



About Chevo

CHEVO CONSULTING, LLC, is a Woman Owned Small Business (WOSB) that helps change and evolve federal agencies and Information Technology (IT) programs through practical implementation of unbiased advice. We are trusted advisors and practitioners in strategic, portfolio, and program/project management.

Learn how **Chevo** can help your federal agency or IT program *change and evolve* at moreinfo@chevoconsulting.com.



The Challenge

Shrinking IT spending, rapid technology changes, increasing oversight, and expanding mission requirements are driving IT Program and Project Managers to improve the managing and tracking of their investment budgets.

Are you prepared?

TIPS & TRICKS FOR MANAGING FEDERAL IT BUDGETS

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Chevo's Tips & Tricks

Over the past 10 years we have developed and leveraged the following "Tips & Tricks" to improve budget and financial management practices for federal clients.

CONDUCT ADVANCED PLANNING

The more information gathered up-front, the easier it is to manage and control the investment throughout its investment lifecycle. Agencies rarely perform the basics practiced in private sector investing:

- Create a complete definition of the solution
- Perform proper due diligence and research to assess viability of a solution concept
- Utilize market research and acquisition strategies to obtain definitive or "should cost estimates" from the industry
- Develop a clear understanding of investment costs and benefits to the Agency
- Establish one set of "books" and reports.

PERFORM DETAILED COST ESTIMATES

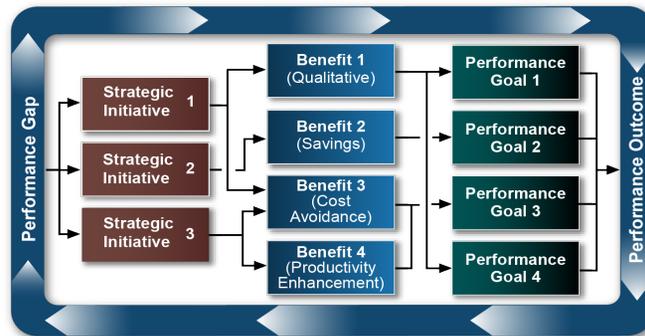
Cost realism and "should-cost" estimates are keys to ensuring your budget is defensible. Thorough understanding of your expected costs helps you make decisions and adjustments when facing dramatic budget cuts. We advise our clients to perform detailed cost estimates to substantiate their budgets that are:

- Fact-based and defensible by representing the lowest level of granularity feasible, including contractor and federal costs for each capability to be delivered by the project

- Assumption-driven to address all strategic, financial, and technical constraints, risks, and issues with risk-adjusted costing for areas of weakness and uncertainty
- Comprehensive by using a "soup-to-nuts" approach that links cost estimates, alternative analyses, baseline management, and OMB reporting within one financial model
- Flexible and scalable to enable additions, modifications, or deletions of values in real-time and with fast, results-oriented reporting.

ALIGN BUDGET, BENEFIT, AND PERFORMANCE

Many clients manage investment benefits and performance outside the budget.



Moreover, budget, benefit, and performance may be managed by different divisions or constituencies. We ensure that both the business and IT professionals are in the initial planning sessions and collaborating throughout the investment lifecycle to:

- Create a common understanding of the "performance gap," "capability," "benefit," and "performance goal" concepts

- Vet the capabilities with all stakeholders to obtain consensus on investment value
- Assign costs/budget to capabilities to demonstrate the loss of functionality or performance if certain capabilities are not funded
- Formulate benefits and performance goals with business buy-in and support.

MAINTAIN PORTFOLIO ALIGNMENT

Agencies should establish investment principles and a core set of data by which they consistently perform investment valuation, ranking, and prioritization to:

- Ensure all investment data is reported in the same manner or from a consistent perspective
- Create strategies to consolidate investments into programs or larger IT initiatives to leverage available funds and economies of scale
- Generate a strategy to address common or domain-wide capabilities to obtain a higher return on investment
- Develop initiatives to elavate performance gaps and demonstrate to Congress the existence of mission critical needs.

