

# IT Project Delivery Framework





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# 1. Introduction

Contribution to the successful delivery of UE and MG projects and programs through an effective project delivery framework includes project management tools and processes. The PMO adds value by providing direction, guidance and support to project managers, project teams and other stakeholders involved in management and delivery of projects.

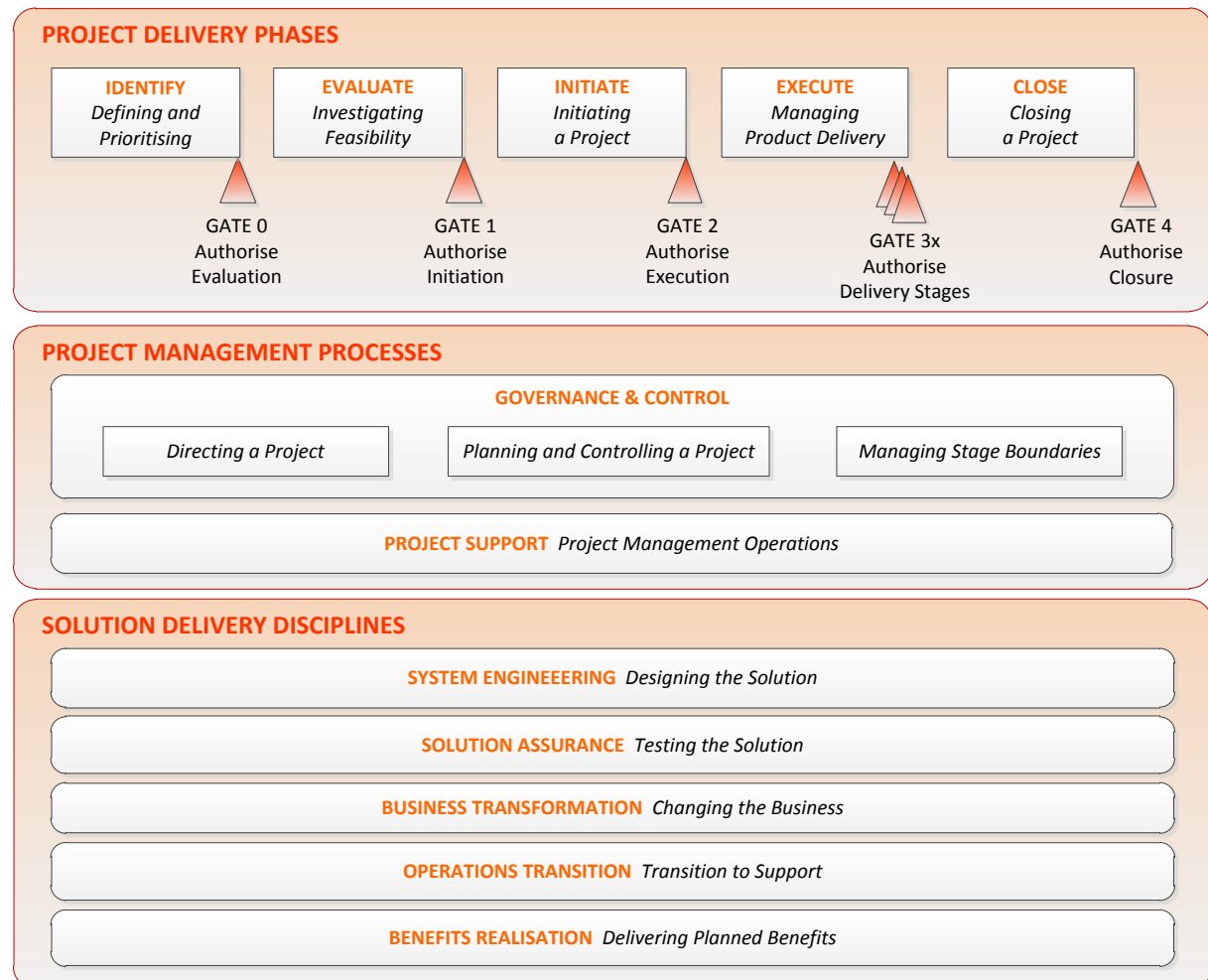


Figure 1: Project Delivery Framework - contextual view

The project delivery framework is a combination of governance rules, key delivery disciplines, and appropriate management control processes and tools. It is structured to be fit for purpose and can be scaled to adjust to the number and complexity of projects as well as to accommodate different delivery models.

The PMO and associated project delivery framework operate within the context of UE and MG's portfolio of projects as shown in Figure 1 above. The project delivery focus of the PMO must fit within and be consistent with the overall business initiative lifecycle.

The PDF identifies those processes that are to be performed at the project management level by the project manager and delivery team as well as the processes that are to be

performed at the PMO level by the PMO team. Additionally, the framework shows the processes that will be performed at the portfolio planning level.

The PDF is set within the context of the overall business initiative lifecycle. Projects will generally enter the approved project portfolio at the Initiation Stage after the Business Case/Value Proposition Stage Gate and leave the approved project portfolio after the Close Out Stage.

The disciplines to be provided are described at a high level in the following sub-sections. Each discipline is described in detail in their respective discipline and process description documents within the IT PDF Framework.

The UE and MG IT Project Delivery Framework (IT PDF) is being developed to establish standards and guidelines for the management of programmes and projects within UE and MG IT.

The IT PDF is consistent with UK Government Cabinet Office Best Management Practice disciplines relating to portfolio, programme and project management, including Management of Portfolios (MOP®), Managing Successful Programmes (MSP®), Managing Successful Projects with PRINCE2®, and Portfolio, Programme and Project Offices (P3O®) frameworks. Note: The Best Management Practice disciplines are considered to be supportive of the ISACA COBIT® framework objectives.

The IT PDF comprises three parts:

- Project Delivery Phases
- Project Management Processes
- Product Delivery Disciplines

## 1.1. Project Delivery Phases

Project delivery phases provide a lifecycle perspective of the phases and stages involved in identifying, evaluating and delivering a business initiative, including the need for ongoing re-approval of investment by senior stakeholders.

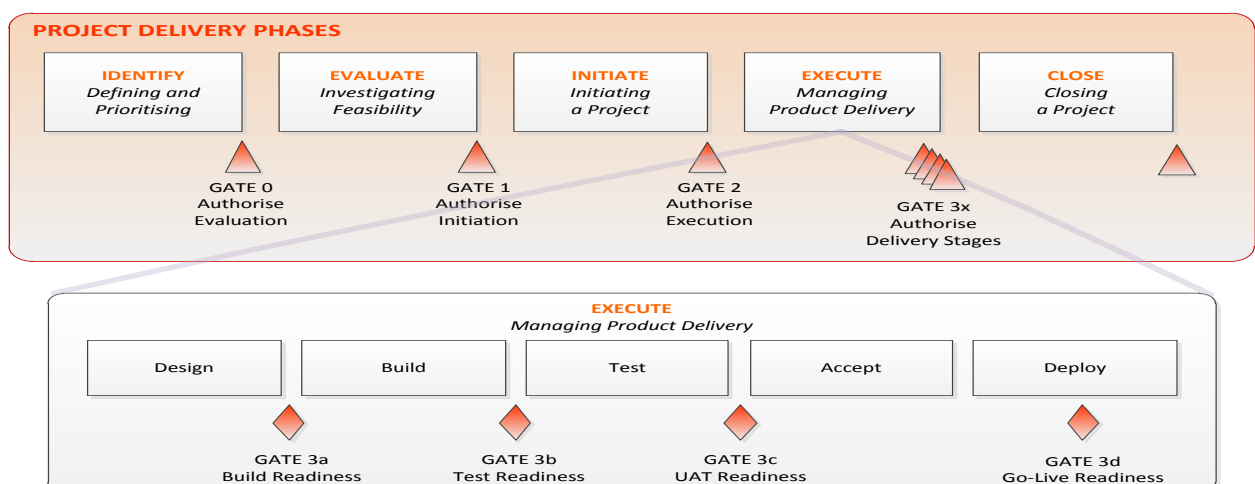


Figure 2: Project Delivery Phases

## 1.2. Project Management Processes

The project management processes and guidelines define delivery management processes and standards to enable a consistent approach to delivering programmes and projects within UE and MG.

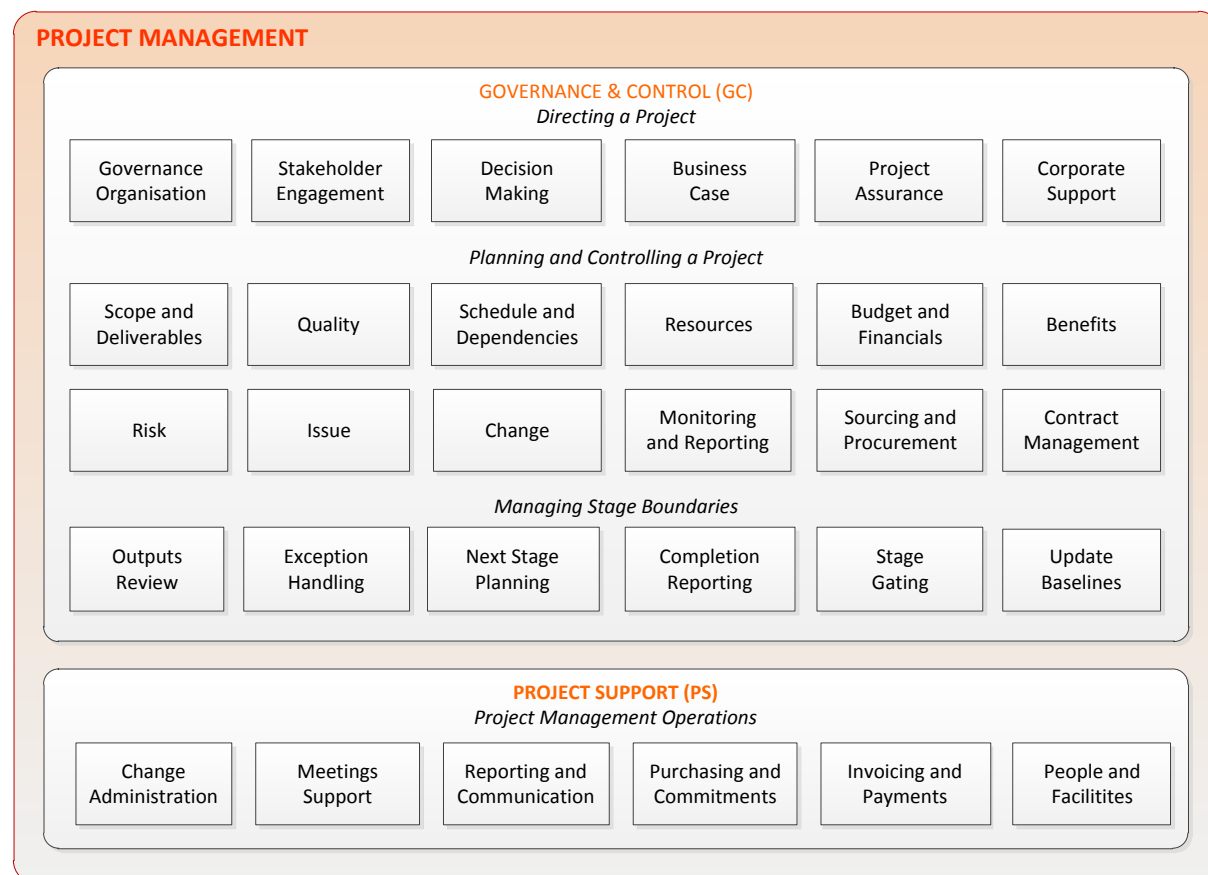


Figure 3: Project Management Processes

## 1.3. Product Delivery Disciplines

The product delivery disciplines describe the practices involved in delivering solutions that:

- Meet business requirements
- Ensure capability is effectively embedded within operational areas
- Realise the value intended to arise from the investment.

Delivery Disciplines are focussed on areas where UE and MG are involved in product delivery and effecting change regardless of whether a development is insourced, a partnership or outsourced.

Build is therefore not covered as a specific delivery discipline as it is normally an outsourced responsibility and can involve a variety of methodologies.

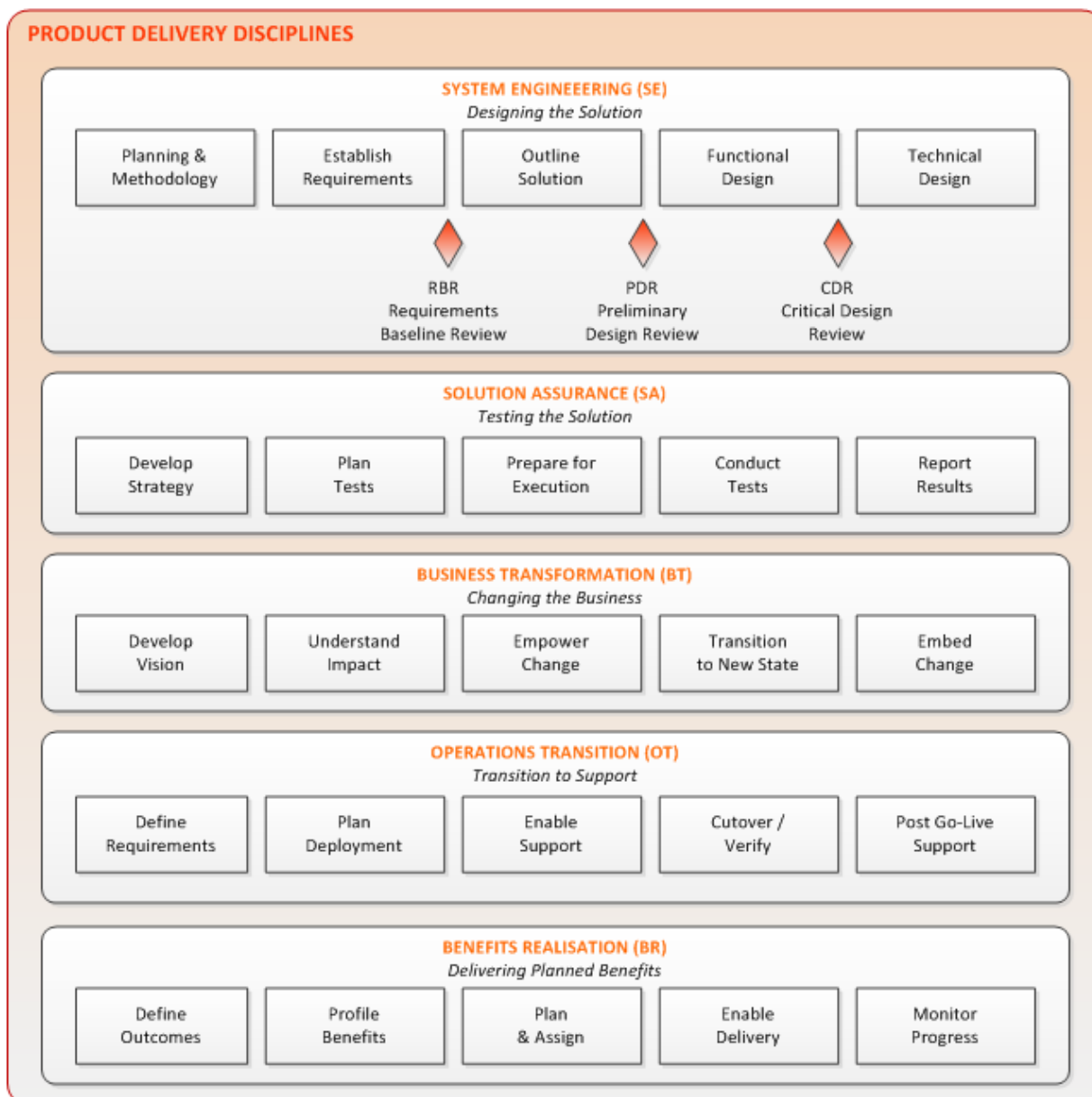


Figure 4: Product Delivery Disciplines

## 2. Project Delivery Phases

Projects are divided into phases to provide better management control and appropriate links to the ongoing operations of the performing organisation. Each phase is separated by a gate to control progress to the next phase.

Each phase is marked by completion of one or more major deliverables. A deliverable is a tangible, verifiable work product such as a feasibility study, a detail design, or a working prototype. The deliverables, and hence the phases are part of a generally sequential logic designed to ensure proper definition of the product and project.

The following sections describe the objectives, key activities, deliverables and approval processes for each phase and stage in the IT Project Delivery Framework.

### 2.1. Identify Phase



#### 2.1.1. Phase Objective

The Identify Phase is designed to ensure proposals are aligned to the business strategy, are economically attractive, and viable.

#### 2.1.2. Phase Overview

The Identify Phase commences when a concept or idea has been raised for consideration and given the support of the responsible senior managers for the area where the business need exists and where any resultant initiative will have most effect.

#### 2.1.3. Phase Deliverables

The default deliverables from the Identify Phase are:

- High Level Business Requirements
- Initiative Brief



## 2.2. Evaluate Phase



### 2.2.1. Phase Objective

Should the initiative require substantive effort to investigate options and evaluate feasibility, then an Evaluate Phase is undertaken.

Note: The Evaluate phase is only mandated for Complex projects, and recommended where options need to be evaluated in detail. The governance authority may decide that it is appropriate that the project go direct to the Initiate phase. In that case any Evaluate Phase activities that still need to be performed will be included in the Initiate Phase Project Plan.

### 2.2.2. Phase Overview

The Evaluate Phase establishes a clear business case for the project. It involves the investigation and detailed evaluation of the options available to achieve the business objectives, and the selection of the most appropriate solution.

### 2.2.3. Phase Deliverables

The default deliverables from the Evaluate phase are:

- Stakeholder Identification Matrix
- Benefits Profiles
- High Level System Requirements
- High Level Change Impact Assessment and Change Management Strategy
- Solution Options Evaluation
- Project Brief (including delivery strategies and high level costing / schedule)
- Outline Business Case (including Financial Evaluation Model)
- Project Plan for all stages of the Initiate Phase, and indicative plan for the Execute and Close Phases.

## 2.3. Initiate Phase

### PROJECT DELIVERY PHASES

**IDENTIFY***Defining and  
Prioritising***EVALUATE***Investigating  
Feasibility***INITIATE***Initiating  
a Project***EXECUTE***Managing  
Product Delivery***CLOSE***Closing  
a Project*

### 2.3.1. Phase Objectives

The purpose of the Initiate Phase is to fully define and optimise the preferred option, ensuring that it is both technically and commercially viable, and that no fatal flaws exist in order to achieve authorisation for project execution.

### 2.3.2. Phase Overview

The Business Case is refined following detailed evaluation of the selected option to demonstrate viability, investment value, and analysis of risks and how they will be managed so as not to compromise the investment value.

### 2.3.3. Phase Deliverables

The default deliverables from the Initiate Phase are:

- Detailed Business Case (including Financial Evaluation Model)
- Project Management Plan for all stages of the Execute Phase, and indicative plan for the Close Phase.
- Procurement Plan (and ready to execute contract documentation)
- Quality Plan
- Project Schedule
- Resource Plan
- Design Management Plan
- End Stage Report
- Business Requirements Specification
- Technical Requirements Specification
- Outline Solution Architecture
- Business Change Impact Assessment
- Business Change Management Strategy (including Training Approach)
- Implementation Strategy
- High Level Benefits Realisation Plan

## 2.4. Execute Phase

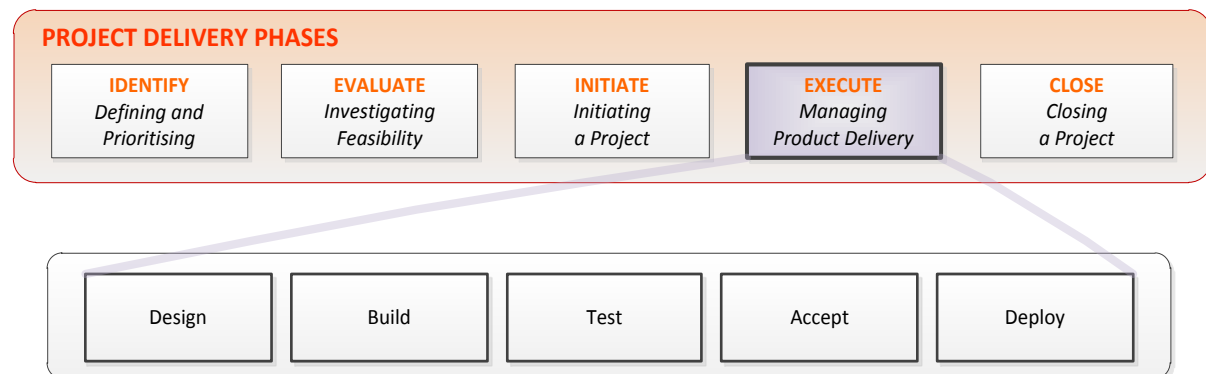


### 2.4.1. Phase Overview

The Execution phase is the “product delivery” phase of the project and involves the implementation of the project against the given set of authorised delivery parameters.

There are five stages of execution:

- Design - detailed requirements analysis, solution architecture and functional specification
- Build - including technical design, development and unit / function level testing
- Testing - including end-to-end system and integration testing
- Accept - including user and operational acceptance of the solution
- Deploy - including implementation, cutover and business and operational transition.



The above activities will overlap to an extent throughout the execution stage e.g. preparation for testing, implementation readiness, and operational transition.

The activities carried out within each stage are guided by the relevant Product Delivery Disciplines i.e. Design by System Engineering, Test by Solution Assurance.

## 2.5. Close

### PROJECT DELIVERY PHASES

**IDENTIFY***Defining and  
Prioritising***EVALUATE***Investigating  
Feasibility***INITIATE***Initiating  
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a Project*

### 2.5.1. Phase Objective

The purpose of this phase is to provide an accounting of performance against the project scope and objectives, be the final point of acceptance for the project outputs, and enable the project to conduct a timely and orderly close-down.

### 2.5.2. Phase Overview

A key outcome of any project is the successful take-up by business users of the implemented change. Approval of this phase by the Business Sponsor and Project Owner indicates that the change management activities undertaken by the project have been successfully delivered, and there is no further project based activity to be undertaken.

### 2.5.3. Phase Deliverables

The default deliverables from the Close Phase are:

- Business Case (final)
- End Project Report
- Lessons Learned Register
- Asset Completion

## 2.6. Stage Gating

Stage gates provide an opportunity to review a project at appropriate points during the project delivery lifecycle. They reduce exposure to project delivery risk by providing a formal transition checkpoint between stages.

### 2.6.1. Gates in the IT PDF

The IT Project Delivery Framework provides for a potential gate at each Delivery Phase and Execution Stage in the project lifecycle although not all gates are relevant to all projects.

During project planning, the PM will review and select gates applicable to the project based on the size and complexity of the project being undertaken. This will be reviewed with the PMO Manager, and approved by the Project Owner.

The set of all possible stage gates as per the IT PDF is as follows:

Gate	Purpose	Key Objectives
Gate 0	Authority to Evaluate	Confirm support for an initiative Determine whether a detailed evaluation is required
Gate 1	Authority to Initiate	Review feasibility of selected solution Confirm high level business case
Gate 2	Authority to Execute	Approve detailed planning and establish baseline Confirm detailed business case..
Gate 3a	Build Readiness Review	Detailed Design documentation approved Approve release strategy
Gate 3b	Test Readiness Review	Build of sufficient mass and quality testing Test infrastructure
Gate 3c	Acceptance Test Readiness Review	Solution readiness confirmed. Business readiness for UAT Operational support preparations
Gate 3d	Solution Acceptance Review	Defect and Change Request levels accepted Solution meets business needs
Gate 3e	Go-Live Readiness Review	Operational support readiness. Business readiness BAU impacts acceptable
Gate 4	Project Close Down	Transition to operations complete BAU return to normal

### 2.6.2. Gating Process

Each gate is operated according to a standard process. The process ensures that:

Appropriate materials are submitted for consideration.

Recommendations are considered, well founded, and implications are understood.

Gating materials are socialised with key stakeholders prior to submission.

Gating authorities have sufficient time to consider materials before the meeting.

Decisions and actions arising are documented and tracked.

Key project documents are updated to reflect the decisions made.

Gate results are communicated to the relevant stakeholders.

The following inputs and outputs are expected at each stage gate:

Inputs	Outputs
<b>Standard Inputs</b> End Stage Report (.ppt) including: <ul style="list-style-type: none"> <li>• Overview status</li> <li>• Summary of performance</li> <li>• Current risk and issue profile</li> <li>• Completed Gate Checklist</li> <li>• Current Business Case</li> <li>• Updated Project Plan</li> </ul> <b>Phase Specific Deliverables</b> Deliverables from the stage as per the stage checklist. Evidence of compliance with Corporate policies	<b>Standard Outputs</b> Approved End Stage Report Commitment to updated Project Baseline Funding approval for next stage (if relevant)

The End Stage Report provides a snapshot of project status and performance against the project baselines committed at the previous stage gate will be completed and distributed for review and approval ahead of stage gate meetings.

The Business Case is reviewed at each stage gate to confirm the ongoing financial and operational viability of the project. This includes review of ongoing strategic alignment to broader business strategies and related initiatives.

The Project Management Plan is updated to reflect the increasing level of detail, and certainty and confidence, in the remaining project activities.

The PMO facilitates the conduct of gate checkpoints and confirms the quality of materials submitted

Business Sponsor and Project Owner approval, and Steering Committee endorsement, is required at stage gates confirming satisfactory completion of the current stage (exit criteria) and readiness to proceed to the next stage of delivery (entry criteria).

IT Executive Forum (and Capital Investment Review Board approval will be sought for projects over \$500k. Where projects exceed \$5m then board approval will be sought.

If necessary to avoid a hiatus in project execution, the Project Owner can request that the Business Owner give interim approval, and if necessary provide limited funding, to proceed to the next stage while formal gating processes are completed.

## 3. Project Management Processes

### 3.1. Directing a Project

Processes within Project Management enable the effective participation of the Project Steering Committee and other relevant governance authorities (e.g. IT Executive Forum) in the project.

The broad objective of this process is to ensure that effective senior management direction and control is exercised throughout the life of the project. This includes assessing the ongoing business justification and viability of the project, and authorising the progression of the project.

#### 3.1.1. Stakeholder Engagement

The purpose of stakeholder management for projects is to identify all interested parties, understand the impact the project will have on them, and the level of influence they have on project success, and ensure that they are appropriately engaged.

Effective engagement with all stakeholders at the level required to satisfy their needs is key to project success.

#### 3.1.2. Project Governance

Project Governance is the oversight, accountability and responsibility for the management and performance of programs and projects. It provides a set of checks and balances to ensure that the organisation receives what it expects.

##### ***Project Governance Model***

A standard project governance model is applied across all IT projects in UE and MG (refer to Figure 5 - Standard Project Governance *Organisation*). The model is consistent with the concepts and principles contained within HMG (UK Cabinet Office) Best Practice Management methodologies including MoP, MSP, and PRINCE2.

The standard governance model has three components.

- The IT Executive Forum (ITEF) and the Capital Investment Review Board (CIRB) comprise the “sponsoring group” for IT projects within UE and MG. Membership of these groups includes the C-level executives and GMs of business units.

The ITEF controls investment in IT projects and maintains oversight of the overall IT project portfolio, including Operations Technology related projects requiring IT services. However for OT projects, the CIRB controls the investment.

Each project is assigned a Business Sponsor from within the sponsoring group when the project mandate is accepted at the conclusion of the Identify phase.

- A Project Steering Committee represents the interests of the primary stakeholders - the business, users and suppliers. The Steering committee acts as the visible project champion through their representative organisations to build support for the project objectives.
- The third component of the model is the Supporting Functions which support and influence project delivery through consultancy and advice, provision of services, and review and feedback of project deliverables and approaches.

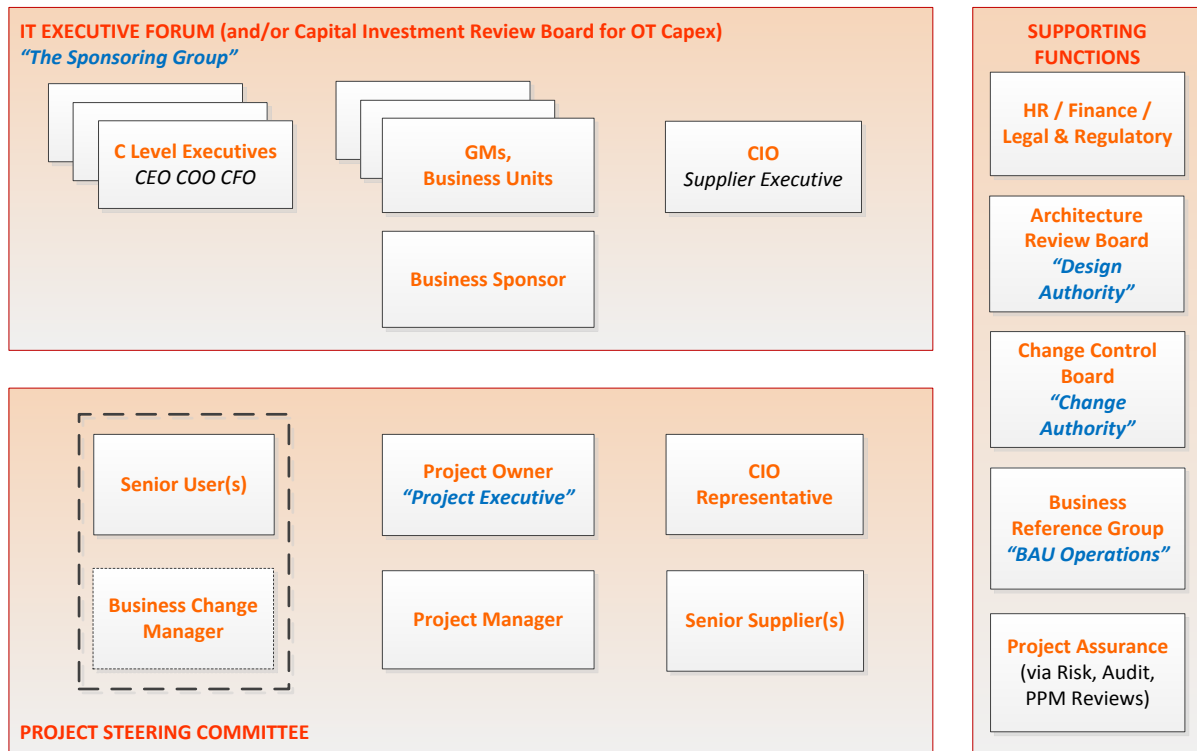


Figure 5 - Standard Project Governance Organisation

Within the above model, specific individuals are accountable for project performance. Standard IT projects within UE and MG use a three level accountability structure:

- Business Sponsor who sets the strategic vision and business objectives for the project and is ultimately accountable for project success in terms of business outcomes. The Business Sponsor is normally appointed from within the Sponsoring Group.
- Project Owner (aka the Project Executive) responsible for managing the investment on behalf of the business and has overall accountability to ensure the project delivers the defined business benefits. The Project Owner is appointed by the Business Sponsor.
- Project Manager accountable for delivering project products to the defined scope, timeline and budget constraints, and to the quality specified. The Project Manager is appointed by the Project Owner in collaboration with the UE and MG IT Project Portfolio Manager.



## Supporting Functions

The following functions support project delivery. Some are permanent groups, while others are established by the Project Owner for the life of the project:

- Corporate Support groups such as Finance, Commercial and Legal, etc)
- Project Assurance groups such as Risk and Internal Audit
- IT Strategy and Architecture Review Board (IT SARB) – a permanent advisory group on technical infrastructure and application architecture issues, and the review and endorsement of project architecture and design deliverables.
- Business Reference Group established by the project to act as an advisory group on requirements and process related design, development and issues, to review and endorse project deliverables, and support business transformation and benefits realisation activities.
- Change Control Board established (where necessary) by the Steering Committee to act as a scope change authority for the project and to consider issues with off-specification deliverables. Normally a sub-committee with delegated authority to endorse and recommend changes on behalf of the Steering Committee.

*Note: This construct should not be confused with the IT Operations Change Assurance Board (CAB) which reviews and approves Production environment changes.*

## Steering Committee

Each project has a Project Steering Committee which includes representatives from the primary stakeholder groups:

- Project Owner – represents the business stakeholder interest in ensuring that the project meets business needs and provides value for money. The Project Owner may also be a Senior User (see below).
- Senior User(s) – represents users of the capability needing to realise the intended benefits, or operate and support the capability in service.
- Business Change Manager (if appointed) – dedicated to pursuing the organisational change management perspective of the project. May also be a Senior User.
- Senior Supplier(s) – represent suppliers involved in the delivery of the solution - may be in-house or external providers. Where a Senior Supplier is a vendor they may be asked leave a Steering Committee meeting if commercially sensitive topics are discussed.
- For IT projects, even where a vendor has been engaged as prime supplier, the UE and MG CIO or a nominated representative (normally the IT Project Portfolio Manager) should always be considered to be a Senior Supplier, as it is under CIO auspices that the supply arrangements have been made.

The Project Manager is also a member of the Steering Committee.

Other key stakeholder groups that have special interest in the outcome of the project, including Corporate Support groups and technical and business SMEs, may be advisory

## Program Governance

Where a group of related projects share a common business objective then consideration should be given to establishing a Program Board layer in the governance framework. This is particularly relevant where projects require significant cross business unit support and interaction.

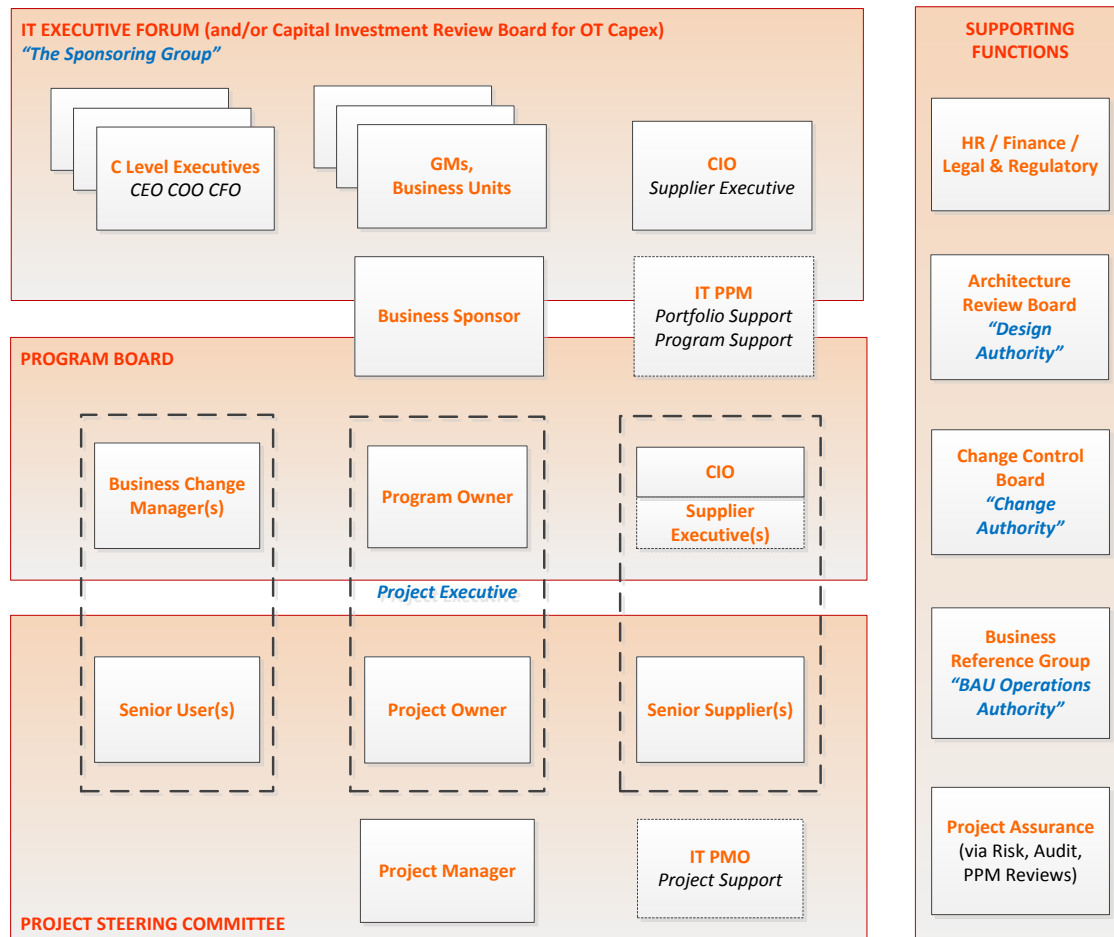


Figure 6 - Program Governance Organisation

### 3.1.3. Decision Making

A decision is the choice of a course of action in a situation of uncertainty. Decision making is the process of reaching a judgment or conclusion between alternative courses of action, based on relevant criteria.

The need for decision making often arises as a result of conflict within the project, issues or risks encountered, or changes to scope or approach proposed for the project.

The objective of Decision Management is to ensure decisions that may impact on the project are effectively managed, and that there is a clear audit trail of decisions made.

### 3.1.4. Business Case Management

One of the key principles of the “Directing a Project” component of the IT PDF framework is that there is a focus on continued business justification of the project throughout the lifecycle.

The purpose of the Business Case is:

- to obtain management commitment and approval for investment in business change, through a clearly presented rationale for the investment
- to provide a framework for informed decision making in planning and management of the business change and subsequent benefits realisation
- to provide the basis for the post project review (and beyond) to check whether key objectives and benefits have been realised

The Business Case links the proposed investment to the achievement of business objectives and is the basis on which governance authorities decide whether a project is justified, and what priority it has when considered within the wider context of projects and change programmes.

The Business Case is reviewed and approved by the Project Owner and Business Sponsor, and endorsed by the Steering Committee. Approval of the IT Executive Forum (ITEF), and the Capital Investment Review Board (CIRB) for Operations Technology related projects, is sought for projects whose funding requirements exceed \$500k.

Where project funding requirements exceed \$5m, then the CEO will be an additional point of approval, and Board endorsement will be sought.

#### ***Responsibilities***

The Business Sponsor owns the Business Case for the project. For projects that cut across business unit boundaries, this individual must be appropriately senior and take responsibility for a successful overall outcome.

Key stakeholders should be involved in the developing the Business Case, to provide input and influence decisions.

#### ***Development***

The Business Case is a working document which is maintained throughout the life of the project, and is reviewed and confirmed at gating checkpoints. If the justification for the project is no longer valid the project should be stopped.

The Business Case is developed in three stages as the project lifecycle progresses, as shown in *Figure 7: Progression of the Business Case* below:

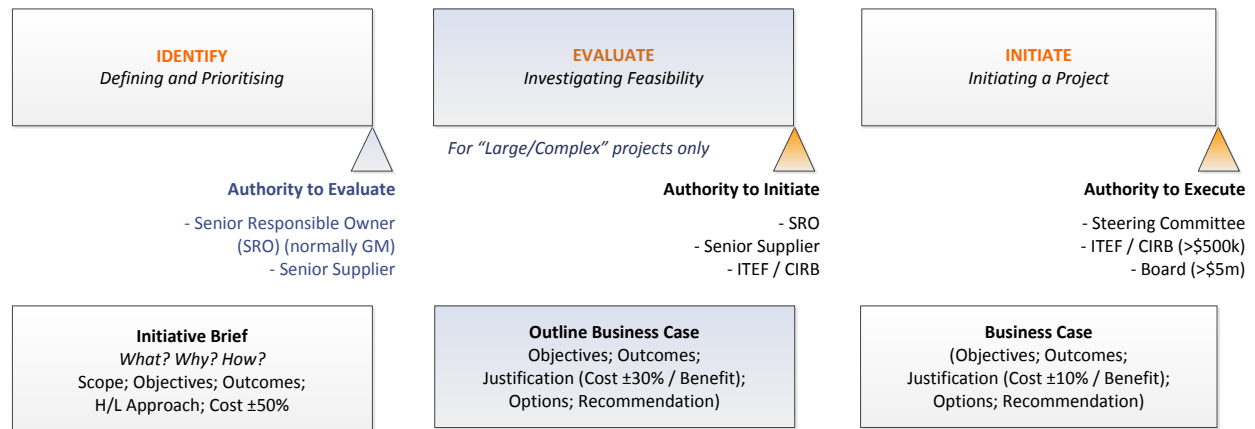


Figure 7: Progression of the Business Case

The detailed Business Case is then maintained to reflect business changes throughout the project lifecycle, and provide input to the post project review or equivalent major review following implementation of the business change.

### Initiative Brief

This is the first stage in the development of the Business Case and is used to provide key stakeholders with an early opportunity to influence or reprioritise a project avoiding unnecessary effort in reworking.

### Outline Business Case

Should the initiative require substantive effort to investigate options and evaluate feasibility, then an Evaluate phase is undertaken and an Outline Business Case prepared.

Endorsement of the Outline Business Case provides the mandate for the project to proceed to the Initiate stage where the Business Case is further refined.

### Detailed Business Case

The detailed Business Case builds on the Initiative Brief and Outline Business Case. It is accurate, complete and provides all the information required for senior management to make an informed investment decision.

### Business Case Content

The content of the Business Case describes:

- Business context within which the initiative has been raised
- Scope and objectives, key business requirements and outcomes and success criteria
- Alignment with business and IT strategy and architecture
- Summary of options considered, and a considered justification for the option recommended
- Financial evaluation conducted, including consideration of operating budget impact

- Key assumptions made in assessing options and justifying the recommendation
- Outline of the recommended solution including business areas and key stakeholders impacted, legal and regulatory impacts, and the benefits arising
- Project delivery approach including key deliverables, delivery strategies, sourcing and procurement approaches, governance and controls to be applied, and delivery cost and timeframe proposed
- Consideration of delivery risk and operational risk associated with the solution proposed.

Appendices provide more detail regarding the solution architecture, business requirements expressed, financial evaluation conducted and options assessment undertaken.

### ***Business Case Perspectives***

The Business Case considers five perspectives – strategic fit, options appraisal, affordability, achievability and commercial aspects (where there is an external procurement

### ***Options Analysis***

Options to be considered must include:

- “Do Nothing” option which reflects the status quo and provides a base case against which to compare other options
- “Least Cost” solution which reflects the minimum acceptable approach to delivering the outcomes required, where acceptable means meeting mandatory business requirements and adherence to technology mandates and technical constraints.
- Any valid alternatives (and variations thereof) identified as meeting the scope and objectives expressed.

Include any negative impact that the option will have on delivery of strategic objectives, business growth, reputation, technology strategy and architecture, and company culture.

### ***Financial Evaluation***

Detailed assessment of options will also include financial evaluation of the options based on discounted cash flow analysis, formal assessment of costs and benefits, and sensitivity analysis of preferred option based on assessment of risks.

A template is available supporting the financial evaluation for capital projects at the requisite level of detail.

### ***Contingency Allowance***

Appropriate contingency allowances are to be included in the costing of the project proposal. Contingency is different to sensitivity and should be included in the sensitivity analysis described above.

Three types of contingency should be considered:

- Estimating contingency
- Scope contingency

- Specific risk item contingency

Although contingency funding is approved as part of the Business Case, it may only be released into project budget through a project change request approved by the Business Sponsor and endorsed by higher level governance authorities as necessary.

### ***Funding Sources***

Capital projects within UE and MG are planned on a 5 year forecast horizon to support the establishment of five year distribution licensing arrangements for both electricity and gas negotiated with the Australian Energy Regulator (AER).

### **3.1.5. Project Assurance**

Project Assurance refers to the project steering committee responsibility to ensure that a project is conducted properly in all respects. Project Assurance has to be independent of the project manager, project support and the project teams.

### **3.1.6. Corporate Support**

Engagement with corporate support groups is essential to the effective operation of projects.

Projects always exist within the wider context of the overall corporate organisation and need to be aware of related initiatives, and recognise corporate requirements and constraints e.g. Financial authorities and delegations.

Within UE and MG the following corporate support groups need to be engaged for most projects:

#### ***Finance***

Support for application of financial policy, procedures and practices to the project.

#### ***Commercial and Legal***

Support for sourcing, procurement and contract management activities.

#### ***Human Resources***

Support for workforce and people management activities.

#### ***Business Services***

Enablement of project team services and facilities including accommodation, IT services, car parking, etc.

#### ***Corporate Affairs***

Support for project communications.

**Risk and Internal Audit**

Responsible for Quality Assurance and Risk Management practices within the organisation.  
Support for risk management and quality management activities of the project .

**3.2. Planning and Controlling a Project****3.2.1. Scope and Deliverables**

Assumptions may need to be made in the absence of information or lack of agreement between parties in order for project planning and delivery to progress within the required timeframe.

Deliverables Management is to identify and describe the project deliverables required to be produced, how and when they will be produced, and the quality and acceptance criteria that will apply.

PMO responsibilities related to deliverables management include:

- Periodic checking for overdue project deliverables
- Repository checks (existence; appropriate review and approval; “weight”)
- Monitoring use of conditional approvals (these are noted on the deliverables register and a date established for review of the conditions imposed).

**3.2.2. Quality Management**

Quality Management ensures that projects complete the work to be performed to an acceptable standard, delivering “fit for purpose” products which satisfy stated requirements and specifications.

PMO responsibilities related to quality assurance include:

- Ensuring the projects within the approved project portfolio are adhering to the project management disciplines and processes defined by the PMO
- Confirming projects have appropriate quality controls built into their project plan;
- Verifying projects adhere to their defined quality processes
- Analysing the QA review and report findings at the project portfolio level
- Where necessary providing assistance to the project to help address any quality issues or concerns uncovered.

**3.2.3. Schedule and Dependencies Management**

Schedule Management encompasses the processes and procedures to track the progress of projects and ensure adherence to the specified timetable. The objective of Schedule Management control is to ensure that the project has an approved current plan which shows how all tasks can be completed within the agreed time schedule and budget of the project.



Dependency Management encompasses the processes and procedures to identify and monitor external dependencies of the project to ensure that delays to any of the related tasks will not have a detrimental effect on scheduled project activity. Note: The Dependency Management process does not cover internal project dependencies which are managed using predecessor activities within the project schedule.

External dependencies upon which projects are dependent (Recipient Dependencies) will be identified, and milestones and high level tasks associated with delivery by the external supplier established within the project schedule.

PMO responsibilities related to dependency management include:

- Facilitating establishment of Project Dependency Agreements (PDAs) for Recipient Dependencies between projects, and with external providers
- Verification that project dependencies have been assessed for risk
- Periodic reviewing of the alignment of project interdependencies across the portfolio
- Escalating to the IT Project Portfolio Manager issues found in the above reviews.

### 3.2.4. Resource Management

Resource / capacity management encompasses the allocation of resources to projects as well as the means of resolving resource contention.

PMO responsibilities related to resources and capacity management include:

- Providing visibility at the project portfolio level on the resource status of all of the projects. Ensure the projects within the approved project portfolio have the resources required in line with the agreed resource profiles required for their successful execution
- Performing the analysis on the resource information provided and report findings at the project portfolio level to the Project Portfolio Manager
- Where necessary providing assistance to the project to help address any resourcing or capacity issues or concerns uncovered.

### 3.2.5. Budget and Financials Management

Financial Management is the capturing, monitoring, controlling and accurate reporting (whilst comparing to the agreed cost baseline) of costs incurred by the project. It includes the processes of budget preparation, forecasting, expenditure approval and tracking and financial reporting.

PMO responsibilities related to financial management include:

- Providing visibility at the approved project portfolio level on the financial status of all of projects. Ensure the projects within the approved project portfolio are progressing in line with the financial profiles estimated at the projects initiation



- Performing analysis on the financial information provided and report findings at the project portfolio level to the Project Portfolio Manager as required.
- Where necessary provide assistance to the project to help address any issues or concerns uncovered.

### 3.2.6. Benefits Management

Benefits outlined in the Business Case will be analysed and linked to specific changes to be introduced by the project.

Achievement of the expected benefits requires conscious effort, planning and commitment not only during the project as the business prepares to implement the project products but also post implementation in order to ensure business outcomes are fully achieved and benefits realisation maximised.

A Benefits Realisation Plan will be prepared during the course of the project defining the benefits profile in more detail and establishing ownership and commitment to achievement of the planned benefits.

Individual benefit owners will be assigned within the business areas that will receive the direct benefit from the investment to provide direct assistance to the project to ensure that the benefits can be realised, ensure that all the necessary business changes occur, and to track ongoing benefits realisation post implementation.

The project will prepare a benefits tracking register to be maintained by the Business Owner during the period of benefits realisation.

### 3.2.7. Risk and Issue Management

Issue Management is the process of continual identification and resolution of unplanned situations, problems or activities which are preventing progress of project work. Issues require action plans and ongoing focus to ensure their timely resolution.

Risk Management is the process of identifying risks, analysing and assessing their implications, and determining any actions to be taken to mitigate those risks, and managing those actions to a satisfactory completion.

PMO responsibilities related to risks and issues management are:

- Facilitating project portfolio level risks identification and management meetings
- Performing the project portfolio level evaluation of the relative criticality of risks and issues
- Filtering and escalating as appropriate
- Monitoring timely performance of agreed risk and issue mitigation activities
- Creating and maintaining the project portfolio level report on the risks and issues status.
- Presenting the report to the Project Portfolio Manager and IT Management as required.

### 3.2.8. Change Management

Change Management is the discipline of managing and controlling changes to previously agreed baselines in a project. It is the system of procedures and practices established so that the project can evaluate proposed changes and their impacts on the project and on other projects in the agreed project portfolio.

PMO responsibilities related to change management include:

- Ensuring the impact assessment has been done from a project portfolio perspective for those changes with portfolio impacts
- Performing the project portfolio level evaluation of the relative risks, impact in terms of time, cost and benefits, and the criticality to the overall project portfolio's success and benefits realisation
- Creating and maintaining the project portfolio level report on the status of change control
- Where necessary, providing assistance to the project to help address any change management issues or concerns uncovered.

### 3.2.9. Monitoring and Reporting

Effective and consistent reporting is essential to providing an accurate and comprehensive understanding of a project's status and progress at all levels of management so that the project can be managed and completed successfully. Particularly on a large project, a formal approach to monitoring and reporting is essential to provide a consolidated and meaningful view of status and progress.

Projects will monitor performance against schedule and cost baselines and provide periodic reporting to stakeholders which accurately conveys the true state of the project and gives the earliest possible warning of impending problems.

Regular project status update meetings will also be held with minutes distributed to attendees and other stakeholders as appropriate. Meetings will be exception based and minutes will be outcome / action oriented.

PMO responsibilities related to monitoring and reporting include:

- Providing monitoring and reporting standards (templates, guidelines, reporting timelines etc.) to project managers and teams
- Ensuring that required reporting timelines are adhered to by individual project managers
- Seeking clarification from, and providing feedback to, project managers on project status reports as required
- Consolidating individual project information to provide visibility of status and progress of all projects within the approved project portfolio to the relevant stakeholders in a way that is consistent and meaningful

- As part of continuous process improvement, analysing feedback from steering committees and UE and MG Management to modify the content or delivery or frequency as required.

### 3.2.10. Sourcing and Procurement

All procurement and supplier contract management relating to IT projects will be conducted in accordance with the UE and MG Procurement Framework and Contract Management Framework. Project managers and PMO staff are expected to be familiar with these frameworks which define the processes and templates and responsibilities in relation to procurement and management of supplier relationships.

PMO responsibilities related to supplier management include:

- Assisting the projects to comply with the requirements of the Procurement Framework and Contract Management Framework
- Providing a project portfolio view of suppliers engaged on multiple projects showing, for each supplier, the projects they are engaged on, the expected days of effort and the project stage or stages when the effort will occur
- For internal suppliers, facilitating the formal engagement of internal resources to projects and monitor the allocation of these resources across multiple projects
- Monitoring the health of the relationship with suppliers in terms of delivery, performance, quality, cost and responsiveness
- Assessing the capability and capacity of key suppliers to meet future project requirements needs
- Reporting on supplier management at the project portfolio level to the Project Portfolio Manager as required.

### 3.2.11. Reporting and Communication

**Communications Management** is used to create the processes required to ensure timely creation, distribution, collection and recording of project information.

A large component of project communications is the provision of management information via status reporting and conduct of meetings. The Project Manager is accountable for project progress communications and for communications internal to the project. The project will also communicate information about the work being undertaken to a broader audience through updates to their Project site community pages on the PMO Intranet site.

Planning and coordination of communications to operations areas with regards to business changes, impact and timing of change, training, deployment activities, etc. will be defined in a separate Change Communications Plan.

The Change Communications Plan details the nature of communications that need to be conducted with each stakeholder or stakeholder group. The communication with each stakeholder will be designed to manage their expectations, seek their advice or approval, apprise them of progress, and inform them of events as necessary.

## **4. Product Delivery Disciplines**

### **4.1. System Engineering**

The purpose of system engineering is to design the solution to ensure that there is a single point accountability for design, and that a comprehensive architecture is developed whose components can be integrated to provide the full functionality and performance which it is agreed the project is to deliver.

### **4.2. Solution Assurance**

Solution Assurance ensures all IT changes are 'fit for purpose' and meet Business Requirements, Solution Assurance validates what has been requested by the United Energy and Multinet Gas Business, has been delivered.

Prior to release to Production, various phases of testing are planned with the aim of identifying errors that may exist as part of the project defects identified through testing, are raised and managed in the HP Quality Centre application. Prior to release to production every effort is made to resolve all defects to ensure smooth transition to Production.

### **4.3. Business Transformation**

Business transformation is a strategic and continuous process, vital to successfully implementing business strategy, achieving UE and MG's vision and building capability.

The purpose of Business transformation is to align people, process, organisation structure and technology with our business strategy and vision. Develop culture, innovation and agility capabilities to meet long term objectives.

This discipline of project management provides the opportunity to accelerate business capability, realise value through well-managed change to achieve continuous improvement.

### **4.4. Operations Transition**

The transition of projects to BAU is a strategic process, vital to successfully achieving UE and MG's business strategy.

A successful transition from project mode to BAU requires stakeholders and management teams to apply mitigation strategies for risks.

## 4.5. Benefits Realisation

Benefits realisation is the planning, structuring and actual realisation of the benefits of a business change or improvement.

IT Projects at UE and MG are undertaken to deliver benefits and achieve objectives and be fully realised.

Projects are often considered to be finished when deliverables are complete, however benefits of a project are realised over time, leaving no one responsible during the realisation phase and no structure through which to manage.

IT is crucial to identify clear benefits early in the lifecycle that relate to unambiguous business objectives and to assign ownership and responsibility for planning and managing this achievement.

Therefore at UE and MG, benefit realisation will ensure there is:

- Early identification of Solution benefits at the Identify phase
- A Benefits Realisation plan documented during investigation feasibility
- A Benefits Realisation Register developed and handed over at project closure.

Refer to the PMO portal <http://unitedenergy/pmo> for detailed explanation about the IT Project Delivery Framework (IT PDF)

## Appendix A: IT PDF Quick Reference Guide

UE and MG IT Project Delivery Framework Quick Reference Guide

v1.0 28/02/2013

Phase	IDENTIFY Defining and Prioritising	EVALUATE Investigating Feasibility	INITIATE Initiating a Project	EXECUTE Managing Product Delivery						CLOSE
Activity				DESIGN	BUILD	TEST	ACCEPT	DEPLOY	Closing a Project	
Project Management	<ul style="list-style-type: none"><li>Develop Initiative Brief</li><li>Seek authority to Evaluate</li></ul>	<ul style="list-style-type: none"><li>Appoint project executive</li><li>Identify stakeholders</li><li>Prepare outline Bus. Case</li><li>Seek authority to Initiate</li><li>Prepare Project Brief</li><li>Design &amp; appoint PM team</li><li>Prepare Initiation stage Project Plan</li></ul>	<ul style="list-style-type: none"><li>Assess project delivery risk</li><li>Establish project governance &amp; controls</li><li>Plan resource procurement &amp; conduct sourcing</li><li>Prepare overall Project Plan</li><li>Develop Quality Plan</li><li>Define Project Schedule</li><li>Prepare Resource Plan &amp; work assignments</li><li>Develop Stakeholder Engagement &amp; Communication Strategy</li><li>Prepare detailed Bus. Case</li><li>Prepare End Stage Report</li><li>Seek authority to Execute</li></ul>	<ul style="list-style-type: none"><li>Procure required resources</li><li>Provide team induction</li><li>Track assigned work &amp; maintain Project Schedule</li><li>Manage resource utilisation</li><li>Prepare End Stage Report</li><li>Update Project Plan</li><li>Update supplementary plans as required</li><li>Update Business Case</li><li>Approve Build Readiness</li></ul>	<ul style="list-style-type: none"><li>Track assigned work &amp; maintain Project Schedule</li><li>Manage resource utilisation</li><li>Prepare End Stage Report</li><li>Update Project Plan</li><li>Update supplementary plans as required</li><li>Update Business Case</li><li>Approve Test Readiness</li></ul>	<ul style="list-style-type: none"><li>Track assigned work &amp; maintain Project Schedule</li><li>Manage resource utilisation</li><li>Prepare End Stage Report</li><li>Update Project Plan</li><li>Update supplementary plans as required</li><li>Update Business Case</li><li>Approve UAT Readiness</li></ul>	<ul style="list-style-type: none"><li>Track assigned work &amp; maintain Project Schedule</li><li>Manage resource utilisation</li><li>Prepare End Stage Report</li><li>Update Project Plan</li><li>Update supplementary plans as required</li><li>Update Business Case</li><li>Approve Sol'n Acceptance</li></ul>	<ul style="list-style-type: none"><li>Track assigned work &amp; maintain Project Schedule</li><li>Manage resource utilisation</li><li>Prepare End Stage Report</li><li>Update Project Plan</li><li>Update supplementary plans as required</li><li>Approve Go-Live</li></ul>	<ul style="list-style-type: none"><li>Finalise Business Case</li><li>Finalise Project Plan</li><li>Finalise supplementary plans as required</li><li>Finalise Project Schedule</li><li>Agree and assign follow-on actions</li><li>Conduct Lessons Learned</li><li>Prepare End Project Report</li><li>Authorise Project Closure</li></ul>	
Solution Engineering	<ul style="list-style-type: none"><li>Develop H/L Business Reqts</li><li>Identify contribution to strategic objectives.</li><li>Confirm initiative is aligned to strategic planning.</li></ul>	<ul style="list-style-type: none"><li>Review business reqts</li><li>Investigate options</li><li>Undertake Solution Options Evaluation</li><li>Recommend solution</li><li>Select project approach &amp; assemble project brief</li><li>Develop H/L System Reqts</li></ul>	<ul style="list-style-type: none"><li>Prepare Design Mgt Plan</li><li>Define detailed reqts inc. non-functional</li><li>Develop Outline Solution Architecture</li></ul>	<ul style="list-style-type: none"><li>Develop detailed Component Architecture</li><li>Prepare Component Functional Design Specs</li><li>Establish Reqts Traceability Matrix (RTM)</li></ul>	<ul style="list-style-type: none"><li>Support test planning</li><li>Prepare Component Technical Design Specs</li></ul>	<ul style="list-style-type: none"><li>Support test planning and defect resolution</li></ul>	<ul style="list-style-type: none"><li>Support test planning and defect resolution</li><li>Finalise "As Built" Design Specs</li></ul>		<ul style="list-style-type: none"><li>Reconcile scope</li><li>Transfer outstanding scope to BAU or alternate project</li></ul>	
Solution Assurance			<ul style="list-style-type: none"><li>Define H/L Test Approach</li></ul>	<ul style="list-style-type: none"><li>Refine Test Strategy</li></ul>	<ul style="list-style-type: none"><li>Develop Detailed Test Plan for Functional Test</li><li>Produce Test Summary Report</li></ul>	<ul style="list-style-type: none"><li>Develop Detailed Test Plan for Integration Test</li><li>Produce Test Summary Report</li></ul>	<ul style="list-style-type: none"><li>Develop Detailed Test Plan for Acceptance Test</li><li>Produce Test Summary Report</li></ul>	<ul style="list-style-type: none"><li>Update Business Change Mgt Plan</li><li>Deliver training</li><li>Undertake Business Readiness assessment</li><li>Complete change communication</li><li>Confirm Day1 / Day 2 / "Period end" operation</li></ul>	<ul style="list-style-type: none"><li>Transfer outstanding defects to BAU</li></ul>	
Business Transformation	<ul style="list-style-type: none"><li>Identify key business stakeholders and business areas impacted</li></ul>	<ul style="list-style-type: none"><li>Undertake H/L business impact assessment</li></ul>	<ul style="list-style-type: none"><li>Develop H/L Business Change Mgt Strategy</li></ul>	<ul style="list-style-type: none"><li>Develop Business Change Plan (inc. Training &amp; Support Strategy)</li><li>Develop Stakeholder Engagement Plan (inc. Communication Plan)</li><li>Undertake Change Impact Assessment</li></ul>	<ul style="list-style-type: none"><li>Assess Training Needs</li><li>Update Business Change Mgt Plan</li><li>Prepare Training Plan</li><li>Produce detailed Communication Plan</li><li>Draft communication materials</li></ul>	<ul style="list-style-type: none"><li>Update Business Change Mgt Plan</li><li>Prepare training materials and schedule training</li><li>Finalise change communication materials</li></ul>	<ul style="list-style-type: none"><li>Update Business Change Mgt Plan</li><li>Train Acceptance Test participants</li><li>Prepare Business Continuity Plan for new capability</li><li>Commence change communication</li></ul>	<ul style="list-style-type: none"><li>Prepare Cutover Plan</li><li>Define Go Live and Post Implementation support</li><li>Undertake Technical Readiness assessment</li><li>Integrate DR procedure</li><li>Execute cutover</li></ul>	<ul style="list-style-type: none"><li>Confirm "Return to Normal"</li><li>Confirm business capability embedded</li></ul>	
Operational Transition	<ul style="list-style-type: none"><li>Identify key operational support and service provider stakeholders</li></ul>	<ul style="list-style-type: none"><li>Outline operational sustainment capability</li></ul>	<ul style="list-style-type: none"><li>Engage with Service Delivery providers</li><li>Develop Implementation Strategy (inc. release plan)</li></ul>	<ul style="list-style-type: none"><li>Define detailed Release Plan</li><li>Define Data Conversion and Migration Plan</li></ul>	<ul style="list-style-type: none"><li>Tba</li></ul>	<ul style="list-style-type: none"><li>Prepare Transition to Support Plan</li></ul>	<ul style="list-style-type: none"><li>Prepare Post Implement'n Support Plan</li><li>Document Disaster Recovery procedure</li></ul>		<ul style="list-style-type: none"><li>Confirm BAU Support fully operational at conclusion of PISP period.</li></ul>	
Benefits Realisation	<ul style="list-style-type: none"><li>Identify solution benefits</li></ul>	<ul style="list-style-type: none"><li>Prepare high level benefits profiles and understand benefit drivers</li></ul>	<ul style="list-style-type: none"><li>Develop H/L Benefits Realisation Plan</li></ul>	<ul style="list-style-type: none"><li>Prepare detailed Benefits Realisation Plan</li></ul>	<ul style="list-style-type: none"><li>Update detailed Benefits Realisation Plan</li></ul>	<ul style="list-style-type: none"><li>Update detailed Benefits Realisation Plan</li></ul>	<ul style="list-style-type: none"><li>Update detailed Benefits Realisation Plan</li></ul>	<ul style="list-style-type: none"><li>Finalise detailed Benefits Realisation Plan</li></ul>	<ul style="list-style-type: none"><li>Handover Benefits Realisation Register</li></ul>	
Reviews	<ul style="list-style-type: none"><li>Gate 0 Authorise Evaluation</li></ul>	<ul style="list-style-type: none"><li>SARB Review (Large)</li><li>ITEF Approval (Large)</li><li>Gate 1 Authorise Initiation</li></ul>	<ul style="list-style-type: none"><li>Commencement Checklist</li><li>Reqs Baseline Review</li><li>SARB Review</li><li>ITEF Approval</li><li>Gate 2 Authorise Execution</li></ul>	<ul style="list-style-type: none"><li>Preliminary Design Review</li><li>SARB Review</li><li>Gate 3a Build Readiness</li></ul>	<ul style="list-style-type: none"><li>Critical Design Review</li><li>Gate 3b Test Readiness</li></ul>	<ul style="list-style-type: none"><li>Gate 3c UAT Readiness</li></ul>	<ul style="list-style-type: none"><li>Gate 3d Solution Acceptance</li></ul>	<ul style="list-style-type: none"><li>Gate 3e Go-Live Readiness</li><li>Deployment completion approval (certificate)</li></ul>	<ul style="list-style-type: none"><li>Gate 4 Authorise Closure</li><li>Closure Checklist</li></ul>	
Deliverables	<ul style="list-style-type: none"><li>Initiative Brief</li><li>H/L Business Requirements</li></ul>	<ul style="list-style-type: none"><li>Stakeholder Identification Matrix</li><li>Outline Business Case - Objectives</li><li>Outcomes</li><li>Justification</li><li>Recommendation</li><li>Project Brief</li><li>- OOM Estimates</li><li>- Timeline</li><li>- Delivery Approach</li><li>Project Plan (Initiation)</li><li>H/L System Requirements</li><li>Solution Options Evaluation</li><li>H/L Change Impact Assessment</li><li>H/L Change Mgt Strategy</li><li>Benefit Profiles</li></ul>	<ul style="list-style-type: none"><li>Business Case (Detailed)</li><li>Project Plan (Detailed)</li><li>- Budget / Schedule</li><li>- Delivery Strategies</li><li>- Work Products</li><li>Procurement Plan</li><li>Quality Plan</li><li>Project Schedule</li><li>Resource Plan</li><li>End Stage Report (Initiation)</li><li>Design Management Plan - inc. Configuration Mgt</li><li>Business Reqs Spec'n</li><li>System Reqs Spec'n</li><li>Outline Sol'n Architecture</li><li>Change Impact Assessment</li><li>Change Mgt Strategy</li><li>- Business Impact</li><li>- Training</li><li>Implementation Strategy</li><li>H/L Benefit Realisation Plan</li></ul>	<ul style="list-style-type: none"><li>Business Case (upd)</li><li>Project Plan (upd)</li><li>Quality Plan (upd)</li><li>Project Schedule (upd)</li><li>Stakeholder Engagem't Plan</li><li>End Stage Report (Design)</li><li>Component Architecture</li><li>Functional Design Spec'n</li><li>Reqs Traceability Matrix</li><li>Test Strategy</li><li>Business Change Plan</li><li>Communication Plan</li><li>Release Plan</li><li>Data Conversion and Migration Plan</li><li>Benefits Realisation Plan (Detail)</li></ul>	<ul style="list-style-type: none"><li>Business Case (upd)</li><li>Project Plan (upd)</li><li>Quality Plan (upd)</li><li>Project Schedule (upd)</li><li>End Stage Report (Build)</li><li>Technical Design Spec'n</li><li>Detailed Test Plan (Functional Test)</li><li>Test Summary Report (Functional Test)</li><li>Business Change Plan (upd)</li><li>Stakeholder Engagement Plan (upd)</li><li>Communication Plan (upd)</li><li>Training Plan</li><li>Benefits Realisation Plan (upd)</li></ul>	<ul style="list-style-type: none"><li>Business Case (upd)</li><li>Project Plan (upd)</li><li>Quality Plan (upd)</li><li>Project Schedule (upd)</li><li>End Stage Report (Test)</li><li>Detailed Test Plan (Integration Test)</li><li>Test Summary Report (Integration Test)</li><li>Business Change Plan (upd)</li><li>Communication Materials</li><li>Training materials</li><li>Transition to Support Plan</li><li>Benefits Realisation Plan (upd)</li></ul>	<ul style="list-style-type: none"><li>Business Case (upd)</li><li>Project Plan (upd)</li><li>Quality Plan (upd)</li><li>Project Schedule (upd)</li><li>End Stage Report (Accept)</li><li>- Acceptance Certificate</li><li>"As Built" Design Spec'n</li><li>Detailed Test Plan (Acceptance Test)</li><li>Test Summary Report (Prod Verification)</li><li>Business Readiness Assessment</li><li>Technical Readiness Assessment</li><li>Cutover Plan</li><li>Benefits Realisation Plan (final)</li></ul>	<ul style="list-style-type: none"><li>Project Plan (upd)</li><li>Quality Plan (upd)</li><li>Project Schedule (upd)</li><li>End Stage Report (Deploy)</li><li>- Acceptance Certificate</li><li>Detailed Test Plan (Prod Verification)</li><li>Test Summary Report (Prod Verification)</li><li>Business Readiness Assessment</li><li>Technical Readiness Assessment</li><li>Cutover Plan</li><li>Benefits Realisation Plan (final)</li></ul>	<ul style="list-style-type: none"><li>Business Case (Final)</li><li>End Project Report</li><li>- Project performance</li><li>- Follow on actions</li><li>Lessons Learned Report</li></ul>	



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