

Chapter 1 BPI Policy

1-1 INTRODUCTION

- A. In order to better create and operate programs that are fully responsive to client needs, while also reflecting the standards of quality that the American public deserve and require, HUD is transforming itself through Management Reform. Process Innovation and Information Systems Business Process Improvement (BPI) are key elements of this reform. HUD is tasked by legislation such as the Clinger-Cohen Act, the Government Paperwork Reduction Act (GPRA), and the Government Performance and Results Act (GPRA), by organizations like the Office of Management and Budget (OMB) and the General Accounting Office (GAO), and internally by the HUD Strategic Plan to renovate inefficient processes, eliminate redundancy, improve data quality, and validate that HUD is actively meeting the needs of its stakeholders. Proper application of BPI techniques will permit quantum leaps in Departmental performance by aligning people, business processes and technology with HUD's strategic goals. With the aid of dedicated personnel, process improvement will achieve its goals of redefining and streamlining processes; organizing, motivating, and empowering HUD's people; and capitalizing on advances in technology.
- B. As technology is a key enabler of process improvement, HUD's Information Systems BPI initiatives are centralized in the Office of the Chief Information Officer (OCIO). The OCIO will monitor all BPI efforts at HUD to ensure compliance with the procedures and standards set forth in this policy.

1-2 PURPOSE OF THIS CHAPTER HUD's Information Systems Business Process Improvement (BPI) Policy details the policy surrounding the implementation of BPI efforts at HUD. It highlights what BPI is, how the OCIO is an integral part of HUD's BPI effort, and establishes standards and procedures that every effort undertaken at HUD must follow.

1-3 DEFINITION OF BPI

- A. BPI is a management approach to rethinking and redesigning business processes to achieve dramatic improvements in performance. Information Systems Business Process Improvement will achieve and sustain quantum leaps in

performance by aligning and integrating HUD's people, business processes and technology with its strategic imperatives. Technology is an enabler of BPI, not a substitute for examining and improving business processes. BPI does not use technology to automate existing tasks, instead it uses the latest advances in technology to assist in the improved business. In essence, BPI examines the underlying business processes, not solely the systems.

- B. Information Systems Business Process Improvement applies differently to every organization. Each BPI project will be unique but will follow a standard approach to its evaluation, methodology and tools. Process improvement identifies processes and redesigns them from the ground up. BPI will enable HUD to eliminate redundant paper shuffling, grant its employees the opportunity to have more influence on and to become more efficient in their work, and engage in results-oriented processes that provide value to the customer.

1-4 BPI AT HUD

- A. The Information Systems Business Process Improvement (BPI) Initiative at HUD is based within the Office of the Chief Information Officer (OCIO). The OCIO has created an Office of Systems Integration and Efficiency to address those processes related to IT at HUD that have become outdated, less efficient, or, in general, not serving the needs of its customers. The Initiative includes a full-time BPI Team, made up of a HUD project manager and process experts, dedicated to performing BPI within the department. Additionally, the OCIO has built in a prerequisite to the annual IT Capital Planning Process to help ensure process efficiency. All new development initiatives and any additional development efforts on existing systems will have to demonstrate consideration of Business Process Improvement before they are fully funded.
- B. The OCIO has developed a HUD-wide standardized approach to BPI, detailed in the "BPI Approach Document," available on HUDWeb. This approach is also contained in this handbook in Chapter 2. The OCIO will make its BPI Team available to all of HUD. This Team is prepared to assist the different HUD Offices and Program Areas by performing BPI analysis and recommending specific changes to current processes that incorporate enterprise wide IT standards. These two invaluable resources, HUD's standard approach to BPI and the OCIO's BPI Team, will generate consistency in HUD's BPI efforts. The perspective of the OCIO, removed from a specific Program Area,

will also encourage cross-cutting reform as opposed to cylindrical band-aids for process problems.

1-5 BPI EXTERNAL TO THE OCIO

- A. Process improvement, to streamline organizations and improve customer service, is always encouraged at HUD. Various efforts have historically taken place in Program Area Offices as well as in the field, and the OCIO aims to centralize knowledge of all Information Systems BPI efforts. Toward this end, the OCIO anticipates that any organization undertaking BPI at HUD will notify the OCIO to facilitate knowledge sharing. Additionally, the OCIO will then be able to provide assistance, guidance, process expertise, and knowledge of enterprise wide IT standards to the BPI effort when necessary.
- B. Throughout the duration of all BPI efforts, the OCIO is responsible for monitoring to ensure compliance with HUD BPI policies.
- C. Finally, to further expand the centralized HUD BPI knowledge base, the OCIO will collect copies of all results from any BPI at HUD. Knowledge of these efforts will enable the OCIO to determine the agency-wide effectiveness of BPI as a tool for reform, as well as increase the collection of BPI “Best Practices” and “Lessons Learned.”

1-6 BPI PROCEDURES AND STANDARDS

- A. Any Information Systems BPI effort undertaken at the Department of Housing and Urban Development must adhere to the six policy statements listed below:

Standard Approach. Use the standard approach to BPI developed by the OCIO in its BPI Approach Document, or another standardized methodology based on industry best practices. This condition will ensure that each BPI project conducted at HUD is performed thoroughly, with the latest advances in business and technology, and is easily understood by other HUD offices and stakeholders to the process. The accepted standard and industry best practices will also provide justification for why the recommendations of the BPI effort should be implemented.

Stakeholders. Include stakeholders in the evaluation of current processes and development of future processes. Without

participation by these individuals and groups, the BPI project will be unable to capture the most accurate information surrounding the process that is to be improved. The project will also be unable to include all of the qualifiers necessary for the newly improved process to be a success.

High-Level Commitment. Establish appropriate high-level commitment to the project. Executive level support of each BPI project will assist in imposing BPI on entities within the process that may otherwise be resistant to change. Support from the executive level will also assist when the BPI project pursues funding for the implementation of recommended solutions. By bringing these individuals on board, the project will demonstrate a definite need for the effort and will highlight the benefits the project brings.

Reporting Structure. Create a reporting structure for the project including the OCIO to ensure project oversight. This reporting structure will ensure that the BPI project remains accountable for its efforts. It will maintain the interest and support of the executives and the OCIO as they will remain informed and aware of the ongoing effort.

Performance Measures. Analyze existing performance measures, including, but not limited to those in the HUD Business Operating Plan (BOP) for the process being improved, and create new measures for the revised process. Performance measurement is central to effective management. Performance measures are, in essence, the “vital signs” of the organization’s productivity. They provide management with the ability to assess whether their organization is meeting its goals and provide a means to engage in continuous improvement.

Cost/Benefit Analysis. Complete a rigorous cost/benefit analysis that clearly demonstrates how a thorough BPI project will result in dramatic improvements in productivity. The bottom line of the cost/benefit analysis is the most powerful ammunition available to any BPI effort. As long as the effort can demonstrate how it will save HUD’s finances or time, it should find support throughout the Department.

- B. Adherence to the six procedures listed above will validate that HUD’s Information Systems BPI Initiative is comprehensive,

thorough, and beneficial to all of HUD. It will render each BPI project more easily accepted and understood.

- C. In addition to the above procedures, the OCIO will also consider a project's compliance with the following standards when monitoring an Information Systems BPI effort:

Make available all resources necessary to effectively evaluate existing processes and develop process improvements.

Demonstrate how the BPI project has the potential to deliver dramatic improvements in productivity.

Develop a clear definition of the scope of the BPI project.

Identify a Process Owner who has ultimate responsibility for carrying out the BPI effort.

Move toward processes that cut through organizational (Program Area) boundaries when appropriate.

Create a more results oriented process.

At projects conclusion, ensure that knowledge is transferred to appropriate individuals, providing training where necessary.

Provide orientation and training for the BPI effort itself.

Utilize latest advances in technology to support improved processes.

Remove antiquated technology, wasteful activities, and redundancy in roles. Emphasize value adding activities and reduce non-value adding activities.

Commit to the implementation of BPI's recommended solutions.

Document results of BPI effort and provide to OCIO.

Develop a recommended solution that satisfies all legislative, regulatory, and business requirements.

Communicate early and often with all process stakeholders, organization executives, and the OCIO.

- D. These procedures and standards will arm the organization engaging in an Information Systems BPI project with the tools necessary to be successful in their efforts.

1-7 CONCLUSION

- A. Adherence to the policies outlined in this document will help ensure greater success in Information Systems BPI efforts at HUD. In addition to having an active role in selected BPI efforts, the OCIO will monitor all of HUD's BPI efforts. This monitoring will thereby provide HUD with a single point of contact for all BPI efforts. The OCIO will be contacted by each organization that begins a BPI effort and will be sent the results of that BPI effort.
- B. This policy is a living document, and will be revised to reflect industry and government best practice.

