

**Moody's Transition Program Audit  
Authored by Brenda Cook**

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# Executive Summary

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At the request of the Perot Systems Executives, a comprehensive audit of the Moody's Transition Program was performed in July, 2008. The focus of the audit was on process and execution in the areas of Transition, Data Center Migration, and Project Management Methodology.

The audit was split into three streams of work coordinated by frequent formal and informal communication. A team from the IS Organization assessed the Transition and Data Center Migration processes while a Master Project Manager from the Commercial Business Unit assessed the Project Management processes. The Transition PMO Leader assessed what when wrong in the overall transition, what steps being completed to address the issues, and why the reported project status moved from green to red so quickly. All of these findings and recommendations were reviewed and validated by the Moody's Account Leadership, IS Leadership, Enterprise PMO, and Commercial PMO.

While it would be nice to find a single cause that contributed to the missteps on this project, no one factor can be identified and addressed in isolation as projects are complex and shortages in one area will impact many others. In this situation, there were four areas of the transition that incurred major impact. The findings and action plans have been grouped respectively:

## Organizational Definition and Performance

The findings indicate the integration of people, processes, and products are not effective or efficient. Inconsistencies and inefficiencies in project delivery, team organization, and role and responsibility definition were found. Examples include the following: no clear ownership; too much duplication of effort; communication issues; a complex matrix structure that does not support P3MM; super hero expectations; too many people providing direction; SME direction was not provided by the project manager.

## Engineering Definition and Performance

The findings show that the transition execution by the service towers is not effective, efficient, or reliable. There were excessive hand-offs, inadequate delivery requiring excessive supervision, and subdivided processes within the organization. While the Service Management tower showed the greatest deficiency, information security, network, and firewall areas struggled as well. A few examples include: commissioning a server requires too much lead time and too much supervision; quality reviews and process fidelity checks are not occurring.

## Human Resource Planning and Performance

The findings show that UNIX, information security, service management, delivery management, network, and firewall resources were not available in time to match the resource plan. Resources from service management, information security, project management, network, and firewall had gaps in their capability and fell short of expectations. Approximately 10 associates showed a need for general consulting and customer-facing soft skills. Steady state resources were used to perform transition work and staffed from many different areas instead of the ETC. While this worked on a few cases, many times the lack of consulting skills, transition experience and extended ramp-up time caused major impacts to the transition.

### Project Management Performance

The findings revealed that the project schedule was incomplete, unrealistic, and/or incorrect. We missed deliverables on the schedule, or made deliverables only with a heroic effort. It also revealed that the project teams did not utilize Perot's Project Management Methodology (P3MM). The project teams did follow the P3MM best practices at the beginning (they set up Risks, Assumptions, Issues, and Out-of-Scope (RAIDO), Change Control, Action Items, and certified at least one of the multiple project schedules). However, the pace of the project and the inexperience of some Project Managers forced the team to stop following best practices because there was not enough time. As a result, subjective status metrics were used in place of the standard status metrics, RYG (Red, Yellow, and Green) definitions and thresholds. Escalation was not timely and strong enough from the transition leader or account team when the budget was severely under budget and non contractual tasks were slipping.

It is recommended that three task force teams be established to build detailed action plans and drive the completion. The teams must have an executive management level leader who will be accountable for ensuring each task force completes their plans. Status reporting and monitoring will be done through the usual project status reporting channels in the IS and Commercial business units.

Since the turnaround plan was put into action, we have realized positive improvement in the transition program such as gaps in expertise have been filled with more senior resources, POC's are more clearly defined and resources are working together as cohesive teams. There are still areas that require additional improvement. Below is a sample of the task force team action items that can be found in the subsequent sections of the document. **Please note it is important to review all of the findings to understand the situation in its entirety.** Action items have been created that directly impacts a specific finding while others were created and designed to resolve a broader systemic problem.

Moody's Transition Project sample actions:

1. Break the transition into smaller projects.
2. Communicate and instill the roles differences between the PM, Tower Lead, and SME.
3. Add additional resources within key trouble areas that have less than 20 days slack in the schedule.
4. Adjust the schedule or add additional resources to areas that have over allocated and overworked associates.
5. Onboard associates using a formal program.
6. Resolve the project schedule gaps, change control, status reporting, communication, RAIDO gaps.
7. Use project reporter and project server to ease reporting demands.
8. Add staff to resolve these actions.

IS team sample actions:

1. Reduce project resource fill time for UNIX, network, firewall, service management, and information security to 15 days.
2. Train project SME, DMs, tower leaders, and other leadership on the use of P3MM.
3. Train all resources on Global customer satisfaction program.
4. Improve service tower transition SOPs and associated project schedules.
5. Reduce effort and duration for service tower activities.
6. Conduct and document quality reviews in all service towers.
7. Train associates in new business development group to break large projects into small projects led by a PM and instead leading projects with steady-state technical service tower leads.
8. Communicate and instill international best practice roles for projects.
9. Have DM staff operational positions and the PM staff project resources.

Perot Systems sample actions:

1. Communicate the SME roles responsibilities through a project training class for associates who may work on a project.
2. Develop training for the SME and the leaders role's in P3MM.
3. Teach associates how to develop better time sensitive solutions.

As a result of the implementation of all these actions, one can expect an increase in employee and customer satisfaction. Communication and quality will greatly improve as well. Additionally, timelines can be more reliable with reduced transition costs.

This report represents the work from this team and outlines the final recommendations for improvement within the Moody's Account, Infrastructure Solutions and Perot Systems overall. The format for the remainder of this report will provide a brief description of the situation encountered, the resulting impacts, and necessary actions.