
State of California
Department of Technology
Stage 1 Business Analysis
Preparation Instructions

Statewide Information Management Manual – Section 19A

December 2014

INTRODUCTION TO THE STAGE 1 BUSINESS ANALYSIS

Overview

Statewide Information Management Manual (SIMM) Section 19A, Stage 1 Business Analysis, is the first stage of the information technology (IT) Project Approval Lifecycle and provides a basis for project management, program management, executive management, and state-level control agencies to understand and agree on business problems or opportunities, and the objectives to address them. Additionally, the Stage 1 Business Analyses are used to generate the annual Statewide IT Capital Plan (refer to SIMM 57), which represents the Executive Branch's plan for IT investments in support of the California IT Strategic Plan.

The Stage 1 Business Analysis instructions are designed to help State of California Agencies/state entities¹ meet the Department of Technology IT project proposal documentation requirements.

Clarifications

- ✓ Agencies/state entities are required to submit a Stage 1 Business Analysis for all proposals, regardless of delegated cost thresholds.
- ✓ Project approval reporting requirements are initially determined as part of the Stage 1 Business Analysis but may change as the proposal progresses through the Project Approval Lifecycle.
- ✓ Stage 1 Business Analysis must be approved by the Department of Technology prior to conducting and submitting a Stage 2 Alternatives Analysis.

Stage 1 Business Analysis Reporting Requirements

The Department of Technology requires specific information from Agencies/state entities to carry out its Stage 1 Business Analyses approval responsibilities. In order to evaluate a Stage 1 Business Analysis, the Department of Technology must fully understand the business investment justification. Therefore, each proposal must describe in detail the business driver(s), statutes or legislation, program background and context, business problems or opportunities, strategic business alignment, organizational readiness, and business and stakeholder impact.

Agency/state entity IT proposal submissions that meet one or more of the Department of Technology reporting criteria must follow the documentation requirements defined in the State Administrative Manual (SAM Section 4819) and these instructions. Each Agency/state entity is responsible to ensure its Stage 1 Business Analyses meet Department of Technology requirements. The Stage 1 Business Analysis must be comprehensive and cannot rely on verbal or subsequent written responses (e.g. emails) to Department of Technology staff questions to provide needed justification for the submission. Incomplete Stage 1 Business Analysis submissions that fail to provide relevant information in written form may be returned without consideration at the discretion of the Department of Technology.

¹**State entity:** Includes every state office, officer, department, division, bureau, board, and commission, including Constitutional Officers. "State entity" does not include the University of California, California State University, the State Compensation Insurance Fund, the Legislature, or the Legislative Data Center in the Legislative Counsel Bureau.

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STAGE 1 BUSINESS ANALYSIS PREPARATION INSTRUCTIONS

Transmittal Requirements

A formal and approved transmittal is required for each Stage/Gate document submitted to the Department of Technology with the appropriate signatures (as applicable). Transmittal requirements differ based on whether the Stage 1 Business Analysis is submitted with the IT Capital Plan (ITCP) or separate from the ITCP; see instructions below for guidance.

Questions related to transmittal requirements should be directed to your Agency/state entity's Department of Technology IT Project Oversight and Consulting (ITPOC) Manager; assignments can be found at: http://www.cio.ca.gov/Contact_Us/staff_assignments.html

Submitting with the IT Capital Plan

For Stage 1 Business Analyses submitted with the ITCP, use the transmittal forms located in SIMM Section 57.

- ✓ State entities are required to sign and submit the State Entity Executive Approval Transmittal to their governing Agency for approval.
- ✓ Agencies are required to sign and submit the Agency Executive Approval Transmittal to the Department of Technology.

Exception – State entities not governed by Agencies must sign and submit the State Entity Executive Approval Transmittal (see definition below) in lieu of the Agency Executive Approval Transmittal to the Department of Technology.

State entity: *Includes every state office, officer, department, division, bureau, board, and commission, including Constitutional Officers. "State entity" does not include the University of California, California State University, the State Compensation Insurance Fund, the Legislature, or the Legislative Data Center in the Legislative Counsel Bureau.*

State Entity Executive Approval Transmittal

The transmittal template (located in SIMM Section 57) contains the signatures of the approving state entity executives, with the following components:

1. **State Entity Name:** Enter the state entity name that prepared the Stage 1 Business Analysis. Designate one Agency or state entity as owner if multiple Agencies or state entities have a role in the proposal.
2. **Approval Signatures:** Obtain the required state entity executive signatures, documenting commitment and involvement at the Agency/state entity level. The required signatures include those of the Enterprise Architect, Information Security Officer, Chief Information Officer, and State Entity Director.

Agency Executive Approval Transmittal

The transmittal template (located in SIMM Section 57) contains the signatures of the approving Agency executives, with the following components:

1. **Agency Name:** Enter the Agency name that prepared the Stage 1 Business Analysis. Designate one Agency as owner if multiple Agencies have a role in the proposal.
2. **Approval Signatures:** Obtain the required Agency executive signatures, documenting commitment and involvement at the Agency level. The required signatures include those of the Agency Information Officer and the Agency Secretary.

Submitting Separate from the IT Capital Plan

For Stage 1 Business Analyses submitted separate from the ITCP, use the transmittal forms located in SIMM Section 19H.

IT Portfolio Report

Annually the Department of Technology releases an itemized IT Portfolio Report to Agencies/state entities for review and revision, as detailed in SIMM Section 57. When submitting a Stage 1 Business Analysis separate from the ITCP, Agencies/state entities must also submit an updated IT Portfolio report that integrates and prioritizes the new proposal(s) into the existing IT Portfolio Report. Agencies/state entities are only required to submit one updated IT Portfolio Report regardless of the number of Stage1 Business Analyses submitted outside of the IT Capitol Plan as long as all new and existing proposals are included in the updated report. See SIMM Section 57 IT Portfolio Report Instructions for details on IT Portfolio Report preparation.

- ✓ State entities are required to sign and submit the Project Approval Executive Transmittal to their governing Agency for approval.
- ✓ Agencies are required to sign and submit the Project Approval Executive Transmittal to the Department of Technology.
- ✓ Agencies/state entities are required to submit an updated IT Portfolio Report with all new Stage 1 Business Analyses that are submitted separate from the ITCP.

Exception – State entities not governed by Agencies can sign and submit the Project Approval Executive Transmittal directly to the Department of Technology.

State entity: *Includes every state office, officer, department, division, bureau, board, and commission, including Constitutional Officers. "State entity" does not include the University of California, California State University, the State Compensation Insurance Fund, the Legislature, or the Legislative Data Center in the Legislative Counsel Bureau.*

Project Approval Executive Transmittal

The transmittal template (available in SIMM Section 19H) contains the approving Agency/state entity executive signatures, with the following components:

1. **State Entity Name:** Enter the state entity name that prepared the Stage 1 Business Analysis. Designate one state entity as owner if multiple state entities have a role in the proposal.

2. **Agency Name:** Enter the Agency name that prepared the Stage 1 Business Analysis. Designate one Agency as owner if multiple Agencies have a role in the proposal. This field is not required for state entities not governed by an Agency.
3. **Proposal Name:** Enter the proposal name as determined by the Agency/state entity.
4. **Department of Technology Project Number:** If this is a new submission, this field should be left blank. The Department of Technology Project Number will be assigned by the Department of Technology after initial submission. If this is a resubmission, enter the number assigned by the Department of Technology.
5. **Submission Deliverable:** Select the Stage/Gate deliverable(s), as applicable.
6. **Approval Signatures:** The Agency/state entity executive approval signatures are required, documenting commitment and involvement at the Agency/state entity level. The required signatures include those of the Information Security Officer, Enterprise Architect, Chief Information Officer, Budget Officer, State Entity Director, Agency Information Officer, and the Agency Secretary.

Stage 1 Business Analysis – General Instructions

1.1 General Information

Agency or State Entity Name: Select the Agency/state entity name that prepared and is responsible for the Stage 1 Business Analysis proposal. Designate one Agency or state entity as owner if multiple Agencies or state entities have a role in the proposal.

Organization Code: Organization Code populates automatically once the Agency/state entity name is selected.

Proposal Name: Enter the proposal name as determined by the Agency/state entity. There is no character length limitation but the name should not reflect a system or type of IT solution.

Proposal Description: Enter a brief description of the proposal. This description should be concise and focused on the business problem or opportunity to be addressed. This description should be formatted as follows, “(Agency/state entity) proposes to (brief description of the proposal) in order to (or similar verbiage).”

Example: The (Agency/state entity), (Business Program), proposes to automate the bi-annual publication list of the top 500 taxpayers with tax delinquency liens greater than \$100,000, in order to meet the mandates of Assembly Bill XXXX. The list will include the delinquent business entity’s principal officers with their titles and names, and the number and status of any occupational/professional licenses held by the taxpayer.

Proposed Start Date: Select the proposed start date for the requested project proposal; only the month and year will be displayed.

Delegated Cost Threshold (Optional): Select “Over” or “Under,” as applicable, based on whether this proposal’s total anticipated one-time cost is over or under the Agency/state entity’s delegated cost threshold assigned by the Department of Technology (as detailed in SIMM Section 15).

Note: *This is an optional field; no entry required.*

Department of Technology Project Number: If this is a new submission, this field should be left blank. The Department of Technology Project Number will be assigned by the Department of Technology after initial submission. If this is a resubmission, enter the number assigned by the Department of Technology.

1.2 Submittal Information

Contact Information:

Contact First Name: Enter the first name of the Agency/state entity person who will be the primary point-of-contact for control agency questions and comments.

Contact Last Name: Enter the last name of the Agency/state entity person who will be the primary point-of-contact for control agency questions and comments.

Contact Email: Enter the email address of the contact provided above.

Contact Phone Number: Enter the ten-digit phone number of the contact provided above.

Submission Date: Select the date the Stage 1 Business Analysis is being submitted to the Department of Technology for review.

Submission Type: Select one of the following types of submission.

New Submission: Initial submission to the Department of Technology.

Withdraw Submission: An Agency/state entity may decide to withdraw the Stage 1 Business Analysis for various reasons (e.g., change in direction, feasibility, budgetary issues, etc.). If an Agency/state entity wishes to withdraw a previously submitted or approved proposal from further consideration, check this field and submit the Stage 1 Business Analysis to the Department of Technology. Contact your Department of Technology ITPOC Oversight Manager and Agency Information Officer (if applicable) to inform them of your intention to withdraw the proposal. The Department of Technology will send a written confirmation of withdrawal and communicate to all associated stakeholders. Once a proposal is withdrawn, the Agency/state entity will be required to submit a new Stage 1 Business Analysis to initiate a proposal for the same or a similar request.

Updated Submission (Pre-Approval): Updated submission based on review and feedback from the Department of Technology, critical partners or other stakeholders prior to formal approval.

Updated Submission (Post Approval): If Stage 1 Business Analysis has been previously approved by the Department of Technology and new information or updates are required, the submittal should be updated based on new information. For instance, as a proposal progresses through each stage of the Project Approval Lifecycle and further analysis is conducted, uncertainties are cleared and data used for decision-making improves, in this case an update to the Stage 1 Business Analysis may be required.

Sections Updated: If either Submission Type “Updated Submission (Pre-Approval)” or “Updated Submission (Post Approval)” is selected, then indicate the sections where updates have been made.

Summary of Changes: Provide a concise summary of changes made.

Note: *Highlight or otherwise indicate new or changed text within the modified section.*

Project Approval Executive Transmittal: Scan and attach a signed Project Approval Executive Transmittal for Stage 1 Business Analyses submitted separate from the ITCP; use the Transmittal Forms located in SIMM Section 19H.

Note: *Do not use this field to attach transmittals for Stage 1 Business Analyses submitted with the ITCP; use the Transmittal forms and instructions located in SIMM Section 57.*

1.3 Preliminary Assessment

The Preliminary Assessment is designed to help Agencies/state entities and the Department of Technology recognize and mitigate risks early and to introduce the first opportunity for scalability to the approval lifecycle. The Preliminary Assessment responses will be evaluated by the Department of Technology in order to communicate requirements related to either additional deliverable content and/or risk mitigation strategies to be utilized prior to moving to the next stage.

1.3.1 Reportability Assessment

The Reportability Assessment questions help identify the sections of the proposal that are anticipated to be reportable to the Department of Technology or delegated to the Agency/state entity for approval. If the Agency/state entity does not answer “Yes” to any Reportability Assessment questions, the proposal is anticipated to be non-reportable and a limited number of Stage 1 Business Analysis sections must be submitted to the Department of Technology, as identified in the Scalability Table below. If the Agency/state entity answers “Yes” to any of the Reportability Assessment questions, the proposal is anticipated to be reportable and all sections of the Stage 1 Business Analysis must be submitted. (See SAM Section 4819.34 for project reporting criteria).

Non-Reportable Proposals

For anticipated non-reportable proposals (i.e., when an Agency/state entity has not answered “Yes” to any Reportability Assessment questions), only the following Stage 1 Business Analysis sections marked with a circle in the Scalability Table must be submitted to the Department of Technology for review and approval. Review and approval of the remaining Stage 1 Business Analysis sections is delegated to the Agency/state entity Director. The Department of Technology reserves the right to request, at any time, a copy of the fully completed Stage 1 Business Analysis.

Scalability Table

S1BA Sections	Anticipated	
	Non-Reportable	Reportable
1.1 General Information	<input type="radio"/>	<input type="radio"/>
1.2 Submittal Information	<input type="radio"/>	<input type="radio"/>
1.3 Preliminary Assessment		
1.3.1 Reportability Assessment	<input type="radio"/>	<input type="radio"/>
1.3.2 Impact Assessment	<input type="radio"/>	<input type="radio"/>
1.4 Business Sponsor and Key Stakeholders	<input type="radio"/>	<input type="radio"/>
1.5 Business Driver(s)	<input type="radio"/>	<input type="radio"/>
1.6 Statutes or Legislation	<input type="radio"/>	<input type="radio"/>
1.7 Program Background and Context	<input type="radio"/>	<input type="radio"/>
1.8 Strategic Business Alignment	<input type="radio"/>	<input type="radio"/>
1.9 Business Problem or Opportunity Summary	<input type="radio"/>	<input type="radio"/>
1.10 Business Problem or Opportunity and Objectives Table		<input type="radio"/>
1.11 Business and Stakeholder Capacity		
1.11.1 Business Program Priorities		<input type="radio"/>
1.11.2 External Stakeholder Involvement		<input type="radio"/>
1.11.3 New or Changes to Business Processes		<input type="radio"/>
1.12 Organizational Readiness		
1.12.1 Governance Structure		<input type="radio"/>
1.12.2 Leadership Participation		<input type="radio"/>
1.12.3 Resource Capacity/Skills/Knowledge		<input type="radio"/>
1.12.4 Training and Organizational Change Management		<input type="radio"/>
1.12.5 Enterprise Architecture		<input type="radio"/>
1.12.6 Project Management		<input type="radio"/>

Note: If at any stage in the project approval lifecycle the proposal meets any of the reportability criteria (per SAM 4819.37), the Agency/state entity is required to resubmit a Stage 1 Business Analysis with all sections completed to the Department of Technology for review and approval.

Reportable Proposals

For anticipated reportable proposals (i.e., when an Agency/state entity answers “Yes” to any of the Reportability Assessment questions), the Agency/state entity must complete and submit all Stage 1 Business Analysis sections to the Department of Technology for review and approval.

Reportability Assessment (Questions)

1. A proposal dependent upon decisions made during the development or enactment of the Governor's Budget is reportable to the Department of Technology. Select "Yes" if the Agency/state entity anticipates submitting a budget action (in any years of the effort) to support this proposal, such as a Budget Change Proposal or Budget Revision to increase existing IT activities.
2. A proposal with a one-time cost that is estimated to exceed the Agency/state entity's IT delegated cost threshold assigned by the Department of Technology (as detailed in SIMM Section 15), and which does not meet the criteria for desktop and mobile computing commodity expenditures (SAM Section 4989 – 4989.3), is reportable to the Department of Technology. Select "Yes" if this proposals cost is anticipated to exceed the Agency/state entity's IT delegated cost threshold (and does not meet the desktop and mobile computer commodity expenditure criteria).
3. A proposal that involves a new system development or acquisition specifically required by legislative mandate or is subject to special legislative review as specified in budget control language or other legislation is reportable to the Department of Technology. Select "Yes" if you anticipate this proposal will involve a new system development or acquisition specifically required by legislative mandate or subject to special legislative reporting or review, as specified in budget control language or other legislation.

Anticipated Reportability (Question)

A "Yes" will automatically populate if the Agency/state entity answered "Yes" to **any** of the Reportability Assessment questions; the proposal is anticipated to be reportable. A "No" will automatically populate if the Agency/state entity answered "No" to **all** of the Reportability Assessment questions; the proposal is anticipated to be non-reportable.

Planned Reporting Exemption (Question)

For a proposal anticipated to be reportable, Agencies/state entities may request an exemption from the reporting requirement. Select "Yes" if you anticipate seeking an exemption from reporting. Each Agency/state entity's request for exemption will be evaluated on a case-by-case basis (as detailed in SIMM Section 40). Only Agencies/state entities with an acceptable Technology Recovery Plan and an approved Agency Information Management Strategy may submit a Project Approval Lifecycle Reporting Exemption Request.

1.3.2 Impact Assessment

The Impact Assessment will help identify and thereby mitigate potential risks related to this proposal. The proposal's funding, visibility, possibility of financial sanctions or penalties if not implemented, and/or well-documented business processes all may contribute to a proposal's success. Identifying and addressing these factors at the beginning of a proposal's development allows an opportunity for focused planning and reduces uncertainty as the proposal moves forward.

Impact Assessment (Questions)

If the Agency/state entity answers “Yes” to any of the following questions, additional details may be required in the specified areas of the Stage 1 Business Analysis, per instructions.

1. Availability of secure and reliable funding is essential to successful project planning and risk mitigation. Select “Yes” if the funding source(s) has/have been identified for this proposal.

If “Yes,” select applicable funding source(s), see definitions below. If funding source is “Other,” specify the funding source in the space provided.

General Fund: The state fund into which non-dedicated revenues are deposited and from which the majority of state expenditures are made. (SAM Section 6899)

Special Fund: For legal basis budgeting purposes, funds created by statute, or administratively per Government Code (GC) section 13306, used to budget and account for taxes, licenses, and fees that are restricted by law for particular activities of the government.

Federal Fund: For legal basis budgeting purposes, classification of funds into which money received in trust from the Federal Government will be deposited and expended by a state entity in accordance with State and/or Federal rules and regulations. Agency/state entity must deposit federal grant funds in the Federal Trust Fund or other federal fund in the State Treasury. (GC 13326 – Department of Finance approval, 13338 – Appropriation of federal funds, CS 8.50.)

Reimbursements: A reimbursement is cash or other assets received as repayment for the cost of work or services performed, or for other expenditures made for or on behalf and for the convenience of another governmental unit, fund, or department, or for an individual, firm, or corporation. (SAM Section 6463)

Bond Fund: For legal basis budgeting purposes, funds used to account for the receipt and disbursement of self-liquidating or non-self-liquidating general obligation bond proceeds. Depending on the provisions of the bond act, either the General Fund or a sinking fund pays the principal and interest on the general obligation bonds. (SAM 14400.)

Other Funds: Fund source not represented by the categories identified.

In “Fund Availability Date,” enter the initial fiscal year (FY) (in FY YYYY-YY format) when the corresponding fund source is first anticipated to be available. Enter the fund availability date for each fund source selected.

2. The possibility of financial sanctions or penalties for not implementing a proposal is a fiscal impact to the State and adds potential risk. Select “Yes” if the State may possibly incur a financial sanction or penalty (e.g., federal fines or bond funds not granted if this proposal is not implemented). If “Yes,” provide details in Section 1.9 Business Problem or Opportunity Summary.

3. High visibility projects with higher complexity and risks are subject to additional public scrutiny and have the potential to impact public trust. Public visibility can come in many forms, such as special public interest in the implementation of the proposal or the likelihood of political sensitivity due to high public interest. Select “Yes,” if this proposal is anticipated to have high public visibility. If “Yes,” provide details in Section 1.9 Business Problem or Opportunity Summary.
4. Well-documented business processes, which are clearly understood by the program area, will assist the Agency/state entity in identifying what process changes are needed to successfully achieve the proposal’s goals and objectives. On a scale of 1 to 3 (i.e., 1 = None, 2 = Partially Documented, and 3 = Fully Documented), select how well the current business processes are documented, communicated, and available for review. See SIMM 19B Stage 2 Alternatives Analysis B.1 Preparation Instructions, Section 2.3 Baseline Processes and Systems for instructions on current business process documentation requirements.

1.4 Business Sponsor and Key Stakeholders

Executive Sponsors

An “Executive Sponsor” maintains a leading and very active role in championing the project by promoting and marketing the project to stakeholders. An executive sponsor:

- Provides vision, guidance, and direction to the project.
- Determines suitable levels of funding and resources.
- Ensures multi-divisional or multi-agency participation on the project where appropriate.
- Acts as an advocate for the project throughout its lifecycle.
- Monitors project progress, intervenes as needed, and resolves escalated issues.
- Oversees project budget, schedule, and scope.
- Communicates project status to the executive stakeholders, as relevant, and ensures sustained buy-in at all levels.

Title: Enter the title of the Executive Sponsor(s).

First Name: Enter the first name of the Executive Sponsor(s).

Last Name: Enter the last name of the Executive Sponsor(s).

Business Program Area: Enter the name of the business program area represented by the Executive Sponsor(s).

Use the “Insert Executive Sponsor” to add more than one Executive Sponsor.

Business Owners

A “Business Owner” maintains a leading and very active role from the perspective of the government program area that the project enables, supports, and/or enhances. Business owners “partner” with technology project leaders to lead projects that serve “business drivers” (see Section 1.5 following) for the continued success of the business program(s). A business owner:

- Champions the project.
- Defines the expected business outcomes.
- Develops the business strategy.
- Describes and clarifies business processes and terminology.
- Reviews and approves the business requirements.

Title: Enter the title for the Business Owner(s).

First Name: Enter the first name of the Business Owner(s).

Last Name: Enter the last name of the Business Owner(s).

Business Program Area: Enter the name of the business program area represented by the Business Owner(s).

Use the “Insert Business Owner” to add more than one Business Owner.

Key Stakeholders

A “Key Stakeholder” has a vested interest in the outcome of the project and may have the ability to influence the project. Examples of key stakeholders are:

- Program executives and managers whose business area will be most affected by the project.
- IT executives and managers who will have responsibility for implementing the project.
- Legislators who may have supported legislation related to the project.
- Other individuals or groups that have a vested interest in the outcome of this proposal.

Title: Enter the title for the Key Stakeholder(s).

First Name: Enter the first name of the Key Stakeholder(s).

Last Name: Enter the last name of the Key Stakeholder(s).

Business Program Area/Group: Enter the name of the business program area/group represented by the Key Stakeholder(s). If the Key Stakeholder is a group, enter group name only (title, first name and last name fields are not required).

External: Check the box to identify any Key Stakeholders who are external to the Agency/state entity.

Use the “Insert Key Stakeholder” to add more than one Key Stakeholder.

1.5 Business Driver(s)

A “business driver” is a resource, process, or condition that is vital for the continued success and growth of the government program(s) that the proposal will enable, support, and/or enhance. Potential business drivers have been placed into four general categories (i.e., Financial Benefit, Mandate, Improvement, and Security). Check all items that are applicable as business drivers for this proposal:

- **Financial Benefit**

- **Increased Revenues:** Any addition to cash or other current assets that does not increase any liability or reserve and does not represent the reduction or recovery of expenditure (e.g., reimbursements and/or abatements). Revenues are a type of receipt generally derived from taxes, licenses, fees, or investment earnings. Revenues are deposited into a fund for future appropriation and are not available for expenditure until appropriated (Uniform Codes Manual). SAM Section 6602 defines revenues as, “Any changes in the amounts of operating income received by state and local agencies as the result of an executive regulation...includes taxes, state and/or federal assistance, fees, licenses, and so forth.”

Check this box if the proposal will result in additional income to the State in the form of increased federal funding, state taxes, licenses, fees, etc.

- **Cost Savings:** As defined by SAM Section 6602, “Both actual budget reductions and the ‘freeing up’ of staff and/or resources for reassignment to other areas of legitimate concern of the agency.”

Check this box if the proposal will result in reduced expenses for the program or IT budget (e.g., reduced program, IT staff, equipment, travel expenses, etc.).

- **Cost Avoidance:** Benefits that occur when future program needs are met at less cost than would otherwise have been required. Such program needs can include new program services, increased program service levels, or replacement of current systems.

Check this box if the proposal will result in the avoidance of a future planned increase in the program or IT budget.

- **Cost Recovery:** The Federal government portion for their share of expenditures for providing Medicaid services, administering the Medicaid program, and certain other human service programs recovered by the State.

Check this box if the proposal will result in the Agency/state entity’s ability to recover costs through the Federal government due to the type of service or program provided.

- **Mandate(s)**

- **State:** State mandates may include Executive Orders or proclamations which impact the business program and will be further identified in Section 1.6. See SAM Section 4819.37 for additional information on project reporting requirements related to mandates.

Check this box if the proposal is required to implement new State legislation or changes to existing State regulations.

- **Federal:** Federal mandates may include new Federal legislation or changes to existing Federal regulations.

Check this box if the proposal is required to implement new federal legislation or changes to existing federal regulations.

- **Improvement**

- **Better Services to Citizens:** Better services to citizens may include improvements to quality of life, or improving the experience of people interacting with program operations (e.g., replacing paper forms with internet forms or replacing paper listings of information with searchable databases).

Check this box if the proposal will result in better services to citizens.

- **Efficiencies to Program Operations:** Efficiencies to program operations may include making improvements to an Agency/state entity's business processes used to run program operations (e.g., automating business processes, workflows, and reporting).

Check this box if the proposal will result in efficiencies to program operations.

- **Improved Health and/or Human Safety:** Health and human safety improvements may include upgrades to the physical and/or mental conditions of Californians, inpatients, employees and those in the community. Health improvements may include reducing the presence or negative impacts of illnesses, injuries, or impairments to Californians. Human safety improvements may include reducing exposure to or negative impacts from hazards, or reducing the risk of harm or injury.

Check this box if the proposal will result in a health and/or human safety improvement to Californians, inpatients, employees, and those in the community.

- **Technology Refresh:** Technology refresh may include the replacement of aging hardware or software that is unreliable or will no longer be supported by the manufacturer.

Check this box if the proposal results in a technology refresh.

- **Security**

- **Improved Information Security:** Improved information security protects the confidentiality, integrity and availability of business data from those with malicious intentions, which includes information security drivers (e.g., data classification, compliance, recovery, and risk mitigation).

Check this box if the proposal will result in improved information security.

- **Improved Business Continuity:** Business continuity encompasses a defined set of planning, preparatory, and related activities intended to ensure that an organization's critical business functions will either continue to operate despite serious incidents or disasters that might otherwise have interrupted them, or will be recovered to an operational condition within a short period.

Check this box if the proposal will result in improved business continuity.

- **Improved Technology Recovery:** Improved technology recovery involves a set of policies and procedures to enable the recovery or continuation of vital technology infrastructure and systems following a natural or human-induced disaster. Technology recovery focuses on the IT or technology systems supporting critical business functions, as opposed to business continuity, which involves maintaining all essential aspects of a business functioning despite disruptive events.

Check this box if the proposal will result in an improved technology recovery.

1.6 Statutes or Legislation

Statutes or legislation could mandate new business solution(s) or changes to existing business solution(s). Identify, by checking the appropriate box, if the statute or legislation is new, if there are changes to existing legislation, or if this section is not applicable.

If applicable, provide the following information:

- **Bill Number:** Enter the Chapter and Statute information in the following format:
 - Examples:
 - Chapter 404, Statutes of 2010 (AB 2408)
 - SB 1592, 2012 (if not chaptered)
- **Legal Reference:** Cite the legal code (e.g., Government Code, Penal Code, or various other legal codes).
- **Additional Information:** Provide any clarifying information, including any privacy, confidentiality laws or regulations for consideration. If applicable, provide clarification on any financial penalties or sanctions that may be imposed if this proposal is not approved, and include the specified timeframe.

1.7 Program Background and Context

Provide a brief overview of the business program(s) within the Agency/state entity being impacted or that will be impacted by the problems or opportunities identified in Section 1.9. Briefly explain how this proposal fits within the programs. Explain how all internal and external Business Sponsors and Key Stakeholders participate in the business process.

Identify which specific part of the business was studied and will be affected by the proposal. The business description should be succinct and at the highest level possible to understand the business problem(s) and not contain any business terminology and acronyms unless previously defined.

Note: This section should not provide a description of the Agency/state entity's mission or background. Do not discuss business programs that are not affected by the proposal, how the work is performed, business problems, potential solutions, existing technology, etc.

This narrative should adhere to the following guidelines:

- The program background and context should set the scope of the study; everything that follows in the study must relate to and follow from the business description.

- List multiple business programs separately if they have distinct problems, opportunities or objectives. Include a description of impacted business program activities and services.
- The business program(s) identified should align with the Business Owner(s) and Key Stakeholder(s) identified in the Business Sponsor and Key Stakeholders section.

1.8 Strategic Business Alignment

Strategic Business Goals: Identify the Agency/state entity’s strategic business goals associated with this proposal.

Alignment: Briefly describe how this proposal helps to achieve the Agency/state entity’s strategic goals. The alignment should demonstrate how the proposal fits within the Agency/state entity’s broader strategic context and contributes towards the Agency/state entity’s goals and objectives as stated in the last updated Strategic Plan. Describe how the applicable strategic business goal aligns with the business problems or opportunities described in Section 1.9.

Use the “Insert Strategic Business Goal and Alignment” to add more than one Strategic Business Goal and Alignment.

Strategic Plan Last Updated: Enter the date the Agency/state entity’s Strategic Plan was last updated.

1.9 Business Problem or Opportunity Summary

Provide a brief narrative summary of the business problem or opportunity that is driving changes to the current state environment, processes, etc. This should be a brief description of the overall problem or opportunity. The individual problems or opportunities will be listed in Section 1.10. This narrative summary should address the following questions:

- How was the problem or opportunity identified (e.g., log/report deficiencies, backorders, assessment of penalties, excessive overtime costs, statutes or legislation, etc.)?
- What created the problem?
- What is the magnitude of the problem or opportunity?
- How do the business drivers selected in Section 1.5 relate to the business problem or opportunity?
- Why is this proposal important to consider at this time?
- Are there any security and/or privacy issues (e.g., confidentiality, integrity, and availability) that should be considered?
- What are the effects and/or impact of the statutes and/or mandates, if identified in Section 1.6?

1.10 Business Problem or Opportunity and Objectives Table

ID: Identify each business problem or opportunity sequentially beginning with the number 1. When a problem or opportunity has multiple associated objectives, repeat the applicable “ID” number for each corresponding objective.

Problems or Opportunities: List the negative impact(s) (problem) or the positive outcome(s) (opportunity) associated with all business programs. Include the impact of each problem or opportunity to the business program. Each problem or opportunity must be stated in business terms, aligned with at least one of the business drivers identified in Section 1.5, and must relate to a business program described in Section 1.7. The statements should not indicate that the completion of a new system will solve the problem or achieve the opportunity.

Objective #: Identify the objective number using the corresponding “ID” and the sequential objective number (e.g., 1.1, 2.1, 3.1, etc.). When multiple objectives exist for a specific business opportunity or problem, number the objectives using the corresponding “ID” and the sequential objective number (e.g., 2.1, 2.2, 2.3, etc.).

Objective: List the business objective(s) associated with the problem or opportunity and identify expected short-term and long-term objectives that the proposal will address (e.g., what the proposal is seeking to achieve). Identify at least one objective for each individual business problem or opportunity. An ideal objective statement is “SMART” (i.e., “S” Specific, “M” Measurable, “A” Achievable, “R” Realistic, and “T” Time Bound). If an objective cannot be measured, it should at least be observable or verifiable. Identify the timeframe in which the objective will be achieved. Provide additional details as necessary.

It is essential that each objective:

- Relates to a problem or opportunity specified in the problem/opportunity statement.
- Is business based.
- Is stated in quantifiable terms and at a level which decision makers can determine value versus investment.
- Is realistically achievable.
- Is not compounded (i.e., list one objective per line item). Do not combine more than one objective in an objective statement.

Metric: Describe the measurement(s) that will be used to confirm the attainment of the business objectives identified. Provide specific, measurable, and realistic means to measure the business problem or opportunity against the objectives. Measurements should be developed with stakeholder involvement. These measurements will be used to collect data before, during, and following an approved project to support the achievement of the objectives as described in the Post Implementation Evaluation Report (PIER).

Baseline: Provide the current value for the metric (e.g., the current business program operations volume: people served, forms processed, etc.). For example, if it currently takes 20 minutes to perform the business problem or opportunity, then 20 minutes would be entered.

Target: Provide the estimated target value that will result from the implementation of the proposal. This will be an increase or decrease from the baseline value. For example, if the target is 15 minutes to perform the business problem or opportunity, then 15 minutes would be entered.

Measurement Method: Provide the specific manner in which each metric will be measured. Describe how the metric will be tracked through the progression of the project. Examples include but are not limited to: existing data, relevant forms, surveys, focus groups, etc.

Good Example:

ID	Problems and Opportunities	Objective #	Objectives	Metric	Baseline	Target	Measurement Method
1	<i>Efficiencies to program operations (business driver): Administrative Services Division (business program) manually processes and matches approximately 2,500 Residential Housing Unit (RHU) purchase orders (POs) annually, which requires over 2,080 hours in overtime by staff (impact).</i>	1.1	<i>Reduce staff time necessary to reconcile the RHU Purchase Orders by 25 percent within 18 months of the completion of the Business Management Review (BMR).</i>	<i>Average time to reconcile a single PO in minutes.</i>	<i>20 min</i>	<i>15 min</i>	<i>Existing PO tracking report.</i>

Poor Example:

ID	Problems and Opportunities	Objective #	Objectives	Metric	Baseline	Target	Measurement Method
1	<i>Excessive customer wait time at field offices.</i>	1.1	<i>Within 18 months of implementation of the system, reduce the field office wait time.</i>	<i>Time until customer is seen at a window.</i>	<i>30 min</i>	<i>Reduced 50%</i>	<i>Anecdotal information from field offices</i>

Use the “Insert Business Problem or Opportunity” to add more than one Business Problem or Opportunity. Use the “Insert Objective” to add more than one Objective to a Business Problem or Opportunity.

1.11 Business and Stakeholder Capacity

Using the information available at this time, answer the questions and provide a brief narrative summary in the areas of business program priorities, external stakeholders involvement, and new or changes to business processes of the Agency/state entity’s business and stakeholder capacity. The narratives should be concise descriptions of the proposal’s impact on the organization.

1.11.1 Business Program Priorities

Question:

The workload required for this proposal may need to be accommodated within the priorities and capacity of the Agency/state entity’s existing business programs. Select “Yes” if this proposal will share resources including state staff, vendors, consultants or financial resources with other Agency/state entity business program areas, thereby potentially shifting priorities.

Narrative:

Describe in detail any resources shared between business program areas (e.g., state staff, vendors, consultants, financial resources). For each business program, identified in Section 1.7 Program Background and Context, describe how this proposal will be accommodated within the business program's priorities and capacity. The narrative should describe the consideration and effect of any new workload the proposal will bring to the business program and/or other impacted business areas. It should also indicate how management will make the necessary adjustments to ensure that the project maintains the level of commitment needed to complete it successfully.

1.11.2 External Stakeholder Involvement

Describe the extent to which external Key Stakeholders, identified in Section 1.7 Program Background and Context, will be needed to achieve the business objectives. The narrative should provide information about the way external Key Stakeholders will use, share resources, or interact with possible solutions or business process changes. This will also include information about the relative scope of external key stakeholder involvement with the business problem and possible solution, and their level of influence in the achievement of the business objectives. Additionally, describe the extent to which external Key Stakeholders will be needed to evaluate the solution alternatives, the relative scope of involvement with the development of requirements and evaluation criteria for solution alternatives, and the level of influence in the feasibility of alternative solutions.

Note: Response required if Section 1.7 Program Background and Context identified external Key Stakeholder involvement or if the Agency/state entity answered "Yes" to 1.11.1 Business Program Priorities, and the shared resources are from an external Agency/state entity business program.

1.11.3 New or Changes to Business Processes

Questions:

This proposal may require the Agency/state entity to establish new business processes. Select "Yes", if the Agency/state entity anticipates this proposal will result in the creation of new business processes.

This proposal may require changes to existing business processes. Select "Yes" if the Agency/state entity anticipates changes to existing business processes.

Narrative:

Specify and describe in detail any anticipated new or changes to existing business processes. Although the specific changes may not be known at this time, the description should reflect any known or potential impacts that this proposal may have on business processes and the potential scope of business process modeling needed for the development of requirements and organizational change management. This information will assist with the development of alternative analysis.

1.12 Organizational Readiness

Answer the following questions and provide a brief narrative summary of the Agency/state entity's organizational readiness in the areas of Governance Structure, Leadership Participation, Resource Capacity/Skills/Knowledge, and Training and Organizational Change Management. This should be a concise description of the organization's processes and ability to successfully implement initiatives.

1.12.1 Governance Structure

Question:

A governance structure improves Agency/state entity's decision making, prioritization, resource allocation and the inclusion of interested/responsible stakeholders. Select "Yes" if the Agency/state entity has a governance structure for combined business and IT decision making, including information security and privacy.

Narrative:

Describe in detail the Agency/state entity's governance structure for combined business and IT decision making, which includes information security and privacy, that will be used to guide this proposal (who, what, when, and how). The narrative should address the scope of the governance structure and overall process and frequency for identifying and bringing topics to the governance body for decision making. Describe how Business Sponsors and Key Stakeholder(s) will be represented in decision making for this proposal. Include representatives from all interested/responsible groups.

1.12.2 Leadership Participation

Leadership participation is necessary to guide the project towards successful outcomes. Using the checkboxes, select each level of leadership that are aware of and engaged in addressing the business problem(s)/opportunity(ies) identified in this proposal.

- Executive
- Senior Management Business/Program
- Mid-level Management Business/Program
- Senior Management IT
- Mid-level Management IT
- Enterprise Architect

Narrative:

Describe in detail the leadership levels selected and how they will be involved in the proposal. Additionally, explain how the Business Sponsor(s) and Key Stakeholder(s), identified in the Business Sponsor and Key Stakeholders section, will be prepared to participate in a leadership capacity to successfully guide the project. The narrative should address the business leader's availability and commitment throughout the project as well as their experience with organizational change management. The narrative should also include any specific training or development that is needed to enhance the effectiveness of the leadership.

1.12.3 Resource Capacity/Skills/Knowledge

Question:

Additional resources including state staff, vendors, consultants or financial resources may be needed to further study or procure this proposal. Select "Yes" if the Agency/state entity anticipates requesting additional resources, through a budget request, to further study this proposal and/or perform procurement analysis.

Staff resource experience in planning similar efforts is important to the success of this proposal. Of the Agency/state entity resources identified to perform the work in Stage 2 Alternatives Analysis and Stage 3 Procurement Analysis, enter the percentage of staff who have had experience with planning projects of a similar nature.

Narrative:

Provide a description of the resources that will be included in a budget request, and include a summary of planned staff resources who have experience performing similar projects. Additionally, describe the capacity, skills, and knowledge of the resources that will perform the work required in Stage 2 Alternatives Analysis and Stage 3 Procurement Analysis. Describe in detail what resources are being considered for work during these Stages. Stage 2 Alternatives Analysis and Stage 3 Procurement Analysis will require business program knowledge, technical knowledge, and procurement knowledge to effectively identify and evaluate viable alternative solutions, and develop requirements, evaluation criteria, and contract deliverables. Provide details for staff resource experience with similar efforts performing these types of functions.

1.12.4 Training and Organizational Change Management

Questions:

Training and organizational change management may be required to support the goals of this proposal. With respect to the magnitude of this proposal, select "Yes" if the Agency/state entity has resources, processes, and methodologies in place to provide training and organizational change management services.

An Agency/state entity may have multiple geographic locations throughout the State of California where staff may require training or organizational change management. Select "Yes" if there are business program staff members affected by this proposal located in multiple geographical locations. If "Yes," specify the number of locations in the text field.

Narrative:

Provide a summary of the Agency/state entity resources, processes, and methodologies in place to provide organizational change management services. If the Agency/state entity has multiple geographic locations throughout the state with staff who will require training, provide summary detail of the business program staff and their respective locations. Additionally, describe the relative magnitude of training and organizational change management required to support the objectives of this proposal. With respect to the magnitude, the narrative should detail the resources, processes, and methodologies in place to provide training and organizational change management services. Describe the approximate number of staff resources who will be affected by the change(s) and what business program(s) these resources work within.

1.12.5 Enterprise Architecture

Question:

An Agency/state entity needs to identify and understand how this proposal will fit into the Agency/state entities business and IT systems enterprise architecture. The overall impact to the Agency/state entity's enterprise architecture roadmap and vision must be considered with this proposal. Select "Yes" if the Agency/state entity has a documented target (or future state) enterprise architecture that provides the overall business and IT context for this proposal.

Narrative:

Describe the Agency/state entity's current documented enterprise architecture (or the future state) and the overall impact this proposal will have on the business and IT systems enterprise architecture roadmap and vision, and how this proposal will be integrated with current business and IT systems.

1.12.6 Project Management

The Organizational Project Management Maturity Assessment aids in assessing the maturity of an organization as a whole and their ability to carry out projects. This model will evaluate such elements as:

- Organizational commitment to a well-defined, mature project management process
- Existence of predicated management commitment, functions, and systems
- Competence of participants in any project management endeavor
- Organizational project management environment (e.g., tools, infrastructure) and how well these are integrated
- Measurement metrics in the organization and how well they are used and any applicable past performance
- Organization's continuous improvement process

Utilizing the instructions in SIMM 17 D.6 of the California Project Management Methodology (CA-PMM), fill out the Organizational Project Management Maturity Assessment. Only complete the questions identified as Stage 1 in the "Required Stage" column. This assessment is to be completed by the Agency/state entity as part of the Stage 1 Business Analysis and verified by the Department of Technology during the Gate 1 collaborative review meeting.

Gate 1 Business Analysis Evaluation Scorecard

The Gate 1 Business Analysis Evaluation Scorecard is the methodology the Department of Technology will use to communicate feedback and final disposition on the Stage 1 Business Analysis submitted to the Agencies/state entities. The Evaluation Scorecard will be available to Agencies/state entities to view and to use as a tool for reviewing the quality of their own submissions internally prior to submission.

The Gate 1 Business Analysis Evaluation Scorecard is located under SIMM Section 19A.