Australian Government

Department of Immigration and Multicultural Affairs

Health Check of IT Governance Project Management and 90 Day Release Management Executive Summary

31 January 2006

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EXECUTIVE SUMMARY

Background & Objectives

As a result of the findings of the Palmer and Comrie reviews, DIMA senior executives decided to seek independent advice as to the health of DIMA Information Technology (IT) systems and governance mechanisms.

CSC was engaged to provide a health check in regard to:

1. The overall appropriateness of the mix and deployment of DIMA's technical platform to support current and future business needs. (The findings for the IT Platform health check are covered under a separate paper).

2. IT Governance portfolio management, program and project management and delivery mechanisms including technical, business and external service provider roles.

CSC was also asked to provide high level advice as to whether both of these aspects were headed in the right direction to support future needs.

CSC identified a number of improvement objectives, including:

- Improved alignment between the business and IT functions delivering higher quality outcomes and qualitative performance improvements;
- Improvements in the level of systems integration to facilitate a more streamlined and accurate management of the caseload, including a single view of the client;
- Increase in the perceived and actual value delivered by Business Solutions Group (BSG) and IT overall through the introduction and increased utilisation of agile development techniques, positioning BSG to respond more effectively to changes in organisational trajectory.

Approach

The Health Checks were conducted using the following approach:

- An assessment of DIMA's current state IT capabilities via interviews and workshops with key onshore business and IT stakeholders from national office and the regions.
- A comparative analysis based on CSC experience and leading practices that revealed capability gaps in the IT governance areas.
- Preparation and delivery of findings, gaps, conclusions and recommendations at the DIMA Executive Workshop in December 2005. The purpose of which was to develop a DIMA target IT transformation vision and high-level roadmap.
- Development, estimation and prioritisation of gap-closing recommendations and initiatives required to addressed the Health Check gaps and deliver on the new IT vision.

These recommendation and initiatives have formed the basis for future planning.

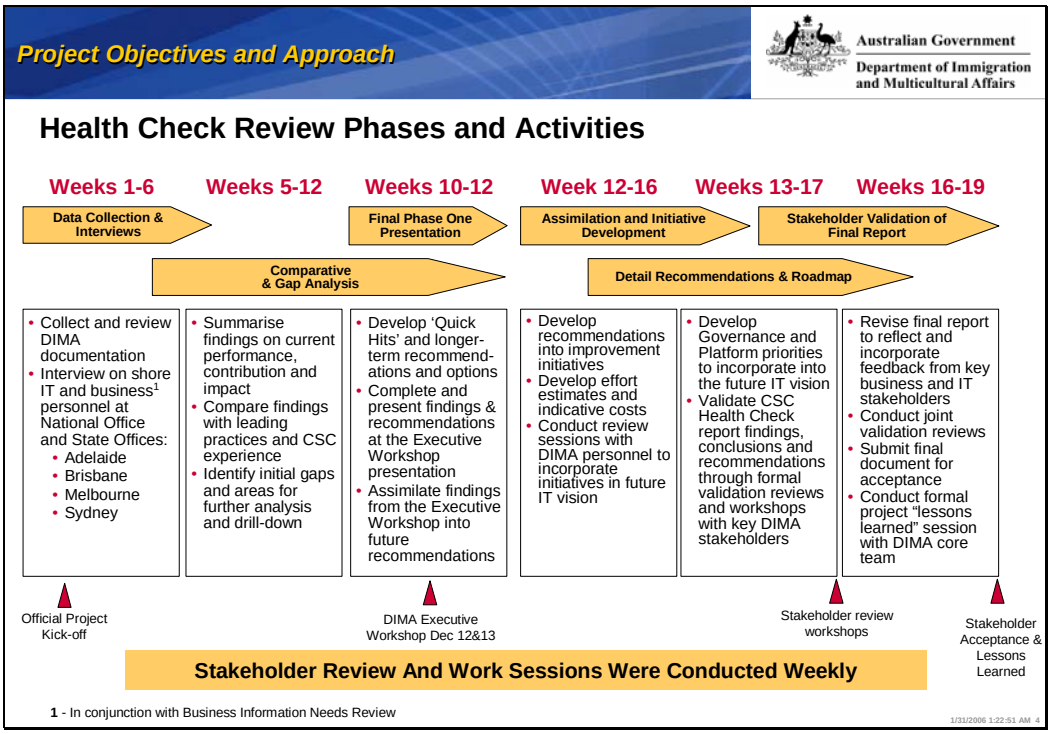

Figure 1: Project Approach and Timeline

The IT Governance Health Check evaluated DIMA's enabling capabilities for performing Governance, Portfolio, Program and Project Management. These capabilities are defined in the analytical framework in Figure 2.

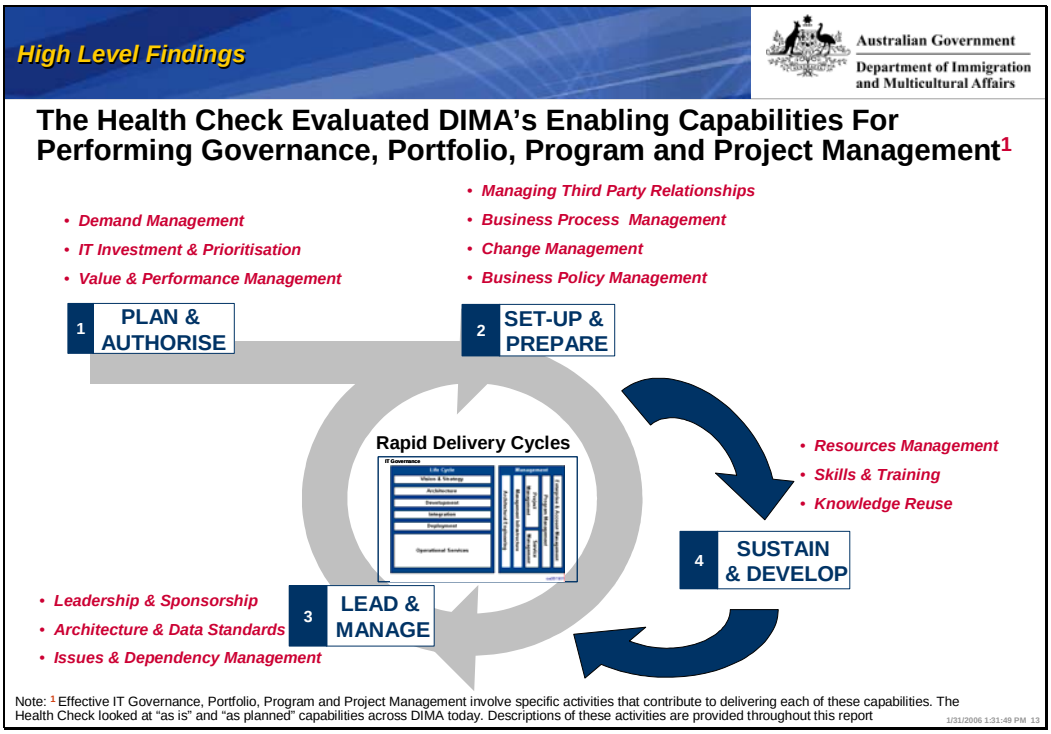

Figure 2: IT Governance Analysis Framework

For each capability, an assessment was made using a four point rating scale and five evaluation criteria. These are described in Figure 3. The rating was determined by the perceived effectiveness of DIMA's current capabilities as measured by the following five evaluation criteria:

- Process comprehensiveness
- Process delivery consistency
- Enabling tools and technologies
- Organisational structure and resources
- Metrics

Rating	Meaning	Indicator
Very Effective	As good as you can realistically expect an organisation to get.	
Effective	Can do most tasks effectively.	
Somewhat Effective	Supports core business, but pain points are evident.	
Not Effective	Does not meet core business needs, or not implemented.	

Evaluation Criteria	Meaning
Process comprehensiveness	How effective are DIMA's processes?
Process delivery consistency	How consistently are these processes delivered?
Enabling tools and technologies	Are there sufficient enabling tools and technologies to support DIMA's capabilities?
Organisational structure and resources	How effective are the organisational structure and resources to support these processes?
Metrics	Is DIMA using the right metrics?

Evaluation Score	Meaning
H	High = excellent level of capability
M	Medium = average level of capability
L	Low = below average level of capability

Figure 3: IT Governance Health Check Evaluation Ratings

Key Findings from the IT Governance Health Check

The overall assessment for IT governance capabilities is "somewhat effective". Findings suggest that progress is being made to strengthen IT governance but pain points exist particularly in DIMA's ability to manage demand (against supply), IT investment and prioritisation, architecture and standards, organisational change and issues/dependencies. Specifically:

- DIMA's ability to plan and authorise work is diminished by a lack of standardised processes, fragmented lines of responsibility and accountability and immature prioritisation processes
- IT requests come from all over DIMA and are not captured, addressed and/or managed in a coordinated manner
- Current governance processes do not address how to oversee, approve and/or drive the longer term IT investment strategy
- Real business cases to make informed value-based decisions, are not being developed consistently; approval and justification often lacks the appropriate degree of rigor
- Project set-up and preparation is managed by divisions and programs with each using its own approach to managing third party relationships, business process changes, policy management and change management implications
- Technical architecture implications are evaluated during project set-up and initial approval, but thereafter, they are not managed rigorously as part of the project gating process
- There is limited evidence that the business and IT are held jointly accountable for project outcomes. Progress is being made in the area of Leadership and Sponsorship with the formation and operation of the new IT Systems Committee and supporting Systems Boards. This governance structure is helping to build stronger partnership and accountability between IT and the business for developing the necessary

governance capabilities. This will also help improve standardisation, accountability, quality and timeliness of outcomes

- Organisation development is constrained by fragmented resource management and lack of clear DIMA-wide guidance on the role of knowledge reuse and training
- The introduction of the Portfolio Management Capability and software, has the potential to assist DIMA in providing greater direction and rigor to their governance of the IT portfolio
- DIMA intends to move towards a benefits realisation and balanced scorecard approach in the next 2 years. To enable this, more needs to be done today to determine what value means to DIMA business and IT and to translate business goals and objectives into specific IT goals, objectives, governance principles, capabilities and metrics. Building this alignment around "what value means" and "how to achieve it" will help build the transition towards a more balanced scorecard approach to value management.

Portfolio Management is an embryonic capability with a similar "somewhat effective" rating. This rating reflects the fact that the strategy and processes for performing Portfolio Management inside DIMA, have yet to be defined and agreed to by the business and IT.

There is a Portfolio Management Project Team that is focused on defining processes, determining organisational responsibilities and selecting and procuring a software solution to perform Portfolio Management. However, this effort needs to be conducted in conjunction with the key business and IT personnel who will be accountable for performing these processes in the future, to ensure the right solution is procured and is deployed in the most effective manner.

Program and Project Management are also "somewhat effective". Efforts are underway to improve these capabilities but it is too early to measure their impact. This rating reflects the high degree of inconsistency across DIMA today in how projects and programs are being managed and measured. In particular:

- Processes for defining project requirements, estimating costs, measuring impact and managing change are inconsistent across DIMA , making it difficult for the IT Program Office to develop summary progress and performance reports across projects and programs.
- The IT Program Office has recently released a Project Management Framework which will help build greater awareness and consistency in the understanding and execution of project management across DIMA. The Framework took into consideration the good early work done by Global Systems Environment (GSE).
- The future need to execute Rapid Delivery Cycles with multi-disciplinary teams (MDT) creates increased pressure on DIMA's project and resource management capabilities. DIMA has had some experience with MDT's but with mixed results. To be high performing in the future, MDTs will need to be defined as a DIMA-wide solution and managed by a dedicated resource management function. This function will ensure that MDT's have the appropriate staff and skills and that individual's performances are incorporated into the regular HR career management and performance measurement processes. There is project in place to determine how to run MDTs as a DIMA-wide solution.

DIMA's current ability to execute Rapid Delivery Cycles is also "somewhat effective". This rating reflects the current inconsistency in methods across the organisation. Specifically:

- Existing methodologies do not position DIMA for the emerging architectural vision
- The Software Development Framework that has been developed by Application Services is a good first step in the transition towards a common set of systems development lifecycle methodologies. Work must continue to tailor this framework to the specific needs of different delivery units
- The tools available to different delivery units are not consistently applied or optimally deployed. In particular, the Usability Facility is mostly used for verifying the business process as implemented, as opposed to being used for definition of the business process and user-interface. Furthermore, business process modelling tools are barely being used and these could have a significant impact on the speed to define requirements going forward
- The current organisational structure has evolved in line with the specific applications/technological solutions delivered. In future, a more flexible matrix structure with competency groups may be preferable to allow sufficient flexibility to work on service-oriented architectural solutions
- In support of this structure, the availability of business analysts, project managers and enterprise/applications architects who can work flexibility across multi-disciplinary development teams will become a critical success factor
- Finally, the metrics being captured today by the many delivery units are focused on completeness, rather than performance improvement. For example, no defect density is measured, therefore the data is not normalised

IT Governance Recommendations

Recommendations were made by Capability as defined in the IT Governance Analysis Framework and grouped into immediate and longer term. These recommendations reflect the key findings on DIMA's current and planned Capabilities and the perceived gaps identified when compared with CSC experience and leading practice analysis. The leading practice analysis is included in a separate Leading Practice document.

The recommendations were presented to DIMA management at the December Executive Workshop. Following this workshop, the recommendations were organised into five initiatives. Each initiative consists of multiple sub-initiatives that address recommendations made across multiple capabilities.

Figure 4 identifies how these initiatives map to the Capabilities identified in the Analysis Framework.

Figure 5 provides summary descriptions of the five initiatives. The detail behind these initiatives and their supporting sub-initiatives is also included in the appendix to the IT Governance Health Check Report. Details included are Objectives, Scope, Success Measures, Funding/Level of Effort (estimates provided separately to DIMA), Key Milestones, Assumptions and Dependencies. Each initiative and sub-initiative aims to build capabilities within DIMA that are consistent with the guidance provided in the Leading Practices analysis.

For Planning And Estimation Purposes, The Recommendations Were Grouped Into Five Initiatives

Governance Initiatives (See High Level Descriptions on Next Page)		Capabilities												
		Plan & Authorise			Set-up & Prepare				Lead & Manage			Sustain & Develop		
		1. Demand Management	2. IT Investment & Prioritisation	3. Value & Performance Management	4. Managing Third Party Relationships	5. Business Process Management	6. Change Management	7. Business Policy Management	8. Leadership & Sponsorship	9. Architecture & Data Standards	10. Issues & Dependency Management	11. Resource Management	12. Skills & Training	13. Knowledge Reuse
7	One DIMIA Approach to Managing IT Demand	x				x					x		x	x
8	High Performance Teaming and Governance			x		x	x	x	x		x	x	x	
9	Balanced Scorecard and Value Management		x	x	x	x			x		x			
10	IT Portfolio & Rapid Delivery Management	x	x	x	x	x				x	x	x	x	
11	Organisation change management			x		x	x		x			x	x	x

Note: X means that the initiative and supporting sub-initiatives covers one or more capabilities
Numbers begin at "7" because these initiatives are part of the portfolio of CSC initiatives for both CSC IT Health Check Reviews

Figure 4: Mapping of IT Governance Initiatives to Key Capabilities

Initiative Descriptions

#	Initiative	High Level Description
7	One DIMA Approach to Managing IT Demand	Working with DIMA business and IT staff, at National Office and the Regions to complete development of transparent and "best-in-class" governance structures and processes. Building capability within DIMA to capture and translate business/user needs into effective and efficient IT solutions. This includes developing a "whole of DIMA" approach to managing IT demand and executing annual joint business and IT strategic planning
8	High Performance Teaming and Governance	Define the governance practices, roles, responsibilities and processes to an operational level of detail for the IT Systems Committee, Boards, Steering Committees and IT Program Office Define a DIMA-wide multi-disciplinary teaming solution that is tied into the HR PALA system and allows project goals to be tied into individual team members' career development and overall DIMA-wide skill building. Develop, pilot and measure these governance practices and multi-disciplinary teaming (MDT) approach with an important IT project . Document and incorporate lessons learned into future MDTs
9	Balanced Scorecard and Value Management	Establish a value measurement framework and supporting processes to facilitate the efficient and effective monitoring of IT investments to ensure delivery of appropriate value to the Australian public and departmental staff
10	IT Portfolio & Rapid Delivery Management	Establish the capability within DIMA to manage and deliver a DIMA-wide portfolio of projects that achieve DIMA's business and IT strategy and objectives and in particular the Systems for People Initiative Unifying DIMA-wide solution development/delivery frameworks and methods to enable rapid systems development and delivery Introducing a DIMA-wide IT organisational resource management capability for improved efficiency, accountability, and professionalism
11	Organisation change management	Developing a DIMA wide change management capability to ensure business and IT partnership in implementing change and achieving results Establish critical technical, business and organisation change management capabilities across DIMA to implement the Systems for People Initiative

Figure 5: IT Governance Health Check Initiatives

Based on an initial analysis of effort to achieve and impact to the organisation, these initiatives were mapped to illustrate their relative priority. This mapping is depicted in Figure 6:

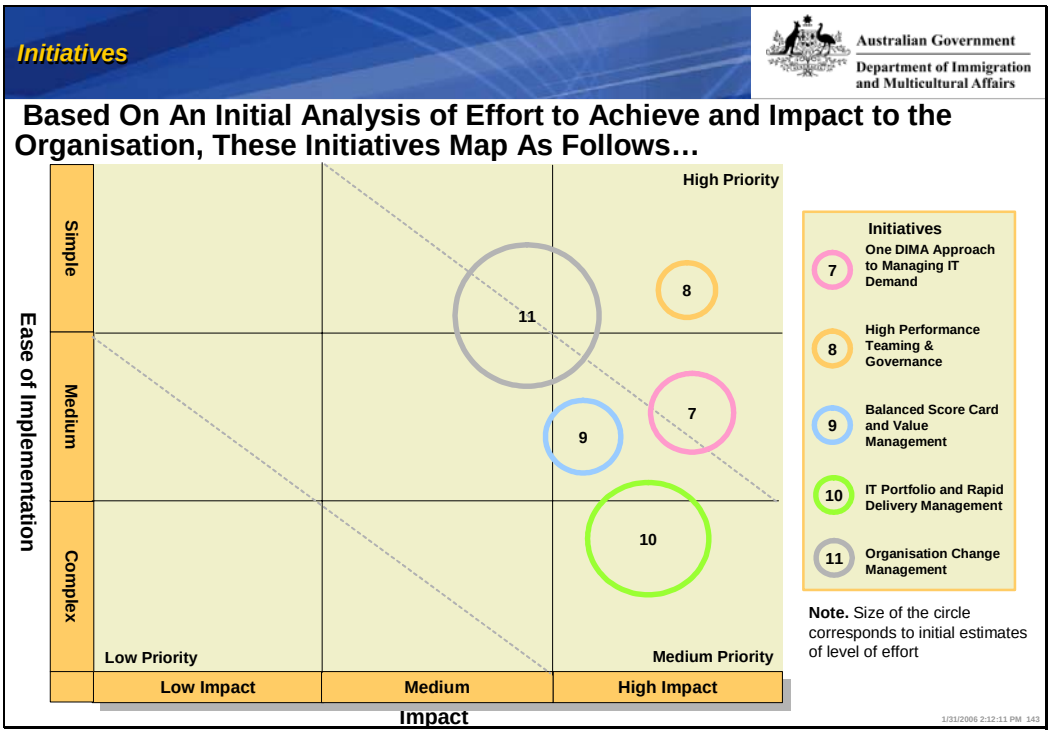

Figure 5: Priority Mappings for IT Governance Initiatives

As defined by the relative priority chart, DIMA should proceed with the IT Governance Initiatives in the following order. They may be staggered and some will need to be executed in parallel. Since these initiatives are critical enablers to DIMA's effective design and execution of the Systems for People programme, their specific timing will need to be coordinated with the overarching Systems for People Programme Roadmap.

- One DIMA Approach to Managing IT Demand
- High Performance Teaming and Governance
- Organisational Change Management
- Balanced Score Card and Value Management
- IT Portfolio and Rapid Delivery Management

Next Steps Implications for Management

The scope of change being considered by DIMA is broad and will be complex to implement. There are a number of factors that will be critical to ensure DIMA's success. These factors, together with the action that needs to be taken, are summarised in Figure 5:

Critical Success Factor	Action to be taken
Visible sponsorship & leadership	Ensure there is appropriate buy-in and commitment to the nature, costs, and risks associated with the change. In particular ensure there is sufficient communication with key stakeholders such as the DIMA Business to engage their *active participation* and *commitment* to the full design, execution and ongoing management of the change.
Appropriate Balance	Establish the relative priorities and goals early and communicate often. Determine and communicate how the organisation is going to balance new activity against existing demands and ensure the pace and scale of change is manageable.
Access to expertise and experience	Identify experts who have led these types of initiatives before and can lead the charge. Ensure they are supported by sufficient resources to make them successful. Make them accountable for achieving near term results to demonstrate action to the organisation and maintain momentum Leverage channels that enable rapid access to high quality resources and assets
Speed and Complexity Management	Ensure there is clear sense of urgency around the change and structure the change program into a series of client-focused releases that deliver incremental benefit to key stakeholders in measurable and visible chunks. Ensure everyone is focused on a clearly defined goal/s and measured on their individual and collective delivery of results

Visible sponsorship and leadership

DIMA IT cannot transform itself on its own. It needs the ***feedback, support and commitment of the business*** to achieve the objectives laid out in this report and implied by the IT vision. Furthermore, it needs the buy-in and support of DIMA executive, management and staff, DIMA service partners and advocates, and DIMA's technology providers.

Appropriate Balance

Balance is critical to DIMA's success in the delivery of the IT vision. Between DIMA-wide and division/region-specific agendas and control, between pragmatic realities and ideal goals, challenges of implementing technical details and the impact of too much change on business operations. Balance is also required between implementing greater governance and allowing IT and DIMA business professionals alike to achieve their core missions of serving the DIMA constituents.

Access to Expertise and Experience

DIMA is not currently equipped with the resources and skills to deliver the IT vision without substantial risk and is therefore counselled to supplement resources as required and to complete the recommendations identified in the IT Governance, Project Management and 90 Day Release Management Report in order to mitigate these risks effectively.

Speed and Complexity Management

Control, communication and coordination will be critical factors in DIMA's ability to achieve a successful outcome quickly in the transformation process. DIMA IT needs to work closely with DIMA business in implementing the recommendations identified in this report.

DIMA IT needs to stand ready to push forward on the elements of the IT Vision that are squarely in its power to execute; ready to educate and support business leadership; and ready to accept counsel and feedback from all parties willing to contribute to making this IT and Business Vision clearer, more sound, and better able to achieve its end goal of returning DIMA to its enviable position as a world leader in immigration service delivery.

Attachment 1

List of IT Governance Health Check Recommendations

Capability	Recommendations – Immediate	Recommendations – Longer Term
Demand Management	• (Recommendation 1) Assemble a taskforce of key BSG, ITPO, and business (including policy) and IT governance personnel to develop a more integrated approach to managing IT demand and requirements gathering across DIMA.	• (Recommendation 2) Develop and implement an annual IT strategic planning process and mid-term reviews tied to the business strategic planning process and cycle. Use formal methodologies and approaches involving business and IT
IT investment and Prioritisation	• (Recommendation 3)Assemble a taskforce of financial and cost accounting subject matter experts to develop and implement an integrated approach to budget development, cost and impact estimation and business cases • (Recommendation 4) Develop and implement a formal approach to IT portfolio management and investment prioritisation mapping IT investments to strategic business priorities and objectives. • (Recommendation 5) Develop and implement the processes and procure the software solution to operationalise portfolio management across DIMA	• (Recommendation 6) Develop and implement an approach to IT investment management that determines how much to spend, what to spend it on and how to reconcile needs across constituencies on an annual basis. – Develop the organisational structures and resource skill sets to support execution of these capabilities.
Value and Performance Management	• (Recommendation 7) Standardise and formalise the processes and metrics used to determine value and measure performance across projects and programs today • (Recommendation 8) Procure and implement a time and expense management solution business unit wide (preferably organisation -wide)	• (Recommendation 9)Develop and implement a formal approach for measuring performance and value and a realistic balanced scorecard and set of metrics that is appropriate for DIMA and tied to strategic business objectives.
Managing Third Party Relationships	• (Recommendation 10) Continue with work underway to implement an Integration Framework across 3rd parties that improves accountability and contractual relationships and clarifies roles and responsibilities across major stakeholders. – Host collaborative sessions with respective 3rd parties to discuss and share accountability for improving contracts and terms.	• (Recommendation 11) Continue efforts underway to implement a sourcing strategy and approach that includes contracting, relationship management, performance-based outcomes and other strategic sourcing best practice approaches
Business Policy Management	• (Recommendation 12) Ensure policy and system implications are addressed in the IT systems committee at the point that projects are being identified	• Using policy, front-line (State and overseas) and systems personnel to develop a process and set of criteria for collaborating on policy and systems changes before they are made (should be included in Recommendation 1)
Change Management	• (Recommendation 13) Engage with the Strategic Policy Group and the various Project/Program offices (GSE, ITPO) to understand the level of change the organisation will have to absorb in the near and longer term	• (Recommendation 14) Develop and implement a DIMA-wide change management capability and competency for managing organisation change and a body of expert resources who can provide Subject Matter Expertise on projects and programs and provide perspectives at the IT portfolio and DIMA portfolio level

Leadership and Sponsorship	• (Recommendation 15) Continue operationalising the details around roles, responsibilities, guiding principles and approaches for the IT systems committee, Boards, Steering Committees and ITPO • (Recommendation 16) Develop and execute a communications plan to educate and enrol DIMA in the changes being made and their implications	• (Recommendation 17) Work with HR to incorporate new roles, accountabilities and shifts in behaviour into individual rewards and recognition mechanisms across DIMA
Architecture and Standards	• (Recommendation 18) Establish a process in the Systems Committee for ensuring compliance with technical architecture standards at project conception and throughout delivery • (Recommendation 19) Develop a plan and approach to optimise the application portfolio and homogenise the number of underlying technologies: – review applications architecture of all key business applications to identify quick integration wins and establish roadmaps for the refactoring and convergence of technology streams. – consideration should be given to using a standard automated approach to achieving legacy systems transformation – Move towards "buy" rather than "build" solutions and introduce a package based development approach to facilitate this	• (Recommendation 20) Develop an agile architecture strategy: – Assemble a taskforce of business and IT architecture experts to determine the implications of evolving business strategy and Business Information Needs and: – Define the full enterprise architecture – Develop recommendations for existing IT principles, architecture and data standards and DIMA resource capabilities – Develop a consistent and repeatable methodology for delivering Enterprise, Information, Applications, Integration and Technical Architectures – Conduct a review of current architectural capabilities, skill sets and deployment mechanisms and determine how to improve DIMA's ability to achieve its architectural goals
Resource Management	• (Recommendation 21) Establish a capability in ITPO for identifying project resource demands across the IT portfolio • (Recommendation 22) Work with HR to develop a resource management competency and/or function either within IT or at the DIMA level to manage resources (e.g. recruitment, deployment, training, development, etc)	
Skills and Training	• (Recommendation 23) Identify and prioritise near term groups who require training for systems, processes and other tools at NatO and elsewhere. Conduct the training	• (Recommendation 24) ITPO and HR to develop and implement a plan for managing and delivering project-specific, function-specific and enterprise-wide competencies and capabilities to IT and business resources across DIMA
Knowledge Reuse	• (Recommendation 25) Develop a knowledge management plan to manage the generation, sharing and reuse of data, information and knowledge across DIMA for business and IT personnel	

Development Methodologies, Frameworks and Tools	• (Recommendation 26) Establish a taskforce of delivery experts to integrate and normalise DIMA's systems development frameworks and methodologies – Introduce a common taxonomy – Incorporate the use of fast prototyping and greater leverage of the Usability lab – Determine the implications for staffing and organisation structure for development resources to achieve the new vision	• (Recommendation 27) Establish a solution delivery competency/function in the IT organisation with the appropriate execution experts (development managers, architects) to achieve systems development goals and objectives