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ASSESSMENT REPORT 08-13

ORACLE E-BUSINESS SUITE RELEASE 2 INDEPENDENT VERIFICATION AND VALIDATION (IV&V) – PROGRAM MANAGEMENT

September 30, 2008

OFFICE OF INSPECTOR GENERAL

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WASHINGTON, DC 20401

Memorandum
OFFICE OF THE INSPECTOR GENERAL

DATE: September 30, 2008

REPLY TO
ATTN OF: Assistant Inspector General for Audits and Inspections

SUBJECT: Final Report on Assessment of Oracle E-Business Suite Release 2 Independent
Verification and Validation (IV&V) – Program Management
Report Number 08-13

TO: Chief Financial Officer (Executive Sponsor of the Oracle Program)

The GPO Office of Inspector General (OIG) is conducting independent verification and
validation (IV&V) of GPO's E-Business Suite Release 2 implementation. The OIG
contracted with Noblis[1] to conduct IV&V for Release 2. The overall objective of IV&V
is to determine whether the system implementation is consistent with the Oracle project
plan and cost plan, and whether the delivered system meets GPO's requirements. The
OIG's contract with Noblis tasks the company with assessing program management,
technical, and testing activities associated with the Release 2 implementation. Noblis is
required by the contract to issue to the OIG a monthly program risk assessment as well as
summary reports for program management IV&V, technical IV&V, and testing IV&V.

The enclosed report is Noblis' summary report on Oracle Release 2 program
management. Program management IV&V focuses on activities that define and shape
the program and projects that support them. As part of program management IV&V,
Noblis analyzed program and project schedules, development processes (e.g., change
management, issue tracking, and risk management approaches) and conducted risk
analyses.

Section 6 of the report contains 13 recommendations designed to strengthen current and
future Oracle program management efforts. Recommendations 3, 4, 5, and 13 were also
made by Noblis in their December, 2005 IV&V report on the early Oracle
implementation effort.[2] Therefore, we asked for responses to these recommendations.
Additionally, management should consider the remaining recommendations when

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[1] Noblis, located in Falls Church, Virginia, is a nonprofit science, technology, and strategy organization
that helps federal and private sector clients solve complex systems, process and infrastructure problems.
[2] GPO completed an early implementation of certain licensed Oracle E-Business Suite modules in order to
become familiar with Oracle technology and work process dependencies, and to develop successful project
skills and user requirements. Noblis conducted IV&V activities associated with this early implementation.

planning for the Oracle Release 3 project. Management concurred with each of the four recommendations. We consider the actions taken and proposed by management responsive to each of the four recommendations.

Management's response is included in its entirety in Appendix A of the report. Based on management's response and our subsequent follow-up activities, we are closing recommendations 3, 4, and 5 upon issuance of this report. Recommendation 13 will remain open for reporting purposes until the IV&V has completed follow-up work on this issue. The status of each recommendation upon issuance of this report is included in Appendix B.

If you have questions concerning this report or the IV&V process, please contact Mr. Brent Melson, Deputy Assistant Inspector General for Audits and Inspections at (202) 512-2037, or me at (202) 512-2009.

Kevin J. Carson
Assistant Inspector General for Audits and Inspections

Enclosure

cc:
Chief of Staff
Chief Management Officer
Chief Information Officer
Chief Technology Officer

Government Printing Office

Oracle Release 2:
Program Management Review

Final

July 2008

noblis.

For the best of reasons

3150 Fairview Park Drive South
Falls Church, VA 22042-4519

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Executive Summary

The Government Printing Office (GPO) is implementing the Oracle E-Business Suite in a series of phased releases that are introducing incremental functional capabilities. GPO has completed some early implementation start-up projects to become familiar with Oracle technology and work processes and to develop successful project implementation skills. This review was undertaken as part of the Independent Verification and Validation (IV&V) activities associated with the Release 2 project. The main goal of the Release 2 project is to implement the Projects module, consisting of Project Costing and Project Billing. Other capabilities will be added to Purchasing, Inventory, Accounts Payable, Receivables, and other implemented Oracle modules.

The recommendation for improving program management for the current Oracle Release is:

- Issue tracking should include the assignment of the responsible party for the resolution, that the issue tracking process be formally documented, and that an issue tracking process be a formalized deliverable.

Specific recommendations for improving program management for future Oracle Releases include:

- Fully follow a standard format for Concept of Operations development.
- Utilize a Project Management Plan to provide integration across task efforts.
- Conduct more deliberate stakeholder management.
- Establish a communications plan and facilitate users to more actively engage in communicating issues to the project team.
- Establish performance measures to be able to identify and manage specific benefits being delivered.
- Establish an Organizational Change Management (OCM) approach at the program level to more effectively enable affected stakeholders to adopt changes being introduced.

In establishing a program office and further enhancing future project management at GPO, recommendations for the role of the program versus the project include:

- Program responsibilities should include strategic items such as stakeholder management, benefits management, and program governance as well as coordinating and optimizing resource allocation.
- Project responsibilities should include all of the tactical concerns, specifically including the GPO phase gates 2 and beyond.
- Adopt a process for evolving capabilities, functions, and roles as GPO becomes more mature at program management.

The Release 2 project has had some difficulties associated with requirements gathering and "To-Be" process definitions. These difficulties have materialized in part due to ineffective stakeholder management, including communications. Also, deliberate OCM engagement was absent. However, some of these weaknesses have been identified and steps taken to remedy them.[3] Future releases should more proactively manage these relationships from project initiation to minimize these difficulties.

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[3] Please see Section 6 for recommendations to mitigate weaknesses identified.

Introduction

Purpose

The purpose of this document is to review the program and project management activities associated with the Oracle Release 2 implementation project. The types of activities reviewed included appropriate planning and actual reporting documents from the program and the project level. Interviews with project stakeholders were also performed. Recommendations for improving the program and project processes are documented to assist with the current and future projects related to this program as well as general program management at the Government Printing Office (GPO).

Background

GPO was created on June 23, 1860 to satisfy the printing needs of Congress. Today the agency is the focal point for the printing and information dissemination needs of the entire Federal community. GPO is moving towards the future of digital documents and the distribution of information electronically. To help facilitate this mission, GPO has licensed various modules of the Oracle E-Business Suite to help improve its information architecture.

GPO is implementing the Oracle E-Business Suite in a series of phased releases which will incrementally increase functional capability. Early implementation projects were completed to become familiar with Oracle technology and work processes and to develop successful project implementation skills, processes, and user/user support requirements. These earlier projects introduced the General Ledger, Accounts/Receivable, and Fixed Assets modules, as well as limited functionality associated with Purchasing and Inventory.

The Oracle Release 2 project is currently scheduled to go live on October 1st, 2008. This was pushed back from an August go live date to reduce audit expenditures associated with year end audit functions in two systems.

Program Management Review

Program management review is concerned with activities that define and shape the program and the projects that support them. These activities include establishing objectives for the program and associated projects, identifying key stakeholders that have an interest in the success of the program and projects, the communication activities which publish relevant information to those stakeholders, performance measures by which success will be determined, identifying and monitoring assumptions used in planning activities, and the change control process by which modifications to the assumptions and scope are managed. During our review of program management for Release 2, we identified several weaknesses requiring management attention. We have briefed the Oracle Program Executive Sponsor and the GPO Chief Information Officer

monthly beginning on March 3rd with the most recent presentation taking place on June 4th 2008.[4]

Objectives

Objectives for the Release 2 project were identified in the "Oracle Implementation Plan Release II – Concept of Operations." The objective of this effort is identified as "to convert all inventories, cost ledger functionality and purchasing to Oracle." The benefits of this project are identified as:

- "…improve cash management and allow for improved control of inventory flows."
- "…improve the efficiency of print procurement business processes"
- "…and enable GPO to provide print procurement services to the Congress and other customers from an off-site Oracle facility… in the event of an emergency"[5]

In general, a Concept of Operations (CONOPS) document provides guidance and coordination to the effort and allow for appropriate determination of the pace of implementation. Further, a CONOPS provides a foundation for integration planning with other efforts. The CONOPS along with a Project Management Plan would provide the high level guidance to this project, serve as coordinating guidance for other efforts impacted by the Oracle program, and be the primary integrating plan for the project.

The existing CONOPS roughly follows the Institute for Electrical and Electronics Engineers (IEEE) standard, Standard 1362 for CONOPS documents, and provides a good level of detail related to the existing systems. However, the Release 2 CONOPS is missing some of the details necessary for several of the sections, including Operational Scenarios and Summary of Impacts. These sections are particularly relevant to the user community and would be beneficial to help them understand the impacts to their work processes. It is recommended that future CONOPS provide additional details and more thoroughly match the IEEE Standard 1362 (or other similarly accepted format such as ANSI Standard G-043-1993 "Guide for the Preparation of Operational Concepts Documents")[6]. It is further recommended that a Project Management Plan be developed for future projects to serve as the overarching integration framework for the project activities. Both of these documents should be periodically updated to remain current and relevant to the stakeholders of the program.

Stakeholders

Stakeholders are those "individuals or organizations that are actively involved in the project" or who may be affected by the project and can exert influence on the outcomes of the project[7].

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[4] Please see Challenges: Section 7.0.

[5] Oracle Release II – Concept of Operations, November 30, 2007, p.5

[6] Please see Recommendations: Section 6.0

[7] "A Guide to the Project Management Body of Knowledge", Project Management Institute, © 2004

These are typically groups both within the organization, such as the various business units, as well as outside of the organization, such as external customers and oversight groups such as the Joint Committee on Printing (JCP).

A listing of specific stakeholders associated with Release 2 was not identified, although the user classes were listed in the CONOPS. While user groups are often equated with stakeholders, there are often important relationships beyond affected system users that require appropriate management, including communicating business impacts. It is recommended that future releases clearly identify stakeholders (as was done for the Early Implementation Sub-Store 9916 effort) and deliberately conduct stakeholder management.

Communications

Program and project communications include the timely and appropriate generation, collection, dissemination, storage, and disposition of information to the program and project stakeholders. Appropriate planning for communications identifies the information needs of the stakeholders (both what data they need and how often they need it), the responsible party for providing the communication, and the mechanism for distributing the data. Lack of good communications can lead to unrealistic expectations, disagreement regarding objectives and requirements, and improper planning due to faulty status data.

No documented communications plan was identified for the Release 2 project. However, weekly meetings have been a standard part of the communications effort. It was identified, via various feedback mechanisms, that users felt as if they were not able to provide meaningful input. The project team added additional mechanisms for communicating, such as the email accounts along with a comments tracking log. The project team has taken additional steps to allow for meaningful dialogue with the user community, which have been met positively.

However, the user community itself also needs to take an active role in managing communications and providing meaningful input to the project team. Executive sponsors have been actively monitoring the situation. In some cases, functional areas (i.e., Customer Service), have not participated in various activities to a meaningful degree. This leads to incomplete information exchange. In addition to the project team ensuring the access and ability for users to provide input, the functional leadership also needs to take ownership of and be actively monitoring the degree of participation and input to project communications. Corrective action needs to be taken in cases where participation is less than satisfactory.

As stated in the Program Review Report for the Early Implementation projects, a formal communication plan should be part of project planning and it is recommended that one be included in future releases. This plan should define:
- The methods for gathering and storing information
- Mechanism for capturing issues and risks
- A distribution structure that identifies who will receive the information, and at what frequency
- The types of information to be distributed
- The responsible party for the data distribution

- Processes for communicating to all stakeholders
- Methods for accessing information between scheduled communications

Performance Measures

Performance measures are the methods used to identify the successful achievement of objectives. No performance measures were identified for Release 2. Project success is presumed to be determined by the successful completion of user testing and sign-off by executive-level stakeholders.

Without formal project (and program) performance measures it becomes difficult to determine or validate project success. It is recommended that performance measures be identified up-front for future Oracle releases and that these measures be reviewed and validated on a periodic ongoing basis. Given the current project progress, it would be inappropriate to establish performance measures for Release 2 at this time. Project-level performance measures should be tied to program-level objectives. In addition to the broad project performance categories such as schedule and cost, GPO should establish functionality measures (such as number of requirements within scope delivered), quality measures (related to software defects by categories), and customer satisfaction measures. Program measures could include alignment with GPO business goals and enterprise architecture.

Organizational Change Management (OCM)

OCM is the process by which the impacts to the business processes and organizational elements are effectively managed. Not to be confused with change management as an information technology process, OCM deals substantially with the people aspects of change and allows for the adaptation of the organization to the new process, procedures, policies, and tools. No OCM process was identified for Release 2.

Components of an OCM program may include surveys to identify stakeholder perceptions, management of the external communication process as defined in the communications plan, management of the user training requirements, and delivery of business change information, among other elements. It is recommended the future releases strongly consider establishing an OCM approach at the program level to facilitate and smoothly enable change.

Program Management Office Structure Analysis

GPO is currently updating and reestablishing a program management organization structure for the Oracle program. This section reviews best practices and GPO policy and provides recommendations for delineation of responsibilities between program and project management in order to improve effectiveness.

Program Management Office (PMO) structures vary widely across organizations and have varying levels of authority. Further, the scope of responsibilities for PMOs also varies widely.[8] Partly, this is the result of the particular situation of each organization and the perceived benefit of establishing a PMO. GPO has some unique challenges in establishing an effective PMO for the Oracle program and in general for the agency. Some of these challenges include:

- Limited cadre of broadly experienced project managers.
- Formulation of project/program management practices are still occurring.
- Perceived lack of consensus on the roles and responsibilities of a PMO.

The Project Management Institute's (PMI) standard for program management identifies a program as a "group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually."[9] The functions defined in this standard that are unique to program management are benefits management, stakeholder management, and program governance. Program management also serves as a coordinating and resource optimizing function, as well as an escalation point.

GPO has an existing instruction dealing with distinction between program management and project management and identifies some of the responsibilities assigned to each.[10] This guidance is in line with the PMI standards for program and project management. In general, tactical day-to-day concerns are the responsibility of the project and strategic items are the concern of the program. Using the GPO Phase Gate items (see Appendix 1), this would generally indicate Phase 1 would be the responsibility of the program, while the remaining phases (Phase 2 and beyond) would predominantly be the responsibility of the project. The program would perform oversight of these phases and ensure the project team is keeping on track with the performance measures (i.e., the benefits management component).

Gartner[11] also identifies that capabilities associated with project and program management should ideally be considered in the context of a organizational maturity, with increasing levels of capability being adopted by the organization, and extending to portfolio management.[12,13] The recommendations for future GPO projects include the following:

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[8] "The Multi-Project PMO: A Global Analysis of the Current State of the Practice," Dr. Brian Hobbs, July, 2007

[9] The Standard for Program Management, PMI, © 2006, p.4

[10] "GPO Information Technology System Development Life Cycle Policy", Classification 705.28, December 12, 2005

[11] Gartner, Inc. (NYSE: IT) is a leading information technology research and advisory company. They deliver technology-related insight for clients to help them make the best decisions. They work with clients to research, analyze and interpret the business of IT within the context of their individual roles through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, and is presently the largest company of their kind. http://www.gartner.com/it/about_gartner.jsp

[12] "Taking Your PMO to the Next Stage", Gartner, © 2006

[13] "The CMMI for Development Value Proposition for the PMO", Gartner, © 2008

- Utilize the GPO instruction 705.28 as the foundation for the responsibilities between programs and projects.
- Keep the delineation between programs and projects clearly defined to prevent confusion, at least for the near term while the organizations are forming.
- Start simple and focus on establishing and institutionalizing appropriate "best practices" in project and program management including relevant processes, templates, and tools.
- Have a long range goal of implementing components of portfolio management where it makes sense for GPO
- Establish goals for specific process areas to be part of the GPO core project/program competency and establish a review cycle (such as annual) to grade efforts on achieving these goals and establishing new ones for the next cycle.

Cost and Schedule Review

This section provides a comparison of the delivered cost and schedule performance against the baseline cost and schedule for the project, and identifies recommendations for future Oracle projects.

Schedule Analysis Review

The baseline schedule for the Oracle Implementation Release 2 project was defined in the contractor's proposal in the form of a project activities timeline. Each week prior to the weekly status meetings, a weekly report is distributed that shows schedule adherence and highlights the tasks that are identified as behind schedule. The project was on track until the go live date was adjusted from August to October due to an internal desire to reduce audit expenditures associated with year end audit functions in two systems. The project is currently identified as being on track with the revised October go-live date. However, there remains the risk of a schedule delay if unidentified mandatory requirements are discovered during the final phases of the project (such as during design review or User Acceptance Testing). For example, there remain unanswered questions on IRS Envelope, On-line Paper, and FedEx Kinko's processing that were revealed in the Projects CRP 1 sessions. Processes to handle these transactions have yet to be finalized and could result in further requirements discovery.

Cost Analysis Review

The costs and the progress made are being tracked on a monthly basis and Earned Value Management (EVM) has been partially implemented on this project. The Office of Management and Budget (OMB) memorandum M-05-23 mandates the use of an Earned Value Management System (EVMS) compliant management control system for all new major IT projects, ongoing major IT developmental projects, and high risk projects in order "to better ensure improved execution and performance as well as promote more effective oversight". While GPO does not have to comply with OMB memoranda, EVM is a project management best practice.

An approved EVM system has not been formally identified. However, EVM concepts have been partially implemented. Cost tracking based on EVM reporting indicates costs are currently on

track with the revised October go-live date. This is difficult to verify since work packages have not been defined in sufficiently detail. Better work breakdown structure elaboration and definition of the discrete work packages would assist future Oracle releases to make better use of the EVM.

Performance Analysis Review

This section will provide the results of the IV&V review of the deliverables, resources, and issue resolution process associated with the Release 2 project.

Deliverables

Deliverables are the specific work products that are expected to be produced as a result of efforts. Deliverables represent "what" was purchased with the money and efforts of the program. Specific deliverables should be defined, including expectations of the content, along with a process for acceptance of these deliverables (with sufficient time for technical validation).

For the Release 2 project, a substantial number of deliverables were specified in the contractor's accepted technical proposal. See below:

Task #	Deliverable	GPO Delivery Date *	Actual Date Delivered
3.1.1	Plan for Conducting Discovery / Requirements Generation		
3.1.2	High-Level Gap Analysis	4 Feb 08	4 Feb 08
3.1.2.1	Documentation of the As-Is Baseline State	4 Feb 08	4 Dec 07
3.1.3	Business Requirements Mapping Document	4 Feb 08	
3.1.4	Mapped Business Requirements	4 Feb 08	
3.1.5	Issues Database and Issue Management Process and Reports	4 Feb 08	9 Apr 08
3.1.6	GPO Oracle-based Business Processes	11 Jul 08	
3.1.7	Requirements Traceability Matrix	4 Feb 08	15 Mar 08
3.1.8	Project Plan	4 Feb 08	27 Nov 07
3.1.8.1	Project Roles and Responsibilities Document	11 Jul 08	
3.1.9	WBS	4 Feb 08	
3.2.1	CRP Execution Strategy (with testing scope and boundaries) and Resourced Plan		
3.2.2	Completed Initial Oracle Inventories CRP	Mar 08	Mar 08
3.2.3	Completed Initial Oracle Purchasing CRP	Mar 08	Mar 08
3.2.4	Completed Initial Oracle Project Costing, Project Billing and Expenses CRP	Mar 08	Mar 08
3.2.5	GAP Analysis Response with approaches to deal with each gap identified		
3.2.5.1	Updates to Requirements and Plans	4 Feb 08	
3.2.6	Completed Second Oracle Inventories CRP	May 08	15 May 08
3.2.7	Completed Second Oracle Purchasing CRP	May 08	29 Apr 08
3.2.8	Completed Second Oracle Project Costing, Project Billing and Expenses CRP	May 08	
3.2.9	Completed GAP Analysis Response with approaches to deal with each gap identified		
3.2.9.1	Completed Updates to Requirements and Plans	11 Jul 08	
N/A	Interface, Conversion and Extension Strategy		5 Feb 08
3.3.1	System Architecture Diagrams with High-Level (Business Object Level - e.g. Vouchers, Invoices, Approvals, etc.) Data Flows	11 Jul 08	

Task #	Deliverable	GPO Delivery Date *	Actual Date Delivered
3.3.2	Technical Documentation		
3.3.2.1	Updated Oracle Applications Set-up Documents with Final Set-up Document Prior to Go-Live	11 Jul 08	
3.3.2.2	Data Conversion and Technical Design Document	P&G 5	
3.3 2.3	Interface Technical Design Document	P&G 5	
3.3.2.4	Reports/Queries Technical Design Document	P&G 5	
3.3.3	Conversion and Interface Routines/Coding Documentation	P&G 5	
3.3.4	Test Strategy, Master Plan, and Schedule	11 Jul 08	
3.3.4.1	Unit and System Test Scripts	11 Jul 08	
3.3.4.2	User Acceptance Test Plans	P&G 5	
3.3.4.3	Data Conversion Test Plans	P&G 5	
3.3.5	Employee Signed-Off completed User Acceptance Forms	P&G 5	
3.3.6	Implementation Cut-Over Plan and Deployment Checklist	P&G 5	
3.3.6.1	Revised Oracle Applications Set-up Documentation	P&G 5	
3.3.7	Transition to Production Plan and Schedule	P&G 5	
3.3.8	User Manuals and Training	P&G 5	
3.3.9	Attendance Rosters of Trained Employees	P&G 5	
3.3.10	Configured Production Instance	P&G 5	
3.4.1	Completed Designated Accreditation Authority (DDA) Sign-Off Form from CIO	P&G 6	
3.4.2	Updated Production Roles and Responsibilities Document	P&G 6	
3.4.3	List of Potential Business Process and Systems Enhancements for GPO	P&G 6	
OSA-10	Architecture Requirements Document	P&G 7	
OSA-90	Architecture Design Document	P&G 7	

* "P&G" refers to the GPO Phase and Gate number. See Appendix 1.

Table 1: Release 2 Deliverable Listing

Resources

Resource management involves identifying and assigning project roles and responsibilities for the activities associated with the implementation of a program and associated projects. No issues were identified during this review involving resource management.

Issue Resolution

Issue tracking involves the identification, tracking, and resolution of problems associated with a project. It is important to track the issues, both to ensure that a successful resolution is reached on all items and to supply a historic record of issues associated with the project to assist in planning efforts for future projects.

Release 2 issues and comments are tracked via the Comments Tracking Document with a unique number assigned. These issues are compiled weekly based on the CRPs, meetings, and the Oracle Release 2 mailbox entries. Outstanding issues were discussed in separate, small stakeholder meetings with the parties that are directly affected as to provide a more focused

atmosphere. The overall project highlights are then reviewed during the weekly status meetings with the contractor and between the project office and the program office and fall into four (4) major categories or groupings:

- Key Tasks Planned (for the past week)
- Key Accomplishments
- Issues / Tasks Behind Schedule
- Key Upcoming Activities (for upcoming week)

IV&V noted that the tracking process for Release 2 did not assign resolution for outstanding issues to the responsible party.

It is recommended that issue tracking include the assignment of the responsible party for the resolution, that the issue tracking process be formally documented, and that an issue tracking process be a formalized deliverable.

RECOMMENDATIONS

Recommendations provided throughout the report for current and future projects are captured in the table below:

	Recommendation	Current	Future	Release 1 Recommendation[14]
1	Develop a Project Management Plan to serve as the overarching integration framework for project activities.		X	
2	Ensure that future Concept of Operations (CONOPS) documents provide sufficient detail and more thoroughly match the IEEE Standard 1363 (or similarly accepted format such as ANSI Standard G-043-1993 "Guide for the Preparation of Operational Concepts Documents").		X	
3	Future releases should more proactively manage stakeholder relationships from project initiation to minimize change management difficulties.		X	X
4	Develop a formal Communications Plan. This plan should define: o The methods for gathering and storing information o Mechanism for capturing issues and risks o A distribution structure that identifies who will receive the information, and at what frequency o The types of information to be distributed o The responsible party for the data distribution o Processes for communicating to all stakeholders o Methods for accessing information between scheduled communications		X	X

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[14] Items identified in this column were originally recommended in the Early Oracle Implementation: Program Review Summary and Risk Assessment Report, dated December 19, 2005.

|	Recommendation	Current	Future	Release 1 Recommendation[14]
5	Document performance measures up-front that will enable GPO to identify and manage specific benefits being delivered. These measures should be reviewed periodically and project measures need to be tied to program objectives.		X	X
6	Develop an Organizational Change Management (OCM) approach at the program level to more effectively enable affected stakeholders to adopt changes being introduced.		X	
7	Utilize the GPO instruction 705.28 as the foundation for the responsibilities between programs and projects. Program responsibilities should include strategic items such as stakeholder management, benefits management, and program governance as well as coordinating and optimizing resource allocation. Project responsibilities should include all of the tactical concerns, specifically including the GPO phase gate 2 and beyond.		X	
8	Keep the delineation between programs and projects clearly defined to prevent confusion while the organizations are forming.		X	
9	Start simple and focus on establishing and institutionalizing appropriate "best practices" in project and program management including relevant processes, templates, and tools.		X	
10	Have a long range goal of implementing components of portfolio management where it makes sense for GPO		X	
11	Establish goals for specific process areas to be part of the GPO core project/program competency and establish a review cycle (such as annual) to grade efforts on achieving these goals and establishing new ones for the next cycle.		X	
12	Adopt a process for evolving program and project management capabilities, functions, and roles as GPO becomes more mature at program management.		X	
13	Issue tracking should include the assignment of the responsible party for the resolution, that the issue tracking process be formally documented, and that an issue tracking process be a formalized deliverable.	X	X	X

Table 2: Recommendations

Challenges

The following challenges were reported to the Oracle Program Executive Sponsor and the GPO Chief Information Officer during monthly IV&V updates.

ID #	Challenge	Date Reported	Status	
R2-1	Projects CRP sessions did not adequately address user processes		Some issues remain unresolved (user processes still being finalized)	🟨
R2-2	"To-Be" processes (in particular Revenue cycle)	4/17/2008 4/22/2008	Not documented in sufficient detail to validate	🟥
R2-3	Issues raised in CRPs do not appear to be documented in a consolidated cohesive manner		Managed by dedicated email and issue list	🟩
R2-4	Requirement documents are well developed, specific requirements not referenced during CRP1 sessions		Requirements not referenced during CRP1 or CRP2	🟥
R2-5	CRP 2 is improved from CRP 1 but issues still remain – Future processes not clearly understood by users; Significant discovery still appears to be occurring; Some sessions observed had low user participation		Some issues remain unresolved (users remain daunted by new processes, test instance requested)	🟨
R2-6	Escalation/resolution processes for issues not clearly defined – Issues tracking improved; increased communication channels; Appears to be lack of clarity on management of requirements and scope; No clear role for CCB or other executive body in scope management role	5/12/2008	Improved but some issues remain unresolved (CCB or other executive body needed for scope management.	🟨
R2-7	Process reengineering for "to-be" processes not clearly defined – Some cases of confusion on process owner; Lack of identification of change agent; Lack of clarity on process for approved changes		See R2-2	🟥
R2-8	Beginning to Develop Test Plans – May be late start based on project schedule		Outcome undetermined	🟨
R2-9	No defined overall test strategy/plan has been reviewed – Unclear as to how full requirements will be verified (linkage with RTMs) or how success criteria are defined	6/4/2008	Not available	🟥
R2-10	CM and Change Processes may be too late to impact Release 2 – Draft process due in June; May not be a robust prototype for Release 3		Started but will not be available for use during Release 2	🟥

Table 3: Release 2 Challenges

Appendix 1: GPO SDLC Phase Gates
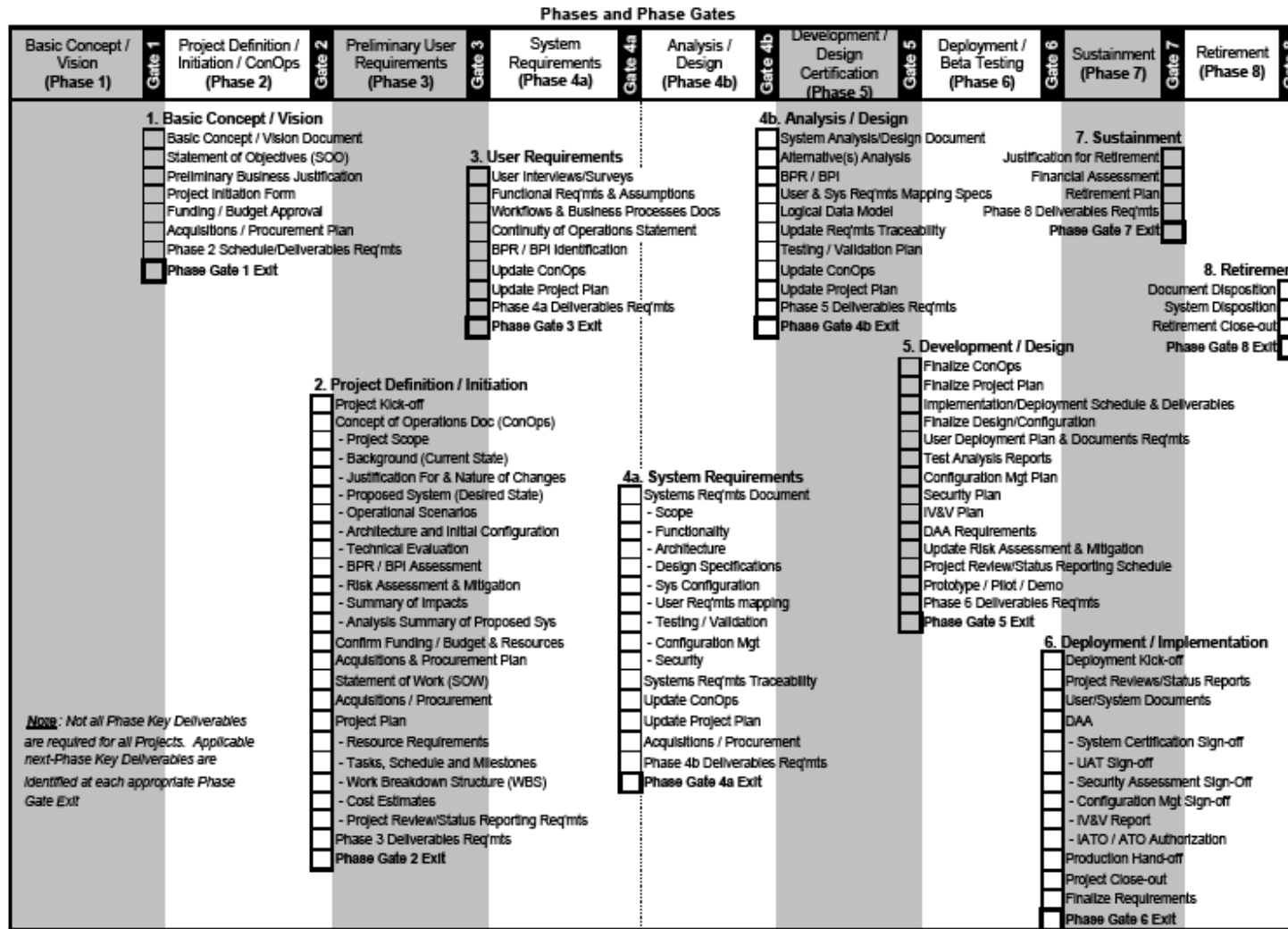
GPO SDLC and PMP Process Diagram

Version 01-09-2006

UNITED STATES GOVERNMENT PRINTING OFFICE

memorandum

DATE: September 12, 2008

REPLY TO
ATTN OF: Chief Financial Officer

SUBJECT: Oracle Release 2: Program Management Review

TO: Inspector General
Attn: Mr. Brent Melson

The following comments are provided regarding your draft audit report "Oracle E-Business Suite Release 2 Independent Verification and Validation (IV&V). Each recommendation and our comments are provided below.

3. Recommendation: Future Releases should more proactively manage stakeholder relationships from project initiation to minimize change management difficulties.

   Response: Concur. The change management process has been included in the Program Management Phases and Gates Process. It begins at Phase 3. The GPO Human Capital Organization has performed several focus group sessions with all prospective users of release 2 and has conducted interviews of users as they completed the user training session. A copy of their report and recommendations is attached to the email.

4. Recommendation: Develop a formal communication plan. This plan should define:
   - The methods for gathering and storing information
   - Mechanisms for capturing issues and risks
   - A distribution structure that identifies who will receive the information, and at what frequency
   - The types of information to be distributed
   - The responsible party for the data distribution
   - Processes for communicating to all stakeholders
   - Methods for accessing information between scheduled communications

Response: Concur. Future releases will include a formal communications plan. With Oracle Release 2, a number of components of this recommendation have recently been addressed. There have been several releases of the "GPO Leaders Update" (see 8/26/08 and 9/5/08 releases). The Employee Communication Department has also completed a draft Employee Communication Plan dated 8/25/08 and included as an attachment to the email response.

5. Recommendation: Document performance measures up-front that will enable GPO to identify and manage specific benefits being delivered. These measures should be reviewed periodically and project measures need to be tied to program objectives.

Response: Concur. Any relevant future releases will detail specific performance measures and expected benefits and will be included in the Phases and Gates review process.

13. Recommendation: Issue tracking should include the assignment of the responsible party for the resolution, that the issue tracking process be formally documented, and that an issue tracking process be a formalized deliverable.

Response: Concur. The process of issue and action tracking has been formalized for Oracle Release 2 and is reviewed regularly. This process will be continued in the future and will be a part of program reviews.

I appreciate the opportunity to comment on the draft report.

STEVEN T. SHEDD
Attachments

Appendix B. Status of Recommendations

Recommendation No.	Resolved	Unresolved	Open/ECD*	Closed
3	X			X
4	X			X
5	X			X
13	X		TBD	

*Estimated Completion Date.