

Facing Reality and the Need to Recalibrate Sequester-Impacted IT Projects

by
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Introduction

I've been researching different approaches to managing the impact of the federal budget sequester on Federal IT projects and publishing findings and ideas on [my web site](#).

Context

Federal IT projects often involve development, procurement, or operation of systems or services involving computer hardware or software. Such projects are managed and/or staffed by a mix of private sector and public sector resources and may include contractors hired temporarily through a variety of acquisition channels and procurement vehicles.

I'm finding a mix of reactions when I interview managers inside and outside the Federal workforce about the impacts of the budget sequester on IT projects. Some have not noticed significant project impacts yet although employee furloughs are quite common. Others see the sequester as an added burden on top of budget and policy uncertainties experienced by many Federal agencies over the past several years.



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For example, many agencies are now involved in multi-year technology change projects such as increasing use of external email, cloud-based storage, and data center consolidation. Budget uncertainties disrupt accomplishing such long-term plans.

Ironically, according to some, sequester-impacted projects will probably end up costing more, not less, than originally estimated. This is often the natural result of stretching projects out and can be caused by a reduction in efficient resource management.

Impacts

If you just read the budget sequester numbers you might not appreciate the impact the sequester is already having on ongoing programs. Reading newspaper articles like [Sequestration hits Hispanic families hard](#) helps to appreciate the human costs, which are sometimes painfully real.

Technology related projects such as software procurement, system development and testing, process reengineering related to technology changes, and system consolidation often operate more in the "background." They may not generate the same publicity when they are delayed or stretched out, but the impacts are just as real. For example, big projects that stretch over several years are often tied in complex ways to outside entities through complex interdependencies. A project's failure to deliver on time a promised component to replace another agency's obsolete system might end up hampering that agency's own cost reduction strategy.

Challenges

We don't yet understand all such ripple effects, but they are coming. Taking a step back for a moment to take stock, one should not be surprised that some project and program administrators who are familiar with the situation may, literally and figuratively, be throwing their hands up in the air in frustration and asking questions like:

- How can we manage complex projects in this uncertain environment while still maintaining quality and accountability?
- How do we maintain a quality workforce in an unstable "stop-start" environment?
- How can we move quickly -- and possibly change directions -- given our current procurement processes?
- How do we continue to address the challenge of a generation of retiring senior staff?

Working behind the scenes the way that most project and program managers do means, among other things, that the public will not necessarily rise up in anger, as happened when national flight delays were threatened by cutbacks in flight controller hours. Technology

projects generally don't always generate that kind of publicity -- unless something goes wrong, of course!

The inevitable

System related projects and programs must inevitably reflect political realities and distinctions already made in the budget. Look at the Bipartisan Policy Center's [A Guide to the 2014 Sequester](#) for insight into the distinctions among budget categories such as "defense," "non-defense," "discretionary," and "mandatory."

Eventually such distinctions -- which generally get hashed out "behind closed doors" unless government budget processes become significantly more transparent -- trickle down to those directly concerned with projects and programs where decisions such as the following have to be made:

- If the project has already started, should it be continued?
 - If yes, continue at current rate, or modify how the project is progressing?
 - If no, what are the costs of discontinuing the project, and who will incur these costs?
- If the project hasn't started, should it be canceled outright or just delayed?
- What are the implications of other actions?
- When planning new projects, should we assume a chaotic resource environment and start breaking work down into smaller chunks, even if that increases our total costs over time?

In theory, a high-performing PMO (Project Management Organization) should be able to help answer these questions to allow for rational decision making to proceed.

That's the theory. The reality usually is more complex. Agencies and departments differ widely in terms of the maturity and sophistication of their project and program management operations. Add to this the political jockeying that arises when reduced budgets are fought over and you have a situation where project participants with connections with influential stakeholders can become very important. (See [Oh, Great, Another 'Why Projects Fail' Article](#).)

Politics

An important question is how much sense it makes to attempt recalibration or realignment of current IT projects or programs via approaches that emphasizes analytics and objectivity, given a Federal budget process that appears, from the outside at least, to be totally out of control.

One unfortunate thing happening now is that a significant amount of time and energy must now be devoted by our public servants not to managing or improving existing programs but to accommodating blunt program impacts imposed by this failed budget process.

Are we asking government to behave rationally in an irrational environment?

Perhaps. While there are probably those in positions of influence who might be comfortable with this situation given the damage it does to the functioning of government, I don't share that view. As a taxpayer I want my money spent wisely and efficiently.

Key Questions

Let's say we want to help an agency to quickly review and assess a group of projects in light of the need to "make the best of a bad situation."

It's neither realistic nor desirable to propose a long drawn out consulting process that requires a lot of time and money to implement. We should probably consider a process that, quickly and efficiently, enables managers and stakeholders of technology focused projects to collaboratively answer the following types of questions:

1. Which projects are we responsible for managing?
2. Who are the owners and stakeholders?
3. Can/should we involve them in a collaborative review process?
4. What are the goals and objectives of these projects?
5. How are we measuring the success of these projects?
6. How much are these projects costing us? So far? Through completion?
7. Can we significantly reduce the cost of these projects and still accomplish our objectives?
8. What will be the impacts on other projects and programs if we significantly change our schedules and or budgets?
9. How much control do we actually have over our project schedule and resources?
10. Do we need to make any fundamental shifts in how we procure and manage outside contractors?
11. What would be the costs to us and to others of "killing off" one or more of our projects?

Availability of data to help answer such questions varies from agency-to-agency and program-to-program. For some, existing reporting systems will suffice and the challenge will might include managing a focused effort where different options are defined and reviewed. For others where the needed data are lacking, we might have to "... put on our miners' helmets and go in after the data with a pick and shovel."

In some ways this looks like a standard IT strategy alignment project where a small team

helps gather and present data to enable a client to see a path forward whereby technology resources are defined and managed to improve support for accomplishment of a set of defined objectives. The "kicker" here is that the environment in question is bureaucratic, siloed, somewhat chaotic, and subject to political and social events beyond the control of individual project and program managers.

The real world

As I like to say, "Welcome to project management as it is in the real world." After all, it's not unusual for project managers to lack total control, so situations found in the Federal government may not be that unusual. The conditions mentioned above also vary by agency. As noted above, some project managers I've contacted have reported no significant impacts--yet--from the sequester. Others are tearing their hair out.

I expect this all to change as budget reductions continue to bite and as Congressional budget negotiations continue along their rocky road. It therefore makes sense for project and program managers to be prepared sooner rather than later to answer the questions I've outlined above.

How? I'll begin to address that next, perhaps starting with a discussion of how open and collaborative such an initiative should be.

Related reading:

- [*A Project Manager's Perspective on the Cost Impacts of the 'Sequester'*](#)
- [*A Framework for Transparency Program Planning and Assessment*](#)
- [*Developing a Collaborative Approach to Improving Project Management Practices, Part 1: Culture*](#)
- [*Audit of the VA's Project Management Accountability System \(PMAS\) Implementation*](#)
- [*Outline of a Sequestration & Project Management Research Program*](#)