

# CAPITAL PLANNING AND INVESTMENT CONTROL SOLUTION BRINGS COLLABORATIVE, TECHNOLOGY-BASED APPROACH TO INVESTMENTS

## Introduction

Following the introduction of the Clinger-Cohen Act (formerly known as the Information Technology Reform Act) in 1996, U.S. federal government agencies have been required to use “a disciplined capital planning and investment control (CPIC) process to maximize the value of and assess and manage the risks of the information technology acquisitions.” (OMB Circular No. A-123 revised)

According to the above-mentioned circular, the act requires that agencies “(1) establish goals for improving the efficiency and effectiveness of agency operations and, as appropriate, the delivery of services to the public through the effective use of information technology; (2) prepare an annual report...on the progress in achieving the goals; (3) ensure that performance measurements are prescribed for information technology used by, or to be acquired for, the executive agency and that the performance measurements measure how well the information technology supports programs of the executive agency; (4) where comparable processes and organizations in the public or private sectors exist, quantitatively benchmark agency process performance against such processes in terms of cost, speed, productivity, and quality of outputs and outcomes; (5) analyze the missions of the executive agency and, based on the analysis, revise the executive agency’s mission-related processes and administrative processes as appropriate before making significant investments in information technology that is to be used in support of the performance of those missions; and (6) ensure that the information security policies, procedures, and practices of the executive agency are adequate.”

While agencies have been providing reporting and response to the act’s requirements since 1996, the process can at times be arduous and inefficient. Many contractors and government agencies recognize that current solutions do not completely address the challenges involved with CPIC. In response to these complex demands of this challenging compliance environment, Microsoft and Robbins-Gioia have teamed to provide a collaborative technology-based approach to CPIC. The Microsoft solution platform provides an excellent collaborative tracking, monitoring, reporting, and delivery capability to support the integration of process and automation and in turn to provide a complete, holistic, and easy-to-use CPIC capability. Robbins-Gioia in turn brings its 28 years of best practices in governance as well as leading vision and custom solution development capabilities to the architecture and development of the solution.

## Problem Statement

At an early stage in their portfolio’s life cycle, executives must provide a long-term vision combined with effective planning and execution to make effective capital planning and investment control decisions. Executives need to formulate a balanced enterprise portfolio that takes into account risks, returns, and business goals. This capital planning effort relies on a solid repeatable process and the gathering of accurate and complete data.

For many government agencies, gathering accurate data is an arduous and less than successful process. Agency data is often contained within several systems, stove-piped and poorly integrated. The proliferation of commercial tools to track project and portfolio data



R-G Insight

Solution used:



CPIC CENTRAL

select. control. evaluate.

can mean configuration and integration issues, sometimes requiring agencies to purchase additional tools to fix the problem.

### Previous Options

The technology and automation to support the CPIC process was previously divided into two approaches:

- Case/document management solutions, and
- Tracking solutions.

In the first approach, personnel provide data and artifacts to the document management system as a part of creating their OMB 300 submissions (the OMB 300 submission is central to the IT business case presentation aspect of the CPIC process). In the tracking solutions approach, personnel gather project management data and other forms of performance data and manually enter it into their OMB 300 submissions.

Some automation attempts have been made in the tracking system area and the OMB itself has made some efforts to simplify the process of Exhibit 300 submission by providing data structures for agencies to use in technology automation scenarios. Still, despite these improvements, no one solution is currently clearly providing all the component workflow and automation elements necessary to minimize inefficiency, double entry, and potential for error.

### Solution

Integrating Microsoft software products, Microsoft and Robbins-Gioia created a one-stop solution for government portfolio, project, and life cycle management. The CPIC Solution provides government agencies with the correct tools to:

- Build a balanced and optimized portfolio
- Focus resources on projects that further organizational goals
- Ensure investment effectiveness and business value through close oversight

- Identify and eliminate duplicate projects
- Recognize projects destined to come in over budget or behind schedule earlier in the development process.

### Benefit Realization

Organizations can expect to derive multiple benefits from implementing the CPIC solution, including:

- A strong decision framework
- Empowered team collaboration
- Data integration
- Central reporting.

By providing a holistic approach to fulfilling the governance goals of the CPIC life cycle, the solution frees the government to focus on the driving value for the American tax payer and not on report maintenance.

#### Benefit: Decision Framework

The solution provides a consistent and visible decision-making capability for the management of all enterprise-level investments throughout the entire investment life cycle. One of the solution's most important features is that it enables decision makers' access to investment information in an efficient and timely manner.

Decision makers must be able to address challenges, obstacles, and budget, schedule, and prioritization adjustments readily. The CPIC Solution focuses on making information available at the fingertips via a web-accessible portal.

#### Benefit: Team Collaboration

CPIC offers a collaborative environment that enables personnel empowerment in bringing the investment from idea to reality. This environment fosters accountability for and good stewardship of taxpayer dollars through the seamless integration of strategic planning, enterprise architecture, programming, budgeting, investment management, and evaluation processes and activities.

The CPIC Solution leverages the usability and comprehensiveness of

Microsoft's collaboration platform to maximum effect. By giving all participants in the CPIC life cycle the ability to directly contribute and interact, the solution reduces data gathering, allowing data to be presented at any intermediate point in the life cycle. This use of integrated network effects enables complete automation of the OMB 300 and 53 contribution processes, reducing the burden placed on the primary owner of the submission process.

#### Benefit: Data Integration

The CPIC Solution provides an integrated and streamlined data acquisition and management process that enhances the management and reporting of investment performance and risk. Managers and executives can leverage the near real time reporting available in the integrated CPIC Solution to see and correct issues and risks as they arise.

#### Benefit: Central Reporting

The CPIC Solution provides a web-based environment supported by a central data repository for accessing consistent and auditable investment information grouped into investment portfolios.

As a result of the substantial web enablement across the solution, the majority of contributors to the CPIC process need little more than a browser to be able to participate.

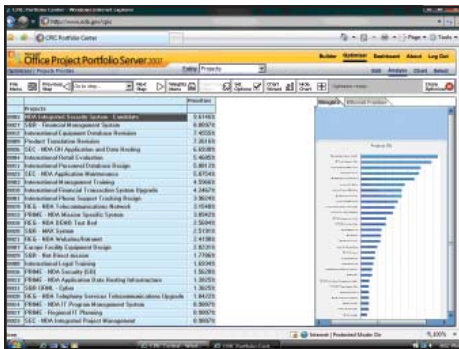
### Supporting the CPIC Process with the CPIC Solution

The CPIC Solution directly interacts with all activities within the portfolio management select, control, and evaluate process. Throughout the life cycle, the CPIC Solution provides process knowledge and process automation options. These elements give personnel the time to concentrate on managing investments instead of spending it on collecting data or searching for the right process to follow during a particular phase of the life cycle. The CPIC Solution's key contributions to each phase are described below.

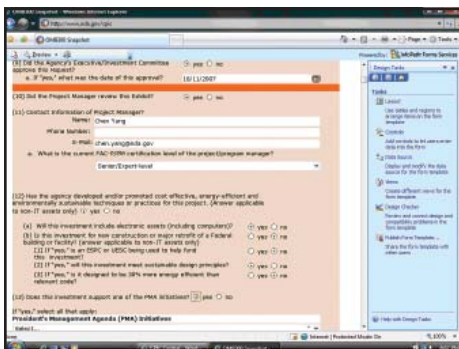
#### Selection Phase

The selection phase forecasts potential and current investments. It helps an executive to predetermine

investment issues and risks, and then formulate strategies to execute and manage the most advantageous investments. An executive can create these strategies before allocating money and directly impacting the organization.

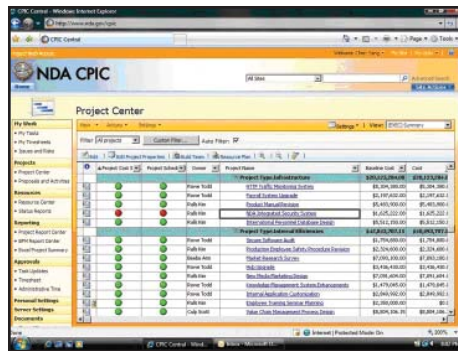


During the selection phase, the CPIC Central user interface gives an investment manager the opportunity to view the health and associated schedules of all current investments, as well as a platform for developing OMB 300 and Exhibit 53 submissions. An executive can recognize duplicate and finishing investments to plan for the future of the agency.



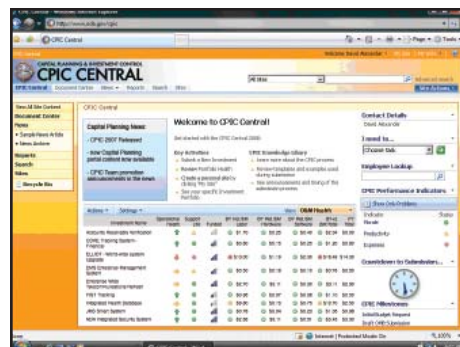
### Control Phase

Once the selection phase is complete, investments enter the control phase where they are actively managed. The objective of the control phase is to gather data and keep projects within budgetary and scheduling constraints. Project Portfolio Server helps to manage project execution by tracking schedule progress, time and attendance, risk, earned value management (EVM), and other identified objects. Using business scorecards created in SharePoint, a manager can identify problems and resolve current and potential issues.



### Evaluation Phase

Investments are under the magnifying glass during the evaluation phase. Investment goals are categorized for completeness. Those goals that are not met are examined and improvement plans are created. For goals that are met, an analysis of successful processes gives an executive a better outline for future execution.



Evaluation questions to ask include:

- Are the investments giving us the return and mission capability we are looking for?
- Do we have the right mix of investments?
- Is the mix balanced with regard to risk and return?
- Are there any under-performing assets or investments?
- Are there capability gaps indicating where a new investment should be directed?
- Does the investment match our current business needs?
- Does the investment serve long-term strategic goals?
- What can we learn from failed/successful investments?

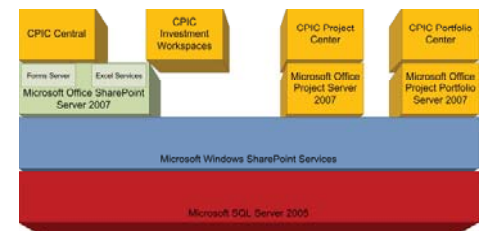
By enabling reporting, monitoring, and key performance indicators, the CPIC solution facilitates and drives

the evaluation phase decision-making process. CPIC dashboards as displayed in the sample screenshots provide the decision framework to answer evaluation questions. Priorities can be established for the organization based on the investments that best satisfy strategic goals and eliminate duplication. Additionally, management can apply performance metrics that monitor expected return on investment and project alignment.

### Implementation

Agencies may be at very different points in their CPIC process maturity. As a result, the CPIC Solution is designed with modularity in mind. Whether an agency seeks to track projects, handle document, submit forms, align portfolios, optimize project portfolios, plan resources, or consider what-if scenarios, the CPIC Solution can be configured to meet the need.

As shown in the representative architecture below, the modular nature of the solution enables different components to be layered into the organization's specific solution. Each building block carries with it substantial functionality in its own right.



### CPIC Central Reporting Module

The CPIC Central Reporting module provides the government with a single web-based dashboard through which all CPIC budget, schedule, and performance data can be accessed. This dashboard-based approach supports export for reporting purposes in Excel and other formats. In addition, the CPIC Central Reporting module supports integration with other back-end systems to enable data flows to come together in a single reporting view.

### OMB 300 Management & Submission Module

The OMB 300 Management & Submission module focuses on concentrating all the data required for an OMB Exhibit 300 submission into a single

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repository. This module enables historical snapshot capabilities as well as supporting trend analysis and audit of data over time.

**Team Collaboration Module**

The Team Collaboration module provides agency project teams with a flexible, easy-to-use, web-based platform for providing project-by-project or program-by-program workspaces. The workspaces supported within this module provide essential content management, issue tracking, risk tracking, document management, and team dashboard capabilities. This module enables teams to immediately get started with capturing and tracking artifacts and other life-cycle activities to support search and aggregation of data throughout the CPIC life cycle.

**CPIC Project Center Module**

Tracking and status are the principle capabilities of the CPIC Project Center module. By enabling efficient data capture and roll-up, this module directly supports the daily needs of project teams delivering on the business value of the CPIC life cycle.

**CPIC Portfolio Center Module**

Providing the essential ranking, scoring, alignment, and optimization required to make the right project selection decisions in

the CPIC life cycle is the core function of the CPIC Portfolio Center module. Core to this effort is capturing all potential as well as selected projects to enable proper portfolio balancing and ongoing evaluation of existing project investments.

**Summary**

The Microsoft and Robbins-Gioia CPIC Solution is an integrated set of tools to successfully manage an agency's investment portfolio. The CPIC Solution gathers, analyzes, and monitors investment data. It reports key elements in an easy-to-view graphic interface that gives an executive a clear understanding of an investment's status from the executive to the project level. To extend an agency's future success, the CPIC Solution provides tools to help analyze future potential investments and optimizes an investment to incorporate budgetary and other constraints. Implementing the CPIC Solution supplies decision makers with a holistic life-cycle and a process-driven approach to successful investment management.

Robbins-Gioia has been dedicated to delivering management solutions to government agencies and Fortune 500 companies since 1980. We help our global customers optimize their business processes, accelerate change, and establish time, cost, and quality improvements to transform their businesses.



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