of the month.

EPMO Evolution Timeline

Michigan Enterprise Portfolio Management Office

EPMO Evolution Timeline

2012

- Pre-2012 EPMO - Fledgling organization with 8 independent Project Management Offices (PMO)
- Gartner ICT Assessment Report Recommendations:
 - Centralize EPMO- private sector best practice, not common in state government
 - Consolidate to 1 Project and Portfolio Management (PPM) tool

Fall 2012

- DTMB decision to adopt Changepoint PPM tool for all projects

Fall 2013

- Initial population of Changepoint for all projects, resources and time tracking.
 - First time a statewide list of projects was created (basic data collection)

EPMO Evolution Timeline

Spring 2014

- Interim EPMO director hired
 - Pilot project to organizationally move 2 PMOs to EPMO

Summer 2014

- Aligned call for projects with the FY 15 budget process
 - Began process to partner with agency in project prioritization

Spring 2015

- Established new centralized EPMO organizational structure – **Addresses Material Audit Finding #1**
 - New EPMO Director position established and filled
 - Centralized remaining 6 PMOs to report directly to EPMO
 - Established Project Review Board to address escalation issues for Red and Yellow projects
 - Established and filled a Project Management Division Director
 - Benefits include: consistency, accountability, collaboration

EPMO Evolution Timeline

Winter 2015/16

- OAG DTMB PM Audit initiated
 - 12 Agency IT projects selected
 - 8 projects fell within timeframe 2012-2014

Spring 2016

- Established a Portfolio Division and hired a director— **Addresses Material Audit Finding #4**
 - Benefits include: reporting and metrics used to improve performance

Summer 2016

- New EPMO Director hired after previous incumbent accepted a new position

EPMO Evolution Timeline

Summer/Fall 2016

- Statewide Unified Information Technology Environment (SUITE) review
 - **Addresses Material Audit Finding #2, 3, Addresses Reportable Finding #5, 6, 7**
- Lean Process Improvement (LPI) conducted
 - Identification of the need for a strong Systems Engineering Process Group (SEPG) and Process and Product Quality Assurance (PPQA) team
 - Action Team identified to institute SEPG/PPQA in Q1 of calendar year 2017
 - Identification of need to enhance training and communication
- Agency customer feedback incorporated
- LPI Project Action Plan began – 3 project teams established with outcomes

EPMO Evolution Timeline

Late 2016/Early 2017

- OAG DTMB PM Audit Results received

Spring 2017

- Gartner ICT Assessment Update

Audit Finding #4

- Decision made and documented that Changepoint WOULD NOT be the financial system of record as transition to this PMM tool was implemented. Budgets tracked in MAIN, the financial system of record
- Policy in place for projects to be tracked in Changepoint for communication and planning purposes.

Progress Since March 2017

- **April 4** – EPMO begins executing training plan (Audit Finding #7)
- **Spring 2017** - DTMB operationalizes IT Governance Program
- **June 27** – DTMB approves EPMO Business Plan to address OAG PM audit
- **August 3** – Formal DTMB remediation plan for OAG PM audit submitted to legislature
- **August 25** - RFP released for new Portfolio Management Tool (Changepoint)
 - New tool will facilitate automated project budget integration with SIGMA
 - Cost avoidance of increased licensing cost – contract at end of life
- **August 31** – Initial PM audit impact assessment complete for all departments and reviewed with DTMB General Managers
- **September 2017**– DTMB Letter to be sent to all Departments on upcoming changes to Project Management based on OAG PM audit