

T 3 T I G E R T E C H

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United States Department of Agriculture,
Office of CFO and CIO

Financial Management Process Improvement

Services Rendered:

Business Process Reengineering
Lean Six Sigma Services
Meeting Facilitation
IT Systems Alignment
Project Coordination

Challenges

The United States Department of Agriculture, Office of Chief Financial Officer (OCFO) provides financial leadership for the USDA, which administers \$100 billion of loans, as well as significant guarantees and insurance, in support of America's farmers and ranchers.

The Office of the CIO is responsible for the supervision and coordination within the department of the design, acquisition, maintenance, use and disposal of information technology by USDA agencies, in order to improve customer satisfaction, reduce costs, and maximize the use of existing resources.

Both offices were run by a single executive at the time of this project. The USDA CFO/CIO wanted to capture, understand, standardize and improve a broad spectrum of agency financial management, grants systems, and processes, transforming the effectiveness of operations and systems that support multiple lines of business.

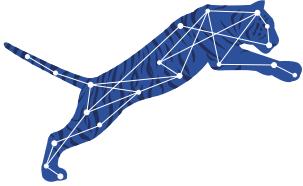
The USDA CFO/CIO wanted to apply Lean Six Sigma (LSS) methodology to the 165 Grants programs that were awarded \$54 billion annually. The project encompassed every grant-making agency at USDA-13 separate organizations, many with their own appropriations, unique business flows, and distinct program legislative requirements-and brought them all into alignment.

USDA worked with a different company on Phase 1 of the effort, which resulted in a partial "as is" analysis. We replaced the incumbent, digested all of their deliverables quickly, defined our approach for Phase 2, and embarked upon it without losing intellectual capital or momentum.

Solution

T3 TigerTech provided Lean Six Sigma analysis, Earned Value Management, and Multi Generation Project Management services. Using the data-driven "as is" and "to be" models, we developed a gap analysis that showed where USDA had opportunities to improve, how the improvements could be made, and the expected returns from those changes-all in objective statistics that removed subjectivity and conjecture from the recommendations.

We analyzed existing business process analysis artifacts as appropriate, ensuring transition from the incumbent was as successful as our experience at USDA. Industry standard business process modeling techniques and nomenclature were utilized. This aided adoption of the approach across USDA lines of business, and mitigated risk introduced by using proprietary approaches.



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In order to facilitate implementation planning, T3 TigerTech developed a metric for process and IT services alignment. T3 TigerTech developed an analytical tool that compared common IT service functional requirements, ‘as is’ IT service and ‘to be’ SOA enabled IT services to the ‘to be’ process model. This metric served to measure alignment between the Business Architecture and the Technical Architecture using FEA reference models and graphically displaying this alignment in the workflow. This was the first time a metric and analytical decision tool had been developed to measure business and technical architecture alignment in the USDA.

T3 TigerTech integrated the two best practices in business process analysis and project management: the Project Management Institute PMBoK and Lean Six Sigma. Mastery of these two widely practiced and well-accepted methodologies for excellence in business process improvement were used throughout. This provided a full library of case studies, tools and models for application and modification and allowed us to compare USDA performance to other organizations and to world-class benchmarks.

Results

T3 TigerTech analyzed the original ‘as is’ performance data to select representative agencies and programs for analysis. T3 TigerTech developed documentation, a data collection plan, and tools for initial workflow analysis, and then developed Value Stream Map analysis on seven different programs in four USDA agencies. We subsequently developed, collected, and analyzed the throughput performance data, used Lean Six Sigma tools to analyze that performance, and identified 64 specific process improvement opportunities.

Consequently we developed 20 Lean Six Sigma projects by combining these opportunities into logical project sets and then estimated the project costs and benefits. After conducting budget and staff work-hour analysis, T3 TigerTech developed and prioritized these process improvement projects and presented them for decision to the CFO /CIO.

We emphasized agency and program buy-in, creating an atmosphere where agency staff were eager to move ahead. In many cases, agencies decided to move on their own authority to make needed changes. Their comfort with the approach we introduced allowed their work to smoothly flow into the larger project.

Our work was used to develop system requirements for implementation of a customer relationship management system that will improve delivery of products, services, and grants to USDA customers. The estimated savings of the entire grants transformation when complete is approximately \$100M, exceeding expectations. ROI on this project was calculated by the CFO to be 26:1.