What the Financial Management Service (FMS) Is Doing To Manage Information Technology (IT) Projects More Effectively

Working Better, Smarter, And
More Cost Effectively

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What the Financial Management Service (FMS) Is Doing To Manage IT Projects More Effectively

Background &
Historical Perspective

IT Project Management in FMS

- **What we are doing to Manage IT Projects Better**
  - McKinsey Study
  - IT Governance Process
  - Technical Reference Model (TRM)
  - IT Governance Board (ITGB)
  - Data Architecture Group
  - Project Oversight Workgroup (POW)
  - IT Project Management Oversight Staff (PMOS)
  - Certification &Accreditation (C&A)/FISMA/Security Compliance
  - Section 508 Compliance
  - Integrator Support
  - Collaboration with trusted FRB partners
  - Centralization of Platforms
  - Reviewing existing Regulations

IT Project Management in FMS

■ **What we are doing to Manage IT Projects Smarter**

- Certified Project Managers (PMPs)
- Standardized Project Management (PM) Templates
- Project Management Training
- Established Rapid Application Development (RAD) Methodology
- System Development Life Cycle (SDLC) Framework
- Risk Management Process
- Incorporating Best Practices
- Sharing of Lessons Learned
- Establishment of Information Technology (IT) Build List

IT Project Management in FMS

- **What we are doing to Manage IT Projects more Cost Effectively**
  - Developing Business Case, lifecycle costs, benefits and alternatives analysis
  - Earned Value Management (EVM) reporting
  - OMB Exhibit 300 compliance
  - Annual selection of FMS project performance by Capital Planning and Investment Committee (CPIC) for inclusion into FMS majors
  - Three-year planning for Federal Reserve Bank (FRB) development efforts

Doing it Better

IT Project Management in FMS
What we are doing *Better*

McKinsey Study

- Leveraging FMS systems of record for system development efforts

- Moving away from developing stovepipe systems

- Consolidating functionality and eliminating data redundancy

IT Project Management in FMS
What we are doing *Better*

- **IT Governance Process– Representation from all FMS Business Lines**
  - **Executive Board (EB)**
    - Reviews projects after approval by Division Information Office Council (DIO) *and* funding is above investment threshold
    - Reviews projects when DIO Council's disapproval is appealed
    - Reviews projects when recommended by DIO Council
  - **Division Information Office Council (DIOC)**
    - Approves Project Concept
    - Approves Business Needs
    - Evaluates if project is on track (cost, schedule, risk)
    - Reports project status & risks to Executive Board quarterly
    - Projects not requiring DIOC review cost < $250K, do not impact other business lines or applications, and are completed within 1 year
  - **Architecture Review Board (ARB)**
    - Approves Technical Architecture & Data Center/Performance Decision
  - **Entity-Wide Change Control Board (EWCCB)**
    - Requires Readiness Review for Major Releases – Approval to Implement

IT Project Management in FMS
What we are doing *Better*

- **Technical Reference Model (TRM)**
  - Categorization of standards, specifications, and technologies to support the development, deliverance, and exchange of business and application components
  - All FMS Systems are required to be TRM-compliant
  - A Matrix of phase-out dates has been initiated for FMS applications that are working towards becoming TRM-compliant
  - Plan of Action documents with timelines requested from all non-compliant applications

IT Project Management in FMS
What we are doing *Better*

- **IT Governance Board (ITGB)**
  - Approves projects to be placed on information technology (IT) Build List
  - Reviews, approves, and prioritizes the following for IT Build List:
    - Platform Initiatives
    - Hyattsville Regional Operations Center (HROC) and Kansas Regional Operations Center (KROC) Release Schedules
    - Treasury Web Application Infrastructure (TWAI) Release Schedule

IT Project Management in FMS
What we are doing *Better*

- **Data Architecture Group**
  - FMS initiative to work with all business areas to define standard data elements
  - Representation from each Business Line

- **Project Oversight Workgroup**
  - Reviews major projects across business lines to ensure duplication and redundancy are not perpetuated
  - Reviews "As Is" and "To Be" Architecture diagrams
  - Developing Transition Plan and consolidated task list to move from "As Is" to "To Be"
  - Representation from each Business Line

IT Project Management in FMS
What we are doing *Better*

- **Certification & Accreditation/ FISMA/Security Compliance**
  - Standardized NIST guidelines
  - Standardized C&A templates
  - All projects are utilizing the Trusted Agent FISMA tool
  - FMS applications are 100% FISMA-compliant
  - Standardized guidelines on Sensitive But Unclassified (SBU) and Personally Identifiable Information (PII) used
- **Section 508 Compliance**
  - FMS requires compliance with Section 508 in developing, procuring, and maintaining information technology which allows users with disabilities to have access to and use of information

IT Project Management in FMS
What we are doing *Better*

- **FMS Integrator**
  - Works closely with project teams and provides technical knowledge and skills; acts as liaison between FMS business areas and IT organization through all phases of platform development and integration
  - Coordinates efforts to ensure appropriate technical resources and skill sets are brought onto the project to support technical initiatives
- **Treasury Web Application Infrastructure (TWAI) Integrator**
  - Works closely with project teams and coordinates resources, as needed
  - Coordinates issues across all FMS applications and platforms
  - Adheres to similar model as FMS Integrator in support of projects

IT Project Management in FMS
What we are doing *Better*

- **IT Project Management Oversight Staff**
  - Provides Capital Planning and Investment Control (CPIC) support to project managers responsible for Exhibit 300 submissions for majors and non-majors.
  - Provides tools and techniques to support the needs of Program and Project Managers.
    - Developed standardized project management templates for use by all projects

IT Project Management in FMS
What we are doing *Better*

- **Collaboration with trusted FRB Partners**
  - **Managing projects jointly across FMS and FRBs**
    - FMS is the Primary Project Manager and has ultimate responsibility
    - FRB Project Manager works as counterpart to FMS Project Manager
    - FRB designates FRB Project Manager(s) for each project

IT Project Management in FMS
What we are doing *Better*

- ■ Centralization of Platforms
  - ▪ Centralized FMS Platforms
    - ➢ FMS
      - ✓ HROC Relocation
      - ✓ PROC
      - ✓ KROC
    - ➢ TWAI
    - ➢ Bureau of Public Debt (BPD)
  - ▪ Provides Project Manager with strategic direction of platform location and allows for more disciplined platform development efforts

IT Project Management in FMS
What we are doing *Better*

- ■ Regulations
  - Reviewing existing Regulations to determine change requirements as new systems are developed
  - Obtaining guidance from Legal Representative on potential change to existing Regulation
  - Working closely with Legal Representative to review and draft changes to existing Regulations, if required

IT Project Management in FMS

Doing it Smarter

IT Project Management in FMS
What we are doing *Smarter*

- **Certified Project Managers** (PMPs)
  - FMS has approximately 75 Certified Project Managers to date
  - Certified PMPs are managing major FMS applications
  - Some non-major projects have Certified Project Managers
- **Standardized Project Management Templates**
  - Project Managers are utilizing standardized PM templates, guidelines and procedures

IT Project Management in FMS
What we are doing *Smarter*

- **Project Management Training**
  - Highly competitive 18-24 month Project Management Training Program
  - Partnership with other Treasury Bureaus to host Project Management classes at reduced rates within different Bureaus
  - Agreement secured with vendor to obtain Project Management classes at reduced rates

IT Project Management in FMS
What we are doing *Smarter*

- **Rapid Application Development (RAD) Methodology**
  - Standardized FMS methodology
  - RAD training and support provided
  - Time-boxed development
    - Implement releases in 90, 120, 160 day timeframe
  - Provides structure and discipline in defining and locking down requirements to avoid scope creep
  - Allows one to see success after each "90", "120", "160" day implementation

IT Project Management in FMS
What we are doing *Smarter*

- **System Development Lifecycle (SDLC) Framework**
  - Maturing SDLC Framework for all development methodologies
  - Provides roadmap for Project Managers by identifying activities to be performed with the phases and stages of the project lifecycle
  - Provides consistency and standardization
  - Utilized for all FMS system development efforts, including:
    - FMS
    - Federal Reserve Banks
    - Financial Agents
    - Contractors
    - BPD

IT Project Management in FMS
What we are doing *Smarter*

- **Risk Management Process**
  - Department/OMB track and monitor Risk Management for major investments as part of Exhibit 300 submission
    - Major projects are actively reviewing and monitoring risks
    - Major projects are maintaining risk registers throughout the life cycle and updating quarterly as part of the 300B requirement
    - All projects are required to develop and maintain a Risk Management Plan, and document risks in the Risk Register
  - Standardized Risk Management Plan templates have been developed for Project Managers' use

IT Project Management in FMS
What we are doing *Smarter*

- **Incorporating Best Practices**
  - FMS Project Management process and templates incorporate PMBOK guidelines
  - More extensive planning is being executed by
    - Development of 18-month Project Plans
    - Development of Work Breakdown Structure
    - Management and Tracking of Earned Value Management
    - Perform Risk Evaluation
    - Three year plans for FRB-developed systems

IT Project Management in FMS
What we are doing *Smarter*

- **Developing Lessons Learned Reports**
  - Project Managers are developing Lessons Learned reports
  - IT Governance evaluates lessons learned
  - Recommendation for remedial action is provided, if appropriate
  - Lessons Learned reports are published on the FMS Intranet for information-sharing across projects
  - Lessons learned are incorporated into FMS processes as appropriate; i.e., IT Governance, SDLC, RAD, and PM
- **Utilizing IT Build List**
  - Utilizes formal Point Team with members from all discipline areas
  - Approved projects are required to provide timelines for technical support needed from IT
  - IT develops plan with tasks and timelines to support projects across Business lines
  - Promotes more effective planning and support

Doing it Cost Effectively

IT Project Management in FMS
What we are doing *Cost Effectively*

- **Developing Business Case, lifecycle costs, benefits and alternative analysis**
  - Investments develop Project Concept, DIOC reviews and grants approval to form Point Team
  - Business Case is developed and funding source is designated for project and infrastructure
  - Lifecycle costs and benefits for current and out-years are reviewed and approved by the DIOC
  - At least four viable alternatives are identified, including maintaining status quo
  - Risks are also identified and reviewed by DIOC

IT Project Management in FMS
What we are doing *Cost Effectively*

- **Earned Value Management (EVM) reporting/ OMB Exhibit 300 compliance**
  - Project Managers use effective internal cost and schedule management control for investment
  - Project Managers submit timely EVM data to IR PMOS as part of the Exhibit 300 submission for review and concurrence
  - Department/OMB approves EVM data as part of the overall Exhibit 300 submission
  - EVM provides a basis for evaluating the health of each Treasury investment

IT Project Management in FMS
What we are doing *Cost Effectively*

- **Annual Select process of FMS investments based on performance for inclusion as FMS majors**
  - Investments are reviewed as appropriate according to established Department/OMB CPIC process
  - Investment Review Criteria
    - Ensures that project supports bureau and department strategic objectives
    - Ensures consolidation of duplicative initiatives
    - Ensures IT Investments are returning value to taxpayers and government
    - Ensures current investments are meeting cost, schedule, and performance goals

IT Project Management in FMS
What we are doing *Cost Effectively*

- **Three-year planning for FRB development**
  - Financial and Business three-year plans are reviewed and updated annually
  - Treasury Strategic Direction and Priorities for business lines are provided
  - Objectives outlined by year, including timelines
  - Risks, assumptions, and cross-cutting decisions identified

IT Project Management in FMS

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