

**Recommendation to the Chief Information Officer
for
Revised Balanced Scorecard Approval**

Background: On January 17th, 2008 the IT Investment Management (ITIM) Customer Council recommended to the ITIB a refinement of the current Balanced Scorecard and the development of a supporting writer's guide to help agencies produce better Project Proposals and Charters. The current Balanced Scorecard used in the Commonwealth is a good tool for determining if a project should be approved for development, but some questions are out-dated and others are too subjective. The ITIM Customer Council recommended the following refinements:

- Update the Balanced Scorecard questions and develop a supporting writer's guide
- Conduct a validation of the revised Balanced Scorecard and writer's guide with project managers from the Commonwealth and publish the documents on the VITA website

Analysis: VITA Project Management Division (PMD) worked with the ITIM Customer Council between January and May 2008 to refine the Balanced Scorecard questions so they were more relevant and objective, develop a "Project Proposal and Charter Writer's Guide", and test the tools with existing projects. The ITIM Customer Council provided positive feedback on the final documents. A summary of the major changes in the Balanced Scorecard are listed below:

- The five main categories in the Balanced Scorecard that cover "Stakeholder" interests, "Business Processes", "Project Management", "Financial and Economic" alignment, and the "Enterprise (Commonwealth) Portfolio" are now clearly defined
- A revised scoring methodology using a more gradient scale (Green, Partially Green, Neutral, Partially Black and Black) has been developed to assess each question
- Questions and assessment criteria in the "Stakeholder" category are now more objective and ask agencies to specify stakeholder roles and responsibilities, project benefits linked to the objectives from the Governor and Council on Virginia's Future, and performance expectations
- Questions in the "Business Process" section that covered information sharing and agency IT investment readiness and capacity have been moved and aligned with the "Enterprise (Commonwealth) Portfolio" and "Project Management" categories as appropriate
- Questions and assessment criteria in the "Project Management" category are now more objective and have been rewritten to align with the current Commonwealth Project Proposal and Charter templates maintained in the Commonwealth Technology Portfolio tool - ProSight
- Questions in the "Financial and Economic" section now ask the agencies to be more specific about a project's return on investment, economic impact, estimated expenditures for operation and maintenance and cost avoidance/savings
- One question has been added to the "Enterprise (Commonwealth) Portfolio" category that looks at whether or not a project is an enterprise investment being managed under an appropriate governing body (for example, VEAP)

The revised questions and assessment criteria in the Balanced Scorecard will help the Commonwealth improve how we identify and track project benefits. An improved gradient scale combined with more objective questions will assist agencies in understanding key assessment areas in Project Proposals and Charters. In addition, the supporting writer's guide will help agencies write more complete Project Proposals and Charters and understand what information is

critical in order to get Development Approval. The average time it takes to review and correct deficiencies in Project Proposals and Charters should be reduced.

For those interested in a more detailed comparison of the current and revised Balanced Scorecard, PMD staff members are available to conduct a side-by-side review of proposed changes. The current Balanced Scorecard can be found at:

<http://www.vita.virginia.gov/uploadedFiles/Oversight/Projects/BalancedScorecardDecisionCriteria.pdf>

Recommendation: That the CIO recommend review of the revised Balanced Scorecard and supporting writer's guide (attached) by the Commonwealth IT Solutions Committee and subsequent approval by the IT Investment Board at the July Board meeting.

CHIEF INFORMATION OFFICER ACTION

- Recommend Review
- Recommend Review as Modified
- Not Recommend Review



Signature

6/19/08

Date