




Liz Mautner: Supporting the nation's civil service workforce.



Enhancing Project Return through Earned Value Management

e-Government is changing the way the
U.S. Office of Personnel Management works.

By Cheryl D. Krivda | Photos by David Hills

Liz Mautner is a bundle of energy. Having just completed the implementation of an earned value management system to track the U.S. Office of Personnel Management's five high-profile e-Government projects, Mautner might be a woman wrung out from battles and deadlines. Instead, she is enthusiastic, high-spirited, and itching to tackle the next challenge.

She wouldn't have it any other way: as director of administration and finance for the office of e-Government initiatives in the Office of Personnel Management (OPM), there is no down time between major IT initiatives. OPM is the federal government's human resources agency, responsible for supporting the nation's civil service workforce and managing both the federal retirement system and health insurance programs for more than nine million employees, retirees and their families. Facing an impending retirement of huge numbers of baby boomer-era workers, the federal government is embracing technology that helps its workforce run more effectively and efficiently.

Mautner, who reports to Director of e-Government Norm Enger, led the team that implemented earned value management for five expansive HR initiatives: e-Clearance, e-Training, e-Payroll, Enterprise Human Resource

Integration, and Recruitment One-Stop. These initiatives are part of the e-Government office's mission to transform the management of government human capital by developing secure, modern, cross-agency IT solutions. The goal is to create a government that is more citizen-centered, results-oriented, and market-based – and to improve the government-wide strategic management of human capital.

OPM handled five of the original e-Government projects that were initiated by the Office of Management and Budget (OMB), explains Mautner. “Those five initiatives are now operational, and we have begun a new overarching project: creating the Human Resources Line of Business (HR LOB) program.” The new initiative will help federal agencies

move to shared service centers that will provide the modern, cost-effective HR services they need.

DRAMATIC SAVINGS

The e-Government projects are led by a small e-Government team of project managers. Approximately 70 project implementers from throughout OPM executed the five original projects and brought them to completion. Today, federal workers can use the e-Government solutions to initiate their security clearance processes, handle payroll processes, schedule and receive e-Training, and locate and apply for federal jobs.

Experts anticipate the e-Government initiatives will deliver \$2.7 billion in tax savings. The consolidation of 26 federal payroll systems is responsible for a significant chunk of the savings, but the other initiatives are also expected to provide benefits as well. For example, the e-Clearance initiative, according to the OPM website, will save taxpayers “about \$260 million over 10 years” by streamlining and synchronizing processes used to assign security clearances to federal workers.

“It's true that we anticipate significant savings and cost avoidance from these initiatives,” says Mautner. “But perhaps most importantly, these initiatives are helping the federal government to operate more efficiently and effectively.”

CREATING EVM INFORMATION

To meet the challenge of keeping so many projects on track, the OMB mandates the use of a methodology called Earned Value Management (EVM). Although OPM and the e-Government office were using EVM to execute the capital asset management process required for every new project, the office was not current with EVM's highest standards.

“We wanted to be able to track and report on the cost, schedule and performance of the project,” says Mautner. “We wanted to meet the highest standards, address OMB's requirements, and meet OPM's management needs.” In 2004, OPM decided

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Critical Success Factors for Implementing EVM

What makes some EVM system implementations succeed while others wilt? According to Liz Mautner, critical success factors for OPM included:

- **Executive sponsorship:** Both the CIO and CFO of OPM recognized the need for the new EVM system and championed its cause.
- **Blended team support:** The project was staffed by project managers in the e-Government office, contract workers, and vendor support on technical and project implementation issues. “That worked very well,” she says.
- **Change management:** Cost accounting and employee time reporting had not been required at OPM for many years. Understanding that the new system would require behavioral change, the team concentrated on handling change management issues before they became problems.

to implement a new EVM system that would support the current American National Standards Institute (ANSI) 748 standards.

“To do this, we needed a new EVM system that could be implemented across the agency, not just in e-Government,” she continues. “We wanted a system that could apply to any large IT project within OPM. The information generated by this system

needed to be unquestionable, so that anyone looking at data outcomes from the system would know that they could trust what they were reading.”

Mautner’s team began researching the options for a new EVM system. They secured the sponsorship and commitment of both OPM’s CIO and CFO, understanding that both technical and operational support was integral to the project’s success. The organization chose Primavera and implemented the solution in November, 2004, initially to be used by the e-Government Office and the HR LOB.

Today, all projects are managed in the system, including the five e-Government initiatives and the HR LOB project. The organization began generating performance reports for the HR LOB project in early summer, and Mautner hopes to have cost performance report outputs for all five e-Government initiatives as well as the HR LOB project before the end of the fiscal year in late September.

EVERYBODY WINS

The new EVM system is helping OPM achieve several quantifiable benefits. “We now have the information to make accurate, timely, and well-informed decisions about projects,” says Mautner. The system provides project managers with an early warning when projects begin to slide off scope, over budget or off schedule. It can also help managers make decisions to correct those problems.

OPM also uses the system to create an objective project status for both its own management team and the OMB. “We wanted a system that would leave no room for argument about what had been done or



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remained to be done on a particular project,” she explains. “The new system allows us to measure variances – in terms of cost, schedule and performance – in dollars.”

Finally, the EVM system allows the agency to more accurately estimate future project costs for people, dollars and time. “Having good information about past projects in our system helps us to more accurately estimate the costs required to execute future projects,” Mautner states. “Instead of recalculating project costs for each year, we can now make better-informed assessments using relevant past experience. This helps us create stronger budget justifications for both OMB and Congress.”

Having project information so readily available also helps OPM project managers succeed. Stakeholders

The President's Management Agenda

The President's Management Agenda, announced in 2001, was launched as a strategy for improving the management and performance of the federal government. It focuses on the areas where deficiencies were most apparent, and identifies five key areas where the government could begin to deliver concrete, measurable results:

- Strategic management of human capital
- Competitive sourcing
- Improved financial performance
- Expanded electronic government
- Budget and performance integration

Earned Value Management is a key vehicle for helping to meet the goals of the President's Agenda.

can generate high-quality reports that pull information from various sources – often without the intervention or support of IT staff members. In addition, the system forces project managers to consider and document projects for optimal management.

“The data created by the system increases managers' visibility and control over their projects,” says Mautner. “They can assign tasks, understand which worker is handling specific jobs, oversee the progress on the project, and clearly view what's been accomplished by individual workers on specific projects. It's a win for all parties.”

MEETING OMB CRITERIA

So pleased with the new EVM system is Mautner that she recently presented a demonstration of its role in OPM to high-level OMB executives. “It was fabulous,” says Mautner enthusiastically. “We showed how we are meeting the ANSI 748 requirements and how we are meeting OMB criteria for EVM. It was a very effective demonstration of our system.”

Moreover, the EVM system will help OPM docu-

ment budgetary needs to OMB and receive funding for worthwhile projects. “OMB requires a large number of reports on each of our e-Government projects, including implementation progress, project costs, funding sources and resource allocation,” Mautner explains. “Our new EVM system is designed to answer all of these questions and to replace the reports that we've been sending to OMB. The demo was a first step toward helping OMB become familiar with our system and show that it meets their high standards. Now when we use the system to generate outputs, OMB reviewers will have confidence that the data they see represents reality.”

NO TOLERANCE FOR COMPLACENCY

As the EVM system documents, OPM is already performing well – although Mautner won't let the organization rest on its laurels. “OMB has a requirement that all projects remain within a variance of plus-or-minus 10 percent” she says. “We've been pleased so far by the data we're seeing: all variances for the HR LOB project have been well within that tolerance. And we have a plan to deliver the results of EVM reports at weekly project manager meetings. This will provide managers with timely project data and feedback, help them identify potential trouble spots, and work with employees to keep projects on track. I'm very excited about it all!”

Looking forward, there is no chance that Mautner's enthusiasm will go to waste at OPM. In addition to the HR LOB initiative, which will rename the e-Government office to the “HR LOB Project Management Office,” OPM has two other proposed IT projects that may come under the EVM umbrella: a modernization of the federal government's retirement systems and financial management systems.

Clearly, OPM and the e-Government office are pleased with the EVM solution and its progress to date. “We worked hard on the front end of this project,” Mautner says. “Now we're reaping the rewards of all that planning. We're starting to get great reports from the system with rich data. And this information will surely lessen our reporting burden to OMB as we move forward. Who wouldn't be excited?” •

Cheryl D. Krivda is a technology journalist specializing in IT topics. Contact her at ckrivda@cmkcom.com.