

United States Office of Personnel Management



Human Resources Line of Business

**Lessons Learned from e-Payroll
Migrations**

February 2010

a New Day for Federal Service

Background

The e-Payroll initiative was launched in 2002 as part of the President's Management Agenda. The e-Payroll effort has transformed the current Federal payroll service delivery environment by the consolidation of 26 Federal payroll providers to the four current e-Payroll providers. This new environment supports the achievement of the current administration's five management agenda initiatives:

- Strategic management of human capital
- Competitive sourcing
- Improved financial management
- Expanded electronic Government
- Budget and performance integration

The consolidation of payroll functions allows the Federal government to standardize payroll data across agencies and improve the link between performance and budgets thus improving financial management by providing both program managers and finance officers with information needed to make well-informed decisions.

Four Providers were selected to continue providing payroll services to the Federal Government. These Providers consolidated the payroll operations of the non-continuing agencies, absorbing their processing into existing systems. The four e-Payroll Providers are:

- The Department of Defense's Defense Finance and Accounting Service
- The General Services Administration's National Payroll Branch
- The Department of Agriculture's National Finance Center
- The Department of the Interior's National Business Center

Introduction

This report provides a summary of all lessons learned information from the e-Payroll Providers and their customer agencies.

During the post-implementation period, each Provider met with representatives from their customer agencies to gather assessments across several broad categories. The categories used in the assessment included: project management, training, testing, communication, and design/development/data management. Information obtained during this process was used by the Providers and OPM to better plan and manage future migrations.

This report reflects feedback from all e-Payroll Providers and customer agencies that have migrated since the beginning of the e-Payroll Initiative. In addition to the lessons learned reported in December 2007, this report was updated to include lessons learned from the Department of Veterans Affairs migration to the Defense Finance and Accounting Service.

Summary:

The report contains examples of areas that work well as well as areas that need improvement; management, training, scheduling, logistics, technical, testing, communication and design/development/data management. Each category presents feedback with the suggested resolution and the lesson learned. After reviewing the feedback with the customer's verification, the lessons learned did improve processes, communication lines and clarified documentation where specified. Some of the initial resolutions such as; involving upper management earlier on in the project, more face-to-face meetings, and realistic deadlines were instituted immediately as well as participation of the customer. Each provided many opportunities for both Providers and Customers to learn. The resolutions will improve the timelines and accuracy of most processes within the migration process.

CATEGORY	FEEDBACK	SUGGESTED RESOLUTION	LESSON LEARNED
MANAGEMENT	<p>Participants need to be involved in the early stages of the project. Senior management rather than second-level management participants need to be informed of the requirements gathering workshops, etc.</p> <p>Identify key team members upfront for each key stage of the project. Attempt to maintain the same personnel for continuity of the project and building a strong team.</p>	<p>Include high/midlevel managers and line personnel (both technical and SME) from the customer and provider to facilitate participation early on, ensure buy-in and participation in all levels, and promote a widespread understanding of the project.</p> <p>Continuity of personnel throughout the project would allow for great team building, effective problem resolution and accomplishment of goals more efficiently and faster.</p> <p>Recommend that a team be established to work from start to finish of the project if possible with team leads being designated on both the customer and provider side for the entirety of the project.</p>	Get the right people involved early.
MANAGEMENT	Agency needs to have a full understanding of the migration processes.	Providers need to provide more face-to-face meetings and an in-depth explanation of all the processes that will be included within the migration process.	Get the right message to the right people early.
MANAGEMENT	An earlier understanding of each other's systems and processes would have been beneficial and saved effort later.	Providers and customers should spend time early in the migration process to become knowledgeable of each others systems.	Communicate the goals and process clearly.
MANAGEMENT	Agencies need to know their closeout roles and responsibilities early on in the migration process in order to assure that tasks are planned and scheduled.	Providers should articulate closeout roles and responsibilities early in the migration process. OPM should make these a part of entrance sessions.	OPM should have documented provider's closeout procedures before migrations began and assured that they were a part of each entrance session.

CATEGORY	FEEDBACK	SUGGESTED RESOLUTION	LESSON LEARNED
MANAGEMENT	Better project plans need to be developed.	Project plan development needs to be comprehensive, understandable, flexible, and easily managed. Projecting tasks and dates prior to fully understanding the customer's needs, resources, and operations is difficult at best and requires a plan that is flexible, frequently reviewed for changing needs, and is closely managed by the customer and project personnel.	Develop flexible project plans that take into account specific customer needs. Develop an integrated project plan that is coordinated with the provider and customer to ensure that tasks and accountability are identified and understood.
MANAGEMENT	Do not implement agencies into multiple systems at more than one Provider.	Project plan must allow for the agencies to implement one system at a time. Allow for multiple testing.	Multiple systems implementation is difficult. Better project planning is needed to decrease risks.
MANAGEMENT	Lessons Learned Report is not provided to implementing agencies.	Lessons Learned Report should be provided to implementing agencies.	Provide Lessons Learned Report to the payroll providers for distribution to migrating agencies.
MANAGEMENT	A consolidated list of actions items to be performed by the Provider and migrating agency is not provided to implementing agencies.	The consolidated list of action items should be provided to the implementing agencies.	Provide consolidated list of action items to implementing agencies.
MANAGEMENT	Payroll providers should develop a robust Memorandum of Understanding (MOU) which documents the goals, timeframes, resources and responsibilities of all players.	Leadership at all levels must buy into this MOU from the beginning. The MOU must be endorsed and signed by senior management at the customer agency and provider agency.	Develop a more detailed MOU and assure buy in from senior management.
MANAGEMENT	Significant system programming can delay migration if not properly addressed early on.	Requirements need to be examined in detail by subject matter experts early in the process to better understand the process.	Subject matter experts should be involved at the beginning of the project.
MANAGEMENT	Buy-in from internal organizations is essential to avoid extra effort to resolve issues before going live.	Establish collaboration and partnership with internal organizations.	Get buy-in from internal organizations at the beginning of the project.
MANAGEMENT	Delays in policy decisions result in creation of multiple workarounds.	Collaboration and partnership with internal organizations can prevent delayed policy decisions.	Inform policy group of processes early in the project so that decisions are not delayed.

CATEGORY	FEEDBACK	SUGGESTED RESOLUTION	LESSON LEARNED
TRAINING	Training should not start until all system changes have been completed.	Requirements and programming should be completed before training is started.	Set up flexible training schedule that allows for training when it most matters.
TRAINING	Functional and policy personnel need to be at the training sessions to discuss changes resulting from different interpretations of standard policy issues.	Recommend functional and policy personnel attend training sessions.	Make sure that the procedures support the intended function.
TRAINING	Same personnel were trained on two new systems simultaneously (T&A and payroll).	Try to avoid two new systems simultaneously being installed.	Stagger different system implementations, where possible, so that clients have time to come up to speed.
TRAINING	Training should be tailored to agency and not generic.	Tailor training materials for each agency.	Get the right message to the right people.
TRAINING	Timing should be just in time.	Review training in conjunction with parallel and actual system conversions to ensure the training is timely.	Set up flexible training schedule that allows for training when it most matters.
TRAINING	On-line help needs to be enhanced to meet customer need and ease of use for user.	Enhance help screens and update with more defined content. Value user feedback.	Make sure that "help" actually assists the user.
TRAINING	Management buy-in to training concepts and methods.	Present training plan to Management prior to presenting to staff.	Get management buy-in early.
TRAINING	Training classes do not have subject matter experts available to address questions.	Training classes should include both a provider instructor and a customer subject matter specialist to ensure questions are answered immediately and correctly.	Have knowledgeable resources available to help with training.
TRAINING	Training class questions should be answered in class.	Trainers should be able to address "real" questions as opposed to canned practice sets.	Have knowledgeable resources available to help with training.
TRAINING	Migrating agency staff did not engage in training activities early enough.	Make early decisions on staff responsibilities and initiate training at the appropriate time. Schedule follow-up training as necessary.	Plan to train staff at the appropriate time in the project.
TRAINING	Customer Service Representative training is not easily understood	Provide training package with better organization	Develop training package to be easily understood

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TRAINING	Customer employees had many business practice questions and concerns during training in regards to their jobs and functions.	Business processes should be analyzed early in the migration to identify needed changes. Changes should be communicated to stakeholders to coincide with training.	Better communicate change management during migration.
SCHEDULING	The recruiting and staffing of the project with correct project management skills and other required experience was hindered by the project schedule and the short lead-time to begin the migrations. Subsequently, the lack of these skills led to an increase in staff turn over. New hires had a sharp learning curve at the inception of the project that resulted in some early problems in getting the project on-track.	Providers and customers need to adjust migration dates.	Develop meaningful schedules and timelines.
LOG ISTICS	Conducting demonstrations and meetings at the Customer's site allowed for maximum client participation and proved to be highly beneficial.	Use both client and provider sites for meetings.	Be flexible and considerate when setting up meetings.
COMMUNICATION	Define roles and responsibilities before moving too far into the schedule. Ensure that meetings are scheduled and held on a regular basis.	Early definition of roles and responsibilities and lines of communication proved valuable and facilitated communication and problem resolution throughout the regularly scheduled meetings. Weekly conference calls and bi-weekly reviews of the project plan would prove highly beneficial to keep the project on track.	Maintain frequent communication.
COMMUNICATION	Provide customers with system documentation and demos early on.	Improve the presentation of the system and ensure documents and demos are presented at the first group meetings.	Provide client with good documentation and demonstrate system capabilities early in the process.

CATEGORY	FEEDBACK	SUGGESTED RESOLUTION	LESSON LEARNED
COMMUNICATION	Use clear presentation materials.	Improve upon/include graphical presentations including the use of flow charts. These items need to be up-to-date and well documented and organized to ensure the customer can retrieve answers easily and fast as a first line of information.	Use good documentation and appropriate graphical aids when communicating with the client.
COMMUNICATION	The project plans need to be more detailed and explained and presented to the customer in the beginning of the process.	Revise the current project plan process for migrations. Insure all users understand the role and tasks included in the plan.	Communicate the approach clearly.
COMMUNICATION	Provide written documentation of close down procedures.	The involvement and communication of personnel within and between the customer and providers organizations, allowed for a seamless transition in closing down one system and converting to the new system	Communicate the close-down process early.
COMMUNICATION	Customer agency funds were erroneously charged twice for OPM benefits (once from the losing payroll office and again from the new Provider).	OPM must better coordinate with their financial operations group, upon notification of change in payroll providers.	Better communication to prevent erroneous charges to customer agency's funds.
COMMUNICATION	Provider did not ask for negotiated Union agreement before conversion, therefore documents were not in place upon conversion.	Provider will request copies of all negotiated contracts prior to conversion.	Better communication early in the project.
COMMUNICATION	Migrating agency had an unidentified backlog of unprocessed work. .	The provider should communicate with losing payroll office to determine the volume of unprocessed data.	Provider should assist losing payroll office with backlog of unprocessed data.
COMMUNICATION	Customer Service Representatives access to on line reports and did not request/receive access until after conversion.	Ensure proper access is provided to employees as needed.	Customer and provider need to better communicate to ensure on line access to grant to employees in a timely manner.
COMMUNICATION	More analysis is needed to change current customer policies and procedures.	Ensure all notifications are done in a timely manner so policy documentation can be approved and published.	Customer and provider communicate the affects of adopting policies and procedures to ensure proper documentation.

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COMMUNICATION	Customer receives slow response time for customer service to add new timekeepers and update profiles for existing timekeepers.	Bi-weekly conference calls established between customer and provider to discuss current issues.	Maintain continual communication between customer and provider.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Requirements definition, gap analysis, and data element crosswalk should be explained to all team members.	More time to fully understand the customer's system, data needs, and overall requirements to facilitate the gap analysis and requirements definition. Can't always retro-fit requirements. More time would have better ensured that such items as the comp time load sequence and TSP eligibility date conversion would have been accurate.	Take time to understand the client's needs early.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Customer needs to have a better understanding of the data conversion process.	Communicate the data conversion process clearly to the customer. Describe the data formats that will be required and the edits that will be performed on the data.	Set the data conversion expectations well before the first file is sent.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Little coordination of data exchanges between Provider and Customer.	Providers/customers need to collaboratively develop, and improve upon a scheduling and tracking system for receipt of customer/provider data.	Work within the customer's framework of resources and capabilities.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Poor coordination of data file request by provider.	Collaboratively develop a process and schedule for receiving customer data early in the project that minimizes data content/handling problems.	Work within the customer's framework of resources and capabilities.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Inadequate systems used to track and monitor conversion and reconciliation program problems.	Provider needs to improve upon its scheduling/tracking system for managing the conversion and reconciliation of program development/changes.	Have a clear plan for handling configuration management, communication protocols, and requirements definition issues.

CATEGORY	FEEDBACK	SUGGESTED RESOLUTION	LESSON LEARNED
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Production Control: Track, schedule & monitor file transmissions from customer to providers, converted file status, availability of test data bases, and testing results.	Providers need to develop and improve upon a scheduling and tracking system for production control.	Have a clear plan for handling configuration management, communication protocols, and requirements definition issues.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Differences in Senior Management (SES, etc) pay identified during parallel tests should be used as early notification to senior managers.	Advise POC to notify Senior Manager of differences in pay.	Keep client informed of possible impacts caused by varying interpretations of existing policy and procedures.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Discrepancies with bond balances not identified before conversion.	Verify that bond balances are not greater than purchase price.	Query will be processed for future conversions to identify discrepancies.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Customer required additional data elements on disbursing reports.	Ensure all necessary data for payroll reports are identified to disbursing during planning/testing phase.	Communicate additional data requirements early in the process.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Agency/Major claimant on TSP file was in question.	Ensure sub-agency code in provider record is what is being reported to TSP.	Provider and customer ensure TSP data is correct.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Customer had to create their own scripts for connectivity.	Allow code sharing from previously converted agencies.	Contact OPM for policy and procedures.
DESIGN, DEVELOPMENT, DATA MANAGEMENT	Incorrect coding of customer's TSP percentage in the HR system resulted in employees receiving no net pay.	Customer must run quality control reports to detect improper coding of TSP in the HR system.	Run weekly quality control reports in the HR system to detect and correct improper TSP coding.
TECHNICAL	The range and scope of interfaces required by the Provider was not fully understood by customer.	Provide in-depth discussions on purpose and use of all interfaces. Use walkthroughs, clear instructions, and documentation on the interfaces for the user.	Provide cogent, timely, documentation on available interfaces to assist client in resource scheduling and planning.
TECHNICAL	State up front specifications for maximum operating efficiency to technical personnel at beginning of project for planning purposes.	Clearly state equipment specifications up front to the new agency technical personnel.	Communicate hardware specifications early in the process.
TECHNICAL	Implementing agency doesn't appoint Security Officer to provide continuity of security function.	Implementing agency should appoint an alternate Security Officer to provide security function.	Security staff should be part of the project team to ensure security concerns are addressed early in the process.
TECHNICAL	Connectivity to the Provider system was not in place at appropriate time to send/receive files.	Customer and provider need to ensure that transfer protocol is in place.	Ensure connectivity to Provider system is in place early in the project.

CATEGORY	FEEDBACK	SUGGESTED RESOLUTION	LESSON LEARNED
TESTING	Explain the test plan methodology and process.	Improve process for developing test plans with the customer. Provide copy of the test plan to the customer as soon as possible.	Communicate the testing strategy early.
TESTING	Keep the customer involved in the testing process.	Plan for the possibility of a high level of customer involvement in system testing and adjust the project plan duration to allow for such event.	Plan to have the customers involved in testing.
TESTING	Testing not provided at customer's testing site.	Testing at the customer's testing site is highly effective. Having the customer at the providers site during simulated parallels would provide a means to quickly react to conversion changes and management decisions	Plan to have the customers involved in testing. Allow customers to participate in testing at the Providers site.
TESTING	Ensure computer resources are available.	Perform a review of computer resource requirements prior to customer testing and training to ensure response time is acceptable.	Make sure that sufficient resources are in place to complete testing.
TESTING	Parallel/Implementation planning and execution	Develop and confirm with the customer the plan for parallel testing. Provide a detailed project plan.	Communicate the testing strategy early.
TESTING	The reconciliation process is too routine and cumbersome to handle manually.	Automated reconciliation processes provided quick results for testing and management reports.	Use technology to automate repetitious tasks such as reconciliation.
TESTING	Test environments were sized inadequately and hampered testing.	Ensure test environments closely mimic the production system.	Test environments need to be tested early in the project lifecycle.
TESTING	Due to security controls, connectivity to Provider e-mail address should be tested.	Test connectivity early as feasible.	Test connectivity early in the project.
TESTING	Provider was brought in late to assist with pay compares.	Allow early participation in pay compare process.	Provider needs to assist customer in the beginning of testing.
TESTING	Customer and provider modified project schedule and technical requirements many times at the last minute.	Hold to a documented project plan and testing schedule so resources can be scheduled and procedures properly followed.	Utilize a more formal change control process.

CATEGORY	FEEDBACK	SUGGESTED RESOLUTION	LESSON LEARNED
TESTING	Uncoordinated changes to the conversion programs being sent.	All changes made should be coordinated between customer and provider as well as the level of testing that will be required.	An advance 120 day notice will be provided to customer from provider.
TESTING	Confusion occurred while testing in the conversion data base and IV &V database simultaneously. Testing schedule was continuously modified.	Better coordination with schedules between testing environments. Make sure schedules are set and followed.	Have testing occur after programming.
TESTING	Testing in multiple environments (IV & V, Test and Production simultaneously required data to be entered multiple times).	If possible, create file that can be scripted into each testing environment to input data once.	File that can be scripted into each testing will be created.
TESTING	Testing involving additional coordination between multiple groups between phases of the project was not efficient.	Test environment should be maintained for ongoing correction and testing issues in between projects.	Maintained test environment until all phases of the project is completed.