

Mississippi Management and Reporting System
Steering Committee Minutes
January 12, 1996

A called meeting of the Mississippi Management and Reporting System (MMRS) Steering Committee was held at 2:00 p.m. in the Conference Room of the Department of Finance and Administration (DFA), 901 Walter Sillers Building, Jackson, Mississippi, on Friday, January 12, 1996.

The following members were present:

Edward L. Ranck, Chairman
Executive Director of the Department of Finance and Administration
J. K. Stringer, Vice-Chairman
Executive Director of the State Personnel Board
David L. Litchliter
Executive Director of the Department of Information Technology Services

Also present were:

Cille Litchfield, MMRS Administrator
Cliff Davidson, MMRS Technical Director
Lynda Dutton, MMRS Functional Director
Tracie Dickerson, ITS/ISS, SPAHRS Project Manager
Claude Johnson, Director, Strategic Services, ITS
Gary Runnels, Director, Management Information Systems, SPB

A quorum being present, the meeting of the Mississippi Management and Reporting System (MMRS) Steering Committee was called to order by Dr. Ranck. Dr. Ranck requested a motion that the minutes of the October 11, 1995 meeting be adopted. Mr. Stringer moved the minutes be adopted. The motion was seconded by Mr. Litchliter. The minutes were adopted as presented.

Dr. Ranck presented agenda item 2: Presentation of the SPAHRS Quality Assurance Review

Mrs. Litchfield provided background for the SPAHRS Quality Assurance Review. Mrs. Litchfield reported that during early December a conference call was conducted with Jessica Blume, the Deloitte & Touche (D&T) Quality Assurance (QA) partner for this project. During that call, MMRS discussed its continuing frustration with certain aspects of the project and asked that she participate with a State representative in a joint QA review of SPAHRS. She agreed. The State requested that Claude Johnson, then with Seltsmann, Cobb, and Bryant and now, once again, working for ITS, represent the State due to his vast experience in doing this type work and since he had, as a MERLIN risk management task, been working with the State team to resolve some of the continuing issues. Mrs. Litchfield stated that Mr. Johnson's report is a summary of the findings as documented by him and Ms. Blume. The review was conducted December 18-20 and involved State, D&T, and sub-

contractor team members and management as well as key individuals from DFA and SPB.

Mr. Johnson stated that the following issues were identified by the State:

- Lack of communication on the project; both horizontal and vertical;
- Lack of agreement between Contractor and the State on methodology issues such as work processes, products, and deliverable review checkpoints, resulting in incorrect or mixed expectations and lack of consistency on work produced by teams;
- Difficulty in getting the work done on some segments resulting in perceptions of need for more State and vendor functional experience on some teams;
- Perception that the D&T Project Manager is currently, and desires to continue, spending an insufficient amount of time managing the project;
- Concern about the amount of time spent by certain key D&T staff onsite;
- Concern about D&T's handling of sub-contractor issues;
- State's desire for a project plan that is a working document are not being met.

Mr. Johnson identified a number of critical problems encountered in the past that may have resulted in the project falling behind. These problems include:

- Situation leading up to the State's request for replacement of D&T's original Project Manager and the resulting impact on the project;
- Lack of a realistic project plan;
- Decision to use Rapid Application Development (RAD) as the development methodology and lack of preparation and training of project staff and users in RAD methods;
- Disappointing results from the Proof of Concept;
- Unpreparedness of D&T for the technical environment proposed;
- Loss of key D&T (and Sub-contractor) staff;
- Poor morale on the D&T project staff because of lack of trust issues;
- Poor morale on the part of sub-contractor staff. Dr. Ranck asked if the morale problem with the sub-contractors was because of D&T's treatment of them. Mr. Johnson said yes;

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- Ineffective project communications between D&T and State, D&T and sub-contractors, and within D&T staff (top-down and across teams);
 - Lack of adequate D&T expertise in Human Resources segments;
 - Inconsistency in work products and methods;
 - Failure to confirm requirements in some segments;
 - Insufficient fostering of teamwork between State and D&T and between D&T and sub-contractors;
 - Ineffectiveness of the State in responding to D&T's need for more information quicker;
 - Inability of State and D&T Project Managers to work together to effect change in the project;
 - One year delay in bringing Software AG (SAG) onto the project. Dr. Ranck asked if this was the sub-contractor identified in the contract that MMRS had not seen. Mr. Johnson responded yes and stated that had SAG been involved earlier a number of technical issues could have been avoided;
 - Inability of D&T to manage the State's expectations; and
 - High occurrence of rework of work products.

Mr. Johnson stated that although this project has undergone significant challenge, the project shows some positive signs of improvement in process, expertise, and awareness of problems. Mr. Johnson further stated that, at this time, the most serious challenge to the project is the failure of the State and D&T to work closely enough together to foster the teamwork and synergy necessary to succeed in the effort. Mr. Johnson said he saw little effort at forming the teamwork structure and mind set needed that would significantly alter the course of the project.

Project Management - Mr. Johnson stated that the Project Managers are not communicating well on all aspects of the project. These are two very bright people who should be able to resolve almost all issues that come before them. The two Project Managers must work together on those issues until resolution.

Methodology - Mr. Johnson reported that it is his feeling that no two people on this project can agree on the methodology being used, the deliverables that are to be developed, the deliverable schedules, nor the deliverable approval process.

Expectations - Mr. Johnson reported the lack of management of the client's expectations. Mr. Johnson specifically addressed the RAD approach. Mr. Johnson stated that when RAD was introduced to the State participants, there did not seem to have been adequate explanation of the

process, of the need for real-time decision makers, of the products that would be delivered, or of how those products would be developed. Mr. Johnson further stated that he was inclined to attribute many of the project's misunderstandings and dissatisfaction with the way activities are handled to the problem of expectation management. Mr. Johnson further stated that it is the Contractor's responsibility to ensure the client feels good about what is being done and if the client does not feel good about this, the client has every right to question the methods of the Contractor. Mr. Johnson stated the Contractor's Project Manager has not been as open as he should have been.

Inadequate Decision-Making Process - Mr. Johnson reported that the D&T staff make a major case for the State's inability to adequately manage the decision-making process. Mr. Johnson stated that he had heard of situations where decisions on issues were needed quickly and took too long and situations where decisions were made and then overridden at a later date, and that according to D&T, these situations have been numerous and costly to the project. Mr. Johnson further stated that there does not seem to have been any written correspondence between D&T and the State on these types of situations and that this could explain the State's and D&T's disagreement over the seriousness of the problem.

Project Morale, Trust, Attitudes - Mr. Johnson stated that the D&T project personnel have the perception that the State does not trust them. Mr. Johnson stated the sources for this perception include the issues surrounding the State's questioning of methods used by D&T in the project and the incident of the intercepted status report written by a Team Partner.

Mr. Johnson reported the morale of the State members of the project seems to be very low because they perceive that the project has had very little success. The State blames a lot of this on D&T, and they have seen nothing happening to improve the situation until very recently.

Mr. Johnson further reported that Sub-contractor morale is very low. Most of the subs feel that they are not considered by D&T to be important members of the project nor do they feel that their technical expertise is sought out as often as it should be.

Mr. Johnson stated that it is the Project Managers' responsibility to promote teamwork and trust on the project.

Staffing Inadequacies - Mr. Johnson stated that the State and D&T feel like there is a major need for an additional strong Human Resources functional person to assist Cara Fanelli. Ms. Fanelli was originally the assistant project manager and was moved into this role when key staff left the project.

Mr. Johnson reported that he sees a lack on the D&T staff of a person who plays a coordinator role, making sure that all teams are functioning toward the same goal, that all interfaces among segments are being communicated, that functional and technical staff are communicating, and that when the overall application comes together, there will be a fit. Mr. Johnson further stated this is generally a role of the Project Manager, but if that is not true in D&T, then another person is needed to fill that role. Mr. Stringer asked Mr. Johnson to confirm whether the State or D&T Project Manager needed to fill this coordinator role. Mr. Johnson responded D&T.

Mr. Johnson reported the recommendations from the QA review. These recommendations include:

- An intense project planning effort between the two Project Managers, with possible participation of the MMRS Administrator and with frequent progress briefings for MMRS management. Mr. Johnson indicated the following subjects should be addressed in the project planning effort:
 - Agreement on the roles of each of the Project Managers and purpose and procedures for the SWAT Team and other working meetings,
 - Agreement on methodology, deliverable identification, format, contents, consistency, and approval process; Mr. Johnson noted this is particularly relevant with the segment for Calculate Pay scheduled to be delivered in late January,
 - Agreement on a project calendar that will be used to indicate when key project staff will be away from the project,
 - Plan for enhancing teamwork among State/D&T/and Sub-contractor staff,
 - Plan for enhancing communication in multiple areas across teams;
 - Plan for addressing the following staffing problems:
 - ▶ Need for additional functional expertise in human resource segments
 - ▶ Need for D&T Project Coordinator
 - Agreement on a method of providing the State with a periodic updated project plan or suitable substitute since the State must know the real status of the project;
 - Agreement on a process whereby the D&T Project Manager can help the State feel good about project progress and on a process for the State to implement deeper inquiries if this does not work, without D&T questioning the State's motives.
- A remedial process whereby feelings of the past are set aside and all parties agree that the project must move forward in a more cooperative manner. D&T feelings of not being trusted by the State and State feelings that D&T is trying to get away with something must be discouraged. The only people that can make this happen are the two Project Managers.
- There must be an effort to provide quick and effective surgery to the Human Resources segments that have fallen so far behind. For the next three months, the Legislature will be in session and it could be difficult to get the necessary SPB user involvement in a timely manner.

Mr. Stringer requested a better explanation of why the human resource sections are so far

behind. Mr. Johnson responded that the payroll segment leader (Ann Eldridge) is very methodical and has been supported by the fact that Joyce Jordan, the DFA Payroll Officer, has been assigned 100% to the project and empowered to make all the necessary decisions at the time decisions are requested.

Mr. Stringer responded that lots of the issues coming across as human resource issues are actually payroll issues and gave as examples recent questions on how to calculate pay, how the State is to handle leave, and when should employees be paid (what day or how often). Mr. Stringer stated the issue always comes back to paying people for work not done and indicated this was a decision for Dr. Ranck, not for SPB. Mr. Stringer also stated that a number of the issues are policy related and cannot be changed except through the appropriate channels for handling policy.

Mrs. Dickerson responded that the designation of "user-owners" makes no doubt who is the owner of the functionality of a segment and stated that there are three SPB staff who have been so designated. Mr. Stringer stated that John Mulholland can make a decision in every area but some of the pending decisions are payroll. Mr. Stringer also stated that when someone is to be paid is a constitutional issue and that in some areas the human resource people are giving answers and the payroll people are then saying they do not know how to do what has been decided.

Mr. Stringer said that even if he were in all the meetings, there would not be a quick turnaround on every issue. Mr. Johnson stated that he knew that interfaces to payroll issues existed in nearly all the human resource segments.

Mrs. Dickerson stated that the Selection segment team will be meeting in the SPB "War Room" in an effort to clear up the remaining issues in this area as quickly as possible.

- There must be a clarification of the issues remaining regarding the technical architecture for the project.
- From the interviews, Mr. Johnson reported he was not able to feel good about the overall understanding of requirements. There appears to have been varying levels of requirements confirmation, from thorough to none. The State has a lot to lose if requirements are not met by the system being developed. D&T has much to lose, as well, since payment for deliverables is based on whether or not the requirements are met. If D&T is not going to track requirements in a consistent manner, the State should take on that responsibility.

Mr. Johnson concluded that Ms. Blume's report categorized the problems as three distinct issues: Who is the "client?" What is the Project? How should the Project be managed?

Dr. Ranck stated that he had made it perfectly clear during his phone conversation with D&T management some 6 months ago that Mrs. Litchfield was empowered to speak for the project. Dr. Ranck indicated that D&T was told that "if Cille Litchfield is happy, I am happy" and there should

be no questions concerning who the "client" is. Dr. Ranck and Mr. Stringer both stated that the organization as well as the detailed requirements were spelled out in the RFP so those should not be a problem with the definition of the project. Mr. Johnson stated that Ms. Blume's issues on project management closely resembled those in his report.

Mr. Johnson further stated that the SPAHRS project is not out of the woods yet, but he was pleased to hear many project members say that they had seen improvement in the project over the last 3 - 4 months. Mr. Johnson stated the State must insist that the level of expertise that is currently on the project from D&T and subs not be allowed to dwindle and should increase in some areas. Mr. Johnson stated that, in his opinion, the key to the success of this project lies in the ability of the two Project Managers to step up to, and work together to overcome the situation that faces them.

Mrs. Dickerson stated that the QA Review was helpful to her and that neither the State nor D&T have gone on the defensive as a result of the review effort. Mrs. Dickerson reported that she and Jerry Linden have agreed on the components of a segment deliverable and that the State will put this into practice during the 15 day review cycle that will begin for the Calculate Pay segment when it is delivered later this month. Mrs. Dickerson stated several other segments should be delivered shortly after Calculate Pay.

Mrs. Dickerson also stated that assigning a user-owner to each segment would give D&T the best possible access for resolution of questions and other issues. Dr. Ranck asked when D&T informed us that they were not getting the information they needed to move the project forward. Mrs. Dickerson responded that the SWAT team was MMRS' initial response for D&T's request for more immediate input and contact with decision makers, and, that since that time, the State has continued to adjust this process by going to more breakout sessions. Mrs. Dickerson stated that she has determined Jerry Linden's role is to direct the day-to-day project activities and that her role is to be sure the State is getting what they paid for and that D&T has all the access to people and other resources they need. Mrs. Litchfield stated that what the State continues to do is to remove the excuses of the Contractor.

Mr. Stringer stated that he wanted to "look D&T management in the eyeball". Mrs. Litchfield responded that such a meeting has been requested and will be further pushed during a conference call tentatively scheduled for next week with Ms. Blume. Mr. Stringer stated he did not want to give D&T another dime until project is back on schedule. Mrs. Litchfield stated that approximately \$4 million is scheduled to be paid this fiscal year but that no payments have been made since June 1995.

Dr. Ranck asked if D&T can deliver what they were hired to do. Mrs. Dickerson responded that they can and further stated that since SAG arrived, the project is shaping up. Mrs. Dickerson further stated that an additional impact to the human resources side of the project was the loss of segment leaders and their replacement with less experienced personnel.

Dr. Ranck stated that if we "go down in flames" he would rather do it for \$300,000 rather than \$3.5 million. Mr. Stringer stated that SPB is being asked to teach D&T human resources and he thought we were buying that expertise. Mr. Stringer said success boils down to whether we can get the

human resources function done and that the indication of the SPB is that D&T does not have an understanding of human resources, particularly in the public sector.

Mr. Litchliter stated that there was no doubt the company (D&T) could do the job but the question remains whether or not the project manager can do it. Mr. Davidson asked whether the issues on the table can be managed. Dr. Ranck stated that D&T does not seem to want to do the job badly enough. Mr. Johnson responded that D&T was serious about doing this and there was apparently some concern and embarrassment that the project was not progressing as planned. Dr. Ranck asked in what time line could they do the project.

Mr. Johnson speculated that additional focus has not been brought on this project because Mr. Linden is a partner. Mr. Litchliter stated that D&T must recognize that in substance, this is their (D&T) problem. Dr. Ranck concurred and stated that D&T has the resources to do this work based on the work they are doing world-wide. Mr. Stringer stated that perhaps our project is not a priority.

Dr. Ranck stated that D&T is too far into the project in terms of cash flow to take an approach to just cut their losses and that D&T would want to do business in the State again so they would not want to damage their reputation.

Mr. Stringer stated that he wanted to tell upper D&T management he is not happy. Mr. Litchliter stated that D&T needs to tell us that they know they can make us happy. Mr. Litchliter asked Mr. Stringer if he liked what he saw in the demonstration today. Mr. Stringer responded yes but that the most important factor of this project is to build the relational database of sourced (edited) data that can be extracted for analysis through MERLIN and other means. Mr. Stringer stated that D&T has not demonstrated they have the human resources expertise and that what he has seen is us (the State) having to educate them (D&T) about human resources.

Mrs. Litchfield stated that she would tell Ms. Blume to get D&T management down here as soon as possible on either a Monday morning or Friday afternoon.

Mr. Stringer stated that he liked what he saw but there was much work to be done. Mr. Stringer stated the Contractor needed to anticipate the interaction between all payroll and human resources aspects. Mr. Stringer further stated that he thought we were hiring the intellect that can look forward and anticipate and ask and again said that the State is teaching D&T about human resources. Mr. Johnson responded that this problem was the result of not following a prescribed methodology. Mr. Johnson further stated that one of his problems with RAD is that it has too many definitions and leaves room for too many excuses.

Dr. Ranck stated there is no excuse for not getting this thing done. Mr. Stringer stated he cannot remember reversing a decision of his staff and especially the decisions of John Mulholland and that most times he refers the decisions to John.

**Dr. Ranck presented agenda item 3:
Presentation of the MERLIN Steering Committee**

Mrs. Litchfield reported that the MERLIN RFP will be advertised Monday, January 15, 1996. The advertisement will appear in the *Clarion-Ledger*, *Computerworld*, and on the ITS' home page on the Internet. Mrs. Litchfield reported that early conversation with potential bidders indicates that there should be a lot of competition for this business and that bids for MERLIN are due March 15, 1996.

Mrs. Litchfield reported that Ken Wissner, MERLIN Project Director resigned, effective January 31, 1996, to assume a new position with a company in Savannah, Georgia. Mrs. Litchfield stated that MMRS will very quickly be looking for a replacement for Mr. Wissner.

Mrs. Litchfield presented the following slate for consideration for membership in the MERLIN Steering Committee:

Robert Sumrall, Legislative Budget Office
Clinton Graham, DFA
John Mulholland, SPB
Claude Johnson, ITS
Cille Litchfield, MMRS

Mr. Stringer asked whether we needed a representative from the Senate since Robert Sumrall would represent the interests of the House. Dr. Ranck stated that he would call Lt. Governor Ronnie Musgrove's office to see if he would like to have someone involved on the Steering Committee. The MMRS Steering Committee otherwise concurred with the slate as presented.

Mrs. Litchfield presented agenda item 4: Update on the Revolving Fund Status

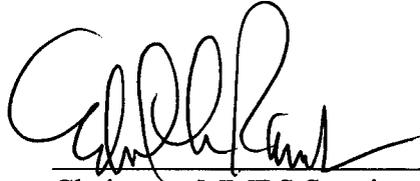
Mrs. Litchfield reported on the status of the MMRS Revolving Fund:

Invoices for recovery of FY95 expenditures and a portion of the unrecovered expenditures for FY93 were issued November 16, 1995. Total amount invoiced was \$1,476,001. Mrs. Litchfield reported that total outstanding due to MMRS for FY94 and FY95 as of today is \$314,656. Mrs. Litchfield also reported that the balance in the Revolving Fund as of today is \$14.6 million and that interest on investments for this fiscal year through December is \$497,728. Mrs. Litchfield reported that this amount includes an adjustment of approximately \$16,000 made by the State Treasurer's office to correct a calculation error during FY95.

Mrs. Litchfield asked what needed to be done to agencies who do not pay their invoices. She reported that during FY95, Agriculture and Commerce (A&C), the Agribusiness Council, and the Board of Optometry did not pay. Mrs. Litchfield also reported there are similar problems with agencies who do not pay their SAAS monthly production charges. These agencies include Wildlife, the Military, and others. Dr. Ranck recommended that Mrs. Litchfield contact Chris Spartman at

A&C concerning their outstanding invoices and indicated that A&C had some budget problems during FY95. There was no further discussion or recommendations concerning this topic.

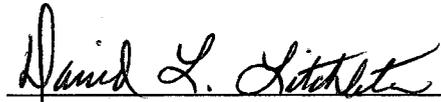
There being no further business to come before the Committee, Mr. Stringer moved to adjourn, and, there being no objection, the Committee adjourned.



Chairman, MMRS Steering Committee
Department of Finance and Administration



Vice-Chairman
State Personnel Board



Member
Department of Information Technology Services