

## Processing System (DCPS) Independent Analysis of the Disability Case

Final report June 3, 2014

## PRE-DECISIONAL, CONFIDENTIAL AND PROPRIETARY

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# Executive Summary – Independent analysis

- faced schedule delays as well as increasing stakeholder concerns. Therefore, SSA leadership have decided to "reset" the service, and reduce administrative costs. The program has invested \$288M over 6 years, delivered limited functionality, and DCPS represents a significant opportunity for SSA and State DDSs to improve case processing quality, enhance customer program to increase the likelihood of successful delivery
- the program include: may want to continue to review program improvements to determine if additional resets are required. The major challenges in While the DCPS program has many strengths (e.g., stakeholder commitment and early involvement), to ensure success, DCPS
- improvements) and day-to-day tactical decisions (e.g., prioritization of enhancements and bug fixes) Diverging stakeholder perspectives on sources of value impede core strategic choices (e.g., approach to business process
- immature software to production that does not deliver incremental value to DDSs. Response to execution challenges has been to While current release plan and beta testing model are conceptually sound, execution has fallen short, resulting in deployment of continue going broad without maintaining high quality and full functionality, which has exacerbated change management challenges
- limited use of best practices from high performing DDSs) and missed opportunity to transform business operations "To-be" operating model not sufficiently detailed, leading to rework (e.g., handling multi-site DDSs), suboptimal system design (e.g.,
- requirements and design (e.g., fiscal, adult case management) Limited requirements demand management has resulted in lengthy, expensive design phase with continued major gaps in
- usability problems, though recent ODX / DUIT1 sessions are helping improve on this dimension Iterative engagement with users beyond the initial design phase has been limited and has resulted in substantial quality and
- Current program responsibilities and shared decision rights limit progress and efficient issue resolution (e.g., problem log prioritization) and have resulted in large program risks not being fully addressed (e.g., fiscal integrations, non-SSA workload)
- Management of primary vendor has not adequately shared risks across SSA and vendor
- For DCPS to achieve its potential, SSA will want to consider implement improvements beyond the currently contemplated
- Appoint a single accountable executive for DCPS, and centralize program management
- Re-align leadership and stakeholders on DCPS objectives and goals
- Adopt additional, select Agile practices (e.g., single backlog, team huddles) to strengthen alignment with the business
- process changes Accelerate resolution of the known open design questions and ramp up operational change management to account for business
- Update rollout plan to deliver operational benefits earlier, limit production impact and de-risk go-forward implementation
- Strengthen vendor management and align incentives to share risks with vendor
- Evaluate "next best alternative" to ensure optimal current path forward

#### Contents

- Context and approach
- Assessment findings
- Best practices recommendations

70	m	0	C	<b>8</b>	A	90
Evaluate implementation methodology	Assess program communications	Develop recommendations to improve organization and governance	Pressure-test program scope and requirements process	Evaluate contract management & oversight	Review project management approach	Objectives
• Proben	<ul><li>Con prac</li></ul>	■ Ider ind∟	<ul><li>Eva</li><li>and</li><li>Rec</li></ul>	Providadh	• Buil	Description
Provide feedback on implementation strategies, including sequence of delivering benefits, rollout plans and resource plans, based on best practices and experience with similar programs	Compare DCPS's internal and external communication practices with industry best practices, including formats, channels and content for each target audience	Identify potential enhancements to organizational structure and governance based on industry best practices and transformation case studies	Evaluate scope and requirements gathering process to test link between functionality and business value and ensure approach follows best practices Recommend options to de-risk, enhance and accelerate value	Provide perspective on SSA's proposed changes to contracting and vendor approach based on review of contract documents (e.g., terms), performance to-date (e.g., SLA adherence), alignment of incentives with key milestones and industry best practices	Build fact base to identify key strengths and gaps to project management best practices	iption

## CONTEXT AND APPROACH Project activities and timelines

Deliverables	Activities		
	<ul> <li>Gather and review key documents and data</li> <li>Identify points-of-contact for interviews and survey</li> <li>Setup initial interviews</li> <li>Setup weekly meetings</li> </ul>	Gather data; setup surveys and teams	Pre-work
Kick-off meeting (<10 = days after kick-off) = Kick off meeting summary (<5 days of kick off meeting) Baseline of program, performance and progress	Hold kick-off meeting to align on approach and gather initial perspectives Launch online survey Conduct interviews across stakeholders and roles to assess current state, scope, technical solution, and performance metrics Develop baseline on current state and proposed changes	Conduct survey and interviews; establish baseline of facts	Week1-2
Initial risk matrix Perspectives on how to improve the program Initial estimates of impact to help prioritize	Evaluate responses from survey and insights from interviews Build out the complete risk matrix with issues and options to mitigate Develop perspectives and improvement ideas for each program area Identify opportunities to improve benefits, cost, scope and schedule Estimate benefits and quantify impact	Develop preliminary view of major risks, issues, opportunities	Week3-4
Draft report (<40 adays after kickoff)	Use fact-base and cost benefit analysis to prioritize ideas Conduct problem solving workshops to test/improve ideas Assess feasibility of ideas and implications for implementation Synthesize the assessment and evaluation high points Draft the initial report Transfer knowledge and tools to SSA staff	Develop and prioritize recommendations; draft initial report	Week5-6
Copies of draft presentation materials (<49 days) Briefing held(<56 days) Final report (<60 days)	Finalize presentation material and report Conduct briefing on findings/recommendations Incorporate any feedback from SSA	Finalize report and conduct senior briefing on recommendations	Week7-8

#### CONTEXT AND APPROACH

## through interviews, DDS site visits, document reviews and a survey Over the past 8 weeks, stakeholders across DCPS have provided input

## More than 40 interviews completed

- Kirthi Anantharam
- Nancy Berryhill
- **Bridget Coale**
- Bill Cole
- Rachel Dumser
- **Emily Fertitta**
- Tracy Gaines
- **Emily Giles**
- Scott Gray
- Roseann Havens
- Raj Hegde
- Bill Hernandez
- Jim Kissko
- Rebecca Lamar
- Mary Lisa Lewandowski

- Michelle Minton
- Jean O'Connell
- **Greg Pace**
- Mukesh Patel
- Ann Robert
- Deb Sedwick
- **Bill Shoots**
- Glenn Sklar
- Mike Smith
- Pete Spencer
- Shirleeta Stanton
- Herb Strauss
- Jeff Visakowitz
- Laura White
- Bill Zielinski

DCPS

analysis

### More than 300 documents reviewed

- Architecture diagrams
- CBA and budget documents
- Contract and task orders for DCPS and ITSSC
- DCPS vision and assurances
- technical specifications Requirements artifacts, incl. to-be model, use cases,
- Org charts
- Problem log and workarounds
- Process documentation
- Release and rollout plans
- Risk logs
- Status reports
- Steering committee notes
- Surveys of DDSs (e.g., fiscal, state mandates)

independent Oxford benchmarks for large IT projects

## 3 DDS sites visited and DDS admins interviewed

- Visited DDS on-site in Missouri, New York and Idaho
- Interviewed steering committee members / DDS administrators from Maine, Texas and Nebraska

## Survey administered to 63 participants

- dimensions that indicate program success Administered 32 question survey across 10
- roles and organizations (e.g., ODD, ODS, OTSO, Lockheed, DDSs, Steering Committee) 75% response rate (48 out of 63 participants) across

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#### ASSESSMENT FINDINGS

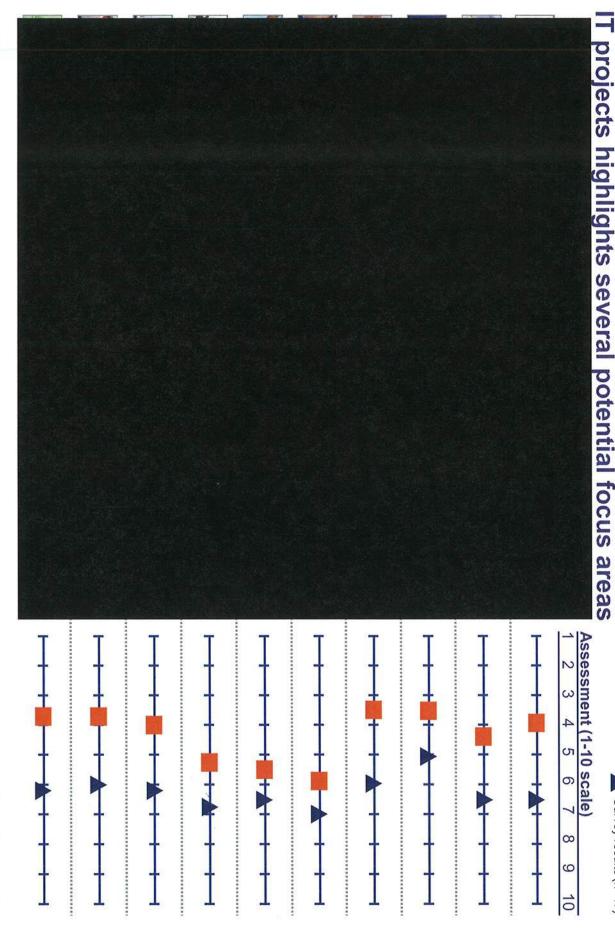
# The program's many strengths will provide the foundation for long term success

- DCPS has the potential to drive tremendous value (e.g., improve case processing quality, SSA's commitment to citizens for generations to come enhance customer service, and reduce administrative costs) by providing a platform supporting
- action where needed program's complexity, resulting in a desire to both understand potential risks and take corrective Stakeholder excitement and commitment are palpable and create acute awareness of the
- DCPS has commitment from the Commissioner as the agency's #1 priority
- claims processing system DDSs are excited by the vision for DCPS and have stacked hands in support of a common
- Across all stakeholders, there is broad agreement that the status quo is not sustainable
- Program set up was thoughtful and included the broad stakeholder community
- Significant time was invested upfront to gain buy-in from stakeholders through the vision, tobe model and cost-benefit analysis
- The program has been willing to course-correct when necessary, e.g. establishing DUIT and ODX sessions and revitalizing the steering committee to increase user involvement
- DCPS has taken a number of steps to mitigate risk inherent in large, complex programs
- Recognizing the need to solicit user feedback early and often, DCPS selected an iterative development methodology with rollout to Beta sites
- A thoughtful cross-section of DDSs were selected as Beta sites to gain insight into differences driven by legacy technology and operational processes

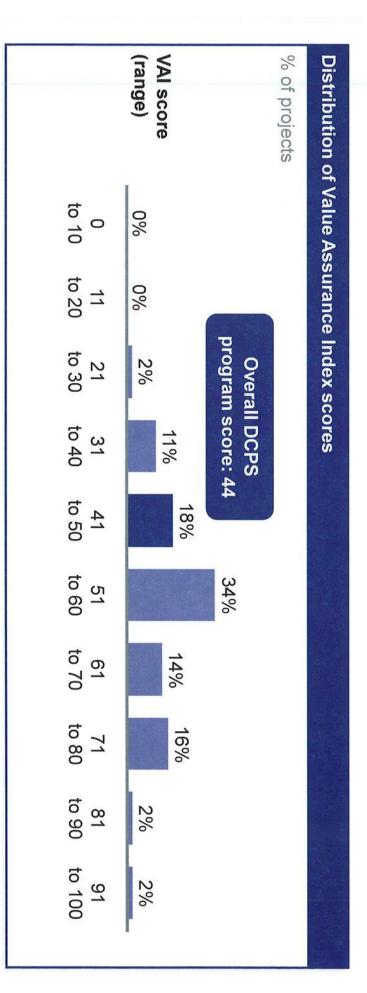
# Assessing DCPS against 10 success factors for large-scale

Independent analysis

Survey results (n=47)



# DCPS scores below average in Value Assurance Index



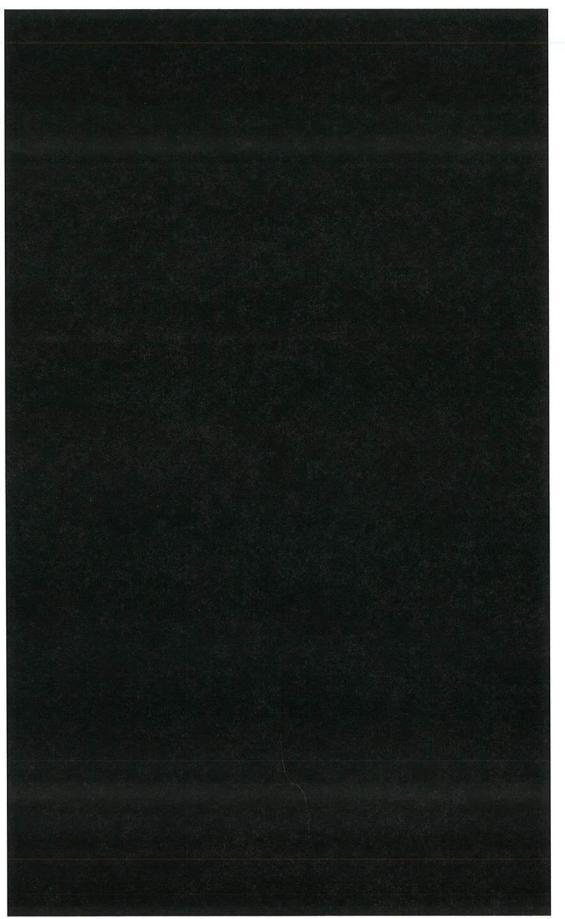
- Value Assurance Index measures project performance for a total of 100 points
- experienced practitioners VA Index measures key success factors based on extensive research, analysis, and judgment from
- other large projects The VA Index score can help calibrate on the relative level of performance for a project compared to

#### ASSESSMENT FINDINGS

# Summary of priority risks for the DCPS program

- Lack of alignment on priority sources of value impedes core strategic choices (e.g., approach to enhancements and bug fixes) business process improvements) and day-to-day tactical decisions (e.g., prioritization of
- While current release plan and beta testing model are conceptually sound, execution has fallen short, quality and full functionality, which has exacerbated change management challenges resulting in deployment of immature software to production that does not deliver incremental value to DDSs. Response to execution challenges has been to continue going broad without maintaining high
- 3 Lack of detail in the agreed upon "to-be" operating model leading to rework (e.g., handling multi-site missed opportunity to transform business operations DDSs), suboptimal system design (e.g., limited use of best practices from high performing DDSs) and
- 4 Limited requirements demand management has resulted in lengthy/expensive design phase with continued major gaps in requirements and design (e.g., fiscal, outsourcing, workflow)
- ၯ Insufficient iterative engagement with users beyond the initial design phase has resulted in substantial quality and usability problems, though recent ODX / DUIT sessions are helping improve on this dimension
- Fragmented responsibilities and shared decision rights limit progress and efficient issue resolution (e.g., problem log prioritization) and have resulted in large program risks not being fully addressed (e.g., fiscal integrations, non-SSA workload)
- 7 Risks are not adequately shared across SSA and vendor

## Successful programs align on specific value drivers and manage program directly to those benefits



### 1 Stakeholders have diverging perspectives on value drivers for DCPS

DDSs	SSA Leadership	CBA
<ul> <li>Increased productivity and accuracy, ability to share workloads, improved training and talent attraction</li> </ul>	<ul> <li>Reduced IT footprint and IT change management costs</li> <li>Transparency into data and better claimant experience</li> <li>Reduced management of complexity by building against common to-be model</li> </ul>	Reduced maintenance costs due to smaller IT footprint     Labor efficiencies due to reduced outage restoration and system training
<ul> <li>6 Goals are clear as to the need for a common system as an ultimate result. I do not believe that objectives are clearly understood</li> <li>6 DCPS creates an opportunity to be more productive. That is most important to me</li> </ul>	program: replace the DDS Legacy Systems with a centralized, common system. However, I don't believe there is a shared vision for concrete steps needed to achieve that goal  6 Code ownership is the largest source of value biggest benefit. It will unlock considerable efficiencies	Representative comments  CBA does not include quantification of DDS enhancements such as reducing processing time, increasing productivity (e.g., completing more cases in a year), or improving quality

## Broad rather than complete release strategy frustrates users

Percent 0-25% 51-75% complete 26-50% 76-100%

Delivered functionality by business function, case type and scoped release

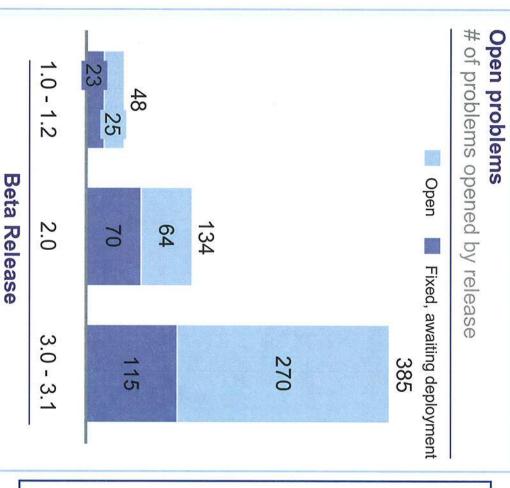
Other<sup>2</sup> recons<sup>1</sup> recons CDR **CDRs** recons initials, Child Adult initials Adult type Case **Business function** Intake Beta 1.2 79% addition of new functionality (e.g., child cases) DDSs are asking for more robust capabilities within functionality that has already been delivered rather than Beta 2 Assign 70% determ-Beta 2 ination) (incl. Analyze 61% Planned for Release 1 Beta 1.2 Planned for Beta 7 MER Planned for Beta 6 Planned for Beta 4 44% Beta 1.2 SE 58% Beta 1.2 Fiscal TBD Internal QA Beta 2 19% Beta 3 Federal QA 35% Beta 7 ned for Plandule Schehearing spon-Beta 2 dence Corre-TBD Beta 4 3 TBD Beta 1.2 Admin 62%

1 Percent complete not calculated as recon requirements largely included with Initials

2 Non-SSA, paper, informal remands



## 2 Delivering broad functionality limits capacity to address gaps, resulting in growing backlog of problems

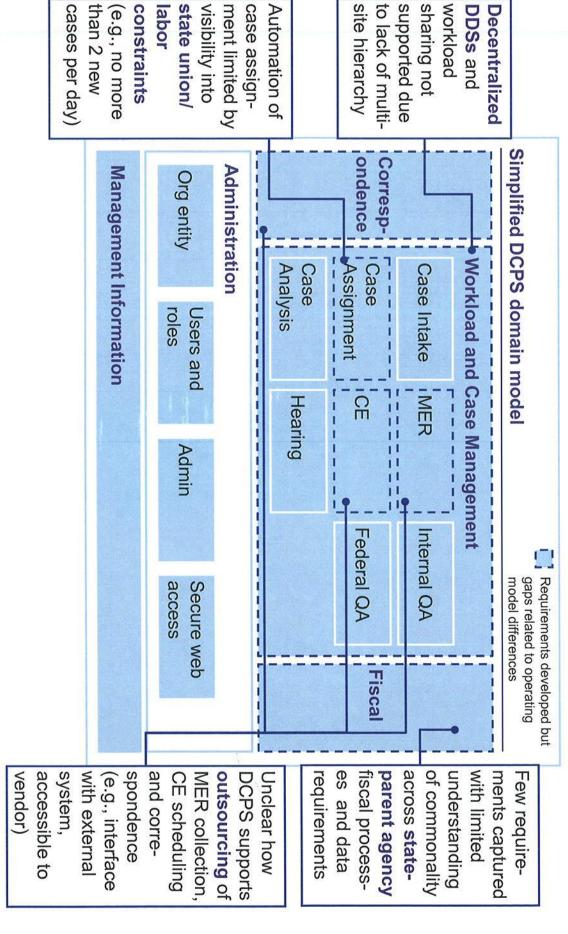


- As of Beta release 4, more than 380 problems<sup>1</sup> will still be outstanding
- Because problems are evaluated on criticality alone (rather than both criticality and ease of implementation), many of these problems are low priority but likely simple fixes that offer quick wins to the program, e.g.:
- User should be able to hit the ENTER key to activate the "Submit" button function.
- Show identifying case information (e.g., Claimant SSN, Claimant Name) in the browser bar

1 Based on 567 open problems and plan to incorporate 180 in Beta release 4.0

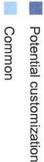
#### TO-BE PROCESS

## Gaps requirement can be attributed to limited detail in high-level to-be model



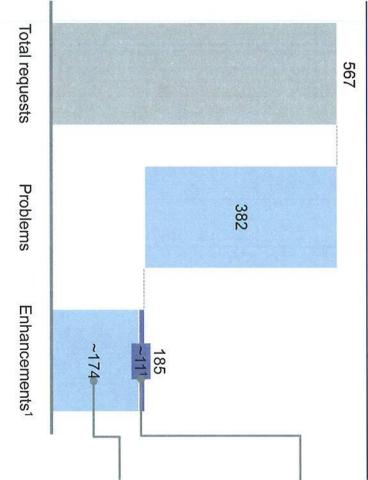
## State-specific customization has been managed successfully for delivered functionality





ID1377: Currently the Intent Form and the CE Report

Customization example



## Release Authorization both go into the CE Acknowledgement queue under the CE Appointments dashboard. MO would prefer if they went into two separate queues. In addition, once the user opens and views either form, they drop off of that queue. For the CE Report Release Authorization, MO needs those to stay in the queue until the user removes them. The majority of them are returned several days to weeks prior to the exam, and the user does not need them until the actual CE is returned.

#### Common issue example

ID1196: Allow users to expand or resize text boxes that contain a lot of texts to show more lines for reading convenience.

Specifically for items which hold a large amount of characters (i.e. FedQA, RPC rebuttals, etc.).

A good example is the PRT form in eCAT.

Based on requests captured in problem log, state-specific customization represents less than 2% of DDS requests

and usability issues (e.g., default office checkbox if user assigned to one office, prevent entering dates if eCAT denied) Requests typically fall into 2 categories: inconsistencies within DCPS (e.g., consistent claimant header on multiple pages)

Initial analysis of technical specs reveals a similar level of state-specific customization, based on 300-500 specs (2-3% of total technical specs) with "per DD component" language

1 Based on sampling of 50 enhancements from single site

## 4 Known state-specific requirement gaps will drive growing complexity going forward

#### Known gaps

#### **Fiscal**

#### Sources of complexity

- Up to 67 different processes and system interfaces defined by each state
- Limited knowledge of legacy interfaces within DDS and state

#### Correspondence

- Number and variation of state-specific letters range from 10s to 1,000s across 61 DDSs
- Business process constraints imposed by external stake-holders (e.g., batching of faxes to providers, invoice number for state fiscal process)

#### Estimated to drive 2x to >2.6x requirements

### Requirements granularity makes it difficult to engage users in shaping DCPS

#### Comparison of Agile & DCPS requirements artifacts Agile best practice DCPS SMEs involved

not aligned with Agile, e.g.,

DCPS requirements are

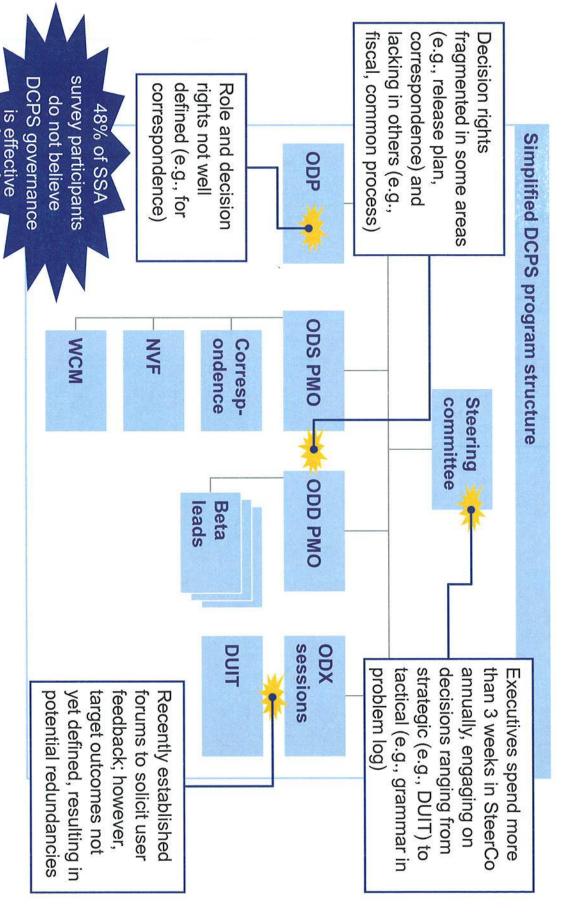
(4-12 per story) (1-6 per epic User Story (10s-100s in total1) Epic User Task Work element to be executed Specific requested feature by the IT team, expressed Customer request restated written by business team in technical terms business terms written by IT teams in Customer vision of system in development written by IT in business terms Not captured specs model Technica To-be Use cases SMEs only engaged in Lack of user story Variations of operating and prioritize tradeoffs specifications, limiting and use cases ability to identify gaps highly technical SMEs to engage on equivalent requires between to-be model models not captured high level definition

established for clear criteria have been participants agree that Only 23% of survey requirements incorporating end user

<sup>1</sup> Depends on overall size and complexity of system

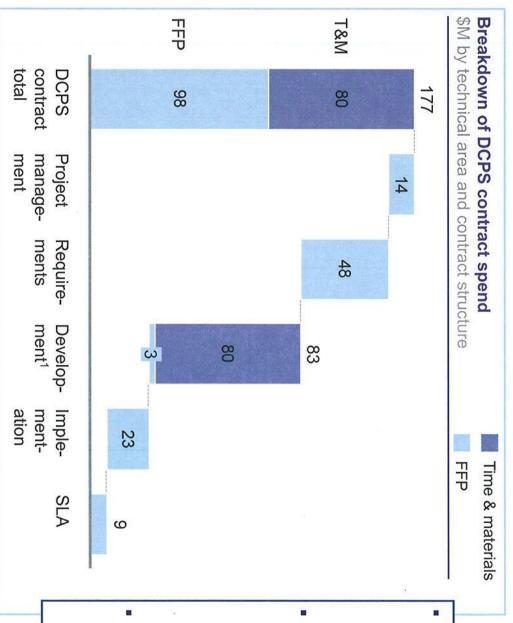
<sup>2</sup> Takes the form <Actor> <performs action> <for the benefit of ...>

## Decision rights across DCPS stakeholders are not well defined, resulting in redundant decisions and lack of end-to-end accountability





## T&M task orders for DCPS development have not effectively shared risks across SSA and vendor



- For complex programs like DCPS, T&M development contracts do not incent vendor to manage complexity (e.g., schedule overruns, scope creep, over-engineering)
- As a result, burden shifts to SSA for more rigorous performance management; yet, current TOs do more to outline specific performance/ quality targets (e.g., 0 critical problems at deployment) to offset financial risk-sharing
- Typically, the purpose of a detailed requirements phase is so development can be issued as firm fixed price

1 Includes validation

## be sufficient to address priority challenges DCPS is facing Contract change and moving to SSA as integrator may not

Does not fully address



Fully addresses



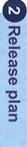
Alignment on sources of value



Does not address

as lead integrator will address challenge

Degree to which switch moving to ITSSC with SSA





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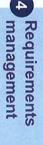
To-be operating

model



SSA lacked control previously)

May offer SSA more control (though not clear





Does not address

address most

challenges identified,

vehicle will not directly

Change in contract

May offer SSA more control in ITSSC task



5 User engagement

6

decision rights

Responsibilities and

orders to ensure users more actively at the May offer SSA more control in ITSSC task requirements gaps orders to manage demand and close



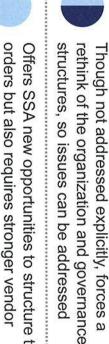
responsibilities and engagement and management, user requirements demand opportunity to improve but could provide an

decision rights



orders but also requires stronger vendor management Offers SSA new opportunities to structure task

7 Vendor management



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# Summary of best practices recommendations for DCPS (1/2)

#### A program management

#### Recommendations

- a Select single executive leader with end-to-end accountability (and associated authority) for delivering DCPS, and build integrated program team, including vendor management
- **(b)** Establish SSA operating committee with executive leadership and refine decision rights for steering committees and program team

Re-align on
B DCPS
objectives and
goals

- (c) Re-align executive stakeholders on DCPS objectives and goals
- **@** Update CBA with comprehensive benefits case and economic model and incorporate cost estimates from program reset

Adopt
additional Agile
practices to
strengthen
alignment with

the business

- (e) 0 Create product owner role for each DCPS component to prioritize requirements and Implement select Agile tools including: single repository for prioritizing requirements problems and enhancements ("backlog"); visual board with burndown chart; etc establish release acceptance criteria
- (e) Institute shorter development cycles ("sprints") with frequent checkpoints to de-risk releases and provide responsiveness to user priorities (e.g., workarounds)
- (E) Stand up model office at HQ to facilitate validation and requirements gathering between SMEs and vendor

# Summary of best practices recommendations for DCPS (2/2)

#### U account for management to Ramp up change operational

#### Recommendations

- - Accelerate resolution of the known open design questions and further define to-be model, emphasizing best practices at highest performing sites

changes

process business

 $\subseteq$ Focus more effort and resources on change management plans to ensure approach meets end user needs communications (e.g., message, channel) align with stakeholder objectives and training

Ш operational implementation de-risk plan to deliver Update rollout benefits and

3  $\subseteq$ **(** Update rollout plan to deploy DCPS to remaining DDSs after release 1.0 in short waves of Prioritize deployment of high quality end-to-end capabilities over new capabilities for De-risk rollout schedule by addressing customization efforts in advance (e.g. fiscal) when software delivers business value future releases and only rollout additional functionality to DDS production environments

Strengthen vendor

- and align incentives management
- 3 Define go-forward contracting approach

similar DDSs to simplify go-forward implementation effort

- П 0
- vendor management cadence Incorporate performance metrics and risk sharing elements into contracts, and stand up
- G best alternative" Evaluate "next

6 Evaluate "next best alternative" to the optimized current path forward, including COTS options, in terms of functionality, architectural flexibility, cost, schedule, and risk

# Example timeline to rollout recommendations



Strategic decisions	Vendor mgmt	Rollou t	Ch m	ange gmt			۵ gile	Bene- fits	Pgm mgmt		
Evaluate "next best alternative"					for	V	Define success criteria for R4, and establish		Select executive program leader & product owners		Jun Jul
	Define go-forward contracting approach, including RFP if needed Incorporate performance metrics & risk-sharing into contracts Stand up vendor management cadence	Res rele qua	Ramp up operational change management	Leverage DUIT to Resolve operational identify req gaps decisions in Steerco	forward decision	Stand up model office to facilitate	Implement story points, acceptance criteria and daily stand-ups	Update CBA to focus on highest business value drivers; incorporate cost estimates from program reset	Refine governance, including new SSA operating committee		Aug Sep
	oach, including RFP if need risk-sharing into contracts ence	Rescope near term releases to deliver high orderin quality initials/recons rollout	gement	10000		testing	eptance	usiness imates	Stand up and staff integrated progran structure, and build team capabilities		p Oct
	ed	Tweak rollout groups and ordering and communicate rollout timelines to DDSs		Deploy team to DDSs to uncover additional decisions and incorporate into design		releases	Define iterative sprint model, including estimation of		and staff integrated program team , and build team capabilities	•	Nov

# Overview of program management best practices

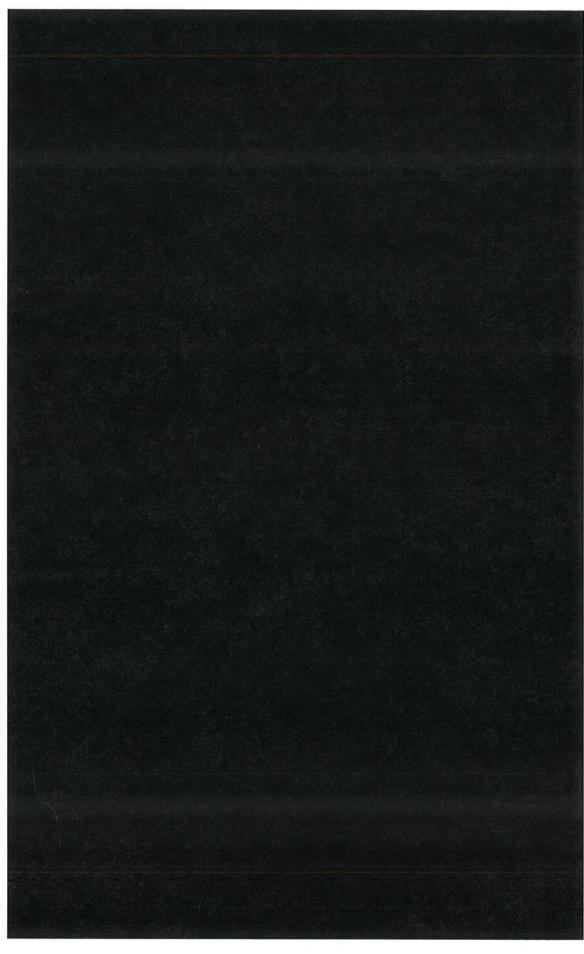
#### Recommendations

- a Select single executive leader with end-to-end accountability (and associated authority) for delivering DCPS, and build integrated program team, including vendor management
- b Establish SSA operating committee with executive leadership and refine decision rights for steering committees and program team

#### Details

- Single accountable leader should have large program experience and be able to build credibility across systems and operations/DDS community
- Decision rights should be clearly defined across executive steer co, DDS steer co and integrated program team

## a Establishing an integrated DCPS program team would clarify responsibilities and improve communication



## DCPS program executive should have large program experience and be able to build credibility across systems and operations/DDS community

#### Responsibilities

- Ultimate responsibility for end-to-end delivery of DCPS program
- Ensures program objectives are met, and that decisions and issues are resolved in a timely manner
- Resolves escalated issues
- Lends credibility to DCPS program team by engaging with and managing relevant stakeholders (i.e., ODS, ODD, DDSs, etc), including facilitation of Steerco meetings
- Serves as a gateway to the ODS and Operations/DDS leadership
- Syndicates and aligns work with external stakeholders
- Authority over program team oversees and manages all workstream leads that are responsible for project delivery
- Approves program risk response plans

### Required skills/capabilities

- Confident and capable of engaging with executive leadership
- Experience leading large IT implementations or large operational transformations
- Excellent credibility, relationships and experience with Systems, Operations and the DDSs
- Ability to work across functional areas to develop relationships, break down barriers and manage project delivery
- Some content expertise in critical program areas (i.e., application development, DDS operations)
- Relevant project management skills/expertise to ensure program success

## Program team should escalate execution issues to SSA operating committee and strategic decisions to DDS steering committee

### SSA Operating Committee

- SSA executives, incl:
- DCPS sponsor
- Operations
- Systems
- Finance
- Biweekly meeting cadence

### **DDS Steering Committee**

- DDS participants, incl:
- Select administrators
- Regional reps
- Operations leadership
- DCPS executive
   2-day quarterly F2F

Program execution issues e.g., vendor strategy, program timeline & budget

Strategic and DDS strategic end state

processes, roll-out

#### Integrated program team

- DCPS program executive and cross-functional teams, incl:
- Product owners and teams for sub-projects
- Support functions (e.g., vendor management, change management)
- Involved in day-to-day program execution

## Decision rights should be clearly defined across executive steer co, DDS steer co and integrated program team

	Core decisions	Subset of relevant program areas
Executive	Strategic direction of DCPS	<ul> <li>Sources of value and strategic objectives for DCPS</li> <li>Significant course corrections or changes in direction (e.g., official transition date, shift to COTS solution)</li> </ul>
Steel CO	External communications	<ul> <li>Approval of program plan and other external communications, incl. vision, CBA, budget, schedule, etc</li> </ul>
DDS steer	Near term and long term DDS operations	<ul><li>Definition of to-be model, incl. common vs. state-specific processes</li></ul>
CO Steel	How/when to engage DDSs and end users	<ul> <li>DDS and user communications (e.g., channels, messaging)</li> <li>Implementation plan (e.g., Beta rollout, 8 groups of DDSs)</li> <li>Role of SMEs/end users in program lifecycle</li> </ul>
	How to execute against Steer Co decisions	<ul> <li>Creation and maintenance of CBA</li> <li>Specific scope decisions, incl. identification of problems/new requirements and prioritization</li> </ul>
program	Day-to-day program management	<ul> <li>Release planning and acceptance criteria</li> <li>Procurement and vendor management</li> <li>System architecture and selection of technology</li> </ul>
Requires ir SMEs ensu	Requires integration of DDS SMEs ensure outcomes align with	<ul> <li>Project management approach (e.g., budget and schedule management, resourcing, incident management, testing)</li> </ul>
incident ma	user needs (e.g., prioritization, incident management)	PRE-DECISIONAL, CONFIDENTIAL AND PROPRIETARY
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# Overview of value driver alignment and CBA best practices

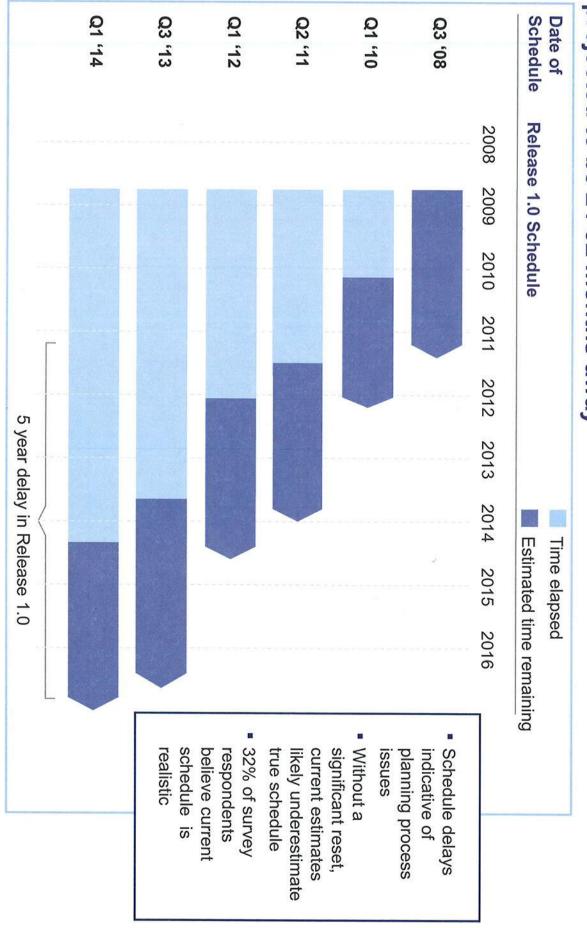
#### Recommendations

#### Re-align executive stakeholders on DCPS objectives, goals, and benefits

#### **Details**

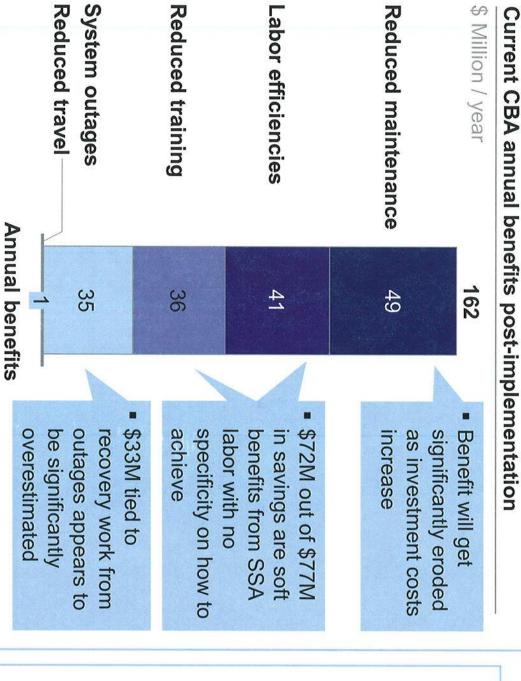
- Establishing a program "north star" to drive core strategic choices (e.g., approach to business process improvements)
- Update CBA with comprehensive benefits case and economic model and incorporate cost estimates from program reset
- Establishing a comprehensive CBA will enable better tradeoff decision making, while aligning on new cost estimates will ensure better budgeting and optimal resource allocation

# For past 5 years, Release 1.0 consistently projected to be 24-32 months away



#### SOURCES OF VALUE

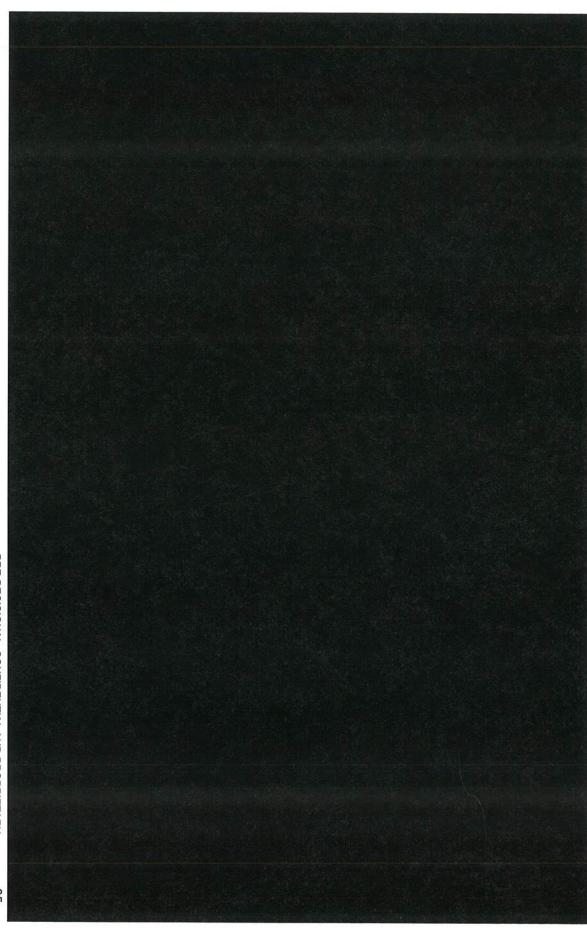
## Current CBA does not provide a foundation to guide DCPS program planning and decisions



- value design to should be more A business case to guide solution opportunity to use exercise. It's an than a financial maximize program benefits analysis
- Benefits should be desired benefits captures, the ultimately designs to, and specific to ensure the program team

# In addition, the CBA lacks robust estimation of development costs

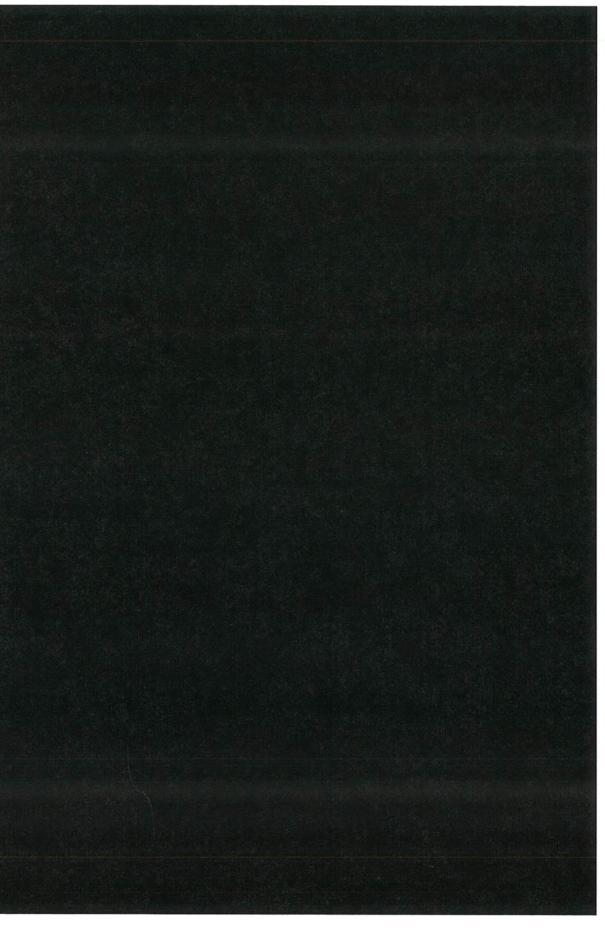
## CBA should identify specific and measurable benefits linked to required technical and operational capabilities



# Overview of selected Agile best practices

Recommendations	Details
Create product owner role	<ul> <li>Establish integrated product team with product owner for each sub-project</li> </ul>
f Implement select Agile tools	<ul> <li>Implement a backlog to manage and prioritize requirements, problems and enhancements</li> <li>Use visual board with burndown chart, team</li> </ul>
	collaboration
Shorten development cycles	<ul> <li>Develop in "sprints" with frequent checkpoints to de-risk releases and increase responsiveness to workarounds</li> </ul>
n Create a model office	<ul> <li>Stand up model office at HQ to facilitate validation and requirements gathering between SMEs and vendor</li> </ul>

# Large scale projects often face challenges implementing Agile



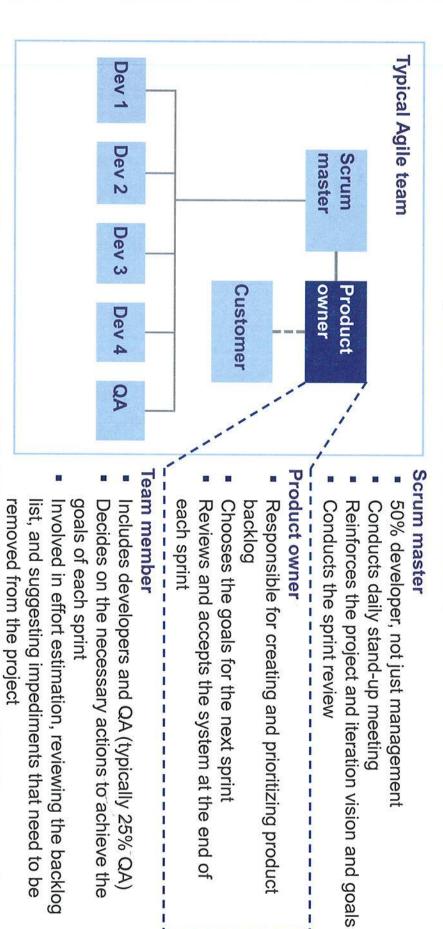
## and practices that address core program challenges DCPS should implement a subset of Agile principles

• M	■ U		• P	• P	• D	• M				d. ↓	- C	<ul><li>B</li></ul>	in	Supp	
Modular design and reuse	Undifferentiated roles on development team	End of sprint checkpoints	Pair programming	Poker planning	Daily stand-ups	Multiple, short time- boxed iterations	Limited detail in design	requirements (e.g., tasks)	Few detailed	Visual boards & burndown charts	Co-location	Backlog	Product owner & integrated teams	Supporting tools	
Z		ક <u>ક</u> ્યુ						<b>s</b> ;						Current	DCPS methodology
Z		Z			1	<u>.</u> [<				<b></b>		<	्र	Proposed	dology

SELECT AGILE PRACTICES

Several public sector agencies have successfully delivered their large IT projects by implementing select Agile practices

# Establishing product owner to make prioritization decisions enables faster incorporation of user feedback



- authority to make scope decisions for each sprint Product owner is an integrated member of delivery team and has
- incorporation of customer feedback to be done in parallel Integrated business-IT team enables development, testing, and

# Product backlog provides single repository for prioritizing requirements, problems and enhancements

### Overview of product backlog

#### Description

Listing of business requirements, including narratives (e.g., user stories), problems/enhancements and technical requirements, that describes full scope of functionality, prioritizes features and captures dependencies

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#### Steps for managing

- Capture business requirements, problems and enhancements in backlog
- Prioritize items from most to least critical based on alignment with business value drivers (e.g., increase productivity)
- Identify technical or business dependencies for prioritized capabilities
- 4. Reprioritize, if needed, based on dependencies
- 5. Develop release plan based on prioritization

# Principles for successfully managing product backlog

- Single repository of requirements and problems; for large projects, multiple backlogs may exist for each high level business feature (e.g., epic)
- No distinction between existing requirements, new requirements or defects
- Product owner has sole responsibility for managing backlog, including capturing and prioritizing requirements with input from end users

## Visual boards are the primary tool for tracking the team's progress during the development sprint

#### Visual board

Not Started         Development         Testing           1.12         1.11-1.15 [Developer)         1.2.1 [Developer)           13.111-13.27         1.2.29 [Developer)         1.2.2-1.2.4 [Developer)           13.111-13.27         1.2.30-1.2.32 [Developer)         1.2.5-1.2.5 [Developer)           13.[Developer)         1.2.5-1.2.5 [Developer)           15.[Developer)         1.2.7 [Developer)           15.[Developer)         1.4 [Developer)           17.[Developer)         1.11 [Developer)           13.[Developer)         1.2.1-1.2.17 [Developer)           14.[Developer]         1.2.1-1.2.17 [Developer)           15.[1-16.110 [Developer]         2.1.1-1.2.17 [Developer]           16.1.1-16.110 [Developer]         2.25	Development	Z of	Story Points:			,											
	In Progress  Testing  1.2.1 (Developer)  1.2.5 - 1.2.5 (Developer)  1.2.5 - 1.2.5 (Developer)  1.2.7 (Developer)  1.2.8 - 1.2.28 (Developer)  1.4 (Developer)  1.11 (Developer)  1.2.11 - 12.17 (Developer)  25	iix	10											13.1.11-13.2.7	1.12		Not Started
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	TAU TAU	27%	25					12.11 - 12.17 (Developer)	1.11 (Developer)	1.4 (Developer)	1.2.8 - 1.2.28 (Developer)	1.2.7 (Developer)	1.2.5 - 1.2.6 (Developer)	1.2.2 - 1.2.4 (Developer)	1.2.1 (Developer)	Testing	In Progress
Completed  0 0 2		1005	93														

Visual boards increase visibility into team members' performance and surface potential roadblocks

- Outlines tasks for the current release by owning team member, status (e.g., in progress, on hold) and level of complexity (as story points)
- Summarizes status of backlog tasks each team member to show week over week velocity

# Visual boards can easily be constructed from information already captured during the development process

1 Assemble Backlog

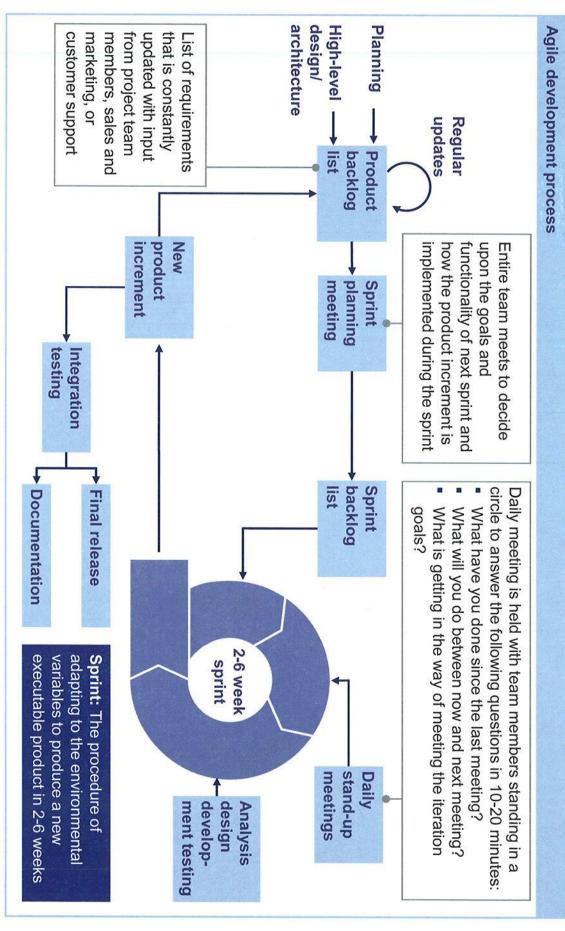
- 2 Assign owners & deadlines
- 3 Generate visual board & burndown chart

- Assemble Backlog during Definition phase to track business capabilities
- Incorporate technical requirements and estimate level of effort
- Prioritize based on business priorities, level of effort and sprint duration
- Disaggregate capabilities into tasks and assign owners during sprint planning session
- Estimate end date based on priority, effort and dependencies
- Capture tasks, owners and end dates in visual board template
- Burndown charts allow the entire team to monitor how delivery is tracking against the plan on a daily basis
- This view highlights the 2 primary drivers of project slippage: Misestimating the time required to complete units of work Roadblocks and dependencies that lead to rework and delays

should be collected during earlier phases of the development cycle Visual boards and burndown charts can be created for "free" using information that

#### SIMPLIFIED VIEW

# Iterative development with short cycles between production releases accelerates product design convergence



# Model office provides environment for SMEs and developers to align on issues and develop path forward

### Overview of model office

#### Description

Dedicated test environment for performing operational dry runs with production data and dummy interfaces to external systems (e.g., fiscal)

- Allows developers and analysts to observe issues firsthand, reducing lead time and need for documentation
- Supports troubleshooting of production issues, including system and operational problems

Benefits

- Enables robust dry run testing prior to rollout at Beta sites
- Offers forum for training change agents and super SMEs on system and business process changes prior to nationwide rollout

#### Success factors

- Ensure **SME availability** to operate model office (e.g., detailees for DDSs, OCO, FEU)
- Make model office accessible to developers as well as SMEs
- Procure space located close to developers (e.g., in Operations building at HQ)
- Create dedicated environment loaded with production data

# Overview of change management best practices

#### Recommendations

Accelerate resolution of most critical open design questions

#### Details

- Leverage DUIT to identify requirements gaps based on DDS operating models
- Raise priority operational questions to Steering Committee to make tradeoff decisions (e.g., statespecific vs. common)
- Incorporate DDS best practices by identifying states with higher productivity, higher accuracy and lower administrative costs
- Deploy taskforce to each DDS to:
- Pressure-test requirements gaps identified from operating models
- Perform deep-dives on known gaps (e.g., fiscal) to identify additional questions
- Understand best practices driving DDS performance
- Focus more effort and resources on change management
  - Incorporate specific messaging, timing and channels in communication plan to address user-related objectives
- Develop training plan for nationwide rollout tailored to needs of end user segments

## DCPS should focus on process design, communications, Mechanisms in place and training to ramp up change management Opportunity for improvement

Assessment of current state Details follow



- Captured in as-is and to-be models
- Make targeted business process improvefrom highest performing sites questions and incorporating best practices ments by answering key operational
- 🤯 ᢆ■ Developed for DDS steering committee and end user community
- Opportunity to more clearly define messages to end users and create two-way dialogue
- changes and nationwide rollout plan Need for broader training plan, incl. channels and materials, based on core process
- Commissioner has publicly stated that DCPS is top priority for agency
- within DDSs Beta sites and DUIT create change agents
- ATE prepares users for go-live
- Establish model office to conduct simulations before go-live

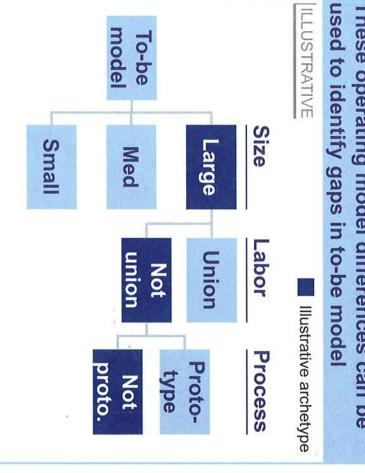
✓ ■ Go-live support through user guides and problem log and directly from vendor

# Identifying core operating model differences across DDSs could facilitate identification of requirements gaps

#### along at least 4 core dimensions DDS operating models differ

- Technology
- Core legacy system (e.g., Iron Data)
- DDS size and structure
- Centralized vs. decentralized DDS
- Specialization of work
- State structure
- Union/labor rules
- State-parent agency
- **Business process**
- Non-SSA workload (e.g., Medicaid)
- Outsourcing of business processes
- Prototype vs. non-prototype DDS

# These operating model differences can be



#### Next steps

- Identify common operating model dimensions and classify DDSs against dimensions
- business knowledge and DDS visits Create SME taskforces to identify relevant gaps in to-be model based on deep
- Ensure any requirements gaps are incorporated in system design and development

## Resolving critical questions for areas with known requirements gaps could reduce system complexity

The same of the second	
Known gaps	Subset of critical questions
Fiscal	<ul> <li>Should DCPS integrate with 54 different systems and processes or consider alternatives (e.g., central fiscal)?</li> </ul>
Correspondence	<ul> <li>How much freedom will DDSs have to edit/author correspondence?</li> <li>Should printing services be centralized?</li> </ul>
M	Will DDSs have access to ad hoc reporting functionality?
Non-SSA	What non-SSA workloads will DCPS support (e.g., Medicaid only)?
workload	How will these workloads be supported in the future?
Other	What other major differences are there between DDSs that should be accounted for upfront?

#### Next steps

- Deploy small requirements team to visit each DDS, understand current operations in areas with known gaps, and identify questions/critical decisions to be made
- Present questions to steering committee and make trade-off decisions around minimizing complexity vs. supporting existing DDS business processes

# Go-forward plan for fiscal should be determined based on tradeoffs between reducing system complexity and meeting state-specific needs

#### Options

## A. Single central fiscal processing

 Single fiscal interface and single fiscal process

## B. State-specific fiscal interfaces &

54 distinct fiscal interfaces and processes

#### Considerations

#### Cost impact

Investment and run-rate cost of option

#### Schedule impact

Time to implement option

#### Technical complexity

Complexity of solution architecture (e.g., lines of code, number of interfaces)

### Change management difficulty

 Degree of process and/or technical changes required to implement option

#### State control

 State control over fiscal interface and payment process

#### Risks

Additional risks

- difficult change management effort and simpler, likely lower cost solution The decision between central and state-specific fiscal involves a tradeoff between a
- schedule impact of options To establish best approach, SSA would benefit from understanding high level cost and

# Centralization of correspondence creates tradeoffs among technical complexity, process change and compliance

#### Options

#### No commonality

Each DDS have customized correspondence with full authoring rights

#### B. Common layouts

Common template layout for correspondence

## correspondence Common policy determined content

 Common specific sections on a letter by letter basis

### Majority of content common

Most content common except DDS specific headers, footers, etc.

### Common correspondence

All correspondence common across
DDSs

#### Considerations

#### Cost impact

Investment and run-rate cost of option

#### Schedule impact

Time to implement option

#### Technical complexity

Complexity of solution architecture (e.g., lines of code, number of interfaces)

### Change management difficulty

Degree of process and/or technical changes required to implement option (e.g., import existing letters)

#### Compliance

Level of policy compliance enforcement

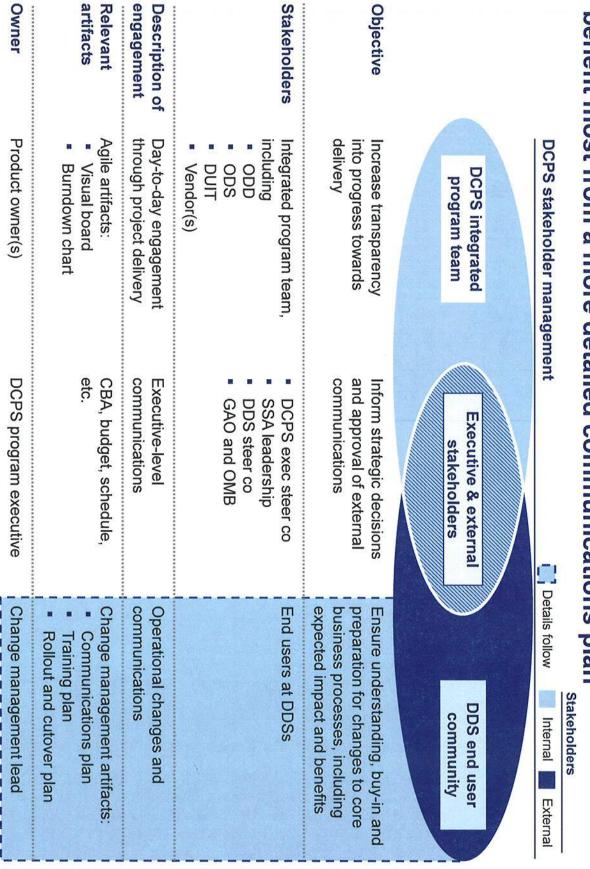
#### Risks

Additional risks

# Very preliminary, high level analysis suggest current path may be suboptimal

- To establish best approach, SSA would benefit from understanding:
- High level cost and schedule impact of options
- Extent of policy non-compliance today

# Across the DCPS stakeholder community, end users would benefit most from a more detailed communications plan



# Using stakeholder management templates ensures messages, ILLUSTRATIVE channels and timelines target specific communication objectives

	Service in Service		ation object	2000
		Communication		
Objective	Messages	channel	Projected date	Owner
Increase transparency into		E.g., Email,	E.g., May15,	E.g., DDS
Inform end users of		(D	2014	administrators,
upcoming release, including		communication,		DCPS program
timeline, training and		workshop		team, SSA
expected functionality				executive
				leadership
		Completing a stakeholder	der	
Solicit feedback on DCPS	:	management template could improve end user communic	plate could	:
tunctionality		by:		
Increase buy-in to DCPS	•	<ul> <li>Defining messages and channels around specific</li> </ul>	and ecific	:
vision and program		stakeholder objectives	/es	
Foster understanding of	•	<ul> <li>Ensuring end users are engaged in a two-way dialogue</li> </ul>	are ay dialogue	
upcoming business process		with the program		
changes		<ul> <li>Establishing a clear</li> </ul>	clear owner and	
		timeline for each message	essage	
Telle				
	1		The second second	-

# DCPS should develop a training plan that tailors content and delivery to the needs of distinct end user segments

#### What it is

process before go-live The plan for training end users on the new system, its features, and any implied changes to the business

# ROLLOUT STRATEGY Overview of rollout best practices

Recommendations	De	Details
Reprioritize end-to-end capabilities over new functionality	•	Prioritize deployment of high quality end-to- end capabilities over new capabilities and delay rollout to additional DDS production environments until software has matured
Address customization in advance of rollout		De-risk rollout schedule by addressing customization efforts in advance (e.g., fiscal, correspondence, MI)
Begin rollout after release     1.0 and group DDSs by similarity	•	Deploy DCPS to remaining DDSs in short waves of similar DDSs post release 1.0 to simplify go-forward implementation effort

remains the same

#### ROLLOUT STRATEGY

# Group similar DDSs together; existing groups can be merged and reordered to archive simpler implementation

Groups	State	Region	Size	System	Central	Labor	Process
	<ul> <li>New Mexico</li> </ul>	<ul><li>Dallas</li></ul>	<ul><li>Small</li></ul>	• IDS	• Yes	• Yes	<ul><li>Standard</li></ul>
	<ul><li>Kansas</li></ul>	<ul><li>Kansas</li></ul>	<ul><li>Small</li></ul>	<ul><li>IDS</li></ul>	<ul><li>Yes</li></ul>	<ul><li>Yes</li></ul>	• SDM
	<ul><li>Montana</li></ul>	<ul><li>Denver</li></ul>	<ul><li>Small</li></ul>	<ul><li>IDS</li></ul>	<ul><li>Yes</li></ul>	<ul><li>Yes</li></ul>	<ul><li>Dev. / standard</li></ul>
	<ul><li>Wyoming</li></ul>	<ul><li>Denver</li></ul>	<ul><li>Small</li></ul>	• IDS	<ul><li>Yes</li></ul>	• No	<ul><li>Standard</li></ul>
1	<ul><li>Oregon</li></ul>	<ul><li>Seattle</li></ul>	<ul><li>Small</li></ul>	• IDT	<ul><li>Yes</li></ul>	• No	<ul><li>Standard</li></ul>
and I	<ul><li>Maine</li></ul>	<ul><li>Boston</li></ul>	<ul><li>Small</li></ul>	• IDT	<ul><li>Yes</li></ul>	<ul><li>Yes</li></ul>	■ SDM
alla	<ul><li>Delaware</li></ul>	Phila.	<ul><li>Small</li></ul>	Midas	<ul><li>Yes</li></ul>	• No	<ul><li>Standard</li></ul>
2 dhoin	<ul> <li>North Carolina</li> </ul>	<ul><li>Atlanta</li></ul>	<ul><li>Medium</li></ul>	<ul><li>IDS</li></ul>	<ul><li>Yes</li></ul>	• No	<ul><li>Standard/SDM</li></ul>
	<ul><li>lowa</li></ul>	<ul><li>Kansas</li></ul>	<ul><li>Medium</li></ul>	• IDS	<ul><li>Yes</li></ul>	<ul><li>Yes</li></ul>	<ul><li>Standard</li></ul>
	<ul><li>Wisconsin</li></ul>	<ul><li>Chicago</li></ul>	<ul><li>Medium</li></ul>	• IDT	<ul><li>Yes</li></ul>	• No	<ul><li>Standard</li></ul>
	<ul><li>Florida</li></ul>	<ul><li>Atlanta</li></ul>	<ul><li>Large</li></ul>	• IDT	• No	<ul><li>Yes</li></ul>	<ul><li>Standard/SD</li></ul>
	<ul> <li>New Jersey</li> </ul>	<ul><li>New York</li></ul>	<ul><li>Large</li></ul>	• DT	· Zo	<ul><li>Yes</li></ul>	<ul><li>Standard</li></ul>

Consolidate groups to rollout by similarity (e.g., small states together), while maintaining buy-in from volunteered DDSs

# Overview of vendor management best practices

#### Recommendations

 Define go-forward strategy and then change contracting vehicle, if needed

#### Details

- Select single or multi-vendor strategy based on desired risk profile
- existing vehicles or issue new RFP
- Leverage best practices for transitioning knowledge and talent from vendor
- Incorporate performance metrics and risk sharing elements into contracts and stand up vendor management cadence
  - Utilize hybrid contract vehicle to incent vendor performance
- Incorporate metrics that measures productivity, quality and stand up a regular cadence of review

# n Three primary options to consider for go-forward vendor strategy (1/2)

	w	N	_	
<ul> <li>In all options, SSA v</li> <li>All options assume solution. If SSA mover change accordingly</li> </ul>	Move to new single vendor	Move to multiple vendors	Extend current vendor	Approach
In all options, SSA would take a stronger management role to oversee the program All options assume optimization current path of creating a custom disability claims solution. If SSA moves to a COTS solution the vendor strategy would need to change accordingly	<ul> <li>Bid full DCPS systems integration effort competitively, likely among ITSSC vendors, and select a single vendor to deliver program</li> </ul>	<ul> <li>Divide project to ITSSC swim lanes for development, requirements and validation</li> <li>Consider maintaining current vendor as integration PMO support</li> </ul>	<ul> <li>Extend the current systems integration vendor, likely through the ITSSC vehicle</li> <li>Maintain partial support in the DCPS vehicle to uphold existing subcontract relationship with Iron Data</li> </ul>	Considerations

# Three primary options to consider for go-forward vendor strategy (2/2)

High risk – Medium risk

Low risk

101	or go lo ward veridor or arcy (ziz)	y	(4.4)		
		3		9	Move to new
	Extend current vendor	-	Move to multiple vendors	0	single vendor
	■ ITSSC rate cards ~30% lower		Transition to multiple vendors likely to		<ul><li>Competition could</li></ul>
Cost impact	Incentives / performance		incur ramp-up costs		lower cost
	metrics could lower cost		■ ITSSC rate cards are ~30% lower		
2	<ul><li>Quality currently below DDS</li></ul>		Distancing development and customer		New contract can be
Quality impact	expectations		through third party requirements team can		structured to reinforce
	Incentives and performance		lead to quality issues		quality practices

impact

Schedule

quality

metrics could drive higher

**DDS** disruption

No incremental DDS

disruption

Prior schedules have consistently had delays / needs to be closely managed

- Vendor handoffs can lead to delays and rework
- Training and hiring ~40-50 new FTEs for integration PMO can take 10-15 months
- Vendor knowledge transition may cause additional delays
- additional delays
   DDS would have to re-engage to assist new vendors
   New PMO would require additional
  - Delay of up to 12 months if new RFP required
     Vendor knowledge transition may cause additional delays
- DDS would have to reengage to assist new vendors
- Transitioning to two new vendors, while retaining momentum carries risk to project
   Transitioning integration PMO further increases risk

relationship building

impact

Project delivery

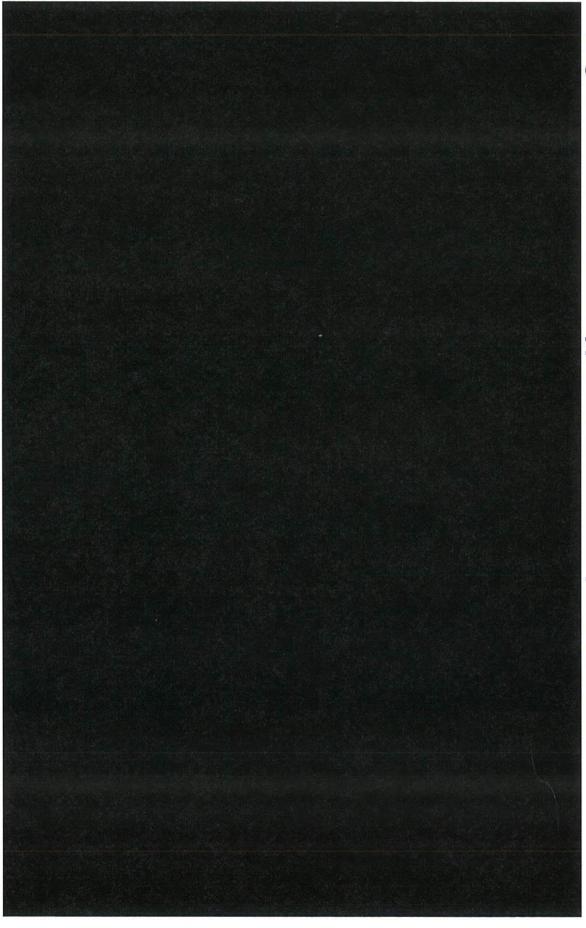
No change in planned

project delivery

- ITSSC has not been used to manage projects of same complexity previously
  - New vendor would need to demonstrate quick results or project could stall / face permanent detriment
- Introducing new vendors may provide better pricing / execution approach, but transition risk and/or management complexity increases significantly
- To bend the cost and schedule curve, SSA could consider implementing vendor metrics / incentives and strengthen PMO

<sup>1</sup> Analysis does not include evaluation of legal / contracting risks, and separate legal/contracting review may be necessary

# The hybrid contract structure shares contract risk and better aligns incentives than a typical T&M or fixed price structure

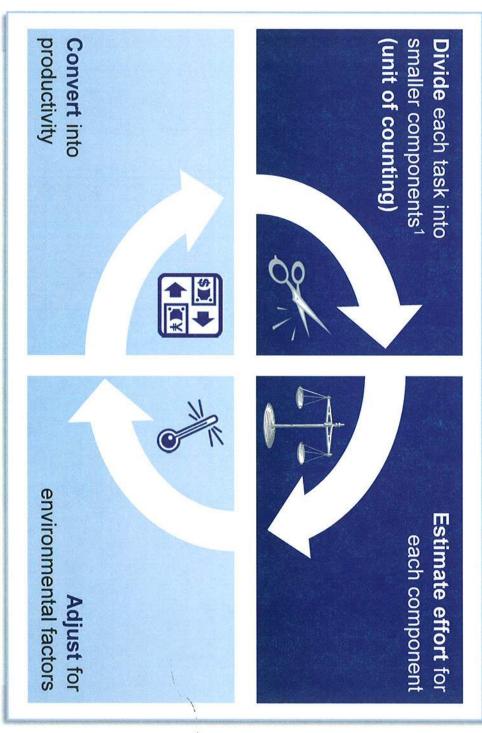


#### © Example metrics that should be tracked in a regular cadence

## Measuring productivity best follows a "standard" 4-step approach

Varies substantially by metric





1 E.g., Epics, interfaces, stories, tasks

### The common productivity metrics differ mainly by unit of counting and estimation algorithm

HIGH-LEVEL

	Requirements
THE RESERVE THE PERSON NAMED IN	Design

Sophisticated	Intermediate	High level
Sophisticated	Intermediate	High level

4 10	ω	N		7 P
Story Points Ideal Hours	Use Case Points	Fast Function Points	Function Points	Productivity metrics
				Prerequisites
"Workplan "standardizable" breakdown" developer tasks	End-user cases perspective	Functional and architectural sketch	In-depth specifications	tes
<ul><li>Individual "standardizable" developer tasks</li></ul>	<ul><li>Business use cases</li></ul>	<ul><li>Functionalities and tables in DB</li></ul>	<ul> <li>Software functions and individual data elements in DB</li> </ul>	Unit of counting
<ul> <li>Estimate or look up (complexity related) value for each subtask</li> </ul>	<ul> <li>Estimate and multiply different complexity factors for each use case</li> </ul>	<ul><li>Sum up weighted transaction elements</li></ul>	<ul> <li>Derive complexity for each element which translate into FPs</li> </ul>	Estimation
•	•			D
Already built into catalogue	Adjust using rated complexity factor	Adjust for experience and complexity	Adjust for experience and complexity	Adjustments

# Leverage best practices if transitioning to new vendor



Legacy vendor

New vendor

# Overview of "next best alternative analysis" approach

#### Recommendations

Evaluate "next best alternative" to the optimized current path forward

#### **Details**

 Identify COTS options, assess features and technical architecture and evaluate cost and risk implications

# STRATEGIC DECISIONS

# Approach for performing alternative analysis

