

SFA Financial Transformation Program Biweekly Status Report Package

Period ending May 26, 2000

I. Status Provided

| Status Provided | Projects | Team Lead | Comments |
|-----------------|---|------------------|--------------------------------|
| | | | |
| | Financial Partners Process Reengineering | | |
| ✓ | GA/Lender Payment Process | Frank Ramos | |
| ✓ | Oversight and Technical Assistance | Ann Marie Cimino | |
| ✓ | Policy and Analysis | Ron Streets | |
| ✓ | Contract Management | Anna Allen | |
| | Financial Partners Process Reengineering | | |
| | Enhanced Ptr. Relationship Mgmt. (CRM) | Linda Stoddard | Status report not provided |
| ✓ | Voluntary Flexible Agreements | Cameron Ishaq | |
| ✓ | Regulatory Process Improvements | Jack Reynolds | |
| ✓ | Default Reduction Incentives | Jack Reynolds | |
| ✓ | Enhanced Monitoring of Financial Partners | Katrina Turner | |
| | Enabling Technology for Financial Partners | | |
| N/A | Web Portals for Financial Partners | Mike Duffin | Project start date is Jan 2001 |
| ✓ | Common Third Party Interfacing | Jack Reynolds | |
| ✓ | Imaging/Document Management | Courtland Smith | |
| ✓ | Data Warehouse for Financial Partners | Courtland Smith | |
| | Employee Development | | |
| ✓ | Employee Development | Linda Hall | |
| | Enhanced Service Delivery for FP | | |
| N/A | Expanded FAFSA to Trading Ptr. Websites | Calvin Whitaker | Project not started |
| ✓ | Pilot Electronic Certification | Calvin Whitaker | |
| ✓ | E-Commerce Data Exchange (Form 2000) | Frank Ramos | |

II. Program Highlights

III. Program Summary

- Accomplishments/Results
- Plans for the Period

IV. Issues Log Summary

V. Schedule of Key Meetings

VI. Program Delivery Schedule

SFA Financial Transformation Program Biweekly Status Report Package

Period ending May 26, 2000

II. Program Highlights

Visioning Workshops

The Financial Partners (FP) Directors invited key members of their teams to the fourth visioning session conducted on May 25, 2000. During the session the group shared the results of the strategic exercises to date and engaged in action-planning around the new Financial Partners Vision. Participants identified the need to select Customer Intimacy as FP's strategic intent to remain in-line with the SFA's organizational goals. Other highlights from the session include discussions around roles of the FP staff in the transformation, FP customers versus partners, FP core competencies, vision and mission, and the transformation in light of leadership changes. One of the highlights of the session was a visit by Greg Woods and Calvin Thomas, the new HR Director.

The Change Agent Program, which intends to mobilize a network of communicators and advocates for the FP transformation, was kicked off at a workshop on May 25. The Change Agent group currently includes Frank Ramos, Katrina Turner, Cameron Ishaq, Jack Reynolds, Anna Allen, Roberta Russo, Merik Halaska, Linda Stoddard, and Ann Marie Cimino. The group reviewed an approach for managing change throughout the transformation, discussed key messages to communicate to staff at upcoming briefing sessions, and planned for the administration of an Organizational Assessment.

Project Management Approach

The FP Project Management and Facilitation team completed and delivered the Initial Project Management deliverable on Monday, May 15, 2000. The deliverable has undergone a review period for comments/revisions and is awaiting formal approval. Facilitators have continued to work closely with team leads by participating in project standing team meetings, providing facilitation support, and assisting in issue resolution. The team leads and facilitators are also working to finalize project workplans and to identify deliverables for the Analysis and Design phase.

Process Reengineering Workshops – Current Environment Review

The FP Reengineering team completed and delivered the Current Environment Assessment deliverable on Monday, May 15, 2000, marking the completion of the Reengineering effort's current environment assessment phase. The deliverable has undergone a formal review period and is awaiting final sign-off. The Reengineering effort is now focused on identifying best practices and improvement opportunities for the four key functions within FP: 1) GA/Lender Payments, 2) Oversight & Technical Assistance, 3) Policy & Analysis, and 4) Contract Management. The team will conduct client team workshops to discuss options and potential solutions.

SFA Financial Transformation Program
Biweekly Status Report Package
 Period ending May 26, 2000

III. Program Summary

| Accomplishments and Results | Plans for the Next Period |
|---|---|
| Financial Partners Transformation Program | |
| <ul style="list-style-type: none"> • Submitted Current Environment Assessment • Developed draft table of contents for Options and Analysis deliverable • Conducted client team workshops to discuss options and potential solutions • Continued evaluation and research of reengineering options and solutions • Began content input for Options and Analysis deliverable • Obtained change comments from client teams for Current Environment Assessment; inputted comments on change matrix; made actual changes on deliverable • Submitted Initial Project Management Plan deliverable • Submitted Status Report Package • Facilitated Modernization Program discussion with S. Shane and S. Hawald during FP team leads meeting • Finalized FP divestiture spreadsheet and confirmed ownership recommendations • Continued to participate / facilitate FP standing team meetings | <ul style="list-style-type: none"> • Re-submit Current Environment Assessment deliverable with FP-requested revisions for final sign-off • Conduct client team workshops to discuss reengineering options and solutions • Continue to evaluate and research reengineering options, including potential cost areas, feasibility, and impacts upon processes, technologies, and organization • Continue development of Options and Analysis deliverable • Obtain approval, and sign-off of Initial Project Management Plan deliverable • Complete the Depletion of Federal Reserve Funds Analysis • Create and distribute the Conceptual/Technical design template • Finalize workplans for Analysis and Design Phase • Continue to participate/facilitate FP standing team meetings • Continue to provide facilitation support for the FP project team leads • Complete final draft of the program workplan |
| GA / Lender Payment Process | |
| <ul style="list-style-type: none"> • Discussed future developments for GA/Lender payments • Met with Reengineering team to discuss current environment and proposed solutions; clarified role discrepancies between GA/Lender processing and contract management • Included NACHA representative in proposed solutions discussion | <ul style="list-style-type: none"> • Continue to gather cost data on 'proposed' environment options • Coordinate team findings with those of other FP teams |
| Oversight and Technical Assistance | |
| <ul style="list-style-type: none"> • Conducted team meeting conference call on 5/22 to review scheduling process to identify ways to improve process – steps that need to be added, modified, and deleted. | <ul style="list-style-type: none"> • Conduct conference call with team on to review preparation planning and reviewing; steps of Oversight and Technical Assistance – receive feedback on how to change, delete, and improve |
| Policy and Analysis | |
| <ul style="list-style-type: none"> • Provided regional team members with documents that were used for discussion • Attended solution workshop • Discussed options that would narrow the performance gap between best practices and current environment. • Discussed possible solutions to improve communications within OSFA | <ul style="list-style-type: none"> • Have Microsoft project installed |

**SFA Financial Transformation Program
Biweekly Status Report Package**
Period ending May 26, 2000

III. Program Summary (continued)

| Accomplishments and Results | Plans for the Next Period |
|---|---|
| Contract Management | |
| <ul style="list-style-type: none"> • Provided cost breakdown of FP Contract • Held meeting with team members to review the revised SOW • Incorporated GA Lender teams comments in the Current Environment Assessment, including task/work orders requirements and testing • Scheduled meeting with ED Contract team members to review justification for sole sought extension | <ul style="list-style-type: none"> • Rating employees – GPAS |
| Enhanced Partner Relationship Management (CRM) | |
| <ul style="list-style-type: none"> • No Status Report | |
| Voluntary Flexible Agreements | |
| <ul style="list-style-type: none"> • Completed work on summary template; status report template pending • Completed workplan and resolved reporting issues • Revisited VFA legislation to define reporting goals and indicators for summary and status reporting • Further defined the value-added portion of the reporting process • Completed evaluation of staff requirements • Start developing materials for staff kickoff meeting | <ul style="list-style-type: none"> • Complete work on summary and status report templates • Revisit VFA legislation to define reporting goals and indicators for summary and status reporting • Complete staff selection process in concert with regional directors for 6/2/00 • Complete materials for staff kickoff meeting by 6/2/00 |
| Regulatory Process Improvements | |
| <ul style="list-style-type: none"> • Completed Team Charter • Conducted initial kickoff meeting with team • Conducted team meeting to review pertinent regulations and assignments | <ul style="list-style-type: none"> • Prepare material for team meeting • Review team member submitted assignments • Review the impact of the regulations on the business practices • Complete workplan |
| Default Reduction Incentives | |
| <ul style="list-style-type: none"> • Completed Team Charter • Conducted initial kickoff meeting with team • Conducting standing team meeting | <ul style="list-style-type: none"> • Prepare material for team meeting • Attend FP team leads meeting • Complete workplan |

SFA Financial Transformation Program Biweekly Status Report Package

Period ending May 26, 2000

III. Program Summary (continued)

| Accomplishments and Results | Plans for the Next Period |
|---|---|
| Enhanced Monitoring of Financial Partners | |
| <ul style="list-style-type: none"> • Held team meeting • Team members provided deliverables via fax and e-mail that were due 5/9 and provided oral presentation of their findings. • Reviewed completed assignments | <ul style="list-style-type: none"> • Meeting scheduled for 5/30/00. Team members will discuss Current Environment Assessment report. • Gather information on current best in business practices. |
| Web Portals for Financial Partners | |
| <ul style="list-style-type: none"> • Project Start Date is Jan. 2001 | |
| Common Third Party (Middleware) | |
| <ul style="list-style-type: none"> • Completed Team Charter • Conducted initial kickoff meeting with team | <ul style="list-style-type: none"> • Prepare prep material for team meeting • Complete workplan • Define reporting information from GAs and Lenders |
| Imaging / Document Management | |
| <ul style="list-style-type: none"> • Met with facilitator and technical lead to discuss requirements gathering dates and deliverables • Team members e-mailed collected requirements and best in business findings to team lead • Conducted weekly standing meeting • Changed name of project and received approval on change from B. Morrow • Started drafting Requirements and Best in Business document | <ul style="list-style-type: none"> • Meet with team members individually to determine in/out scope documents and refine collected requirements • Continue drafting requirements and best in business document • Coordinate documents for review |
| Data Warehouse for Financial Partners | |
| <ul style="list-style-type: none"> • Met with facilitator and technical lead to outline upcoming plans and tasks. • Met with CIO Data Warehousing Team to discuss planned approach and joint work effort between the two teams. • Conducted Data Warehousing standing meeting on 5/18. • Assigned tasks to team members for gathering requirements. • Met with N. Harding and C. Ishaq to identify their section's requirements. • Adjusted workplan to reflect discussions of work effort between FP and CIO | <ul style="list-style-type: none"> • Schedule and complete team member/CIO meetings with J. Reed, T. Magro, J. Reynolds, G. Gerrans, and W. Sutton to gather requirements. • Check status of requirements gathering process • Answer any outstanding questions • Start formulating requirements matrix • Receive best in business trends from CIO. |

SFA Financial Transformation Program Biweekly Status Report Package

Period ending May 26, 2000

III. Program Summary (continued)

| Accomplishments and Results | Plans for the Next Period |
|--|---|
| Employee Development | |
| <ul style="list-style-type: none"> • Conducted fourth visioning session with FP Directors and team members • Launched Change Agent program and held Kick-Off meeting • Finalized Organizational Assessment and released to Change Agents for distribution • Completed Transformation Overview communications materials for internal and external audiences (released to Change Agents for internal distribution) | <ul style="list-style-type: none"> • Work with Change Agents to schedule and conduct Transformation Overview sessions and administer Organizational Assessment • Document and distribute results of fourth visioning session • Work with Frank Ramos to release Transformation Overview communications materials to community • Conduct best-practice research on performance based organizations |
| Expanded FAFSA to Trading Partners | |
| <ul style="list-style-type: none"> • Project Not Started | |
| Pilot Electronic Certification | |
| <ul style="list-style-type: none"> • Met with NCHELP community on 5/19/00 • Revised team charter • Obtained a copy of Electronic recommendations from NCHELP • Completed Draft of Current Environment Assessment • Met with Barry to discuss direction • E-mailed Jeff Baker for a copy of Dear Colleague Letter • E-mailed Brian Kerrigan on NCHELP recommendations to clarify policy direction on electronic processing | <ul style="list-style-type: none"> • Meet with Jeff Baker and Brian Kerrigan on policy direction for electronic processing • Complete Current Environment Assessment • Obtain copy of Dear Colleague Letter • Meet with NCHELP on Promissory Note processing • Identify additional team members |
| E-commerce Data Exchange (Form 2000) | |
| <ul style="list-style-type: none"> • Discussed "to be" vision of electronic data transmissions • Continue to define Form2000 data requirements for ORACLE – screens, data file loads, account mapping, GL, and AP interface • Attended NACHA meeting to discuss ED Form 799 redesign • Identified issues for developing 'vision' document; identify core team members | <ul style="list-style-type: none"> • Continue to define Form2000 data requirements for ORACLE • Discuss 'annual' reporting sections, meet with NCHELP/GA representatives • Continue to meet with NACHA representatives to discuss 799 redesign |

SFA Financial Transformation Program
Biweekly Status Report Package
 Period ending May 26, 2000

IV. Issues Log Summary

| | DATE LOGGED | ISSUE DESCRIPTION | IMPACT | PRIORITY | ASSIGNED TO | STATUS | RESOLVE DATE | ACTION REQ'D/ RESOLUTION |
|----|-------------|--|--|----------|--------------------------|--------|--------------|---|
| 1. | 4/19/00 | (Pilot Electronic Certification) Need scope issue resolved and initiative clarification. Issue between PBO and OPE policy on electronic certification. | Initiative may be delayed | High | C. Whitaker B. Morrow | Open | 6/7 | Met with Barry and Andy Boots on 04/24. Gathering more information on recent negotiating rule making meeting on electronic certification. Met with Barry and NCHELP to analyze implications of project. Will meet with Policy to gather more information. |
| 2. | 4/19/00 | (Enh. Ptr. Relationship Mgt.) Need to identify GA's to be represented on GA focus group based on NCHELP recommendations. | GA focus group progress cannot be made until team is identified. | High | J.Reynolds | Open | 6/7 | Working with Kristy Hansen to identify GA/ Lenders focus group members. |
| 3. | 04/20/00 | (Voluntary Flexible Agreements) Declare SFA independence on VFA decisions; detail workflow b/w Dept. and SFA on VFA negotiations. | Independence question | High | C. Ishaq | Open | 6/2 | Met with Frank Holleman on VFA decisions; detail workflow between Dept. and SFA on VFA negotiations. Independence question – suspended. Detail workflow question – suspended |
| 4. | 5/3/00 | (Voluntary Flexible Agreements) Unsure of VFA legislation, reporting metrics | | High | C. Ishaq | Open | 6/2 | Revisit VFA legislation and Departmental releases on VFAs to determine metrics (if any). Pending receipt of up-to-date version of written legislation |
| 5. | 5/03/00 | (Enhanced Ptr. Relationship Mgt.) Identify and finalize team structure | Need clarification before project can proceed | High | L. Stoddard A. Cimino | Open | 6/7 | |

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Period ending May 26, 2000

IV. Issues Log Summary (continued)

| | DATE LOGGED | ISSUE DESCRIPTION | IMPACT | PRIORITY | ASSIGNED TO | STATUS | RESOLVE DATE | ACTION REQ'D/ RESOLUTION |
|----|-------------|--|--|----------|------------------------------|--------|--------------|--|
| 6. | 5/03/00 | (Cross-Project) Need to communicate with Partners about FP projects | Lack of communication is resulting in confusion internally and externally about transformation | High | Carrie Smith/ Frank Ramos | Open | 6/7 | Creation of a two page description of projects and organization of projects to distribute to partners and possibly put on website. |
| 7. | 5/11/00 | (Contract Management) Current scope definition may be an overlap with Enterprise Solution Team. Need confirmation from GM as to which approach to pursue. | Enterprise Solution Team FP Reengineering Team | High | B. Morrow | Open | 6/7 | Need confirmation |
| 8. | 5/22/00 | (Voluntary Flexible Agreements) Revise schedule for group rollout; work with David Rippon to identify new intern / share intern with another group. | Resources - Intern | High | C. Ishaq | Open | 6/2 | Schedule revised – Closed. New / Shared Intern – Open. |
| 9. | 4/26/00 | (Data Warehouse for FP) Determine the links between the FP and SFA Data Warehouse Funding Request. Need to understand whether the FP request should stand-alone or should it be included in the overall SFA data warehousing initiative. | Funding | High | C. Smith B. Morrow | Closed | 5/1 | CIO will brief on the data warehousing initiative on 5/01/00. B. Morrow, C. Smith, and CIO met and agreed that data warehousing project will be part of the enterprise-wide IPT. |

**SFA Financial Transformation Program
Biweekly Status Report Package**

Period ending May 26, 2000

V. Schedule of Key Meetings

| Program Meetings: | Date: | Time: |
|--|------------------|-----------------------|
| Team Lead Meeting | Wed. - 5/31/00 | 1:00 p.m. |
| Project Meetings: | Date: | Time: |
| Enhanced Monitoring of Financial Partners team meeting | Tues. – 5/30/00 | TBD |
| Data Warehousing Standing Team Meeting | Thurs. – 6/01/00 | 1:30 p.m. – 2:30 p.m. |
| Common Third Party Interfacing (Middleware) | Tues. – 6/06/00 | 1:30 p.m. |
| Regulatory Process Improvements standing meeting | Wed. – 6/07/00 | 1:30 p.m. |
| Default Reduction Incentives | Thurs. – 6/08/00 | 1:30 p.m. |
| VFA Group Kickoff Meeting | Wed. – 7/5/00 | TBD |
| E-Certification Mtg. with NCHELP for Promissory Note | TBD | TBD |
| E-Certification Mtg. with Jeff Baker and Brian Kerrigan (policy) | TBD | TBD |

VI. Program Delivery Schedule

See attached Program Delivery Schedule