

SFA Modernization Partner Monthly Program Report

January 10, 2000

1.0 Program Status

1.1 Introduction

This monthly report is being produced as a deliverable of the SFA Modernization Partner Task Order for "FY2000 Program Support." This report covers the month of December 1999 and includes information on the overall status of the Program, achievements for the month, planned work for the next month, performance of the Program against schedule, and a summary of key Program Risks.

The format and content of this report are based on the guidelines provided in the FY2000 Program Support Task Order, standard project status reporting techniques, and input from SFA management personnel. The purpose of this report is to provide SFA senior management with information related to the performance of the Modernization Program team.

These monthly reports will be refined to improve their usefulness and the value they provide. Please address any suggestions regarding the content or format of these reports to the Modernization Program Office Manager (elisabeth.s.schmidt@ac.com or 703.947.2644).

1.2 Program Overview

Program Status

In the month of December the program's team have delivered four key deliverables: PMO - *Capability Release Plan*, EEIT - *System Integration Test approach*, EEIT - *Target Architecture Recommendation*, and FMS - *Final Validation Phase deliverables*. The *Capability Release Plan* represents one of the most important deliverables under the Modernization Program. The *Capability Release Plan* identifies current capabilities and recommended initiatives that will improve SFA's current operations position and short-term project investments. This will assist SFA with managing the number, sequence, and funding of program initiatives.

The *Capability Release Plan* is intended to serve as a catalyst for moving SFA toward a Final Capability Release Plan. The final plan would map more closely to SFA's new vision and future market position and would represent more "best in business" capabilities.

The *System Integration Test Approach* identifies standards for system testing while the *Target Architecture Recommendation* deliverable presents technology services and product recommendation to modernize SFA technical environment. The *Final Validation Phase* includes the concept of operations for the FMS system.

The Financial Management System (FMS) Modernization project completed the FMS Validation of the Concept of Operations deliverable and is currently working on developing the FMS Conceptual Design deliverable. The project team has conducted its IPT Kickoff Meeting and is in the process of conducting high-level Context meetings and detailed "to-be" requirements sessions with the user community. In addition, the project team is in the process of scheduling "as-is" sessions to help define the FMS implementation plan.

The Direct Loan Servicing Reengineering (DLSR) Modernization project began gathering input from stakeholders by holding a focus group with over 20 school financial aid officers in early December. In addition, contractor partners were invited to present system improvements and “out-of-the-box” ideas to the core team. The possible retirement of the CDS system has been identified for further investigation. In the next few weeks, the project team will define the list of possible reengineering options and begin analysis on the most promising ones.

The Common Origination and Disbursement project IPT has been established and the program will begin reporting its status in January.

To date the Modernization Program has delivered the following key points of value:

- 1) We have redirected, curtailed or stopped millions of dollars in contracts that were not directly going to contribute to lower costs, better customer service, or were out of line with the direction for cleaning up the back office systems (hairball).
 - Immediately save \$1.9 million by canceling projects that are not strategically aligned;
 - Don't spend \$11.8 million on designated projects until clearer business cases are created
 - Defer spending on \$36.6 million in projects that will not deliver enterprise-wide solutions in favor of executing the capability release plan; and
 - Save \$7.3 million for budgets in place for projects that are already completed.
 - Access America-unique project tasks: \$3,578,000
- 2) Technical system tool standards and architecture components will be selected on January 7, 2000 with subsequent implementation of the various tools and software components. Significant savings will result from this, through elimination of redundant internet, middleware, data warehouse and Computer Telephone Integration (CTI) architecture development efforts and operational support needs.
- 3) A common origination system has been conceptually designed with several schools. The design will be complete by March 1, 2000. Implementation will then begin, with the pilot rollout scheduled for the 2002-2003 school year. This will result in significant operational cost savings, customer service improvements and employee satisfaction improvements.
- 4) A design of a Financial Management System will be completed by March 1, 2000 with a clear and actionable implementation plan for deploying capabilities starting fiscal 2000 through fiscal 2001.
- 5) A re-engineered loan servicing capability with early wins as well as long term positioning.
 - Making the servicing unit internet enabled (E-servicing).
 - Early retirement of CDS (current costs exceed \$18 million annually) with multi-million dollars cost savings in fiscal 2001 and beyond.
 - Early retirement of FARS, with multi-million dollar cost savings projects for fiscal 2001 and beyond.
- 6) A Capability Release Plan that defines the priorities, estimated timeframes and relationships of SFA initiatives. This Release Plan includes the cross-reference of all requirements contained in the Modernization Blueprint and Customer Service Task Force to the defined initiatives to ensure completeness.
- 7) Delivered an Industry Benchmarks deliverable from which the SFA Performance

Management process can be launched. Summary findings include:

- SFA has fewer measures in place to measure “speed” and “quality” (e.g., % applications processed correctly).
- Many current and target performance measures that SFA tracks are below those levels achieved by private sector financial institutions.
- Many of the current performance metrics were not available and several of the target performance metrics were not estimated (i.e. tracked by SFA).
- No process (e.g., surveys, polls, etc.) exists to capture and monitor employee satisfaction (including retention) at SFA.

2.0 Modernization Program Scorecards

The following scorecards provide summary status of each of the critical program management areas. The December Program scorecard is an aggregate assessment of program performance. The scorecard was developed by conducting an assessment of individual projects within the Modernization Program, Direct Loan Servicing Reengineering and Financial Management System, and combining these assessments with an assessment of the Program management areas - PMO, EEIT, and Partner Management.

Modernization Program Summary Scorecard

Measure	Assessment
Overall The purpose of the overall assessment is to provide a simple and easy to understand way to consider the interaction of the individual project management process areas in arriving at an overall picture of the health of the SFA Modernization Program.	○
Scope The scope has been defined, requirements are documented and authorized by the SFA and Modernization Partner.	○
Cost Performance Against Baseline The task order is fixed price.	N/A
Schedule Performance Against Work Performed Modernization Partner Program is achieving milestones on schedule, ahead of schedule, or within thresholds. All changes to delivery dates are being directed through the appropriate review and approval process.	○
Architecture The Modernization Blueprint baseline has been finalized. The Modernization Partner Program has not begun any significant development work that involves architecture impact.	○
Risk Risks which would effect the successful execution of the Program have been documented and mitigation strategies have been developed. A risk profile has been created and is included in the Modernization Program Plan.	○
Quality The Modernization Partner has developed a Modernization quality plan and is implementing the activities defined for the FMS and DLSR projects.	○

Measure	Assessment
<p>Communication/Change Management Communication and change management strategies are in place and have begun to be implemented. Integration of communications between the Modernization Partner and the Organization Transformation initiatives has also been completed.</p>	○
<p>Human Resources Human resource needs have been documented, approved, and available. The Program has the individual and group skills needed for the particular phase.</p>	○
<p>Commercial Off the Shelf Software (COTS) Significant reuse of hardware, software, data, and/or process is being or will be utilized – purchased commercially and/or reused from other SFA initiatives, Andersen Consulting, or Legacy Contractors.</p>	○

Assessment	
Red	●
Yellow	●
Green	○

Direct Loan Servicing Reengineering (DLSR) Project Scorecard

The following scorecard provides a summary status of each of the critical program management areas for the Direct Loan Servicing Reengineering project within the SFA Modernization Program.

Measure	Assessment
Overall The purpose of the overall assessment is to provide a simple and easy to understand way to consider the interaction of the individual project management process areas in arriving at an overall picture of the health of the work authorization.	○
Scope The scope has been defined but not authorized by the SFA and Modernization Partner, and material scope issues have not been resolved.	●
Cost Performance Against Baseline This project is part of the Modernization Partner fixed price task order.	N/A
Schedule Performance Against Work Performed The work within this project is on schedule against revised (client agreed to scope and schedule)	○
Architecture The Project is in full compliance with Modernization Blueprint baseline or target architecture standards. The project has not defined any architecture changes.	○
Risk Project risks to successfully execute the Task Order of work have been documented, but either some risks have not been adequately defined or mitigation strategies have not been developed for all risks.	●
Quality The Project has in the process of developing a documented quality plan and the project is complying with the requirements of the program plan, appropriate to the work required by the Task Order.	○
Communication/Change Management Communication and change management strategies have been incorporated as part of the project's workplan.	○

Measure	Assessment
Human Resources Human resource needs have been documented, approved, and available. Project team has the individual and group skills needed for the particular phase.	<input type="radio"/>
Commercial Off the Shelf Software (COTS) A review of COTS products has been incorporated into the project's work plan.	<input type="radio"/>

Financial Management System (FMS) Project Scorecard

The following scorecard provides a summary status of each of the critical program management areas for the Financial Management System project within the SFA Modernization Program.

Measure	Assessment
Overall The purpose of the overall assessment is to provide a simple and easy to understand way to consider the interaction of the individual project management process areas in arriving at an overall picture of the health of the work authorization.	○
Scope The scope has been defined, requirements are documented and authorized by the SFA and Modernization Partner, and formal change control has been implemented and is maintaining control.	○
Cost Performance Against Baseline This project is part of the Modernization Partner fixed price task order	N/A
Schedule Performance Against Work Performed Project is achieving Task Order milestones on schedule, ahead of schedule, or within thresholds.	○
Architecture The Project is in full compliance with Modernization Blueprint baseline or target architecture standards.	○
Risk Project risks to successfully execute the Task Order have been documented, but either some risks have not been adequately defined or mitigation strategies have not been developed for all risks.	●
Quality The Project is complying with the requirements of the program plan, appropriate to the work required by the Task Order.	○
Communication/Change Management Communication and change management strategies are in place	○

Measure	Assessment
Human Resources Human resource needs have been documented, approved, and available. Project team has the individual and group skills needed for the particular phase.	<input type="radio"/>
Commercial Off the Shelf Software (COTS) Significant reuse of commercially available hardware, software, data, and/or process are being utilized – purchased commercially and/or reused from Andersen Consulting. Project is utilizing Oracle Financials with a minimum amount of custom coding.	<input type="radio"/>

3.0 Key Accomplishments in December and Plans for January

3.1 Work Completed During December

During the month, the project teams accomplished the following:

Area	Work Completed	Work Projections Incomplete	Issues/ Comments
PROGRAM MANAGEMENT OFFICE (PMO)	<ul style="list-style-type: none"> • Completed requirements and project mapping for all recommended initiatives in the Capability Release Plan. • Finalized and delivered Capability Release Plan (version 1.0) deliverable. • Completed Project Room design. • Submitted Monthly Program Report for November on December 9. • Continued maturing IRB process <ul style="list-style-type: none"> ➢ Documented IRB Process ➢ Documented scoring Framework ➢ Completed procedures manual ➢ Began development of MS Access tool to capture, track, and report on IRB items • Continued implementation of Performance management within program • Continued to work closely with Analysis to develop performance management framework • Distributed Issues Database to Modernization Team 		
ENTERPRISE ENGINEERING AND INTEGRATION (EIT)	<ul style="list-style-type: none"> • Completed and submitted 2.2.3 Critical Methods and Standards deliverable from Task Order 2 • Completed and submitted 2.2.4 System Integration and Test Approach from Task Order 2 • Completed and submitted 		

Area	Work Completed	Work Projections Incomplete	Issues/ Comments
	<p>4.1.1. Proposed Technical Architecture and Investment Management Improvements from Task Order 4</p> <ul style="list-style-type: none"> • Revised 2.2.2 Configuration Management Approach based on feedback from SFA and submitted to Connie Davis for review • Completed 1st draft of 4.1.2 Recommended Application Architecture Standards version • Reviewed preliminary architecture recommendations with SFA CIO • Communicated and published vendor meeting schedule and logistics to project team and SFA • Met with many SFA personnel on internet, data warehouse and integration architecture to explain concepts and see demonstrations • Assisted in meetings to determine appropriate SDLC tools • Contributed to the SFA IT Strategic Plan 		
PARTNER MANAGEMENT (PM)	<ul style="list-style-type: none"> • Participated in Acquisition Planning Contractor Workshop meeting to discuss Acquisition Planning goals and approach. • Continued to develop the Contract Transition Preliminary Business Analyses • Initiated development of the Acquisition Strategy Update deliverable • Continued effort to have each Modernization Partner staff member execute a Notice of Criminal Liability under the Privacy Act statement and an 		<ul style="list-style-type: none"> • Two Partnership Management Deliverables (Acquisition Strategy and Legacy Contracts Transition Plan) will be delayed pending final Capabilities Release Plan

Area	Work Completed	Work Projections Incomplete	Issues/ Comments
	OF-306 Declaration for Federal Employment form. <ul style="list-style-type: none"> • Relocated 17th St staff to SFA (Room 4520) • Continued planning efforts for relocation to Portals • Continued negotiation efforts with subcontractors • Submitted Monthly Contract Status Report • Submitted and received acceptance of the Contract Management Plan deliverable • Submitted the Partnership Management Plan deliverable 		
ORGANIZATION TRANSFORMATION	<ul style="list-style-type: none"> • Drafted Position Descriptions (PDs) for key management positions • Participated in Aid Awareness design sessions • Provided detailed steps and procedures for Wave 2 organization design and implementation • Designed and facilitated Schools management offsite to develop operating principles and values • Documented vision and principles in a Schools newsletter which has been distributed to all Schools employees • Conducted and finalized a baseline process analysis to document current Financial Partners business processes • Developed a Financial Partner Reorganization Package with direction from Barry Morrow, General Manager for Financial Partners Channel • Drafted management Position Descriptions for the Financial Analysis and Oversight areas • Began drafting senior manager Position Descriptions in consultation 		

Area	Work Completed	Work Projections Incomplete	Issues/ Comments
	<p>with new Deputy CIOs</p> <ul style="list-style-type: none"> • Began drafting a proposed process and tool for an employee skill assessment, with a focus on skill development • Designed and presented a series of CFO best practices and highlighted organization design implications • Provided input in the development of an initial organizational model for Contracting and Acquisitions • Researched and prepared a briefing document to Greg Woods and Candy Kane on Human Resource best practices and legislative flexibilities to support the implementation of these best practices • Finalized Position Description for the Performance Measurement senior manager position • Conducted a serious of discussion to initiate Wave 2 detailed design for Analysis • Planned and facilitated a management offsite to outline the organizational model for the Communications area • Completed all Position Descriptions key Communication positions • Finalized functional description for Communications based on Karen Freeman's direction • Conducted Internal Communicators Workshop for CIO internal communicators • Updated SFA "Phone Book" and prepared for production and distribution to all SFA employees 		

Area	Work Completed	Work Projections Incomplete	Issues/ Comments
	<ul style="list-style-type: none"> • Updated SFA Org Chart and prepared for production and distribution to all SFA employees • Completed Foundations 101 course material covering basic principles of the PBO and implications to employees • Completed Integrated Product Team (IPT) Training materials to support existing IPT processes • Assisted in producing Front Line Training for natural SFA work teams, to provide them with coaching and support for better day-to-day team work and performance • Completed Position Descriptions for new Ombudsman positions • Researched best practices and potential site visits for COO front office staff • Designed, planned, and facilitated the Common Origination Listening and Design Session in San Antonio, TX, held December 13-14 • Documented session notes and draft initial report of the San Antonio sessions • Assisted in developing the reorganization package for moving Access America into the CIO Organization as an Innovation group 		
<p>DIRECT LOAN SERVICING REENGINEERING</p>	<ul style="list-style-type: none"> • Held SFA Best Practices/Lessons Learned meeting • Held schools focus group meeting on 12/8. • Documented and distributed findings from the focus group session • Distributed revised drafts of 		

Area	Work Completed	Work Projections Incomplete	Issues/ Comments
	the 'as-is' systems/process flows <ul style="list-style-type: none"> • Received ideas from EDS and ACS on improvements to existing systems and processes as well as new "out-of-the-box" ideas • Identified CDS retirement as a potential early win. 		
FINANCIAL MANAGEMENT SYSTEM (FMS)	<ul style="list-style-type: none"> • Submitted Final Validation phase deliverables consisting of the following: <ul style="list-style-type: none"> ➢ Executive Summary ➢ Concept of Operations ➢ Appendix – Process and Commonality, Glossary of Terms • Developed outline & final presentation for FMS Kickoff Meeting; completed appropriate previews with Core Team members. • Finalized draft of Migration Approach/Pilot Strategies for use in directing project activities and for communicating project scope to other initiatives. • Developed 2-week rolling schedule for the FMS Conceptual Design and Implementation Plan stages. • Identified and developed draft deliverable examples for the Conceptual Design Phase. • Identified needed Context, To-Be Requirement and As-Is sessions to conduct over next few weeks. 		

3.2 Work Projected for Next Month

During the next month, the project teams plan to accomplish the following items:

Area	Work Projections for January	Issues / Comments
PROGRAM MANAGEMENT OFFICE (PMO)	<ul style="list-style-type: none"> • Gather and incorporate SFA comments into CRP deliverable • Continue to mature the IRB process through the facilitation of business case development • Continue to work closely with the Director of Analysis on performance management • Establish Project Room 	
ENTERPRISE ENGINEERING AND INTEGRATION (EIT)	<ul style="list-style-type: none"> • 2.2.5 Deployment Approach (1/31) • 4.1.2 Recommended Application Architecture Standards version 1 • 4.1.3 Recommended COE & Security Standards (1/17) 	
PARTNER MANAGEMENT (PM)	<ul style="list-style-type: none"> • Interim Legacy Contract Transition Plan (1/31) • Industry Workshop Support (1/26) • Monthly Contract Status Report (1/10) 	
ORGANIZATION TRANSFORMATION	<ul style="list-style-type: none"> • Finalized functional description and organization structure for Aid Awareness area • Integrated Reorganization Approval Package for the Students Channel • Finalized Position Descriptions (PDs) for key management positions • Action plans for employee and union involvement in implementation Students organizational vision • Facilitated working sessions with management to refine organizational vision and design • Workplans and schedules for employee-driven detailed organizational design sessions • Facilitated working sessions with management to define Financial Partners Liaison and Program Development areas • Finalized PDs for key management positions • Workplans and schedules for employee-driven detailed organization design sessions • Development of CIO skill profiles (new job requirements) • Initiation of CIO employee skill assessment • Initial skill development plans for CIO employees • Facilitated working sessions with management to define new CFO organization structure and staffing plan • New CFO organization structure and staffing plan, along with Reorganization Approval Package • Revised organization vision and Reorganization Approval 	

	<p>Package</p> <ul style="list-style-type: none"> • Facilitated working sessions with Greg Woods and Candy Kane to refine HR organization model • Initial PD for the Director of HR • Communication/presentation materials to Management Council and SFA All Hands Meeting to describe role of new HR Organization • Refine organizational model for Analysis • Reorganization Approval Package for Communications • Facilitated working sessions with management to develop detailed organization design for SFA University • Initial Organization Structure and Staffing Plan for SFA University • Organization Approval Package for Ombudsman • Best practices site visit(s) for COO front office staff • Documentation/refinement of individual functional roles and responsibilities for CIO Innovations group • Process facilitation and support through initial start up of the new CIO Innovations area 	
<p>DIRECT LOAN SERVICING REENGINEERING</p>	<ul style="list-style-type: none"> • Current Environment Assessment • Reengineering Options and Analysis (Draft) 	
<p>FINANCIAL MANAGEMENT SYSTEM (FMS)</p>	<ul style="list-style-type: none"> • Conduct FMS IPT Kickoff Meeting (rescheduled for January 4th).. • Finalize schedule/approach for Context meetings and To-Be requirements sessions. • Conduct Context meetings and To-Be requirements sessions. • Schedule “as-is” sessions to finalize implementation plan/migration approach. • Continue to develop Design Deliverable components (Requirements Mapping, Interface Designs).. • Train Core Team on Oracle applications & capabilities (scheduled for week of 1/10-1/14).. • Identify potential functional scenarios/data to incorporate into Solution Demonstration. 	

4.0 Status Of Project Deliverables

The attached Deliverables Schedule provides the status of each of the deliverables within Task Orders 1, 2, and 3.

5.0 Schedule/ Task Reporting

Major Schedule Changes

The following Gantt chart provides a schedule of the planned activities for the Modernization program over the next five months.

6.0 Summary Of Program Risks

Category	Description	Responses	Severity Of Impact	Ability To Control
Program	Integration of the Mod partner into the many organizational areas of SFA must happen quickly. The integration is occurring but perhaps not as quickly as needed to avoid confusion as to role in all areas.	<ul style="list-style-type: none"> • ITR's in place • Structured MC meeting around Program Progress • Web-based Program Management Office • Quarterly Program Management Reviews • Establish process for contractor data gathering on legacy systems from GM's • Development of Integrated Product Teams 	Medium	High
Program	Congressional viewpoint on the Modernization program could impact funding and support	<ul style="list-style-type: none"> • Provide information and benefits of the program to Congress as needed to ensure support continues 	Medium	Medium
Program	FY00 investment decisions have already been approved, which may not be in synch with Capability Release plan . Risk of allocating and spending dollars on projects that do not add value. Projects on hold due to y2k moratorium.	<ul style="list-style-type: none"> • Release new sequencing plan and Capability Release Plan • Synch up New Sequencing Plan with Capability Release Plan and FY00 investment decisions • Mod Partner has been inserted in IRB process, focused on maturing the process for FY01. 	Medium	Medium