Project Management Methodology

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| Version (Draft): | 1.1 |
| Effective Date: | 06-20-2016 |
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Project Management Methodology Background

###### Abstract:

IT Portfolio and project management activities are performed to prioritize and focus IT efforts to maximize the return on IT investment. Criteria will be established to implement a client focused methodology that best allocates resources, promotes organizational alignment, improves communication and minimizes risk. Focus groups will provide key input and the Information Liaison Committee and the Board of Trustees Technology Committee will provide governance to the process.

**Opportunity Definition Initiation:**

Approved Date 6/20/2016

Approver Cabinet

**Scope / Applicability:**

These guidelines are intended for use by all departments requesting initiation of an IT project through the selection, control and assessment of each opportunity as it fits in as part of the overall IT portfolio.

Revision History

|  |  |  |
| --- | --- | --- |
| Version | Date | Description of Revisions |
| 1.0 | 06-17-2016 | Initial draft. |
| 1.1 | 06-20-2016 | Approved Final |
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# 1. Introduction

## 1.1 Overview

An IT project portfolio is an integrated approach to prioritizing and managing IT investments in four asset classes; infrastructure, transactional, informational and strategic. Portfolio management provides for the continuous identification, selection, control, life-cycle management, and evaluation of all IT investments as well as improved alignment and communication across the organization. At the heart of the portfolio, a structured process provides a systematic method for the company to minimize risks while maximizing the return of IT investments.

To be most successful, an IT project management process should have elements of three essential phases--select, control, and evaluate. However, each phase should not be viewed as separate steps. Rather, each is conducted as part of a continual, interdependent management effort. Information from one phase is used to support activities in the other two phases. The following figure illustrates the three phases of an IT investment management process and the relationships between the various phases.



The IT project portfolio and project management process outlined above will be the basis for Doane University’s project management methodology.

# IT Project Portfolio

## 2.1 Why Portfolio Management

To ensure we are working on the institutions most important priorities we need a transparent governing process that maximizes the value of IT investments, promotes organizational alignment, minimizes risk and improves communication.

## 2.2 What is the composition of an IT Portfolio

An IT portfolio consists of four asset classes. At the base of the pyramid is infrastructure, followed by transactional which relies on a sound infrastructure, and at the peak is information producing technologies and strategic systems.

|  |  |
| --- | --- |
| 050103_pm_class1 | **Infrastructure –** These investments provide a shared and standardized base of capability for the enterprise and lead to greater business flexibility and integration. Infrastructure investments are moderately risky because of their long life-spans and cumulative uncertainty associated with the rapid advancement of technology. |
| 050103_pm_class2 | **Transactional -** These IT initiatives process and automate the basic transactions of a company. They are intended to reduce costs and boost productivity. These initiatives boast an average internal rate of return of 25 to 40 percent. These investments have the least risk of the four classes. |
| 050103_pm_class3 | **Informational –** These systems provide information for managing a company. Their payoff comes from shorter time-to-market and the business intelligence they provide. They are moderately risky because companies often have difficulty acting on information to generate business value. |
| 050103_pm_class4 | **Strategic -** These investments, almost always external-facing systems, pay off in sales growth, competitive advantage and stronger market positioning. But they are the riskiest of the classes: 10 percent will produce spectacular results, but 50 percent will fail to break even. |

Below are the composite IT portfolios derived from an ongoing MIT study based on 54 companies in seven countries. This model provides a high-level analysis of the enterprise wide IT investment and its alignment with the general strategy of the business. Each shows different proportions of total IT investment in the four classes, depending on whether their strategic focus is cost-control, agility or a balance of the two.



 SOURCE: M.I.T. SLOAN CENTER FOR INFORMATION SYSTEMS RESEARCH

From this model we can gain insight to the factors associated with our current investment strategy and use it as a guide to adjust the proportions as appropriate in the future.

## 2.3 Portfolio Management Process

The first step in the weekly assessment and selection process is to conduct an inventory of current work in process and requested projects. The inventory will be conducted using the IT Opportunity Definition document found in appendix A. At a minimum, the project name, estimated length, business objective, estimated cost, sponsors name and business benefits must be included on the form. Larger projects will require more detail to include a process workflow. A current list of work in process and requested projects will be provided each week in the form of an IT update.

## 2.4 Project Selection, Control and Assessment

Once the inventory is complete, the next phase is to evaluate the current list of projects to determine which category they fit in as well as assess the overall cost, benefits and risks associated with the proposed projects. Projects will be ranked and provided to the Cabinet on a quarterly basis for review and consideration.

Projects selected for implementation in the portfolio are consistently controlled and managed. An assessment will take place to determine if projects will be outsourced, co-sourced or developed in house. Regardless of the development source chosen, weekly updates will be provided. Project reviews will also be conducted. During the review, the progress of projects is compared against projected cost, schedule, and expected mission benefits.

Once projects have been fully implemented the actual results will be compared to the expected results. The evaluation will: (1) assess the project's impact on the stated objective(s), (2) identify any changes or modifications to the project that may be needed, and (3) highlight opportunities for improvement based on lessons learned. This review will usually occur about 3 to 6 months after a project has reached its final end point and should be conducted by a group other than the project development team. This will help ensure that the review is conducted objectively.

The following are three essential areas that should be evaluated as part of a complete After Action Review (AAR):

(1) User Satisfaction

Surveys should be conducted to determine user satisfaction as a result of the end product. There should be a focused look at how well the project supports the client’s need(s) (improved usability, speed, enhanced reporting features, etc.).

(2) Impact on Set Objectives

A close look should be taken to determine whether the implemented system achieved its intended impact, and whether this impact is still aligned with project and the institutions goals. An assessment should also be made of other project-specific aspects, such as an estimate of cost savings that was achieved, compliance with the information technology architecture, evaluations of the information product (accuracy, timeliness, adequacy, and appropriateness of information), and identification of additional maintenance or security issues.

(3) Technical Capability

An evaluation should be made of the technical aspects of the project, both current and future. Such an evaluation may focus on such factors as the ability of the users to operate the new application and draw a correlation to associate satisfaction or retention, the extent to which advanced technology was used.

Although project accountability is important, these evaluations should focus on identifying what could be improved with the process going forward in order to learn from mistakes and minimize the chances of their being repeated.

# solutions

## Customer Focused Initiatives

Customer feedback for development will be obtained through review and assessment of helpdesk tickets and direct feedback from users, department leaders and members of the Information Liaison Committee. All direct enhancement requests and suggestions will be posted on the feedback pages for each respective site; this includes feedback provided by phone to associates.

A timely follow-up will take place to thank customers for their feedback and address expectations that were not able to be set during the session. The team members will receive regular updates regarding progress toward set objectives.

APPENDIX A – IT Opportunity Definition Form

| **/Users/mike.carpenter/Downloads/doane-zoom-banner (1).png** |
| --- |
| **Opportunity Definition** | **[Proposed Project Name]** |
| **Request Information**  |
| **Date Submitted:** |       |
| **Requester:** |       |
| **Vice President**  |       |
| **Requesting Department:** |       |
| **Desired Delivery Date:** |       |
| **Project Champion:** |       |
| **Associated Strategic or Compliance Initiative:** |       |
| **Limitations & Constraints (Resources, Financial, Time, Functional, Dependencies) :** |       |
| **Opportunity** |  |
| **Goals / Objectives:** |       |
| **Current Environment:**  |       |
| **Problem Description:** |       |
| **Proposed Solution:** |       |
|  |  |

| **Opportunity Definition** | **[Proposed Project Name]** |
| --- | --- |
|  |
| **Process Workflow or Conceptual Design Attached?** | Yes/No            |
| **Users / Departments Potentially Impacted:** |                    |
| **Business Systems Potentially Impacted:** |  Colleague [ ]  Blackboard [ ]   Website [ ]  If Other Please Type             |
| **Development and Delivery Team** **(IT Completes):** |         |
| **Budget Summary (IT Costs)** |
| **Est. Project Scoping Costs** | **Est. Business Costs** | **Est. IT Costs** | **Est. Total Costs** |
|  |       |       |       |
| **Est. Total Project Cost Broken Down by Exp/Cap** | **Total EstimatedExpensed Project Cost** | **Total EstimatedCapitalized Project Cost** |
|  |        |       |
| **Total Est. Project Cost:** |       |

| **Opportunity Definition** | **[Proposed Project Name]** |
| --- | --- |
|  |
| **Cost / Benefit Analysis** |
| **Tangible Benefit** | **Est. Value of Benefit** | **Benefit Frequency** | **Assumption** |
|       |       |       |       |
|       |       |       |       |
|       |       |       |       |
| **Total Estimated Financial Benefit:** |       |
| **Intangible Benefits:** |       |
|  |       |
| **Cost / Benefit Summary:** |       |
| **Approved By:** |
| **Name** | **Date** |
| Requestor:        | Approval Date       |
| Sponsor (Director or above):       | Approval Date       |
| IT Sponsor (VP for IT):     | Approval Date       |
| VP (>$10K or 40 hours): | Approval Date       |