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# Balancing Risk within the Federal IT Investment Portfolio

## Video Transcript

Michael Lumb: So how do you balance then, it sounds like there is risks that you need to look at. How do you balance those risks against the IT investment portfolio?

Scott Quehl: This is an essential question. If we were to look at some of the, many, many management successes have been achieved by this administration. There have been some noted in areas where maybe what could have been achieved was achieved. If we were to look at the correlation between large IT program failure and highly great visibility in terms of management shortcoming, there is a

high correlation. Managing risk associated with major IT programs is essential. Not just to deliver mission, not just from a financial perspective, not just from a technology perspective, but from a reputational perspective. All they way up and all the way down in terms of reputation. And the, so if you have a department with hundreds and thousands of IT programs, it is essential that your acquisition, your finance, your IT and your program executive leadership get together and define what is our portfolio of IT protocols. What is that portfolio of IT programs? How are we going to

define risk? It is money? Is it reputation? Is it mission delivery? It is complexity? What are the criteria? And how do we apply those criteria to every single one of our IT programs and once we defined that portfolio, who is in charge? What are the key milestones of decision making? Who is going to make those decisions? Who is accountable for execution? What is the level of training and certification for our IT project and program managers who on a day to day basis are managing those projects? How do we know? Once you answer those questions and once you start having very efficient, very

real discussions about the management of the risks of these IT projects within the portfolio, you do it, you're in business. Now if you have hundreds of thousands of projects and programs you can't have the deputy secretary running every single meeting or the CIO, so what is our basis for delegation? What are those two, three, four, five, ten but no more than that. Probably ten is too many. Projects and programs that are having weekly or monthly insight from the deputy secretary or from the, and building down and delegating out. This can be done. This can be done. It requires order and method and rigor and urgency and it absolutely requires collaboration so that when if a project is going well, every body knows it and why. If a project, the rest are going off the rails, everybody knows it and why. No crouch, no defensiveness, nobody is worried about blame. What is the problem and how are we going to fix it?