

TechStat Reviews: A New Approach to Performance in FY11

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The Obama Administration is taking a new approach to IT performance management: the TechStat Review. TechStat is designed to enable early detection of poorly performing IT investments, thereby reducing waste and increasing the rate of successful project completion.

As IT spending nears \$80 billion annually in the federal government, the Obama Administration is seeking new and better methods for improving the accountability of those investments. The FY 2011 executive budget details more than 800 major IT investments, as shown in the table below (Analytical Perspectives, Budget of the United States Government, Fiscal Year 2011):

Table 19-1. FEDERAL IT SPENDING, BUDGETS OF 2009-2011 INCLUDING MAJOR FEDERAL IT INVESTMENT
(Investment counts, spending in millions of dollars)

	2009	2010	2011
Number of Major IT Investments	807	781	
All IT Investments	6,575	7,409	
Major IT Investment Spending (\$ M)	37,250	40,328	4
All IT Investment Spending (\$ M)	71,227	78,440	7

Notes: The table compares the Budgets of three years, not final actuals or enacted levels for 2009 or 2010. Values for 2011 are based on the best available agency estimates

The Office of Management and Budget (OMB), in its relentless pursuit of higher performance, is implementing this rigorous new approach to performance reviews. TechStat submits major federal IT investments to in-depth, executive-level reviews for agency IT leadership. Federal Chief Information Officer (CIO) Vivek Kundra is looking to reshape the way that agency leaders engage in performance management through frank discussions about projects and programs with IT leadership. OMB is tuning up their machine in support of more effective performance appraisals as well. "Every major IT project is rated against performance expectations and we've launched tech stat review sessions and accountability sessions," said Jeffrey Zients, OMB Deputy Director for Management and Federal Chief Performance Officer at a February 18 presentation at the Center for American Progress. Zients promised significant results: "If a project is over budget or behind schedule or not performing up to expectations, we will either develop a credible turnaround plan or we will terminate it."

The Administration appears to be backing up their claims through line-by-line investment reviews. In 2010, 121 programs were identified for termination, with reductions and savings totaling \$17 billion. In FY 2011, the President has proposed 126 additional program cuts totaling \$23 billion.

TechStat is part of a larger set of initiatives designed to improve the performance of technology investments. The new administration appears to be shifting course away from the Government Performance and Rating Act (GPRA) and the more recent Program Assessment Rating Program (PART). "The annual reporting requirement of GPRA and the five-year program PART review cycle did not provide agencies the fast feedback needed to assess if delivery efforts were on track or to diagnose why they were or were not," the most recent executive budget states.

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Where GPRA and PART focused on documentation and compliance efforts, the TechStat process is seeking to go beyond compliance by making agency IT leadership truly accountable via these in-person sessions. In January 2010, the Federal CIO held the first "TechStat" session with the Environmental Protection Agency. These sessions bring together the various performance tools being developed by the OCIO, including the IT Dashboard, E-300's and the underlying performance data to identify and correct IT investment problems.

TechStat is looking more and more like a reality for all major IT investments. To thrive in this new culture, project and program managers, as well as agency executives will need to focus on making real performance improvements.

What TechStat Could Mean:

1. If the TechStat model is met with success, expect this process to be applied toward other capital investments, including defense acquisitions, transportation, and construction.
2. OMB is in the midst of a resurgence of new tools to measure and manage performance. As a result of TechStat and the related processes, expect the E-300 to evolve and become more granular in the performance reporting.

Action Plan:

1. **Get Smart About TechStat.** Talk with the internal performance management team and your agency's OMB counterpart to understand the requirements.
2. **Get Organized.** Look at the inventory of major projects and begin the process of organizing performance-related data.
3. **Attend a Session.** The TechStat sessions are apparently open to CIOs from other agencies, to promote dialogue and understanding around these new tools.
4. **Set Expectations.** The executive team in all agencies should understand that TechStat sessions are expected to become a regular practice going forward, with frequent, regular reviews for each agency.

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