

ITIP Planning Resource – Benefit and Risk Profiling

The Information Technology Investment Planning (ITIP) application provides a screen to capture some benefit and risk information about an IT project. This ITIP planning resource provides background information that explains why this information is captured, then elaborates on the each of the questions and answers found in the ITIP application.

This section elaborates on the questions and answers for the project information screen that captures the benefit and risk profiling information. Each benefit and risk question in the ITIP application is presented, along with the list of possible answers and a rationale for how planners should consider the issues associated with the question and answer set.

Question 1 – If the project is mandated, is the mandate related to Federal law/requirements, State law/legislation requirements, Administrative code/requirements, or Continuation of operations?

Answer Set

- Federal law/requirements
- State law/legislation requirements
- Administrative code/requirements
- Continuation of operations
- Not Applicable

Rationale and Considerations:

This question attempts to identify if a legislative requirement exists beyond the normal planning requirements decision-makers normally consider. For example, if the project exists to satisfy a Federal requirement, then the prioritization of the project should be higher if all other factors are equal.

If more than one answer is valid (e.g., Continuation of operations and Federal law/requirements), then the planner should select the answer that comes first in the list. If the project has no mandate, then the planner should select “Not Applicable.”

Question 2 – Select the statement that best describes the impact of not completing the IT project:

Answer Set

- Inability to meet legislative/mandates and/or inability to meet federal requirements; the state will be subject to significant loss of federal funding.
- Inability to accomplish agency mission (mission critical system).
- Potential failure of aging system that supports critical internal function or agency service.
- Lost opportunity to improve cost savings to the agency.

Rationale and Considerations:

Project impact is determined by the expected impact of a successfully implemented project:

- High Impact IT projects could be classified as projects that are mandated by federal and/or state legislative requirements, or projects that are mission critical to the agency. These projects will provide services or systems that may be used by multiple agencies.
- Medium to Low Impact IT projects could be classified as projects that are not-mandated by federal and/or state legislative requirements, that support critical internal agency functions and/or projects that could improve cost savings to the agency. These projects will provide services or systems that will be used by the entire agency or by specific units within the agency, but not outside the agency.

This question attempts to identify the impact of non-completion or failure of the IT project. For example, if the project is completed, but fails to deliver the expected benefits, what would be the risk to the agency?

If more than one answer is valid (e.g., agency mission and lost opportunity), then the planner should select the answer that comes first in the list. If the project does not meet the first four criteria, then the planner should select “Lost opportunity.”

Question 3 – How would you define the benefits of this project?

Answer Set

- Transformational benefit
- High benefit
- Moderate benefit
- Low benefit
- Not Applicable

Rationale and Considerations:

This question attempts to identify the type of benefit successful completion of the project will bring to the agency. The following elaborates on each of the selections above:

- *Transformational Benefit* enables new ways of performing business activities across this government service type and will result in major shifts in the dynamics of this service.
- *High Benefit* enables new ways of performing horizontal or vertical processes that will result in significantly increased revenue or cost savings for an agency.
- *Moderate Benefit* provides incremental improvements to established processes that will result in increased revenue or cost savings for an agency.
- *Low Benefit* slightly improves processes (for example, improved user experience) that will be difficult to translate into increased revenue or cost savings.

If the project cannot be classified by any of the above categories, then the planner should select “Not Applicable.”

Question 4 – How would you characterize the time to reach mainstream adoption for the technologies that underlie this project?

Answer Set

- Less than 2 years
- 2 to 5 years
- 5 to 10 years
- More than 10 years
- Obsolete before mainstream adoption
- Not Applicable

Rationale and Considerations:

A project will mature and reach *Mainstream Adoption* when:

- The real-world benefits of the technology are demonstrated and accepted,
- The technology becomes increasingly stable and evolves in second and third generations, and
- Approximately 20% of the technology’s target audience has adopted or is adopting the technology.

The consideration for mainstream adoption should reference the technology being planned against a body of research (such as that offered by Gartner) brought as near current to the IT Investment Management plan timeframe (FY 2010). The question seeks to understand if the technology being deployed will at some point reach mainstream adoption in a reasonable timeframe or become obsolete before mainstream adoption can be achieved. The concept of project value being demonstrated here is that technologies reaching mainstream adoption in a shorter timeframe are more valuable to the enterprise than those whose adoption is protracted over longer periods of time or if mainstream adoption can be reached at all. IT planners should be asking themselves, are we deploying proven technology with demonstrated benefits that are highly likely to be achieved in the deployment of this effort? Are we using technology that is considered out of date? Are we ahead of the curve by deploying a technology that has yet to be proved out?

Question 5 – What are the quantified cost benefits for this project?

Answer Set

- Value <1M
- Value 1M to 5M
- Value >5M to 15M
- Value >15M to 30M
- Value >30M

Rationale and Considerations:

This question attempts to identify the result of the cost benefit analysis performed by the agency for the project. A cost benefit analysis is the process of weighing the total expected costs of the project against the total expected benefits for implementing the project. No time limit has

been identified for use with this question, although planners should know when assigning this value what time frame has been used for the calculation.

Question 6 – What is the Pay Back Period?

Answer Set

- Pay Back within 1 year
- Pay Back within 2 years
- Pay Back within 3 years
- Pay Back within 4 years
- Pay Back within 5 or more years
- Don't know

Rationale and Considerations:

The *Payback Period* represents the amount of time that it takes for an IT project to recover its investment cost. No payback calculation method is identified for this question, but the planner should be aware of how the calculation was made.

Question 7 – Select the statement that best describes the anticipated impact of the IT project on the agency's existing IT infrastructure and networks:

Answer Set

- Requires significant changes to the agency's existing IT infrastructure/networks.
- Requires some changes to the agency's existing IT infrastructure/networks.
- Requires minor, insignificant changes to the agency's existing IT infrastructure/networks.

Rationale and Considerations:

This question attempts to identify the impact of the IT project on the agency's IT infrastructure and networks. In other words, how well will the target IT environment fit with the existing IT environment? For example, if the target IT infrastructure environment radically differs from the existing environment, the risk to the agency is higher, due to interoperability, business continuity, security, and other risk-based considerations.

Question 8 – Select the statement that best describes the impact of the IT project on state operations:

Answer Set

- The project will provide services or systems that will be used by multiple agencies.
- The project will provide services or systems that will be used by the entire agency but not outside the agency.

- The project will provide services or systems that will be used by specific workgroups or units within the agency.

Rationale and Considerations:

This question attempts to identify the impact of the IT project on existing state operations. For example, if the project will provide services or systems for use by multiple agencies, then the impact to those agencies if the project partially succeeds or fails is higher than if the project affected only a single agency (this is a rule of thumb, not a universal fact). Regardless of the impact within the agency (i.e., localized within one or two business units or across the entire enterprise), if the project affects other agencies, the first answer should be selected.

Question 9 – Select the statement that best describes the anticipated effect the IT project will have on agency business processes:

Answer Set

- Requires major changes to existing business processes and/or development of new, complex business processes.
- Requires minor changes to existing business processes and/or development of new, moderately complex business processes.
- Requires minimal changes to existing business processes and/or development of new, low-complexity business processes.
- Requires no changes to existing business processes.

Rationale and Considerations:

This question attempts to identify the impact of the completed IT project on the agency business process environment. For example, if the completed project requires major change to the existing business process environment, then the risk or partial success or failure of the project is higher, if all other factors are equal.

Question 10 – Select the statement that best describes the maturity of this project’s planned Project Manager:

Answer Set

- There is no project manager assigned to this project at this time.
- The project manager assigned is not certified by either the Office of Information Technology with the Ohio PM certification or the Project Management Institute.
- The project manager is certified by the Office of Information Technology with an Ohio PM certification.
- The project manager is certified by the Project Management Institute.
- The project manager is certified by both the Office of Information Technology with the Ohio PM Certification and the Project Management Institute.

Rationale and Considerations:

The *Project Management Maturity Level* is used to determine the maturity of the Project Manager managing a project. This level is important because of its strong influence on project success. If the project management processes maturity level is high, the deployment of resources has a higher probability of project success. If the project management processes maturity level is low, there is a higher probability of project failure.

Question 11 – Will the Project involve external vendors during the lifecycle of the project:

Answer Set

- Multiple external vendors involved (totaling contracts over \$1M).
- One external vendor involved (totaling contracts over \$1M).
- External vendors involved (totaling contracts < \$1M)
- No external vendors involved.

Rationale and Considerations:

This question attempts to identify the number of external vendors and the total contracted value for the project. If the number of vendors and/or contracted value is high, then the anticipated risk to the project is higher.

Question 12 – Select the statement that best describes the agency’s experience implementing projects of similar size and effort:

Answer Set

- Agency has no experience with a project of similar development and/or integration effort.
- Agency has had difficulty with implementing projects of similar development and/or integration effort.
- Agency has had some success implementing projects of similar development and/or integration effort: however, track record does not yet demonstrate repeatability.
- Agency has had success with several projects of similar development and/or integration effort, and has a track record that suggests strong ability to mitigate risks for projects of similar development effort.

Rationale and Considerations:

This question attempts to identify the agency’s experience in implementing projects of similar size and effort. For example, if the agency has had no experience with a project of this size and effort, then the risk of partial success or failure is higher and the prioritization of the project should be lower if all other factors are equal.