



WSI System Replacement Program - Project 1

Iterative Startup Report Presentation to the
Legislative Interim IT Committee

December 15, 2015



Program Background/Business Need

- Business Need: this Program will replace core business applications in order to
 - Provide current industry web-based technology for core business systems supporting Injury Services and Employer Services and replace existing client-server based systems
 - Provide a system with enhanced reporting and accessibility to information
- Background:
 - From early 2013 through 2014, the ESC directed the completion of six preparation steps after the termination of the previous project
 - On October 2, 2014, the ESC approved moving forward with Major Oak's recommendation to implement the "Evolutionary Approach" for WSI's core system replacement/upgrade
 - A detailed Planning Phase 1 was completed January through June 2015



Program Overview - Format/Roadmap

- Program Start Date: 7/1/15
- Phased Approach
 - The System Replacement Program consists of four phases; each phase has multiple projects
 - This “Evolutionary Approach” minimizes risk and costs
 - Each project will incrementally replace the application user interface of WSI’s core systems, while retaining the data/programming logic underneath
 - *Usable functionality* will go into production approximately every 6-10 months.
 - The new system is called Claims and Policy System (CAPS)



Current Project/Phase Baseline

- PHASE 2: Shared Components Application Re-facing
 - Project 1: Shared Components Releases 0-1 (Forms) and Database Consolidation
 - Scope Statement:
 - Deliver the refaced Work Management Forms functionality into production
 - Consolidate the PICS and CMS databases into one
 - Duration:
 - July 1, 2015 to May 19, 2016 (10.5 months)
 - As of Dec. 1, about 30% ahead of schedule
 - Budget:
 - Baseline budget is \$1,630,288
 - As of Dec. 1, about 20% under budget



Sampling of Key Objectives

- Provide current industry web-based technology for core business systems supporting Injury Services and Employer Services
 - Maintain or improve upon existing business functionality/capabilities
 - WSI business operations continues at current or enhanced levels of efficiency without adding additional staff
 - Enhance customer and staff accessibility to policy and claims related applications and corresponding data/information
 - Internal WSI staff will have access to core business systems from anywhere there is an internet connection facilitating performing of job responsibilities
 - External customers will have self-service access to data and information relevant to their account or ID



QUESTIONS ?

ITERATIVE PROJECT REPORT FOR PROGRAMS & MULTI-YEAR PHASED PROJECTS

Submitted to Large Project Oversight on 08/10/2015

GENERAL INFORMATION

Program Name: WSI System Replacement Program (SRP): Project 1 - Database Consolidation and Shared Components Releases 0-1

Agency Name: Workforce Safety and Insurance

Project Sponsor: Clare Carlson

Project Manager: Jennifer Kunz

PROJECT DESCRIPTION

The Workforce Safety and Insurance (WSI) System Replacement Program (SRP) will replace core business applications in order to improve customer service, meet WSI's anticipated demand for growth and enable WSI to remain current with technology. A phased, evolution implementation approach will be used.

WSI has completed a comprehensive planning and analysis phase to prepare for the launch of this large, multi-year program for the replacement of its core systems. This program will consist of several phases and within each phase there will be multiple projects delivering functionality in a production environment, ready to be used. The underlying databases will be consolidated with the data and programming logic retained, with the application user interface re-facred.

The first project is the Database Consolidation, Shared Components Release 0-Prep and Release 1-Forms. At its completion, end users will be able to use new Work Management Forms functionality in a production environment. Each subsequent project will be initiated, planned, executed and then closed after delivering new functionality in production.

WSI has engaged consulting partner, ServiceLogix, a software firm with proven success in similar industries and extensive knowledge with the existing PowerComp system used at WSI. ServiceLogix will support WSI's small team with resources and provide the leadership for the application re-facred. The Information Technology Department (ITD) and TEKsystems will also be supporting WSI with resources.

Background

From January 2008 through December 2012, extensive efforts were made by WSI to replace the current claims and policy computer systems with a purchased solution from a software vendor. The software vendor contract expired the end of December 2012 and a decision was made not to extend the contract, effectively terminating the course of the project prior to successful implementation. Efforts then continued with planning the strategy and determining the best alternative for continuing the project in order to achieve the original objectives of the project along with any new objectives. This was done in close consultation with and at the direction of the Executive Steering Committee (ESC) appointed by Executive Order 2011-20.

In February 2013 the ESC directed six steps be completed prior to and in preparation of any procurement related to replacing the current claims and policy systems. These six steps included the following:

- Perform Lessons Learned – completed and approved by ESC on November 21, 2013. Following the Lessons Learned, the ITTP – AIM project Closeout Report was accepted by the ESC on December 6, 2013 and submitted to Large Project Oversight.
- Review Business Processes – contract was executed with Major Oak Consulting on May 5, 2014 to complete a business process modeling (BPM) effort documenting current state and future state business processes for claims and policy. BPM effort was completed and approved by ESC on July 17, 2014.
- Perform Market Research – completed and approved by ESC on March 6, 2014.

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- Perform Architecture Review – completed and approved by ESC on May 1, 2014
- Develop a New Project Charter – a project charter for the BPM effort was completed and approved by ESC on November 21, 2013. A new project charter for the SRP was developed
- Review Requirements – review of requirements were taken into consideration during development of the SRP project charter and this program plan.

Expanding the above steps, WSI retained the services of Major Oak Consulting as an independent third party to perform an objective evaluation of various options to replace WSI's core business systems. An extensive evaluation was completed and a Final Report including findings and recommendations was presented to the ESC on September 18, 2014. On October 2, 2014, the ESC approved moving forward with Major Oak's recommendation to implement the "Evolutionary Approach" for WSI's core system replacement/upgrade which minimizes risks and costs.

The project charter was developed by the team during the month of November and was approved by the Executive Steering Committee on December 4, 2014. The first kickoff meeting was held on December 11, 2014; approximately 35 individuals attended from WSI, ITD, OMB and the Governor's Office for a successful launch of the program. Phase 1 Planning and Analysis commenced on December 5, 2014.

From January through June 2015, a core planning team worked with WSI/ITD/OMB staff (with support from the ESC, Governing Committee, and consultants) to complete the following:

- Database Consolidation Analysis and Design
 - Completed a procurement with TEKsystems; the consultant assigned was Jay Stevens
 - A kickoff and schedule were completed in February; the DB Consolidation Analysis deliverable was completed in early April and the DB Consolidation Plan deliverable was completed in May
- Detailed Evolution Roadmap
 - Completed an initial procurement with ServiceLogix, after releasing an intent to sole source to the State vendor contact list and no legitimate interest was received
 - A kickoff and schedule were completed in March; research and review tasks were performed by James Thomson of ServiceLogix in April/May
 - Multiple planning deliverables were completed by ServiceLogix, the content of which were incorporated into this overall program plan
 - Configuration Management Plan
 - Shared Components Release Plan
 - Policy (PICS) Release Plan
 - Claims (CMS) Release Plan
 - Resource Plan
 - Project Management Plan
 - Budget Plan
- Program Plan and Schedule
 - Developed a comprehensive program plan and schedule for the overall program (with the detailed scope, schedule and budget focused on the projects within Phase 2), comprised of the information compiled above
- Procurements for the next phases
 - Completed procurements for consulting services to continue with TEKsystems and ServiceLogix through at least the next 12 months.

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BUSINESS NEEDS AND PROBLEMS

The specific primary business needs to be met (with measurements detailed in the next section) through the program are as follows:

- Provide current industry web-based technology for core business systems supporting Injury Services and Employer Services and replace existing client-server based systems
- Provide a system with enhanced reporting and accessibility to information

As described in the project charter, this program also aligns exceptionally well with WSI’s organizational purpose and mission.

PROJECT FORMAT

Program/Project Start Date: 7/1/2015

Budget Allocation at Time of Initial Start Date: \$5,760,000 for the 2015-2017 biennium

How Many Phases Expected at Time of Initial Start Date: At this time, we expect four phases and 20 projects

Phased Approach Description: This program consists of four phases and within each phase there will be multiple projects delivering functionality in a production environment, ready to be used. Over the course of each project, the application user interface will be re-facred into a new user interface and the data and programming logic retained, a key success factor. The first project will also include the consolidation of the underlying databases. This “Evolutionary Approach” minimizes risk and costs and will replace WSI’s core systems incrementally into production with *usable functionality* approximately every 6-10 months.

Estimated End Date for All Phases Known at Time of Initial Start Date: At this time, we expect the last phase to end in 2023.

PROJECT ROAD MAP

The project road map shows the high level plan or vision for the program/projects/phases. It is intended to offer a picture of the lifespan of all the effort that is expected to be required to achieve the business objectives.

Project or Phase	Title	Scope Statement	Estimated Duration (months)	Estimated Budget
PHASE 1	Planning and Analysis	Complete	Completed 6/30/15	N/A
PHASE 2	DB Consolidation and Shared Components Refacing			
Project 1	Shared Components Releases 0-1 (Forms) and DB Consolidation	Deliver the refaced Work Management Forms functionality into production Consolidate the PICS and CMS databases into one	10 months	\$1,793,317
Project / Release 2	Work Management Part 1 (Core)	Deliver the refaced Work Management Core functionality into production	6 months	\$1,500,000

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Project or Phase	Title	Scope Statement	Estimated Duration (months)	Estimated Budget
Project / Release 3	Work Management Part 2 (Reassignment & Tools)	Deliver the refaced Work Management Reassignment and Tools functionality into production	6 months	\$1,400,000
PHASE 3	Policy (PICS) Application Refacing		2.5 years, 6 Projects/Releases	\$10,000,000
Project/Release 4	Registration	Deliver the refaced PICS Registration functionality into production		
Project/Release 5	Policy Maintenance Part 1	Deliver the refaced PICS Policy Maintenance Part 1 functionality into production		
Project/Release 6	Policy Maintenance Part 2	Deliver the refaced PICS Policy Maintenance Part 2 functionality into production		
Project/Release 7	Policy Maintenance Part 3	Deliver the refaced PICS Policy Maintenance Part 3 functionality into production		
Project/Release 8	Payroll Reporting	Deliver the refaced PICS Payroll Reporting functionality into production		
Project/Release 9	Activities Inquiry (Dashboards)	Deliver the refaced PICS Activities Inquiry (Dashboards) functionality into production		
PHASE 4	Claims (CMS) Application Refacing		3.5 years, 11 Projects/Releases	\$15,000,000
Project/Release 10	Claim Registration	Deliver the refaced CMS Claim Registration functionality into production		
Project/Release 11	Claim Parties & Maintenance Part 1	Deliver the refaced CMS Claim Parties and Maintenance Part 1 functionality into production		
Project/Release 12	Claim Parties & Maintenance Part 2	Deliver the refaced CMS Claim Parties and Maintenance Part 2 functionality into production		
Project/Release 13	Wages and Reserves	Deliver the refaced CMS Wages and Reserves functionality into production		
Project/Release 14	Payments Part 1	Deliver the refaced CMS Payments Part 1 functionality into production		
Project/Release 15	Payments Part 2	Deliver the refaced CMS Payments Part 2 functionality into production		
Project/Release 16	Medical Part 1	Deliver the refaced CMS Medical Part 1 functionality into production		
Project/Release 16	Medical Part 2	Deliver the refaced CMS Medical Part 2 functionality into production		

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Project or Phase	Title	Scope Statement	Estimated Duration (months)	Estimated Budget
Release 17		functionality into production		
Project/Release 18	Field/Fraud/Claim Inquiry	Deliver the refaced CMS Field/Fraud/Claim Inquiry functionality into production		
Project/Release 19	Legal/Rehab	Deliver the refaced CMS Legal/Rehab functionality into production		
Project/Release 20	Claims Tools/Administration	Deliver the refaced CMS Claims Tools/Administration functionality into production		
PHASE 5	Transition, Program Closeout		5 months	\$45,000

Notes:

PROJECT BASELINES

The baselines below are entered for only those projects or phases that have been planned. At the completion of a project or phase a new planning effort will occur to baseline the next project/phase and any known actual finish dates and costs for completed projects/phases will be recorded. The startup report will be submitted again with the new information.

Project or Phase	Baseline Start Date	Baseline End Date	Baseline Budget	Actual Finish Date	Schedule Variance	Actual Cost	Cost Variance
Project 1	7/1/2015	5/19/2016	\$1,630,288				
Project 2							
Project 3							

Notes:

OBJECTIVES

Note: *The objectives for the WSI SRP were defined in the project charter at the program level; this means each project will meet a portion of the measurements, but full benefit measurements will not be available until the evolution of each of the systems is complete (i.e. the end of the program).

Project or Phase	Business Objective	Measurement Description	Met/Not Met	Measurement Outcome
	Business Need 1: Provide current industry web-based technology for core business systems supporting Injury Services and Employer Services and replace existing client			

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Project or Phase	Business Objective	Measurement Description	Met/ Not Met	Measurement Outcome
	server based systems.			
	Objective 1.1: Maintain or improve upon existing business functionality/capabilities (i.e. at a minimum, no loss of current process efficiencies and automation)	Measurement 1.1.1: Upon completion of the "Policy Evolution" (including Billing and Workflow) implementation, there will be no measureable loss of policy process efficiencies as measured by operating reports. The most recent operating report prior to the start of the Policy Evolution will be used as the benchmark and will be compared to the first available operating report following the completion of the Policy Evolution.		
		Measurement 1.1.2: Upon completion of the "Policy Evolution" (including Billing and Workflow) implementation, all new policy related process changes, enhancements, and efficiencies identified by the WSI continuous improvement team for inclusion in the Policy Evolution are fully deployed and functioning according to documented requirements.		
		Measurement 1.1.3: Upon completion of the "Claims Evolution" (including Bill Review and Workflow) implementation, there will be no measureable loss of claims process efficiencies as measured by operating reports. The most recent operating report prior to the start of the Claims Evolution will be used as the benchmark and will be compared to the first available operating report following the completion of the Claims Evolution.		
		Measurement 1.1.4: Upon completion of the "Claims Evolution" (including Bill Review and Workflow) implementation, all new claims related process changes, enhancements, and efficiencies identified by the WSI continuous improvement team for inclusion in the Claims Evolution are fully deployed and functioning according to documented requirements.		
	Objective 1.2: Enhance customer and staff accessibility to policy and claims related applications and corresponding data/information	Measurement 1.2.1: Upon completion of the "Policy Evolution" (including Billing and Workflow) implementation, WSI staff (with the appropriate security) will have access to the Policy system from anywhere there is an internet connection.		
		Measurement 1.2.2: Within six months following the completion of the "Policy Evolution" (including Billing and Workflow) implementation, employers will have self-service access to premium and loss data		

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Project or Phase	Business Objective	Measurement Description	Met/ Not Met	Measurement Outcome
		specific to their account for purposes of managing their policies and claim losses.		
		Measurement 1.2.3: Upon completion of the "Claims Evolution" (including Bill Review and Workflow) implementation, WSI staff (with the appropriate security) will have access to the Claims system from anywhere there is an internet connection.		
		Measurement 1.2.4: Within six months following the completion of the "Claims Evolution" (including Bill Review and Workflow) implementation, employers, providers, and injured workers will have self-service access to claim related data specific to their account/entity.		
	Objective 1.3 Improve policy and claims system navigation and ease of use for WSI staff	Measurement 1.3.1 Upon completion of the Policy and Claims Evolution implementations there is a single user interface for accessing policy and claims functionality.		
		Measurement 1.3.2: Upon completion of the Policy and Claims Evolution implementations WSI staff will be surveyed to determine the user interface ease of use.		
	Objective 1.4 Improve ability to respond to customer and staff requests	Measurement 1.4.1 Within six months following the completion of the "Policy Evolution" (including Billing and Workflow) implementation, there will be a 20% reduction in the turn-around time for completing policy related system change/enhancement requests. Prior to the start of the Policy Evolution a benchmark of the average turn-around time for completing policy related system change/enhancement requests will be established from ITSM and will be compared to the average turn-around time for completing requests after six months following the completion of the Policy Evolution.		
		Measurement 1.4.2: Within six months following the completion of the "Policy Evolution" (including Billing and Workflow) implementation, there will be a 10% reduction in the amount of time spent by WSI policy staff in providing employers with reports and information. Prior to the start of the Policy Evolution a benchmark of the average amount of staff time per month spent providing employers with reports and information will be established and will be compared to the average amount of time spent providing		

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Project or Phase	Business Objective	Measurement Description	Met/ Not Met	Measurement Outcome
		reports and information after six months following the completion of the Policy Evolution.		
		Measurement 1.4.3: Within six months following the completion of the “Claims Evolution” (including Bill Review and Workflow) implementation, there will be a 20% reduction in the turn-around time for completing claims related system change/enhancement requests. Prior to the start of the Claims Evolution a benchmark of the average turn-around time for completing claims related system change/enhancement requests will be established from ITSM and will be compared to the average turn-around time for completing requests after six months following the completion of the Claims Evolution.		
		Measurement 1.4.4: Within six months following the completion of the “Claims Evolution” (including Bill Review and Workflow) implementation, there will be a 10% reduction in the amount of time spent by WSI Injury Services staff in providing employers, providers, and injured workers with reports and information. Prior to the start of the Claims Evolution a benchmark of the average amount of staff time per month spent providing employers, providers, and injured workers with reports and information will be established and will be compared to the average amount of time spent providing reports and information after six months following the completion of the Claims Evolution.		
	Business Need 2: Provide a system with enhanced reporting and accessibility to information			
	Objective 2.1 Improve data integrity of/between core business systems supporting Injury Services and Employer Services	Measurement 2.1.1: Eliminate redundant data between claims and policy systems. During database consolidation planning and design identify and document the occurrences of redundant data between claims and policy systems. Upon completion of database consolidation verify that all occurrences of data redundancy have been eliminated.		
	Objective 2.2 Maintain access to all legacy data supporting Injury	Measurement 2.2.1: Access to all legacy data (i.e. history data) is available throughout and following project completion without having to		

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Project or Phase	Business Objective	Measurement Description	Met/ Not Met	Measurement Outcome
	Services and Employer Services	access multiple systems.		
	Objective 2.3 Improve reporting and Business Intelligence (BI) capability	Measurement 2.3.1: Within six (6) months of the start of the Policy Evolution implementation an easy method of accessing Policy summary and detail information from a single set of screens is available to WSI employees.		
		Measurement 2.3.2: Within six (6) months of the start of the Claims Evolution implementation an easy method of accessing Claim summary and detail information from a single set of screens is available to WSI employees.		

POST-IMPLEMENTATION REPORT

Post-Implementation Reports are to be performed after each project or phase is completed. A "PIR" is a process that utilizes surveys and meetings to determine what happened in the project/phase and identifies actions for improvement going forward. Typical PIR findings include, "What did we do well?" "What did we learn?" "What should we do differently next time?"

Project or Phase	Lesson learned, success story, idea for next time, etc.
Project 1 Phase 1	
Project 2 Phase 2	
Project 3 Phase 3	

COST BENEFIT ANALYSIS

Anticipated Benefits of Resolving Business Need 1:

- WSI business operations continues at current, and in some cases enhanced, levels of efficiency without adding additional staff; WSI remains current with 3rd party products (ex. Fee Schedules) and compliant with ND statute and/or federal requirements.
- Internal WSI staff will have access to core business systems from anywhere there is an internet connection facilitating performing of job responsibilities from outside the standard work environment; external customers will have self-service access to data and information relevant to their account or ID, reducing the amount of time and impact on WSI customer service.
- WSI internal users will have a single user interface for accessing both claims and policy data and functionality where there is common look and feel in navigating the applications; reduced learning curve and training requirements for learning the applications and becoming proficient in using them.

Anticipated Benefits of Resolving Business Need 2:

- Major interfaces will no longer exist so will not need to be supported or maintained; single source of data used for calculating medical assessment billings eliminating the need to keep multiple occurrences of data in sync resulting in elimination of potential data integrity issues and data discrepancies due to timing of interfaces; single source of employer demographic data eliminating the need to keep multiple occurrences of data in sync resulting in elimination of potential data integrity issues and reports or forms going to incorrect entities or addresses.

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- All WSI data continues to be available and easily accessible for reporting, data analytics, and future “business intelligence” capabilities.
- WSI employees will have a quick easy way to view summary and detail information related to policies and claims. This can be especially valuable for customer service in answering calls.

KEY CONSTRAINTS AND/OR RISKS

Risks:

- Staff availability is limited; without enough people dedicated up front, the project schedule and cost could be impacted
- The Configuration Management Plan approach for working, including part-time remote team members, will need to be fully tested in Release 0; if there are problems uncovered in Release 1 when development is occurring, the project schedule could be impacted
- If the approach for Limited Development is not followed, the project team, schedule and cost will be impacted; other staffing may need to be added
- With the long duration of this project there are unforeseen changes and impacts that could impact many areas of the project, in particular staff retirements and turnover

Constraints:

- WSI and ITD resources (business, technical) are limited in the number of staff available
- WSI and ITD resources are limited in experience with the current and preferred technologies
- The full program schedule cannot be established due to the long duration; therefore, schedule management is constrained to each project/release
- Future funding appropriations are necessary to complete all projects
- Cost, schedule, scope, and quality are often in conflict during projects. The sponsor elected to prioritize these constraints as follows for the program:
 - Quality
 - Scope
 - Schedule
 - Cost