

**New York State Office of Mental Health**

Enterprise Project Management

Enterprise IT Management Initiatives

## **Executive Summary**

New York State has a large, multi-faceted mental health system that serves more than 500,000 individuals each year. The Office of Mental Health (OMH) operates 25 psychiatric hospitals and 66 mental health clinics across the state. It also regulates, certifies and oversees some 2,500 mental health programs, which are operated by local governments and not-for-profit agencies. These programs include various inpatient and outpatient, emergency, community support, residential and family care programs. OMH's mission is to promote the mental health of all New Yorkers, with a particular focus on providing hope and recovery for adults with serious mental illness and children with serious emotional disturbances.

Over the last 2 decades, the agency has increasingly relied on information technology to better serve mental health recipients, automate and streamline financial and outcomes reporting, and facilitate state and local oversight and planning functions. OMH's Center for Information Technology (CIT) oversees an increasingly complex and growing portfolio of diverse applications and data systems that support the agency's core business functions. The rapid pace of technology change and obsolescence require that existing systems are continuously upgraded and at the same time the IT infrastructure is modernized.

As of October 2008, OMH did not have an active Enterprise Project Management Office (PMO). OMH CIT had over 100 applications and systems to maintain in the Central Office alone. At that time, OMH CIT had over 70 active projects that either transformed existing applications/systems or built new ones. Due to the rapidly evolving nature and role of information technology, IT projects at OMH were easily getting out of control and severely affecting the organization's performance. Many of the projects were long-running and never ending.

The economic downturn and budget shortfall in New York State in 2008 also posed severe challenges to the OMH IT project. The state fiscal situation limited resources for CIT operations and application development. The challenge was how to target the limited resources to the most important CIT functions.

To address these challenges, an OMH Project Management Office was established as part of the overall enterprise IT governance for the agency.

## **Description of the Business Problem and Solution**

Traditionally, OMH executives deferred key IT decisions to the IT professionals. The increasing presence of IT in everyday business operations, however, requires that all stakeholders, from executive-level managers to department heads and program managers, have the necessary input into the enterprise IT decision making process. That way IT is less likely to independently make business decisions that may not meet agency business enterprise needs. It also prevents critical users from finding out later that the system does not perform as expected.

OMH Project Management Office started with developing processes and tools to help bridge OMH business leaders and IT, ensuring the alignment of OMH business strategy and IT operations. The foundation of good enterprise IT governance is built on an active project and portfolio management process. The modern project management methodology and enterprise discipline provide an important tool for achieving this goal. The project and portfolio management process enables key stakeholders to decide what IT investments to approve and fund and how they should be prioritized. Just as important is a regular review of the existing portfolio to decide when ongoing projects should be accelerated, slowed, or even terminated. Evidence shows that active IT portfolio management process optimizes the return of the complete portfolio while managing risk to acceptable levels.

To improve and strengthen the management of OMH IT investments and manage risks at acceptable levels, a new enterprise Project Management Office (PMO) was established on November 1, 2008. It is charged with important responsibilities related to enterprise IT strategic planning and portfolio management. Specifically, the PMO:

- Actively manages OMH IT project portfolios and reports project status to business and IT sponsors.
- Supports the CIO in facilitating OMH IT strategic enterprise planning and coordinates IT project issues with project stakeholders.
- Liaisons with other OMH business units on current and future IT project and project management.
- Coordinates with IT Steering Committee (ITSC) to introduce new projects, reports on existing projects, and ensures that the proposed projects have been approved by ITSC before work can begin.
- Develops and implements a standard enterprise project management methodology.
- Provides enterprise project management orientation and education to executive and senior agency management.

- Implements and operates a project information system, which develops and maintains a project scorecard and manages archives of project documentation.
- Monitors IT resource utilization and allocates resources between projects.
- Conducts post-project reviews, implements and manages database of lessons learned and a project risk database.
- Provides project assessment and estimates to ITSC and other OMH senior staff related to schedule, resources, and costs related to OMH IT projects currently underway.
- Where necessary, will oversee the development of Request for Proposal (RFP), assist with contract negotiation, respond to Office of the State Comptroller's (OSC) evaluations, manage the contract(s) and subcontract(s) through the life of the project.
- Interprets OMH policy, standards and guidelines as they relate to projects under development.
- Coordinates with OMH Architecture Review Board (ARB) to ensure that all project proposals conform to agency business, information and technical architecture standards.

### **Significance**

As the PMO has evolved, a clearly defined process for IT portfolio management has been adopted. This process starts around June of each year, when the OMH Executive Team reviews and approves the Annual Technology Plan. This plan, which is finalized prior to next budget cycle, describes the goals and objectives for the OMH CIT for the next fiscal year, including new IT projects and business needs. The Annual Technology Plan goals and objectives must be closely aligned with the agency's mission and the 5.07 Strategic Plan.

There are two ways how an IT project is approved by OMH:

1. An OMH business unit defines a new need. The business unit designates a business owner who then develops a detailed business case and submits it to the IT Steering Committee for a concept review and preliminary approval. In the business case, the business owner provides a justification for the business need; identifies the customers; proposes a solution, project scope, schedule and cost estimates; and describes benefits as well as risks of not doing the project. If appropriate, the business owner may describe any alternatives that were considered. Upon ITSC concept approval, the business case is forwarded to the Architecture Review Board for additional evaluation of architectural appropriateness and validation of the proposed IT solution. A business case must be approved by the ARB prior to September 1 of each year, to be included in the Annual Technology Plan.
2. During the course of the year, there may be new or additional business requirements for an IT project (due to changing regulations or new agency standards). In that case, the ARB will waive the Annual Technology Plan

schedule requirements and review the business case and proposed solution after the September 1 deadline.

After the ARB has reviewed and approved the proposed solution, the project manager along with the Business and IT owners, will draft a detailed project proposal. The detailed proposal will contain a project charter, scope, proposed schedule, preliminary budget, milestones, deliverables, and indicators of success.

Once the project proposal is completed and signed by the Executive Sponsors, Business and IT Owners, it is presented to the ITSC for a final approval. The committee reviews the budget, labor effort hours and schedule of the project in detail, and if necessary, recommends changes to reduce the project scope or even disapprove or delay it if agency resources are limited.

Monthly, the ITSC and Executive Staff meet to monitor the progress of active IT projects, evaluate new proposals based on the prioritization framework – clinical, financial, strategic and operational – and make a decision on whether to approve or reject a new proposal. The ITSC may also assign appropriate weights and scores to better evaluate and monitor the health of a project. To facilitate and streamline the ITSC decision making process, the PMO Core team prepares monthly updates of the ITSC portfolio dashboard and posts it on the OMH intranet.

As the PMO team moved forward and approved multiple enterprise IT projects, there was a need to define the roles and responsibilities of the project team. To perform this function, we began by reviewing and editing a document created by the New York State Office for Technology for Project Team roles and responsibilities. The document was a collaborative effort and a review was performed by our IT management staff. At the end of this process, five core project management roles including Executive Sponsor, Information Technology Sponsor, Business Owner, Lead Architect and Project Manager were reviewed and approved by our Information Technology governance body, the ITSC. This roles and responsibilities document will be updated as we define additional roles to the project team, and are posted to our agency intranet on our Project Management Office website.

#### Weekly Project Meetings

Each week, the PMO team conducts two meetings. The first meeting involves the CIO and state project managers to discuss operational issues for the PMO. Among the agenda items are new document templates, updates to the PMO web site, the ITSC dashboard and mentoring with project management issues.

An extended PMO team meeting is held once a week with all project managers present, including consultant project managers. During this meeting, the team reviews the status of active projects, including variance from planned

performance, project risks or issues, any broader agency issues that pertain to all IT projects, and reviews the monthly Executive Dashboard for accuracy and completion. In addition, reporting tasks may be assigned for all project managers, and weekly time and task tracking is reviewed and discussed for projects. On occasion, the meeting time is used for training on project related subjects. All meetings have an agenda and minutes for documenting items discussed, actions to be taken, and the person responsible for that action.

### **Benefit of the Project**

Six months after the initiation of the Project Portfolio Management & Project Management Office (PMO), OMH has better aligned business goals and IT operations. OMH greatly optimized its resources for the strategically important IT projects. It reduced its active projects from over 70 to 25 and achieved greater transparency despite fiscal constraints. Specifically, the PMO:

- Developed a formal project review and approval process with the Information Technology Steering Committee (ITSC). This process has led to the identification and prioritization of the 25 IT projects that are the best fit for the agency, that most cost effective and most fully aligned with agency mission and strategic goals.
- Is providing workforce development and skill building by involving OMH Business Owners and CIT management in developing project management methodology and documentation. The PMO provides frequent updates and overviews to CIT management staff about evolving OMH project management processes, document templates and methodologies. PMO acts as one of the catalysts for the positive culture change. To date, the PMO Core team has developed an initial set of reporting and documentation templates for use by project managers and the project team to help them better manage projects; define project objectives, scope, schedule and cost in accordance to project management methodology; measure performance; and ensure that each project follows the project management lifecycle process. Document templates include the Business Case, Project Proposal & Charter, Scope Statement, System Requirements and Use Case. Reporting templates include the Monthly Executive Summary Report, Weekly Status Report, Time & Task Tracking, Meeting Agenda and Meeting Minutes. The project management lifecycle and templates were presented to IT staff and project stakeholders and have been posted on the internal PMO website, along with a description of project management roles and responsibilities. To streamline and standardize communication between project managers, business and IT owners, and project sponsors, the core team developed an IT portfolio dashboard with monthly updates on project status and performance.
- Dealt with the current statewide fiscal constraints and achieved greater transparency by providing a reporting and decision making tool for OMH executive team and senior managers. Project performance, issues, and risks are highlighted in the monthly project portfolio dashboard thus providing greater transparency and oversight. The PMO also provides monthly updates

regarding project status at ITSC and management meetings and through CIT newsletters.

- Has initiated a cultural change at OMH where a collaborative and well documented process for IT projects is now underway. Business owners and IT owners are working together to complete business cases, proposals, and schedules. In addition, many of the projects include their own steering committees that involve an array of stakeholders from across the agency.