FEDSIM® *InForum*

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The Project Management Challenge

FEDSIM Director's Forum

Lisa Akers

According to the Project Management Institute® (PMI®) Fact Book, nearly 90% of all organizations lack the strategy to properly manage their project portfolio; only 17.6% of organizations have standard project management processes in place. With numbers like that, it is not surprising that IT project failure rates, according to the Standish Group, are very high with only 16 percent of projects delivered successfully (53 percent are challenged and 31 percent fail). These rates are not representative of FEDSIM projects. In fact, based on client feedback, projects we manage are so successful that 95% of clients indicate they would recommend using FEDSIM. However, we are always striving to improve, so in this e-dition we focus on how FEDSIM is increasing our client's project success rates by employing enhanced management tools, establishing a Project Management Office, and by standardizing processes. Want to improve your next IT project's success rate? Then contact FEDSIM today. ✍

More Information

CIO Magazine – *Why You Need a Project Management Office*
www.cio.com/article/29887/Why_You_Need_a_Project_Management_Office_PMO_/1

Keys to the Kingdom

FEDSIM Initiates Project Management Office

Ann Williams, Quality Assurance Manager

Studies show that establishing a Project Management Office (PMO) improves project success rates. According to CIO Magazine: "PMOs help by providing the structure needed to standardize project management practices and facilitate IT project portfolio management, as well as determine methodologies for repeatable processes."

With that in mind, FEDSIM is establishing a PMO that will follow Project Management Institute® (PMI®) principles. PMI is the global leader in project management. Our PMO will be dedicated to improving FEDSIM project management over the lifecycle of the project and the ultimate project results.

Our PMO is responsible for:

- Providing processes and tools to plan and manage projects.
- Providing tools to monitor a project's health in terms of schedule, cost, risks, and performance.
- Ongoing professional development of the FEDSIM project team members.

The PMO will enable FEDSIM to gain efficiencies through improved and repeatable processes, thus reducing project lifecycle costs. The continuous ☞

process improvement aspect of the PMO will reduce errors, rework, and redundant efforts. The PMO will also be the control point for organizing, managing, and communicating changes to FEDSIM processes and tools.

Work is well underway in many areas to establish a PMO. In terms of processes and tools, we already have:

- Templates of common project documents, and process descriptions;
- Lessons learned/best practices information and a knowledgebase;
- Established standard project account structures and standard measures;
- A Project Performance Management group that assures project cost, schedule, and performance measures are standardized and monitored so projects stay on track, (See *From the Top, Like Last Time*); and
- A QA review, Policy Council, and Contract Review Panel to apply standardization and continuous improvement to processes and projects.

Our state-of-the-art project health monitoring tools include:

- The enhanced Project Review Tool (PRT-2) as detailed in the article *PRT-2,The Next Generation;* and
- A PMO proof of concept demonstration tool. The tool currently supports three projects through all project phases and is being considered for possible FEDSIM-wide use.

Professional development of the FEDSIM project team has been ongoing:

- 60 of our 101 professional project managers have obtained the Project Management Professional (PMP) certification from the Project Management Institute, and another 31 are working toward certification.
- Continuing education is required to maintain PMP certification, so PMs regularly attend professional training, seminars, and conferences.
- FEDSIM conducts knowledge sharing sessions on job-related topics.

We are currently conducting a maturity assessment of FEDSIM Project Management Processes in accordance with PMI's Organizational Project Management Maturity Model (OPM3). The OPM3 guidelines are based on industry best practices for project management. Our goal is that this improvement process will lead to OPM3 certification of the FEDSIM PMO.

In summary, the PMO will enhance our project discipline through standard repeatable processes, expertly trained professionals, and state-of-the-art support tools to take consistency to a new level – thereby increasing the likelihood of project success. ✋

From the Top, Like Last Time
Project Performance Managers Bring Structure And Consistency

Carol Kieferle, Program Staff

FEDSIM recently established a Project Performance Manager (PPM) group. A PPM? What's that? FEDSIM's PPMs ensure project cost, schedule, and performance measures are standardized, monitored, tracked, and administered according to FEDSIM guidelines. FEDSIM is working to develop repeatable internal processes and procedures. The PPMs will follow these processes to bring structure and consistency to projects. This includes working with the FEDSIM Program Management Office (PMO) to: ☛

- Standardize, streamline, and infuse quality and best practices into the management and control of the FEDSIM projects over their life-cycle;
- Standardize project account structures in our automated systems;
- Standardize and manage invoice processing;
- Standardize project account and performance reporting;
- Monitor and track project baselines (cost and schedule); and
- Implement Earned Value Analysis.

The PPMs work hand-in-hand with the FEDSIM PM. On a daily basis, they:

- Support PMs in tracking cost, schedule, and performance measures;
- Analyze project performance indicators;
- Prepare project reports;
- Establish and maintain project accounts;
- Work as part of the Integrated Project Team (IPT) to build consensus and identify solutions for client requirements;
- Monitor project finances;
- Review invoices; and
- Monitor and report on project-specific or broad contractual issues.

The PPMs provide back office support which allows the FEDSIM PM and Contracting Officer to focus on supporting the client, being proactive rather than reactive. Proven repeatable processes are key for successful IT projects. Knowing things are done the same way every time gives everyone confidence that nothing is overlooked and results are consistent. The PPMs are the backbone of the repeatable processes at FEDSIM and are a welcome addition to the client support team! ✍

PRT-2, The Next Generation
FEDSIM's Newly Enhanced Project Review Tool

David Trail, Industry Specialist

In 2004, FEDSIM created a Project Review Tool (PRT) to assist FEDSIM PMs and managers in monitoring and managing client projects. This review tool captured many project attributes including cost, schedule, risks and mitigations, funding history, financial projections, and performance based metrics. The PRT provided a valuable "at a glance" status and identified action plans.

Recognizing the value of more structure and standardization in project organization, FEDSIM recently launched a new generation of the Project Review Tool: PRT-2. To enable a key aspect of PRT-2, FEDSIM completed a full redefinition of client work into standard projects. Great strides were made. Literally thousands of individual client accounts were grouped into more meaningful projects, especially when projects involved multiple interagency agreements. New accounts were created which adhere to a standard model of project organization, i.e., the various lifecycle phases of a project. Each account tracks some aspect of a project, like a CLIN, fiscal year and/or type of funding, or a type of FEDSIM labor. Taken together, we have a standard chart of projects accounts that represents a roadmap for going forward.

This more detailed breakdown of client projects along with the new project performance review tool will: ☞

"FEDSIM is working to develop repeatable internal processes and procedures. The PPMs will follow these processes to bring structure and consistency to projects."

" the state-of-the-art PRT-2 tool will provide FEDSIM Project Managers with enhanced project information to better plan, monitor, and control projects, thereby helping ensure your project's success."

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- Enable Earned Value-like reports on a project's performance;
- Capture a more accurate baseline for estimating future projects;
- Enable additional control of federal and agency-specific identified funds;
- Provide the data necessary for more detailed reports;
- Identify funding and financial issues earlier and more accurately; and
- Offer FEDSIM greater control over per-project costs.

Our ultimate goal is to leverage this new system to give clients greater financial accountability and provide new tools to monitor the progress of their projects. More immediately, the state-of-the-art PRT-2 tool will provide FEDSIM Project Managers with enhanced project information to better plan, monitor, and control projects, thereby helping ensure your project's success. 🖐

CASE STUDY
by Wendy Drucker & Cynthia Patterson, PPM Group Managers

Air Force Flying High After FEDSIM PPM Discovery

As detailed in *From the Top, Like Last Time,* one of the many functions of the Project Performance Managers (PPM) is to ensure budgetary information, such as project costs, is monitored and administered for FEDSIM projects. One example of the PPM's role in this regard is to work with the FEDSIM Project Manager to review task order invoices and provide invoice tracking support.

In one recent case, a PPM was supporting the FEDSIM project for the Air Force RAMPOD (Reliability Availability Maintainability Logistics Engineering support system for electronic combat PODs) initiative. The overall RAMPOD effort is strategically important to the Air Force, the war in Iraq, and to the defense of the United States. In conducting a review of a year's worth of project invoices, the PPM determined the industry partner (IP) had used an incorrect labor rate for two labor categories. The PPM determined that the IP had overcharged by $40,000. After the IP researched the issue, they agreed and issued a credit. If this pattern had continued, the total amount that could have been overcharged would have been over $100,000. The Air Force client expressed their gratitude and was very pleased with the results of FEDSIM's internal controls.

Some IP invoices can be quite complex and identifying such an error may not be obvious. On our Spring 2006 Client Perceived Value survey, 58% of clients indicated that *Contractor Cost Management/Invoicing* was the most important service to meeting your current requirements. As demonstrated here, the PPM provides a valuable benefit. The inclusion of the PPM in the overall FEDSIM Integrated Project Team helps assure that FEDSIM is complying with financial guidance issued to Department of Defense (DOD) and Civilian Agencies. 🖐

By The Numbers
Measuring FEDSIM's Project Success

$1,000,000,000	95%
The amount of annual FEDSIM business that comes from existing clients.	The percent of clients who indicate they would recommend use of FEDSIM.

"The PPM determined that the Industry Partner had overcharged by $40,000."

"The Air Force client expressed their gratitude and was very pleased with the results of FEDSIM's internal controls."

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