NTT DATA

HECC Modernization Project 2023 Annual Assessment

Higher Education Coordinating Commission, State of Oregon

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List of abbreviations

Abbreviation	Meaning
BA	Business Analyst
CFO	Chief Financial Officer
CIO	Chief Information Officer
DAS	Department of Administrative Services
EIS	Enterprise Information Services
HECC	Higher Education Coordinating Commission
iQMS	Independent Quality Management Services
IT	Information Technology
LFO	Legislative Fiscal Office
OCM	Organizational Change Management
PM	Project Manager
PMI	Project Management Institute
SI	Solution Implementation
SME	Subject Matter Expert

Document history

Issue	Date	Comments	Pages Affected
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1.   Executive Summary

The HECC Modernization Project encountered several challenges over the 2023 calendar year that, for the most part, were successfully overcome. While Project Leadership addressed the challenges, they also directed the Project Team through activities that created an excellent foundation to support the execution phase, which began in December 2023. These foundational activities will significantly improve the Project's opportunity and ability to be successful.

The table below provides a visual recap of NTT DATA's risk assessment for the 4th Quarter of 2023, next to our evaluation from the 1st Quarter of 2023. Details are provided after the executive summary.

Table 1: 2023 Quarter 4 vs Quarter 1 Quality Assessment Recap

Assessment Area	4th Quarter 2023	1st Quarter 2023
Project Management	Low	High
Contract Conflict of Interest	Low	High
Organizational Change Management (OCM)	Low	High
Budget Insecurity	Medium	High
Project Schedule	Medium	High
Resource Availability	Medium	High
Data Management	High	High

Project Leadership continues to provide expert project management, has developed a knowledgeable and cohesive Project Team that works well together, and continues to deploy Project Management Institute's (PMI) methodology. Hiring experienced business analysts (BAs) and other needed Project staff have resolved the Solution Integrator (SI) vendor conflict of interest concerns. Hiring a now Prosci-certified Organizational Change Management (OCM) analyst and executing a contract with North Highland to bring in two expert-level OCM staff to kick start and support OCM efforts throughout the life of the Project have mitigated the OCM concern.

There are a few areas that iQMS remains concerned about.

- The budget for the Project does not contain contingency funding. Projects of this size and complexity usually encounter change requests and schedule delays that ultimately increase the cost of the Project. Without additional funds, the HECC Modernization Project may have to make necessary trade-off decisions that could negatively impact the success of the Project.

- The Project's decision to compress the schedule to closely meet the original implementation date as closely as possible to the original implementation date adds complexity. There is very little room for error as the impact of missing an activity date could cascade, causing other activities to be late. However, the Project's first phase will provide additional insight into how successfully the Project and its business partners can manage within the tight timelines.

- Staffing remains a concern. Agency staff is already very busy, and there are concerns about the staff's ability to support the Project while maintaining critical ongoing operational functions. While the Project Team is fully staffed and full-time, the HECC Office's Product Owners and Subject Matter Experts (SMEs) are assigned part-time to the Project, which could make achieving the aggressive schedule difficult. Offices have assessed where temporary staff could fill in and support ongoing operational activities while their experts work on Project activities, and HECC Agency Leadership has approved hiring the additional staff. Additionally, existing IT staff who plan to manage the operations of the modernized system after implementation need extensive technology training and to gain experience by working with the SI vendor. However, with only five IT staff to support the Agency's existing systems, iQMS is concerned that the IT staff will be unable to engage as needed.

- Data management remains a concern. There are no available data dictionaries for existing systems; inconsistent, unknown, or no data retention policies; no data governance policy; no data centralization efforts (pre-SI Vendor); and no Data Management and Governance Board to drive data centralization and consistency.

2. 2023 Project Challenges

On May 24, 2023, the State Chief Information Officer (CIO) issued a Project On HOLD Notification to the HECC Modernization Project. The memo addressed various concerns about the Project and included references to risks and issues mentioned in the iQMS Quality Status Reports. While the On HOLD Notification listed seven main areas of concern, NTT DATA's attention was focused on the areas specific to the Project rather than Agency maturity concerns.

Over the following five months, the Project/Agency worked with the Assistant State CIO and EIS Oversight to resolve the findings, and on October 24, 2023, the State CIO issued a Project Off HOLD Notification. In the following sections, NTT DATA provides information about the original EIS concern, how the Project/Agency addressed the concern, and the current iQMS status/rating of the concern.

2.1.1 Contracting Conflict of Interest

EIS Request for Resolution

'Current contract development is asking the Solution Implementation (SI) Vendor to perform detailed planning activities. While HECC has taken steps to avoid conflict of interest for certain activities, the overall strategy of engaging the solution vendor to complete detailed planning for the Project poses risks.'

HECC Completed Actions

HECC completed the actions necessary to resolve the concern. The hiring of additional experienced Business Analyst staff has given the Project the ability to complete planning tasks before the execution of the contract with the SI Vendor. Additionally, functions determined to be a conflict of interest have been removed from the SI Vendor's contract.

Q4 2023 iQMS Rating and Status

Contracting Conflict of Interest is assessed as a **Low** risk, down from High in Q1 2023.

The Project's addition of five experienced BAs to the Team, the removal of typically State managed tasks from the solution integrator's contract, and the utilization of the Project On HOLD time to plan, prepare, and complete tasks that would otherwise have created opportunities for a conflict of interest, have essentially eliminated this issue.

2.1.2 Organization Change Management (OCM)

EIS Request for Resolution

'The OCM plan must be clearly documented, fully staffed and carried out throughout the life of the Project.'

HECC Completed Actions

The HECC Modernization Project has performed several actions to support and sustain OCM activities throughout the life of the Project. The Project hired a State OCM Analyst, contracted with North Highland to provide two experienced OCM resources, and contracted with Prosci, a leader in organizational change management methodology and used throughout the State, to provide OCM training and subsequent certification. HECC's OCM Analyst and two Project BAs attended the training and have since been certified as Organizational Change Management Professionals.

Q4 2023 iQMS Rating and Status

OCM is assessed as a **Low** risk, down from High in Q1 2023.

The development of the Project's comprehensive Organizational Change Management Plan, the addition of resources focused on OCM activities, and the start of OCM activities have shown significant progress in establishing concrete OCM plans for the HECC Modernization Project. The OCM Team interviewed stakeholders to support the OCM Change Readiness Assessment development and has made progress on developing an OCM Master Adoption Plan.

2.1.3   Budget Insecurity

EIS Request for Resolution

'HECC should demonstrate transparency in their budget strategy by providing budget numbers that showcase historical changes, enabling EIS to become a partnering entity with DAS CFO as well as LFO and support the reconciliation and narrative.'

HECC Completed Actions

HECC completed the actions necessary to resolve the concern. HECC provided a detailed budget breakdown, including historical changes, that allowed 'EIS to align its efforts with the DAS CFO and LFO, ensuring a unified approach to budgeting.'

Q4 2023 iQMS Rating and Status

Budget is assessed as a **Medium** risk, down from High in Q1 2023.

While there is significantly greater budget transparency, and the legislature has approved funding for the 23-25 biennium, the Project budget does not contain contingency funds. This impact will remain unknown until the Project's Mobilization period is complete in Q2 of 2024. Additionally, until the SI vendor completes the requirements and systems analysis phase, it remains unknown if the allocated budget will be enough to implement all HECC's requirements.

2.1.4   Resource Availability Uncertainty

EIS Request for Resolution

'There must be a clear assignment of resources that are allocated to the Modernization Project throughout the life of the Project, including capacity management, both technical and business resources, specifically around IT: Workload balancing between maintenance and operations, enterprise initiatives, agency project, new legislation, and modernization planning.'

HECC Completed Actions

Significant improvements were made around resources. The Project Team is now fully staffed. Adequate experienced Business Analysts have been hired, along with a Project Coordinator and an OCM Analyst. HECC Offices have committed Office Deputy Directors to the role of Product Owners, and Subject Matter Experts (SMEs) have been assigned to support Project activities, and the IT Office committed three staff to support the Project.

Q4 2023 iQMS Rating and Status

Resources is assessed as a **Medium** risk, down from High in Q1 2023.

Even though the Project Team is now fully resourced, other areas of concern include the availability of the Product Owners and SMEs to support the effort required to complete tasks. Additionally, there is real potential that planned IT resources will not be available to support Project activities or may need more time to learn the new technologies upon which the HECC Modernization system is built. In December 2023, the IT Director discussed the impact of having three of the five IT staff focused on Project activities and not being available to support the other HECC agency systems currently in use.

3. Other Assessment Areas

In addition to the areas that EIS tracked through much of the calendar year, NTT DATA has also focused attention on the following Project areas where failure could create problems for the Project, including the inability to implement successfully.

3.1.1 Project Management

Q4 2023 Overall Project Management iQMS Rating and Status

Overall Project Management is assessed as a <mark>Low</mark> risk, down from Medium in Q1 2023.

The Project Management Quality Standards assessment area contains eight distinct categories: Definition of the Project, Project Objectives, Leadership, Project Management Approach, Project Management Communications, Project Manager (PM) Experience, PM Authority, and Support of PM.

In Quarter 1 of 2023, these were a mix of Low and Medium risk ratings mostly related to Agency Leadership making decisions that are typically made at the Project level. At times, this led to frustration and confusion. However, over the course of the year, many positive changes occurred, including the following:

- The Project moved from an IT focused Project to a Business focused Project, moving the Project Director's reporting structure to the Project Sponsor, the HECC Agency Deputy Director
- The Project Director was given the authority needed to make Project decisions
- The Project Director is now regularly participating in critical discussions within HECC Agency Leadership and outside the Agency with EIS partners
- The Agency declared the HECC Modernization Project its top priority

As a result, all but one of the Quality Standards listed in the opening paragraph have either moved to Low or remained Low.

3.1.2 Project Schedule

Q4 2023 Project Schedule iQMS Rating and Status

Project Schedule is assessed as a <mark>Medium</mark> risk, down from High in Q1 2023.

The Project has decided to compress the schedule to implement the Project within the existing Project timeframe rather than adjust the schedule to account for the delay while working through EIS concerns. Changing the timeline would increase the funds needed to support the Project, and as mentioned in Section 2.1 Budget Insecurity, the Project does not have any contingency funds to pay for the time extension. NTT DATA's schedule concerns include:

- The availability of Product Owners, SMEs, and IT staff to support a compressed schedule
- Adequate time for quality decision-making
- The use of Agile processes

The first few months of the Project, the Mobilization Phase, has the SI Vendor working with the State to analyze requirements, identify gaps, and determine the best approach to developing and implementing the systems. While schedule issues may arise during the Mobilization Phase, the subsequent detailed Project Schedule will provide the most significant insight into the Project's ability to maintain the planned schedule.

3.1.3 Data Management

Q4 2023 Data Management iQMS Rating and Status

Data Management is assessed as a <mark>High</mark> risk, remaining the same as Q1 2023.

The HECC Agency does not have a Data Governance Board, which is essential when modernizing disparate systems where system efficiencies come from common data elements. Managing data from a centralized governing board with developed data governance policies can:

- Increase data centralization
- Remove data silos
- Reduce duplicate data
- Improve data reuse for clients and HECC Offices

HECC does not have an enterprise data dictionary that defines existing systems' data elements, a consistent data retention policy across the Agency, or retention policies at all in some Offices. Data clean-up has just started, the work is voluminous and significant, and staff availability to support the effort is limited.