IT PLANNING
BUSINESS PROPOSAL
PROJECT INTAKE PROCESS

State CIO Office Special Recognition

State: Pennsylvania

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Project Initiation: May 2020

Project End Date: Dec 2021

Executive Summary

As the leader of a large shared services organization, Pennsylvania's State CIO must properly align limited technology resources to the critical business needs of its customer agencies. This requires having insight into a vast range of projects and strategic initiatives across a portfolio of 30+ state agencies and the flexibility to be able to reprioritize resources in response to new and shifting demands.

Historically, activities for annual plans occurred during the first and second quarter of commonwealth fiscal years. These activities identified business and IT initiatives for the succeeding fiscal year. As a result, the need for funding and people often lagged when the business of commonwealth agencies changed. Another fundamental challenge is transparency into both Enterprise shared service initiatives and business application/solutioning initiatives within Delivery Centers to appropriately prioritize the demand for staff time and funding across all areas.

In 2020, the State CIO developed a new approach to demand management to better align IT resources to support strategic business, policy and IT goals. The new approach revised the IT Planning and Projects Policy to establish guidance for business proposals, information technology project approval and the assignment and responsibility of project managers to ensure agency IT projects align with the commonwealth's goals and objectives. Higher priority is given to projects necessary to meet legislative mandates, aligned to the Governor's priorities or an agency program priority.

The IT Planning and Projects Policy recognizes the need for dynamic intake, planning and innovation, as well as the timely approval of business projects. The policy now allows senior leadership and the Governor's office to better understand the business case or need and create the executive awareness, sponsorship and prioritization of the effort, along with ensuring that adequate funding is allocated. Business proposals and the business intake process ensures technology solutions are focused and properly aligned to agency business needs while delivering value and the appropriate level of agency support.

Combined with a Project and Portfolio Management (PPM) solution, the IT Planning and Projects Policy process provides a consistent mechanism for project intake and status tracking across all agencies served. Visibility into the portfolio of active and backlogged projects improves communications and assists with decision-making regarding priorities of what happens next within available resource constraints.

Since implementing the IT Planning and Business Proposal process, 392 requests for approximately $575 million were submitted for review and approval. Resources were appropriately allocated including both funding and staff. Of the 392 business proposal requests, 257 submissions, equaling nearly $200 million, aligned to the Governor's priorities. Roughly 77% of the 257 submissions aligned to a strategic priority also supported the iterative execution of the Governor's Customer Service Transformation initiative.

The IT planning and business proposal project intake process is reviewed every six months and adjusted to address any pain points or challenges that are identified.

This collaborative approach to strategic alignment ensures a strong connection among the commonwealth's mission, the performance of agency services and the allocation of IT resources and efforts.

Idea

The Office for Information Technology (OIT) is a centralized organization providing support of technology services for all agencies under the Governor's jurisdiction. Technology services include Enterprise shared services (e.g., networking and infrastructure) and Delivery Center services which support the solutioning of the critical business applications of a group of agencies.

IT services are funded by agency budgets, through either chargebacks for Enterprise shared services or direct agency funding for solutioning of business applications within the Delivery Centers. Both funding methods require prudence and fiduciary responsibility to keep costs contained and manageable for agencies as a value-added service.

IT planning in Pennsylvania has historically been tied to the annual budget cycle, with agencies initiating planning in the first and second quarter of the calendar year for the succeeding fiscal year. When new priorities or mandates arise outside of this planning cycle, it may be necessary to shift resources or delay existing projects to accommodate the new demand.

Another fundamental challenge is transparency into both Enterprise shared service initiatives and business application/solutioning initiatives within Delivery Centers to appropriately prioritize the demand across all areas for staff time and funding. Without adequate transparency, initiatives may be prioritized in their individual silos of organization and not focused on the overall priorities of the Governor's office or the missions and strategies of the agencies or OIT.

To address this fundamental need for alignment and transparency, the State CIO developed a new approach to demand management with the following goals:

- Ensure alignment with Governor's initiatives.
- Ensure alignment with annual budget planning and re-budget cycles.
- Ensure alignment with legislative, regulatory, and other mandated requirements.
- Ensure proper and consistent categorization of IT Projects and IT Investments.
- Facilitate alignment with IT Project portfolios.
- Ensure routine, timely, accurate reporting of project initiatives.

Implementation

To formalize this new approach, the IT Planning and Projects Policy was revised and implemented in 2020. The new IT Planning and Projects Policy provides guidance for completing a business proposal, explains the IT project approval process and clarifies the assignment and responsibility of project managers to ensure agency IT projects align with the commonwealth's goals and objectives.
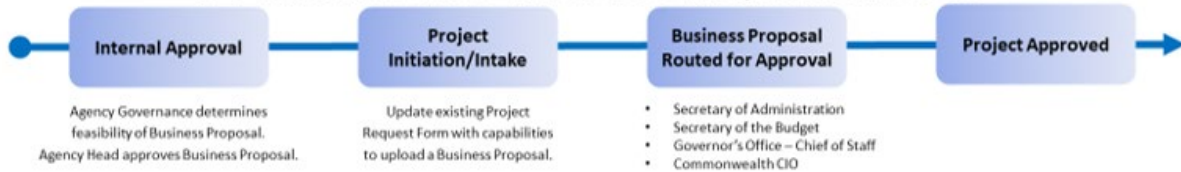
Going forward, all IT project requests would first require agencies to complete a Business Proposal Form. The form will be reviewed and approved by the agency head, then submitted for review and approval to the Governor's Chief of Staff, Secretary of the Budget, Secretary of Administration and Commonwealth CIO.

The goal of the Business Proposal/Project Intake Process is to allow business leaders to raise the priority and visibility of vital initiatives early in the process before a project becomes "active".

HISTORIC PROJECT REQUEST PROCESS

Project Initiation/Intake	Internal Approval	Project Approved
Complete Project Request Form.	Business Relationship Manager facilitates approval process within Agency and Delivery Center Governance.	

IT PLANNING AND PROJECTS REQUEST PROCESS

Internal Approval	Project Initiation/Intake	Business Proposal Routed for Approval	Project Approved
Agency Governance determines feasibility of Business Proposal. Agency Head approves Business Proposal.	Update existing Project Request Form with capabilities to upload a Business Proposal.	• Secretary of Administration • Secretary of the Budget • Governor's Office – Chief of Staff • Commonwealth CIO	

When a project aligns to a guiding principle, it helps raise awareness to the Governor's Office, Office of the Budget, Office of Administration and State CIO to make sure OIT is anticipating business needs and can align resources to support upcoming projects.

The new approach also included defining the Governor's priorities and business strategies to align to primary strategies to aid in accomplishing the established goals of the administration.

Business Proposal | Project Intake Process

Remember Our Guiding Principles

Alignment DecisionMaking Governance

Which guiding principle is this related to?
☐ Federal Mandates, State Mandates, or new laws with defined dates or compliance deadlines

☐ Governor's Initiative
(Ex: Customer Service Transformation or Emergency Declarations)

☐ Program Priority

Does a similar solution exist in the Commonwealth?
☐ Why isn't that being leveraged for this effort?

Prioritizing IT Support

The policy was updated to reflect the new business proposal form requirement and enhancements were made to the current project and resource management tool to facilitate the collection of appropriate information, route proposals to stakeholders for review and handle the downstream processing and notifications of the requests.

Communications began at the Governor's cabinet level to vet the policy and garner buy-in to modify the existing siloed review and approval process. Executive level webinars were held for senior leadership to further understand the new process and provide an opportunity for input and feedback. User webinars

were also hosted over the course of 2 months to communicate and test the new processing to prepare for Enterprise rollout. Additional communications were distributed to business leaders reminding them of the upcoming process change that enabled IT resources to be aligned to their efforts to support federal mandates, state mandates, Governor's initiatives or program priorities. Primary strategies to support these priorities were defined in the proposals for selection by the sponsor.

Impact

Processing Performance

Since implementing the IT Planning and Business Proposal process, 392 requests for approximately $575 million, were submitted for review and approval. Resources were appropriately allocated including both funding and staff.

Challenged with the limited availability of resources, understanding the business need and how a new project aligns to strategic priorities provided critical data to better inform decision-makers, allowing them to prioritize and align resources to accommodate the need of the business.

Number of Days to Review

MEASURES
- 0-5 Days
- 6-10Days
- 10+ Days

24%
28%
48%

After initial implementation, data was captured and monitored to ensure processing was performing as expected and no delays were incurred getting decisions on critical project investments. To date, there are 33 requests approved on average each month with a processing timeframe of less than 10 days for review.
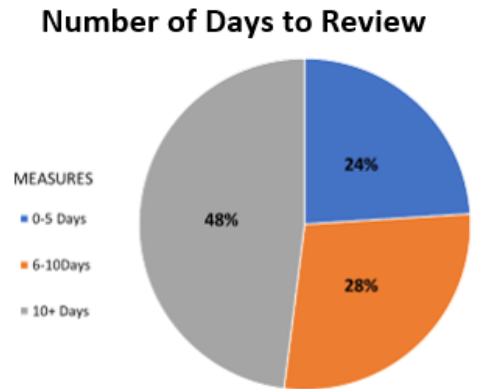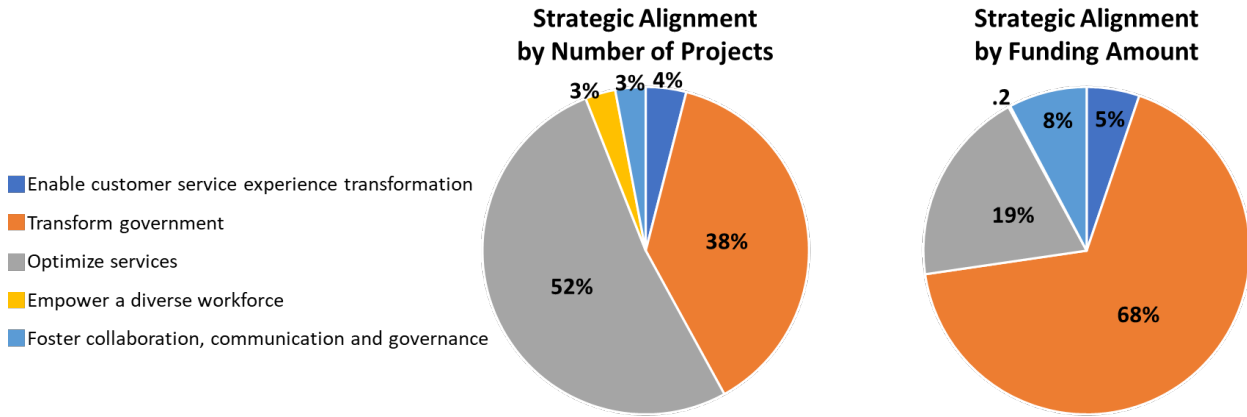
Prioritization and Alignment of Limited Resources

Of the total submissions, roughly 14% related to Mandates. Projects to support Mandates, either state or federal, require resourcing to maintain compliance and alignment with legislation. Federal mandate submissions included efforts to support Accessibility, IRS, Tax Reform and REAL ID, to name a few. Compliance with these laws limits audit risk and helps ensure there is no danger to federal or state funding which is critical to agencies that provide these services.

Strategic Alignment

Of the 392 business proposal requests, 257 submissions, equaling nearly $200 million, aligned to the Governor's priorities. Each business proposal submission indicated its primary alignment, if any, to one of those priorities. Business Proposals could align to more than one priority, however, the primary goal or most fitting goal was indicated. This information not only informed the strategic alignment for prioritization of resources but allowed the tracking and monitoring of outcomes of those efforts through completion. Both agencies and OIT can monitor costs and resources associated to the work.

The information collection allowed for a more comprehensive view of the distribution of resources necessary to support the Governor's priorities. As depicted below, 38% of the 257 projects primarily supported the Transform Government priority and represented 68% of the $200 million in funding.

**Strategic Alignment
by Number of Projects**

3% 3% 4%

38%

52%

- Enable customer service experience transformation
- Transform government
- Optimize services
- Empower a diverse workforce
- Foster collaboration, communication and governance

**Strategic Alignment
by Funding Amount**

.2 8% 5%

19%

68%

Customer Service Transformation Alignment

A major focus of the Governor is Customer Service Transformation (CST), an initiative to improve services through six strategic objectives. These goals will be achieved through an iterative execution approach. Through webinars and extensive communications, agencies were asked to build the customer strategy into the work they were already doing on customer-facing applications. An indicator was selected in the Business Proposal to indicate where work on a customer-facing application was aligned to this strategic goal. This allowed the prioritization of the work given its support of CST, though not a primary initiative aligned only to that Governor's goal. Roughly 77% of the 257 submissions aligned to a strategic priority also supported the iterative execution of CST.
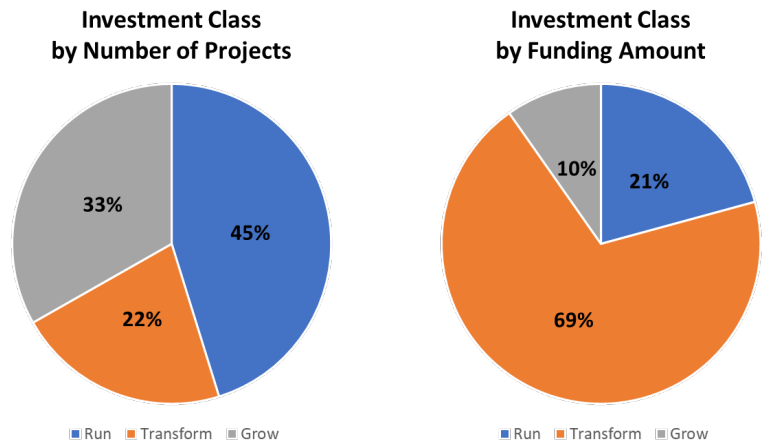
CST Alignment

- yes
- no

IT Investment Class

Ultimately, all initiatives utilizing resources are investments in the business of IT, managed by the State CIO. Aligning IT functions with business strategy requires an understanding of the type of investment being made in technology. The policy outlines three types of projects. "Run" projects focus on running and maintaining the business or technical capabilities and services. "Grow" projects focus on enhancing or expanding existing business capabilities and services. "Transform" projects focus on establishing new business capabilities and services or completely transforming business models.

Classifying investments in this manner enables decision-makers to know what resources support ongoing maintenance of services and functions versus the investments in new services to transform and grow the organization. Managing with limited

Charts represent only those projects aligned to Governor's Priorities

**Investment Class
by Number of Projects**

33%

45%

22%

- Run
- Transform
- Grow

**Investment Class
by Funding Amount**

10%

21%

69%

- Run
- Transform
- Grow

resources requires prudent investment strategies. The investment in efforts to Transform services averaged $2.5 million per project, whereas projects to Run or maintain operations averaged $360,000.

Continual Service Improvement (CSI)

The IT planning and business proposal project intake process is reviewed every six months and adjusted to address any pain points or challenges that are identified. Examples of the modifications made were the inclusion of thresholds that align with corresponding state processes such as procurement. Stakeholders also requested additional information about funding sources and the use of a consistent, common estimating template for resourcing needs.

Ultimately, The IT planning and business proposal project intake process serves as the best way to align agency IT planning efforts with the priorities and initiatives of the Governor's Office. This collaborative approach to strategic alignment ensures a strong connection among the commonwealth's mission, the performance of agency services and the allocation of IT resources and efforts.