



June 22, 2018

The Honorable Phil Roe, M.D.
Chairman
U.S. House Committee Veterans Affairs
335 Cannon House Office Building
Washington, DC 20515

The Honorable Tim Walz
Ranking Member
U.S. House Committee on Veterans Affairs
333 Cannon House Office Building
Washington, DC 20515

Dear Chairman Roe and Ranking Member Walz:

On behalf of our half million members and certification holders in the United States, the Project Management Institute (PMI) appreciates the opportunity to submit information to today's U.S. House of Representatives Committee on Veterans Affairs hearing entitled "VA Electronic Health Record Modernization: The Beginning of the Beginning."

As the world's leading not-for-profit professional association for the project, program and portfolio management profession, PMI works with Congress to improve the federal government's ability to effectively manage its portfolios of projects and programs.

As the Department of Veterans Affairs (VA) embarks on the country's largest electronic health records (EHR) modernization project, PMI looks forward to working with the Committee and its new Technology Modernization Subcommittee to ensure that project, program and portfolio management leading practices are leveraged as one of the many crucial factors necessary to meet the Committee's objective of ensuring "veterans and taxpayers are protected during the transition."

Within that context, PMI is pleased to share its perspective on how project, program and portfolio management standards, workforce development, and executive sponsorship lead to greater organizational success and less wasteful federal government spending.

Standards

The importance of adopting leading project, program and portfolio management practices is difficult to overstate. PMI's *Pulse of the Profession*® 2018 survey reveals that 9.9% of every dollar is wasted due to poor project performance—that's \$99 million for every \$1 billion invested! The data further shows that when proven project, program and portfolio management practices are implemented, projects and programs meet their original goals and business intent far more often than those without.

Nationwide and globally, thousands of organizations—from small businesses and *Fortune*-level companies, to state and federal government agencies—across all industries, manage their portfolios of projects and programs using the widely-accepted American National Standards Institute (ANSI) standards for project, program and portfolio management.

Within federal agencies, ANSI standards and frameworks allow for better performance tracking, promote flexibility and agility, foster transparency and accountability, and ensure compliance with existing statutes and Office of Management and Budget (OMB) guidance (including Public Law 104-113, the “National Technology Transfer and Advancement Act of 1995;” Public Law 114-264, “The Program Management Improvement and Accountability Act,” and OMB Circular No. A-119 Revised). Further, the U.S. Government Accountability Office (GAO) uses these ANSI standards as benchmarks in its evaluations, including those examining VA projects and programs.

PMI’s *Pulse of the Profession*[®] 2018 survey confirms that when organizations have mature value delivery capabilities, including the incorporation of ANSI-accredited standardized practices, project and program performance improves significantly:

- 23% more projects and programs are completed on time
- 20% fewer projects and programs are deemed failures
- 18% more projects and programs are completed within budget
- 14% fewer projects and programs suffer from scope creep
- 13% more projects and programs meet their business goals and strategic intent

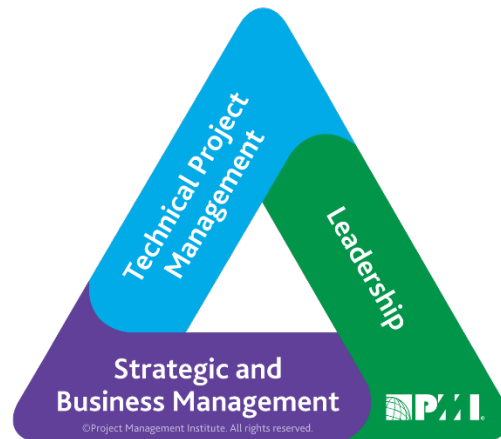
Effectively leveraging standards is even more critical for organizations engaging in highly-complex and highly-technical projects and programs, such as the VA EHR modernization project. As the Committee and Subcommittee thoughtfully carries out its oversight responsibilities, PMI encourages efforts to ensure the EHR project—and all VA projects and programs—are executed with ANSI standards as the foundation of their process considerations.

Workforce development

In today’s environment of digital transformation, project, program and portfolio managers are the bridges that connect organizational strategy to implementation. As a result, there is a widening gap between employers’ need for these skilled workers and the availability of qualified professionals to fill those roles. This gap is particularly acute within federal agencies, where there has been a dramatic increase in the number of jobs requiring project-oriented skills taking place at the same time many professionals are retiring from the workforce.

To deliver their portfolios of projects and programs more effectively and efficiently, federal agencies, including the VA, need skilled, certified project, program and portfolio

managers. These important stewards of taxpayer dollars require a unique set of technical competencies, detailed in the *PMI Project Manager Competency Development Framework—Third Edition*, combined with leadership skills and strategic and business management expertise, as embodied in the PMI Talent Triangle.



Within the VA, the VA Acquisition Academy (VAAA) has been recognized as an industry leader for its training and development efforts, including its Program Management School. The VAAA provides best-in-class training for project and program managers, both within the VA and government-wide. Upon completion, participants receive the federally-recognized FAC-P/PM certification, which also meets the training requirements for PMI’s industry-benchmark Program Management Professional (PMP®) certification.

One example of the VAAA’s effectiveness in recent years, is the Health Care Program Executive Office (PEO) established within the Veterans Health Administration (VHA). The VHA implemented the VAAA’s Enterprise Program/Project Management Training Model within their PEO, which resulted in \$390 million in program savings, as documented in VA Office of Inspector General report, “Audit of Savings Reported under the Office of Management and Budget’s Acquisition Savings Initiative.”

As the VA ramps up its EHR modernization project, the Committee and Subcommittee should ensure that all project and program management professionals working on the effort have the technical, leadership, and business management skills required to successfully deliver on behalf of our nation’s veterans.

Executive sponsorship

Leadership support for projects and programs is priceless. Actively engaged executive sponsors help organizations bridge the communications gap between influencers and

implementers to significantly increase collaboration and support, boost project and program success rates, and reduce risk.

PMI analysis shows that the dominant driver of project and program success is an actively engaged executive sponsor. PMI's *Pulse of the Profession*® 2018 survey found that organizations with a higher percentage of projects and programs with actively engaged sponsors (more than 80%) report 40% more successful projects than those with a lower percentage of projects with executive sponsors (less than 50%). We see that effective sponsors use their influence within an organization to actively overcome challenges by communicating alignment to strategy, removing roadblocks, and driving organizational change. With this consistent engagement and support, project and program momentum will stay steady and success is more likely.

Strong executive sponsorship is critical to addressing the following persistent project and program management challenges:

- Ensuring project and program managers have the resources necessary for successful execution
- Providing leadership in the use of best practices and disciplined project and program management to reduce acquisition and procurement costs
- Empowering project and program managers to assess potential failures to achieve cost, schedule or performance parameters and direct corrective action;
- Ensuring that major acquisitions have adequate, experienced and dedicated project and program managers with relevant training and certification
- Requiring that organizations adopt widely-accepted project, program and portfolio management best practices and standards
- Maintaining certification standards for all project and program managers

Executive sponsors also enable a culture of project and program delivery excellence. PMI research and thought leadership finds that executives who emphasize project and program awareness, alignment, and accountability, often create and reinforce most productive project and program management cultures. Within this context, it is recommended that the Committee and Subcommittee ensure the assignment and active engagement of the VA EHR modernization project executive sponsor(s) at the various stages and levels of the initiative, which will significantly improve the likelihood of a successful project outcome.

Conclusion

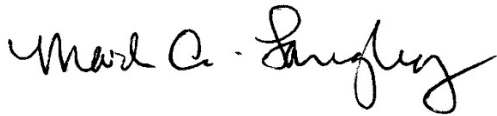
Thank you again for the opportunity to highlight the importance of project, program and portfolio management leading practices to delivering on the promise of the VA EHR modernization project, and VA projects and programs more broadly.

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Page 5

PMI shares the Committee's commitment to the men and women who bravely served in our armed forces. That's why PMI supports veterans, active duty military, National Guard/Reserve, retirees and spouses as they seek to transition into civilian project management careers. With today's job market demanding highly qualified and skilled individuals, PMI and our nationwide network of local chapters work with our veterans to transfer the leadership and management skills they perfected while serving our country into well-paying project management oriented roles for leading employers nationwide. For more information on how PMI works with transitioning military veterans and their families, please visit <http://www.pmi.org/military>.

In closing, PMI stands ready to work with the Committee, the new Subcommittee, and the VA to ensure the success of the VA EHR modernization project. If you have any questions, please contact Jordon Sims (202-772-3598 | jordon.sims@pmi.org) or Tommy Goodwin (202-772-3592 | tommy.goodwin@pmi.org) from PMI's Washington, DC office. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Langley". The signature is written in a cursive, flowing style.

Mark A. Langley
President and Chief Executive Officer