Enterprise Project Management Office Overview

Brief to the IT Oversight Committee
Krissy Culler, Deputy State CIO
October 8, 2013

Agenda

- Enterprise Project Management Office (EPMO) Background

- History of IT Projects

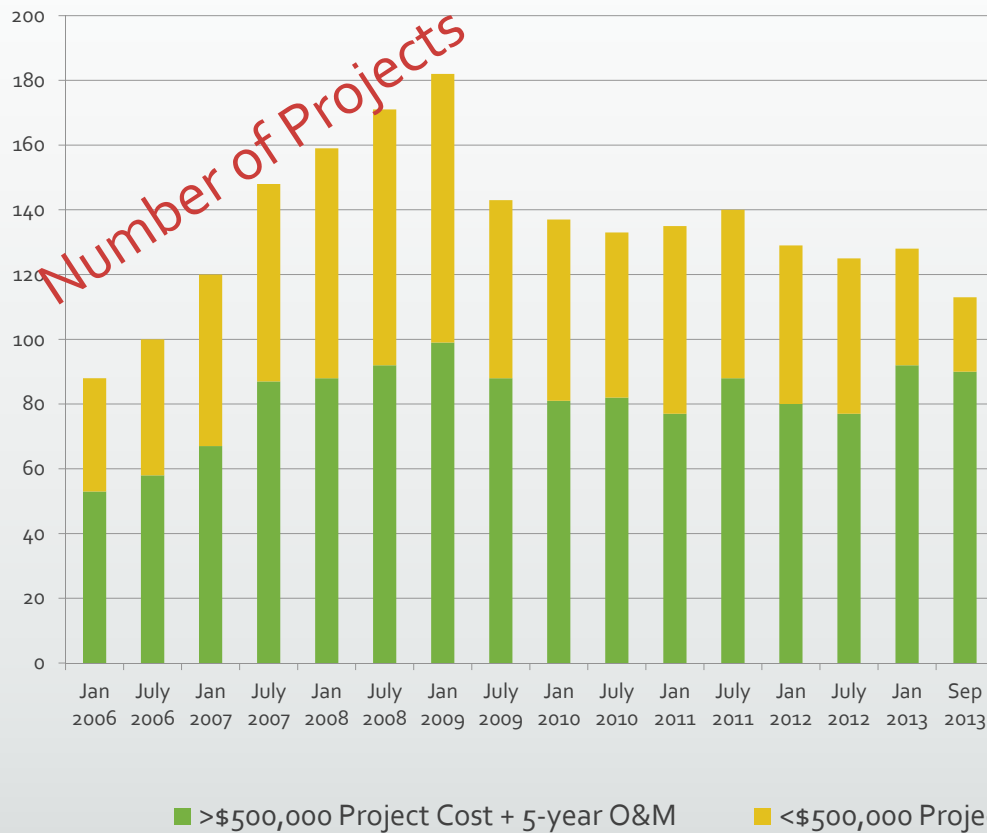- Early 2013 IT Project Audit

- Future Direction

- Q&A Session

EPMO Background

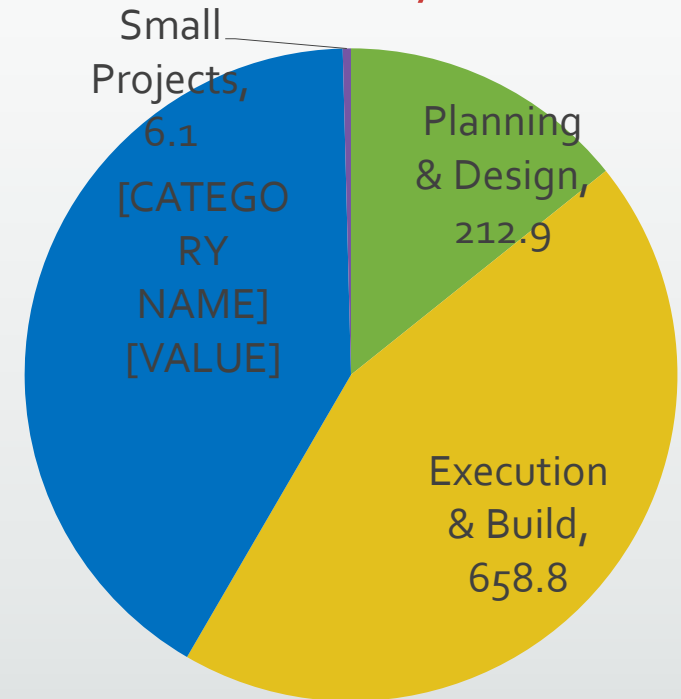EPMO established in 2004 for IT project oversight:

✓ Legislative authority to review and approve State agency IT projects

✓ Develop standards and accountability measures

✓ Require status reporting

✓ Suspend projects when necessary

Purpose is to ensure agencies deliver projects within budget and onetime

History of NC IT Projects

Number of Projects

Legend:
- >$500,000 Project Cost + 5-year O&M (green)
- <$500,000 Project Cost + 5-year O&M (yellow)

X-axis: Jan 2006, July 2006, Jan 2007, July 2007, Jan 2008, July 2008, Jan 2009, July 2009, Jan 2010, July 2010, Jan 2011, July 2011, Jan 2012, July 2012, Jan 2013, Sep 2013

Breakdown by Phase

- Small Projects, 6.1
- [CATEGORY NAME] [VALUE]
- Planning & Design, 212.9
- Execution & Build, 658.8

Early 2013 IT Project Audit

- State Auditor's Office findings:
  - Project budget increased 111% from initial estimate through Project End
  - Projects missed time estimates by a year

- Industry Metrics Show Difficulties of Managing IT Projects
  - IT projects >$15M run 45% over budget and 7% over time (McKinsey & Co, 2012)
  - Failure rate of large IT projects with budgets exceeding $1M was found to be almost 50% higher than for projects with budgets below $350K (Gartner, 2012)
  - Companies with poor business analysis capability has 3 times as many failures as successes (ZDNet, 2012)
  - Projects with high quality requirements cost 65% less than ones with poor requirements (ZDNet, 2012)

Future direction is integrated, iterative approach

SCIO, EPMO, and Agencies are working together to improve project management, oversight, contract management, and enterprise architecture

- Break projects into smaller phases
- Focus on lowering custom code
- Leverage Requirements Analysts to capture business/technical requirements
- Utilize enterprise architecture and innovation center to lower project risk
- Update enterprise framework to encompass risk
- Account for people and process changes associated with a project

"Digital technologies and next generation mobile, social, big data and cloud solutions do not require large and high-risk transformation investments. These solutions work best when they evolve, response, configure and adapt themselves to consumers and the marketplace." (Gartner, 2012)

Questions?

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