

Gateway to success

The Gateway Process Manager's checklist

March 2018

Review 0

Strategic Assessment

Confirm the need for the project/programme. Check that it is likely to achieve the desired outcomes.

This review is for programmes, and for projects in early stages of development. It investigates the direction and planned outcomes, together with the progress of constituent projects. It is repeated over the life of a programme.

- Why do we have to deliver this project/ programme and does it have to be done now?
- Is there a good strategic fit:
 - With other projects/programmes planned or underway?
 - With wider organisational and public sector strategies?
- How does it fit with other projects/ programmes planned or underway (internal and external)?
- Who are the main stakeholders and do we have their support?
- Do we understand the scope and what will constitute success?
- Are the benefits and outcomes the main drivers for the initiative, linked to strategy, rather than afterthoughts?
- Are there realistic plans for achieving and evaluating the desired outcomes, and how will we monitor progress?
- Have we identified the main risks, including the track record of the organisation, and made effective arrangements for managing them?
- Are we confident that we have the right skills, leadership and capability to achieve success?
- Are appropriate management controls in place?
- Has provision been made for the financial and other resources required?
- Have we engaged adequately with the market to identify delivery options?

Review 1

Business Justification & Options – Indicative Business Case

How the business requirement can be delivered. Affordability, achievability and value for money established.

This review comes soon before the draft Indicative Business Case is complete. It focuses on the project's business justification, prior to the key decision on approval for a development proposal.

- How does this project contribute to wider organisational and public sector objectives and strategies?
- Have the critical success factors and desired benefits been clearly identified at a high level and agreed with stakeholders, together with broad measures of success and a measurement approach?
- Is the Indicative Business Case complete and robust – does it meet the needs of the business, is it affordable and achievable, will it deliver value for money?
- Are the scope, scale and requirements realistic, clear and unambiguous?
- Do we have internal/external authority and stakeholder support for the project?
- Have we explored a sufficiently wide range of options to meet the business need, eg has a feasibility study been completed, and has it identified a preferred way forward?
- Have we identified major risks, and do we have outline risk management plans?
- Can we confirm our planning assumptions and are there project plans in place, (including quality) for the next stage?
- Is there a clearly defined and agreed project management structure, with key roles and responsibilities identified?
- Has the interest and capacity of the market been considered?

Review 2

Delivery Strategy – Detailed Business Case

The acquisition and delivery strategy are appropriate for the desired business change. Implementation plans are in place.

This review investigates the delivery strategy and draft Detailed Business Case before formal approaches are made to prospective suppliers/delivery partners. For long or complex procurements the review may be repeated.

- Is the Detailed Business Case complete and robust, and does it still meet the business need?
- Are the requirements clear and unambiguous, and aligned with the programme to which the project contributes?
- Have we explored all relevant options for delivery of the requirement?
- Do we have a solid plan for realising and evaluating benefits?
- Are we being realistic about our ability to achieve a successful outcome?
- Is the recommended delivery strategy robust, legal and appropriate, with the right approach to development and implementation that is broken down into manageable components?
- Is the Project Plan through to completion sufficiently detailed and realistic?
- Do we have the right skills, capabilities and management expertise to ensure success?
- Do we have adequate financial controls, funding and resourcing, and can we confirm likely availability of funding for the whole project?
- Do we have enough commercial expertise to understand the supplier market capability and track record?
- Do we have adequate risk and issue management plans and procedures?
- Has a Quantitative Risk Analysis (QRA) of costs identifying the project's likely 15th, 50th and 85th cost percentile points been completed?

Review 3

Investment Decision

The project is still required, affordable and achievable. Implementation plans are robust; investment decision is appropriate.

This review investigates the updated Detailed Business Case and the governance arrangements for the investment decision. The review takes place before a contract is signed with a supplier and funding and resources committed.

- Can we confirm the Detailed Business Case, Implementation Business Case and Benefits Realisation Plan, now that we have relevant information from prospective suppliers?
- Are the objectives of the project still aligned with those of its programme and wider organisational and public sector strategies?
- Is the recommended decision on delivery approach likely to deliver what we need on time and within budget and will it provide value for money?
- For procurements: Have we followed the agreed procurement strategy and have we met all statutory and procedural requirements?
- Do we have continuing stakeholder support for the project?
- Do we have sound plans for managing implementation, risk and change and are they agreed across the supply chain?
- Have we addressed the technical implications, such as 'buildability' for construction projects, and information assurance for IT-enabled projects?
- Do we have the expertise and resources to manage the supplier relationship and are appropriate management controls in place?
- Have we agreed draft contracts and/or Statements of Work and/or Service Level Agreements?

Review 4

Readiness for Service

The organisation is ready to make the transition to implementation. Ownership and governance are in place for operation.

This review focuses on the readiness of the organisation to go 'live' with the necessary business changes and the arrangements for management of the operational services.

- Is the relevant Business Case (Detailed BC or Implementation BC) still valid and unaffected by internal or external events or changes?
- Are detailed plans in place to ensure the original projected business benefits are likely to be achieved and all additional benefits since identified are included in this planning?
- Can we confirm the Benefits Realisation Plan?
- Are commercial/legal arrangements with the supplier up-to-date?
- Can we confirm that our plans for managing implementation, roll-out and ongoing operation are achievable and that we have the resources we need?
- Are management controls in place to manage the project through to operation?
- Do we have shared plans for managing risk; are contingency and business continuity plans in place?
- Has full user and system testing and/or commissioning been done to our satisfaction so that we can approve full implementation and roll-out?
- Is the business ready to implement the services and the business change; with the necessary resources in place?
- Do we have client-side plans for managing the working relationship, including contract management, reciprocated on the supplier side?
- Are lessons for future projects being identified and recorded?

Targeted Investment Review

Operational & Benefits Realisation Review

Confirm smooth operation, delivery of outputs and achievement of benefits.

Although part of the required suite of investment reviews, this is not branded as a Gateway review; Cabinet expects that the report will be published to a wider audience on the Public Sector Intranet (PSI).

Content of this review

This review focuses on contract management, operational performance, asset management and delivery of benefits after a project's transition into service. It confirms that business changes are operating smoothly and that the desired benefits of the project are being achieved.

- Was the Business Case justification for the project at Gateway Review 3 realistic and are the expected benefits actually being delivered?
- Have we done a post-implementation review or equivalent review of business benefits, with lessons learned communicated to relevant stakeholders?
- Are risks and issues relating to benefits being managed effectively?
- Are skills and resources in place to manage the contract/SLA successfully and with continuity of key personnel?
- Is there still a business need for this contract/SLA? If circumstances have changed, are the service delivery and contract adapting to the new situation?
- Are we actively seeking to continuously improve – both value for money and performance?
- Are we ready for the future, with plans for future service provision?
- Are the exit strategy and arrangements for recompetition still appropriate?
- Are we actively learning from experience and setting maturity targets?

The review should be repeated at regular intervals during the lifetime of the new service/facility.

What should managers do next?

As an SRO, programme or project manager or PMO team member you should ensure that:

- RPAs are completed for all projects and programmes on agency long-term plans
- SROs are aware of the Gateway Review Process and understand their role
- Plans are developed to include Gateway Reviews for all appropriate projects.

Agencies should support Gateway Reviews by nominating staff to become Gateway Reviewers and allowing time to participate in reviews.

Gateway Reviews are an outstanding personal development opportunity. Reviewers develop a wide understanding of good project management practices through working with highly-skilled teams to review projects and programmes in other agencies. Senior government managers who undertake Gateway reviews consistently comment on the high value they gain, both personally and in terms of learnings they take back to their own agency.

Other investment reviews

Treasury also offers Targeted Investment Reviews (TIR). A TIR is a narrow-scope, customisable review that can be used at any time, for example for deeper analysis of specific concerns. A TIR may be initiated by an agency, the Corporate Centre or any Minister. When initiated by a member of the Corporate Centre or a Minister the TIR is mandatory.

A TIR differs from a Gateway review in that:

- it has bespoke terms of reference developed jointly with the SRO
- it is scalable in terms of duration and team size, and its timing is not linked to project milestones
- reviewers may include specialists from the Corporate Centre
- the review report is not necessarily confidential to the SRO.

Like Gateway, there is a cost to the project based on team size, review duration and Treasury costs. For more information contact investmentreviews@treasury.govt.nz

Contact details and supporting guidance

Gateway Unit
Telephone: +64 4 917 6925
E-mail: gatewayunit@treasury.govt.nz

For up to date copies of the workbooks and further information visit: www.treasury.govt.nz/statesector/investmentmanagement/review/gateway/process

The wider context of the Gateway Process



How to use this guide

The questions in this guide help a Senior Responsible Owner (SRO) to prepare for a Gateway Review, by considering how their programme/ project is progressing at the key decision points and the potential for its success. Each question relates to a critical aspect of the programme/project, which will be addressed in the relevant review.

What are Gateway™ Reviews?

Gateway is an independent and confidential peer review process that examines projects and programmes at key points in their lifecycles, to assess their progress and provide recommendations to improve the likelihood of successful delivery.

- Gateway Review 0 is targeted at programmes (and projects in the early stage of development) and can be repeated throughout the life of a programme.

- Gateway Reviews 1–4 are for projects.

Value of the Gateway Process

Gateway Reviews provide the SRO with a valuable peer-level perspective on the issues facing the internal team, and an external challenge to the robustness of plans and processes.

The Gateway Process provides support to SROs in the discharge of their responsibilities to achieve their business aims, by helping the SRO to ensure:

- the best available skills and experience are deployed on the programme or project
- all stakeholders affected by the programme/project fully understand the current status and the issues involved
- the programme/project can progress more confidently to the next stage of development, implementation or realisation
- achievement of more realistic time and cost targets for the programme/project.

Tailoring the Gateway Review

The Gateway Review workbooks provide guidance on the structure of each Gateway Review and the areas of investigation to be addressed by the Review Team, together with examples of the evidence that would demonstrate the satisfactory nature of responses to the various topics.

These topics and the examples of evidence are indicative and not prescriptive. Within the overall objectives of each review, the Review Team will consider whether additional or different topics need to be addressed and the evidence to be sought. Approaches may vary according to the context of the programme or project.

Where a review is repeated, there will be variations in the emphasis attached to each review.

Role of the Senior Responsible Owner

A Gateway Review is conducted on a confidential basis for the SRO, who has prime responsibility for initiating the review. The ownership of the Review Report rests with the SRO, who is accountable for the implementation of the recommended remedial action and the programme/project progression.

The SRO is the individual responsible for ensuring that a programme of change or a project meets its objectives and delivers the projected benefits. They should be the owner of the overall business change that the project enables or supports. The SRO should ensure that the change maintains its business focus and has clear authority and that the context, including risks, is actively managed. This individual must be senior and must take personal responsibility for successful delivery of the project. The SRO should be recognised as the owner throughout the organisation.

Gateway Reviews as part of the assurance framework

Every agency will have its own structures and resources for carrying out internal reviews; the monitoring agencies (eg Treasury, or Ministry of Health for DHB projects) or GCDO for ICT-enabled projects may also require Independent Quality Assurance (IQA) and audits of activities,

including programmes and projects. The Gateway Process provides a snapshot view of progress, at a point in time. Gateway should be seen as complementary to these other processes, not a replacement for them.

None of these review processes is a substitute for a rigorous governance framework in the organisation to manage key processes including business planning, investment appraisal and business case management (including benefits management), programme and project portfolio management, risk management, procurement/ acquisition, service and contract management.

What are the things you must get right for successful delivery?

Lessons learned internationally from Gateway Reviews and investigations into project failures identify these factors as essential for success:

- Clear link between the programme/project and the organisation's key strategic priorities including agreed measures of success
- Clear senior management and ownership and leadership
- Involvement of and effective engagement with stakeholders
- Appropriate skills and proven approach to programme/project management and risk management, and clear roles and responsibilities
- Effective project team integration between clients, the supplier team and the supply chain.
- Sound commercial knowledge of the supplier marketplace, understanding of, and contact with, the supply industry at senior levels in the organisation
- Evaluation of proposals driven by long-term value for money (especially securing delivery of business benefits), not initial price
- Breaking development and implementation into manageable steps
- Adequate resources and skills to deliver the total programme.

Which programmes and projects need Gateway Reviews?

The Gateway Process is mandatory for procurement, IT-enabled and construction programmes and projects across the State Services which meet the prescribed value and risk criteria as mandated by Cabinet.

Gateway Reviews are applicable to a wide range of programmes and projects, including:

- policy development and implementation
- organisational change and other change initiatives
- acquisition programmes and projects
- property/construction developments
- IT-enabled business change
- procurements using or establishing 'Panel' or Preferred Supplier arrangements.

The principles and process in this checklist can also be applied to management of other areas of expenditure in the organisation.

Why getting programmes and projects right matters

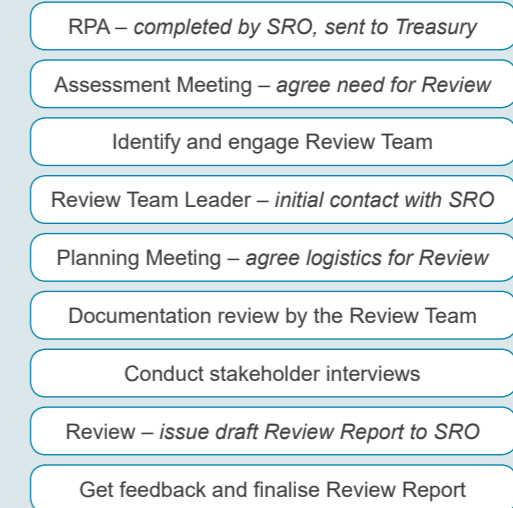
Programmes and projects are the primary means for the efficient and timely delivery of government strategy and objectives. Procurement expenditure through programmes and projects is a significant and increasing proportion of total government expenditure. Good and effective management and control of programmes and projects is therefore essential to the successful delivery of government objectives.

What is the process?

Every Gateway Review goes through a sequence of activities, as shown in the following diagram, starting with the completion of a Risk Profile Assessment (RPA) by the SRO and concluding with the delivery of the final Review Report by the Review Team.

Each review takes one week and is undertaken by a review team of four senior reviewers with relevant skills and experience. The review aims to produce candid and practical recommendations based on Best Practice. A spirit of openness and a willingness to work together are essential to the achievement of a useful review report.

Overview of the Gateway Review process



Initiating a Gateway Review

The typical sequence of events is as follows:

- Agencies must complete an RPA, www.treasury.govt.nz/statesector/investmentmanagement/think/riskprofile, for all significant investments identified on multi-year plans. They must provide to Treasury any RPA that results in a Medium or High risk profile.
- After RPA review with the Corporate Centre, Treasury will determine a final RPA rating for the programme/project.
- The Gateway Unit arranges an Assessment Meeting with the SRO/project manager to understand key issues, skills needed and readiness for review before selecting the team.
- The Gateway Unit requires around 8 weeks' notice of the need of a review, to undertake the necessary planning, team selection and contracting
- A Planning Workshop is held to agree who to interview and what documentation to review
- Before the review itself, the Programme/ Project Team will plan and undertake all the administrative aspects involved in setting up an effective review.
- The review itself takes one week. Reviews take place on the agency's premises and the report is finalised before the review team leaves.

Planning for a Gateway Review

The Gateway Process incorporates a half-day Planning Workshop that takes place up to three weeks before the review.

At the Planning Workshop, the Review and Programme/Project Teams meet for the first time. The objectives are to:

- understand the review process and agree the Code of Conduct for the review
- share information on the current status of the programme/project
- clarify the issues that the Review Team will focus on
- confirm the documents needed
- confirm the stakeholders to be interviewed and the schedule of interviews
- agree the logistics for the review
- identify any problems affecting the review and agree remedial action.

Conducting a Gateway Review

Each Gateway workbook suggests the typical documentation that is likely to be useful for that Gateway Review. It also outlines topics to be covered at each particular gate.

The Review Team establishes its findings primarily on the basis of:

- review of documentation
- Interviews with key staff and stakeholders
- their own skills and experience on similar initiatives.

The Review Team produces a report summarising its findings and recommendations. Ownership of the report, recommendations and any followup actions rests with the SRO.

The Review Team gives the initiative a Delivery Confidence rating. If this rating is Amber/Red or Red an enhanced notification and monitoring escalation process is triggered

The Gateway Unit also receives a copy of Review Report: this is only for analysis of Lessons Learned, and it will not share the report with any other team or agency.

Further reviews

Each Gateway review recommends the next appropriate review and a proposed timeframe based on the project's timeframes and decision-points.

The SRO should contact the Gateway Unit 8-10 weeks before the likely review week.