

## Using a Cross-functional Team for Effective Capital Planning Investment Control (CPIC)

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### CROSS-TRAINING EMPOWERS CPIC

The current funding environment makes Capital Planning Investment Control (CPIC) ever-more important as it provides a framework for agencies to defend their capital investments through sound OMB Budget Exhibit 300 “business cases.” If performed effectively, CPIC provides a strategy for capital planning that enables organizations to demonstrate and maximize value from scarce public resources. While many agencies employ a CPIC process, they don’t all approach it in the most effective manner. The best CPIC implementations are based on teams that are cross-trained in various disciplines such as strategic planning, budget and finance, program management, contracting, and IT. The team also has experience and expertise in the relatively softer skills of (cross-organization) collaboration, communication, and creativity.

### WHERE CPIC BEGAN

To support the Clinger Cohen Act of 1996 and other related legislation and Federal guidance, the CPIC framework was conceptualized to facilitate strategic and operational planning, leading to acquisition and management of large capital investments including, but not limited to IT. The Office of Management and Budget (OMB) Circular A-11, Exhibits 300 (Capital Asset Plan and Business Case Summary) and 53 (Agency IT Investment Portfolio) capture the results of capital investment planning, budgeting, and acquisition management efforts. In other words, CPIC is more about strategy and planning of capital assets than it is about IT. Therefore, having a cross-trained team who is savvy and experienced in strategy, planning and general management disciplines is more important to implement an effective CPIC at your organization than assembling an organization of IT project or technical specialists.

### WHY CPIC MATTERS

The collection of exhibits 300 and 53 or “business cases” comprise the capital investment portfolio that is produced by the CPIC process and incorporated into the federal budget that is submitted to Congress each year. This is important due to the current funding environment, in which the level of scrutiny for these business cases will continue to increase. Therefore, it’s important to ensure you are justifying the value of your investments and portfolios to stakeholders and overseers. Further, since the business case is a critical input to the budget process, it is essential that it is prepared with due diligence and rigor.

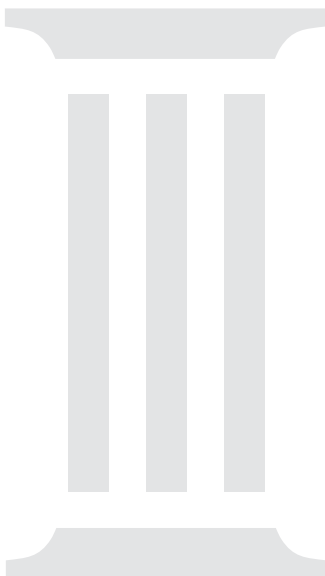
For example, DHS has over ten agencies that each has a portfolio ranging from a few capital investments to almost 20. Therefore, they along with OMB and Congress may have a say in portfolio funding decisions across and within portfolios. Given these circumstances, organizations have established formal internal CPIC support teams to create portfolios and business cases. To date, most of these teams have evolved into a non-interdisciplinary group of specialists.

Applying a novel approach such as using interdisciplinary teams to perform quality control of the business cases and support the CPIC process can lead to breakthrough results. For example, imagine a team that can synthesize broad perspectives, knowledge, skills, and interconnections, in an IPT setting. These teams could help an organization generate portfolios that score relatively high by communicating mission and economic value clearly. Further, it can boost the chances of the portfolios and investments withstanding budget pressures.

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*CPIC is more about strategy and planning of capital assets than it is about IT. A cross-trained team is more important than IT or technical expertise.*

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## BENEFITS OF CROSS-TRAINING TO CPIC

- *Facilitates well-rounded, holistic business cases*
  - *Leads to speedier, more-informed decision-making*
  - *Creates repository of CPIC best practices*
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### CROSS-TRAINING ENSURES THOROUGH CPIC REVIEW

An important factor when considering how to communicate the value of your business case externally is to have an intra-organizational cross functional team and process that leverages best practices in rationalizing your portfolio to show that you are not only “doing things right” but also “doing the right things” regarding your investments. A key result of cross-functional training should result in team members exercising an appropriate level of internal control that ensures

- selection of meaningful criteria to evaluate the business cases
- business cases that meet all of the criteria for quality, and
- business cases and portfolio that tell a compelling a story through complete, consistent, and accurate documentation.

### INTERDISCIPLINARY APPROACH TO A HOLISTIC PORTFOLIO AND BUSINESS CASE

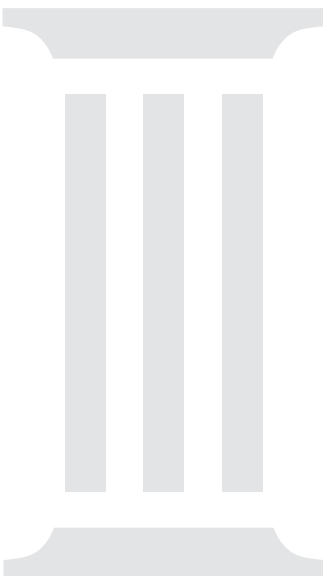
So how do you go about doing this? Integrity recommends you focus first on assembling an interdisciplinary CPIC team. Factors to consider when building this team are scope and scale. For example, will the team support a portfolio consisting of many multi-million-dollar investments or will it support one relatively small-dollar business case? The CPIC team, in turn, can create, evolve, and facilitate the appropriate processes and tools. For example, by having people cross-trained in CPIC processes, specific functional specialties within CPIC, and specific collaboration and document management tools such as MS SharePoint, they can create a platform or CPIC knowledge repository for the CPIC team to reference during the CPIC cycle. The creation of this platform can be a one-stop shop and can feature checklists CPIC practitioners can use as they build their business cases and navigate the CPIC cycle.

Portfolios and business cases include functional aspects and sections that address a range of functional disciplines. For example, the BY15 cycle included sections spanning many diverse, yet interrelated areas such as:

- General information about investment and constituent projects
- Life Cycle Costs
- Acquisition and Contracting Strategy
- Performance Plan and Measurement Report, including how the investment is structured (e.g., projects and activities), and the risk posture.

Due to the importance of telling a coherent, mutually supportive story with the business case, and because much of the information in the sections is intertwined, you should consider an interdisciplinary team in which team members are cross-trained or become cross-trained or experienced via co-location. This facilitates more holistic thinking and increases the ability of the team members to see each other’s perspectives related to the business case. This can lead to more complete, speedier decisions.

Creation of business cases require the linkage of functions and organizations throughout an enterprise, from more general areas of strategic planning, requirements, resourcing, and acquisition, to the more specific such as enterprise architecture, and IT security and privacy. Therefore, a team that is cross-trained and experienced in many of those areas can more efficiently produce complete and accurate business cases needed for expedited, more-informed decision making. For example, the team can create internal checklists and information mapping tools that ensure that the business case tells a consistent story and that information in one section does not contradict information in another section.



Integrity has seen interdisciplinary teams create high scoring, defensible business cases. For example, we partnered with our client to shed the “business as usual approach” and apply a novel approach of “forming, storming, norming and performing” a cross-functional CPIC support team

that was instrumental in transforming an agency’s CPIC posture from one of mediocrity to one that received the highest-rated CPIC portfolio in a major federal department in three consecutive years, a department first.

*“Green Scores”  
across the full  
investment  
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process*

## CPIC IN ACTION

COMPONENT	NUMBER OF INVESTMENTS	NUMBER OF GREEN INVESTMENTS	NUMBER OF YELLOW INVESTMENTS	NUMBER OF RED INVESTMENTS
TSA	15	15	0	0

### CHALLENGE

Help achieve a high-scoring CPIC portfolio that leads to improved performance management.

### ACTION

Team Integrity provided: CPIC thought leadership; submission management support for all aspects of OMB Exhibit 300/53; Integrated Product Team (IPT) support; CPIC and OMB Exhibit 300/53 training.

### IMPACT

*“Green Scores” across the full investment portfolio and process*

Integrity partnered with TSA to achieve an “all green” scorecard three years’ straight. During the FY13 cycle, they raised the initial average score *by nearly 35%*, resulting in the highest-scoring DHS portfolio. Of significant scale and scope, this portfolio consisted of 15 varying types of investments spanning multiple phases of the investment life cycle.

### HOW DID WE HELP TSA ACHIEVE THESE SCORES?

- Establishing and maintaining a reputation with all stakeholders as caring, competent, trusted advisors
- Delivering quality results in a timely, consistent manner through customary and novel ways like:
  - Employing cross-functional, cross-organization CPIC IPTs through pilots before scaling organization-wide.
  - Educating CPIC stakeholders to view the CPIC process as a year-round friend, rather than a seasonal foe.

### OUR PARTNERSHIP RESULTED IN ...

- Greatly improved capital planning processes and scores
- Improved organizational efficiency through the use of IPT support
- Investments well-prepared for program and portfolio reviews
- Better trained TSA workforce

## ABOUT INTEGRITY MANAGEMENT CONSULTING

Integrity Management Consulting, Inc. is an award-winning provider of acquisition, program, financial and investment management support services that enable federal agencies to efficiently and effectively manage their programs.

Integrity supports a wide range of federal agencies, contributing to missions of national importance in defense, homeland security, and health services. Our extraordinary team of credentialed and cleared subject matter experts solves complex challenges with innovative strategies that save time and money. Integrity is committed to advancing the acquisition and program management discipline through ongoing dialogue and thought leadership.

Headquartered in Northern Virginia, Integrity serves federal government clients nationwide with numerous contract vehicles that ensure fast and flexible service.

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